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Advertising Age

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GM seeking foreign luxury car line

By JESSE SNYDER

DETROIT—General Motors Corp. is shopping for a European luxury auto maker to become GM's seventh domestic car division and plug a marketing gap that Buick and Cadillac haven't filled.

"We have looked at a number of companies in Europe," said Robert Stempel, vp-group executive of GM's Buick-Oldsmobile-Cadillac group.

Bayerische Motoren Werke AG, Munich, is high on the list. Its chairman, Eberhard von Kuenheim, visited GM last spring. BMW confirmed it has had talks with GM, as well as with Chrysler and Ford, but has shown little interest in being acquired. Company stock is publicly traded but 60% controlled by the German Quandt family.

With expected U.S. sales of 80,000 units this year, BMW is firmly entrenched in the "functional luxury" segment that GM covets. Segment leader Volvo is expected to be just above 100,000 units this year. "Luxury" segment leader Cadillac is expected to finish the year with more than 300,000 unit sales.

Mr. Stempel said GM is talking with more than one European company. Separately, GM is negotiating with a robot-making subsidiary of Italy's Fiat.

GM's last major acquisitions in Europe were made in the 1920s: Vauxhall Motors Ltd., Luton, England, in 1925 and Adam Opel AG, Russelsheim, West Germany, in 1929. Those companies have become the backbone of GM's European operations.

With $7.8 billion in cash at the end of the third quarter, GM is increasingly willing to consider acquisition of an import name-brand product to gain an expensive, sporty car, although buying an auto maker is only one option for GM. Other possibilities include joint ventures or supplier agreements

(Continued on Page 96)

SAG union fears kiss of AIDS

LOS ANGELES—The pall of fear that AIDS has spread over the acting community touched tv commercial production last week in the form of a new demand from the Screen Actors Guild.

The actors' union said it will require that actors, including those in commercials, be given advance notice if "open-mouth kissing" is required.

The step follows earlier disclosures that actor Rock Hudson suffered from AIDS, or acquired immune deficiency syndrome, while playing a romantic lead in ABC's

(Continued on Page 96)

A globe-trotting beer

Miller Brewing positions Lowenbrau as the only beer "brewed around the world in the great beer drinking countries" in the new "This world calls for Lowenbrau" campaign from J. Walter Thompson USA, Chicago. (See story on Page 3.)

Stone & Adler, Chapman merge

By PAUL L. EDWARDS

NEW YORK—The Young & Rubicam Direct Marketing Group is merging Chapman Direct Marketing with Stone & Adler's office here.

Although it is Stone & Adler's New York office that is being closed, the move effectively eliminates Chapman as one of the three direct-marketing agencies that comprised the DMG.

Arthur Klein, president of the group, said the merger creates the seed for a second Y&R direct-marketing network that would complement its Wunderman, Ricotta & Kline network.

The new office will be formally known as Chapman/Stone & Adler. Chapman president William Sutherland will keep that title and add the title of chairman of the executive committee of Stone & Adler. He will report to Stone & Adler chairman-ceo Richard Colligan.

Stone & Adler—headquartered in Chicago and with additional offices remaining in Toronto—is expected to report from $70 million to $75 million in billings this year, while Chapman may reach $50 million.

The combined billings won't alter Stone & Adler's No. 3 position

(Continued on Page 98)

Last Minute News

Warwick layoffs in wake of Seagram loss

NEW YORK—Warwick Advertising, after the recent loss of its long-held Seagram account (AA, Oct. 21), has laid off more than 30 employes. Seagram was one of the agency's two largest accounts.

Cherry cola showdown hits Canada

WINNIPEG, MAN.—PepsiCo, Purchase, N.Y., choosing Canada for a cherry cola showdown with Atlanta-based Coca-Cola Co., last week began testing Cherry Pepsi here and in Vancouver through Pepsi-Cola Canada Ltd. Cherry Pepsi ads from J. Walter Thompson Co., Toronto, are set to break this month. The ads are themed "Grab a taste of the good life." Cherry Pepsi appeared on store shelves 48 hours before the Oct. 28 launch of Cherry Coke in Canada.

Fab spins national with $25M campaign

NEW YORK—Colgate-Palmolive Co. will spend an estimated $25 million on its national rollout of Fab liquid laundry detergent with fabric softener, starting this month (AA, Sept. 23). Also, the company is going national with its reformulated Dynamo 2 liquid detergent. Foote, Cone & Belding, New York, handles both products.

Polaroid names 4 to vie for 7000 account

CAMBRIDGE, MASS.—Polaroid Corp. has invited four New York agencies to pitch its 7000 photographic system account, due out early next year. The account could be worth as much as $40 million (see related item on Page 8). The winning agency also may take over Polaroid's estimated $30 million consumer photographic campaign. All four invited agencies have been

(Continued on Page 8)

Crisis of confidence

Ghost of Christmas past haunts sellers

An Advertising Age roundup

Oshman's Sporting Goods has set its bait for Christmas. The southwestern retailer is deferring payments—interest free—on all consumer purchases made before Dec. 24.

RETAIL FORECAST

This is the first in a series.

Oshman's isn't the only retailer taking out insurance on Christmas. Many retailers are predicting decent Christmas sales and have kept inventories tightly controlled as a hedge to improve earnings. But, erratic sales during the last several months and seven fewer shopping days between Thanksgiving and Christmas than last year are keeping them guessing.

"Sales have been unpredictable," said Robert Benham, president, Halls department stores, Kansas City. "You get two good months, then a bad one. September was tough, maybe because financing deals on cars cut into other sales. Then October was solid, giving us three good months out of four. But we're still apprehensive because every time we get a good head of steam we soften up."

Indebtedness is lower in Denver than in other major markets, according to the Colorado Retail Council. Even so, the city's retailers say shopping trends there are ill-defined. "One week's up and one week's down," said Randy Barberis, vp-marketing, May D&F stores.

This fall's stop-and-go sales are prompting stores once again to try a little harder to reach the consumer. Retailers, if they can help it, are loathe to repeat last year's spiraling rounds of spontaneous price cutting and insist they will try to stick to planned price pro-

(Continued on Page 92)

Will high-tech teddy bears (above) and $65 basketball shoes pay off for marketers betting on Christmas sales? AA picks ten products poised for yuletide success. Page 74.

Off-price merchants dress up for Christmas, but it may not be enough. Page 90.

NEWSPAPER

AA
DC2001#CONGLI FMJF M
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

HIGHLIGHTS

GM eyes brands across the water 1

General Motors Corp. is shopping for a European luxury auto maker to become GM's seventh domestic car division and plug a marketing gap that Buick and Cadillac haven't filled.

ıutious Christmas outlook 1

Many retailers are predicting decent Christmas sales and have kept inventories tightly controlled as a hedge to improve earnings, according to an Advertising Age roundup. But erratic sales and seve . fewer shopping days between Thanksgiving and Christmas are keeping them guessing.

Nike slipping away from Chiat? 3

Nike Inc.'s move away from mass marketing toward specialized product lines is cutting drastically into its billings at Chiat/Day. Amid rumors that Chiat will lose the account entirely to Wieden & Kennedy, Nike insists it still has two agencies. The athletic apparel company admits that Chiat's portion of Nike's $20 million budget has diminished, but maintains it has shifted some specialty products Chiat's way.

Newspaper winners and losers 3

Readers in Detroit were down on newspapers this year, while circulation results from other big-city dailies proved a mixed bag of gainers and losers, according to the Sept. 30 FAS-FAX report released last week by the Audit Bureau of Circulations. As the ABC prepared to host its 71st annual meeting in Chicago, circulation gains made earlier this year by some major dailies began showing signs of erosion.

Celebs come in all shapes 4

A sitcom star, an artist, an ex-pitcher, a dancing dog and a giggling actress-model last week demonstrated the power of celebrities in advertising at Great Impressions '85.

Bold stroke for Adidas 10

Adidas' "global" advertising campaign featuring international tennis star Ivan Lendl set against a surreal background is breaking this month in the U.S. and Europe. The $22 million campaign, which Young & Rubicam won in July, is an important one for West Germany's Adidas. The company has lost market share in the U.S. and elsewhere to competitors.

Madison Avenue freeze-out 14

Frozen-food sales are slumping, but don't expect a full-blown, multi-million-dollar industrywide advertising campaign. Instead, the American Frozen Food Institute, National Frozen Food Assn. and Frozen Vegetable Council plan to spend a total of $1 million on three separate public relations efforts next year.

Cashing in on chips 77

Frito-Lay has launched an all-out effort to expand the snack-food category, as well as its already dominant position. With a variety of new chips and new snack forms now in test markets, Frito-Lay also has accelerated its search for a new product that will match the success of O'Gradys, the extra-thick potato chip that chipped in sales of $200 million in its first year.

INTERNATIONAL

Playboy tries global buy 54

Playboy Enterprises is planning a new pan-European joint marketing test with six of its licensees early next year to capture part of the global advertising pie. This gives advertisers in one *Playboy* edition the option of advertising in other countries at a discount. Countries involved in the test are France, Germany, Greece, Italy, the Netherlands and Spain.

BBDO's South African blues 54

Venture/BBDO, the South African agency BBDO International left behind when it transferred an 80% interest two months ago, was fired by its biggest client, S.A. Motor Corp. and lost the $4.8 million Mazda/Mitsubishi account. At the same time, the agency lost managing director Ian Shepherd, who resigned without an explanation last month.

OTHER NEWS

Rax Restaurants, the 450-unit Columbus, O.-based chain, wrestling with ways to boost slumping sales, last week introduced its first new advertising in nearly a year. Page 4.

Tatham-Laird & Kudner's $12 million butter coup has enlarged its stature as a strong package-goods agency. But the new account—along with $10 million in Del Monte Corp. business won earlier—also has made TLK a more attractive takeover target. Page 12.

Benihana National Corp. this month will cut calories from the $325 million Oriental frozen-entree category with a $7.2 million introduction of Benihana Oriental Lites low-calorie entrees. Page 14.

Will success spoil *Country Living*? In just seven years, the magazine that covers antiques, cooking, crafts, real estate and other country pursuits has skyrocketed to a point at which parent Hearst Magazines calls it "the fastest growing major magazine" with 1 million or more circulation. Page 32.

With the traditional corporate market for its best-selling 1-2-3 software program apparently saturated, Lotus Development Corp. is courting small businesses in a new, multi-million-dollar print campaign. Page 38.

Four auto makers are extending 1986 warranties, hoping to head off Chrysler Corp.'s sales inroads and "gray market" European imports in an increasingly cutthroat industry. Page 40.

CAMPAIGNS BREAKING

The Idaho Potato Commission this week breaks a national tv and women's magazine campaign suggesting the state's russets are good "from the very first bite." The ads are scheduled to run through mid-December. D'Arcy Masius Benton & Bowles, San Francisco, handles (AA, Sept. 19).

COMING THURSDAY

Deep inside the management blockbuster "A Passion for Excellence," the reader finds a sentence that captures the essence of Tom Peters' technique: "Anecdotal evidence awaits us by the bucketful." Peters' first book, "In Search of Excellence," embellished the simple message: Stay close to your customers and treat employes like champions. "A Passion for Excellence," the sequel, has bucketsful of anecdotes that all say: Here's how managers are doing what we talked about in the previous book.

Special Report examines daily newspapers, shared mail companies and shoppers' battle for advertisers' business and consumers' attention. Their ammunition is the promise of exposure, whether keyed by Zip code or saturating the market.

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U.S. coin drive to spawn a $10M job

By JANET MEYERS

Washington—The U.S. Treasury this week is expected to recommend a full-blown marketing push for a proposed new gold coin and will be looking next spring for an agency to handle the estimated $10 million campaign.

If the gold-coin program is approved by the White House and Congress, it would target investors who last year spent about $400 million on Krugerrands before the White House's South African sanctions.

Marketing of the coin wouldn't begin until October, 1986, to avoid interfering with the Statue of Liberty coin campaign that will be in full swing next summer.

President Reagan banned im-

(Continued on Page 96)

MLB slides past 'Sport' on MVP

By ROBERT RAISSMAN

All the action at the World Series wasn't on the playing field.

Major League Baseball, which presented Kansas City Royals pitcher Bret Saberhagen with an official Most Valuable Player award sponsored by Chevrolet after the seventh and deciding game, stole the thunder of *Sport*, which presents its 31st annual unofficial MVP award to Mr. Saberhagen today—this one sponsored by Ford.

MLB waited until the fourth game of the Series to disclose an official MVP award even existed. The announcement came in a press release distributed in the press box at St. Louis' Busch

(Continued on Page 100)

West Coast news

Cooper sporting shades

Cooper Vision shortly will make its first foray into the $1 billion U.S. sunglasses market and has tapped its agency, Della Femina, Travisano & Partners, Los Angeles, to handle the December launch. The Menlo Park, Cal.-based contact-lens marketer has named the $140-a-pair distortion-free sunglasses line Revo, and believes its will appeal to sports enthusiasts keen on its technological sophistication. Cooper Vision will run an eight-page color insert, fea-

(Continued on Page 98)

Who's winning in newspaper wars

Audit Bureau of Circulations' FAS-FAX report for the six months ended Sept. 30 showed small gains for some papers and substantial losses for others when compared to figures from a year earlier. Below are figures in that report compiled from publishers' statements. *New York Post, Chicago Sun-Times* and *St. Louis Globe-Democrat* figures had not been filed by ABC's deadline, making some comparisons for those cities unavailable. [1]*Chicago Tribune* daily figures reported separately for Apr. 1-Aug. 18 and Aug. 19-Sept. 30 due to a change in publishing cycle. [2]Sunday figures for the *San Francisco Examiner and Chronicle* are combined. *Source: Audit Bureau of Circulations.*

Newspaper	Daily circulation 9/30/85	Change	Sunday circulation 9/30/85	Change
New York				
Daily News	1,353,156	+0.4	1,662,026	−3.5
Times	963,365	+3.0	1,572,498	+1.2
Chicago				
Tribune	762,842[1]	−1.7	1,138,731	None
	753,758[1]	−2.9	——	——
Los Angeles				
Herald Examiner	236,561	+1.4	206,109	−4.5
Times	1,054,123	+0.6	1,311,858	+1.0
Detroit				
Free Press	634,466	−2.0	754,615	−6.1
News	645,016	−1.7	837,821	−3.2
Boston				
Globe	509,464	−2.0	799,200	+0.8
Herald	355,253	+3.4	282,487	+0.6
San Francisco/Oakland				
Oakland Tribune	151,108	+2.0	155,020	+1.2
Chronicle	545,622	+1.8	706,345[2]	+1.0[2]
Examiner	142,314	−4.3	706,345[2]	+1.0[2]
Dallas				
News	377,843	+4.9	500,719	+10.1
Times Herald	231,224	−14.6	331,589	−11.2

Big-city papers' FAS-FAX gains show slippage

By GARY LEVIN

Readers in Detroit were down on newspapers this year, while circulation results from other big-city dailies proved a mixed bag of gainers and losers, according to the Sept. 30, 1985, FAS-FAX report released last week by the Audit Bureau of Circulations, Schaumburg, Ill.

As the ABC prepared to host its 71st annual meeting in Chicago *(see related story on Page 96)*, circulation gains made earlier this year by some major dailies (AA, May 6) began showing signs of erosion.

Although over-all readership was up in Los Angeles, both Detroit papers posted significant circulation declines.

In other competitive markets such as Boston, Dallas and San Francisco, gains by one daily apparently came mostly at the expense of its crosstown rival. Robert Maynard's *Oakland Tribune*, for example, for the first time in recent history overtook Hearst Corp.'s *San Francisco Examiner* in daily circulation.

A.H. Belo Corp.'s *Dallas Morning News* continued to widen its lead over Times Mirror Co.'s *Dallas Times Herald*.

Unreported figures for the *Chicago Sun-Times*, *New York Post* and *St. Louis Globe-Democrat* made readership comparisons for those cities unavailable. In most other cities, circulation appears to have increased, though not with the strength of previous margins.

Gannett Co.'s *USA Today* showed an average 0.7% increase to 1,170,559 copies for the six months ended Sept. 30, not including 182,338 bulk paid circulation. The national edition of Dow Jones & Co.'s *Wall Street Journal* dropped more than 50,000 copies—or 2.6%—to 1,908,913.

In New York, the *Times* posted a 3% daily circulation gain to 963,365 and a smaller Sunday gain of 1.2% to 1,572,498. Tribune Co.'s *Daily News* gained more than 6,000 copies to register a 0.4% increase to 1,353,156—still the nation's largest-circulation general daily—while its Sunday figures fell 3.5% to 1,662,026.

Every Los Angeles edition showed circulation gains both daily and Sunday, with the exception of Hearst's *Herald-Examiner*, which dropped 4.5% on Sunday to 206,109, despite daily gains of 1.4% to 236,561 in the same period. Times Mirror's flagship, the *Los Angeles Times*, gained 0.6% daily to register 1,054,123 and 1% on Sunday for a 1,311,858 total. Tribune Co.'s *Daily News*, concentrated in the San Fernando Valley, gained 4.4% daily, posting 150,403. Its Sunday circulation was 168,947, an increase of 3.9% from a year earlier.

Tribune Co., however, is expected to swap that paper for another in the wake of its $510 million purchase of KTLA-TV, Los Angeles.

That company's flagship *Chicago Tribune*, which shifted from an

(Continued on Page 99)

Nike's special lines slash Chiat's billings

By BRIAN LOWRY

Nike Inc.'s move away from mass marketing toward specialized product lines is cutting drastically into its billings at Chiat/Day, Los Angeles.

Amid rumors that Chiat would lose the account entirely to Wieden & Kennedy, Portland, Ore., Nike insists it still has two agencies. The Beaverton-based athletic apparel company admits that Chiat's portion of Nike's $20 million budget has diminished, but maintains it has shifted some specialty products Chiat's way.

After chalking up two losing quarters in early 1984 to declining sales of running shoes, Nike is channeling its efforts into gymnastics, baseball, triathlon, bowling and other specialty shoes and apparel, much of which has been considered Wieden & Kennedy's assignment.

The marketing department also has been reorganized, assigning personnel to specific brands, rather than categories such as shoes or sweat suits.

"We've really become several small companies under one banner," Nike said.

The result is an ad budget—already cut drastically from last year—focused on specialty magazines. For example, the company recently unveiled Gymnastics, a new shoe and apparel line endorsed by Olympian Mitch Gaylord.

Ads for the products ran in *International Gymnastics* and *USA Gymnastics*.

Nike admits network tv is impractical for a product with such limited appeal.

Consequently, Chiat's award-winning corporate network tv ads and expansive outdoor board exposure are going by the wayside, leaving the agency to thrash it out with Wieden for specific product assignments.

Wieden, frequently regarded as Nike's "other agency" because of Chiat's high-profile tv and outdoor campaigns, is getting the lion's share of specific product work.

Chiat, however, is still assigned to Air Jordan, the company's hot product of the moment. Chiat's Christmas-oriented tv campaign pitting Chicago Bulls guard Michael Jordan one-on-one against

(Continued on Page 99)

Miller, JWT take 'international' approach

It's a Lowenbrau world

By SCOTT HUME

It's too early to tell how consumers will react to Miller Brewing Co.'s latest positioning for Lowenbrau, now being trumpeted as an "international" rather than a domestic superpremium beer. But it's a safe bet that Anheuser-Busch, which last week announced plans to import Carlsberg, won't buy it.

The new Lowenbrau campaign from J. Walter Thompson USA, Chicago, broke Nov. 1 on network tv (AA, Oct. 31). In place of the "Tonight, let it be Lowenbrau" life-style, at-home positioning from previous agency Backer & Spielvogel, New York, the new creative carries the theme "This world calls for Lowenbrau."

It positions the brand as "the only beer brewed in the great beer-drinking countries." The new campaign also skews more heavily to on-premise scenes, where a sizable percentage of imported beer is consumed.

That "international" tack in some ways resembles the positioning that in November, 1977, led Anheuser-Busch to ask the Federal Trade Commission to investigate Milwaukee-based Miller and its then-agency McCann-Erickson, New York, for "alleged consumer deception" in its Lowenbrau advertising.

Miller in 1974 acquired exclusive import rights to Lowenbrau but since 1975 has been brewing it domestically and distributing it nationally since 1977.

A-B complained to the FTC that Lowenbrau ad copy—"When you want the taste of a truly great beer, there's really only one. Lowenbrau. Since 1383"—could "give consumers the impression that when they buy Lowenbrau they are buying the famous Munich beer."

The federal Bureau of Alcohol, Tobacco & Firearms ultimately issued an advisory telling consumers to read carefully the labels when buying Lowenbrau in order to know whether they were buying a domestic or imported beer.

Tamara Hauck, Lowenbrau brand manager at Miller, said both the brewer and JWT extensively researched executions for the new campaign to ensure it doesn't create consumer confusion over the beer's origins.

"These ads fully inform consumers, very nondefensively, that Lowenbrau is brewed here, because we think that it is one of its assets," Ms. Hauck said.

The voiceover in JWT's Lowenbrau tv spots says the beer is "Brewed in Munich, brewed in England, Sweden, Canada, Japan and here in America, for 600 years of Bavarian heritage in one smooth American beer."

New Lowenbrau print ads also explain the connec-

(Continued on Page 101)

Tv Week 6: Newcomers unwelcome

By JAMES P. FORKAN

NEW YORK—Despite the recent baseball-playoff disruptions and ABC's $30 million-plus "North & South" miniseries, which is about to throw viewing patterns awry again, agency and network tv officials feel that general viewing patterns have been set.

As the new fall prime time season began Week 6 last week, those patterns indicated: Lukewarm viewer interest in most series newcomers, including the much-publicized anthologies, and signs of vulnerability among some seemingly established action/adventure shows, movie packages and even among the highest-rated prime time soaps.

Comedy, a format that most tv

(Continued on Page 100)

World News Roundup

MADRID—Philips Iberica, the Dutch electronics giant, moved its estimated $6.2 million consumer electronics account to Bassat, Ogilvy & Mather from two local shops, Solana and Cusi Asociados.

LONDON—Apple Computer, via BBDO International, is introducing in the U.K. today a pan-European campaign for the Macintosh personal computer. The commercials might be used worldwide.

PARIS—The French government ruled that programing can be interrupted for commercial messages on the two new private tv stations being launched next year and on pay tv stations. The government-run tv networks will continue to cluster commercials around programs.

LISBON—R.J. Reynolds Portuguesa is launching a new cigaret brand, Valmont, in a joint effort with Portuguese state-owned tobacco company Tabaqueira Ep. McCann-Erickson/Hora is handling.

LONDON—Miller Brewing reportedly is negotiating with U.K. brewery Courage to launch one or more Miller brands in the U.K.

MELBOURNE—Paul Newman will become a spokesman in a retail campaign for Nissan here in 1986. George Patterson Pty. is handling.

SAO PAULO—McDonald's Corp. is introducing a version of the McD.L.T. hamburger, called McSalad Premium, in a tv, radio and outdoor

(Continued on Page 54)

DDB's global face-lift—P. 55

Newspaper Advertising MRCS/SAU Inches

August 1985 vs. August 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	89.769	28.875	98.589	27.408
Beacon Journal (S)	65.134	13.604	70.203	7.673
Grand Total	154.903	42.479	168.792	35.081

NOTE: Part run figures supplied by publisher to Media Records.

ATLANTA, GA

Constitution (M)	192.626	65.790	182.790	53.008
Journal (E)	182.120	60.561	179.546	54.246
Journal & Constitution (S)	123.988	61.731	121.604	56.636
Journal & Constitution (Sat)	47.531	——	34.690	——
Grand Total	546.265	188.082	518.630	163.890

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

News American (S)	38.642	10.546	35.779	1.518
News American (E)	35.766	4.078	48.403	6.924
Sun (M)	113.713	6.303	120.246	8.137
Sun (E)	88.921	6.303	98.037	8.101
Sun (S)	134.862	33.046	125.256	29.138
Grand Total	411.904	60.276	472.721	53.818

BERGEN COUNTY, NJ

Record (E)	154.799	25.222	158.756	24.406
Record (S)	124.962	28.561	126.880	19.504
Grand Total	279.761	53.783	285.636	43.910

NOTE: Record Evening published five days a week only.

BOSTON, MA

Herald (M)	49.715	1.326	43.715	——
Herald (S)	15.711	26.546	12.352	25.784
Globe (M)	128.452	9.564	134.623	10.034
Globe (S)	159.294	30.076	157.318	24.158
Grand Total	353.172	67.512	348.008	59.976

BUFFALO, NY

News (AD)	110.729	22.855	114.599	15.150
News (S)	48.078	31.023	40.389	18.813
Grand Total	158.807	53.878	154.988	33.963

CAMDEN, NJ

Courier Post (E)	111.799	17.927	110.169	22.555
Courier Post (S)	52.259	3.067	47.629	1.114
Grand Total	164.058	20.994	157.798	23.669

CHARLOTTE, NC

News (E)	74.145	——	74.993	——
Observer (M)	128.629	——	115.823	——
Observer (S)	62.389	——	63.833	——
Grand Total	265.163	——	254.649	——

NOTE: News Evening published five days a week only. Part run figures not available.

CHICAGO, IL

Sun-Times (M)	131.986	93.412	128.738	60.389
Sun-Times (S)	45.859	46.557	49.254	35.051
*Tribune (AD)	130.401	199.341	124.669	173.297
*Tribune (S)	108.318	80.385	113.922	80.646

NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 8/5-8/5 through 9/1/85.

CINCINNATI, OH

Enquirer (M)	156.883	9.632	161.626	16.563
Enquirer (S)	127.867	11.734	111.832	6.270
Post (E)	79.632	24.722	72.274	24.846
Grand Total	364.382	46.088	345.732	47.679

CLEVELAND, OH

Plain Dealer (M)	131.765	28.693	147.998	28.278
Plain Dealer (S)	104.879	6.424	99.338	8.576
Grand Total	236.644	35.117	247.336	36.854

DALLAS, TX

News (M)	324.194	10.837	325.934	18.300
News (S)	172.242	7.949	170.196	13.648
Times-Herald (AD)	276.189	18.862	295.702	23.183
Times-Herald (S)	129.545	6.194	130.446	24.971
Grand Total	902.170	43.842	922.278	80.102

DENVER, CO

Rocky Mt. News (M)	298.323	883	311.603	4.991
Rocky Mt. News (S)	90.866	2.857	85.002	1.447
Post (M)	189.404	2.573	201.322	13.480
Post (S)	112.678	1.659	119.134	1.780
Grand Total	691.271	7.972	717.061	21.698

DETROIT, MI

Free Press (M)	95.163	35.393	90.998	44.219
Free Press (S)	39.722	31.667	36.743	20.205
News (AD)	148.988	35.729	127.851	27.547
News (S)	81.452	24.687	81.921	15.224
Grand Total	365.325	127.476	337.513	107.195

FORT LAUDERDALE, FL

News & Sun Sentinel (S)	100.997	——	94.596	——
Sun Sentinel (M)	280.024	——	287.944	——
Grand Total	381.021	——	382.540	——

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

*FORT WAYNE, IN

Journal Gazette (M)	73.615	——	73.505	——
Journal Gazette (S)	60.826	——	54.055	——
News Sentinel (E)	80.387	——	85.437	——
Grand Total	214.828	——	212.997	——

NOTE: Part run figures not available.

FORT WORTH, TX

Star Telegram (M)	269.969	90.109	268.686	67.238
Star Telegram (E)	207.253	90.109	227.991	67.238
Star Telegram (S)	149.238	48.318	127.604	61.105
Grand Total	626.460	228.536	624.281	195.581

NOTE: Figures supplied by publisher to Media Records.

GREENWICH/STAMFORD, CT

Time (E)	76.752	——	83.483	——
Time (S)	56.726	——	46.273	——
Advocate (E)	101.448	1.994	107.042	1.890
Advocate (S)	59.062	——	51.682	——
Grand Total	293.988	1.994	288.480	1.890

HARTFORD, CT

Courant (M)	137.687	32.613	136.186	29.910
Courant (S)	72.283	129.305	86.754	89.441
Grand Total	209.970	161.918	222.940	119.351

HONOLULU, HI

Advertiser (M)	132.455	——	130.483	——
Star Bulletin (E)	123.087	——	125.749	——
Star Bulletin & Advertiser (S)	71.627	——	70.043	——
Grand Total	327.169	——	326.275	——

HOUSTON, TX

Chronicle (AD)	280.332	46.514	330.170	52.247
Chronicle (S)	119.325	39.012	134.649	33.420
Post (M)	177.819	43.391	205.851	47.786
Post (S)	64.786	32.169	71.538	24.569
Grand Total	642.262	161.086	742.208	158.022

LONG BEACH, CA

Press Telegram (M)	115.987	——	119.363	——
Press Telegram (S)	46.382	——	48.134	——
Grand Total	162.369	——	167.497	——

NOTE: Part run figures not available.

LONG ISLAND, NY

Newsday (E)	186.344	48.508	172.971	45.743
Newsday (S)	94.755	70.064	83.959	62.471
Grand Total	281.099	118.572	256.930	108.214

LOS ANGELES, CA

Times (M)	308.952	309.790	321.201	251.454
Times (S)	156.415	94.336	153.046	82.218
Herald Examiner (M)	75.578	12.711	56.973	16.637
Herald Examiner (S)	12.179	5.492	13.281	2.960
Grand Total	553.124	422.329	546.501	353.269

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	219.527	35.313	195.246	28.160
News (S)	84.231	2.841	74.535	2.928
Grand Total	303.758	38.154	269.781	31.088

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	212.264	——	200.580	——
Grand Total	212.264	——	200.580	——

NOTE: Figures supplied by publisher to Media Records.

*LOUISVILLE, KY

Courier Journal (M)	102.564	57.051	102.309	52.636
Courier Journal (S)	63.721	68.639	60.446	63.917
Times (E)	101.939	61.816	103.223	72.224
Grand Total	268.224	187.506	265.978	188.777

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	157.688	——	190.172	——
Herald (S)	86.554	——	87.012	——
News (E)	58.484	——	67.471	——
Grand Total	302.726	——	345.255	——

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	104.446	23.087	119.385	31.531
Star & Tribune (S)	137.355	2.182	126.219	2.352
Star & Tribune (Sat)	24.948	——	20.996	——
Grand Total	266.749	25.269	266.600	33.883

*NASHVILLE, TN

Banner (E)	119.356	——	109.425	——
Tennessean (M)	122.992	——	109.163	——
Tennessean (S)	80.816	——	66.116	——
Grand Total	323.164	——	284.704	——

NOTE: 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	91.566	4.096	——	——
Home News (Sun)	70.084	957	——	——
Grand Total	161.650	5.053	——	——

NOTE: 1984 figures not available.

NEW YORK, NY

Times (M)	134.311	16.072	135.497	22.011
Times (S)	162.556	82.490	157.174	85.228
News (M)	64.234	100.740	66.382	96.362
News (S)	32.382	72.261	27.955	70.950
Post (AD)	56.251	1.121	58.583	——
Grand Total	449.734	272.684	445.591	274.551

NEWARK, NJ

Star Ledger (M)	206.941	5.208	202.397	4.659
Star Ledger (S)	154.679	28.342	149.560	29.179
Grand Total	361.620	33.550	351.957	33.838

OAKLAND, CA

Tribune (M)	94.772	62.659	96.510	67.340
Tribune (S)	46.022	37.612	47.188	28.341
Grand Total	140.794	100.271	143.698	95.681

OCEANSIDE, CA

Blade-Tribune (E)	95.844	4.313		
Blade-Tribune (S)	41.907	——		
Grand Total	137.751	4.313		

NOTE: 1984 figures not available.

ORANGE COUNTY, CA

Register (AD)	340.822	68.327	295.147	65.142
Register (S)	126.986	8.176	112.077	7.262
Grand Total	467.808	76.503	407.224	72.404

PHILADELPHIA, PA

Inquirer (M)	162.699	52.452	148.457	46.110
Inquirer (S)	121.619	41.170	103.809	38.447
News (E)	80.741	3.098	77.254	1.838
Grand Total	365.059	96.720	329.511	87.355

*PHOENIX, AZ

Arizona Republic (M)	223.399	9.536	217.224	6.338
Arizona Republic (S)	138.072	——	132.970	——
Gazette (E)	215.471	9.758	211.545	6.444
Grand Total	576.942	19.294	561.739	12.782

NOTE: Figures supplied by publisher to Media Records.

ROCHESTER, NY

Democrat & Chronicle (M)	91.433	12.717	101.214	12.176
Democrat & Chronicle (S)	64.482	25.905	62.079	16.262
Times Union (E)	77.036	13.309	85.701	14.520
Grand Total	232.951	51.931	248.994	42.958

NOTE: Times Union Evening published five days a week only.

SACRAMENTO, CA

Bee (M)	243.504	25.841	240.070	18.577
Bee (S)	99.733	13.872	104.294	4.111
Grand Total	343.237	39.713	344.364	22.688

*ST. LOUIS, MO

Post Dispatch (M)	110.461	35.894	99.323	43.031
Post Dispatch (S)	109.458	——	108.470	——
Grand Total	219.919	35.894	207.793	43.031

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	91.916	——	92.544	——
Pioneer Press Dispatch (S)	101.865	——	90.726	——
Dispatch (E)	——	——	96.538	——
Grand Total	193.781	——	279.808	——

NOTE: Part run figures not available. Pioneer Press Morning and Dispatch Evening combined to one edition. Pioneer Press Dispatch 7 Day effective January 2, 1985. The Pioneer Press Morning activity is shown in the Pioneer Press Dispatch All Day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press Morning and Dispatch Evening had a combined Saturday edition with the activity shown only in the Dispatch Evening.

SAN ANTONIO, TX

Express-News (AD)	146.641	28.857	139.322	38.043
Express-News (S)	81.085	26.618	78.095	21.233
Express-News (Sat)	49.011	——	40.267	——
News (E)	——	——	138.692	26.015
Light (AD)	143.757	33.966	131.542	53.239
Light (S)	80.162	25.305	74.599	29.503
Light (Sat)	43.389	——	34.029	——
Grand Total	544.045	114.746	636.546	168.033

NOTE: Express Morning and News Evening combined to one edition. Express News All Day effective September 10, 1984. The Express Morning activity is shown in the Express News All Day listing. Prior to September 10, 1984 Express Morning and News Evening published five days a week only.

Light All Day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

Union (M)	250.109	15.910	216.038	14.383
Union (S)	125.526	——	110.192	——
Tribune (E)	247.982	17.484	227.324	14.380
Grand Total	623.617	33.394	553.554	28.763

SAN FRANCISCO, CA

Chronicle (M)	136.225	78.108	131.000	62.291
Examiner (E)	130.430	77.000	129.868	60.865
Examiner & Chronicle (S)	68.752	42.819	65.249	41.953
Grand Total	335.407	197.927	326.117	165.079

SAN JOSE, CA

Mercury News (AD)	310.658	29.881	308.844	31.222
Mercury News (S)	146.754	——	141.063	——
Grand Total	457.412	29.881	449.907	31.222

SHREVEPORT, LA

Journal (E)	86.686	8.172	88.051	8.709
Times (M)	109.103	21.691	110.593	23.793
Times (S)	66.475	4.504	61.297	6.384
Grand Total	262.264	34.367	259.945	38.886

*STATE COLLEGE, PA

Centre Times (E)	78.983	2.439	90.811	5.421
Centre Times (S)	31.363	694	30.881	271
Grand Total	110.346	3.133	121.692	5.692

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

Herald Journal (E)	91.240	27.695	93.297	25.242
Herald American (S)	42.574	48.090	47.401	25.543
Post Standard (M)	81.699	30.062	85.091	26.519
Grand Total	215.513	105.847	225.889	77.304

*TAMPA, FL

Tribune (AD&S)	309.220	109.696	317.392	85.696
Grand Total	309.220	109.696	317.392	85.696

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	91.957	——	108.459	——
Blade (S)	88.353	——	81.934	——
Grand Total	180.310	——	190.393	——

NOTE: Figures supplied by Dy-Fisher to Media Records.

WASHINGTON, DC

Post (M)	249.148	39.539	255.647	43.783
Post (S)	146.064	23.599	131.149	31.514
Grand Total	395.212	63.138	386.846	75.297
Alexandria Journal (M)	63.555	966	61.107	——
Prince George's Journal (M)	56.739	1.741	53.053	——
Montgomery Journal (M)	57.817	1.243	53.240	359
Fairfax Journal (M)	64.372	1.163	62.206	359
Arlington Journal (M)	63.438	881	61.215	——

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

*WEST PALM BEACH, FL

Post (M)	203.281	35.134	217.978	33.272
Times (E)	164.551	1.302	190.682	3.617
Post (S)	114.081	11.308	113.595	9.836
Grand Total	481.913	47.744	522.255	46.725

NOTE: Figures supplied by publisher to Media Records.
Times Evening published five days a week only.

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	79.482	13.591	76.332	15.541
Reporter Dispatch (S)	69.133	17.438	59.773	25.479
Grand Total	148.615	31.029	136.105	41.020

WICHITA, KS

Eagle-Beacon (M)	116.368	——	131.608	——
Eagle-Beacon (S)	76.553	——	70.064	——
Grand Total	192.921	——	201.672	——

NOTE: Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

Papers

(Continued from Page 3)
all-day to a morning-only publishing cycle Aug. 19, also apparently has suffered from a production workers' strike that began July 18.

Both factors contributed to daily declines at the paper, the *Tribune* said. Those drops presumably would benefit Rupert Murdoch's *Chicago Sun-Times*, whose figures were not filed in time for the FAS-FAX report.

Tribune average daily figures for the April 1-to-Aug. 18 period were 762,842, down 1.7%, while Aug. 18-to-Sept. 30 results showed a steeper decline of 2.9%, to 753,758.

The sharper drop was due to the strike, which cost it 3,000 copies, the paper said, and to the elimination of the Green Streak afternoon edition after the strike began.

The *Tribune's* Sunday edition was up by just more than 1,000 copies—an insignificant percentage—to 1,138,731.

In Detroit, Gannett Co., which bought the Evening News Assn. for $717 million (AA, Sept. 2), may be displeased that the ENA flagship *Detroit News'* daily circulation slipped 1.7% daily and 3.2% on Sunday, to 645,016 and 837,821, respectively.

It could take comfort, however, with the knowledge that Knight-Ridder's *Detroit Free Press* posted even sharper declines of 2% daily to 634,466 and 6.1% on Sunday to 754,615.

Over-all, the Detroit papers have lost 24,000 daily copies, or 1.8% of their combined circulation, since September, 1984.

Denver dailies had contrasting results. With 1984 figures for both papers adjusted to reflect completion of audits there, the *Denver Post* in the '85 period reported a whopping 20% Sunday sales gain, to 413,477, while Scripps-Howard's *Rocky Mountain News* gained 1.4% Sunday to 371,102.

Daily, the *Post* dropped 5.7% to 213,042, while the *News* gained a mere 370 copies, posting a 0.1% increase to 317,930.

Further west in the Bay Area, Mr. Maynard's *Oakland Tribune* gained 2% daily to 151,108 and 1.2% Sunday to 155,020, perhaps at the expense of Hearst's *San Francisco Examiner*, which has a joint-operating agreement with Chronicle Publishing Co.'s *San Francisco Chronicle*.

The *Examiner* lost 6,000 copies—or 4.3%—daily, posting a circulation of 142,314, while the *Chronicle* held its own, gaining 1.8% to report a daily total of 545,622. The combined Sunday *Examiner & Chronicle* gained 1% to 706,345.

Texas papers waged their own circulation battles. The *Dallas Morning News* continued to pummel the rival *Times Herald*, gaining 4.9% daily for a total average circulation of 377,843 and adding 45,600 copies to its Sunday figures, posting a 10.1% increase to 500,719.

The *Times Herald*, in contrast, continued its slump, losing nearly 40,000 daily copies—or 14.6%—for a total of 231,224. It also lost the *News'* Sunday gains, dropping 11.2% to 331,589.

The *Houston Chronicle* gained 2% daily to 439,044 but lost 2.4% Sunday, posting an average circulation of 518,679. The *Post* lost 1% daily, falling further behind its rival with a 305,375, but gained by 3.1% Sunday to reach 365,303.

In Boston, Mr. Murdoch's *Herald* continued to challenge the venerable *Boston Globe*, though the *Globe* still commands a significant lead. The *Herald* gained 3.4% daily to 355,253, while the *Globe* lost 2%, dropping more than 10,000 copies to 509,464. On Sunday, both papers gained slightly: The *Globe* was up 0.8% to 799,200, while the *Herald* increased 0.6% to 282,487.

In St. Louis, Pulitzer Publishing Co.'s *St. Louis Post-Dispatch* continued to threaten the vitality of the *St. Louis Globe-Democrat*, whose figures were not available. The *P-D* gained 4.8% daily to 277,527 and 0.5% Sunday, posting 481,618.#

Soul

(Continued from Page 4)
wouldn't commingle."

While revitalizing its advertising effort, Rax also is interested in adding more "stuff" to its menu, which, in addition to its flagship roast-beef sandwiches, includes hot stuffed baked potatoes and an extensive salad bar. That bar now is being revamped in company-owned units to include a "Nacho Bar" where a variety of items (tortilla chips, Spanish rice, refried beans, melted cheese) is available for customers to assemble their own nachos. The Nacho Bar is the focus of radio spots only, although tv support may be added later.

Additionally, the chain is testing hamburgers in a few markets. Special ads in the new campaign that include mention of hamburgers begin airing this week. A breakfast menu that has been selectively tested for more than a year does not show enough promise to warrant expansion, Mr. Corrigan said.

All this activity comes on the heels of sharply lower earnings for the chain. For the fiscal year ended July 29, Rax reported a pretax loss of $4.78 million on revenues of $113.2 million, compared with the previous year's net income of $4.3 million on revenues of $92.7 million. The company eliminated 20 administrative positions after issuing that report, including one post in the marketing department.

When DMB&B was selected, Rax said it would double annual spending to $7 million to $10 million. Despite the disappointing yearend report, total spending still will be in that range during the next 12 months, Mr. Corrigan said.

Singing the r&b version of the "House that Rax Built" musical theme used in the initial tv spot is Cissy Houston (whose daughter, Whitney Houston, can be heard singing backup vocals). Dave Loggins (who sings the "Miller, Made the American Way" song) sings the country version used on radio; John Fiori sings the rock version.

Creative credits for the campaign go to director Hobby Morrison of Michael David Productions, New York, and editor Dick Stone of Stone Cutters, New York. Michael Zagar did musical direction and arrangements.

DMB&B's account team includes management supervisor Steve Gramps, account supervisor David Williamson, creative group heads Barry Logiudice and Dick Fitzhugh, producer Shelley Platt, art director Carolyn Braun and copywriter Barbara Byrne.#

Saatchi

(Continued from Page 6)
bun, placing advertising in the paper.

Even today, 63% of Asahi's billings are placed in newspapers and only 10% in tv. Also, half of its newspaper billings are placed in *Asahi Shimbun*.

"It's not really an account management type of agency," one source said. "Clients look to Asahi for media placement."

Asahi also lacks international experience and only started an "international business promotion division" this year in preparation for its linkup with Saatchi.

However one source, agreeing that Asahi is more known for its print than tv work, said, "Given the difficulty of media buying in Japan, Saatchi considers that a strong rather than weak point." Asahi is "broader than an in-house agency," he said.

Saatchi officials rejected setting up a separate joint-venture agency, like DYR, a joint venture of Young & Rubicam and Dentsu.

Instead, the cooperative agreement with Asahi will allow clients to have access to Saatchi's best people, rather than "weaker" people who are often sent to man joint-venture agencies, Saatchi officials are saying.

The agreement appears similar to one between SSC&B:Lintas and Hakuhodo.

Saatchi previously had a loose affiliation with Dai Ichi Kikaku, Japan's fifth-largest agency, but terminated it this spring.

DIK's primary international alliance is with Doyle Dane Bernbach, which owns a small number of DIK shares. The Japanese agency also owns a small number of DDB shares, and the two agencies recently set up a joint venture in the U.S.

Mr. Gossett conceded that was one of the reasons Saatchi went looking for a new partner.#

Nike

(Continued from Page 3)
Santa Claus breaks this month.

Nike also plans a spring tv campaign, but declined to specify by which agency for which product. Some ads will probably introduce Stickball, baseball-styled shoes for casual wear endorsed by New York Mets' pitching ace Dwight Gooden and Atlanta Braves' outfielder Dale Murphy (AA, Sept. 16).

Nike product manager David Smith said Chiat was working on a print ad for Stickball, but it is unclear who will get the broader assignment.

Though Nike insists shoes are still the main part of the company, corresponding t-shirts, pants and shorts are a growing portion of its inventory.

Recent line introductions built around athletes include BRS (Biking Running Swimming), endorsed by triathletes Mark Allen and Joanne Ernst, and a line of bowling shoes, bags and shirts, endorsed by bowler Marshall Holman. The company will promote both with print and the latter with tv, on the long-running Pro Bowlers tour telecasts.#

Letven changes name

HORSHAM, PA.—Letven Advertising has changed its name to Letven/Diccicco Advertising, and has moved to new offices at Two Electronic Dr., 19044.

The name change reflects exec vp Mike Diccicco's 10 years of work at the agency, according to agency president Ed Letven.#

Some corporations send their message to 771,000+ Washingtonians just to reach the movers and shakers of national policy. That's like buying a haystack just to get the needle.

National Journal

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For a media kit and a copy of this week's issue, call Roger Kranz or Ed Erhardt at (202) 857-1400.

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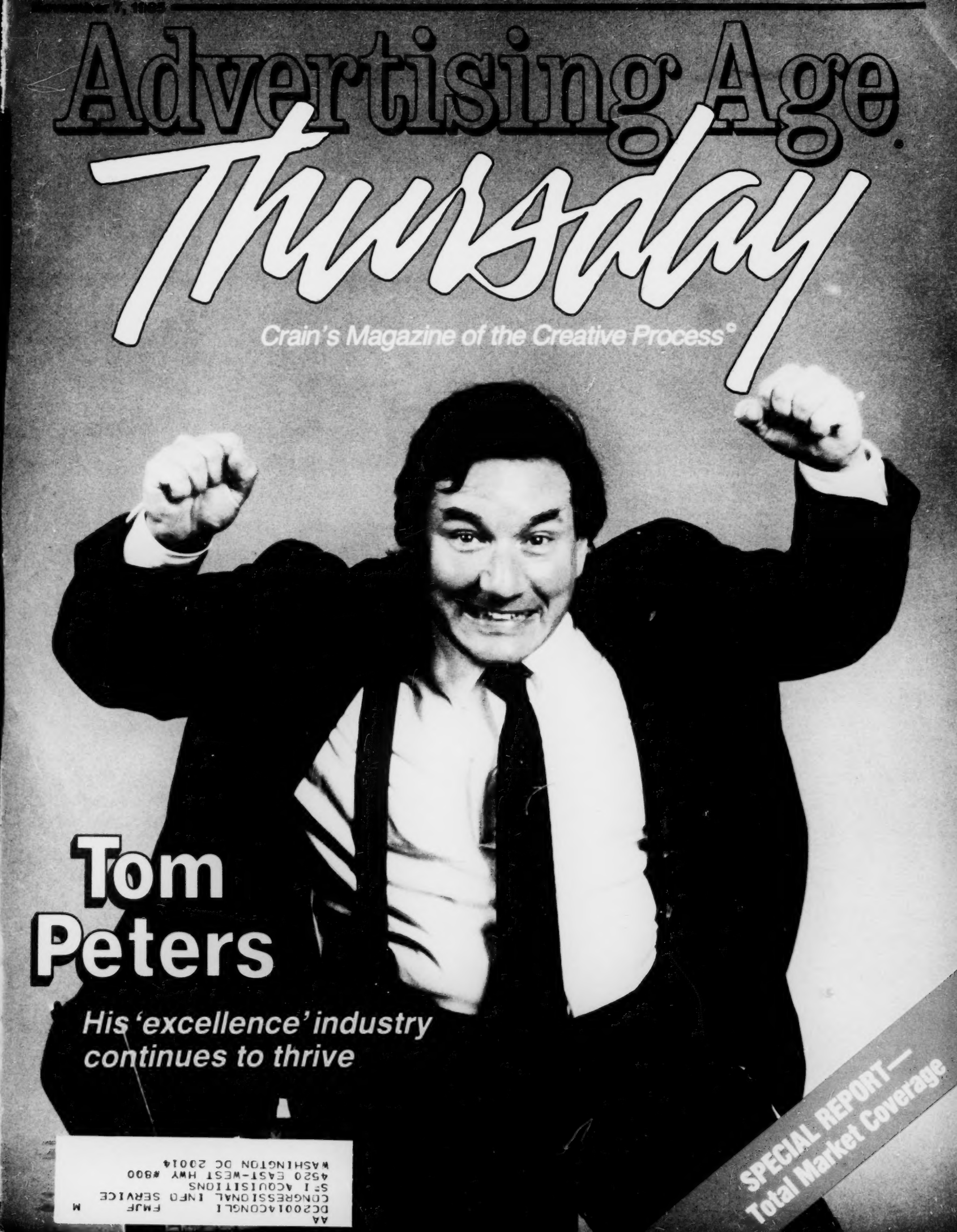
November 7, 1985

Advertising Age Thursday

Crain's Magazine of the Creative Process®



Tom Peters

His 'excellence' industry continues to thrive

SPECIAL REPORT—Total Market Coverage

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Thursday

Peters' passion

Deep inside the management blockbuster, "A Passion for Excellence," the reader finds a sentence that captures the essence of Tom Peters' technique: "Anecdotal evidence awaits us by the bucketful." Peters' first book, "In Search of Excellence," embellished the simple message: Stay close to your customers and treat employes like champions. "A Passion for Excellence," the sequel, has bucketsful of anecdotes that all say: Here's how corporate managers are doing what we talked about in the previous book. *See Page 4.*

Cover photo by Arnold Adler

Winners

Comparing advertising awards is a touchy job. Comparing directors of commercials is even touchier. But when the U.S. competitions are screened and rescreened, a few names always return. ADVERTISING AGE has gathered a gallery of leading directors. *See Page 12.*

Go wild with Wendy

It's been a millenium or so since anyone put jewels together with as much mad glee as Wendy Gell. *See Page 39.*

Special Report—Total market coverage

Daily newspapers, shared mail companies and shoppers are battling for advertisers' business and consumers' attention, promising exposure in the market. *Starting on Page 15.*

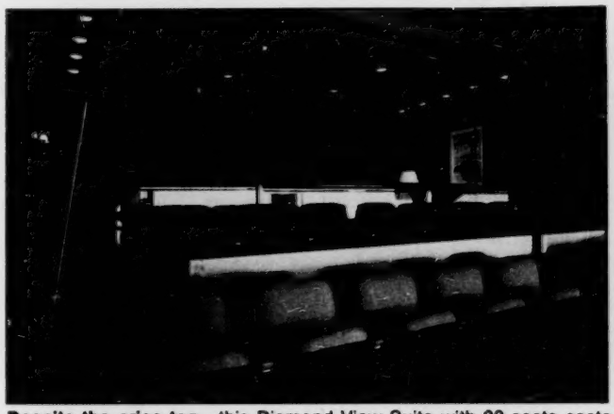

Photo by Arnold Adler

Despite the price tag—this Diamond View Suite with 30 seats costs $110,000 plus $20,000 for tickets while the 15-seat version goes for about half that amount—22 of the 28 that will be ready next season have already been spoken for through contracts or commitments.

Diamond View is the suite spot for heavy hitters

By Curt Schleier

The first ball game I ever attended was at the Polo Grounds in Manhattan. The Giants were playing the Phillies, Willie Mays was in center field and my grandstand admission for the doubleheader was $1.25.

The last ball game I attended was at Shea Stadium in Queens. The Mets were playing Montreal, there were still faint hopes of a divisional title in the air and I was sitting in a new Diamond View Suite that was on the market for $130,000 a season.

America is a wonderful country.

Certainly there have been a lot of games in between, but I saw most of them from the vantage point of a vendor for Harry M. Stevens. "Hey-can-of-beer-here. Last-call-on-the-alcohol. Last-time-on-the Ballantine. Hey-can-of-beer." Ah, I see you remember me.

Yes, those were the good days. Hot dogs were 25¢, beer was 35¢ and on a good day, say a Sunday doubleheader, I could come home with 30 bucks in my pocket.

The cost of food isn't all that's changed at the ball park. The stadium is only 20 years old but has been neglected. In a well publicized departure, Leon Hess moved the football Jets across the Hudson to the new Giants Stadium.

The Shea bathrooms were dirty, he said. No, he wasn't moving the team because Giants Stadium was bigger and already had special suites he could sell, both of which would mean greater profits.

Nevertheless, Mayor Koch could take a hint. Concerned he might lose the Mets, too, and anxious to woo Hess back, New York City committed to a $26 million refurbishing of the stadium, including the construction of 50 luxury boxes. Because advertising agencies have been known to entertain clients and potential accounts, the invitation to a visitor from ADVERTISING AGE seemed logical enough.

As the brochure says, "It is almost impossible not to feel important and special in a Diamond View Suite." And that's how I felt—important, special, a lot like the unexpected success returning to his high school reunion.

Michael Aronin, vp-marketing for the team, joined me in the suite. He's a longtime advertising and marketing executive, having held posts with Daniel & Charles, Columbia Records, Clairol and, most recently, as a vp of the consumer bank cards division of Citicorp. For the past week or so, he'd been very popular, because the Mets had been making a late-season charge at the Cardinals. Old acquaintances were coming out of the woodwork, saying, "You remember me; I was your best friend in the third grade."

We're sitting in the viewing area, which contains 30 theater-style seats, divided into three rows of 10. Aronin and I walk into the living area, which includes a table and lounge chairs, a wet bar and all the conveniences of home. It's separated from the viewing area by a plate-glass wall and, given this relative privacy, we talk.

He says 28 of the 50 boxes will be ready for next season, the remaining 22 for 1987. The Mets have guaranteed that the club will absorb all cost overruns.

Of the 28 ready for next year, 22 have already been spoken for, either with signed contracts or commitments. The suites come in two sizes: The 30-seat version we're in now and one about half the size, with 15 seats. The smaller one costs $60,000 a season on a five-year lease—$50,000 for the box itself, $10,000 for the tickets. The bigger ones go for $110,000, plus $20,000 for tickets.

In both cases, the lease is written to include 5% price increases in the base cost of the suite in years three through five. That's a great deal of money, but Aronin reports "no resistance," despite the possibility of tax legislation that would disallow this kind of entertainment expense.

"Companies are going to entertain anyway," he adds. "And this is a unique situation where you can play host to a captive audience for close to three hours."

Certainly the suite lives up to the advance notices in the brochure. It is

(Continued on Page 39)

Presstime

Grey gets Mitsubishi work

FOUNTAIN VALLEY, CAL.—Mitsubishi Motors of America is moving its $37 million account to Grey Advertising's new Orange County office from Mickelberry Corp.'s Cunningham & Walsh. Mickelberry's loss is somewhat eased with Tom Lawson's move to its Laurence, Charles & Free unit as president-ceo. Four McDonald's owner-operator groups and McDonald's national sales account are moving with him from Rosenfeld, Sirowitz & Lawson, where Mr. Lawson had served as chairman. Laurence Dunst yields LC&F's president-ceo title to become LC&F creative chief. Stephen Humphrey, chief operating officer-president of RS&L's New York operation, succeeds Mr. Lawson. The agency becomes Rosenfeld Sirowitz & Humphrey. Mr. Lawson's name will be added to the LC&F letterhead.

B&J's Finn quits

DALLAS—Bozell & Jacobs/Southwest chairman Peter Finn resigned this week after five years with the agency, citing "philosophical differences" with management.

Polaroid accounts adrift

NEW YORK—Ally & Gargano, which has resigned Polaroid Corp.'s $30 million consumer account, also will lose the Canadian consumer and industrial photography accounts it was scheduled to assume from Doyle Dane Bernbach (AA, Oct. 14). The winner of the review for Cambridge, Mass.-based Polaroid's 7000 system (AA, Nov. 4) —BBDO; Della Femina, Travisano & Partners; Needham Harper Worldwide, or Ogilvy & Mather—also is likely to get the U.S. and Canadian consumer assignments, but the fate of the Canadian industrial account is undecided, sources say.

Weightman buys Schaefer

PHILADELPHIA—Weightman Advertising has reached an agreement in principle to acquire Schaefer Advertising, Valley Forge. The agency would have combined annual billings of $76 million, making it the largest independent agency in this market and second only to Lewis, Gilman & Kynett, a unit of Foote, Cone & Belding.

Matchbox pushes BabyCise

MOONACHIE, N.J.—Matchbox Toys (USA) Ltd. is planning BabyCise as one of its major 1986 product introductions. BabyCise will encompass home video and child development toys and products for infants and preschoolers. Matchbox's agency is Ciociola & Co., New York.

Conflicts at P&G-Searle?

CHICAGO—Needham Harper Worldwide says it does not intend to resign $7 million-plus in business it has from G.D. Searle & Co.'s consumer-products division following purchase of that unit this week by Procter & Gamble, Cincinnati. P&G is expected to fold the Searle brands into its Norwich Eaton Pharmaceuticals unit or maybe recently acquired Richardson-Vicks. Needham here handles the Dramamine, Metamucil and Prompt laxative brands at the Searle unit. The

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ABP MPA RED TAG ABC AAAA

AA reveals most win-some directors

By Kevin Brown

Comparing advertising awards is a touchy job. Comparing directors of commercials is even touchier. But when the U.S. competitions are screened and re-screened, a few names always return. These are the commercial directors in the U.S. who have won the most awards.

Mark Coppos and Ridley Scott, big award winners for their work in 1984, directed the most talked-about spots of the year.

Those commercials, which will be remembered long after the awards are forgotten, are Mr. Coppos' "Manuals" spot for Apple Computer, via Chiat/Day, Los Angeles, with its instruction booklet floating gracefully to a table, and Mr. Scott's "Spaceship" for PepsiCo, via BBDO, New York, with its alien ship choosing an entire Pepsi machine over a single Coke.

Advertising Age, having reported on these noteworthy commercials, decided to gather a gallery of leading directors. To sort them out, AA began by looking at their awards.

Of dozens of international, national and regional advertising competitions, five were used to rank commercial directors for U.S. advertising. They include national Addy awards, given by the American Advertising Federation; Andy awards, given by the Advertising Club of New York; Art Directors awards, given by the Art Directors Club of New York; Clio awards, given by Clio Inc., and One Show awards, given by the One Club.

Each contest accepted advertising entries from throughout the U.S. and included various categories. Although none of these awards was given specifically to the director (with the exception of one Clio), many recognize technical excellence.

Contest	Number of awards	Points per award
Addy	8	8.88
Andy	10	7.10
Art Directors	3	23.67
Clio	47	1.51
One Show	3	23.67
TOTAL	71	

Other awards recognized best commercials in product categories. Andy categories were based on scope—national, local, regional—cost and length of the commercial.

Bessies (Canada), Hatch (New England), Best in the West, Belding (Southern California) and district Addy awards were not considered for this compilation because of their regional nature.

Cannes and International Film & TV Festival of New York were eliminated because they are international. The Effies, given by the American Marketing Assn., were excluded from this ranking because they honor campaigns rather than single commercials.

Campaign categories within the competitions used in the ranking also were eliminated. The aim was to focus on award-winning commercials rather than campaigns.

Only first-place awards were used to rank the directors, because not all competitions offer a second place.

In determining the ranking, AA equalized the impact of each competition. To give all 47 Clios the same weight as all three One Shows—which in turn carry the same weight as 10 Andys—AA divided the total number of first-place awards (71) by the number of first-place winners in each contest.

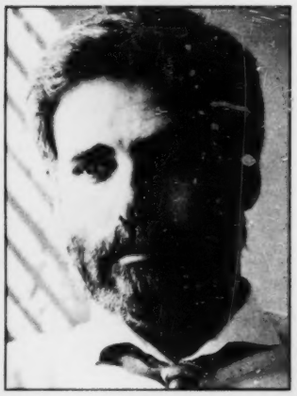
For each award in each contest, the director received AA's "points-per-award" *(see box)*.

Each director's points-per-award were tallied, and the directors were ranked. They are listed with the name of the award, agency, client and commercial.

All the competitions allowed their judges to be independent. For example, not every category need have a first-place winner. Judges were to give an honest appraisal of the commercials entered, with highest points going only to outstanding entries.

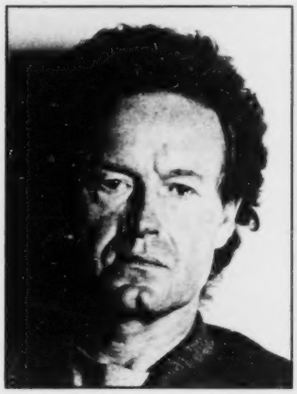
AA realizes that not all directors, agencies and clients enter these contests. Entry fees range from $35 to $85 a commercial, and many creatives do not seek this kind of recognition.

This ranking is not meant to minimize the accomplishments of other directors; rather, it is a look at 22 fine commercial directors and the honors bestowed on them by their peers. ■



1
Mark Coppos
Andy: Chiat/Day, Apple Computer, "Manuals."
One Show: Chiat/Day, Nike, "I Love L.A."
One Show: Chiat/Day, Nike, "Sweats."

2
Ridley Scott
Addy: BBDO, PepsiCo, "Basement Visitor."
Art Directors: Chiat/Day, Apple Computer, "1984."
Clio: BBDO, PepsiCo, "Spaceship."
Andy: BBDO, PepsiCo, "Spaceship."



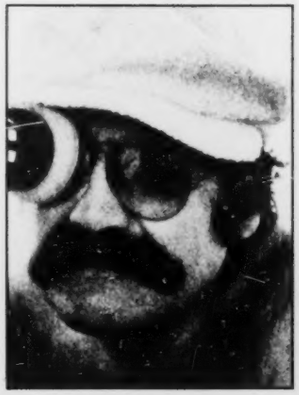
Ranking directors

Rank	Director	Points	Production house
1	Mark Coppos	42.6	Coppos Films, Los Angeles
2	Ridley Scott	41.2	RSA Productions, London
3	Rick Levine	34.1	Rick Levine Productions, New York
4	Patrick Kelly	23.7	Kelly Pictures, New York
4	Phil Marco	23.7	Phil Marco Productions, New York
6	Joe Pytka	20.2	Pytka, Venice, Cal.
7	Lee Bonner	19.3	Bonner Films, Baltimore
8	Barry Myers	17.5	Spots Films Services Int'l, New York
9	Tim Newman	11.8	Jenkins Covington Newman Rath, New York
10	Steve Horn	10.1	Steve Horn Inc., New York
11	Joe Hanwright	8.9	Kira Films, New York
11	Mike Horowitz	8.9	Scotsmanagement, Los Angeles
11	Bob Reagan	8.9	Harmony Pictures, Los Angeles
14	Fred Petermann	8.6	Petermann-Dektor Productions, Los Angeles
15	George Koblasa	7.1	Coast Productions, Los Angeles
15	Ron Lieberman	7.1	Harmony Pictures, Los Angeles
15	Owen Roizman	7.1	Roizman & Associates, Los Angeles
18	Stu Hagmann	4.5	Hagmann Impastato Stephens & Kerns, Studio City, Cal.
19	Mike Cuesta	3.0	Griner/Cuesta & Associates, New York
19	Gerard Hameline	3.0	Michael/Daniel Productions, Hollywood, Cal.
19	N. Lee Lacy	3.0	N. Lee Lacy & Associates, Los Angeles
19	Joe Sedelmaier	3.0	Sedelmaier Film Productions, Chicago

Source: Advertising Age survey

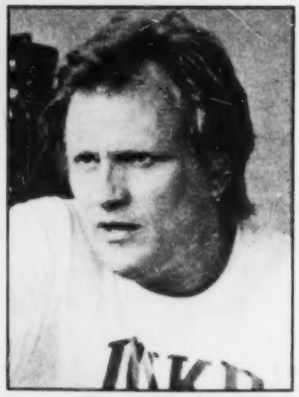
3
Rick Levine
Art Directors: Marschalk Co., Stroh Brewery, "Alex the Dog"
Addy: Foote, Cone & Belding, Pacific Bell.
Clio: Young & Rubicam, Hallmark, "Mom's Birthday."

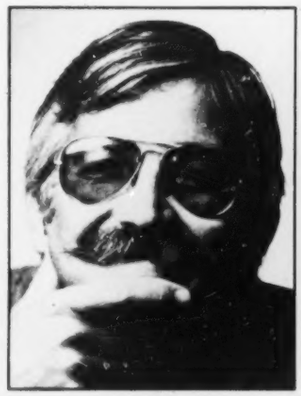
4
Patrick Kelly
One Show: Ally & Gargano, Federal Express, "Fred's Weenies."



4
Phil Marco
Art Directors: Leber Katz Partners, Advertising Council, National Highway Traffic Safety Administration, "Crashing Glasses."

6
Joe Pytka
Clio: HHCC, Wang, "Power & Glory."
Andy: Needham Harper Worldwide, Bud Light "Heartland."
Clio: Needham Harper Worldwide, Bud Light "Heartland."
Andy: Ogilvy & Mather, Blitz-Weinhard London.
Clio: Needham Harper Worldwide, Bud Light, "Factory."
Clio: Needham Harper Worldwide, Bud Light, "Heartland."

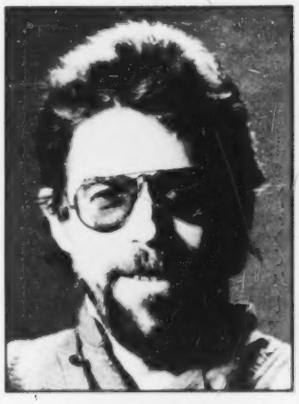


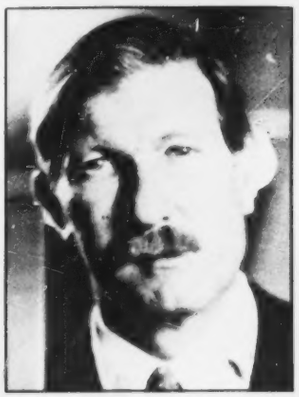


7
Lee Bonner
Addy: Smith Burke & Azzam, Maryland State Council on Developmental Disabilities, "John."
Clio: Smith Burke & Azzam, Balitmore Orioles, "Tie-In-Beer."
Addy: Smith Burke & Azzam, Baltimore Orioles, "Tie-In-Beer."

8
Barry Myers
Clio: BBDO, PepsiCo, "Sound Truck."
Andy: BBDO, PepsiCo, "Sound Truck."
Addy: BBDO, PepsiCo, "Sound Truck."

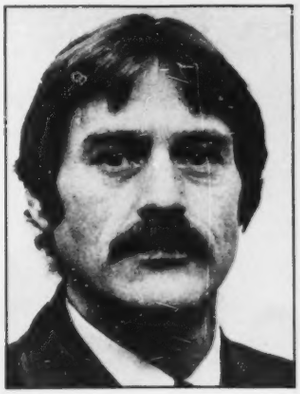
9
Tim Newman
One Show: Chiat/Day, Nike, "I Love L.A."





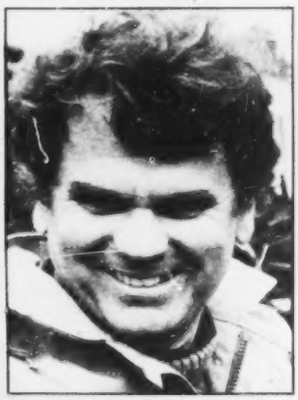
10
Steve Horn
Clio: Marschalk, W.R., Grace "Baby."
Andy: Ogilvy & Mather, American Express, "Stephen King, Do You Know Me?"
Clio: Levine, Huntley, Schmidt & Beaver Subaru, "Farmboy."

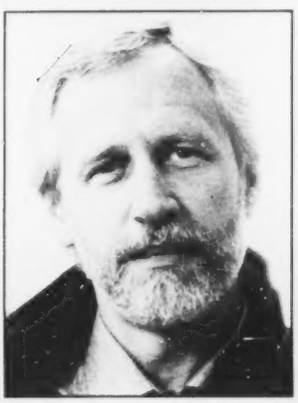
11
Joe Hanwright
Addy: BBDO, Mountian Dew, "Break Dance."



11
Mike Horowitz
Addy: D'Arcy MacManus Masius, Colonial Bread, "Lunchbox Adventure."

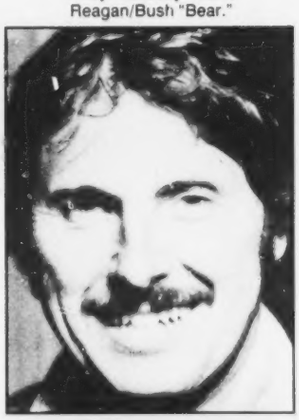
11
Bob Reagan
Addy: Benton & Bowles, Procter & Gamble, Scope, "Pillow."





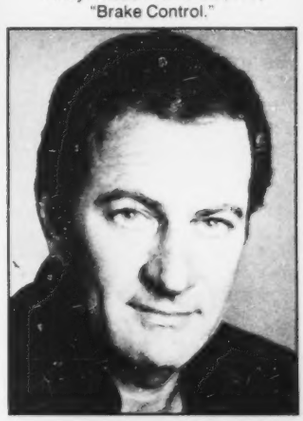
14
Fred Petermann
Andy: Needham Harper Worldwide, General Mills, "Rugby."
Clio: DJMC, Borateem, "White Clothes."

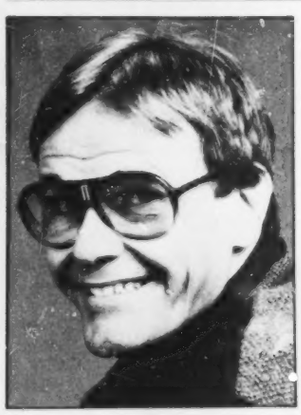
15
George Koblasa
Andy: Tuesday Team, Reagan/Bush "Bear."



15
Ron Lieberman
Andy: Needham Harper Worldwide, Sears, Roebuck "Maggies Bike."

15
Owen Roizman
Andy: Riederman & Co., ITT, "Brake Control."





18
Stu Hagmann
Clio: Lord, Geller, Federico & Einstein, IBM, "Skates."
Clio: Lord, Geller, Federico & Einstein, IBM, "Skates."
Clio: Lord, Geller, Federico & Einstein, IBM, "Skates."

19
Mike Cuesta
Clio: Chiat/Day, California Broadcasters Assn., "The Party's Over."
Clio: Westbrook, United Virginia Bank, "Old Man."

19
Gerard Hameline
Clio: J. Walter Thompson Co., Emery Worldwide, "It's as Good as There."
Clio: J. Walter Thompson Co.Emery, "It's as Good as There."

19
N. Lee Lacy
Clio: Fallon McElligott Rice, Minnesota Federal, "Hit the Road Jack."
Clio: Benton & Bowles, Corningware, "In-Laws."

19
Joe Sedelmaier
Clio: Doyle Dane Bernbach, Polaroid, "Did I Have A Day."
Clio: Dancer Fitzgerald Sample, Wendy's, "Fashion Show."

$1.25 a copy; $55 a year

Monday, November 11, 1985

Advertising Age

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Victor Kiam, a la Lee Iacocca, has a book out. Now he's hawking Remington razors—and his book—with money-back guarantees.

The man who would be Lee

By BRIAN MORAN

Electric-shaver wizard Victor Kiam, never one to delegate a tough sales job, has advised his big New York publishing house not to fuss about getting his first book onto the best-seller lists. He'll take care of it.

Remington Products' Mr. Kiam, the Lee Iacocca of the shaver business, hopes to match the book-selling success of Chrysler's chairman with "Going for It!"—a how-to tome on entrepreneuring that carries a money-back guarantee.

But Mr. Kiam won't depend on publisher William Morrow & Co. to get the job done. He plans personally to spend more than $4 million next spring to advertise the national rollout of his book on tv.

That's an unprecedented marketing expense for book publishing, where even the highest-profile titles rarely get more than $200,000 in ad support. Random House is spending about $125,000 to promote its major Christmas offering, James Michener's "Texas."

As Mr. Kiam tells it, William Morrow has taken a decidedly hands-off approach to his extravagant advertising plans.

"They said to me, 'Fine. You want to do that, you put up the money,' " Mr. Kiam said in a phone interview. Morrow has agreed to be liable for a set percentage of the ad expenses if "Going for It!" turns out to be a hit, he said.

In another move that's sure to shake up Publisher's Row, Mr. Kiam and William Morrow currently are test-marketing the book in three cities before the planned

(Continued on Page 100)

Last Minute News

Nynex reviewing $10 million corporate account

New York—Nynex Corp. is reviewing agencies for its $10 million corporate account, now at Young & Rubicam. The regional telephone company's review includes Y&R and five others. Decision due by yearend.

Ally cuts loose 25 employes

New York—Ally & Gargano reportedly has let go 25 to 30 staffers. The layoffs come in the wake of the agency's resignation of Polaroid Corp.'s $30 million consumer account (AA, Nov. 7) and the earlier account losses of Travelers Insurance ($15 million), Timberland boots and shoes ($6 million) and SAS Airlines (about $1 million).

Seagram takes print media-buying in-house

New York—House of Seagram, the umbrella company that shelters all Seagram brands, is moving its print media-buying in-house, probably

(Continued on Page 5)

AGENCYQUAKES

New O&M-TWA tie stalls

By BRIAN MORAN

New York—Trans World Airlines abruptly canceled a planned announcement Nov. 8 that it would rehire just-fired Ogilvy & Mather to handle its account, at deeply slashed fees.

In the space of 18 hours, TWA made a stunning flip-flop on its agency plans after new owner Carl Icahn stepped directly into the picture.

On Nov. 7, TWA staff vp-advertising Erv Kaufman said the airline had decided to retain O&M, which was dismissed from the $70 million business Oct. 23 (AA, Oct. 28).

"An open-ended agreement has been made to extend the old contract," Mr. Kaufman said. Mr. Kaufman said O&M would continue to handle both creative and media and that an "incentive arrangement" had been added to the agency's contract providing for profit sharing if TWA's revenues increased.

Mr. Kaufman added that TWA planned to make a formal announcement on the new agreement the following day.

On Nov. 8, Mr. Kaufman could not be reached. Sally McElwreath, a TWA spokeswoman, said the carrier would have no statement on O&M's status and that any future pronouncements on advertising plans would no longer come from Mr. Kaufman but from Mr. Icahn.

"We are telling [agencies] who are interested in the account to talk to Carl Icahn," Ms. McElwreath

(Continued on Page 98)

Lawson move no shock

By STEWART ALTER

New York—The timing of this week's breakup of the 15-year-old agency team that was Rosenfeld, Sirowitz & Lawson—with Tom Lawson departing as president—was a surprise, but the signs of trouble had been there.

"We had had discussions with each other over a period of time, though we didn't know specifically until Monday morning [Nov. 4] that he was leaving," said Len Sirowitz. The three partners, Messrs. Sirowitz, Lawson and Ron Rosenfeld, had been together Nov. 1 at ceremonies in which Mr. Sirowitz was inducted into the Art Directors Club hall of fame.

Mr. Lawson also surprised his partners the same day he announced he would be leaving by running an ad hailing Mr. Sirowitz' Hall of Fame status as well as Mr. Rosenfeld's previous induction into the Copywriters Hall of Fame.

The ad, seeking new business, requested that interested advertisers call Mr. Lawson at RS&L's phone number. Mr. Rosenfeld said that while he knew the ad was being planned, he was surprised at the ad's timing since it broke simultaneously with Mr. Lawson's resignation announcement.

The agency immediately was renamed Rosenfeld, Sirowitz & Humphrey, reflecting Stephen Humphrey's elevation to president from chief operating officer/president of the New York office.

Mr. Lawson was reported to be headed for Mickelberry Corp.'s Laurence, Charles & Free, where he would become president-ceo, succeeding Laurence

(Continued on Page 98)

McDonald & Little shut

By STEWART ALTER and RUSSELL SHAW

Ted Bates Worldwide's decision last week to close McDonald & Little has thrown about $10 million worth of business up for grabs.

Bates said it decided to close the Atlanta-based agency, which it purchased in 1982, because it was "no longer viable."

The decision followed M&L's steady loss of existing accounts and inability to pick up any new business in two years.

New York-based Bates had invested about $2 million this year to try to keep the shop afloat, sources say.

Bates will retain M&L chairman Mike McDonald as a consultant. "I'm feeling terrific," Mr. McDonald said. "I have no statement now. My plans are to continue. My job right now is to make sure that our clients' needs are served through the 90-day notice period, help the staff get good positions and relocated if possible, to protect the interests of Ted Bates and make sure all of our obligations to creditors are discharged in an orderly manner."

McDonald & Little's largest client was Simmons Co., Atlanta, with a budget of about $6 million.

"Our option would be looking at other agencies," said Larry Alm, vp-advertising and merchandising at the bedding company. "There are also some modular options, like farming out creative and research, while doing media buying ourselves."

Simmons is a unit of Wickes Cos., Santa Monica,

(Continued on Page 98)

Curtains at Ash/LeDonne

By STEWART ALTER

Ash/LeDonne realized a few years ago that having a client roster that read like the Tony Awards wasn't going to be enough. Broadway's business had been falling off, and the agency started diversifying its client list, getting into other entertainment areas.

But in the end, it would be the theater that would drop the closing curtain on the agency. Ash/LeDonne was done in by "The Tap Dance Kid."

The agency's Los Angeles office couldn't collect a $290,000 bill from the West Coast producers of "The Tap Dance Kid."

The debt pushed Ash/LeDonne to more than $1 million in uncollected receivables, with more than $700,000 in media bills due.

On Oct. 31, agency president Jeffrey Ash told his 30 employes in New York and about a dozen in Los Angeles that the agency couldn't cover their checks. Ash/LeDonne was calling it quits.

"We were hurt a few years ago on the West Coast when 'Sweeney Todd' owed us $190,000," he said. "Collecting money is one of the major nemeses of our business. There are lots of good producers who are honorable and pay their debts. And then there are others who just run up bills and want you to create ideas today to get into tomorrow's paper."

Mr. Ash, who now plans to "take a few weeks and check out my options," has been in the entertainment advertising business for a while. He had worked at Blaine/Thompson, once the leading theatrical ad agency. His father had been one of its

(Continued on Page 98)

NEWSPAPER

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HIGHLIGHTS

TWA-O&M: So close, yet so far 1

Trans World Airlines abruptly canceled a planned announcement Nov. 8 that it would rehire just-fired Ogilvy & Mather at deeply slashed fees. TWA made a stunning flip-flop after new owner Carl Icahn stepped in.

Bates pulls plug on McDonald 1

Ted Bates Worldwide's decision to close its McDonald & Little unit has thrown about $10 million worth of business up for grabs. Bates said it decided to close the Atlanta-based agency, which it purchased in 1982, because it was "no longer viable."

Coke, Pepsi pit cherry colas 3

PepsiCo's first challenge to Cherry Coke is being fought in Canada amid the kind of secrecy that accompanies military maneuvers. In the U.S., Coca-Cola Co. beat Pepsi-Cola Co. to market with a cherry cola. But the sudden appearance of Cherry Pepsi in selected Canadian markets—just two days before Cherry Coke arrived on store shelves—caught Coke executives by surprise.

Mac deals out McD.L.T. 3

McDonald's Corp. last week made its McD.L.T. sandwich available nationwide and eligible for support from its huge network tv budget, which sources said it will get through Nov. 25. The national introduction for the sandwich was accomplished in less than a year, an uncharacteristically speedy systemwide rollout for the McDonald's system.

Teddy bears grow up 4

Soft-tech teddys and Pound Puppies are the hot newcomers to this holiday season's toy chest, an Advertising Age informal survey of retailers found.

Sorting out The New Yorker buy 6

Advance Publications' $168 million acquisition of The New Yorker Magazine Inc. last spring brought it, in addition to the famed weekly magazine, a mixed bag of publishing and other operations. Advance, and the new management team it has installed at New Yorker, are starting to make decisions about some of these non-*The New Yorker* subsidiaries.

P&G adds to otc drugstore 10

Procter & Gamble again has decided it is wiser to buy into a market than develop it on its own. P&G last week reached an agreement with Monsanto Co. to buy the over-the-counter drug business of G.D. Searle & Co., which Monsanto bought earlier this year.

CBS drafts Rx for drug ads 12

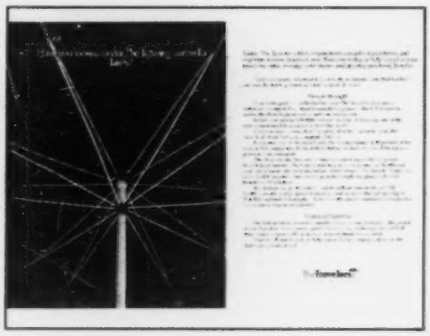
CBS has drafted its own commercial-acceptance guidelines for prescription-drug advertising. The network's two-page set of standards was presented to the Food & Drug Administration and a congressional subcommittee last month, hard on the heels of an FDA decision lifting a 30-month moratorium on mass-media advertising of prescription products.

Wise ain't no fool 28

Borden Inc.'s Wise Foods broke several unwritten rules when it introduced New York Deli potato chips last spring. But these violations simply contributed to a successful new product for the Atlanta-based snack marketer.

Diet Squirt muscles up 32

SquirtCo is introducing vitamin-enriched Diet Squirt Plus for diet and nutrition-conscious consumers.



Ad push for Travelers 38

Travelers Corp. has begun a $3 million fall ad push to support the company's reorganization along market, rather than product, lines. The nation's fifth-largest financial-services company, Travelers previously marketed along product lines, such as property-casualty insurance, life and health insurance and group business coverage.

NEW PRODUCTS

Improving innovations 30

While the number of new products introduced in 1985 is far below that of a year ago, the quality of those products is getting better. That's the conclusion drawn by the Initiatives Group from its Innovation Index, a systematic method designed to assess new-product development.

INTERNATIONAL

Mexican soft-drink battle 58

Seven-Up and Coca-Cola Co. in Mexico are involved in a market battle in the lemon-lime soft-drink category. Seven-Up Mexicana last month introduced a new 7UP tv campaign and took out page ads in major newspapers, via Leo Burnett Co. Coca-Cola's Sprite responded with a new tv spot last month, via McCann-Erickson.

Canada's "new wave" smokes 58

Canadian tobacco marketer RJR-Macdonald is being criticized for a "new wave" ad campaign that detractors say encourages young people to start smoking. The print and poster campaign, via J. Walter Thompson Co., is for a new, mid-strength cigaret called Tempo.

Nestle's new fast-food entry 59

Swiss marketer Nestle, in conjunction with French company Grands Moulins de Paris, is developing a new fast-food item called the franquette, a freshly baked half baguette, the long French bread, stuffed with a frozen cooked dish, in stick form.

OTHER NEWS

Even as Saatchi & Saatchi Compton works on introductory print ads for Almay's Protectives Skin Care for Age-Control, there's talk that client and agency may split. Page 4.

After losing $3 million after taxes during the past two years on its Christie Brinkley clothing unit, Russ Togs has opted to close the division. Page 10.

S.C. Johnson & Son next year will reposition Aveeno bath products as broad-purpose consumer products with a $6 million ad campaign it believes will regain sales momentum for the line. Page 41.

Compaq Computer Corp. is taking advantage of its record performance in the otherwise soft personal-computer market to target corporate buyers with a major print campaign. Page 53.

Monsieur Henri Selections, marketer of Stolichnaya Russian vodka, next month breaks its first new advertising in five years for the No. 1-selling imported vodka. Page 70.

The staff of the Michigan-based Cherry Bowl is making grand plans and cranking up a huge promotional effort to establish a bowl tradition in the North, far from the bikinis, beaches and palm trees associated with post-season college football. Page 74.

CDP International has emerged as the fastest-growing agency in the U.K., leaping from 16th to fourth place in operating profits and from 28th to second place in pretax profit margins. Page 76.

The Cable Advertising Bureau and Cable Television Administration & Marketing Society are developing what the groups describe as the cable industry's first program-specific network promotional material. Page 90.

COMING THURSDAY

For John Moschitta, better known as "that fast-talking Federal Express guy," getting people to take him seriously is serious business. Especially on casting calls. Three years ago he uttered those fateful 450 word-a-minute lines: "Peter-you-did-a-bang-up-job-I'm-putting-you-in-charge-of-Pittsburgh-I-know it's perfect-that's-why-I-picked-Pittsburgh-Pittsburgh's-perfect-Peter-may-I-call-you-Pete..." That ack-ack performance won him a Clio award for best actor and brought renewed national awareness to Federal's overnight package-delivery service, but it also gave Moschitta a new challenge: Prove that his vocal chords work at speeds other than fast-forward.

New technologies and increased specialization are two of the factors spurring growth in marketing/advertising research. Special Report will look at the companies and people that are giving new vitality to the industry.

REGULAR FEATURES

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Turner casts for co-star at MGM

By MAURINE CHRISTOPHER

Can Ted Turner stand corporate life if he is to be sandwiched in between Viacom International and the National Broadcasting Co.?

That became a crucial consideration last week as the owner of Turner Broadcasting System struggled to find the money to buy one of the entertainment industry's most unsuccessful movie and tv production houses, MGM-UA Entertainment Co.

Viacom and NBC confirmed they are talking with Mr. Turner, but NBC denied a deal had been set for it to buy a 50% share of TBS' Cable News Network for $200 million to $250 million.

The latest fiscal report on MGM, carrying an annual loss of $115

(Continued on Page 100)

Wozniak item will miss yule

By CLEVELAND HORTON

Steven Wozniak, whose engineering genius helped spawn Apple Computer, can't seem to ferret out the bugs in his new company's first products—electronic gadgets to drive remote-controlled home entertainment components like tvs, vcrs and stereos.

Mr. Wozniak's company, CL 9, Los Gatos, Cal., originally hoped to release a $20 device in time for the holiday season. Called Tyron, the unit attaches to consumer electronic products' infrared "eyes" to heighten their sensitivity to the hand-held remote controllers. Production glitches delayed Tyron's introduction and

(Continued on Page 102)

West Coast news

B-R finds 15-second spots tasty

Baskin-Robbins Ice Cream, Glendale, Cal., will become one of the first national advertisers to use 15-second network commercials in a Christmas promotion starting in December. The ice cream retail chain will tie-in with Walt Disney Productions' re-release of the film classic "101 Dalmations." B-R says 15-second ads will dominate its schedule next year—exclusively on CBS, currently the only network to accept them. J. Walter Thompson USA, Los Angeles, is

(Continued on Page 100)

NEW PRODUCTS

New products 1985: Fewer, but better

By NANCY GIGES

While the number of new products introduced in 1985 is far below that of a year ago, the quality of those products is getting better.

That's the conclusion drawn by the Initiatives Group from its Innovation Index, a systematic method designed to assess new-product development.

During the first half of 1985, the number of new products launched —2,332—was down 17% from 1984, but 341 new products this year have contributed innovative formulas, packaging, technology or positionings. This represents a 42% increase compared with last year, according to the index, which is obtained by dividing the number of innovations by the number of products introduced.

The index rose to 18.2% during the second quarter of this year, up from 8.3% in 1984.

The leading innovators are a mixed bag of large and small, old and new companies across the country, from Preventa Pak, Beverly Hills, Cal., with its six self-diagnostic kits, to Procter & Gamble, Cincinnati, which has picked up the mantle once again in new-product development.

The biggest increase in innovations occurred in packaging, in which 88 were recorded during the first six months versus 37 last year. Positioning innovations saw a rise of 42, to 107; technology up 6, to 11, and marketing up 5, to 5. The only decline came in formula innovations, down 4 to 130, although this segment still is the largest source of innovations.

Initiatives Group said one reason for the rise in packaging innovations is the diverse way packaging is being used to segment markets. For example, American Popcorn and Real Fresh have developed items aimed at the emerging microwave market for their popcorn and pea soup, respectively.

Other innovations are aimed at smaller families on the go, such as Henri's Salad Dressing To Go, Falbar's Wine in Glass and ready-made Golden Grain spaghetti.

Gillette has introduced Atra Plus, a razor with lubrication for people with sensitive skin, and Marcal Paper has compressed all the air out of its napkins package to take up less space in the cupboard and on retail shelves.

In the positioning area, the Initiatives Group sees marketers skillfully adapting successes from other categories. International Bakers has introduced a healthier snack—Pita Chips, and General Brewing, recognizing Americans' fascination with lotteries, has come up with Lotto beer, whose caps offer prizes of up to $1,000. Max Factor has introduced a body moisturizer in mousse form, and Clairol has added a hair-coloring mousse.

Products of the leading innovators receiving at least one star:

For innovation in two areas:

Chesebrough-Pond's Cutex Graffiti Nailwriter. (Greenwich, Conn.) Rated for packaging and positioning innovations. A marker-type pen to be used as accent polish or for creating original designs. Retails for $1.97. Agency: Waring & LaRosa.

Campbell Soup's Today's Taste. (Camden, N.J.) Rated for positioning and packaging innovations. Line of refrigerated vegetable, seafood salads. Agency: CSC Advertising (in-house agency).

For formula innovation:

Procter & Gamble's Duncan Hines cookies. (Cincinnati) Varieties include peanut butter nut, peanut butter chocolate chip, oatmeal raisin, oatmeal cinnamon, oatmeal chocolate chip. 12-oz. bags. Agency: Grey Advertising.

Procter & Gamble's Cheer. (Cincinnati) An easier dissolving formula. Agency: Leo Burnett USA.

Campbell Soup's Mrs. Paul's seafood en croute. (Camden, N.J.) Fish-shaped pastry filled with seafood. Varieties are fish divan, seafood newburg, crab imperial, scallops St. Jacques, salmon veloute, lobster Americaine. Price range: $2.09 to $4.09. Agency: Needham Harper Worldwide, New York.

Coca-Cola Co.'s Max. (Atlanta) Energy and fluid replacement drink in light citrus flavor. Agency: Marschalk Co.

Campbell Soup's Swanson Great Starts breakfast sandwiches. (Camden, N.J.) Agency: Ogilvy & Mather.

Coca-Cola Co.'s Cherry Coke. (Atlanta) Cherry-flavored cola. Agency: SSC&B.

Procter & Gamble's Crest tartar control formula. (Cincinnati) The first toothpaste to reduce tartar buildup while also providing cavity protection. Agency: Benton & Bowles.

Chesebrough-Pond's Rave Hair Masque. (Greenwich, Conn.) Two-minute conditioning treatment. $1.83 for 8-oz. plastic tube. Agency: Ogilvy & Mather.

Chesebrough-Pond's Aziza Fun in the Sun Cheek-Bronzing mousse. (Green wich, Conn.) Agency: Waring & LaRosa.

Beatrice's Playtex Plus deodorant tampons. (Chicago) Formulated without polyacrylate, a fiber linked to certain health hazards. Agency: Grey Advertising.

Procter & Gamble's Always super plus maxipad. (Cincinnati) Sanitary napkin with side panels that may be folded around the edges of underwear to guard against leakage. Agency: Benton & Bowles.

For packaging innovation:

Beatrice's Hunt's Snack Pack pudding. (Chicago) In plastic cup. Four-packs of 4.25-oz. cups. Flavors: Vanilla, chocolate, chocolate fudge. $1.19 for four-pack. Agency: Dailey & Associates.

Coca-Cola Co.'s Hi-C. (Atlanta) Offered in aseptic nine-pack cartons. $2.59 a pack. Agency: Marschalk Co.

Procter & Gamble's Joy. (Cincinnati) Dishwashing liquid in pump dispenser. Agency: Grey Advertising.

Procter & Gamble's Scope. (Cincinnati) Mouthwash in clear, shatterproof plastic bottles. Agency: Benton & Bowles.

Campbell Soup's Recipe Half-A-Can. (Camden, N.J.) Dog food in a 7-oz. can, half the size of standard can. Agency: CSC Advertising (in-house agency).

Preventa Pak Products' Travel Health kit. (Beverly Hills, Cal.) Seven all-natural remedies in a take-along kit for motion sickness, diarrhea, constipation, fatigue, insect bites, jet lag, sore gums, upset stomach, earaches, nose bleeds, headaches, insomnia, sunburn, skin rash, gas.

Molor Products' Self-Cleaning Pet Brush. (Westmont, Ill.) Bristles retract so that matted hair can be pulled from brush for cleaning. No agency.

Molor Products' Kar-Safe. (Westmont, Ill.) A large day-glow reflectorized pennant marketed as a safety flag. No agency.

For positioning innovation:

Procter & Gamble's Trimfit Attends. (Cincinnati) Newly designed adult diaper for the ambulatory incontinent market. Has wetness indicator that turns color when the diaper is wet. Agency: Benton & Bowles.

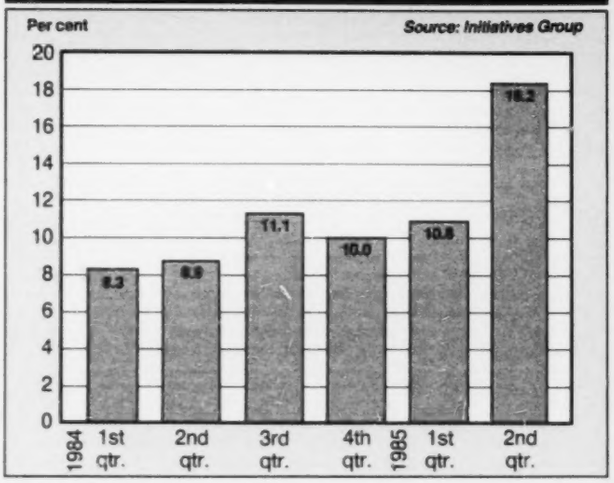
Preventa Pak Products' Self Check-Up Bowel Transit Kit. (Beverly Hills, Cal.) Lets the user compare effects of various special diets on the digestive process and insures that food is being digested in the right amount of time to maintain optimum nutritional benefits. Five tests per kit for $4.95.

Beatrice's Max Factor Active Protection Golden Moisture Body Mousse. (Chicago) A light, fluffy body moisturizer in a 2-oz. foam applicator. Retails for $4.50. Agency: Wells, Rich, Greene.

Chesebrough-Pond's Cutex Shadow Fix. (Greenwich, Conn.) Eye makeup primer

(Continued on Page 32)

Innovation index



The Innovation Index

Innovation Index is a system of evaluating new products, established by the Initiatives Group, Toronto and New York. The index rates products in six categories—food, beverage, health & beauty aids, household, pet and miscellaneous. Each product can be awarded up to five stars, one for each of five areas—new technology, new formulation, new packaging, new positioning to either new users or for new usage and opening of a new market. The Innovation Index is obtained by dividing the number of innovations by the number of products introduced.

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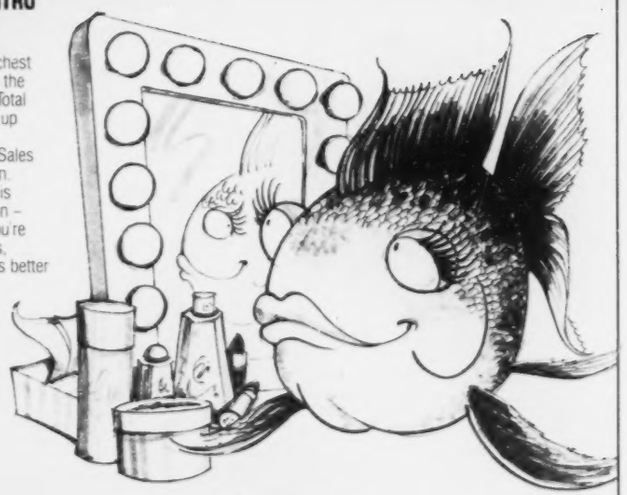

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Sources: *Market Statistics, 1984, Sales Per Household
**Sales & Marketing Management's 1984 Survey of Buying Power

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Spud a-peel

The Idaho Potato Commission is emphasizing versatility of spuds in a print campaign in women's magazines. The ads show potatoes complementing various entrees, using the line "Right from the very first bite." D'Arcy Masius Benton & Bowles, San Francisco, handles.

Squirt finds vitamins a Plus

By PATRICIA STRNAD

HOLLAND, MICH.—SquirtCo is introducing vitamin-enriched Diet Squirt Plus for diet and nutrition-conscious consumers.

"There is an emerging consumer awareness of health and fitness," said a spokeswoman for SquirtCo, the domestic franchiser of Squirt brand products. "Diet Squirt Plus is a natural vehicle for those who are concerned about health and drink a lot of nutritionally empty soft drinks."

Diet Squirt Plus, a reformulation of Diet Squirt, is targeted at 25-to-54-year-olds. It contains 50% of the U.S. Recommended Daily Allowance of vitamin C and 10% of the USRDA of five B complex vitamins.

However, SquirtCo cautions that grapefruit-flavor Plus is a vitamin supplement only and shouldn't replace a well balanced diet.

"Most people are on the go so much they don't eat right," the SquirtCo spokeswoman said. "We believe that adding nutrition helps fill a consumer-identified need for good-tasting soft drinks that are better for you."

Beverage Industry, a trade publication for bottlers, reported that 1984 soft-drink consumption surpassed that of water for the second year in a row.

Bottlers will replace Diet Squirt with the Plus brand by yearend, as they deplete their stocks of Diet Squirt. Squirt products are available regionally in all 50 states as well as Canada, the U.K., Mexico and several other Central American countries.

"Our commitment is to produce the very finest soft drinks possible," said J.W. Brooks, president of Squirt & Co., the privately held parent of SquirtCo.

"We are sensitive to consumer concerns," Mr. Brooks said. "While soft drinks will always be consumed first and foremost for fun and refreshment, Diet Squirt Plus satisfies that need while giving consumers added value."

Squirt & Co. prides itself on being an innovator in the soft-drink industry and is recognized as the first to sweeten its diet soft drink with 100% NutraSweet and to bottle soft drinks in plastic containers.

It also created the juice-added segment in the soft-drink category with Diet Squirt.

Competing juice-added diet soft drinks now include Pepsi-Cola's diet Slice, Procter & Gamble's diet Crush and R.J. Reynolds Industries' Diet Sunkist Plus (AA, Oct. 21).

SquirtCo believes it has accomplished another first by going a step further with vitamin-enriched Plus.

The soft-drink industry often has been criticized for failing to meet any basic nutritional needs, said John Baldari, account supervisor at Squirt agency Beber Silverstein & Partners, Miami. SquirtCo is providing bottlers with a 30-second tv spot for Plus. It will break in each market as the brand is introduced.

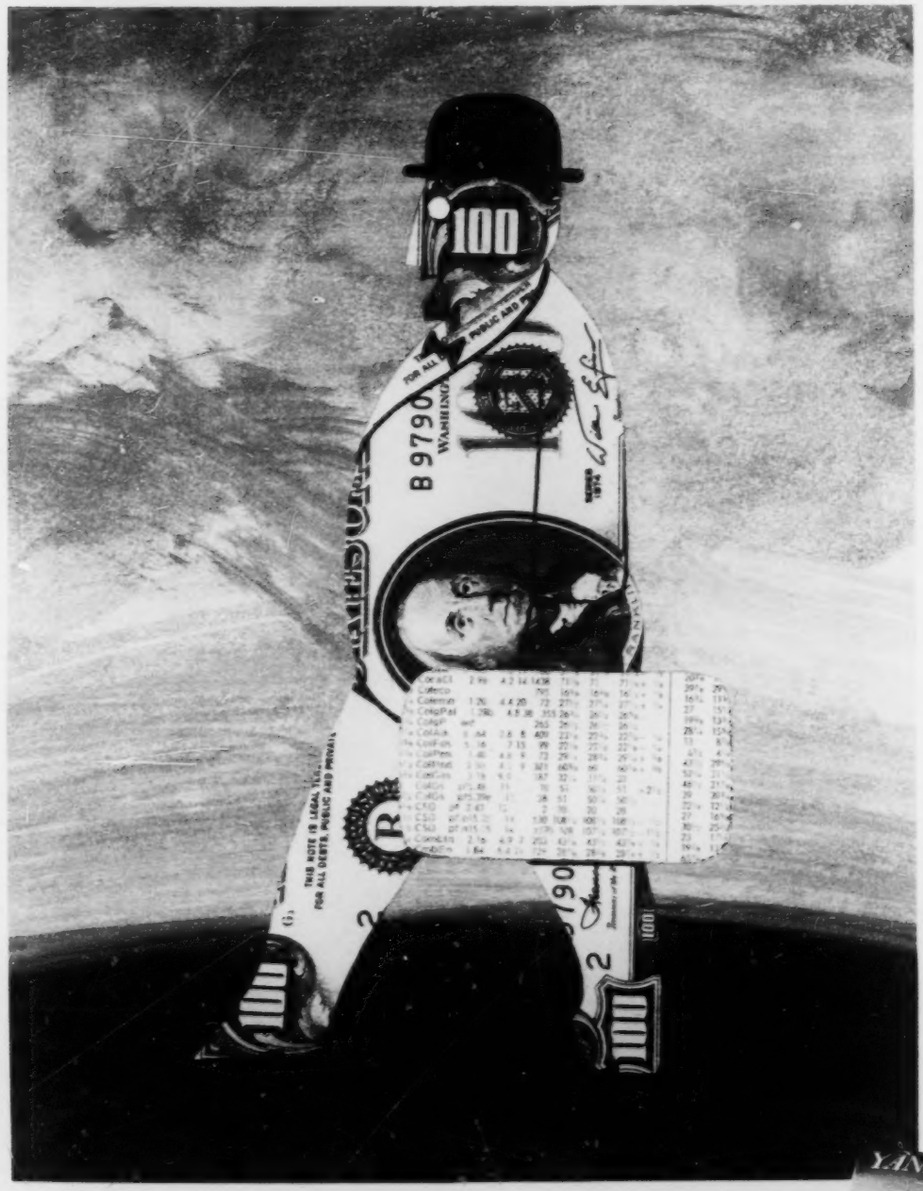
The humorous commercial features a family that argues whether it's the vitamins or taste that makes Plus so good.

Although the mother insists it's the taste that makes her "feel great," she continues to lift three big grocery bags or a stack of books with one hand and Plus in the other.

At the end, she lifts her husband and then her son high above her head and the son says, "I think it's the vitamins."

The creative team at Beber Silverstein included Russ Slaughter, creative director; Paul Spreadbury, copywriter, and Darry Gayle, producer.

The entire Squirt line receives about $3 million a year in advertising support.#



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Products

(Continued from Page 30)

packaged in a tube used under eye shadow to keep the color fresh and creaseless. Agency: Waring & LaRose.

Molor Products' Mirrer Wipe. (Westmont, Ill.) Compact squeegee that cleans bathroom mirrors and glass surfaces. No agency.

Products rated for technological innovation:

Preventa Pak Products' Self Check-Up Toxic Bowel Kit. (Beverly Hills, Cal.) A five-minute urine test that checks improper absorption of nutrients through intestinal walls and provides an early warning for certain diseases. Two tests in a kit retailing for $9.95.

Preventa Pak Products' Self Check-Up Calcium Kit. (Beverly Hills, Cal.) A urine test to determine calcium loss and indicating possible kidney stone. Retails for $9.95 for 10 tests.

Preventa Pak Products' Self Check-Up Hemacolon Kit. (Beverly Hills, Cal.) A fecal blood test to check for bowel disease. Three tests to a kit, retailing for $9.95.

Preventa Pak Products' Self Check-Up Vitamin C Kit. (Beverly Hills, Cal.) A drop-on-the-tongue test that indicates how much vitamin C an individual needs. One hundred tests per kit for $9.95.#

Due to late cancelation of an ad, there is no Page 33 or Page 34 in this issue.

$1.25 a copy; $55 a year

Monday, November 18, 1985

Advertising Age

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Shops flipped as new Coke fizzles

SSC&B gains Classic brand

By NANCY GIGES

Coca-Cola USA, still trying to regain marketing equilibrium after its April reformulation fiasco, last week reformulated its plan to market new Coke and Coca-Cola Classic under the megabrand umbrella.

In a sweeping agency realignment involving six brands billing more than $80 million, the Atlanta-based company split the agency assignment for its two cola brands.

The troubled new flavor stays at Interpublic's McCann-Erickson, New York; the more popular Coca-Cola Classic moves to sister agency SSC&B.

As it made the move to separate the two products and their ad campaigns, Coca-Cola revealed another about-face concerning its leading cola soft drink. The megabrand approach that company executives were trumpeting a few weeks ago has been replaced by what Coca-Cola USA president Brian Dyson terms brand "linkage."

In shifting new and old Coke brands, Coca-Cola balanced out billings as well as creative resources by transferring Cherry Coke, with its $20 million budget, and Tab, estimated at $10 million, to McCann from SSC&B.

The move, which was being talked about last month (AA, Oct. 21), came as no surprise. But it came a few months earlier than expected.

Ever since Coca-Cola faced up to the mistake it made when it removed original Coke from the marketplace and brought it back under the Classic name, company executives have indicated publicly they were committed to a megabrand strategy.

Only several weeks ago, exec vp-corporate marketing director Ira Herbert said the company intended to create a "megabrand—one enormous brand flying its banner over several different soft-drink categories—focusing on the total share of the industry rather than any single segment."

Placing the sugar cola brands at two different shops changes all that, especially because there is not likely to be much coordination be-

(Continued on Page 100)

Coca-Cola's megabrand, hailed in this recent trade ad, is trying for a more potent agency mix.

Last Minute News

Merrill Lynch opens $40M account

NEW YORK—Merrill Lynch will invite several agencies to make presentations for its $40 million account. The review will include incumbent Young & Rubicam, which has handled the business since 1979. A decision is expected by Feb. 1.

Agency renamed Doyle Graf Mabley

NEW YORK—Doyle Graf Mabley is the new name of the $35 million-to-$40 million agency previously known as Henderson Friedlich Graf & Doyle. The name change reflects the recent addition of Tom Mabley as exec vp-creative director from senior vp-creative director at Lord, Geller, Federico, Einstein.

Kresser, Craig bags Arco, AM-PM business

LOS ANGELES—Atlantic Richfield Co. has named Kresser, Craig/DIK to handle what it says will be a $15 million account, which includes Arco gas stations, AM-PM minimarkets and MPG-Tuneup centers. Other finalists included Backer & Spielvogel; incumbent Foote, Cone & Belding; Keye/-Donna/Pearlstein, and Scali, McCabe, Sloves.

Wendy's brings award-winning 'Fashion' to tv

DUBLIN, O.—Wendy's International on Nov. 25 breaks its "Fashion show" spot on network tv. The commercial, directed by Joe Sedelmaier, has won a Clio and a Cannes Silver Lion but previously has aired only in two test markets. The spot features a Soviet fashion show in which the clothes remain the same, but the props (flashlight for evening wear, beachball for swimwear) change. Dancer Fitzgerald Sample, New York, handles Wendy's.

Parker writes off O&M from int'l business

LONDON—Parker Pen Co., Janesville, Wis., has fired Ogilvy & Mather from its $10 million writing instruments account in Australia, Europe and Japan. However, O&M, New York, has retained Parker's $1 million U.S.

(Continued on Page 8)

Ford puts $100M on table to power Taurus & Sable

By JESSE SNYDER and RAYMOND SERAFIN

DETROIT—Get ready for a $100 million ad blitz: Ford's got a Taurus for us, not to mention a Sable in the stable.

Ford Motor Co.'s biggest-ever marketing launch supports a $3 billion development investment in Ford Taurus-Mercury Sable.

"Get Ready," another Mercury "Big Chill" music commercial, is running, and two additional Sable spots begin airing Dec. 7 on the syndicated show "Deja View." Ford division, with 250,000 of the 400,000 first-year sales goal for Taurus-Sable breaks ads closer to the Dec. 26 introduction but will still dominate ad spending.

With a first-year sales goal comparable to Mustang, Fairmont and Escort, Ford is differentiating each division's version of the front-wheel-drive platform. Sable is positioned upscale of mainstream Taurus, with a divergent ad campaign.

Each division has a separate target audience. Ford division has "a new Taurus for us," in original music lyrics for its introductory commercial via J. Walter Thompson USA, Detroit. Ford is aiming at a more mass-market group that leans toward domestic cars. Taurus is an "American car with a shape and feel we've never seen before."

Mercury will target what it calls "achievers," affluent, trend-conscious, well educated buyers who need more room for their families than imports and other small cars provide, said Charles Riley, senior vp-group director for Lincoln-Mercury agency Young & Rubicam, Detroit.

Production problems delayed the Taurus-Sable introduction

(Continued on Page 98)

That special feeling

Retailers race for new ideas

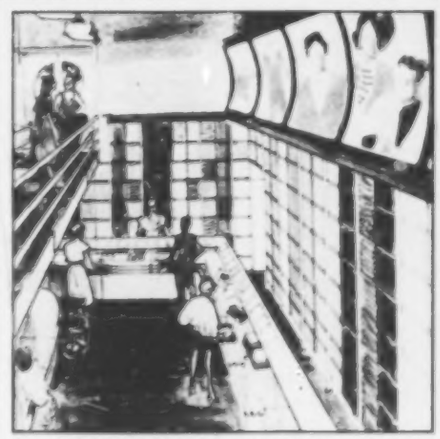
By PAT SLOAN

NEW YORK—Always a trendy business, retailing is becoming even more so as new specialty stores spring up to capture the attention, imagination and pocketbooks of choosy consumers.

Among the current and about-to-occur "happenings" on the specialty scene:

- Coca-Cola Clothes this month takes the wraps off its Fizzazz stores here and in New Jersey, where shoppers will view a five-screen video display of clothes before descending to the lower level to walk through a "serving" line with a tray—cafeteria style—selecting clothes in the colors and sizes they want.
- On Manhattan's East side, Columbus, O.-based The Limited is opening a "super" specialty store housing Limited, Limited Express and Victoria's Secret stores under one roof, a concept that has flourished in Europe.
- Ciao Italia, brainchild of the former president

(Continued on Page 99)



Specialty stores have developed innovative concepts, such as Coca-Cola Clothes' Fizzazz stores which feature a five-screen video display of fashions and a cafeteria-style serving line.

Crain Foundation announces grants

To mark the 100th anniversary of the birth of G.D. Crain Jr., founder of Crain Communications, the G.D. Crain Jr. Foundation has announced $25,000 grants to four universities and additional grants to the Advertising Council and the National Press Foundation. (Story on Page 26.)

NEWSREADER

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HIGHLIGHTS

Oh, so special 1
Retailing is becoming even more trendy as new specialty stores spring up. Among them: Coca-Cola Clothes debuts its Fizzazz stores; The Limited is opening a "super" specialty store; Ciao Italia readies its appearance as a "lifescapes" chain, and J. Bildner & Sons is running as a cross between a gourmet and convenience food store.

Get ready, 'cause here it comes 1
Ford Motor Co.'s biggest-ever marketing launch supports a $3 billion development investment in Ford Taurus-Mercury Sable. And that means there's a $100 million ad blitz ready to begin.

National tv ad market slides 3
The national tv advertising market is on the skids, and, for the first time publicly, CBS-TV admitted it was getting hurt by the slide. In a rare appearance before reporters and analysts, CBS executives blamed a sour advertising market on a dismal third-quarter performance—CBS' first quarterly earnings loss.

Net execs on endangered list 3
The tv networks' Who's Who list grew shorter last week as two top executives dropped out. With more personnel changes likely, especially at ABC, the list is expected to grow shorter still.

Electricity is in the air 4
Compact-disc players, stereo tvs and camcorders have cash-ready consumers eager to boost sales of electronics marketers this Christmas retail season, according to an informal Ad Age survey. Retailers' only problem appears to be getting—and keeping—the hot-selling items in stock.

Searle lusts for foreign affairs 6
Monsanto's G.D. Searle & Co. division is gearing up its NutraSweet group for an all-out offensive in international markets. Searle markets or expects to receive marketing approval soon for its NutraSweet aspartame sweetener in 30 to 40 nations.

Liberty's unhappy pursuit 12
The marketing program aimed at keeping Lady Liberty's torch lit has drawn fire from the news media. The Statue of Liberty-Ellis Island Foundation is being charged with commercialization and abandoning grass roots fund-raising in favor of corporate sponsorships.

Meaty, beaty, big & bouncy 28
Will young affluent people with educated palates pay a third more for fresh meat if they don't have to cook it? Bil Mar Foods and Kroger Co. are betting singles and working couples will.

The eyes have it 30
They're ugly. They're disgusting. They're really, really gross. They are Madballs, the new outdoor "playthings" American Greetings' Amtoy unit plans to introduce in January with a $3 million tv campaign.

A system for creativity? 46
Can advertising creativity be systematized? The answer is yes if you believe Joe Sacco, and no if you side with Gene Gramm.

Career changes 54
The magazine of "choices for today's teens" has made a few choices of its own, bringing in new top executives to introduce major changes. With its fall issue, *Careers* has undergone a complete revamp.

NEW PRODUCTS

New products get healthy 34
"Healthier" and "more exotic" appear to be the keys to success in new products in the food and beverage arena. The most innovative new products this year fall into one of these two categories, according to the Innovation Index new-product evaluation service of Initiatives Group.

INTERNATIONAL

Turkish delights 58
U.S.-based multinational ad agencies are rushing to establish first-time equity agreements with local shops in Turkey now that a pro-business government is welcoming foreign investments.

Dutch plan alcohol ad ban 59
The Dutch government wants to ban alcohol commercials from radio and tv as part of an all-out attack on excessive drinking. Government figures show the average Dutchman now consumes about three times as much alcohol as in 1960.

Marlboro man rides in Manila 70
Despite the U.S. government's support of President Ferdinand Marcos and subsequent attacks on U.S. policy, American products such as Marlboro cigarets, Coke and McDonald's hamburgers still are popular in the Philippines.

OTHER NEWS

General Mills has realigned its U.S. foods division to reemphasize its basic food businesses. Page 12.

A small Chicago company is just weeks away from beginning what it believes will be a major advance in the videocassette rental business: A network of computerized vending machines that will spit out prerecorded tapes to credit cardholders in 7-Eleven convenience stores. Page 24.

Grey Advertising, recognizing the success Young & Rubicam and other agencies have had with entertainment-advertising subsidiaries, has restructured two existing groups to create its own independent entry. Page 28.

If Sara Lee Corp. chairman John Bryan Jr. has any jitters about the fate of his company during the continuing series of food-industry megamergers, he kept them under wraps at the Chicago company's recent annual meeting. Page 36.

Polaroid Corp. has signed up for a promotional tie-in with Casey Kasem's upcoming American Video Awards show and is featuring Mr. Kasem in tv and radio spots and point-of-purchase materials promoting its own "funny pictures" contest. Page 74.

Holiday Inns has borrowed another tactic from the airline industry with a Supersaver-style room discount program it plans to expand nationally. Page 92.

Jos. E. Seagram & Sons is looking for an eyeball-to-eyeball meeting with federal regulators troubled by the distiller's equivalency campaign. Page 94.

CAMPAIGNS BREAKING

Domaine Chandon, Yountville, Cal., today breaks a seven-week tv campaign for its Chandon Napa Valley Brut sparkling wine in Los Angeles, Miami, New York and San Francisco. The 30-second spots are Domaine Chandon's first use of tv. Tatham-Laird & Kudner, San Francisco, handles (AA, Oct. 3).

COMING THURSDAY

Gordon Bowen is a firm follower of the "everything is wonderful" faith. The advertising industry is wonderful. New York City, where he now lives, is wonderful. Salt Lake City, where he used to live, is wonderful. His new job, as executive creative director of Ogilvy & Mather Partners, is wonderful. His old agency, Bonneville Media Communications, is wonderful. The group of Bonneville writers he brought with him to New York is wonderful. And if asked, he would no doubt eagerly point out that Mormonism, his adopted religion, is also wonderful.

Special Report examines what's in store for media in 1986, including a softening of media price increases and changes in buying patterns.

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PSA flies ads back to Della Femina

San Diego—Pacific Southwest Airlines completed a five-year, round-trip journey last week when it landed its $12 million account at Della Femina, Travisano & Partners, Los Angeles.

Della Femina, which handled the carrier's account in 1979 and 1980, replaces DYR, Los Angeles.

The new billings, coupled with its recent award of the equally large Carl's Jr. business (AA, July 15), pushes the agency's West Coast office past the $100 million mark.

PSA vp-marketing Bill Roy implied that the decision to hire Della Femina reflects the airline's desire to upgrade the creative quality of its ads, which it feels declined under DYR's direction. PSA recently dropped its DYR-developed slogan—"We've got to be tough to

(Continued on Page 102)

Agencies' Olympian profits skid

By STEWART ALTER

Still struggling out from the shadow of last year's Olympics spending, seven of the nine U.S.-based publicly owned ad agencies reported drops in net income during the third quarter.

Continued revenue growth, however, represented an encouraging footnote.

The only two U.S. public shops to report third-quarter increases in net income were New York-based Ogilvy Group (up 7.1%) and Interpublic Group of Cos. (up 4.9%).

"The third quarter looked weird and crummy in certain respects," said Charles Crane, an analyst at Oppenheimer &

(Continued on Page 100)

West Coast news

N.Y. shop infused by Muse

J. Melvin Muse & Co., Santa Ana, Cal., an agency specializing in black and Hispanic marketing, is merging with Mingo-Jones, New York, the U.S.' second-largest black-owned agency. It will be renamed Mingo-Jones Muse. With the move, Mingo-Jones becomes the first black agency to have offices on both coasts. Muse, with roughly $3.5 million in billings, was founded 18 months ago. Mingo-Jones is a $25 million agency whose accounts include

(Continued on Page 102)

Cigaret sales smolder below 600 billion

By JOHN C. MAXWELL JR.

We expect 1985 cigaret industry volume to total about 597.5 billion units. That projection is based on the assumption that the industry again will have a yearend price increase.

We believe the numbers will be in the area of 590 billion-plus if there is no yearend price increase. This would compare with 600 billion in 1984—down 0.5% if the higher number occurs or a decline of 1.7% if lower.

Retail consumer sales are running about 1% below last year's level.

The difference between the two percentages is caused by excess trade inventory buildup.

The most dynamic segment of the market in 1985 is the price-value category.

It consists of: "No frills" and store brands from Liggett & Myers Tobacco Co., Durham, N.C., and Brown & Williamson Tobacco Corp., Louisville; the generic-price brands, such as Doral from R.J. Reynolds Tobacco Co., Winston-Salem, N.C.; the midprice brands, such as Liggett's Stride, and the price-value 25s—Reynolds' Century, B&W's Richland and New York-based Philip Morris Inc.'s Players Lights 25s, the latter currently in test market.

Shares of cigaret market

	Full Priced	Price Value	Total Mkt.(85)	Total Mkt.(84)	Change
Philip Morris	38.5	—	35.7	35.3	+0.4
R.J. Reynolds	32.5	24.9	32.0	31.6	+0.4
Brown & Williamson	10.6	26.4	11.8	11.3	+0.5
Lorillard	8.8	—	8.1	8.2	−0.1
American Brands	8.0	—	7.4	7.9	−0.5
Liggett	1.6	48.7	5.0	5.7	−0.7
Total	100.0	100.0	100.0	100.0	—
Market Share	92.8	100.0	7.2	100.0	—

For the full year, the discount brands had a 7.2% share compared with 5.5% in 1984. Nevertheless, the growth rate was below that of previous years.

This was not unexpected, because retail cigaret price hikes also have slowed down.

It's worth looking at each company's share of the full-price and the price-value segment. Notice that while Philip Morris has a 35.7% share of the total market, it has a 38.5% share of the full-price segment and currently doesn't have a national price-value entry.

By contrast, B&W and Liggett have greater price-value penetration. Full-price brands are far more profitable, though.

In general, 1985 saw little change in leading brands' market shares. The two exceptions were PM's Marlboro and New York-based Lorillard's Newport, which have the strongest franchises among younger smokers.

Marlboro, the No. 1 brand, improved its market share to 22.3%, up 0.7 share point over last year. It was helped by the national distribution of Marlboro 25s, now with the highest sales in this category.

Newport hit a new high of 3.4%, ahead of last year by 0.4 point.

PM's Virginia Slims also showed continued progress, aided by the fourth-quarter launch of its 120s line extension. Only modest shifts took place for most of the other major brands, including Reynolds' Camel, Salem, Vantage and Winston; B&W's Kool; PM's Benson & Hedges and Merit, and New York-based American Brands' Carlton.

PM's 35.7% total market share is a record. Reynolds and B&W also enjoyed share gains for the year. American Brands, Liggett and Lorillard suffered small declines.

Cigaret's top ten

Preliminary year-end figures show that while the leading brands either dipped or remained flat, No. 1 Marlboro continued its upward surge. *Source: John C. Maxwell Jr.*

Company / Brand	Units 1984	Units 1985	Per cent 1984	Per cent 1985
Philip Morris				
Marlboro	125.40	133.15	21.1	22.3
Benson & Hedges	28.80	27.98	4.8	4.7
Merit	24.35	24.45	4.1	4.1
Total	178.55	185.58	30.0	31.1
R.J. Reynolds				
Winston	71.04	68.84	12.0	11.5
Salem	48.39	48.30	8.1	8.1
Camel	26.84	26.09	4.5	4.3
Vantage	20.98	20.08	3.5	3.4
Total	167.25	163.31	28.1	27.3
Brown & Williamson				
Kool	41.69	39.79	7.0	6.7
American Brands				
Pall Mall	22.45	20.81	3.8	3.5
Lorillard				
Newport	18.12	20.57	3.0	3.4
Grand Total	433.20	430.06	71.9	72.0

Mr. Maxwell is an analyst with Furman Selz Mager Dietz & Birney, New York.

Syndicast puts emphasis on specials

By JAMES P. FORKAN

NEW YORK—Syndicast Services, one of the nation's oldest barter syndicators, is looking to 1986 and 1987 with a roster that's heavy on specials and light on series.

The reasons are simple enough. Leonard Koch, Syndicast president, said the tv business in general is experiencing one of the slowest fourth quarters in memory. Given the tough economic climate and the fact that most new syndicated series fail, "it's in our best interests to emphasize specials," he said. Hit series such as King World's "Wheel of Fortune" are "very lucky things."

Although Syndicast's lineup is 80% specials, Mr. Koch said most are "continuing specials," events with one or more prior telecasts and with a following among viewers, stations and sponsors.

Taking note of lavish displays planned for the National Assn. of Television Program Executives convention in January by Walt Disney Domestic Television, King World, LBS Communications and other syndicators, Mr. Koch said his company will avoid flashy presentations because "it cuts into the bottom line."

Syndicast began 17 years ago as the CPM Programs subsidiary of Norman, Craig & Kummel, at a time when barter was looked down upon.

It lacks the deep pockets of a Grey Advertising (LBS Communications' parent), Lorimar Inc. (which just joined forces with Telepictures Corp.) or the several companies backing TeleRep's Operation Prime Time, he said. Thus, Syndicast pays close attention to syndication history and the economics of the business.

A look at the initial Nielsen ratings for this fall's first-run syndication crop would seem to support Mr. Koch's cautious approach to syndicated series.

Even such costly series as Paramount's "America" and the LBS Communications/Tribune Entertainment/Columbia Pictures TV "Inday" co-venture, each with production budgets well into eight digits, have been faring poorly. (Tribune Broadcasting, Chicago, already has cut the Inday daytime programing block in half by axing two of the four half-hour series, while "America" is undergoing on-air changes.)

Still, it is very difficult to make money on specials alone.

A two-hour bartered special can cost upward of $250,000 to produce, but can generate about $500,000—before expenses, commissions, promotion, make-goods and the like.

Perhaps with that in mind, Mr. Koch indicated that some of Syndicast's future specials have series potential.

The most imminent is "1985 R&B Countdown," produced by Bob Banner Associates for a Dec. 31 to Jan. 31 tv "window." That two-hour special, featuring singers Kool & the Gang and Whitney Houston as hosts and offering videos of the year's top 30 rhythm & blues hits (including USA for Africa's "We Are the World"), will in effect be a series pilot, Mr. Koch said.

In addition, Syndicast (which is handling sponsor sales for several music series from On The Air, including "TV 2000" and "Lovesongs") is scrutinizing the series prospects for seven other projects of its own, for late-night, weekend sports time and children's and adult daytime slots. Mr. Koch said the sports show is a new version of "Sports Challenge," one of the first series Syndicast bartered (as CPM, for Colgate-Palmolive). A daytime series also is possible, he said, despite Syndicast's two failed tries at mounting a game-show block as an alternative to the Big 3 networks' soap operas.

For children, two animated projects are being considered for Monday-through-Friday stripping for fall '86, he said. (Already, Telepictures is selling "Silver Hawks" and three partners are pitching "Galaxy Rangers," both for fall '86, while LBS Communications is promoting "Kideo TV" as a cartoon series bloc for spring '86.)

Syndicast has just renewed "Terrahawks," a science-fiction children's series featuring puppets rather than animation, for 1986-87. It plans to take "Kidsworld," the 10-year-old Behrens Co.-produced live-action series, from a weekly show to a daily strip next season. Coleco Industries, the weekly's major sponsor, has first rights on this strip, Mr. Koch noted. A "Raccoons" cartoon series is yet another contender for fall '86, using 11 episodes that have run on the Disney Channel; there also are two previously done specials, "The Christmas Raccoons," sold mainly to Coleco and Tonka Corp., for next month, and "Raccoons on Ice," due in the '86 first quarter.

Other specials due within the first two quarters of '86 include the "1986 Golden Globe Awards," a two-hour show to air live on the West Coast (a first) on Jan. 24 and go tape-delayed to scores of other markets the next evening; "Lou Rawls Presents the Third Annual Black Gold Awards," due in March as a two-hour Dick Clark-produced event, renewed by Anheuser-Busch; "Where Do We Go from Here?" starring Shirley MacLaine; "Perry Como's Easter Special," and three half-hour specials picked up by the CBS-owned outlets, "Countdown to the Super Bowl" in January, "A Look at Grammy" in February and "A Look at the Academy Awards" in March. The "1986 Mrs. America Pageant" is due live in August.

Among Syndicast's offnet shows, "The Woman Who Willed a Miracle," an ex-ABC "Afterschool Special" drama hour due for March/April, has inspired so much station interest that Mr. Koch now is trying to find more "heartwarming dramas" to form a monthly afterschool package, starting as soon as summer, 1986.

Other offnet fare includes "Return to Iwo Jima" and "The Unknown Soldier," two ex-Public Broadcasting Service documentaries due around Memorial Day '86 as a two-hour back-to-back special, and "The Demon Murder Case," a tv movie slated for next Halloween.

Two offnet Elvis Presley specials also are in the 1986-87 package: "Aloha from Hawaii," (ex-NBC), due in January on more than 160 stations, and "One Night with You," newly added for January '87. The latter is a Home Box Office hour including outtakes from a 1968 NBC special. Both shows are being sold on a cash/barter basis for three plays across two years; the first play will be barter, the others cash.

Offnet series are another story. The more popular ones command such high prices that only the well-heeled can acquire the syndie rights, sources said, pointing to Telepictures being unable, at $80 million, to outbid Columbia Pictures TV on "Hardcastle & McCormick" and "Riptide." As for the short-lived series, Mr. Koch said those "simply don't have the legs to gamble on in syndication" and their quick axings have tarred them with a negative image among stations, sponsors and even viewers.

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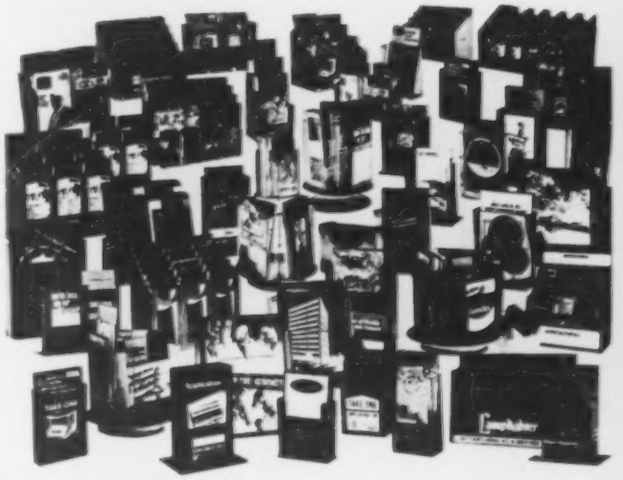

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November

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
— Art & antiques —				
American Artist	102.3	114.9	844.7	853.3
Antiques	168.5	193.3	1,616.1	1,659.0
Art in America	—	—	—	—
Southwest Art	90.3	88.3	938.7	974.2
Total Group	**361.1**	**396.5**	**3,399.5**	**3,486.5**
% change		**– 8.9%**		**– 2.5%**
— Auto/cycle/rec. vehicles —				
Autoweek (52X)	—	—	—	—
Car & Driver	101.8	92.3	1,119.8	1,015.7
Car Collector & Car Classics	14.6	23.7	202.0	218.2
Car Craft	84.9	66.1	838.7	792.7
Circle Track	53.8	44.7	581.0	516.4
Cycle	42.0	41.9	558.1	494.0
Cycle Guide (11X)	30.3	33.1	430.1	426.6
Cycle World	—	—	—	—
Dirt Rider	47.0	35.8	359.1	296.2
Dune Buggies & Hot VWs	96.6	67.8	1,035.3	873.0
Family Motor Coaching	137.1	139.5	1,602.4	1,596.4
4 Wheel & Off-Road	110.5	79.0	887.2	802.9
Four Wheeler	95.3	95.0	965.6	889.3
Hot Rod	63.8	48.9	666.6	671.9
Motorcyclist	23.5	25.3	410.3	388.7
Motor Trend	99.3	80.3	850.9	719.6
Motorhome Life	82.3	94.6	1,042.1	997.4
Rider	37.9	30.6	579.4	609.6
Road & Track	128.9	123.5	1,125.8	1,139.5
3 Wheeling	78.6	38.9	671.1	352.3
Trailer Life	108.8	134.9	1,326.8	1,375.0
Total Group	**1,437.0**	**1,295.9**	**15,252.3**	**14,175.4**
% change		**+ 10.9%**		**+ 7.6%**
— Boating & yachting —				
Boating	106.2	120.6	1,469.7	1,499.5
Chesapeake Bay	33.0	26.3	389.9	321.1
Cruising World	99.9	105.4	1,542.8	1,647.6
Lakeland Boating (10X)	54.0	53.5	645.0	596.8
Motor Boating & Sailing	140.3	142.1	1,813.3	1,758.3
Sail	94.1	120.6	1,420.2	1,544.0
Sea	24.9	46.7	493.9	631.7
Small Boat Journal	—	—	239.9	215.1
Trailer Boats	24.4	24.2	370.0	356.8
Western Boatman	33.1	20.3	266.9	141.5
Yachting	139.9	162.4	1,787.8	1,917.1
Total Group	**749.8**	**822.1**	**10,433.4**	**10,629.5**
% change		**– 8.8%**		**– 1.8%**
— Canadian —				
L'Actualite	131.3	113.0	763.2	764.9
Chatelaine				
English Edition A	148.8	140.3	1,044.7	1,104.6
French Edition A	141.0	124.9	855.4	949.1
City and Country Home	62.3	61.0	385.8	357.8
City Woman (5X)	—	—	—	—
Equinox (6X)	—	—	—	—
Financial Post A	66.1	62.3	386.2	493.5
Flare A	92.8	79.4	771.5	627.5
Macleans (52X) A	185.5	185.4	1,387.2	1,418.3
Montreal Calendar	—	—	—	—
Montreal Ce Mois Ci	—	—	—	—
Reader's Digest				
Canadian-English A	101.6	99.7	702.9	792.2
Canadian-French A	70.5	96.8	567.6	710.1
Toronto Life	123.5	146.2	944.8	1,062.2
Vancouver	—	—	—	—
Total Group	**1,123.4**	**1,109.0**	**7,809.3**	**8,280.2**
% change		**+ 1.3%**		**– 5.7%**
— Civic/fraternal —				
American Legion	25.1	19.4	285.7	258.9
Elks (10X)	20.5	24.0	194.2	227.3
Kiwanis	20.7	15.4	172.8	138.5
Lion (10X)	4.3	3.7	56.3	61.5
Rotarian	11.6	10.6	122.9	130.0
V.F.W. (11X)	27.6	22.8	311.8	289.6
Total Group	**109.8**	**95.9**	**1,143.7**	**1,105.8**
% change		**+ 14.5%**		**+ 3.4%**
— Comics —				
DC Comics	6.5	6.0	76.0	81.0
Marvel Comics Group	8.0	9.5	81.5	92.5
Total Group	**14.5**	**15.5**	**157.5**	**173.5**
% change		**– 6.5%**		**– 9.2%**
— General —				
American Health (10X)	87.5	45.5	503.9	373.3
American West (6X)	47.3	32.3	224.0	151.6
The Atlantic A	73.3	79.1	523.4	519.9
Audubon Magazine (6X)	—	—	—	—
Bon Appetit A	—	—	—	—
Changing Times	53.2	39.9	448.8	485.2
Connoisseur	129.1	105.1	751.0	627.6
Consumers Digest (8X)	35.5	13.6	199.6	102.6
Ebony	195.3	97.2	1,105.0	1,003.5
Fifty Plus	37.4	45.3	368.1	394.1
Food & Wine	81.2	80.7	552.8	447.2
Games	23.6	24.5	194.9	228.0
Gourmet	158.6	125.6	1,021.3	878.4
Home Entertainment	—	—	—	—
Harper's Magazine A	25.2	16.7	279.9	256.9
Life	81.9	104.3	704.3	678.2
Modern Maturity	44.7	56.0	229.7	215.7
Money	170.1	188.8	1,333.0	1,369.2
Moneysworth (4X)	—	—	51.4	53.8
Mother Earth News (6X)	38.4	37.9	268.4	301.0
Mother Jones (10X)	19.3	15.8	151.4	148.5
National Geographic	—	—	—	—
Natural History	54.2	50.2	470.9	470.2
Prevention	61.4	69.7	662.5	754.1
Psychology Today	37.4	42.5	285.5	293.3
Reader's Digest A	99.7	113.7	872.8	876.9
Saturday Evening Post (9X)	35.4	38.3	293.6	304.6
Signature	87.2	86.8	623.4	632.1
Smithsonian	119.2	118.3	1,001.6	923.5
Success B	34.2	37.7	341.2	377.8
Sylvia Porter's Personal Finance (6X)	—	—	—	—
Town & Country	284.4	272.0	1,587.5	1,696.0
Travel-Holiday	35.1	32.1	483.5	466.8
Travel & Leisure	146.4	150.6	1,168.5	1,203.0
Vanity Fair	46.1	37.4	376.4	285.6
Writer's Digest	19.2	26.9	261.6	268.4
Yankee	118.1	102.5	895.6	903.4
Total Group	**2,476.6**	**2,287.0**	**18,235.5**	**17,690.4**
% change		**+ 7.3%**		**+ 3.5%**
— Home —				
Americana (6X)	27.1	33.0	210.0	226.0
Architectural Digest A	—	—	—	—
Better Homes & Gardens	138.8	159.9	1,221.8	1,336.8
Colonial Homes (6X)	53.5	74.4	371.0	413.7
Country Home	31.7	29.3	195.4	129.8
Country Journal	—	—	—	—
Country Living	88.5	76.4	776.8	727.7
Dallas/Ft. Worth Home & Garden	121.9	79.6	920.9	817.9
Family Handyman (10X) A	54.3	56.8	613.0	703.5
Flower & Garden (6X)	—	—	205.4	183.6
Home	—	—	—	—
The Homeowner (10X)	23.4	24.1	265.5	236.1
Horticulture	41.5	48.5	400.0	326.0
House Beautiful	—	—	—	—
House & Garden	129.2	127.7	1,067.8	1,004.0
Houston Home/Garden	103.2	103.0	1,078.0	1,145.0
Metropolitan Home	76.2	86.5	715.2	793.1
New Shelter (9X)	46.5	50.3	498.3	447.0
1,001 Home Ideas	60.4	51.3	558.5	474.6
Organic Gardening	41.3	46.5	599.1	676.2
Phoenix Home/Garden	84.7	78.5	744.1	627.0
Rx Being Well	32.0	22.0	183.0	120.0
San Diego Home/Garden	74.3	73.7	847.7	799.0
South Florida Home/Garden	33.3	28.2	414.3	—
Southern Accents (6X)	95.0	101.9	519.9	477.9
Southern Living	201.3	184.7	1,502.7	1,500.6
Sunset Magazine A	192.0	185.8	1,619.9	1,551.3
Texas Homes	76.8	88.2	877.9	884.8
Workbench (6X)	56.0	64.4	320.7	360.8
Total Group	**1,826.9**	**1810.36**	**16,706.2**	**15,601.6**
% change		**+ 0.9%**		**+ 7.1%**
— In-flight & other passenger —				
Aboard Group (7) (6X)	28.5	—	126.0	75.4
Alaska Airlines	55.0	52.4	548.1	574.1
American Way (26X)	143.6	118.6	1,321.1	1,118.1
East/West Network				
Eastern Review	106.3	127.2	1,056.7	1,272.8
Northwest Orient	50.0	42.5	470.3	369.1
Ozark	45.5	47.5	471.0	498.7
PSA Magazine	118.8	109.2	946.8	1,129.9
Pan Am Clipper	60.8	70.5	652.2	685.7
Republic Scene	53.7	60.8	528.1	650.5
Spirit	109.2	115.0	1,070.0	1,074.8
United	117.2	130.2	1,051.9	1,269.7
Western's World	68.7	79.2	616.1	743.3
Halsey Publications				
Air Cal	45.3	72.0	540.4	578.5
Delta Sky	86.7	85.1	819.1	837.8
Skylite	19.7	26.2	228.1	228.2
USair	43.0	58.8	575.2	665.3
Hawaii (6X)	20.8	22.3	234.4	216.4
Pace	71.0	86.8	777.6	655.9
TWA Ambassador	64.2	74.3	620.1	659.1
Spirit of Aloha (6X)	20.3	23.8	234.6	221.2
Total Group	**1,328.3**	**1402.41**	**12,887.8**	**13,524.5**
% change		**– 5.3%**		**– 4.7%**
— Men's —				
Esquire A	—	—	—	—
Firehouse Magazine (13X)	55.5	53.6	544.2	554.4
Gentlemen's Quarterly A	—	—	—	—
M Magazine	64.5	70.3	608.2	709.3
Penthouse A	35.7	62.0	435.3	559.0
Playboy A	66.8	80.9	790.6	794.2
Total Group	**222.5**	**266.8**	**2,378.3**	**2,616.9**
% change		**– 16.6%**		**– 9.1%**
— Metropolitan —				
Aloha (6X)	38.7	39.8	204.2	186.7
Atlanta	80.8	75.4	610.1	659.4
Baltimore	106.4	85.6	903.1	705.5
Boston	204.5	201.5	1,733.3	1,610.2
California	79.0	103.2	761.2	748.1
Charlotte (10X)	—	—	—	—
Chicago	214.8	207.3	1,548.6	1,580.5
Chicago's North Shore	99.3	106.7	890.6	951.5
Cincinnati	103.9	92.4	685.1	606.5
Cleveland	102.2	86.0	899.6	850.9
Coast (38X)	69.5	75.1	2,959.9	2,833.0
Columbus Monthly	108.2	64.2	810.6	761.4
Commonwealth	—	—	—	—
Connecticut	118.8	94.6	1,015.0	915.3
Country Magazine	42.5	44.9	517.0	459.8
D/Magazine, Dallas/Ft Worth	189.9	203.4	1,501.3	1,473.5
Denver	39.8	41.2	377.0	319.9
Grand Rapids	42.3	65.3	1,558.1	588.8
Gulfshore Life (10X)	65.7	44.7	547.8	585.6
Honolulu	112.6	116.2	710.9	722.2
Houston City	101.2	97.9	786.1	938.4
Indianapolis	—	—	—	—
Kansas City	—	—	—	—
Los Angeles	225.2	232.0	1,982.9	2,252.0
Louisiana Life (6X)	75.4	103.2	352.9	470.2
Madison	55.0	48.0	667.6	504.2
Metropolitan Detroit	79.0	75.1	802.5	623.6
Miami Mensual	56.5	56.5	465.6	448.6
Miami/South Florida	136.3	148.0	1,024.3	985.2
Milwaukee	103.6	65.0	750.3	504.5
Minneapolis/St. Paul	177.0	125.9	1,131.1	1,054.4
Monthly Detroit	185.6	100.9	797.8	751.9
Nashville	51.0	39.0	442.0	408.0
New England Monthly	74.5	19.3	383.4	106.1
New Jersey Monthly	76.9	66.4	688.5	610.0
New Mexico	48.3	52.0	412.0	444.0
Ohio	64.3	51.8	753.5	691.8
Oregon	34.5	28.5	366.3	281.3
Orlando	96.7	83.7	1,087.9	928.5
Palm Beach Life	89.7	85.7	768.3	780.4
Palm Springs Life	102.7	115.3	1,261.8	1,348.2
Philadelphia	183.3	156.4	1,544.0	1,455.7
Phoenix	103.6	106.3	1,074.6	995.5
Pittsburgh	—	—	—	—
St. Louis	—	—	—	—
San Diego	164.0	184.9	1,705.3	1,669.3
San Francisco	—	—	—	—
San Francisco Focus	123.8	1,020.6	119.3	722.5
Texas Monthly	196.2	196.2	1,442.8	1,500.4
Twin Cities	—	—	—	—
Ultra	110.9	114.4	831.7	931.5
The Virginian	54.0	46.5	331.0	230.3
Washington Dosier (11X)	72.2	66.7	603.5	586.6
The Washingtonian	212.6	187.0	1,784.9	1,672.6
Total Group	**4,872.9**	**4,519.4**	**43,466.6**	**40,413.5**
% change		**+ 7.8%**		**+ 7.6%**
— Movie/romance/radio/tv —				
Macfadden's Women's Group				
Modern Romances	17.3	19.4	212.6	260.2
Secrets	17.3	19.4	212.6	260.2
True Confessions	17.3	19.4	212.6	260.2
True Experience	17.3	19.4	212.6	260.2
True Love	17.3	19.4	212.6	260.2
True Romance	17.3	19.4	212.6	260.2
Sterling Women's Group				
Daytime TV	25.5	28.5	308.5	309.5
Modern Screen	—	—	73.8	101.5
Movie Mirror (6X)	—	—	87.0	102.5
Soap Opera Stars	—	—	93.6	106.8
TV Movie Screen (6X)	—	—	35.3	19.0
TV Picture Life (6X)	—	—	33.0	92.0
Total Group	**129.3**	**144.9**	**1,906.8**	**2,292.5**
% change		**– 10.8%**		**– 16.8%**
— Music/entertainment —				
American Film (10X)	28.5	31.0	236.6	240.5
Audio	70.6	85.2	977.6	872.4
Circus Magazine	55.0	51.6	549.6	422.0
Dance Magazine	52.5	53.7	597.5	654.9
Musician	65.3	61.3	651.6	660.2
Playbill	64.7	87.6	550.8	649.8
Record	31.1	31.8	244.2	268.1
Stereo Review	76.3	59.0	566.0	511.7
Video Magazine	85.3	92.0	824.2	769.9
Video Review	75.1	76.7	663.9	603.9
Total Group	**604.4**	**629.9**	**5,862.0**	**5,653.4**
% change		**– 4.0%**		**+ 3.7%**
— National Sunday magazines —				
Parade (52X)	58.8	60.2	596.2	589.2
USA Weekend	82.6	63.2	617.0	639.3
Total Group	**141.4**	**123.4**	**1,213.2**	**1,228.5**
% change		**+ 14.6%**		**– 1.2%**
— Outdoor & sport —				
Alaska	48.0	46.1	523.2	461.8
The American Handgunner (6X)	48.0	45.0	221.0	225.0
American Hunter	23.9	24.7	229.6	229.8
American Rifleman	26.6	31.1	295.1	326.6
Backpacker (6X)	32.3	44.2	200.9	257.2
Bass Master (9X) A	43.2	64.9	464.7	449.4
Bicycling (9X)	62.6	81.8	819.2	939.7
Ducks Unlimited	51.0	38.8	210.0	213.7
Equus	66.3	68.4	666.3	672.1
Field & Stream	95.7	102.5	977.6	950.0
Fins & Feathers A	26.5	30.6	—	470.9
Fishing World	15.6	18.2	201.5	221.6
Florida Sportsman	84.7	69.0	1,060.7	916.1
Flying	42.1	68.3	506.4	535.2
Fur-Fish-Game	33.1	28.3	239.7	265.1
Golf Digest	68.4	63.5	984.6	988.5
Golf Magazine	49.8	56.8	685.1	762.4

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads.
* All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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November

	Current month 1985	1984	Year-to-date 1985	1984
Guns	37.0	30.0	277.0	288.0
Guns & Ammo	60.3	59.4	513.1	550.8
In-Fisherman (6X)	41.0	48.0	471.0	488.0
Muscle & Fitness	—	—	—	—
Outdoor Life	69.5	80.1	784.6	857.5
Outside Magazine	56.3	48.0	466.1	419.2
Petersen's Hunting	72.1	55.8	529.6	490.6
The Runner	45.0	71.5	401.5	579.3
Runner's World (13X)	26.3	40.1	420.5	581.8
Salt Water Sportsman	—	—	—	—
Shooting Times	37.6	41.3	392.4	427.9
Sierra (6X)	41.9	35.0	226.5	215.2
Ski (8X) A	174.6	207.3	653.9	731.0
Skiing (7X)	202.6	208.4	789.1	777.1
Skin Diver	83.1	65.4	888.2	820.1
Southern Outdoors (8X)	38.8	41.5	322.7	356.0
Sport	45.8	52.5	483.5	509.5
Sports Afield	95.2	102.2	953.4	976.4
Tennis	37.1	62.3	906.9	964.5
Western Outdoors (10X)	32.6	43.4	425.1	425.9
Total Group	**2,010.6**	**2,174.4**	**18,190.7**	**19,343.9**
% change		**-7.5%**		**-6.0%**

— Photography —

American Photographer	54.2	50.5	462.9	457.4
Petersen's Photographic	34.9	43.0	319.5	371.3
Popular Photography	82.2	100.0	943.4	1,015.3
Total Group	**171.3**	**193.5**	**1,725.8**	**1,844.0**
% change		**-11.5%**		**-6.4%**

— Religious —

BBI Jewish Monthly (10X)	22.2	29.8	200.1	236.3
Christian Herald (11X)	31.3	46.0	318.5	331.6
Christian Life	24.2	39.7	271.7	320.5
Christianity Today (18X)	90.0	94.2	673.3	734.2
Inside (4X)	—	—	251.6	249.8
Moody Monthly (11X)	64.4	53.8	542.0	549.3
Today's Christian Woman	52.2	65.8	267.4	237.8
Total Group	**284.3**	**329.3**	**2,524.6**	**2,629.5**
% change		**-13.7%**		**-4.0%**

— Science/electronic/mechanic —

Compute	60.4	86.4	529.5	853.2
Creative Computing	44.8	150.1	651.3	1,318.4
Discover	55.3	45.3	383.3	393.2
Family Computing	54.6	74.1	421.0	602.2
Omni	61.5	79.6	651.6	720.4
Personal Computing	—	—	—	—
Popular Mechanics	102.2	120.1	1,061.7	1,096.8
Popular Science	76.9	84.2	722.6	899.0
Science Digest	29.5	45.0	244.0	323.4
Science 85 (10X)	44.5	81.5	277.4	353.0
Scientific American	80.5	103.1	522.4	769.1
Spectrum	127.1	113.5	1,159.0	1,112.3
Total Group	**734.3**	**982.9**	**6,623.8**	**8,441.0**
% change		**-25.3%**		**-21.5%**

— Woman/fashion/service —

Bride's Magazine (6X) A	—	—	—	—
Cosmopolitan A	306.4	229.2	2,271.5	2,328.7
Essence	82.0	86.3	803.7	931.4
Family Circle (17X) A	140.0	163.3	1,611.1	1,641.6
Family Magazine	36.5	41.5	439.6	397.7
Glamour	188.6	193.4	1,980.2	2,009.1
Good Housekeeping A	203.8	228.7	1,806.4	1,824.4
Harper's Bazaar	155.8	178.3	1,632.2	1,678.3
Ladies' Home Journal	143.1	136.6	1,235.1	1,148.9
Mademoiselle	138.0	137.4	1,400.1	1,565.8
McCall's	124.6	137.8	1,034.7	1,064.8
Military Lifestyle (10X)	32.2	42.0	330.1	408.8
Modern Bride (6X)	163.3	209.0	1,665.9	1,604.9
Ms	45.2	72.3	518.6	588.2
New Woman	70.1	52.3	610.6	521.4
Parents Magazine A	141.4	122.7	1,016.9	882.4
Playgirl	33.8	29.6	379.6	367.4
Redbook	111.7	129.6	1,037.6	1,073.0
Self	130.6	95.3	1,101.8	1,087.0
Seventeen	103.4	105.2	1,360.6	1,408.4
Shape	—	—	—	—
Soap Opera Digest (26X)	25.1	30.3	301.6	310.6
Teen Magazine	38.9	36.2	547.0	587.1
True Story A	68.6	43.5	558.8	621.5
Vogue	303.1	326.3	3,019.1	3,223.4
W Magazine	181.5	156.0	1,287.4	1,273.8
Weight Watchers	—	—	—	—
Woman's Day (16X) A	116.6	135.5	1,225.0	1,371.8
The Workbasket (10X)	44.2	41.2	385.6	385.2
Working Mother	98.0	107.9	847.7	823.6
Working Woman	140.7	144.2	1,144.3	1,187.3
Total Group	**3,367.2**	**3,411.6**	**31,552.8**	**32,316.5**
% change		**-1.2%**		**-2.5%**

— Youth —

Boys' Life	17.7	15.8	199.1	177.9
Campus Life (10X)	44.6	55.1	474.7	452.4
Total Group	**62.3**	**70.9**	**673.8**	**630.3**
% change		**-12.1%**		**+6.9%**

October

	Current month 1985	1984	Year-to-date 1985	1984

— Business —

Arizona Bus. Gazette (52X)	36.3	23.2	287.7	253.4
Atlanta Bus. Chronicle (52X)	85.8	58.5	559.3	476.6
Austin Bus. Journal (52X)	63.8	49.8	586.1	450.5
Baltimore Business Journal (4X)	76.0	103.0	670.0	634.0
Barron's (52X)	200.1	273.1	1,876.4	1,936.9
Boston Business Journal (52X)	160.0	129.0	1,423.8	941.8
Business Atlanta	83.7	75.6	681.2	584.3
Business First of Buffalo	67.2	20.8	609.5	20.8
Business First of Columbus	82.5	—	662.8	—
Business North Carolina	55.6	36.4	—	—
Business Week (52X) A	384.2	599.6	3,422.5	4,032.9
California Business	—	—	—	—
Capitol District Business Review (25X)	21.5	63.3	402.4	473.3
Cincinnati Business Carrier	79.6	63.3	656.4	236.8
Corporate Report/Kansas City	48.5	60.7	456.9	607.0
Corporate Report/Minnesota	118.0	119.4	937.6	871.2
Crain's Chicago Bus. (52X)	194.8	187.0	1,587.7	1,342.0
Crain's Cleveland Bus. (52X)	80.3	85.4	756.0	666.6
Dallas/Ft. Worth Bus. (52X)	—	—	—	—
Dun's Business Month	102.0	121.0	509.0	680.0
Financial World (24X)	58.1	48.4	427.5	310.7
Florida Trend (13X)	121.3	104.5	929.7	862.2
Forbes (26X)	506.1	489.1	2,941.3	2,959.4
Fortune (26X) A	402.8	477.3	2,712.7	2,824.2
Frequent Flyer	63.0	70.9	630.6	572.7
Futures (13X)	46.5	61.5	548.0	564.0
Georgia Trend	46.0	—	106.1	—
Hawaii Business	50.8	50.4	495.8	504.5
High Technology	22.3	59.5	296.1	339.8
Houston Bus. Journal (52X)	111.0	139.4	1,337.6	1,571.1
Inc. Magazine A	103.1	131.4	908.0	1,192.5
Income Opportunities	53.3	48.3	429.5	420.0
Industry Week (25X) A	106.7	158.8	902.8	1,110.6
Indianapolis Bus. Journal (52X)	132.0	121.4	1,237.8	993.2
Kansas City Business Journal	143.7	168.2	1,483.2	1,323.0
Milwaukee Business Journal	98.4	140.4	995.7	845.1
Minnesota Business Journal	55.0	48.3	491.8	498.0
Nation's Business A	35.3	42.6	328.8	335.1
New England Business (20X)	119.5	89.8	930.7	719.9
Pacific Business News (52X)	124.4	110.2	1,119.4	1,013.0
Philadelphia Bus. Journal (52X)	—	—	—	—
Pittsburgh Business Times (52X)	86.3	64.7	793.6	545.8
San Jose Business Journal	—	—	—	—
Savvy	39.3	46.2	320.8	397.4
St. Louis Business Journal (52X)	135.9	170.0	1,439.3	1,371.1
South Florida Business Journal	94.3	106.5	907.2	674.5
Texas Business	—	—	—	—
Venture	88.4	105.5	713.3	837.8
Total Group	**4,783.4**	**5,122.4**	**39,512.6**	**36,993.7**
% change		**-6.6%**		**+6.8%**

— Newspaper Sunday magazines —

Arizona Republic	—	—	—	—
Boston Globe	253.0	230.5	1,975.2	1,853.0
California Living	—	—	—	—
Chicago Tribune	186.0	75.9	1,187.2	720.6
Cleveland Plain Dealer	62.7	61.4	479.2	578.6
Columbus Dispatch	—	—	—	—
Denver Post	—	—	—	—
Detroit News	152.0	128.0	1,296.0	1,334.0
Image	132.5	58.3	837.5	550.0
L.A. Times Home Magazine	181.0	79.0	728.5	882.3
Louisville Courier-Journal	—	—	—	—
Miami Herald	64.7	45.0	425.3	507.0
New York News	—	—	—	—
New York Times Magazine	458.1	475.4	3,527.7	3,741.5
Philadelphia Inquirer	6.4	56.4	430.4	584.0
Toledo Blade Magazine	52.0	43.3	429.3	504.7
Washington Post	123.4	125.7	1,140.5	1,100.4
Total Group	**1,671.8**	**1,378.9**	**12,456.8**	**12,356.1**
% change		**+21.2%**		**+0.8%**

— Weeklies/bi-weeklies —

The Advocate (26X)	194.8	157.5	1,060.4	1,054.8
Army Times Military Group				
Air Force Times (52X)	174.3	201.0	1,583.1	1,515.6
Army Times (52X)	177.0	200.5	1,551.4	1,451.6
Navy Times (52X)	182.7	186.6	1,675.1	1,620.6
The Times Magazine	2.3	7.5	102.4	156.7
The Blood-Horse (52X)	496.1	507.8	4,186.6	4,308.6
Capper's Weekly (26X)	26.7	24.6	267.0	261.0
Commonweal (22X)	10.9	8.4	64.3	62.0
Golf World (43X)	—	—	—	—
Grit (52X) A	25.0	18.8	201.3	229.0
National Journal (50X)	44.0	24.0	466.0	230.0
National Review (25X)	25.2	31.6	232.8	265.9
New Republic (48X)	55.8	50.8	318.7	314.4
New York Magazine (50X)	311.0	280.5	2,395.1	2,257.1
New Yorker (52X)	—	—	—	—
Newsweek (52X) A	293.4	375.5	2,158.0	2,329.4
People (52X)	348.8	389.0	2,928.9	3,120.5
Rolling Stone (25X)	108.9	85.6	898.5	851.4
Sporting News (52X)	58.1	112.3	497.4	488.4
Sports Illustrated (52X) A	278.7	343.0	2,246.0	2,513.0
Time (52X) A	271.8	346.4	2,099.4	2,228.2
Travelhost C	3,305.0	3,297.0	32,107.5	32,242.0
TV Guide (52X) A	345.7	376.0	2,974.7	3,072.9
Us Magazine (26X)	66.8	31.0	352.5	368.7
U.S. News & World Report (52X) A	154.0	213.9	1,357.7	1,388.8
Total Group	**6,957.0**	**7,269.3**	**61,724.8**	**62,330.6**
% change		**-4.3%**		**-1.0%**

— Foreign —

Business Week Int'l (52X)	191.1	215.8	1,264.3	1,383.5
Cosmopolitan en Espanol:				
Central America	3.3	1.0	13.8	8.0
Colombia	19.7	14.2	139.7	102.7
Ecuador	1.0	1.0	4.0	4.0
Mexico	66.3	88.7	440.5	460.8
Peru	2.0	4.0	25.0	27.0
Puerto Rico	27.7	15.0	208.5	269.7
U.S. (Spanish language)	28.8	19.0	179.3	189.0
Venezuela	35.3	30.5	229.7	172.5
Cosmopolitan Foreign Editions:				
Australia	109.5	100.0	660.0	602.6
Brazil	98.2	49.0	529.9	375.0
France	141.3	166.3	961.3	1,248.5
Germany	144.8	128.3	962.3	883.2
Great Britain	165.0	168.0	1,158.0	1,133.4
Greece	44.0	50.0	519.4	487.0
Holland	98.0	93.0	644.3	507.0
Italy	52.8	87.7	468.4	519.3
Japan	53.3	47.0	349.9	313.7
Good Housekeeping Foreign Editions:				
Australia	38.0	37.2	543.2	329.5
Great Britain	182.2	205.0	1,265.3	1,249.2
Japan	60.9	66.8	420.9	701.9
Geomundo:				
Central America	10.0	9.5	50.5	60.3
Chile	9.0	9.5	52.5	57.3
Colombia	18.0	14.0	94.5	92.5
Ecuador	6.0	7.0	40.0	40.0
Mexico	12.5	15.5	83.0	81.8
Peru	7.0	9.5	48.5	56.3
Puerto Rico	5.0	4.5	29.0	28.3
Venezuela	9.0	11.5	86.0	103.8
Hombre De Mundo:				
Central America	7.0	7.0	38.5	63.0
Chile	7.0	6.0	45.5	61.0
Colombia	17.3	15.0	87.5	101.0
Ecuador	6.0	4.0	40.0	44.0
Mexico	19.5	26.0	115.5	144.2
Peru	5.0	5.0	31.5	58.0
Puerto Rico	9.0	10.0	65.0	86.0
Venezuela	26.0	19.5	203.0	178.0
Ideas Para Su Hogar:				
Central America	—	—	—	1.5
Chile	—	—	—	1.0
Colombia	18.5	25.5	151.7	191.5
Ecuador	11.0	7.0	53.0	52.5
Mexico	19.2	19.3	100.5	91.5
Peru	1.5	4.0	21.5	57.0
Puerto Rico	—	—	10.5	5.0
Venezuela	19.2	31.0	163.3	171.0
International Communications:				
African Business	38.3	33.7	179.5	280.2
The Middle East	15.8	13.8	156.1	177.6
New African	28.4	24.7	169.6	173.9
International Management:				
Europe	82.0	59.3	503.2	394.7
Middle East	20.5	28.5	161.0	154.8
Pacific	30.2	23.8	158.0	132.7
Johnston International:				
Alam Attijarat	54.5	77.0	455.7	559.1
Modern Africa (6X)	14.8	36.3	63.4	117.1
Modern Asia (11X)	38.3	33.3	296.7	285.9
Mecanica Popular:				
Argentina	—	6.8	16.3	54.7
Central America	10.5	14.5	93.3	127.7
Chile	2.3	8.2	31.5	63.3
Colombia	19.7	23.3	140.3	146.8
Mexico	18.0	21.7	145.7	134.3
Peru	10.7	16.3	110.2	155.3
Puerto Rico	10.0	14.5	89.3	140.8
Venezuela	12.0	20.2	127.5	165.2
Newsweek International A:				
Atlantic (52X)	—	—	—	—
Latin America (52X)	—	—	—	—
Pacific (52X)	—	—	—	—
Progreso (9X)	10.8	11.5	97.0	55.9
Reader's Digest:				
Arabic	9.0	9.5	87.5	88.5
Asian	310.0	293.0	2,089.0	1,846.0
Australian	68.3	65.5	554.0	723.3
Belgian-Flemish	113.5	109.5	761.5	781.5
Belgian-French	53.0	81.0	481.0	512.0
British	64.3	94.4	451.3	536.8
Chinese	147.0	157.0	1,205.5	1,001.2
Danish	38.5	47.0	315.5	317.8
Dutch	73.8	66.5	432.3	385.8
Finnish	44.3	84.0	432.7	423.5
French	43.1	64.3	416.7	460.0
German	91.3	89.9	624.1	659.8
Iberian	1.0	28.0	33.0	176.0
Indian-English	85.0	65.0	879.5	697.5
Indian-Hindi	12.0	12.0	108.5	57.5
Italian	37.0	31.0	319.0	325.0
Japanese	33.9	48.7	416.2	433.0
Korean	27.3	21.0	243.5	229.0
Latin American:				
Argentina	13.5	25.0	181.0	198.0
Brazil	6.0	5.5	44.0	28.0
Central American	10.5	13.5	84.5	97.0
Chile	12.0	7.5	106.5	104.5
Colombia	30.0	36.0	266.5	300.5
Ecuador	10.5	11.5	86.5	83.0
Mexico	61.5	64.1	473.3	472.1
Peru	12.5	13.5	97.0	93.5
Puerto Rico	7.0	4.0	49.0	53.5
U.P.B.	12.5	9.5	73.0	74.5
U.S. Spanish	12.5	18.5	96.0	102.0
Venezuela	14.5	14.0	104.0	112.0
New Zealand	55.5	89.3	531.0	843.6
Norwegian	16.0	34.8	183.4	322.7
Portugal	46.8	36.5	350.1	357.5
South African	100.0	140.0	898.0	943.8
Swedish	37.0	13.0	172.0	105.0
Swiss-French	46.2	39.0	250.1	255.6
Swiss-German	61.4	46.0	350.4	333.0
The Ring en Espanol:				
Columbia	—	1.0	—	4.0
Mexico	1.3	0.2	11.8	0.7
Puerto Rico	—	—	—	1.0
U.S.	3.0	4.5	45.7	41.8
Venezuela	1.0	2.0	10.0	14.0
Time International:				
Time-Asia	106.9	136.9	834.5	892.1
Time-Atlantic	167.0	199.4	1,020.5	1,053.1
Time-Canada	278.5	318.2	1,657.9	1,780.8
Time-Latin America	61.6	83.7	447.6	476.2
Vanidades Continental:				
Central America	16.8	10.8	82.0	55.3
Chile	4.3	3.3	30.3	21.3
Colombia	122.2	113.5	703.0	636.0
Ecuador	34.2	20.5	210.5	179.8
Mexico	130.0	163.7	768.8	858.3
Peru	30.2	31.3	164.3	209.0
Puerto Rico	45.5	40.8	346.7	356.2
U.S.	61.5	55.8	391.0	434.7
Venezuela	83.0	93.0	504.3	477.5
Visao (52X)	269.8	241.3	1,355.1	1,787.7
Vision/Latin America (26X) A	43.1	35.0	265.7	286.4
Total Group	**5,392.5**	**5,727.0**	**37,866.4**	**39,380.3**
% change		**-5.8%**		**-3.8%**

Coke

(Continued from Page 1)
tween the two sister shops, despite talk of "linkage."

"We are competing agencies. The only thing we have in common is a mutual client," said William Weithas, chairman of SSC&B:Lintas Worldwide.

Coca-Cola hints at an attempt to hang onto some sort of umbrella by stating that it also has assigned to McCann any institutional advertising that deals with the Coke-Cola megabrand—the language it uses to describe its multiple products bearing the Coke name.

Ad investment unclear

But with Classic now pitted against new Coke, and Tab again destined to meet rival Diet Coke head-on, just how much the company would be investing in umbrella advertising was unclear.

Mr. Dyson, in talking to financial analysts, termed the new approach "linkage." He said "co-portrayal permits us to present these two products as a team to differentiate their basic characteristics and exclude all others from the dialog. We will be considering that same umbrella approach together with separate and dedicated positions."

But this idea for two separate campaigns turned out to be a rehash of an earlier idea. An internal company memo that surfaced recently suggested that as early as last summer, before Classic went national, some executives feared that new Coke would not survive, especially if it lacked a separate identity (AA, Nov. 4).

If this change in strategy from the megabrand approach to two competing brands is a last-ditch effort to save a dying new Coke brand, as some suggest, the move already may be too late.

On learning of the moves, some bottlers questioned whether they could transfer ad dollars designated in their markets for new Coke to the better-selling Coke Classic. If such thinking spreads among bottlers, the future of new Coke's promotional support would be in doubt.

Everything that has occurred in the saga since the company made its shocking announcement in April that the old product would be replaced with a new and improved flavor has resulted in uncertainty.

Reeling from a public outcry approaching outrage against that move, Coca-Cola brought back the original flavor under the name Coca-Cola Classic six weeks later.

Confident that its research proved that it was simply a matter of time before the new flavor outsold the original, the company maintained initially that the new flavor would be the flagship brand and that Classic would be available but not supported with any significant marketing budget.

Thus there was no need for a new or different ad agency, Coca-Cola said.

Gave way to megabrand plan

That position quickly gave way to the megabrand approach and advertising showing Classic and new Coke alternately in the same tv commercials by McCann, the Coke agency since 1955.

Whether McCann came out a winner in retaining new Coke is a matter of debate even among those within Interpublic.

Some believe Classic will get up to 80% of the total budget for the two colas, which this year was about $100 million. Others say the split is more like 50-50.

Curvin O'Rielly, McCann executive creative director, said, "it doesn't make sense" not to spend behind new Coke, because the brand "needs help."

The assignment represents a big win for Interpublic Group of Cos. It reconfirms Coca-Cola's faith in that agency network and is considered a coup for Interpublic chairman Philip Geier, who earlier this year had to worry about the outcome of meetings of Coca-Cola marketing executives with other New York agencies.

The shift also includes the move of Ramblin' root beer from Kenyon & Eckhardt to Marschalk Co., eliminating K&E from the company's roster. Spending on Ramblin' last year was $100,000.

Marschalk also was assigned Fresca diet citrus, a $2.6 million brand, and Mello Yello low-carbonated drink, with spending less than $1 million. Those brands came from McDonald & Little, an Atlanta agency that parent Ted Bates Advertising closed down a week ago (AA, Nov. 11).

Both McCann and SSC&B were pleased with the outcome of the review—McCann because it got an emerging brand in Cherry Coke, even though it lost Classic—and SSC&B because it was assigned the biggest jewel in the crown, Classic.

"We're delirious," said McCann's Mr. O'Rielly. "But we expected to come out as winners."

SSC&B's Mr. Weithas commented, "We're absolutely delighted. Coca-Cola Classic is one of the great brands in the world. . .I feel very good about the confidence Coca-Cola has placed in us."

Although not happy about losing Cherry Coke, he said he is very proud of the agency's work: "It goes to McCann in great shape. I hope they can move it to even greater heights. The same thing is true with Tab. I'm very proud of that."

McCann is pinning its hopes on establishing the underdog as the Coke of the future, the "upstart brand, a fighter meeting competition head-on, seeking a new consumer."

If all goes as planned, Classic will appeal to an older consumer, those who drink the brand not only for the taste but for the nostalgia associated with it.

Mr. Dyson has positioned Classic as a brand that gains from the imagery that reflects strong choice and preference.

The brand, he added, "has caused a lot of people to step forward and say 'This is my soft drink.' The number of people who are exclusive or dominant consumers of our product has increased considerably. The basic positioning of [new] Coke is to go after all other cola consumers. The source of business is obviously our competitors and new consumers."

But bottlers are not yet convinced. An advertising executive at one major Coca-Cola bottler said the move opens the door to several opportunities. He and other bottlers are awaiting word on exactly how the co-op advertising programs will work.

Presumably, there will be two different programs because the products will be positioned separately by their separate agencies. If, as the bottlers hope, dollars designated for new Coke can be transferred to Classic, many bottlers would opt for that, thereby reducing new Coke's promotional underpinnings.

Looking to the not-too-distant future, the bottler ad executive said he could foresee a time when bottlers would ask Atlanta to eliminate their markets from any market buys for new Coke.

Continues to struggle

New Coke continues to struggle in the marketplace as Classic outsells it nationally 3 to 1. But the company points out that its total share of the sugar cola market now is greater with the two brands than it was before new Coke arrived.

Mr. O'Rielly said his agency plans to do some consumer research before selecting an approach. "We've got a number of campaigns, any of which could do the job," he said. "That was very easy for us."

Both of these efforts are expected to be ready to air soon after the first of the year.

As for Tab, it represents another about-face as the company returns the diet cola to McCann after a 17-month stay at SSC&B. When the soft drink was moved to SSC&B, the Diet Coke shop, the company said it had to parallel an internal organizational move concerning its growing sugar-free category.#

Agency financial results

The third quarter was a poor one as far as net income was concerned. With the exception of Interpublic and Ogilvy, all of the public agencies were down in earnings. NM means not meaningful. Source: *Advertising Age*.

Agency	Income ($000) 1984	1985	(%)	Revenues ($000) 1984	1985	(%)
Third quarter						
Ally	430	279	−35.1	6,007	5,216	−13.2
BBDO	3,913	464	−88	72,336	76,505	+6
DDB	(651)	(671)	NM	46,438	49,429	+6
FCB	4,794	1,861	−61.2	69,514	65,539	−5.7
Grey	2,010	1,835	−8.7	49,767	53,393	+7.3
Interpublic	3,182	3,337	+4.9	144,962	156,247	+7.8
Mickelberry	528	(59)	NM	31,692	30,263	−4.5
Ogilvy	4,606	4,932	+7.1	99,860	115,187	+15.3
JWT	4,763	4,366	−8.3	126,829	137,710	+8.6
Nine months						
Ally	250	1,282	+412.8	16,028	18,661	+16.4
BBDO	15,158	10,632	−30	223,096	236,025	+6
DDB	4,731	3,758	−21	151,743	156,307	+3
FCB	11,336	9,158	−19.2	200,486	204,187	+1.8
Grey	7,183	7,358	+2.4	145,656	160,992	+10.5
Interpublic	22,749	22,374	−1.6	460,884	485,064	+5.2
Mickelberry	1,789	839	−53.1	89,690	99,981	+11.5
Ogilvy	14,109	15,968	+13.2	301,038	340,302	+13
JWT	14,695	10,337	−29.7	375,677	405,225	+7.9

Agencies

(Continued from Page 2)
Co., New York. "But the top-line growth was not so bad, given the difficulty of surpassing last year's Olympics spending."

Net-income declines generally indicate that agencies set expenses for a level of revenue growth that didn't materialize, Mr. Crane added.

Foote, Cone & Belding, Chicago, predicts its "full-year 1985 U.S. revenues will climb no more than 4% to 5%, rather than the 8%-to-10% increase we had expected earlier," said president Norman Brown.

He also announced the agency was introducing a new budgetary system to improve its reaction time to revenue declines.

"Widespread decreases or postponements of client spending this year made it evident that our former budget system did not give us adequate warning to permit timely adjustment of our cost structure in all instances," he said.

FCB, which suffered the results of an "accelerated" slowdown in client ad spending in the third quarter, was one of the agencies doing most poorly; net income dropped 61.2%.

One explanation was the completion of the consolidation of its 1984 acquisition of the NCK Organization.

"We've now solved every problem we know of," said Mr. Brown, who added the agency had "set a goal of not rolling over any problems into 1986."

Looking back over the last 18 months and the "immense task" of consolidating the two agencies in 14 European countries, merging some and closing other offices, Mr. Brown said it had taken "twice the time and twice the money" that he planned but that he hoped "all of that is cleaned up and behind us."

The other big losers included New York-based Doyle Dane Bernbach Group, Mickelberry Corp., Ally & Gargano and BBDO International.

DDB, which lost $651,000 in the third quarter of 1984, lost $671,000 this year.

Mickelberry, which earned $528,000 in the third quarter of 1984, fell $59,000 into the red with this year's third quarter, reflecting, said chairman James Marlas, "a decline in the operating contribution from the advertising segment of our business, which has been restructuring after the loss of some clients."

Ally was down 35.1% in net income, reflecting primarily the departure of Travelers Insurance, which spent heavily in last year's third quarter. The agency's fiscal year begins July 1, though figures in the chart were adjusted to allow a nine-month comparison for this year.

BBDO explained its 88% decline in earnings by noting "the loss from the transfer of ownership of the South African operation to local management," a development that the agency had announced this past summer.

JWT Group, New York, reported record third-quarter revenues, up 8.6% from last year's comparable period, but an 8.3% decline in net income.

Although J. Walter Thompson Co. and Hill & Knowlton turned in "excellent profit performances," said chairman Don Johnston, the decreases stemmed over-all from increased investment spending in new-business development, expansion into new markets and worldwide tax planning, as well as specifically "lower contributions from Thompson Recruitment Advertising and Lord, Geller, Federico, Einstein."#

FCC giving a break to CapCities, Murdoch

By STEVEN W. COLFORD

WASHINGTON—In approving $5.5 billion worth of media acquisitions in less than two hours, the Federal Communications Commission last week did more than make Rupert Murdoch happy.

The commission also unanimously waived long-standing rules on cross-ownership and multiple ownership.

FCC's approval of Capital Cities Communications' $3.5 billion purchase of American Broadcasting Cos. meant abandoning its rule against common ownership of broadcast stations in overlapping markets.

As a result, CapCities gets to keep both WABC-TV, New York, and WPVI-TV, Philadelphia, while agreeing to put studio facilities in two nearby cities, Trenton, N.J., and Wilmington, Del., which is in a state with no commercial vhf station, and news bureaus in Atlantic City and Harrisburg, Pa.

For Mr. Murdoch's $2 billion buy of six Metromedia radio and tv stations, the FCC granted his News America company two years, six months longer than normal, in which to dispose of the money-losing *New York Post* and the marginally profitable *Chicago Sun-Times*.

Mr. Murdoch has indicated an interest in trying to retain both the papers and the tv stations permanently, according to the waiver denial petition filed by the Media Access Project, a coalition of consumer and interest groups.

Asked after the FCC decision whether Mr. Murdoch might use the two-year breather to try to retain the newspapers, his spokesman, Howard Rubenstein, said, "Mr. Murdoch hasn't discussed that."#

Saatchi to buy U.K. agency

By LAUREL WENTZ

LONDON—Saatchi & Saatchi is expected to announce today the purchase of Grandfield Rork Collins, a local shop that until recently was allied with Ally & Gargano, New York, to serve the Federal Express account internationally.

In addition to acquiring a $98 million agency group—Saatchi's largest U.K. ad agency buy since purchasing Dorland Advertising four years ago—the deal will give Saatchi access to the lucrative U.K. public relations market for the first time through two GRC-owned pr shops. The lack of a U.K. pr operation has been a gap in Saatchi's worldwide empire.

Granard Communications, ranked 16th in size among U.K. pr agencies, had fee income of $2.1 million for the fiscal year ending in September, 1984. GRC Financial, which specializes in financial services, is No. 28 and reported fee income of $1 million for the year ending June 30.

Saatchi also is negotiating to buy Kingsway PR, ranked ninth in the U.K. with fee income of $2 million for fiscal 1984. Sources here say Saatchi might announce the acquisition of Kingsway at the same time or shortly after an announcement about GRC is made.

If both GRC and Kingsway are acquired, Saatchi will become one of the leading pr forces in the U.K. overnight. The Saatchi group already is the 10th-largest pr group in the U.S., following the acquisition of New York-based Rowland Co. in February.#

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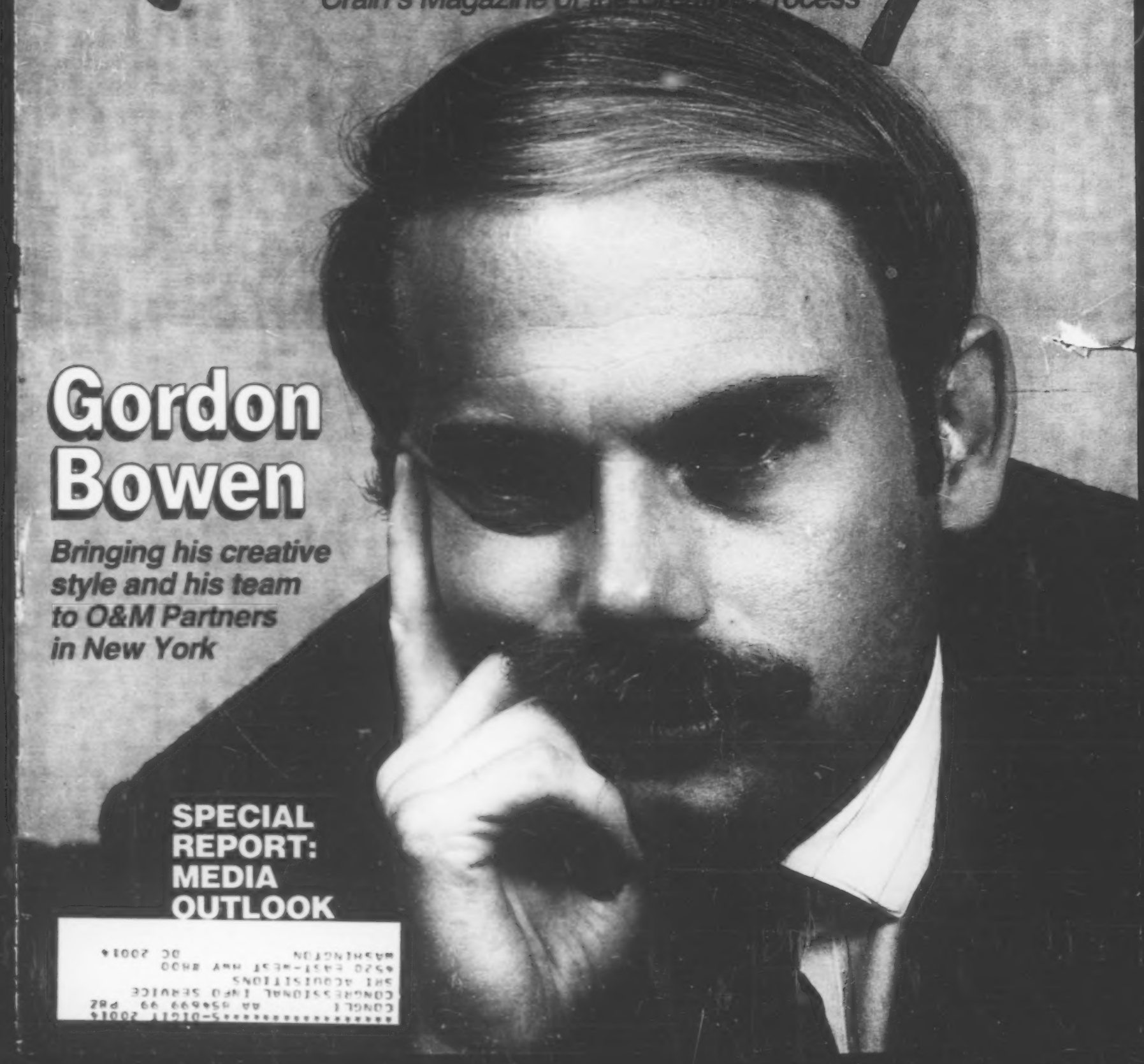
Crain's Magazine of the Creative Process



Gordon Bowen

Bringing his creative style and his team to O&M Partners in New York

SPECIAL REPORT: MEDIA OUTLOOK

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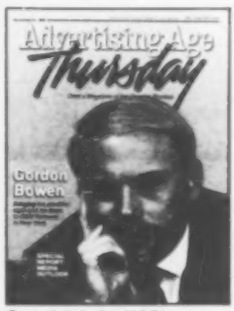
Thursday

It's a wonderful life

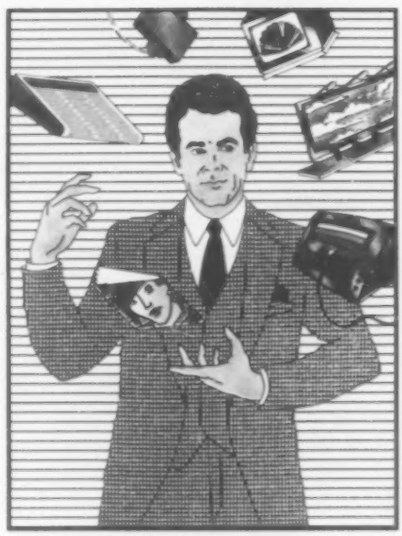
Gordon Bowen is a firm follower of the "everything is wonderful" faith. The advertising industry is wonderful. New York City, where he now lives, is wonderful. Salt Lake City, where he used to live, is wonderful. His new job, as executive creative director of Ogilvy & Mather Partners, is wonderful. His old agency, Bonneville Media Communications, is wonderful. The group of Bonneville writers he brought with him to New York is wonderful. And if asked, he would no doubt eagerly point out that Mormonism, his adopted religion, is also wonderful. Not that you could ever accuse Gordon Bowen of insincerity. Far from it. He clearly believes everything he says. This zeal is precisely what O&M Partners is looking for. *See Page 4.*



Cover photo by Arnold Adler

Image makers

American Bank Note Holographics' holograms for *National Geographic's* March, 1984, and November, 1985, covers may have started this Elmsford, N.Y., company on a roll. The possibilities of using holograms, not only in print but also in packaging and advertising, are capturing the attention of marketers. *See Currents, Page 8.*



Special Report—Media Outlook

A forecast for what's in store for media in 1986, including expectations of a softening of price increases and changes in buying patterns, begins on *Page 13.*

Presstime

Botway/Libov dismisses 40

NEW YORK—Botway/Libov Associates has dismissed or given notice to more than 40 staffers in the wake of losing the Toys "R" Us spot tv-buying duties to the newly formed Bohbot & Cohn (AA, Nov. 18). "Some have left, some will leave at year's end and some in 1986," says Botway/Libov president Ave Butensky. Toys "R" Us, Rochelle Park, N.J., was the agency's first account when Ed Libov Associates began about 20 years ago.

Shearson calls for pitch

NEW YORK—Shearson Lehman Brothers has offered two unidentified Interpublic agencies the chance to pitch for its $20 million account, now at McCann-Erickson, another Interpublic shop. A decision on whether to throw open the review to other agencies was expected by Nov. 22.

Mac ad features 'Fridge'

OAK BROOK, ILL.—McDonald's Corp. this week filmed a tv spot that includes Chicago Bears lineman/running back/budding cult hero William (The Refrigerator) Perry. The commercial is expected to break on the networks during the first week of December. Leo Burnett USA, Chicago, is McDonald's agency. Also, Mr. Perry will team with Bears quarterback Jim McMahon in a tv commercial for Coke and Coca-Cola Classic that will air in December on a market-by-market basis. SSC&B, New York, is creating the spot for Atlanta-based Coca-Cola Co. Separately, Snapple Beverage Co., Ridgewood, N.Y., will use ex-Pittsburgh Steeler Franco Harris in a tv spot for its new wild cranberry and chocolate all-natural sodas. The company says the soft drinks will be national by March, from their current market east of the Mississippi. Ads are handled in-house.

No Saturn shop till '87

DETROIT—General Motors Corp.'s Saturn unit won't pick an agency for another two years, says Saturn president William Hoglund. He added that the new car will not reach the market before calendar 1989. GM executives' optimistic forecasts earlier had placed the Saturn's debut as early as fall, 1987, with an agency selection to be made as early as this year (AA, July 8). The Saturn account could top $100 million by the early 1990s.

BMW backs used cars

MONTVALE, N.J.—BMW of North America is about to become the only U.S. auto marketer to offer a factory-backed used-car warranty. The national program is designed to bolster used-BMW prices and strengthen dealers. A heavy introductory campaign breaks in February, billing BMW as "the only auto maker that stands behind its cars. Twice." Ammirati & Puris, New York, handles the print and tv effort.

Edison lights at Doner

WASHINGTON—Edison Electric Institute, a consortium of electric utilities, has handed its $5.5 million account to W.B. Doner & Co., Baltimore. D'Arcy Masius Benton & Bowles, New York, previously had the account. Ketchum Advertising *(Continued on Page 55)*

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ABP MPA ABC

Q&Adgraphs

The question: What effect will the stand-alone 15-second tv spot have on the effectiveness of creativity in commercials and the efficiency of tv commercial buys?

N. HARRISON

Neil Harrison, senior vp-media director, Weightman Advertising, Philadelphia: Several of our advertisers will now start to have either a 70/30 split or a 60/40 split between 30s and 15s. However, if there is greater use of these (shorter) units, recall may diminish. And if demand for (the 15s) increases, so will the price. . .If cost advantages of stand-alone 15s continue to be favorable—that is, half the cost of a 30—then we will convert 30% to 35%. . .into 15s. That will generate higher reach and frequency, or we can extend a four-week flight into five weeks.

D. KIERNAN

Dick Kiernan, exec vp-creative services, Grey Advertising, New York: For many package-goods products, it's going to be the most effective and efficient way to sell on tv, but for many products and services that depend a great deal on emotional content it will be a fight to see if they can do it in a 15-second commercial. . .I don't think it will become the standard unit in the way the 30-second commercial replaced the 60 because, taking an example from another agency, I don't think you can do a commercial like "I want to buy the world a Coke" in 15 seconds.

L. SUGARMAN

Len Sugarman, exec vp-executive creative director, Foote, Cone & Belding, New York: It will be a challenge to the effectiveness in that it will add to clutter. Also, if American advertising continues to test 15-second commercials in the way it tests 30-second commercials—that is, on whether the rational benefit of why to buy the product is getting across—then the emotional content will suffer. In a 30-second commercial, you can get that rational message across as well as the subtler message. With a 15-second commercial, emotion will be the first thing to go.

P. BENJOU

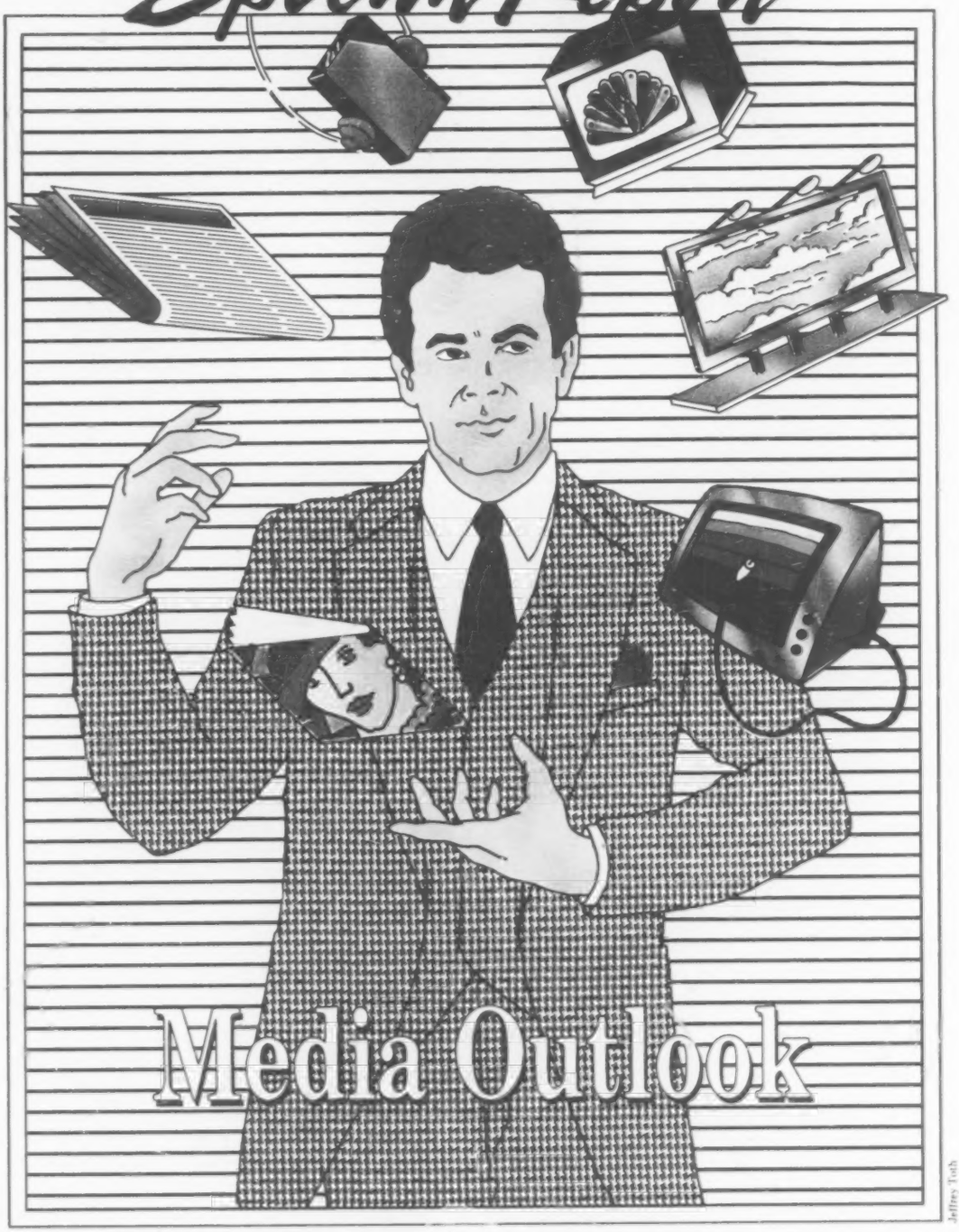
Paul Benjou, senior vp-director of marketing planning, media and administration, Doyle Graf Mabley, New York: One of the changes in the planning process will be frequency, which will become more important. Shorter commercials will have less impact. Positioning within the commercial pod will also become more important. In pricing, a buy will. . .look more efficient on paper, but what will disappear is not yet known. More research has to be done. For example, 10s are good adjuncts to 30s, but not as stand-alones.

E. WEBER

Eric Weber, exec vp-creative director, Dancer Fitzgerald Sample, New York: I don't think that it will diminish or add to the effectiveness of tv advertising. Advertising is already becoming more billboard or poster-like, and I like that. I think tv advertising will continue to be the most powerful advertising of all time and advertisers will find brilliant ways to use television advertising in 15 seconds. The people who do it well will continue to have effective advertising, and those who don't do it well will not have effective advertising. ■

ADVERTISING AGE *Thursday* invites those who serve agency creative and/or media departments to share views on significant advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Q&Adgraphs, ADVERTISING AGE *Thursday*, 220 E. 42nd St., New York 10017.

Special Report



Juggling continues despite welcomed disinflation

By Robert J. Coen

Breaks in some media pricing practices are long overdue. In 1982, double-digit inflation in the U.S. economy began to moderate, but media inflation continued at close to double-digit levels. The relative differential between media inflation and total inflation has widened sharply since then.

Media disinflation is inevitable; and in 1986, buyers in time and space can expect a softening in rates across the board. Network tv prices, up 8% in 1985, will increase only 6%; spot tv, up 6% in 1985, will increase 5.5% in unit prices; spot and network radio, up 6% and 8% in 1985, will rise 5.5% and 6%, respectively; newspaper rates, up 8% in 1985, will climb 7%; magazine rates grew 7% in 1985, but will rise only 5.5%; outdoor will remain the same at a 6% increase, and direct mail will rise 4% in prices compared with 7% in 1985.

There have been a number of nonrecurring developments the past several years that have staved off the de-escalation in prices up to the middle of this year.

The traditional lag between media price changes and other price changes kept rates up through 1982 when other prices began to break. In 1983, the economy expanded sharply and new products and extra ad demand held off media disinflation for another year. The long-awaited appearance did not arrive in 1984 because of the Olympics and the general election. After nearly double-digit increases in media unit prices in 1982, 1983 and 1984, the rate dropped to 7% in 1985 and in 1986 price increases for most media are expected to be about 5% to 6%.

In 1986 price increases for most media are expected to be about 5% to 6%.

A better understanding of the likely price trends may be gained by a review of past trends.

There is a direct correlation between media inflation and general inflation in our economy. However, as the economy's structure changes with shifts in technology and society, there are underlying modifications in the basic role of advertising.

During the past quarter of a century, there were four intervals in which shifts in the basic demand relationship occurred. These were:

1960 to 1967

The 1960s opened with great expectations for the advertising industry. Tv had fueled exceptional growth after the end of World War II, and the momentum carried over into what was expected to be the soaring '60s.

Tv audiences grew much faster than the population, and the medium began the transition from black and white to color. Fueled by growing demand and the optimism of the Great Society years, the media aggressively expanded their audiences and circulations, and media unit prices rose more rapidly than the consumer price index.

During this time, the CPI rose from 89 to 100 (base year 1967 equals 100), a gain of 12%, while the price index of all media units rose from 78 to 100, a relative increase of 28%. But when ad-

(Continued on Page 14)

Juggling

(Continued from Page 13)

justed for audience and circulation gains, the increase was 18%, much more in line with the CPI increase. Unit increases for tv and magazines were much higher, but so were the audience and circulation gains. Costs per thousand did not far outstrip the CPI as they have recently.

In the closing years of the period, rising costs had a noticeable effect on buyer demand. By 1967 inflation was picking up steam and approaching the then-considered dangerous levels of 3% to 4%. The rapid runup in media costs, despite the accompanying audience gains, was causing some schedule cutbacks.

During these years the soaring absolute cost of 60-second commercials caused the cutback to 30-second spots as the standard. A plateau in budgets and a shift in advertising tactics resulted as unit cost increases exceeded the limits of affordability.

Then a new media pricing interval appeared on the scene near the end of the decade.

1967 to 1975

The media supply and demand relationship shifted dramatically during the next media interval. The supply of available units was expanded because of the cutback in commercial length and the disappearance of cigaret advertisers from the broadcast media. The imbalance in the relationship was extended for a number of years because of energy shortages, artificial price control restraints, Watergate and a long recession.

From 1967 to 1975, the CPI went from 100 to 161, a 61% gain, while the unit price index of all media rose to 163, a 63% gain influenced by the exceptional increase in mail advertising costs caused by the more than doubling of postal rates.

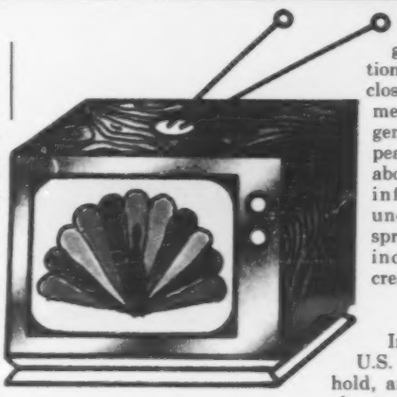
The composite index for national media budgets, excluding mail, rose to only 146, a significantly smaller increase than the CPI, and when adjusted for audience and circulation gains, a mere 27% increase was the experience of most major national advertisers.

This second media interval was characterized by a slowdown in media prices in relation to all other prices. There was a break in the media price runups from 1967 to 1975 when a series of developments—Arab oil embargo, Watergate, wage and price controls, banning of cigarets from tv—restricted the normal growth in advertising demand. This period ended when the economy turned back upward in the second half of 1975.

1975 to 1981

By mid-1975 the economy was

Robert J. Coen, the guru of media forecasting, is senior vp-director of forecasting at McCann-Erickson, New York.



picking up steam and the excess supply of media inventory was diminishing. New products and new marketers appeared and took up some of the slack. The tv networks and stations had unleashed aggressive sales efforts to uncover new customers when they lost their cigaret business at the same time that 30-second spots were expanding the supply of commercial time.

During the previous period, many magazines reduced circulation, and print availabilities were contracted further by the demise of large circulation photo journalism magazines such as *Life* and *Look*. During these years magazines held down their ad rate increases while raising subscription and newsstand prices sharply. By 1975 the added cigaret advertising demand and the reduced mass magazine supply contributed to an upsurge in demand and cost of magazine space.

In 1976, an election year, the U.S. bicentennial, an Olympic year and a year of strong economic recovery, the pentup demand for ad time and space exploded and a sharp upward turn in media pricing began.

From 1975 to 1981 the CPI rose from 161 to 272, an increase of 69%, but media unit prices soared even higher. Network tv and spot tv prices about doubled, and other media rates matched or exceeded the CPI growth with the exception of the mail. By 1981 a closer relationship between media price increases and general price increases appeared to be imminent, just about the time the U.S. disinflationary trend got under way. Instead, the spread between media price increases and other increases got wider.

1981 to 1985

In 1981 the war against U.S. inflation began to take hold, and disinflation started about midyear. In 1982, the increase in consumer prices had descended from double-digit rates to a more acceptable 6.2%. The rate has been 4% in 1983, 1984 and 1985. From 1981 to 1985 total U.S. consumer prices rose a relatively modest 18% and the price of food, apparel and new cars rose only about 10%.

On the other hand, media disinflation is just now beginning to get started, having been held off by exceptionally strong demand, the Olympics and a traditional time lag.

The index of media unit costs for national advertisers rose from 271 in 1981—compared with 272 for the CPI—to a 1985 index of 383, considerably higher than the CPI of 322. Media unit costs, on average, have risen 41% over these years when most marketers have not been able to impose increases on the price of their own goods and services of much more than 10%.

The resistance to soaring media costs has become even stronger because none of the media has accompanied these price hikes with any significant audience or circulation increases. In fact, most tv network audiences have declined.

The advertising and marketing industry has come to a point when media price breaks appear inevitable. A new trend in media pricing has begun.

Media disinflation began in earnest this year and the outlook is for the size of media price changes to come more in line with those of most other items. The latest pricing trends are as follows:

Network tv

For more than a decade, network tv price increases have been far above general price inflation, but since midyear, network buyer demand has been softening. Many established brands no longer can afford the escalated price of prime-time, 30-second commercials, and budgets are being redirected to less costly dayparts or barter syndication. New product introductions have slowed and new network buyers have failed to appear as the economic expansion has lost steam.

Average network unit prices rose 10.7% in 1982, 8% in 1983, and in 1984 the average, excluding the Olympics, went up 10.5%. But in 1985, the networks' seller's market is eroding. Reports on the upfront market indicate reduced commitments and a significant moderation in price increases.

Many scatter prices in the closing months of the summer and into the fourth quarter dropped. Reports of exceptional opportunistic buys are proliferating. In 1985, the three-network revenue total is not expected to be much higher, if at all higher, than the 1984 level.

Although a major explanation is the absence of the Olympics, this is the slowest growth in a post-Olympic year for decades. Prices for many regular network programs are now flat and ratings often are down. The size of unit price increases is less than in the past, but lower ratings push up some cpms.

In 1986 the moderating trend will continue and the shift to 15-second commercials will bring more disruption. Eventually, the tv networks will complete the transition from 30s to 15s and pricing will become firmer. However, in 1986 much lower rate increases and, in a number of dayparts, some actual rollback on prices are expected. But, on average, network tv unit prices are expected to go up 6% in 1986.

Instead of soldout networks contributing to extra demand for other media, there may be a reverse trend resulting from more moderately priced network units now that 15s are available.

Spot tv

In the past decade, spot tv often has received dollars because of soldout network situations. New product introductions, rebate advertising and growth in retailer usage all have contributed to the high price increases.

The economy has slowed and so has the number of new product introductions and total advertising demand. The expansion in availabilities because of the arrival of the 15-second commercial and the growth in independent station inventory will speed up spot disinflation.

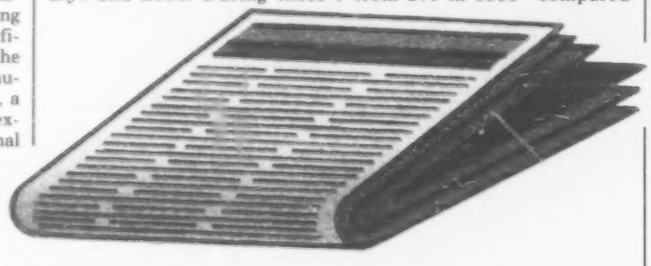
In many markets and dayparts, spot prices easily could fall below year-earlier levels as demand wavers and networks become real competitors instead of a source of pass-along business.

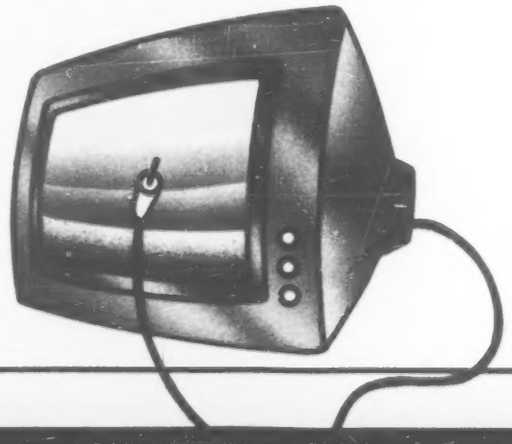
In 1986 the average increase in spot tv unit prices is expected to be quite modest compared with 1985. Unit prices will be up about 5.5%, but there will be more stations sharing the viewing. The resulting slight rating losses could offset the population gain, making cpms about 5.5% higher next year as well.

Average annual media price changes

	1982	1983	1984	1985	1986
Major media unit costs					
Network tv	+11.0%	+8.0%	+13.0%	+7.0%	+6.0%
Spot tv	+11.0	+8.0	+10.0	+6.0	+5.5
Magazines	+ 9.0	+8.0	+ 8.0	+8.0	+5.5
Newspapers	+10.5	+9.0	+ 9.0	+8.0	+7.0
Major media CPMs					
Network tv	+12.0%	+9.0%	+13.0%	+8.0%	+7.0%
Spot tv	+11.0	+8.0	+10.0	+6.0	+5.5
Magazines	+ 9.0	+8.0	+ 8.0	+8.0	+6.0
Newspapers	+ 9.5	+9.0	+ 9.0	+7.0	+7.0
All consumer prices	+ 6.1%	+3.2%	+ 4.3%	+3.5%	+4.0%
Media unit cost composite*	+10.7	+8.0	+10.5	+7.0	+6.0
Media CPM composite*	+10.4	+8.3	+10.2	+7.2	+6.8

Source: McCann-Erickson
*Net tv; spot tv; magazines; newspapers; net radio; spot radio; outdoor.





Radio

There are many more radio stations competing for ad dollars in a market than tv stations. Some radio stations are able to increase rates without losing advertising orders if the strength of their station improves noticeably. But when the economy is not robust and prices in competing media are soft, most radio stations are forced to keep rate hikes to a minimum.

In 1986 spot radio rates are expected to rise slower than most media. Spot radio rates should rise 5.5% with the radio networks getting a slightly higher 6% increase.

Newspapers

Newspapers receive most of their ad revenue from local advertisers. Retailers are their most important customers, but newspapers' most profitable business comes from classified real estate and employment ads. In 1985 the classified linage held up, but retail linage was soft. Many key local advertisers shifted to heavier insert programs and use of the mail.

Until this year, newspapers in many markets enjoyed near monopoly conditions and ad rates rose sharply in most years. Now the newspapers are experiencing conditions quite similar to those of the tv networks. The soft ecoromy and the recent runup in ad rates is threatening to drive customers to other alternatives such as the mail or broadcast media.

Newspapers will continue to raise rates as much as seems prudent, but for the near future they are likely to hold back on the size of their annual increases, with papers in many markets turning to the readers for a larger share of their revenue requirements. On average, unit rates are expected to rise about 7% in 1986 with little change in circulation, so cpms also will be up about 7%.

Magazines

Competition among magazines for advertising orders always has been very strong. However, until this year, the demand for magazine space has been good and price competition has not been as intense as it was in the 1967-1975 period.

In 1985 magazine page volume began to decline, and now price competition is becoming fierce again. Some publications have begun to make deals or provide extras to get the order. Others have revised rate cards downward while dropping circulation guarantees. Average page rates are expected to go up 5.5% with a slight over-all drop in circulation for a cpm increase of 6% in 1986.

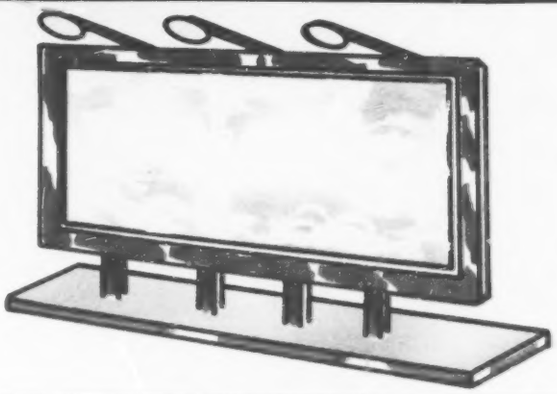
Outdoor

Cigaret and liquor advertisers have depended heavily on the outdoor medium to display their products, which are not generally acceptable in the broadcast media. This strong source of demand enabled the outdoor plant operators to command high annual price increases in recent years for their somewhat restricted supply of outdoor boards.

Cigaret and liquor sales to consumers have reached a plateau and new brand introductions have been drying up. The softening demand for outdoor space is expected to keep price increases to about 6% in 1986.

Direct mail

In the past few years, the direct mail medium has been able to hold down price increases. This has been partially because of economies in managing production expenses such as list development, paper grades, piece size and the costs of mechanically preparing the pieces for mailing. Costs also have been held down because of special postal presort discounts, which have resulted in only a slight upswing in postage costs in recent years.



In February, the U.S. Postal Service raised the third-class postal rate about 14%, but economies in production design and execution kept cost increases to a minimum, so total 1985 cost increases averaged about 7%. In 1986 there will be no further postage increases, but new economies of scale in the production portion of costs will be difficult to come by. However, the overall cost increase for mail advertising should be a relatively modest 4%.

Moderation or media disinflation began early this year and it will be firmly in place in 1986. Media prices are expected to continue to come more into agreement with other price changes after years at much higher levels.

The average annual price changes of most major media were twice the size of general inflation in 1982, 1983 and 1984. For example, the cost of a 30-second network tv commercial rose 11% in 1982 when the CPI rise had moderated to 6.1%. In 1983 network tv prices rose again by 8% despite a general inflation rate of only 3.2%. Then in Olympic year 1984, even the regular network commercials leaped upward 13%. All media price rises were far in excess of the 4.3% rise in the CPI in 1984,

but in 1985 moderation finally set in.

This year, when the CPI is running at less than 4%, prices for major media, both on a unit and cpm basis, still are running at least double the CPI rate.

In 1986, when consumer prices are expected to rise about 4%, most major media price increases will cluster between 5% and 6%. For the rest of this decade, media inflation and total inflation should move closer together. Between 1985 and 1990 consumer prices probably will rise by less than 25%. By 1990 most media schedules will go up in price by a little more than 25%, but probably not much more than 30%.

Media price increases the next few years are likely to be a shade higher than most price increases, but the differential between cpms and the CPI will be far smaller than it has been in the past.

McCann-Erickson media price indexes

(base year 1976)

Year	Newspapers	Magazines	Net tv	Spot tv	Net radio	Spot radio	Outdoor	Direct mail	Composite *	Composite **	CPI
Unit costs											
1960	83	73	74	69	100	82	64	78	78	75	89
1961	86	80	76	72	101	84	68	78	81	78	90
1962	88	86	78	74	99	86	72	78	83	81	91
1963	89	87	81	80	101	86	77	91	87	84	92
1964	90	90	85	86	101	87	81	96	90	88	93
1965	91	94	90	89	100	91	88	100	93	91	95
1966	99	98	96	94	101	96	93	100	98	97	97
1967	100	100	100	100	100	100	100	100	100	100	100
1968	104	103	105	105	98	102	107	125	108	104	104
1969	109	106	114	110	100	104	116	132	114	110	110
1970	115	109	113	105	101	107	125	132	116	110	116
1971	120	114	108	104	95	103	135	143	119	111	121
1972	123	110	125	127	105	109	145	167	130	119	125
1973	128	110	140	127	105	114	155	174	136	126	133
1974	140	115	151	135	106	119	166	212	151	135	148
1975	160	122	160	145	112	125	178	219	163	145	161
1976	176	127	189	181	128	135	192	272	189	166	171
1977	192	137	227	188	154	147	209	268	202	185	182
1978	207	152	252	209	172	160	226	282	218	204	195
1979	226	166	280	230	191	173	250	244	226	224	217
1980	249	183	302	255	214	192	275	235	242	246	247
1981	279	201	329	286	244	215	303	263	270	271	272
1982	308	219	365	317	268	232	330	286	297	300	289
1983	336	237	394	342	300	248	363	290	318	324	298
1984	366	256	445	376	321	273	396	282	342	358	311
1985 (e)	395	276	476	399	347	289	428	302	367	383	322
1986 (e)	423	291	505	421	368	305	456	314	389	406	335
CPMs											
1960	88	93	86	79	110	81	81	78	85	87	89
1961	91	99	89	83	110	83	82	78	87	90	90
1962	92	101	91	88	108	85	84	78	89	93	91
1963	93	100	92	90	108	85	87	91	92	93	92
1964	93	101	92	93	106	87	90	96	94	94	93
1965	94	100	94	94	103	94	94	100	96	96	95
1966	99	101	100	97	102	98	96	100	99	99	97
1967	100	100	100	100	100	100	100	100	100	100	100
1968	104	101	101	104	96	100	103	125	107	102	104
1969	109	105	109	106	96	101	106	132	112	107	110
1970	115	106	108	99	96	102	117	132	114	107	116
1971	118	112	96	95	88	97	119	143	115	104	121
1972	122	112	105	104	96	102	130	167	124	110	125
1973	126	109	114	109	95	106	136	174	129	114	133
1974	135	113	120	112	94	108	142	212	141	119	148
1975	154	120	126	119	98	114	151	219	153	127	161
1976	169	125	149	147	111	122	161	272	176	144	171
1977	183	133	177	152	133	131	174	268	186	159	182
1978	195	145	197	167	147	140	187	282	199	174	195
1979	213	158	219	183	161	149	202	244	206	190	217
1980	235	173	238	201	178	164	111	235	218	206	247
1981	263	188	261	223	202	182	242	263	244	230	272
1982	288	205	292	248	220	195	262	286	268	254	289
1983	314	221	318	268	244	207	286	290	287	275	298
1984	342	239	359	294	259	226	309	283	307	303	311
1985 (e)	366	258	388	312	279	240	331	302	329	325	322
1986 (e)	392	273	415	329	293	250	346	314	349	347	335

* Based on national and local budgets in all eight media

** Based on national budgets in seven media excluding direct mail

(e) Estimate

NOTE: The McCann-Erickson annual advertising expenditure reports are a main source for the indexes. Yearly change in expenditures is a function of change in price and change in the unit volume. Synthesis of such data is necessary because actual prices are often not publicly known.

Communications industry's financial score soars

John S. Suhler is president of Veronis, Suhler & Associates, a New York investment banking company specializing in communications industry mergers and acquisitions. David C. Lamb is an associate in the company and editor of VS&A's annual "Communications Industry Report," the third edition of which will be published next month. Information in this article is taken from that report.

By John S. Suhler and David C. Lamb

The communications industry found itself at center stage in 1985, as a wave of corporate mergers attracted both Wall Street and popular attention. The industry's attractiveness is obvious when viewing its financial performance for the past five years.

Veronis, Suhler & Associates defines the communications industry as those businesses involved in the creation or distribution of intellectual property. Based on VS&A's examination of 1984 data for 279 business lines of 256 companies, the communications industry is a $60 billion business, up from $50 billion in last year's analysis. This figure includes only the publicly held or publicly reporting companies engaged in communications.

Various subsectors of the communications industry commonly are recognized as the media, the information industry and the entertainment business. Another way of organizing the industry, is to examine the four predominantly advertiser-supported segments—broadcasting, newspaper publishing, business magazine publishing and consumer magazine publishing—in contrast to the five segments that do not depend primarily on advertiser support. The "advertiser-independent" segments are cable and pay tv, business information services, book publishing, entertainment programing and distribution, and recorded music.

The wild card in this scheme is the ad agency business itself. VS&A has analyzed it both as an advertiser-supported segment—a characterization no agency head would refute—and as an ad-independent segment.

The advertising-supported segments of the communications industry, including agencies, accounted for about half of the communications industry's revenue in 1984. They contributed closer to 60% of industry operating income.

Looked at from the standpoint of advertising dependent vs. independent sectors, the ad-supported sector in 1984 appears as the healthier piece of a vigorous industry.

The ad-supported sector's revenue (minus agencies) increased 16.2% in 1984 over 1983; this result compares favorably with the over-all communications industry's growth of 15.7%. Furthermore, pretax operating income for this group grew 22.3% in 1984. The gain outpaced communications industry growth, a very respectable 19.7%. Few $60 billion industries increase pretax income at this velocity.

The contrast between the ad-supported sector and the ad-independent sector is more pronounced than the contrast between the ad-supported sector and the communications industry. Last year, the ad-supported sector (again minus agencies) increased revenue 7% faster and pretax income 26% faster than the ad-independent sector.

The ad-supported portion also boasts higher operating and cash flow margins than either the

Buying

(Continued from Page 43)

GM's network specials and miniseries.

General Motors was the third largest network tv advertiser in 1984, spending $231 million.

Each agency also was given buying responsibilities for a group of magazines, and reportedly each magazine has been asked to propose discount structures for multiyear contracts. GM spent $96 million on magazines in 1984.

Although Ms. Patrick declines to discuss specifics about GM, she says a lack of equilibrium in the marketplace is forcing advertisers to re-evaluate some basic concepts about media.

"Cable tv, specialty magazines among other media have upset things. As more households get vcrs and are able to do their own programing, fundamental change and a lot of instability is developing in the marketplace," she says. "We need to understand what's going on. Is this a threat to the traditional advertising vehicles? A big part of the problem is that consumers themselves don't know."

One effect of this uncertainty is a willingness of advertisers to experiment with new media, paying closer attention to value—the reach and frequency of impression on the medium's natural audience. "Advertisers are placing fewer volume media buys, such as network tv. They're spreading the money around trying different approaches," Ms. Patrick says.

Philip Guarascio, executive director-advertising services for GM, says corporations are looking for ways to get a bigger voice in the marketplace through emerging media. By getting in on the ground floor, an advertiser can benefit later.

"Clients providing seed money tend to get substantial financial benefits later on. "You win biggest when you take some risks," Mr. Guarascio says.

The overriding factors at GM are efficiency and effectiveness of media buying for each division, Mr. Guarascio says. In this regard, consolidating spending gives an advertiser "more bang for the buck." He notes a trend toward "massification" of ad spending, either in-house or through a lead agency, to gain leverage in media buying.

"Generally, the more dollars you spend, the better position you have in the marketplace. Finding ways to bundle spending is the most important thing," he says.

The same is true of AT&T, which realigned network buying assignments effective last Jan. 1 to make lead agencies responsible for dayparts rather than for products and services. This eliminated instances where AT&T agencies would bid against each other for the same tv shows, artificially raising the demand and price of network time, says Bob Watson, AT&T corporate media director.

"We were bidding against each other. Each agency was doing its own thing in its own way, and it wasn't even coordinated so that we weren't running into each other," Mr. Watson says. The realignment "put some sanity back into the process."

Since the change, improvements in network tv buying may save AT&T 5% on network spending in 1985, Mr. Watson says. AT&T spent $253 million in measured network tv during 1984, but is expected to spend much less in 1985, he says. Spending in 1984 was higher because of "equal access" advertising and introductions of AT&T personal computers.

AT&T is attempting to strike a balance between centralized and decentralized media planning, Mr. Watson says. After divestiture of the seven regional holding companies Jan. 1, 1984, AT&T exercised its new marketing freedom with an uncoordinated, decentralized ad program that generated as many as 14 different theme lines, he says.

With the relaxation of certain federal regulations concerning its information systems and communications divisions, the company is moving back to a more centralized system of planning, he says.

"If we're to act as a unified corporation, we have to work together and promote one theme line: 'AT&T, the right choice,'" Mr. Watson says. "That is no easy task in a company this size. It's kind of like trying to control a runaway freight train."

Possibly a key factor in reevaluation of media buying strategy is the long-term shift in the cost efficiencies of specific media elements. The past decade, 1976-85, has witnessed a dramatic upward trend in both inflation and in media costs per thousand, "making it a very difficult 10-year period for advertisers," says Fred Brandt, vp-media information and analysis at Ted Bates Advertising/New York.

Some media have become relatively more expensive than others. Evening network tv prices have increased 13.4% on a compounded annual basis since 1976, nearly double the consumer price index compound annual growth rate of 7.4%. Magazines have increased 9.1% annually in the same period, and most other media have increased annually in the 9% to 10% range. Exceptions are spot tv and spot radio, which are bargains at 6.7% and 6.5% increases, respectively, he says.

These shifts in cpm mandate continuing advertiser re-evaluation of the media mix. "Not that advertisers are likely to shift media plans overnight, but they continually reassess and change the mix," Mr. Brandt says.

"A lot of media planning has developed because of slow changes in cpm. You reach turning points for various products. An advertiser may say, 'I'm willing to divert 5% to 7% of my money into spot tv versus network,'" Mr. Brandt says. At this point, the reach and frequency of the media become important considerations.

Bates favors development of a basic media plan and several alternatives, Mr. Brandt says. Alternative plans usually have several options for experimentation with various media.

"In good conscience as a professional media planner, you have to address these issues. Will a dollar spent in another media, get you more?" he asks.

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over-all industry or the independent sector. (Cash flow as used here is a pro forma measure calculated by adding back depreciation and amortization to pretax income.) The ad-supported sector's pretax operating income margin rose to 17.4% in 1984, while its cash flow margin increased to 20%.

The three print segments, consumer and business magazine publishing and newspaper publishing, lead (in that order) all others in the communications industry in terms of both 1984 operating income return on assets and 1984 cash flow return on assets. Consumer magazine publishing's cash flow return on assets, at 56.5%, is particularly impressive.

The segments represent data totals for 115 company business segments. VS&A reports a company's communications segment, such as consumer magazines, under the VS&A communications category of the same name when the company's revenue in that segment is 60% or more of total revenue for that segment.

Many companies group their communications segments within larger categories whose over-all revenue may dwarf those contributed by communications activities. In these cases, where revenue is known, VS&A places them in a "miscellaneous" category.

The segment-by-segment picture is generally one of accelerating revenue growth accompanied by margin expansion, both in pretax operating income margins and cash flow margins.

Radio and tv

As the magnitude and valuations involved in tv station ac-

(Continued on Page 46)

Radio & television broadcasting 1980-1984 segment operating data

($000,000)	1980	1981	1982	1983	1984
Revenues	$7,397.0	8,260.9	9,343.9	10,573.7	12,375.9
Pretax operating income	1,330.7	1,510.4	1,625.1	1,859.7	2,272.4
Assets	5,385.7	6,179.4	7,342.6	8,637.3	11,513.9
Pro-forma operating cash flow	1,483.4	1,687.2	1,841.8	2,113.2	2,576.4

Source: VS&A

Advertising 1980-1984 segment operating data

($000,000)	1980	1981	1982	1983	1984
Revenues	$1,680.4	1,856.6	2,169.4	2,499.2	2,885.7
Pretax operating income	184.7	172.6	196.0	247.6	294.9
Assets	1,977.9	2,215.2	2,665.4	3,088.5	3,525.8
Pro-forma operating cash flow	217.3	210.7	244.7	306.7	358.7

Source: VS&A

Newspaper publishing 1980-1984 segment operating data

($000,000)	1980	1981	1982	1983	1984
Revenues	$6,797.1	7,915.9	8,553.4	9,590.6	11,156.7
Pretax operating income	1,076.0	1,241.1	1,241.2	1,683.4	2,000.9
Assets	4,733.8	5,441.7	6,059.7	6,733.4	7,521.3
Pro-forma operating cash flow	1,262.5	1,464.6	1,512.0	1,996.3	2,359.8

Source: VS&A

Consumer magazine publishing 1980-1984 segment operating data

($000,000)	1980	1981	1982	1983	1984
Revenues	$1,635.6	1,813.3	1,892.0	2,129.4	2,392.7
Pretax operating income	125.8	170.0	181.9	182.8	274.8
Assets	409.4	437.0	417.5	483.1	577.3
Pro-forma operating cash flow	133.8	178.6	193.3	195.9	299.9

Source: VS&A

Business magazine publishing 1980-1984 segment operating data

($000,000)	1980	1981	1982	1983	1984
Revenues	$809.3	927.5	927.6	977.0	1,117.3
Pretax operating income	99.6	105.0	108.8	127.8	163.2
Assets	392.2	433.5	462.7	480.1	493.9
Pro-forma operating cash flow	107.3	115.1	120.1	141.1	179.7

Source: VS&A

Radio

(Continued from Page 42)

appeal at 35-year-olds and others start at 45.

Other that have found their niche include KFAC (am, fm), the lone classical outlet in the metro area. The spring Arbitron ratings book gave the combination station a 1.2, but according to Mr. Klein, "KFAC is an overachiever and never talks numbers. They're involved in another aspect of radio selling—who are these listeners, what kind of life styles do they lead?"

The format smorgasbord available to advertisers also includes black/urban stations, KJLH (fm), KACE (fm) and KDAY (am), and Hispanic radio where there is a struggle between leader, KTNQ (am) and KSKQ-FM, KLVE (fm) and KWKW (am). KZLA-FM and KLAC (am) have no other competition in their country format.

Ms. Kaplan says demographics and age still don't totally sell a station. "Most people would consider Rick Dees at KIIS the dominant personality in this market today, but you have to ask, 'what happens at KIIS when he's not on the air?' "

A media buyer should make a station selection based on the different types of personalities within that category—"personalities that can deliver. Others may say I'm way off base," she says, "but the market is so competitive that nobody or station—not even KIIS—owns it."

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Financial

(Continued from Page 45)

quisitions this past year have indicated, broadcast stations are dearly valued assets. The prices paid in some recent transactions —among them Taft Broadcasting's acquisition of Gulf Broadcast Co. and Rupert Murdoch's purchase of the Metromedia stations—attest to the attractive, stable cash flows associated with broadcasting.

Broadcasting's higher profitability relative to the other communications segments is demonstrated by looking at its revenue and income contribution to industry results. In 1984, broadcasting accounted for more than one-quarter of the industry's operating income, even though it accounts for only one-fifth of the industry's total revenues.

Broadcasting revenue increased 17% in 1984 over the prior year, the highest annual growth rate during the 1980-84 period. But the segment's operating income bettered that performance in 1984, advancing 22.2%, another period record. In cash flow terms, the accepted measure of profitability in broadcasting, growth has paralleled that of operating income.

More than in any other segments in the communications industry, margins for broadcasting have held static on a year-to-year basis since 1980.

Broadcasting's operating income margin has increased only 0.4 percentage points since 1980, while cash flow margins have increased 0.8 points.

Newspaper publishing

Like broadcasting, newspaper publishing has been a target of corporate purchasers attracted by the stability and high margins of the business. The Des Moines Register & Tribune Co. and the Evening News Assn. in Detroit both recently were acquired by Gannett Co. after unsolicited bids sparked interest.

Of the ad-supported segments, newspapers felt the impact of the last recession the hardest because of their direct dependence on retail advertising. Growth in newspaper operating profits stalled in 1982, but profits have continued to expand during the past two years.

On a 1984 revenue increase of 16.3%, the segment's operating income grew 18.9%. The percentage income growth was less than that for the prior year,

Radio & television broadcasting 1980-84 growth and performance measures

Segment rank in communications industry in ( )

Growth/performance measure	55 company segments in sector: Revenues	Pretax operating income	Assets	Pro-forma operating cash flow
1980-84 compound annual growth	13.7% (4)	14.3% (5)	20.9% (3)	14.8% (5)
1984 growth	17.4% (2)	22.2% (5)	33.3% (2)	21.9% (5)
1984 operating margins		18.4% (2)		20.8% (4)
1980-84 margin growth		.4% (6)		.8% (6)
1984 return on assets		22.6% (5)		25.6% (5)
1984 asset turnover			1.2% (7)	

Source: VS&A

Advertising 1980-84 growth and performance measures

Segment rank in communications industry in ( )

Growth/-performance measure	11 company segments in sector: Revenues	Pretax operating income	Assets	Pro-forma operating cash flow
1980-84 compound annual growth	14.5% (3)	12.4% (7)	15.5% (5)	13.3% (7)
1984 growth	15.5% (6)	19.1% (6)	14.2% (6)	17.0% (8)
1984 operating margins		10.2% (8)		12.4% (7)
1980-84 margin growth		– .8% (8)		– .5% (8)
1984 return on assets		8.9% (8)		10.8% (9)
1984 asset turnover			.9% (10)	

Source: VS&A

Ad-supported media outperform communications industry

VS&A Sector	Yearly totals 1980	1981	1982	1983	1984	Annual growth (%) 1981	1982	1983	1984	1980-84 compound annual growth
	($000,000)					(%)				(%)
Revenues										
Communications industry totals	$35,727.5	40,313.1	45,246.6	51,187.1	59,244.9	12.8	12.2	13.1	15.7	13.5
VS&A Ad supported sector totals	16,639.0	18,917.6	20,716.9	23,270.7	27,042.6	13.7	9.5	12.3	16.2	12.9
VS&A Ad supported sector, with advertising	18,319.4	20,774.2	22,886.3	25,769.9	29,928.3	13.4	10.2	12.6	16.1	13.1
VS&A Ad independent sector (w/o advertising)	15,205.8	16,716.7	18,751.6	21,288.0	24,532.4	9.9	12.2	13.5	15.2	12.7

	Pretax operating income 1980	1981	1982	1983	1984	Annual growth of operating income (%) 1981	1982	1983	1984	1980-84 compound annual growth	Pretax operating income margins (%) 1980	1981	1982	1983	1984	1980-84 Margin growth	1984 Pretax operating income return on assets (%)
Communications industry totals	4,911.4	5,453.8	6,088.7	7,380.6	8,835.0	11.0	11.6	21.2	19.7	15.8	13.7	13.5	13.5	14.4	14.9	1.2	17.3
VS&A Ad supported sector	2,632.1	3,026.5	3,157.0	3,853.7	4,711.3	15.0	4.3	22.1	22.3	15.7	15.8	16.0	15.2	16.6	17.4	1.6	25.9
VS&A Ad supported sector, with advertising	2,816.8	3,199.1	3,353.0	4,101.3	5,006.2	13.6	4.8	22.3	22.1	15.5	15.4	15.4	14.7	15.9	16.7	1.4	23.3
VS&A Ad independent sector (w/o advertising)	1,783.1	1,875.3	2,345.0	2,826.6	3,258.5	5.2	25.0	20.5	15.3	16.3	11.7	11.2	12.5	13.3	13.3	1.6	13.0

	Pro-forma operating cash flow 1980	1981	1982	1983	1984	Annual growth of pro-forma operating cash flow (%) 1981	1982	1983	1984	1980-84 compound annual growth	Pro-forma operating cash flow margins (%) 1980	1981	1982	1983	1984	1980-84 Margin growth	1984 operating cash flow return on assets (%)
Communications industry totals	5,736.5	6,499.9	7,557.0	9,184.9	11,045.9	13.3	16.3	21.5	20.3	17.8	16.1	16.1	16.7	17.9	18.6	2.6	21.6
VS&A Ad supported sector	2,987.0	3,445.5	3,667.2	4,446.5	5,415.8	15.4	6.4	21.3	21.8	16.0	18.0	18.2	17.7	19.1	20.0	2.1	29.7
VS&A Ad supported sector, with advertising	3,204.3	3,656.2	3,911.9	4,753.2	5,774.5	14.1	7.0	21.5	21.5	15.9	17.5	17.6	17.1	18.4	19.3	1.8	26.8
VS&A Ad independent sector (w/o advertising)	2,160.5	2,365.8	3,058.3	3,741.3	4,417.2	9.5	29.3	22.3	18.1	19.6	14.2	14.2	16.3	17.6	18.0	3.8	17.6

	Assets 1980	1981	1982	1983	1984	Annual growth of assets (%) 1981	1982	1983	1984	1980-84 compound annual growth	1984 asset turnover
Communications industry totals	28,112.7	34,561.6	40,419.8	46,539.7	55,759.2	22.9	17.0	15.1	19.8	18.7	1.2
VS&A Ad supported sector	10,921.1	12,491.6	14,282.5	16,333.9	20,106.4	14.4	14.3	14.4	23.1	16.5	1.5
VS&A Ad supported sector, with advertising	12,899.0	14,706.8	16,947.9	19,422.4	23,632.2	14.0	15.2	14.6	21.7	16.3	1.4
VS&A Ad independent sector (w/o advertising)	13,429.2	16,551.4	19,738.2	22,901.3	27,246.4	23.2	19.3	16.0	19.0	19.3	1.0

Source: Veronis, Suhler & Associates, New York

which had benefited from the lack of growth in 1982. Still, operating income growth in 1984 exceeded its 16.8% five-year compound annual growth rate.

In this compound annual growth measure, and in others for revenues and assets, newspaper publishing ranks in the middle of the communications industry.

For what is a greatly asset-dependent segment of the communications industry, newspaper publishing's return on asset performance is excellent. In 1984, newspapers posted a 28.1% pretax operating income return on assets and a 33.1% cash flow return. Only the two magazine publishing segments bettered this performance.

Business and consumer magazines

Magazine publishing is by far the most efficient user of assets in the communications industry. Put another way, it takes fewer assets to generate comparable revenue and income from magazine operations than from any other communications business.

Even among the two segments, however, there is a substantial difference in the weight of the asset base.

Consumer magazine asset turnover—the ratio of annual revenue to average assets—was 4.5 times in 1984.In contrast, business magazine publishing's 1984 asset turnover was 2.3 times. The asset turnover of both magazine publishing segments dramatically betters the communications industry asset turnover of 1.2 times a year.

Magazine publishing, albeit an efficient user of assets, ranks near the bottom of the communications industry in terms of revenue growth. Over the past five years, consumer magazine publishing has performed the better of the two segments, with 10% annually compounded growth, compared with business magazines' 8.4% growth.

The story is brighter on the operating income side. Consumer magazine publishing registered 21.6% compound annual growth, placing third in the communications industry. Business magazine publishing's 13.1% compound rate bettered revenue growth by more than one-third.

Brighter still, 1984 was the best year since 1980 for operating income growth for both segments. Bolstered by a strong gain at Time Inc., consumer magazine income leaped 50.3% —by far the highest segment gain in the communications industry. Business magazines also had a stellar year, boosting income 27.7% and continuing the pattern of acceleration that began the prior year.

Profile issues editor R. Craig Endicott coordinated this Media Outlook Special Report.

Coming

***Advertising Age Thursday* will not be published Nov. 28 issue because of the Thanksgiving holiday. The Special Report in the Dec. 5 issue of AA *Thursday* will focus on Cable Television.**

Ad agencies

Since 1980, the agency business has racked up strong gains in revenue that have not been wholly matched by gains in income. Over the five-year period, VS&A's ad segment posted a 14.5% compound annual growth in revenue, good enough to place the segment third in the communications industry behind two other rapid growth segments—cable and pay tv and business information services.

Over five years, operating income has increased at only a 12.4% annual clip, better than just three other industry segments. The segment grew 19.1% in income in 1984, however, on a revenue increase of 15.5%.

While most communications segments improved their operating margins in 1984 compared with 1980, advertising's margins languished. The segment's operating income margin dropped eight-tenths of a percentage point from 1980. Its cash flow margin declined half a point.

This margin shrinkage helped make advertising's 1984 operating income and cash flow margins among the shallowest in the business and crimped its return on assets performance.

In 1984 the agencies and agency groups VS&A studied posted operating income margins of 10.2%. Cash flow margins were two points higher, at 12.4%, and more in line with the communications industry median. Operating income return on assets of 8.9% bettered the results of only two segments. Cash flow return on assets of 9.8% was better. AA

Consumer magazine publishing 1980-84 growth and performance measures

Segment rank in communications industry in ( )

Growth/-performance measure	12 company segments in sector: Revenues	Pretax operating income	Assets	Pro-forma operating cash flow
1980-84 compound annual growth	10.0% (7)	21.6% (3)	9.0% (8)	22.4% (3)
1984 growth	12.4% (8)	50.3% (1)	19.5% (4)	53.1% (1)
1984 operating margins		11.5% (6)		12.5% (6)
1980-84 margin growth		3.8% (2)		4.4% (2)
1984 return on assets		51.8% (1)		56.6% (1)
1984 asset turnover			4.5% (1)	

Source: VS&A

Business magazine publishing 1980-84 growth and performance measures

Segment rank in communications industry in ( )

Growth/-performance measure	14 company segments in sector: Revenues	Pretax operating income	Assets	Pro-forma operating cash flow
1980-84 compound annual growth	8.4% (8)	13.1% (6)	5.9% (9)	13.8% (6)
1984 growth	14.4% (7)	27.7% (4)	2.9% (9)	27.4% (3)
1984 operating margins		14.6% (5)		17.4% (5)
1980-84 margin growth		2.3 (4)		2.8 (3)
1984 return on assets		33.5% (2)		36.9% (2)
1984 asset turnover			2.3 (2)	

Source: VS&A

Newspaper publishing 1980-84 growth and performance measures

Segment rank in communications industry in ( )

Growth/performance measure	23 company segments in sector: Revenues	Pretax operating income	Assets	Pro-forma operating cash flow
1980-84 compound annual growth	13.2% (5)	16.8% (4)	12.3% (3)	16.9% (4)
1984 growth	16.3% (4)	18.9% (7)	11.7% (8)	18.2% (6)
1984 operating margins		17.9% (3)		21.2% (3)
1980-84 margin growth		2.1% (5)		2.6% (5)
1984 return on assets		28.1% (3)		33.1% (3)
1984 asset turnover			1.6% (4)	

Source: VS&A

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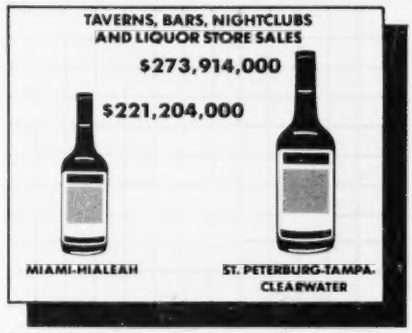

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Advertising Age

Crain's International Newspaper of Marketing

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More advertisers call: Come in-house

Moves cut agency media billings

By WILLIAM F. GLOEDE and SCOTT HUME

Media billings and the 15% agency commission—the biggest contributors to ad agency revenues—are facing serious challenges from some of the country's biggest advertisers.

With increasing frequency, major advertisers are taking upon themselves the struggle against rising costs and declining audiences in all media. This movement has heightened anxiety among agencies as they assess the following developments:

• Anheuser-Busch, St. Louis, is moving its media buying out of D'Arcy Masius Benton & Bowles, hiring away from DMB&B the people who had worked on its media account and setting up its own media operation in New York.

• R.J. Reynolds Industries, Winston-Salem, N.C., is considering merging Nabisco Brands' Ohlmeyer Communications, New York, into its existing in-house print and outdoor media operation, though no final decision is expected before the end of the year.

• Carl Icahn's New York-based Trans World Airlines threatened to yank its account from Ogilvy & Mather unless that agency agreed to work on an even-lower fee basis than it had before. O&M kept the account, but is said to be working for a below-10% fee.

• Jos. E. Seagram & Sons, New York, is pulling about $55 million in billings from agency control as it sets up House of Seagram Media, an in-house media planning and buying operation handling all media except broadcast (AA, Nov. 11).

• Miami-based Burger King Corp.'s agency, J. Walter Thompson USA, New York, is trying to place $70 million in spot tv spending on an upfront basis, an extremely unusual tactic. The goal is to bring in the same spot tv media weight as last year, but for 20% less cost.

• General Motors Corp., Detroit, this year reassigned media buying by daypart in tv and by category in magazines, among other media, in order to get greater efficiencies for its five-division ad spending of about $1 billion. There are also reports that GM, too, is looking to renegotiate its agency commission rates—downward—and has hired former Benton & Bowles exec vp Phil Guarascio to oversee and execute the move toward greater efficiencies and savings.

• AT&T, New York, also reassigned its broadcast buying thi year along daypart lines, saying was matching what most othe major advertisers already do but

(Continued on Page 54)

Where A-B's going, it may not be Bates

By STEWART ALTER and SCOTT HUME

Smelling blood, several agencies recently have approached Anheuser-Busch about the $35 million-to-$40 million Michelob account handled by Ted Bates Advertising/New York.

Agencies not on A-B's roster said by sources to be trying for a shot at the account include Saatchi & Saatchi Compton, Ogilvy & Mather and Young & Rubicam. According to one source, Y&R last week managed to get in the brewer's door to make a speculative presentation on the brand.

An A-B spokesman declined comment on the report.

None of this means that Bates is destined to lose the Michelob/Mich-

(Continued on Page 52)

M-E adds Nestle work, gives Sennott wider role

By STEWART ALTER

NEW YORK—Having received an additional $30 million to $35 million in overseas business from Nestle S.A., McCann-Erickson Worldwide has tapped Michael Sennott as its new exec vp-director of worldwide accounts.

Nestle, however, will be but one of the accounts Mr. Sennott will oversee on a worldwide basis.

With that promotion, Mr. Sennott, 44, becomes one of the key members of the agency's management group. He had shared responsibilities as managing director of the $400 million New York office with John Dooner Jr., 37, who has been promoted to general manager.

Although the Nestle appointments are all made on a local basis, the assignments from that company in effect make McCann the worldwide agency on Nescafe, Quik chocolates and the Maggi brands of culinary products, which include soups.

McCann has picked up the Nestle assignment in Austria, England, Spain, Switzerland, Kenya, Puerto Rico, Brazil, Chile, Dominican Republic, Mexico, Venezuela, Australia, Hong Kong, Singapore, Thailand and the Philippines. Those all had been handled by individual agencies on a country-by-country basis.

Mr. Sennott, who also becomes a

(Continued on Page 54)

Last Minute News

AC&R bottles up Kobrand account

NEW YORK—Kobrand Corp. has awarded its $8 million account—including Beefeater gin, new Beefeater gin & tonic bottled cocktail and Burrough's English vodka—to AC&R Advertising after a review (AA, Aug 15, *et seq.*). The other finalists were Scali, McCabe, Sloves and Waring and LaRosa. Jordan, Case, Taylor & McGrath, which had handled the account for seven years, declined an offer to keep Burrough's.

IOC, Coca-Cola run out new sponsorship deal

NEW YORK—The International Olympic Committee and Coca-Cola Co., Atlanta, are expected to announce a plan under which companies that are "official sponsors" of the 1988 Olympics in Calgary and Seoul will pay only one fee to the IOC for the right to advertise their official sponsor status worldwide. This fee is over and above the fee paid to be an official sponsor. In the past, sponsors had to pay a fee to the Olympic committee in each country where they advertised their official sponsor status. Not all committees have agreed to the new plan, however.

Shearson offers new alternatives for agency

NEW YORK—Shearson Lehman Brothers, in reviewing its $20 million account at McCann-Erickson (AA, Nov. 21), has added for consideration the options of assigning just the media buying elsewhere or restructuring account management for its business at McCann. Shearson continues, as previously reported, to look at other Interpublic agencies as alternatives, too. "We will definitely be making a change, but we hope to stay within Interpublic," says Catherine Stewart, senior vp-director consumer mar-

(Continued on Page 8)

MLB thumbs Gillette

All-Star fan balloting thrown out

By ROBERT RAISSMAN

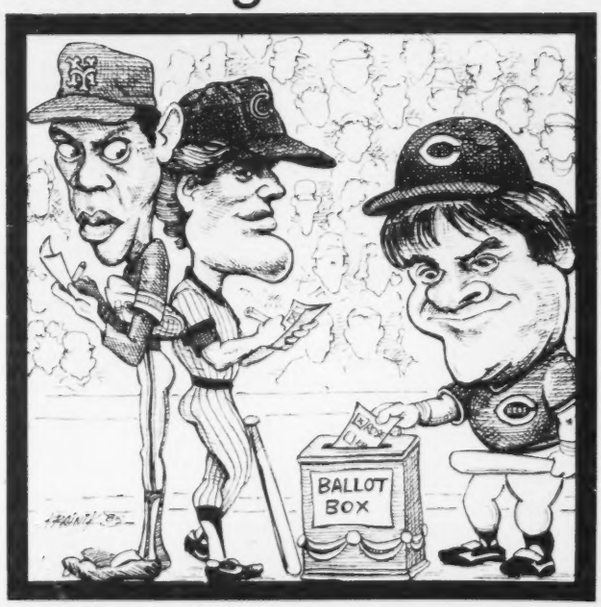
Major League Baseball played more marketing hardball this month, ending Gillette Co.'s 16-year sponsorship of fan balloting for its All-Star Game.

It's nearly certain the selection of next summer's all-star teams will be taken away from the fans for the first time since 1969 and turned over either to players or sportswriters.

Last month, MLB stole the thunder of *Sport*, presenting its own Chevrolet-sponsored Most Valuable Player award after the World Series for the first time—something *Sport* had done for 30 years. The magazine went ahead and presented its own award anyway, sponsored by Ford Motor Co. (AA, Nov. 4).

Baseball executives told Boston-based Gillette they no longer want to continue the nationally sponsored all-star balloting that Gillette has funded. The breakup followed what sources said was a poker game of

(Continued on Page 50)



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HIGHLIGHTS

Media—battle of the budget 1
Media billings and the 15% agency commission—the biggest contributors to ad agency revenues—are facing serious challenges from some of the country's biggest advertisers. With increasing frequency, major advertisers are taking upon themselves the struggle against rising costs and declining audiences in all media.

Vultures circle Michelob account 1
Smelling blood, several agencies have approached Anheuser-Busch about the $35 million Michelob account handled by Ted Bates/Advertising, New York.

Shops, marketers differ on '86 3
Marketers may be planning smaller advertising budget increases for 1986 than their agencies are banking on. The differing ad spending forecasts appear in a new report from Oppenheimer & Co., the New York brokerage.

IBM tunes up pc pitch 3
IBM Corp.'s effort to force computer retailers to buy up huge inventories of slow-moving machines has flopped, and Big Blue is shifting its pre-Christmas sales pitch directly to consumers. IBM has launched a sweepstakes promotion for its PC AT personal computer, offering consumers $154,000 worth of free hardware, software and peripherals.

Time execs are a'changin' 4
Time Inc.'s major restructuring of its magazine group involves 18 top executives, but no surprises should emerge when the dust settles. The reorganization, unveiled last week, had been rumored here for the past month.

Deck the halls, quickly 6
Uncertain about the direction of retail sales for Christmas, some retailers and marketers have hauled out the holly a bit sooner than usual this year. But stalwarts stick to the belief that 80% of holiday purchases will occur between Thanksgiving and Christmas.

Smokeless signals visible 10
Legislation that would force health warnings into ads for smokeless-tobacco products won the unanimous backing of a key committee in the Senate last week. Tobacco marketing executives now must ask, if Congress takes action against ads for chewing tobacco, snuff and other smokeless products, can the $700 million industry live with graphic health warnings in tv and radio ads?

POPAI gets wired 12
Walking through the exhibit area of Marketplace '85, the Point-of-Purchase Advertising Institute's trade show, one trend becomes instantly clear: Electronics is the cardboard of the '80s.

FNN's everybody's business 32
Ever since it became profitable in January, Financial News Network—the self-described "business channel"—has been booking more and more nonfinancial advertisers. A key factor in FNN's "skyrocketing" sales is aiming its programing at a broader target audience than in the past. *In Videotech.*

Print ads honored 46
The newspaper industry honored the creative efforts of 14 ad agencies at a reception Nov. 21 by awarding them Athenas, or Award to Honor Excellent Newspaper Advertising.

NEW PRODUCTS

Self-care interest high 43
Interest in self-care has spurred new-product development in health & beauty aids while demand for convenience has created opportunities for companies in another nonfood area—household products.

INTERNATIONAL

Univision new Latin ad buy 30
Multinational marketers soon may be able to advertise in most of Latin America on a regular basis in one media buy through Univision Inc., a new company set up by Mexican tv giant Televisa. The company is offering program packages to Latin American affiliates in exchange for rights to advertising time.

Kiwi fruit—dull brown and fuzzy 30
Kiwi fruit, although to some it looks as impressive "as an old tennis ball," nevertheless represents one of the great marketing success stories of the past decade. This year the New Zealand Kiwifruit Authority expects to earn more than $112.6 million in overseas sales.

Japanese women's Dentsu Eye 31
A subsidiary of Dentsu, Japan's largest ad agency, is staffed entirely by women who create advertising for women's products. In the U.S. such an agency would not be exceptional, but in Japan it is.

OTHER NEWS

Without admitting guilt, Del Monte Corp. has agreed to pay $100,000 to settle a Federal Trade Commission complaint that it failed to comply with federal mail-order regulations during its 1982 and '83 coupon promotion for Country Yumkin dolls. Page 4.

Not everything about the toy business is fun and games, as Botway/Libov Associates, New York, found when the Toys "R" Us chain switched spot tv buying to Bohbot & Cohn. Page 6.

Selling Areas-Marketing Inc. plans a new-product movement measurement service based on universal product code scanner data from food stores. Page 12.

Hewlett-Packard Co., which failed to gain the desired recognition and the sales in its first efforts to crack the personal-computer market, is trying again. This time around, it's using a new strategy and a new agency as its wedge. Page 42.

ComputerLand Corp.'s new agency, founded by the giant computer retailer's former senior vp-marketing, Roger Lewis, last week added a creative director and a new name to its corporate moniker. Page 42.

ConAgra's Armour Frozen Food Co. is testing a seven-item line of frozen breakfast meals in six markets. Page 44.

BMW of North America will meet Honda's Acura entry in the upscale import sports sedan market next year with more marketing spending but not more advertising. Page 53.

CAMPAIGNS BREAKING

California Cooler, Stockton, Cal., on Thanksgiving weekend breaks a new holiday-themed network tv commercial. The 30-second spot is a variation of the "One more reason to hate California" campaign, with the tag line "One more season to hate California." Chiat/Day, San Francisco, handles (AA, Nov. 7).

Axlon Inc., Sunnyvale, Cal., this week breaks a 21-market tv campaign for Petsters computerized stuffed animals. The 30-second spot will run in children's and adult programing. D'Arcy Masius Benton & Bowles, San Francisco, handles (AA, Oct. 28).

Cooper Vision, Menlo Park, Cal., breaks ads for its Revo sunglasses line with an eight-page color insert in December issues of specialty and general-interest publications. Della Femina, Travisano & Partners, Los Angeles, is the agency (AA, Nov. 4).

COMING THURSDAY

ADVERTISING AGE Thursday *will not be published Nov. 28, due to the Thanksgiving holiday.*

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Meredith picks up 'Journal,' 'Health'

By GARY LEVIN and STUART J. ELLIOTT

Meredith Corp. is expected to heat up the already intense competition in the women's service and health magazine fields with its planned acquisition of *Ladies' Home Journal* and Health for $96 million from Family Media, New York.

Bringing its vast resources to the two titles—including printing sites, a network of sales offices and the experience of its *Better Homes & Gardens*—Meredith may improve upon the performance of the privately held Family Media, which will become a substantially smaller operation with the sale.

Meredith will join Hearst Corp., New York—publisher of *Good Housekeeping* and *Redbook*—as

(Continued on Page 50)

NBC offer turns off Turner

By MAURINE CHRISTOPHER

While Ted Turner has indicated he may be able to eke out his $1.5 billion purchase of MGM-UA Entertainment Co. without selling part of Cable News Network, he still is hoping Time Inc., Gannett Co., Rupert Murdoch or someone else will agree to buy half of CNN for $300 million.

Yet no potential partner rushed in late last week to replace NBC as the most likely candidate to ease Mr. Turner's financial crunch.

Mr. Turner, chairman and principal owner of Turner Broadcasting System, Atlanta, wants a partner who will not try to push him out of the pic-

(Continued on Page 52)

West Coast news

Avocado campaign growing

The California Avocado Commission is boosting its ad budget by one-third to $4.1 million in 1986 with a new campaign built around a "Growing together" theme. The Irvine-based agricultural marketing board will use a new logo in the drive, the first work from D'Arcy Masius Benton & Bowles, Los Angeles, which succeeded Dailey & Associates, Los Angeles (AA, Sept. 30).

Former Wells, Rich, Greene/-

(Continued on Page 50)

Photo by Mary Hershey

Amana all seasons

Chicago Bears all-purpose player William (The Refrigerator) Perry is proving his versatility off the field, here taking directions during last week's shoot of a national McDonald's commercial. The spot is to break Dec. 2 on ABC's "Monday Night Football" game between Chicago and Miami. McDonald's officials last week were considering running ads in *USA Today* to herald the Fridge's commercial debut. Leo Burnett USA, Chicago, is McDonald's agency. Mr. Perry also will be working this week with W.B. Doner & Co., Southfield, Mich., to film a local spot for the Chicago Pontiac Dealers Assn., after which SSC&B, New York, plans a Coke/Coke Classic spot with him and Bears quarterback Jim McMahon (AA, Nov. 21).

IBM eyes consumers with pc promo wave

By BRIAN MORAN

LAS VEGAS—IBM Corp.'s effort to force computer retailers to buy up huge inventories of slow-moving machines has flopped, and Big Blue is shifting its pre-Christmas sales pitch directly to consumers.

IBM has launched a sweepstakes promotion for its PC AT personal computer, offering consumers $154,000 worth of free hardware, software and peripherals. Armonk, N.Y.-based IBM has mailed more than 1 million brochures to customers for that effort, dubbed the "AT high-performance sweepstakes."

To hype Christmas-season interest in its discontinued PCjr machine, IBM last week slashed prices by 50% on more than eight selected software programs and on PCjr joysticks. That promotion effort includes mailings to hundreds of thousands of PCjr owners.

Computer dealers attending the Comdex trade show here last week viewed the new consumer promotions as part of a broad, concerted effort by IBM to restore some luster to its reputation.

Dealers here said IBM stumbled badly with a fall rebate promotion (AA, Oct. 7) that required dealers to order large numbers of machines to qualify for discounts.

Many dealers said they ignored IBM's rebate plan, which relied on retailers to pass discounts on to consumers. Many computer dealers, hard hit by the industry's sales slump, viewed the plan as self-serving for IBM and refused to commit to stockpiling large volumes of IBM systems.

IBM's inventory-thinning scheme, designed to prop up its fourth-quarter results, then stalled.

Analysts are projecting only a 15%-to-20% increase in IBM pc sales this year, far below the huge growth surge of 40% between 1983 and 1984. Rumors about an early 1986 introduction of a new generation of products apparently have damaged sales of IBM's current line.

"Tying up dealer capital with vast quantities of products. . .doesn't benefit anyone in the long term."

—John Young, president, Hewlett-Packard

The PC AT and PCjr promotions, by offering direct incentives to consumers, are likely to boost store traffic and shore up IBM's reputation with retailers.

Widespread dealer backlash to the original rebate plan also prompted IBM to ease some qualification terms earlier this month. Rob Wilson, an IBM spokesman in Boca Raton, Fla., confirmed the program has been modified "based on dealer feedback" but he declined to provide details.

(Under the original plan, dealers reportedly had to surpass this year's January-to-June sales by at least 70% during the last quarter to qualify for discounts.)

Dealers attending Comdex said the holiday consumer promotions seemed to fit in with another major "appeasement" move by IBM. On the eve of the show's opening Nov. 20, IBM announced it would immediately halt the growth of its dealer network for pcs.

By limiting the number of authorized dealers to the current level of 2,500, IBM is seen as trying to inspire

(Continued on Page 53)

Shops too bullish on '86 ad budget hopes?

By STEWART ALTER

Marketers may be planning smaller advertising budget increases for 1986 than their agencies are expecting.

The differing ad spending forecasts appear in a new report from Oppenheimer & Co., the New York brokerage company. "Our most recent discussions with agency managements reveal an expectation of 8%-to-9% average expenditure growth from existing clients, exclusive of new assignments," wrote Oppenheimer analyst Charles Crane.

"However, a survey of marketing executives at a number of leading advertisers reveals somewhat more modest plans," Mr. Crane said. "A majority of those surveyed expressed a willingness to increase their budgets, but by no more than the secular inflation rate, *i.e.*, 4% to 5%."

The survey was informal, talking to marketing executives at eight of the top consumer-goods companies. "These marketers seem to recognize the need for advertising to support the value of their brand franchises; at the same time, more than one voiced concern that ad-to-sales ratios had risen too far and that it was time to cut back a bit," according to the report.

Fearing "agency expectations may be unrealistically high, setting the stage for another year of disappointing [profit] margins as revenue growth falls short of expense growth," the analyst removed two agency stocks from his recommended list: Interpublic Group of Cos. and JWT Group.

Oppenheimer was not optimistic about the yearend results for 1985 either. "Domestic advertising expenditures decelerated still further in the third quarter, and there now appears to be considerable risk that spending will remain depressed in the current quarter as well," said the report. "Even at this late date, it is unclear whether enough advertisers will make a last-minute holiday rush to salvage fourth-quarter and full-year revenue growth rates. Whereas several weeks ago our sources were reporting an onslaught of fourth-quarter and full-year confirmations, subsequent weeks have brought numerous late cancellations of prior media commitments."#

Cleaning up

New household products bow

By LAURIE FREEMAN

Household cleaning products that are convenient, easy to use and do more than one task are the big winners in today's marketplace, where an increasing number of dual-career households are more likely to buy a videocassette recorder than a new vacuum cleaner.

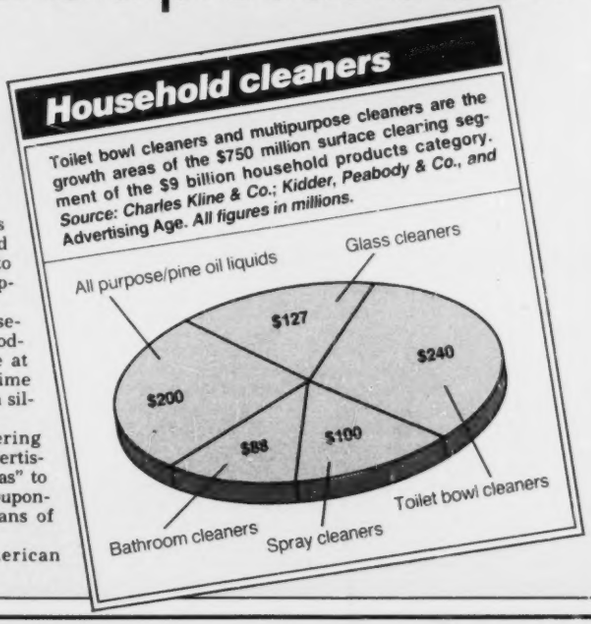
Reaching these households also is challenging marketers in the estimated $9 billion cleaning-products category to come up with different advertising approaches.

Although the higher-income households have the means to buy more products, household members rarely are at home to use them. And nonwork time more often is used for socializing than silver-polishing.

As a result, marketers are tempering their reliance on such traditional advertising vehicles as daytime tv "soap operas" to reach consumers. Direct mail and couponing have become more popular means of reaching both men and women.

In 1984, fewer than 11% of American

(Continued on Page 51)


Household cleaners
Toilet bowl cleaners and multipurpose cleaners are the growth areas of the $750 million surface clearing segment of the $9 billion household products category.
Source: Charles Kline & Co.; Kidder, Peabody & Co., and Advertising Age. All figures in millions.
All purpose/pine oil liquids
Glass cleaners
$127
$240
$200
$88
$100
Toilet bowl cleaners
Bathroom cleaners
Spray cleaners

Blair puts printing, fsi operations on block

By PAUL L. EDWARDS

NEW YORK—John Blair & Co.'s decision last week to negotiate the sale of its printing and Sunday newspaper freestanding insert operations has quieted speculation that the entire company might be acquired and raised the possibility that remaining portions of the business may be taken private.

Officially, the company said it would use the proceeds to reduce the company's debt and related interest costs.

The restructuring program announced by Jack Fritz, president-ceo, calls for the retention of Blair's broadcasting and direct-mail businesses. He said the program is the result of a strategic planning review conducted by the company in consultation with Salomon Brothers. The investment banking company, retained this spring to assist in the review, now will assist in the implementation of

(Continued on Page 51)

World News Roundup

PARIS—The French government, in a surprise announcement, awarded a private tv concession to a foreigner last week. Italian tv magnate Silvio Berlusconi was granted a 40% ownership in a new private satellite tv channel to be launched in February.

BUDAPEST—CBS Worldwide gave 24 hours of U.S. tv programming to Magyar TV, Hungary's state tv network, in return for the right to sell advertising time around the programs.

SYDNEY—Coles Myer, the giant retailer, was the largest advertiser in Australia this year, spending about $100 million, according to an annual

(Continued on Page 30)

Time changes bolster Sutton's position

By STUART J. ELLIOTT

NEW YORK—Time Inc.'s major restructuring of its magazine group involves 18 top executives, but no surprises should emerge when the dust settles.

The reorganization, unveiled last week, had been rumored here for the past month. It is not a shake-up since, as usually happens at Time Inc., the moves involve only in-house staffers and leave intact the basic demographic makeup at the top.

The shifts are significant, however, in bolstering the position of Kelso Sutton, 46, who takes a new post as the group's president-ceo while continuing as a Time Inc. exec vp. Two young publishers who long have been identified as Mr. Sutton's rising stars get key promotions: S. Christopher Meigher III, 39, and Robert Miller, 36.

"As I'm really now spending 30% of my time on corporate things. . .I thought I'd put in some people I thought would be able to devote themselves fulltime to operating big components of the business," Mr. Sutton explained. He has been "thinking long and hard about reorganization," he said, because the group has "a lot going on, a much fuller plate than we've had in a long time." He cited the acquisitions of *Asiaweek* and Southern Progress Corp., as well as the latter's own acquisition of W.R.C. Smith Publishing Co., and the current test "of a big weekly magazine [*Picture Week*], with other magazines we've tested that are in the background."

K. Sutton

S.C. Meigher III

R. Miller

The magazine group is "aggressive, going after a lot of opportunities," said Mr. Sutton, and "needs to be run well by people. . .very close to operations and to the marketplace, really responsive to what is happening with subscribers, with clients, to competition." Messrs. Meigher and Miller fit that description, he said.

As for any speculation Mr. Sutton is setting up a race between two proteges to succeed him eventually, he replied, "I'm a young man. I'll be around here a long time, doing what I'm doing."

Departing the group are two members of its older guard and a relative newcomer. Philip Howlett, 57, senior vp-magazines, and James McCluskey, 56, director-corporate manufacturing and distributing, are taking early retirement. And James Heyworth, 43, who became senior vp-magazines from deputy group vp-video in March, 1984, has "decided to seek new opportunities elsewhere," Mr. Sutton wrote in a memo, after the two "agreed" there was "no position for him in the new structure that is suitable for him."

The new structure brings three M's to Mr. Sutton's side: John Meyers, *Time's* publisher, named chairman-magazine group, a new post, who will serve as what Mr. Sutton called "my senior advisor," and Messrs. Meigher and Miller, publishers of *People* and *Sports Illustrated*, respectively, taking new posts as group publishers. In realigning responsibilities previously altered in 1983 and '84, each group publisher will oversee certain publications, along with functions such as corporate circulation, no longer a separate department; strategy and market research, and the publishing side of magazine development. Other operations remain single units, but will report to one or the other group publisher.

Mr. Meigher's bailiwick is *Fortune, Money, Time* and Southern Progress. His group director-circulation, is Michael Klingensmith, formerly general manager, *Time*. His director-strategic research and development is Ruth Shields, formerly general manager-corporate circulation. Mr. Meigher also supervises human resources; named director is Susan Geisenheimer, formerly director-staff resources.

Mr. Miller's bailiwick is *Discover, Life, People* and *Sports Illustrated*. His group director-circulation, is Eric Thorkilsen, formerly associate director-corporate circulation. His director-strategic research and development is Bruce Hallett, formerly his assistant at *SI*, with the title assistant to the publisher.

Mr. Miller also supervises corporate manufacturing and distribution; named director, to succeed Mr. McCluskey, is Richard Angle Jr., formerly director-corporate circulation.

As for magazine development, both Messrs. Meigher and Miller are to work with Marshall Loeb, editor-magazine development. Bruce Barnet, publisher-magazine development, continues to report to Mr. Sutton, as does *Picture Week* magazine *(see story, Page 49)*. Rounding out the group's restructured executive ranks is John Howard, formerly its financial director, who is named chief financial officer.

A rundown on the changes farther down the ranks as a result of the need to replace those moving up (no execs at *Fortune, Life* or *Money* are involved):

People: Succeeding Mr. Meigher as publisher is Donald Elliman Jr., formerly publishing director, *Time International*.

Sports Illustrated: Succeeding Mr. Miller as publisher is Donald Barr, associate publisher-advertising sales director, who was passed over in June, 1983, when Mr. Miller was named *SI's* publisher to succeed Mr. Howlett. Succeeding Mr. Barr, as ad sales director, is Thomas Hickey Jr., formerly ad sales manager.

Time: Succeeding Mr. Meyers as publisher is Richard Thomas, formerly associate publisher-worldwide advertising director. Succeeding Mr. Thomas is John Crowley Jr. formerly U.S. ad sales director, apparently unscathed by his much-publicized wooing earlier this year by rival *U.S. News & World Report*. And succeeding Mr. Klingensmith as general manager is Barbara Mrkonic, formerly associate publisher-general manager, *Discover*.#

Del Monte pays over dolls

WASHINGTON—For Del Monte Corp., selling fruits and vegetables has turned out to be easier than selling dolls.

Without admitting guilt, the San Francisco-based subsidiary of R.J. Reynolds Industries has agreed to pay $100,000 to settle a Federal Trade Commission complaint that it failed to comply with federal mail-order regulations during its 1982 and '83 coupon promotion for Country Yumkin dolls.

The complaint said Del Monte failed to inform customers within the required time that it could not provide the dolls on time; didn't offer customers the option of agreeing to the delayed deliveries or getting a refund, and didn't provide a postage-paid card that could be used for exercising that option.

The consent also prohibits the package-foods company from future violations of the commission's mail-order rules.#

WHO MIXED UP BACARDI?

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ADWATCH

American's 'special' ads score

By JULIE FRANZ

This has been a tough year for the airline industry, but American Airlines is proving that it's still possible to capture jaded travelers' attention with fresh, aggressive advertising.

In October, American broke a new series of tv spots, via Bozell & Jacobs/Southwest, aimed at achievers and status-conscious business executives, themed "When you're something special, people know it" (AA, Oct. 28).

Those commercials appear to be something special. Last month, American's ads came to mind first to 15.4% of consumers when asked to name the first airline advertising to come to mind of any seen, heard or read in the past month. That's a gain of six percentage points from American's 9.4% awareness posted in September.

The carrier, whose ads haven't captured a first-place finish in ADVERTISING AGE's monthly adWatch survey since April, spent the past several months trailing airlines whose awareness levels often were boosted by unfortunate, nonadvertising events: United Airlines (pilot strike), Trans World Airlines (hijacking) and Delta Airlines (Dallas crash).

Awareness of American's ads reached its low point this year in June with a 7.7% share of first mentions.

American's new campaign keeps its umbrella "Something special in the air" tag line but dumped scenes of comely employes happily doling out champagne and coffee while various cloud formations slowly drift past the airplane windows. Also gone are tourist brochure-like cuts of fun-in-the-sun destinations.

Instead, the new American ads show everything going right for the business travelers. In one spot, a weary executive returning late from a business trip is confronted with the good news and the bad news. For the good news, the client he had visited had phoned in an order. The bad news? The boss is sending Mr. Executive on another trip. But, surprise, the trip is for two—to Hawaii.

Last month's awareness scores for the rest of the category look like someone shuffled the deck. American usurped United's No. 1 rank, which it had held since May. United's ad awareness slipped into the No. 2 spot (13.3% of first mentions, down 3.1 points) while Eastern gained 1.6 points to an 8.8% share and the No. 3 position, up from No. 5 in September.

TWA fell to No. 4 (8.7%), down from second position last month with 10.5% recall.

It's no surprise that TWA's awareness took such a drop. The company's recall score was given a significant boost when one of its planes was hijacked in the Middle East and then later by its highly publicized takeover by financier Carl Icahn.

TWA's ad awareness may not recover quickly, given the new owner's decision to slash the $70 million ad budget (AA, Nov. 11).

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb.

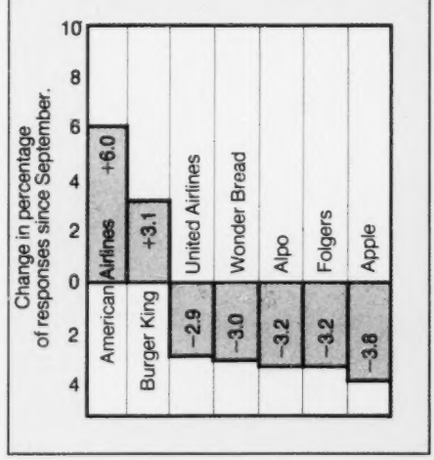
Ad awareness is measured by asking a nationally projectable sample of consumers to name ads in a variety of product categories that first come to mind from all seen, heard or read in the previous 30 days.

In October, 1,000 adults were

(Continued on Page 42)

October winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 percentage points is statistically significant. *Source: SRI Research Center Inc., Lincoln, Neb.*



Harper knows how to work his territory

BOOK REVIEW

NEW YORK—Continuing the advertising-industry practice of packaging new-business presentations between book covers, Needham Harper Worldwide is out with "Working the Territory" by Paul Harper.

The lavishly illustrated book can easily take its place on coffee tables alongside other biogs-cum-pitches by Ted Bates' Rosser Reeves ("Reality in Advertising"), Ogilvy & Mather's David Ogilvy ("Confessions of an Advertising Man" and "Ogilvy on Advertising"), Foote, Cone & Belding's John O'Toole ("The Trouble With Advertising") and Jerry Della Femina ("From Those Wonderful Folks. . ."). Take its place; that is, if one can get one's hands on it. Published by Prentice-Hall, the book is not for sale; it's edifying contents are for Needham employes, media and clients past, present and, they hope, future.

Since Mr. Harper has always stood for truth in advertising, it should be noted that his book qualifies for the "truth in advertising" seal. It is subtitled: "60 Years of Advertising from the People of Needham Harper Worldwide."

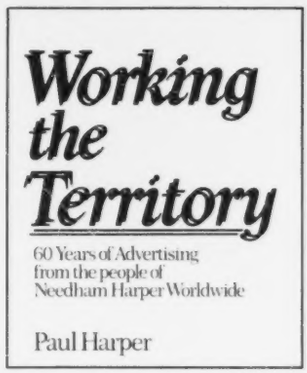
And that's exactly what it is.

With his level-headed, detailed commentary, Mr. Harper provides informed and informative examples of how clients and the agency apply their skills to the task of dealing with an ever-changing marketplace. How well it deals with "the turbulence of the marketplace," he states, is the "real hallmark of an ad agency."

In dealing with examples of that turbulence, he has created a testament to some of the finest advertising around.

He takes the reader through campaigns, explains why and how they came together and reports on the results. But don't look for any surprises, or much about Paul Harper's career, life or life style. Rather than talk about himself, this agency leader of unsurpassed civility, high standards and principle chooses to focus on "working the territory."

To explain what he means by the book's title, Mr. Harper recalls his first job, when his boss called him in, showed him where his overblown, romantic copy for Swift & Co.'s animal feeds was missing its target, and said, "The only answer for you, Harper, is to get out and work the territory. Get out where the feed is fed. Ask questions and listen hard." Mr. Harper visited a farm and was told by the farmer, "All I want to know from you folks is how I'm going to get those steers ready for market a week sooner." The young copywriter learned an important lesson: He would have to discover the needs and attitudes related to each assignment handed him.



He goes on to pinpoint techniques used in achieving six basic goals: Establish a product personality, position the product clearly, feature the most compelling benefit, break the pattern by finding a distinctive look and sound, generate trust and appeal to both heart and head.

Among the examples are State Farm, Honda, Xerox, Crayola, ITT, RCA and McDonald's. He delves into radio's heyday with Fibber McGee & Molly and their sponsor, Johnson's Wax, and Jack Benny for State Farm. In discussing McDonald's, he notes that the agency had to break through a powerful negative perception: Eating fast-food was a last resort. He tells how the agency stressed family values, a refuge from "daily pressures," managed to personalize the message ("You. . .you're the one") and saw McDonald's sales grow from $550 million to more than $6 billion in its 11 years with the account.

Now, that's "working the territory."

Mr. Harper began his career in 1946 as a junior copywriter and retired last year as Needham chairman-ceo. A former chairman of the American Assn. of Advertising Agencies, he now serves Needham Harper Worldwide as chairman emeritus.

He sees advertising as neither an art nor a science, but "a blending of persuasive effects, some new, some old, that together build a vivid and appealing product personality."

He salutes his successor, Keith Reinhard, and earlier Needham leaders such as Bill Steers, Blair Vedder and Jim Isham, and goes on to sum up the essence of the ad agency about as well as any one of his fellow executives-turned-authors. Agencies, he concludes, are "really nothing more than a confederation of people who agree to work together to make the most of their talents." They are held together only by an "unwritten bond made up of common standards, mutual respect and good will."

When "the right people" join in this spirit, he says, "you get motion, you get fire and you get great advertising."

Like any effective new-business pitch, the book adds style, flair and high standards to the learning process.#—*Fred Danzig*

Hewlett-Packard plays 'what if' with pcs

By CLEVELAND HORTON

PALO ALTO, CAL.—Hewlett-Packard Co., which failed to gain the desired recognition and sales in its first efforts to crack the personal computer market, is trying again. This time around it's using a new strategy and a new agency as its wedge.

The $6 billion company, best known in the scientific and engineering fields, waited one year to put its new strategy to work in the national campaign that broke Nov. 24 (AA, Nov. 18).

In a departure from previous national ad efforts, the campaign intentionally avoids any hard-sell for specific products, focusing instead on the problem-solving prowess of the company and its employes.

The new campaign, estimated at more than $10 million, marks the first comprehensive H-P campaign from Leo Burnett USA, Chicago.

"We're selling solutions, not computers," said J.C. Dennis, marketing communications manager for H-P's Information Systems & Network division. IS&N is funding the new campaign.

H-P hopes the effort will enhance its image as a corporation, in addition to spurring sales of its computer systems.

The tv commercials present H-P as a company dedicated to customer service. The initial four tv spots describe H-P employes as people who never stop asking "What if" questions to help solve a customer's problem. There is no mention of individual components of H-P's Personal Productivity Center, a minicomputer-based system using pcs.

Print ads will echo the tone of the tv spots with the "What if" theme, but they will include more product information.

The first tv spots broke during National Football League telecasts. The print campaign will follow in major national business and general interest publications.

H-P revised its strategy because of the growing sophistication of the general marketplace, Mr. Dennis explained. "Customers are asking for much more than a stand-alone pc," he said.

The company now considers its pcs to be components of larger systems, though it won't refuse to sell them individually.

The new campaign marks a 14-month effort by Burnett, which won the H-P account one year ago from J. Walter Thompson USA, San Francisco (AA, Sept. 25, '84). In the interim, Burnett produced two product-specific print campaigns.

After a corporate restructuring late last year, H-P decided to address its lack of name awareness in the general business community, said Angelo Pagano, IS&N director of advertising. Before that, H-P successfully marketed it products to the scientific and engineering communities using specialized media, such as trade publications.

The general business community is a much more complex and unpredictable market to reach, Mr. Pagano said. But the size of the business market for computers and computer systems makes that market an attractive one for any computer marketer. That prompted H-P to increase ad spending for IS&N.

Although H-P has been unable to capture more than about 2% of the $17.8 billion pc market, it claims to have the largest base of minicomputers used in business today.

At Burnett, Bob Welke acted as creative director; Mike Malatak, art director; Dan Heagy, copywriter, and Michael Birch, producer.#

Lewis shop adds creative chief, changes name

OAKLAND, CAL.—ComputerLand Corp.'s new agency, founded by the giant computer retailer's former senior vp-marketing, Roger Lewis, last week added a creative director and a new name to its corporate moniker.

Robert Browand, formerly creative director at the Phillips Organisation, San Diego, will join the new Oakland-based agency, now called Lewis, Browand & Associates. At Phillips, associate creative director Carol Golden succeeds Mr. Browand.

The new shop plans to present itself as an old-fashion agency. "We'll be more like agencies in the '50s and '60s, when marketing plans were written by the agency," said Mr. Lewis, whose title is president. The agency doesn't yet have any other clients, but hopes to shortly.

ComputerLand's former agency, Foote, Cone & Belding, San Francisco, resigned the account (AA, Nov. 4).

In a similar move, ComputerLand's general counsel, Ronald Helm, is leaving the franchisor to start his own practice, taking on ComputerLand as his first client.

ComputerLand will suspend national advertising at the end of this year (AA, Oct. 14).

The chain still has around $4 million in advertising funds, committed to pay for collateral materials.

The Lewis agency's one-year contract with ComputerLand is based on a fee, rather than a commission on billings.

Mr. Lewis began his marketing career in 1968 with J. Walter Thompson in New York, before moving to General Foods for eight years. He then shifted to JWT, San Francisco, as deputy general manager in charge of new business for four years. After a short stint as a new-product consultant, he joined ComputerLand 2½ years ago.#—*C.H.*

adWatch

(Continued from Page 4)

questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

Seven-Up Co.'s 7UP returned to its customary third-place spot in the soft-drink category last month with 2.9% of first mentions. That bumped Coca-Cola Co.'s Cherry Coke down to the No. 4 position after making an impressive third-place debut in September.

Cherry Coke's ad awareness score dropped 1.5 points to 1.2% from 2.7% in September.

Coca-Cola remained in the category's top spot but lost 1.4 points to 41.7% of first mentions. Pepsi gained 0.1 point to 27.7% awareness and Pepsi-Cola Co.'s Slice reentered the top five in fifth with 1.1% awareness.

Consumers asked to recall the first advertising they'd seen, heard or read in the last month, regardless of product category, named Coca-Cola 4.7% of the time, down 2.9 points from 7.6% in September. But that score was still good enough to keep Coke in the No. 1 spot in over-all ad awareness.

The top 10 in over-all, unaided awareness (without asking for a specific product category) in October were, in descending order: Coca-Cola, Miller/Miller Lite (Miller Brewing Co.), Pepsi, Budweiser/Bud Light (Anheuser-Busch), Ford, McDonald's, Chevrolet (General Motors), Wendy's, Burger King and General Motors.

Among other significant changes in the October survey results:

- Burger King added 3.1 percentage points to its October score, getting 14.5% of first mentions in the **fast-food category**, passing Wendy's into the No. 2 spot.

  Wendy's "Choose fresh. Choose Wendy's" ads, via Dancer Fitzgerald Sample, garnered an 11.7% share of top-of-mind recall in October, down from 12.6% in September. McDonald's, behind the strength of the McD.L.T. lettuce-and-tomato hamburger, remained firmly entrenched at the top with 43.3% of first mentions, down slightly from the September survey results. Burger King's latest surge marks a turning point from August and September, when it languished in third place behind Wendy's and McDonald's. BK hit its 1985 high in July with 19% of first mentions.

  Last month, BK management announced its dissatisfaction with marginal sales gains from recent ad campaigns, citing inconsistency in the ad message during the past six months as part of the problem (AA, Oct. 7). J. Walter Thompson USA handles BK.
- Procter & Gamble's Folgers and General Foods' Maxwell House continued their game of hopscotch in the **coffee category** in October. This time, Maxwell House came out on top with 25.5% of first mentions, up 1.5 points from 24% in September. Folgers, which has held the top awareness spot for seven of the past ten months, dropped 3.2 points to 20.8%. General Foods' Sanka was No. 3 with 4.6%.
- Apple Computer again is losing ad-awareness ground in the **computer category**, slipping 3.8 points to 25.1% in October. That's below Apple's previous 1985 low point of 25.7% in August. Once again in the No. 2 spot is IBM, with a 16% share, up a scant 0.1 point from September's 15.9%. Commodore remained No. 3 with 5.4%, down 0.9 points from 6.3% in September.#

For more information, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Cleaners

(Continued from Page 3)

women could be classified as stereotypical housewives—married women, not in the labor force, with children under 18, according to Ithaca, N.Y.-based *American Demographics*.

Additionally, only 21 million American women (one in five) were fulltime homemakers in 1984, down from 27 million in 1970. The elderly now make up the largest segment of homemakers. By 1995, according to *American Demographics*, only 14% of women aged 45 or younger will be fulltime homemakers; 60% will be aged 55 or older.

"The home itself is in a period of becoming more important," said *Better Homes & Gardens* managing editor Kate Greer, "primarily because once people get home, they like to stay there; it gives them a sense of their own space and they're more interested in decorating and remodeling their space."

However, that renewed interest in hearth and home does not extend to cleaning up their space. "People for the first time are establishing priorities for housecleaning. As long as it's neat, they can live with the dust," Ms. Greer said.

When the dust and grime build beyond the tolerance level, consumers are reaching for heavy-duty, multipurpose cleaners rather than the old, reliable ammonia cleaner.

The switch is being felt in supermarkets, where sales of cleaning supplies for heavy housework, such as floor waxes that require hand scrubbing, have declined steadily. Sales of multipurpose cleaners that are mopped directly onto floors have increased. The biggest sellers now are convenience products, such as automatic toilet bowl cleaners, air fresheners and multipurpose liquid cleaners, according to a Green Bay, Wis.-based household-cleansers buyer.

For example, manufacturers' sales of automatic toilet bowl cleaners totaled $57 million in 1979 (all segments are stated in manufacturers' dollars). Last year, sales reached $112 million, up by an average annual rate of 14.8%. Consultants Charles Kline & Co., Fairfield, N.J., project sales to hit $162 million by 1989, a $100 million increase in a decade.

The leader among automatic toilet bowl cleaners is Drackett Co.'s Vanish Bowl Brite. The Cincinnati-based division of Bristol-Myers is No. 1 in the estimated $240 million segment, with a 30% share. Laurence, Charles & Free, New York, handles the estimated $4 million Vanish budget.

R.T. French Co., Rochester, N.Y., a subsidiary of London-based Reckitt & Colman, markets Bully, Bully Plus Blue and Bully Power automatic bowl cleaners, and Swish, a thick liquid toilet bowl cleaner. Bully, in total, has a 7% market share, and Swish has 5%. J. Walter Thompson USA, New York, handles Bully's estimated $4.6 million account.

William Esty Co. is the agency for Sani-Flush, marketed by New York-based American Home Products' Boyle-Midway division. Sani-Flush has a 10% share.

This year has been "extremely competitive," in part due to the large number of new-product entries, a Drackett spokesman said. "Consumers are getting away from using abrasive cleaners and brushes, seeking ways to substitute newer cleaners that cut cleaning time in half, and companies are coming up with those products."

Kline & Co. analyst Betsy Donovan said vinyl protectants, air fresheners, bathroom cleaners, carpet deodorizers and laundry detergents are among the fastest-growing product segments.

"All-purpose liquid cleaners also are picking up. Floor polishes and waxes are continuing to decline and all-purpose cleaners are replacing them," Ms. Donovan said.

"Quick" and "easy" appear to be the buzzwords among the new dual-purpose cleaners, and sprays are the most popular delivery system.

Dow Chemical Co., Indianapolis, which in January added the Texize division of Morton-Thiokol to its household-cleaners lineup, has introduced a bathroom cleaner version of its Fantastik multipurpose cleaner.

Also introduced this year was Texize's Pine Magic multipurpose cleaner, billed as the "power of a pine cleaner in a spray" in advertising created by Henderson Advertising, Greenville, S.C.

Economics Laboratories, New York, extended its successful Scrub Free heavy-duty bathroom cleaner brand to a kitchen cleaner and a toilet-bowl cleaner. Warwick Advertising, New York, handles.

Oakland, Cal.-based Clorox also jumped into the estimated $84 million spray cleaner segment with Tackle.

The product is positioned as the first disinfectant cleaner to contain bleach. Tv and magazine ads are from Foote, Cone & Belding, San Francisco.

However, Tackle does not contain pine oil, "still a marketing strong point," said Ms. Donovan.

Two of the market leaders in the $160 million pine-oil disinfectant category are Wayne, N.J.-based American Cyanamid's Pine-Sol and Lysol from Sterling Drug's Montvale, N.J.-based Lehn & Fink division. SSC&B, New York, is the Lysol agency.

Lehn & Fink expanded its Lysol franchise with Lysol Cling thick liquid toilet bowl cleaner, while American Cyanamid has concentrated on testing a Pine-Sol spray cleaner with ad support from Ted Bates Advertising/New York.

Jay Luttrell, homecare marketing research manager at S.C. Johnson & Son, Racine, Wis., points out that advertisers are going after a more "heterogeneous market" than in the past, when women were the primary target.

Advertisers have acknowledged that men are doing more of the weekly grocery shopping, and are trying different media schedules and using more direct mail to help influence their buying decisions, he said.#

Chicago editorial assistant Sara Stern also contributed to this article.

Pine oil market shares

Pine oil cleaner sales were spurred by the introduction this year of new spray bottle delivery systems. Although pine scents made a comeback this year, Procter & Gamble's lemon-scented Mr. Clean all-purpose cleaner remained the segment leader. *Source: Advertising Age.*

Brand	Share	Manufacturer
Mr. Clean	21%	Procter & Gamble
Lysol	20%	Sterling Drug
Spic 'n Span Pine	20%	Procter & Gamble
Pine-Sol	14%	American Cyanamid
Top Job	13%	Procter & Gamble
Pine Power	6%	Dow Chemical
Tackle	5%	Clorox Co.

Blair

(Continued from Page 3)

the divestitures, Mr. Fritz said.

Just how much Blair will realize from the sale of its printing and fsi operations is unclear. The three printing companies—American Printers & Lithographers and Alden Press in Chicago and Meehan-Tooker in East Rutherford, N.J.—had combined 1984 revenue of $272 million, $86 million of which was generated from printing the fsi, which has been operating at a loss.

Blair said it is negotiating with the respective management groups of these operations. Included are Robert Lifton, chairman of American, the sheet-fed operation; Jerome Spier, president of Alden and Meehan, the web presses, and Edward Fuhrman, chairman of John Blair Marketing, which publishes the fsi.

A company spokesman said outside offers will be entertained as well. For months, rumors have floated in the investment community that John Blair as a whole might be ripe for a takeover. The spokesman said he knew of no such offers, nor of any outside offers for the printing or fsi operations.

There is some speculation, however, that an outside offer for the fsi might come from Robert Hemm, former president of John Blair Marketing, who resigned a year ago in the first of several management shakeups. Jack Valentine, who sold Advo to Blair last year and who briefly succeeded Mr. Hemm, also is being mentioned as a possible buyer. Neither was available for comment.

Although Blair said it would retain Advo in the restructuring, there also was speculation Messrs. Hemm and/or Valentine might be interested in purchasing it. Blair decided to hold on to Advo, some observers say, only because it did not think it could recover its investment through a sale.

Completing the speculative circle, observers said last week that if Blair could sell off the printing, fsi and even Advo, Mr. Fritz would then be in a position to take the remaining broadcast operations private, thus preventing a possible takeover.

The restructuring announcement comes just 20 months after Blair acquired Hartford-based Advo-System, a direct-mail processing company, for $37 million, including acquisition costs. As of the end of last year, Blair had put another $72.5 million into Advo for expansion and capital, bringing its total investment in the company to about $110 million.

The purchase and cash requirements of Advo were largely responsible for boosting Blair's total outstanding debt at the end of last year to $302.9 million from $140.6 million the year before.#

Schlitz gets ad gusto

DETROIT—Stroh Brewery Co. will try to pump new gusto into its Schlitz brand beer next year with an expanded ad effort and a new agency, Vic Olesen & Partners, Los Angeles.

Olesen will develop a campaign with an as-yet-undetermined celebrity for use primarily in spot tv markets, said Tom Noble, Schlitz brand manager.

Creative will be developed by Olesen on a fee basis, and Stroh will buy media in-house, primarily on a co-op basis with distributors, Mr. Noble said.

Total ad spending is expected to be about $5 million in 1986. The new campaign probably will begin in the spring.

Schlitz sales have declined since a high of 13 million bbls. in 1978. Sales this year are expected to be 1.5 million bbls., a figure that Schlitz brand manager Tom Noble wants to stabilize in 1986.

Stroh took over Schlitz when it acquired the Jos. Schlitz Brewing Co. in 1982, but has made little marketing effort for the brand. While MCA Advertising, New York, has been agency of record, the only new ad effort in the last year was a Southwest regional one created by Point Communications, Dallas.

The Point Communications campaign used actor Larry Hagman as pitchman. Mr. Noble said Olesen's celebrity campaign will not use Mr. Hagman.#

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Monday, December 2, 1985

Advertising Age

Crain's International Newspaper of Marketing
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Illustration by Roger Schillerstrom

Empty minute to give relief for Super viewers

By ROBERT RAISSMAN

NBC Sports will let the screen go dark for one minute during its Super Bowl XX pregame show and invite football fans to make a run for the refrigerator or the bathroom without missing any coverage of the spectacle.

Michael Weisman, NBC Sports executive producer, said the time out will not reduce the number of commercials in the Jan. 26 telecast. But it still could be construed as a costly giveaway, since pregame spots are selling for $275,000 to $300,000 per 30 seconds.

During the break, NBC will air music while the tv screen goes dark except for the "NBC Sports" logo and a clock in the lower right corner ticking off the seconds.

"I was going to use sound effects of toilets flushing and beer cans popping open, but I thought that would be a bit much," Mr. Weisman said."

Mr. Weisman, an innovator who once tested an announcerless football game on tv, said he took his intermission idea to NBC Sports president Arthur Watson. He said Mr. Watson agreed the break was needed. NBC's Super Bowl Sunday coverage is likely to last at least eight hours. It includes a college basketball game between the University of North Carolina and Notre Dame, the two-hour Super Bowl pregame show, the 3½-hour game telecast and a half-hour postgame show.

Mr. Weisman said advertisers as well as viewers will benefit from the intermission. Companies break new campaigns during the game and Mr. Weisman believes an early "time out" might keep more viewers in front of their sets while the commercials air.

"This may not be a cure [for people leaving the tv during spots] but it certainly will help," Mr. Weisman said. "If this intermission has positive results, why not extend it to two-hour prime time movies and other lengthy tv events?"

Initial advertiser reaction to the idea was lukewarm, however.

Steve Leff, exec vp-director of media services, Backer & Spiel-

(Continued on Page 104)

"I was going to use the sound of toilets flu... ...but thought that would be a bit much."

U.S. car makers drive away from Super Bowl

NEW YORK—U.S. auto companies are sitting out the network Super Bowl telecast for 1986.

For the first time in years, the single network automotive advertiser on the game will be a foreign company: Nissan Motor Corp. U.S.A., the No. 2 Japanese importer, which is feeling competitive pressure from American Honda Motor Co.

No U.S. maker picked up the domestic auto advertising exclusivity, though that does not rule out their presence in selected markets as spot advertisers. Ford division of Ford Motor Co. has one network spot in the pregame show.

"NBC couldn't count on the old faithfuls," said Ron Fredrick, senior vp, J. Walter Thompson USA, Detroit, who handles Ford media. Mr. Fredrick said traditional big sports advertisers thought NBC's price was too high.

He added, "When Chevy threw

Baseball spells relief another way. Page 104.

down the gauntlet about the $1 million minute [last year], that may have had some impact on the market." The Super Bowl has become "symbolic of advertiser excess," Mr. Fredrick said, and many cost-conscious advertisers see it as one of the first places to cut back.

NBC announced the Super Bowl was "sold out" last week and that advertisers had paid its record $1.1 million per minute asking price, but it apparently did so selling mostly first-time Super Bowl advertisers. Many advertisers in ABC's Super Bowl XIX, at $1 million a minute, did not return. Most cited the excessive price of Super Bowl time.

NBC refused last week to reveal which advertisers are in the Jan. 26 telecast. Robert Blackmore, senior vp-sales, NBC-TV, when read last January's list of Super Bowl advertisers, said, "99% of those are

(Continued on Page 104)

Ad prices up 30%, with audience guarantee

ABC's Olympics promise

By VERNE GAY

NEW YORK—ABC Sports has opened its 1988 Winter Olympics sales effort by giving audience guarantees for the first time ever in exchange for a 30% increase over 1984 to $325,000 per 30 seconds in prime time.

ABC is aiming at a take of $500 million for its Calgary winter games telecasts, more than double the $187 million sold for the 1984 Winter Games in Sarajevo, Yugoslavia. The 1988 winter target comes close to the 1984 Summer Games in Los Angeles, which generated revenues of $625 million.

NBC-TV has the rights to the 1988 Summer Games in Seoul, South Korea, and is expected to begin selling those games Dec. 5. Bertram Zeldin, the former head of NBC sports sales before moving over to head sports marketing at the network, has been brought back into sales to spearhead NBC's Olympics sales efforts.

ABC is taking some novel sales approaches to maximize commercial sales for the winter games. Along with giving household guarantees for the first time in Olympics broadcast history, ABC plans to sell franchise advertisers program vignettes called "Great Olympic Moments" as part of its over-all package. The vignettes, similar to newsbreaks, will be broadcast throughout 1987 in all dayparts.

ABC began a hurry-up offense in recent weeks after it became apparent NBC-TV would begin selling the 1988 Summer Games as early as next week. Observers believe ABC, which had delayed pitching advertisers on the winter games because of a lackluster sports sales market, was forced to act because of NBC's apparent bullishness on the Seoul Games. Both will be approaching the same list of advertisers.

In a series of presentations to key agencies and ad-

(Continued on Page 104)

Dole tries a fresh approach

By BRIAN LOWRY

SAN FRANCISCO—Castle & Cooke hopes to carve a new niche in the booming fresh produce market by taking Dole-branded fresh-cut vegetables national next year.

The move is part of an effort by Castle & Cooke to equate the Dole brand name with fresh foods, as the company proceeds to market brand-name tomatoes, cucumbers, green peppers and citrus fruits (AA, Aug. 26).

The company estimates branded produce, mostly fruit, is a $2.5 billion-to-$4 billion segment of the $24 billion fresh produce category.

The precut vegetables are seen

(Continued on Page 104)

Last Minute News

Federal Express Zaps Ally, hires FMR

MEMPHIS—Federal Express unexpectedly switched agencies for its ZapMail Service last week, awarding the estimated $15 million broadcast and print account to Fallon McElligott Rice, Minneapolis. Ally & Gargano, New York, remains the Federal Express agency of record. A&G executives could not be reached for comment.

General Mills has big backing for Boppers

MINNEAPOLIS—General Mills today breaks a $25 million campaign backing the national rollout of Nature Valley Bopper granola bars. The campaign, which includes 22 weeks of network tv, originally had been set for July (AA, July 22). It was delayed, sources say, to prevent product shortages after unusually strong retail response. Boppers combine a peanut butter center with a chocolate coating. Needham Harper Worldwide, Chicago, handles.

Allied account hits the road

BROADVIEW, ILL.—Allied Van Lines has moved its estimated $2 million-to-$3 million Yellow Pages directory account to Wahlstom & Co., Stamford, Conn., a subsidiary of Foote, Cone & Belding. Previous agency was Richard Bandler Co.; Allied's consumer advertising agency of record is D'Arcy Masius Benton & Bowles, Chicago.

Anheuser-Busch still putting on 'The Ritz'

CHICAGO—St. Louis-based Anheuser-Busch has resumed testing here a

(Continued on Page 8)

M
FMJE
DC20014CENGLI
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

HIGHLIGHTS

ABC makes Olympic guarantee 1
ABC Sports has opened its 1988 Winter Olympics sales effort by giving audience guarantees for the first time ever in exchange for a 30% price increase compared with 1984 to $325,000 per 30 seconds in prime time. ABC is aiming at a take of $500 million for its Calgary winter games telecasts, more than double the $187 million sold for the 1984 Winter Games in Sarajevo, Yugoslavia.

NBC gives you a break 1
NBC Sports will let the screen go dark for one minute during its Super Bowl XX pregame show and invite football fans to make a run for the refrigerator or the bathroom without missing any coverage of the spectacle. Michael Weisman, NBC Sports executive producer, said the time out will not reduce the number of commercials in the Jan. 26 telecast. But it still could be construed as a costly giveaway, since pregame spots are selling for $275,000 to $300,000 per 30 seconds.

Bates tries French connection 3
Ted Bates Worldwide, convinced that the time is right for "experimentation" by ad agencies, has imported one of its joint ventures into the U.S. to form a creative specialty shop that reports directly to agency chairman Robert Jacoby. The new agency is called L'Entente Delacroix/New York, and its president and creative director is Michel Delacroix, who also heads a group of agencies and communications companies of the same name in France.

Tax changes win friends 3
If the House committee version of President Reagan's tax-reform program is approved by Congress and becomes law, advertising agencies will face a burdensome new accounting procedure. But over-all, agencies and clients would welcome a lowering of the corporate tax rate and have little to fear from proposed changes.

Holiday entertainment on tap 4
The entertainment industry has something for everyone. Film buffs can look forward to Christmas releases and readers can stock up on hardback books at prices not far out of line with paperbacks. *An* Advertising Age *roundup.*

Tough times for Murdoch dailies 6
Rupert Murdoch may need two years to sell his Chicago and New York daily newspapers, judging from figures released last week by the Audit Bureau of Circulations.

Cultivating advertising budgets 10
The federal farm bill now being pushed through Congress calls for an explosive increase in advertising and promotional spending to boost lagging sales of beef and pork.

Nike takes run at Adidas 14
In Europe's running-shoe marathon, Adidas is in the lead, but Nike is starting its big kick. Last week, in a move directed against arch-rival Adidas, Nike consolidated more than $2 million in European advertising accounts with Grey Advertising, and there is the prospect of more Nike business to come.

GLOBAL MEDIA

The big are getting bigger 45
Time, Newsweek, Dow Jones & Co. and CBS are looking to expand their bases in Europe and Asia, according to Ad Age's second annual report on global media. Also, new tv channels, and satellite and cable tv, are changing the face of electronic media internationally.

INTERNATIONAL

BBDO in Hong Kong court 61
BBDO Hong Kong this month will ask a court to place a restraining order on eight former staffers to stop them from taking clients away from the beleaguered agency. Former managing director Edwin Chan, together with seven staff members, resigned last summer and formed a new agency called Quattro.

Draft Bud in English pubs 61
Two tv commercials, produced by an English agency, Abbott Mead Vickers, but shot in New Jersey, are the heart of a new $7 million campaign to introduce Budweiser draft beer in the U.K.

Costa Rica's predicament 62
When you have a declining economy, the world's largest per-capita foreign debt and a desperate need for American tourists, here's what you don't want to be: Nestled in Central America bordering Nicaragua.

CATEGORY REVIEW

Auto makers keep on truckin' 70
Trucks have become the major automotive growth market, and marketers hope to increase their success with life-style advertising that breaks with the vehicles' tough-guy image of the past. Truck sales account for nearly three out of every ten vehicles sold in the U.S., the biggest share of the market ever.

NEW PRODUCTS

Making eating easy 96
Food marketers continue looking for ways to ease working couples' burden of preparing adequately elaborate meals at home, according to a review of new-product news in Advertising Age.

OTHER NEWS

Small appliances are big sellers this Christmas season, paced by Sunbeam's Oskar food processor—the Cabbage Patch Kid of the kitchen set. Cordless appliances and irons also are selling well, as are appliances in bold, bright colors. Page 4.

A code of ethics was the only recommendation a blue-ribbon panel of politicians and media representatives could offer to improve political advertising in presidential elections. Page 6.

One by one, the Federal Trade Commission is knocking down the performance claims of the leading players in the multi-million-dollar household air cleaner market. Norelco and Oster are the latest to bow to FTC pressure over false or unsubstantiated ad claims. And there may be more such consent agreements coming. Page 10.

Entertainment-minded agencies in Los Angeles are rushing to pitch Dino De Laurentiis' estimated $40 million account. The mad rush started soon after the flamboyant Italian producer completed his purchase of Embassy Pictures from Coca-Cola Co., renamed it the De Laurentiis Entertainment Group and cut loose 70 of Embassy's 180 employes. Page 14.

Innovation, value and corporate philosophies are some of the keys to building a successful company, according to authors Donald K. Clifford Jr. and Richard E. Cavanagh in "The Winning Performance: How Americ..'s High-Growth Midsize Companies Succeed." Page 42.

Sears, Roebuck & Co., celebrating its 100th birthday, is determined not to act its age. The nation's largest retailer had its agencies prepare advertising aimed at establishing Sears as *the* store of the future. Page 28.

When Chesebrough-Pond's introduces Ragu Pasta Meals in March, with $24 million in annual ad spending, it hopes to dispel the notion that canned pasta is kids' stuff. Page 36.

Six months after Rupert Murdoch sold the *Village Voice* to Leonard Stern, the irreverent weekly is as irreverent as ever. But it is beginning to look more respectable. Page 41.

COMING THURSDAY

While Muhammad Ali was toe-to-toe with Smokin' Joe Frazier, bringing the Thrilla in Manila to a knockout close in 1975, Kay Koplovitz was stateside thrilling to the marvel of Home Box Office's breakthrough satellite transmission of the fight from the Philippines. As the lights went out for Joe Frazier, the dawn was rising on cable tv.

Special Report looks at how the cable tv industry is working to fine-tune its image as penetration increases in major markets, interconnects make their presence felt in local markets and pay-per-view ventures crop up in response to videocassette recorders.

REGULAR FEATURES

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Johnson to give lotion an 'E' effort

By LAURIE FREEMAN

S.C. Johnson & Son is battling for a larger share of the hand-and-body lotion market by reformulating its Soft Sense brand.

Racine, Wis.-based Johnson has budgeted more than $8 million to introduce Soft Sense with Vitamin E (AA, Nov. 25). A national tv, print and coupon campaign is via J. Walter Thompson USA, Chicago. Ads are themed "Suddenly, everything is softer."

Johnson considers Soft Sense to be the No. 3 brand in the $500 million hand-and-body lotion category, behind leader Vaseline Intensive Care (Chesebrough-Pond's) and Jergens (American Brands).

Analysts, however, give Soft

(Continued on Page 102)

Old Style ads nip A-B in Bud

By SCOTT HUME

G. Heileman Brewing Co. is getting feisty.

A new tv commercial for its Old Style premium brand opens with the Budweiser beer wagon, complete with shaggy-hooved Clydesdale horses, rolling across the plains.

This familiar and idyllic scene is rudely interrupted by the arrival of an Old Style wagon, which roars into the lead as its driver cracks his whip and an announcer extols the virtues of Old Style over Anheuser-Busch's Budweiser.

La Crosse, Wis.-based Heileman, the nation's fourth-largest brewer (shipping an estimated 13 million bbls. through 1985's

(Continued on Page 102)

West Coast news

Canadians look south for shop

Rostrum Communications, Vancouver, British Columbia, has selected Cohen/Johnson, Los Angeles, as its first agency for a $2 million-plus account. The Canadian publisher, known primarily for technical books, plans to market directly to the consumer and will expand its roster next year to include nonfiction. Ads, to begin in February, involve print and radio, with tv under consideration.

Pioneer Takeout Corp., Los

(Continued on Page 102)

Computer books sag

NEW YORK—Major changes in the slumping computer publishing field (AA, Oct. 10, *et seq.*) have scrambled the standings at the top.

Two top-10 magazines will not be around in 1986: McGraw-Hill Information Systems Co.'s *Popular Computing*, which was No. 7 in audited circulation as of last June, at 262,000, and Ziff-Davis Publishing Co.'s *Creative Computing*, No. 8 as of last June, at 250,000, though its average net paid circulation has been 300,000.

A third magazine, Hayden Publishing Co.'s *Personal Computing*, has slashed its '86 rate base 25.9%, to 400,000.

This means Scholastic Inc.'s *Family Computing* will move to first place among computer magazines. Its '86 rate base has been increased 9.3%, to 410,000.

Computer publications have been hit hard in advertising as well as circulation. Industry analysts expect the field to finish '85 with a decline in ad revenues of 10% to 20% and a decline in ad pages of 20% to 25%.

The slump also has affected other computer publications.

Ziff-Davis has sold its Cherry Hill, N.J.-based Data Decisions subsidiary, which publishes computer and communications systems newsletters, to McGraw-Hill, which will cease DD's operations and offer customers reports from its comparable Datapro Research Corp. And Ziff-Davis also folded its much-heralded "Computer Industry Daily" newsletter.

Not all the news in the field is bad. Some publishers are finding success with titles targeted to specific hardware and/or software. Lotus Development Corp. has posted a rate base of 300,000 for its magazine, *LOTUS*, which made its debut last May, good for fifth place among magazines in '86.

At right are estimates for magazines next year, compared with the standings as of last June. Source: "Marketing Technology" newsletter.#

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Computer magazines

The demise of both *Popular Computing*, No. 7 this year in circulation/rate base, and *Creative Computing*, No. 8, will change the rankings of the 10 largest computer magazines in 1986. While the remaining eight from '85 all show up in the '86 top 10, some change ranks, and there is room for two newcomers, *LOTUS* and *Commodore Microcomputers*. NR means not ranked. *Source: "Marketing Technology" newsletter, New York.*

Rank '86	Rank '85	Magazine	Rate base 1986	Rate base 1985
1.	2.	*Family Computing*	410,000	400,000
2.	1.	*Personal Computing*	400,000	540,000
3.	3.	*Byte*	391,600	391,000
4.	4.	*Compute!*	350,000	372,000
5.	NR	*LOTUS*	300,000	NR
6.	6.	*PC World*	277,000	277,000
7.	5.	*Compute!'s Gazette*	275,000	302,000
8.	9.	*PC*	250,000	221,000
9.	10.	*Run*	195,000	185,000
10.	NR	*Commodore Microcomputers*	165,000	NR

Sears centennial ads looking ahead

By LAURIE FREEMAN

CHICAGO—Sears, Roebuck & Co., celebrating its 100th birthday, is determined not to act its age. Rather than take a nostalgic look at its past, the nation's largest retailer had its agencies prepare advertising aimed at establishing Sears as *the* store of the future.

Ogilvy & Mather and Needham Harper Worldwide's Chicago offices share the company's $726.2 million merchandise division ad budget and are splitting the ad duties associated with the centennial celebration. O&M handles Sears' automotive, appliances and hard lines; Needham is the apparel and home-fashion merchandise agency.

O&M got the birthday party going Nov. 18 with the celebration's first network tv spot. It includes the umbrella "There's more for your life at Sears" theme, but unveiled Sears' "New Century" gold-tinted logo. Sears sources say the logo will appear "in some form" in all advertising throughout 1986, whether as a banner in tv spots and in print ads or included in the broadcast copy voiceover.

At the same time, Needham is said to be working on a non-sales-related, corporate-image campaign for the retailer that also will incorporate the New Century logo.

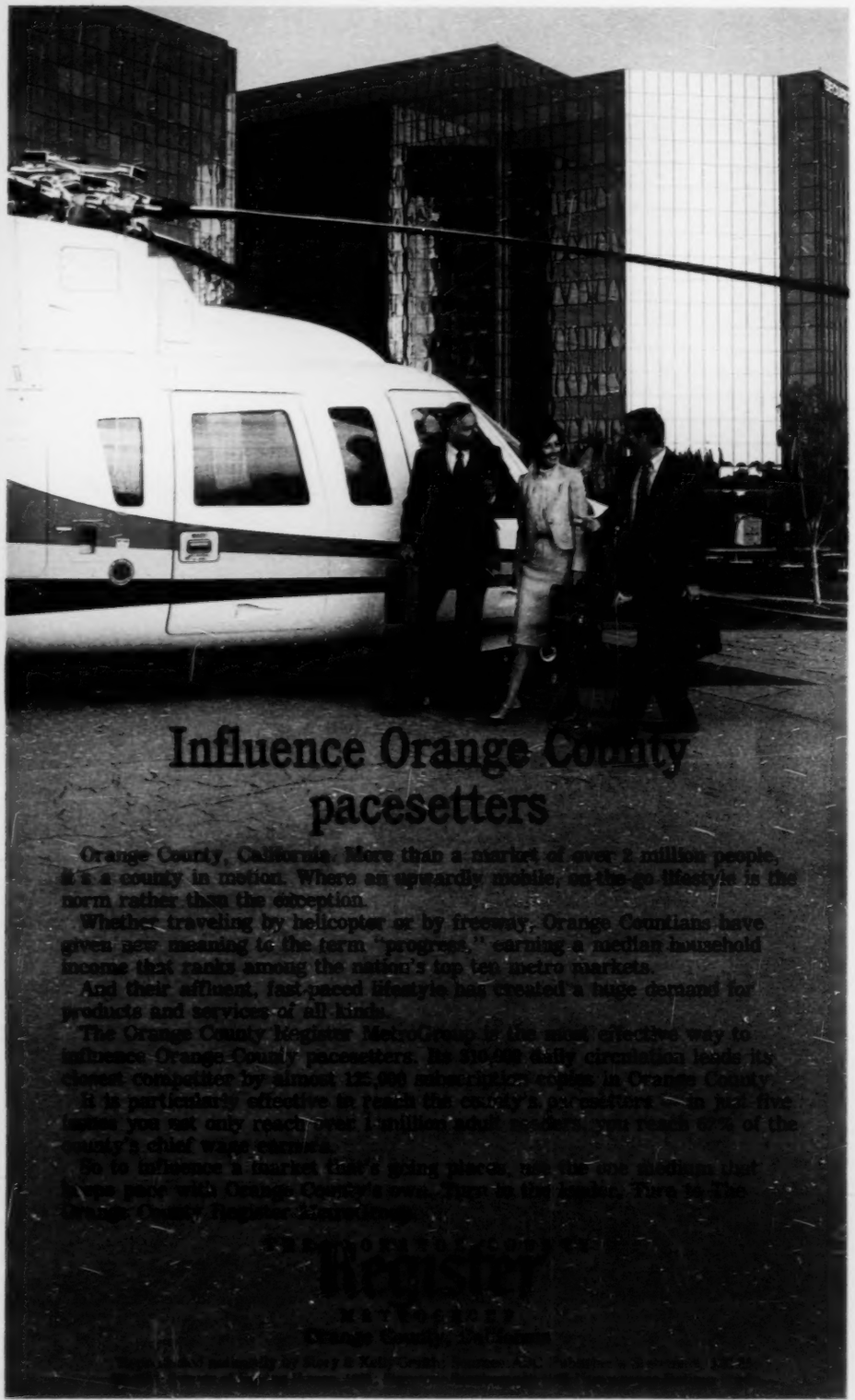
The centennial campaign is designed both to increase retail store traffic and to provide Sears with a slightly different forum in which to introduce more than 100 New Century products being added to the company's catalog and stores.

Sears' New Century items range from state-of-the-art consumer electronics to the latest in sportswear, including its new Stefanie Powers-endorsed line of women's career apparel (AA, Sept. 9); a no-splatter, gel-like paint that turns to liquid when applied by a roller; men's never-sag socks, and a wide-screen projection television set that allows viewing from any angle.

Additionally, sources say Sears is working on a national campaign that will promote the chain's "Store of the Future" renovations (AA, July 22). Sears expects approximately 250 of its nearly 1,000 stores to be remodeled by yearend, and is designing ads that tout those makeovers.#

Gouchenour joins 4A's

ORLANDO, FLA.—Gouchenour Advertising here has been elected to the American Assn. of Advertising Agencies.



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Advertising Age's global media lineup

	Title/publisher	Major printing plants for int'l. editions	Paid N. American circulation (% chg. from 6/84-6/85)	Paid foreign circulation by region (% chg. from 6/84-6/85)	Paid global circulation (% chg. from 6/84-6/85)	Cost of worldwide B&W page ($/1986)	Global CPM B&W pg. ($/1986)	Top worldwide advertisers 1985
DAILIES	***Financial Times of London*** Financial Times Ltd. London	London Frankfurt Bellmawr, N.J.	8,830[2] (+51.8)	Europe: 204,071[3] (+1.2) Middle East/Africa: 4,019 (−16.6) Asia/Pacific: 2,875 (+2.8) Latin America: 189 (−52.4) West Indies: 188 n.a.	229,423[10] (+6.0)	full: 25,984 qtr: 6,496	113.00	IIIi Morgan Guaranty Bank Standard Chartered Pan American Mercedes Benz
	International Herald Tribune New York Times & Washington Post	8 cities around the world	2,264 (+9.4)	Europe: 125,793 (+5.0) Middle East/N. Africa: 8,839 (−20.7) Asia/Pacific: 25,062 (+4.0) Sub-Saharan Africa: 1,838 n.a. Other: 843 (+78.6)	164,639 (+4.5)	full: 29,044 qtr: 7,261	176.41	IBM AT&T Intercontinental Hotels R.J. Reynolds Trade Development Bank
	Wall Street Journal Dow Jones & Co. New York	Hong Kong Singapore Heerlen, Neth.	1,990,025 (+1.5)	Asia: 28,383 (+2.4) Europe: 32,027 (+26.0)	2,050,435 (+1.9)	full: 96,312 qtr: 24,078	46.97	Bankers Trust[4] IBM CitiCorp Wang Laboratories Pan American
WEEKLIES	***Business Week*** McGraw Hill New York	Philadelphia, PA	795,409 (+2.6)	Europe: 45,222 (+10.5) Asia: 21,190 (+1.0) Latin America: 16,291 (−6.7) Other: 1,363 (−19.6)	878,276 (+2.6)	full: 32,142	36.60	DHL[4] Citiband Philips Daewoo Fujitsu
	The Economist The Economist Newspaper London	Singapore London Connecticut	104,736 (+3.4)	Europe: 127,806 (+11.4) Asia/Pacific: 25,088 (+27.8) Africa: 7,981 (+16.4) Middle East: 7,769 (+31.2) Central & S. Am.: 5,037 (+12.0)	278,417(+10.1)	full: 5,550[5]	19.93	AT&T Singapore Airlines Lockheed Citibank Lufthansa
	Guardian Weekly Guardian Publications Manchester	Montreal Lincoln (U.K.)	24,236 (−1.4)	Europe: 16,638 (−0.9) Asia: 12,572 (+3.2) Middle East/Africa: 5,450 (+5.4) Latin America: 1,312 (+2.7) Other: 397 n.a.	60,585 (+0.2)	full: 957	15.82	Tyndall Managers Gartmore Amnesty International Bumpus Haldane Maxwell W.T. Fry
	Newsweek Newsweek Ltd. New York	Zurich Tokyo Hong Kong Daytona Beach	3,059,410 (+0.7)	Atlantic: 301,507 (−0.3) Latin America: 50,111 (+8.7) Asia: 183,455 n.a. S. Pacific: 125,000[6] n.a.	3,719,483 (+3.5)	full: 82,470[5]	19.36	Rupperts Int'l.[4] British American Tobacco Singapore Airlines Rolex Watches Distillers Co.
	Time Time Inc. Publications New York	Toronto Miami, FL Weert, Neth. Melbourne Hong Kong	5,037,151 (+0.9)	Atlantic: 531,239 (+1.2) Asia: 257,243 (+6.2) S. Pacific: 140,867 (+0.1) Latin America: 90,744 (−9.5)	6,057,244 (+0.9)	full: 114,740	18.94	Rothmans Int'l.[4] Singapore Airlines Philip Morris Rolex Watches IBM
MONTHLIES	***International Management*** McGraw-Hill Publications Overseas Corp. Lausanne, Switzerland	Singapore St. Gallen, Switz.	n.a.[9]	Europe: 84,303 (+19.7) Middle East: 25,617 (+16.0)	109,920(−45.6)	full: 7,855	71.40	N.V. Philips Dresdner Bank Lufthansa Thai Airways British American Tobacco
	National Geographic Nat'l. Geographic Society Washington, D.C.	Corinth, MS	9,266,615 (+2.8)	Atlantic: 686,538 (+0.4) Pacific: 382,312 (+1.3) Latin America: 92,031 (+1.9) Other: 21,900 (−33.5)	10,449,396 (+2.4)	full: 115,520	11.05	Canon Cameras AT&T Nikon Inc. Olympus Corp. Nissan Motor Co.
	Reader's Digest Reader's Digest Assn. Pleasantville, N.Y.	26 cities around the world	19,745,000 (+1.1)	Atlantic: 7,268,000 (−0.5) Pacific: 2,167,000 (−0.6) Latin America: 1,144,000 (−9.6)	30,324,000 (+0.1)	full: 207,275	6.84	Nissan Motor Co.[4] Toyota Motor Sales Unilever General Motors Corp. Procter & Gamble
	Scientific American Scientific American Inc. New York	Old Saybrook, CN	557,701 (+0.5)	Europe: 65,548 (−0.4) Asia/Pacific: 20,506 (−5.6) Central & S. Am.: 5,221 (−17.3) Africa: 2,360 (−8.5) Middle East: 1,066 (−29.4)	654,489 (+0.3)	full: 21,000	32.31	McDonnell Douglas Hewlett-Packard Hughes Aircraft AT&T Hitachi
	South South Publications Ltd. London	London	5,867 (−24.2)	Middle East/Africa: 30,432 (+7.3) Asia/Pacific: 18,802 (+36.6) Europe: 13,849 (+2.8) Latin America: 11,250 (+6.4)	80,200 (+10.3)	full: 3,174	39.57	Bank America Citibank Lufthansa N.V. Philips Airbus Industries
	WorldPaper[7] World Times Inc. Boston	18 countries around the world	U.S. edition starts in January n.a.	Latin America: 237,000[8] (−23.3) East Asia: 368,500 (+22.4) Middle East: 84,000 (−29.7)	689,500 (−8.7)	full: 24,255 qtr: 8,975	35.00	AT&T Jim Beam IBM Pan American Hertz
OTHER	***Fortune*** Time Inc. Publications New York	Zurich, Switz.	632,393 (+2.5)	Europe: 56,153 (+1.5) Asia: 35,697 (+1.9) Other: 8,982 (+15.9)	733,225 (+3.3)	full: 28,040	38.68	IBM AT&T General Motors Corp. Volkswagen Ford Motor Co.
	Harvard Business Review Harvard Business Review Boston	Glasgow, KY	214,576 (+1.3)	Europe: 11,504 (−6.6) Asia/Pacific: 7,569 (−5.9) Central & S. Am.: 3,149 (−18.2) Middle East/Africa: 3,121 (−15.9) Other: 1,163 n.a.	241,082 (+0.4)	full: 7,200	29.86	IBM AT&T General Motors Corp. N.V. Philips Thai Airways

[1]In all U.S. and international editions.
[2]As of November, 1985.
[3]All circulation figures as of December, 1984.
[4]All advertisers in category are for non-U.S. editions.
[5]Page cost is for 1985.
[6]An insert in Australia's *Bulletin* with *Newsweek*.
[7]Distributed as a newspaper supplement.
[8]All circulation figures as of October, 1985.
[9]Not applicable
[10]As of June, 1985.
Source: compiled by *Advertising Age*.

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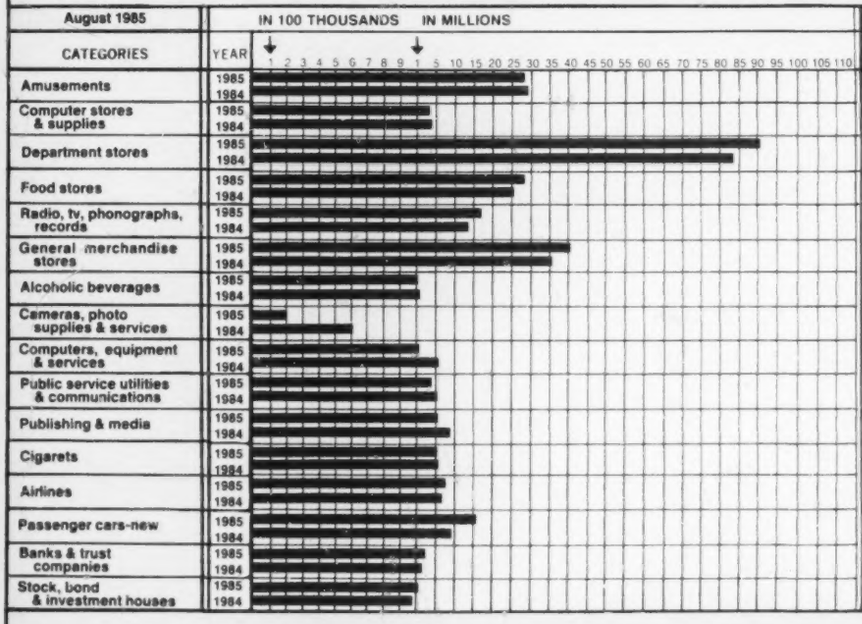
FLASH REPORT: Newspaper advertising investment for August



CATEGORIES	YEAR	DOLLARS 1985	DOLLARS 1984	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	1985	$28,132,504	$28,929,641	-797,137	- 2.8
	1984				
Computer stores & supplies	1985	3,843,214	4,019,187	-175,973	- 4.4
	1984				
Department stores	1985	91,522,438	83,248,011	+8,274,427	+ 9.9
	1984				
Food stores	1985	28,094,638	25,605,928	+2,488,710	+ 9.7
	1984				
Radio, tv, phonographs, records	1985	17,402,967	14,358,170	+3,044,797	+ 21.2
	1984				
General merchandise stores	1985	41,235,507	36,685,756	+4,549,751	+ 12.4
	1984				
Alcoholic beverages	1985	1,990,704	2,142,016	-151,312	- 7.1
	1984				
Cameras, photo supplies & services	1985	230,524	625,047	-394,523	- 63.1
	1984				
Computers, equipment & services	1985	2,975,689	5,669,716	-2,694,027	- 47.5
	1984				
Public service utilities & communications	1985	4,713,861	5,166,356	-452,495	- 8.8
	1984				
Publishing & media	1985	5,669,664	8,036,135	-2,366,471	- 29.4
	1984				
Cigarets	1985	5,279,312	5,408,921	-129,609	- 2.4
	1984				
Airlines	1985	7,815,943	7,546,314	+269,629	+ 3.6
	1984				
Passenger cars-new	1985	15,597,760	9,926,786	+5,670,974	+ 57.1
	1984				
Banks & trust companies	1985	4,482,756	4,419,342	+63,414	+ 1.4
	1984				
Stock, bond & investment houses	1985	1,256,973	970,162	+286,811	+ 29.6
	1984				

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Daily papers warm up to August

New York—The traditional end of summer, followed by newspapers' best advertising revenue period, turned out reasonably well for dailies in the 15 major markets that Media Records measures for the Advertising Age Flash Report.

Over-all, advertisers' August spending in 16 measured categories was up 7.2% to $260.2 million, over the same month last year.

Department stores led the increases, up 9.9% to $91.5 million; general-merchandise stores were up 21.2% to $41.2 million, and food stores up 9.7% to $28.1 million. Among other gainers were the radio-tv-phonographs-records category, up 21.2% to $17.4 million; passenger cars-new, up 57.1% to $15.6 million; airlines, up 3.6% to $7.8 million; banks and trust companies, up 1.4% to $4.5 million, and stock, bond and investment houses, up 29.6% to $1.26 million.

Losing categories included amusements, down 2.8% to $28.1 million; publishing and media, down 29.4% to $5.7 million; cigarets, down 2.4% to to $5.27 million; public service utilities and commissions, down 8.8% to $4.7 million; computer stores and supplies, down 4.4% to $3.8 million; computers, equipment and services, down 47.5% to $2.97 million; alcoholic beverages, down 7.1% to $1.99 million, and cameras, photo supplies and services, down 63.1% to $230,524.#

Care Bears to dish out ice cream

By JULIE FRANZ

Pierre's French Ice Cream, Cleveland, is testing a 30-second tv spot in northeast Ohio for its Care Bears Ice Cream, one of the greatest things in a pail since sand (AA, Oct. 17).

American Greetings' Those Characters from Cleveland and Pierre's teamed up to make Care Bears Ice Cream, a premium ice cream for children packaged in quart-and-a-half collectable plastic pails. Each pail depicts Care Bears creating the individual flavors, which include Peanut Buddy & Jam, Chewy Gooey Bubble Stuff, Cheer-ific Chocolate and Rockin' Rainbow. Suggested retail price is $3.29.

The tv spot shows candid photos of children enjoying the ice cream, set to "bold classical music," said Shelley Roth, Pierre vp. The commercial will break before Christmas in the remainder of Care Bears Ice Cream markets, airing in Saturday morning and after-school time slots. Care Bears Ice Cream also will be featured in ads for Pierre's French Ice Cream, the company's major product.

Radio, newspaper and couponing also support. Ads are handled in-house.

Distribution, which began in Cleveland and the Midwest, is going strong as the product fights for space in the overcrowded freezer case. Leaning on the success of the Care Bears name, the ice cream has gained distribution in Denver, Florida, Central Illinois, Michigan, Ohio and Seattle less than a month after its introduction, Ms. Roth said.

Pierre's is counting on Care Bears Ice Cream to help it expand distribution of it Pierre's French.

The Care Bear product is one of the first premium, novelty ice creams designed for children. Despite the abundance of cheaper ice cream alternatives, Pierre's thinks parents will pay more for an all-natural product for the children, said Jennifer Yutrzenka, marketing and advertising manager for Pierre's.#

Lapel Pins

- Premiums, Give-Aways, Membership, Fund-Raising, Traffic-Builders, Convention Swaps, etc.
- Your design custom-molded in 3 dimensions, beautifully decorated in full colors.
- Pin or clutch backs, Golf Ball Markers, Push Pins
- 3¢ to 20¢ ea. (min. 1000). Distributors invited.

FREE SAMPLES

Knobby Kraflers
P.O. Box 300A, Attleboro, MA 02703
Phone (617) 222-7272

Welcome to the Flatiron District

La Colombe d'Or
134 east 26th street, nyc 689-0666

Giacobazzi ads back under new importer

By WILLIAM F. GLOEDE

Yonkers, N.Y.—After picking up import rights to Giacobazzi wines six weeks ago, Park Benziger & Co. is breaking the brand's first radio ads in two years in New York, and it plans to return to tv early next year with a multimarket campaign.

Giacobazzi, when handled by Wine Imports Co., was supported by a $2.2 million spot tv campaign in 1982, the last year it was backed with any significant consumer advertising. The import rights went to Renfield Importers in 1983, when support dropped to $216,000 in magazines, according to Leading National Advertisers. In 1984, LNA shows no activity for Giacobazzi.

Despite the lack of support, the Italian brand held on to its No. 9 position in the imported table wine category, with depletions of 775,000 9-liter cases in 1984, according to the 1985 "Impact American Wine Market" review and forecast. But sales are falling; Park Benziger projects sales of 691,000 cases of white, red and rose' in 1985.

Beginning early next year, Park Benziger plans to restore consumer spending to 1982 levels, with ads slated for spot tv, radio, print and point of purchase. The company is presently in negotiations with an Italian actor who will promote the brand in a series of humorous tv and radio spots, according to Janda Lee, director of marketing and pr. She would not identify the actor.

Keller Haver Advertising, New York, already has created the radio spots and p.o.p. materials.#

Newspaper Advertising MRCS/SAU Inches

September 1985 vs. September 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	83,038	28,565	80,516	19,870
Beacon Journal (S)	121,023	19,766	95,031	10,452
Grand Total	204,061	48,331	175,547	30,322

NOTE: Part run figures supplied by publisher to Media Records.

ATLANTA, GA

Constitution (M)	168,513	52,235	155,071	34,516
Journal (E)	173,308	53,554	160,586	36,091
Journal & Constitution (S)	148,552	64,602	150,662	62,472
Journal & Constitution (Sat)	39,697	———	43,075	———
Grand Total	530,070	170,391	509,154	133,079

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

News American (S)	38,440	10,257	42,372	2,968
News American (E)	33,972	4,078	37,858	4,284
Sun (M)	134,669	2,102	104,433	6,918
Sun (E)	94,004	2,102	83,240	6,908
Sun (S)	166,067	42,043	170,020	26,215
Grand Total	427,552	47,039	397,443	47,253

BERGEN COUNTY, NJ

Record (E)	140,210	16,132	134,168	12,979
Record (S)	168,416	35,210	163,036	27,203
Grand Total	308,626	51,342	297,204	40,182

NOTE: Record Evening published five days a week only.

BOSTON, MA

Herald (M)	31,389	———	30,768	———
Herald (S)	20,430	10,504	14,695	15,427
Globe (M)	145,494	11,234	123,435	9,402
Globe (S)	191,404	34,203	169,298	26,106
Grand Total	387,908	55,938	329,814	50,935

BUFFALO, NY

News (AD)	104,465	24,898	97,973	18,640
News (S)	69,226	26,159	51,926	24,067
Grand Total	173,691	51,057	149,899	42,707

CAMDEN, NJ

Courier-Post (E)	137,964	12,993	133,054	9,824
Courier-Post (S)	69,540	4,514	60,645	3,135
Grand Total	207,504	17,507	193,699	12,959

CHARLOTTE, NC

News (E)	61,297	———	62,307	———
Observer (M)	115,431	———	107,918	———
Observer (S)	77,733	———	80,219	———
Grand Total	254,461	———	250,444	———

NOTE: News Evening published five days a week only. Part run figures not available.

CHICAGO, IL

Sun-Times (M)	117,193	6,467	115,676	11,431
Sun-Times (S)	84,796	23,851	84,247	18,254
Tribune (M)	137,431	37,196	144,143	199,178
Tribune (S)	140,139	100,480	115,941	78,980

NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 5-7-85 to 9-29-85. Tribune All Day changed to Morning publication effective August 19, 1985.

CINCINNATI, OH

Enquirer (M)	144,788	5,551	141,944	6,812
Enquirer (S)	151,974	11,509	139,641	4,360
Post (E)	70,950	15,985	64,530	24,959
Grand Total	367,062	33,011	351,615	37,831

CLEVELAND, OH

Plain Dealer (M)	122,328	24,744	131,555	30,911
Plain Dealer (S)	126,510	10,265	122,819	4,963
Grand Total	248,849	34,909	254,374	25,874

DALLAS, TX

News (M)	269,753	19,049	245,632	14,861
News (S)	210,873	18,974	198,561	15,737
Times Herald (AD)	234,709	18,518	208,392	11,233
Times Herald (S)	160,782	10,930	157,908	25,147
Grand Total	875,247	61,520	820,533	66,978

DENVER, CO

Rocky Mt. News (M)	264,260	697	270,960	1,306
Rocky Mt. News (S)	102,980	1,520	105,951	———
Post (M)	169,379	2,410	171,140	9,218
Post (S)	138,237	2,612	140,614	3,146
Grand Total	684,864	7,639	688,957	13,670

DETROIT, MI

Free Press (M)	95,940	34,619	86,126	28,003
Free Press (S)	60,328	27,280	48,526	23,582
News (AD)	142,890	36,971	121,265	29,431
News (S)	102,477	30,733	102,850	20,456
Grand Total	406,635	129,603	360,767	100,932

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	107,583	———	124,514	———
Sun-Sentinel (M)	261,063	———	258,107	———
Grand Total	278,646	———	382,621	———

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

Journal Gazette (M)	69,999	———	62,672	———
Journal Gazette (S)	75,926	———	70,425	———
News Sentinel (E)	60,122	———	75,243	———
Grand Total	226,047	———	208,340	———

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

Time (E)	80,959	120	76,387	———
Time (S)	74,624	———	60,362	———
Advocate (E)	97,749	2,601	92,626	467
Advocate (S)	77,154	———	60,575	———
Grand Total	330,486	2,924	289,950	467

HARTFORD, CT

Courant (M)	136,238	27,106	126,799	29,413
Courant (S)	100,281	132,538	103,018	124,898
Grand Total	236,519	159,644	229,817	154,311

HONOLULU, HI

Advertiser (M)	118,641	———	109,653	———
Star-Bulletin (E)	111,605	———	102,296	———
Star-Bulletin & Advertiser (S)	88,911	———	85,862	———
Grand Total	319,157	———	297,811	———

HOUSTON, TX

Chronicle (AD)	242,306	47,226	201,860	32,680
Chronicle (S)	154,972	40,537	164,675	39,262
Post (M)	156,331	52,044	199,267	37,881
Post (S)	89,314	33,775	92,768	26,306
Grand Total	642,923	153,577	751,170	135,529

LONG BEACH, CA

Press Telegram (M)	106,358	———	104,449	———
Press Telegram (S)	65,976	———	67,207	———
Grand Total	166,334	———	171,656	———

NOTE: Part run figures not available.

LONG ISLAND, NY

Newsday (E)	161,972	36,742	153,751	38,381
Newsday (S)	126,629	83,904	121,448	74,415
Grand Total	288,601	120,646	275,199	112,596

LOS ANGELES, CA

Times (M)	276,048	255,887	271,833	225,499
Times (S)	200,351	107,178	194,822	109,692
Herald Examiner (M)	64,725	12,878	49,071	13,253
Herald Examiner (S)	16,907	7,568	17,090	6,539
Grand Total	558,031	383,512	532,816	354,983

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	165,679	32,367	143,708	23,267
News (S)	88,250	3,518	97,043	5,242
Grand Total	284,158	35,885	254,749	28,509

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	205,175	———	191,365	———
Grand Total	205,175	———	191,365	———

NOTE: Figures supplied by publisher to Media Records.

*LOUISVILLE, KY

Courier-Journal (M)	90,391	38,069	91,296	30,813
Courier-Journal (S)	75,100	71,896	71,565	79,444
Times (E)	86,997	53,655	84,938	47,074
Grand Total	252,488	163,620	247,799	157,333

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	146,966	———	158,956	———
Herald (S)	102,926	———	110,156	———
News (E)	53,508	———	59,833	———
Grand Total	303,400	———	328,995	———

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	101,818	20,867	95,969	22,788
Star & Tribune (S)	163,004	5,324	159,785	2,227
Star & Tribune (Sat)	22,138	———	27,519	1,651
Grand Total	286,960	26,191	283,273	26,666

*NASHVILLE, TN

Banner (E)	106,128	———	89,609	———
Tennessean (M)	106,044	———	91,512	———
Tennessean (S)	105,141	———	87,366	———
Grand Total	317,313	———	268,477	———

NOTE: 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	82,056	———	———	———
Home News (S)	85,677	2,018	———	———
Grand Total	167,733	2,018	———	———

NOTE: 1984 figures not available.

NEW YORK, NY

Times (M)	159,605	13,751	148,110	13,945
Times (S)	238,204	127,569	222,963	118,742
News (M)	54,525	102,889	54,517	89,568
News (S)	43,985	105,963	38,217	96,734
Post (AD)	53,600	1,274	51,067	761
Grand Total	549,919	351,446	514,874	319,750

NEWARK, NJ

Star-Ledger (M)	192,433	4,398	178,579	4,546
Star-Ledger (S)	208,661	33,637	201,102	33,159
Grand Total	401,094	38,035	379,681	37,705

OAKLAND, CA

Tribune (M)	85,011	53,863	84,944	48,536
Tribune (S)	60,859	38,749	60,960	31,007
Grand Total	145,870	92,612	145,904	79,543

OCEANSIDE, CA

Blade-Tribune (E)	81,703	5,362	———	———
Blade-Tribune (S)	52,947	———	———	———
Grand Total	134,650	5,362	———	———

NOTE: 1984 figures not available.

ORANGE COUNTY, CA

Register (AD)	294,494	81,755	263,197	62,992
Register (S)	152,544	5,218	139,990	9,141
Grand Total	447,038	86,973	403,097	72,133

PHILADELPHIA, PA

Inquirer (M)	27,296	7,537	135,926	53,615
Inquirer (S)	19,088	8,752	144,357	50,768
News (E)	14,742	———	71,232	5,381
Grand Total	61,126	16,289	351,515	109,764

NOTE: Inquirer Morning and Sunday and News Evening did not publish September 2, 1985 through September 30, 1985 due to strike conditions.

*PHOENIX, AZ

Arizona Republic (M)	291,857	12,011	267,153	10,946
Arizona Republic (S)	176,457	———	166,832	———
Gazette (E)	280,759	11,935	250,214	11,078
Grand Total	749,073	23,946	694,199	22,024

NOTE: Figures supplied by publisher to Media Records.

ROCHESTER, NY

Democrat & Chronicle (M)	80,035	10,141	87,823	9,137
Democrat & Chronicle (S)	84,732	32,869	82,492	18,704
Times Union (E)	64,201	12,521	72,212	12,193
Grand Total	228,988	55,551	242,527	40,034

NOTE: Times Union Evening published five days a week only.

SACRAMENTO, CA

Bee (M)	216,182	18,039	206,322	13,421
Bee (S)	122,564	18,097	129,206	5,541
Grand Total	338,746	36,136	335,528	18,962

*ST. LOUIS, MO

Post-Dispatch (M)	98,369	31,196	98,193	32,346
Post-Dispatch (S)	144,977	———	136,793	———
Grand Total	243,346	31,196	234,986	32,346

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	85,553	———	75,970	———
Pioneer Press Dispatch (S)	119,927	———	117,684	———
Dispatch (E)	———	———	76,302	———
Grand Total	205,480	———	269,956	———

NOTE: Part run figures not available. Pioneer Press Morning and Dispatch Evening combined to one edition, Pioneer Press Dispatch All Day effective January 2, 1985. The Pioneer Press Morning activity is shown in the Pioneer Press Dispatch All Day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 3, 1985. Prior to January 2, 1985, Pioneer Press Morning and Dispatch Evening had a combined Saturday edition with the activity shown only in the Dispatch Evening.

SAN ANTONIO, TX

Express News (AD)	128,082	23,562	110,396	23,283
Express-News (S)	102,633	26,249	91,054	27,041
Express News (Sat)	38,416	———	50,073	———
News (E)	———	———	29,124	4,333
Light (AD)	117,560	30,538	105,887	29,831
Light (S)	107,540	22,211	90,926	35,979
Light (Sat)	33,174	———	43,057	———
Grand Total	527,405	104,560	515,517	120,467

NOTE: Express Morning and News Evening combined to one edition. Express News All Day effective September 10, 1984. The Express Morning activity is shown in the Express News All Day listing. Prior to September 10, 1984 Express Morning and News Evening published five days a week only.

Light All Day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

Union (M)	212,770	17,963	195,292	10,384
Union (S)	150,872	———	143,101	———
Tribune (E)	215,648	18,064	197,023	9,954
Grand Total	579,290	36,027	535,416	20,338

SAN FRANCISCO, CA

Chronicle (M)	117,247	63,600	121,492	49,366
Examiner (E)	174,240	62,806	117,878	49,179
Examiner & Chronicle (S)	91,526	47,858	85,469	52,401
Grand Total	343,013	174,264	324,839	150,945

SAN JOSE, CA

Mercury News (AD)	274,821	25,375	269,220	29,211
Mercury News (S)	177,405	———	175,084	———
Grand Total	452,226	25,375	444,304	29,211

SHREVEPORT, LA

Journal (E)	82,349	6,884	72,261	6,641
Times (M)	101,762	17,007	98,566	16,063
Times (S)	85,044	7,369	79,739	8,490
Grand Total	269,155	31,260	250,566	31,194

*STATE COLLEGE, PA

Centre Times (E)	70,039	7,860	76,368	4,065
Centre Times (S)	42,862	360	39,619	———
Grand Total	112,901	8,220	115,987	4,065

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

Herald Journal (E)	83,534	22,780	82,714	16,824
Herald American (S)	60,978	53,917	61,977	37,669
Post-Standard (M)	74,784	31,269	69,298	24,665
Grand Total	219,196	107,966	213,989	81,378

*TAMPA, FL

Tribune (AD&S)	307,753	88,325	302,038	80,816
Grand Total	307,753	88,325	302,038	80,816

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	104,857	———	98,222	———
Blade (S)	94,925	———	95,059	———
Grand Total	199,782	———	193,281	———

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

Post (M)	259,515	34,674	264,438	25,842
Post (S)	174,862	35,901	164,700	42,465
Grand Total	434,377	70,575	429,138	68,307
Alexandria Journal (M)	60,741	———	56,552	———
Prince George's Journal (M)	59,538	565	53,202	———
Montgomery Journal (M)	58,243	1,403	53,303	———
Fairfax Journal (M)	63,412	1,021	58,953	———
Arlington Journal (M)	60,784	———	56,915	———

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

*WEST PALM BEACH, FL

Post (M)	173,441	31,986	178,117	26,594
Times (E)	142,603	1,610	145,792	2,233
Post (S)	139,987	14,665	131,863	11,510
Grand Total	456,031	48,241	455,772	40,337

NOTE: Figures supplied by publisher to Media Records.

Times Evening published five days a week only.

WESTCHESTER/ROCKLAND, NY

Reporter Dispatch (E)	74,458	11,053	68,316	13,201
Reporter Dispatch (S)	99,357	18,888	81,436	17,980
Grand Total	173,815	27,941	149,752	31,181

WICHITA, KS

Eagle-Beacon (M)	107,960	———	103,998	———
Eagle-Beacon (S)	95,987	———	89,361	———
Grand Total	203,967	———	193,357	———

NOTE: Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

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75¢ a copy; $55 a yea

December 5, 1985

C2710-1

Advertising Age

Thursday

Crain's Magazine of the Creative Process

Special Report: Cable Tv

Kay Koplovitz

Taking USA Cable from promises to profits

CONGRESSIONAL INFO SERVICE
SUI ASSOCIATIONS
4520 EAST-WEST HWY #900
WASHINGTON DC 20014

Cover Story

Kay Koplovitz

A cable innovator whose legendary bouts at the negotiating table foresaw a revolution

By Craig Reiss

While Muhammad Ali was toe-to-toe with Smokin' Joe Frazier, bringing the Thrilla in Manila to a knockout close in 1975, Kay Koplovitz was stateside thrilling to the marvel of Home Box Office's breakthrough satellite transmission of the fight from the Philippines. As the lights went out for Joe Frazier, the dawn was rising on cable tv.

Koplovitz at that time was already a veteran of the fledgling cable tv field. She had graduated several years earlier from Comsat and had paid her dues in the cable trenches while with UA/Columbia. There she handled problems related to cable franchise applications.

On her own as a communications consultant, Koplovitz had done some publicity for HBO's coverage of the Ali-Frazier classic, and on the night of the fight she assembled a select group of cable industry and government leaders to witness the live cablecast from the other side of the globe.

With each jab and straight right Ali threw, Koplovitz watched as the wonder of satellite communications captured the imaginations of the cable leaders. Almost immediately after the fight, major cable systems operators—Time Inc.'s American Television Corp., TeleCommunications Inc. and UA/Columbia among them—ordered receiving dishes for their franchises.

"That's what I had been waiting for," Koplovitz recalls. She had written her master's thesis on the inevitable coming of age of the communications satellite. She had gone to work at Comsat because she knew the satellite age was just around the corner. Then Ali kayoed Frazier. The wait was over.

Bob Rosencrans, who then headed UA/Columbia and who had given Kay Koplovitz her start in cable, was one of those leaders inspired by the Ali-Frazier transmission. He had cable systems with 12 or 24 channels, and precious little programing to offer his viewers besides HBO and local broadcasting stations. But he had a brainstorm.

HBO had the contract to carry Madison Square Garden's sports events, but Rosencrans figured it wouldn't renew the deal. HBO was moving toward becoming a motion-picture-dominated service, and regional sports programing—even with the Garden's marquee value—probably would play no role in its new format. What if UA/Columbia took over the Garden contract and set up a network to carry the events to cable systems such as his?

Rosencrans called Koplovitz.

"I said, 'Yeah, let's do it,' and when HBO did pass on renewing with Madison Square Garden, [Garden president] Joe Cohen and I made the deal," says Koplovitz.

In 1977, that deal gave birth to another new concept, the basic cable network. And USA Network was the first of its kind. Then, as now, Kay Koplovitz, the childhood speed skater from Milwaukee turned communications technology expert, was its president.

If for no other reason, Koplovitz would be noteworthy as the only cable network chief (other than, perhaps, Ted Turner) who has survived nine years of tumultuous cable tv history. But Koplovitz, like Turner, has done more than survive.

Kay Koplovitz started USA Network in 1977, and besides Ted Turner is the only person to head a basic cable network for nine straight years. She began USA as a mom-and-pop operation, carrying mostly live sports events, then steered it through a transition period when it switched predominantly to entertainment. (Photo by Arnold Adler)

She and her network weathered the onslaught of giant cable competitors such as CBS, ABC, RCA and Westinghouse, who rushed in with grand ideas and then either folded their tents or refashioned their visions. During the period when cynics were calling cable little more than a vacuous hype factory, she steered USA Network through another wrenching period. When sports became economically prohibitive, she led USA into entertainment. She lasted through the sale and resale of the network and has remained at its helm during the last four years, with USA owned by Paramount, MCA and Time Inc. —partners in USA Network and rivals in everything else. She held their trust even during the extremely lean years of the early 1980s, when cable revenues never came close to covering the cost of rapid expansion. And she has emerged as the leader of a viable and growing business.

USA Network is privately held, and Koplovitz would not discuss its revenues or profitability—though it is indeed turning a profit. But there are other measures that tell of USA Network's success. It has some 6,500 affiliates. It counts among its clients most of the major advertisers in the country. And for the past 18 months, A.C. Nielson Co. measurements show it is the most-watched basic cable network.

It wasn't always like that.

"I remember when we introduced USA Network in 1977 at a cable convention in Chicago," she says. "I'm sure a number of people thought this is a crazy idea, taking the Garden events out of the Garden. But playing the Garden was big time, so it actually was a terrific sales and marketing niche to be able to say we had live events from the Garden."

Madison Square Garden events, which included New York hockey and basketball along with boxing matches, filled in the USA Network prime time schedule in the winter and spring, but the summer lineup was vacant. In one of her first programing moves as a network chief, Koplovitz struck a deal with the New York Yankees to begin carrying their games nationally.

"We actually carried a game in 1978," she says. "It was a Yankees-Boston Red Sox game, and it lasted something like 17 innings. It was a great game, as exciting as one could ever hope for, but it was our first venture outside the Garden and we were totally unprepared to deal with it. It was all very exciting, though, until the next day when [Major League Baseball commissioner] Bowie Kuhn called."

Kuhn had been alerted that a Yankee game was being cablecast across the country, a violation of league rules. Kuhn told Koplovitz that the Yankees had no right to sell her the game and have it carried outside the New York area. Only the league could make that deal, he said.

"So, not wanting to miss a beat, I said to Kuhn, 'Well, then give me the contract for all of Major League Baseball.' And what had been perceived as a blatant violation of league rules is what led us to make a deal with Major League Baseball," she says.

Turning adversity into opportunity would remain a constant theme in Koplovitz' career, especially during the first four years when USA Network's prime time fare was predominantly live sports programing. She was trailblazing then. She also demonstrated what would become known as her benchmark strength, negotiating. Koplovitz has an uncanny knack for sizing up the marketplace and an entrepreneur's eye for finding ways to create something that did not exist before.

Within months of inking the baseball deal, Koplovitz and USA Network also had exclusive cable contracts with the National Basketball Assn. and the National Hockey League.

"Kay's sports negotiations are legendary," says Jeff Lawenda, who was sales and programing chief of USA Network in the early days and now is co-founder of Chelsea Communications in New York. "She had an incredible sensitivity to the supply and demand of the marketplace. She knew where to start a negotiation and where to end it, what she wanted to come away with. Sports rights are extremely difficult to negotiate, but Kay made everybody walk away smiling, even though they knew they gave up something."

In the baseball deal, Koplovitz was quick to realize MLB's own marketing dilemma, and was just as quick to calculate how an upstart cable network could fit into solving the problem.

"Baseball had been struggling at that time with how to equitably distribute the games, particularly outside the team's territory," she says. "Before cable, if you lived outside a major city, you did not receive baseball on tv except for the game of the week."

Putting the games on cable would bring baseball to the hinterlands, especially since few major urban markets were wired yet. And since cable still had limited distribution, baseball did not have to worry about overexposure. The fit was perfect, and baseball became USA Network's most popular programing.

The next target was the NBA.

"She had an incredible sense for what the industry was, and what it might become," says NBA commissioner David Stern, who in 1979 negotiated the basket-

Special Report

Industry works to improve fuzzy image

By Don Veraska
and Len Strazewski

Even though it is more than 20 years old, cable tv still is trying to focus in on its niche in communications and advertising. Revenues and geographic reach continue to grow, but cable tv's over-all image is fuzzy.

One reason for the image problem is cable's major market penetration, which lags behind the national average.

By the end of 1985, cable tv will have reached an estimated 39 million households, or 45.7% of all households having tv sets. But in the top 10 U.S. tv markets, nearly 70% of the 7.4 million households don't have access to cable.

Despite these difficulties in major markets, the industry's annual revenues are estimated to be $8.3 billion in 1985 and projected to top $16 billion by 1990, according to industry observers.

Ad revenue, according to industry newsletter "Cable TV Advertising," published by media consulting company Paul Kagan Associates, Carmel, Cal., also is growing, up 32% to about $735 million in 1985. By 1990, ad revenues are projected to exceed $2.7 billion.

However, ad agencies still view cable as a second-class buy. Major agencies generally spend no more than 5% of their media budgets on cable buys and frequently less, says Ronald Kaatz, senior vp and director of media concepts at J. Walter Thompson USA in Chicago.

"The bread and butter medium is still broadcast television," he says, "and when broadcast network prices are soft, cable is a tough sell to media buyers."

Agencies, however, are using cable more for clearly targeted approaches, he says. "We are using cable either for a different creative approach or to fill in audience deficiencies."

Cable penetration may be low in major markets, but frequently the areas that are penetrated are affluent suburbs that make good target audiences, Mr. Kaatz says.

Bob Alter, president of the Cabletelevision Advertising Bureau, Washington, agrees. "Many advertisers recognize that much of an area's real buying power is in its suburbs, so cable advertising has been growing at pretty close to expectations.

"However, as cable further penetrates center cities of the major markets, it can only be a plus," he says.

Of the top 10 tv markets in the U.S., six remain partially or totally uncabled. They are New York, Los Angeles, Chicago, Philadelphia, Detroit and Washington. Cost is one reason these major urban areas lag behind in providing cable. Paul Kagan Associates estimates that installing

(Continued on Page 16)

Don Veraska is a free-lance writer. Len Strazewski coordinated this Special Report.

Image

(Continued from Page 15)

the 27,900 miles of wiring to connect the homes in major uncabled urban areas would cost $3 billion.

Another reason dates to cable's beginning. The original intent of cable was to transmit commercial broadcast tv service —programs from the big cities— to isolated areas that could not receive tv signals, either because of their distance from transmitters or topography.

Then, as cable expanded, service went first to the wealthier suburban areas in which cable operators saw greater profit potential.

The cities lagged behind these other areas in cable construction both because of the long and often politically complicated process of awarding franchises worth millions of dollars and because underground construction, often necessary in downtown areas, was far more expensive.

When contracts were awarded, winning applicants often sought major contract concessions, resulting in time-consuming bargaining or litigation.

Statistics on cable coverage for metropolitan areas can be deceiving because measurements often include heavily cabled suburbs. In yet-to-be-cabled Washington, for instance, the 27% penetration figure includes suburban Maryland and Virginia, according to the CAB.

Here's a status report on the availability of cable in the top 10 U.S. tv markets, according to the research of Paul Kagan Associates, the CAB and others.

New York

Much of Manhattan has been served by cable since 1970, but construction has just begun on Warner Amex Cable Communications systems in Brooklyn and Queens.

Two Manhattan franchises rank among the top 30 systems in the nation, according to *CableVision*, a Denver-based trade publication. American Television & Communications Corp.'s Manhattan franchise has about 207,000 subscribers, and the Group W Cable franchise has about 100,000.

Litigation continues to hold up construction in the Bronx and Staten Island, although contracts have been awarded to CATV Enterprises and Manhattan Cable.

Cable has a 38.3% penetration in the New York designated market area as of July, according to the CAB. Long Island is a big cable market and one local franchise, Woodbury-based Cablevision Systems Development, is the nation's second largest system with more than 241,000 subscribers, according to *CableVision*. Another local franchise from Viacom Cablevision, based in Central Islip, has about 100,000 subscribers.

Los Angeles

In the Los Angeles-Palm Springs market, penetration was 35.8% in July, the CAB reports.

However, the city's auction process, designed to force vendors, including Falcon Communications with more than 88,000 subscribers and Valley Cable TV with about 56,000 subscribers, to provide service to uncabled areas, was thrown out early this year by a federal appeals court in a precedent-setting decision, according to Kagan.

The case, originally brought by Preferred Communications, a frustrated franchise seeker, was appealed to the U.S. Supreme Court, which has agreed to hear the case. In the meantime, several areas of the city, including Watts and other low-income areas, remain uncabled.

Chicago

After much political maneuvering and the collapse of several locally financed companies, construction has begun in four of five franchising areas.

Two areas are operated by Group W Cable of Chicago and three other area franchises are held by local companies with investment from TCI. Some 50,000 homes now have cable service for about 25.8% penetration in the dma as of July.

Full service, however, is several years away. Cable construction has yet to begin in the high-rent district fronting Lake Michigan after Continental Cablevision sold its interest in a local franchise holder to Tele-Communications last January.

Philadelphia

Although contracts have been signed by the four cable franchisees, Greater Philadelphia Cablevision, Wade Communications, Rollins Cablevision of Philadelphia and Comcast Cable of Philadelphia, construction won't begin until March or April, according to the city's cable administrator Vince Costello.

However, the area surrounding the city is a strong cable market with 46.4% penetration, according to the CAB.

San Francisco

San Francisco's hilly terrain necessitated construction years ago, making the dma one of the nation's most heavily cabled with a 47.7% penetration, according to the CAB. San Francisco's largest franchise, Viacom, has about 89,000 subscribers. No new wiring is planned.

Boston

Some subscribers are being served and construction is under way in other areas even though the cable operator, Cablevision, continues to negotiate.

As with other major markets, however, the subburbs are strong and cable has a 44.7% penetration in the area. Warner Amex's operation in Malden, Mass., has more than 63,000 subscribers, *CableVision* reports.

Detroit

In 1983, Barden Communications was awarded the Detroit franchise, but the cable company continues to try to put together a financial package, and constuction has yet to begin. When including the suburbs, cable has a 34.4% penetration, according to the CAB.

Dallas-Fort Worth

Warner Amex Cable sold its 5-year-old dual-cable system in Dallas to Heritage Communications in June, but the system's coverage remains sparse, at some 25%, with about 80,000 subscribers. Some construction remains in Fort Worth, served by Sammons Communications, which has about 59,000 subscribers.

The CAB places cable penetration in the Metroplex at 38.8%.

Washington

A 54-channel system to be operated by a local group, District Cablevision, is expected to begin construction next spring. Completed wiring of 250,000 houses is expected in five years.

Tele-Communications Inc., the nation's largest cable company with about 3.7 million subscribers in the U.S., is a majority financial partner in the project, but operating control will remain with the local company.

Houston

Houston has largely completed its two-franchise system, awarded five years ago to Storer Cable Communications and Warner Amex.

The larger Warner Amex franchise ranks sixth among cable systems nationally with about 185,000 subscribers, according to *CableVision*. The smaller franchise ranks out of the top 100.

Total cable penetration for the dma is 41.7%, according to the CAB.

The 11th market

Cleveland, which slipped a notch in 1985 to become the nation's 11th largest tv market, finally has awarded a bid to a local cable group, North Coast Cable, but the city still is negotiating a final contract and seeking financing. It will take several years, at least, before any substantial cable service begins.

However, the suburbs and Akron are strong cable markets and total area penetration is 47.5%, according to the CAB.

The slow but steady gains in major market penetration should yield corresponding gains for the cable industry.

Top 10 cable networks

	Projected 1985 ad revenues (millions)		Projected avg. 1985 subs. (millions)
1	1. WTBS 165.0	1	1. ESPN 36.9
2	2. MTV: Music Television 83.0	2	2. WTBS 35.5
3	3. ESPN 72.0	3	3. CNN 34.6
4	4. CNN 56.0	4	4. USA Network 30.5
5	5. USA Network 49.0	5	5. CBN Cable Network 29.0
6	6. CBN Cable Network 42.9	6	6. MTV: Music Television 26.4
7	7. The Nashville Network 28.0	7	7. Lifetime 25.8
8	8. Lifetime 26.0	8	8. Nickelodeon 24.8
9	9. WGN 13.0	9	9. The Nashville Network 23.5
10	10. Financial News Network 10.5	10	10. Financial News Network 19.8

Source: Paul Kagan Associates

All in the family

Household incomes $50,000 or more subscribing to cable: **50.7%**
Household incomes $20,000 to $24,999 subscribing to cable: **36.7%**

Households of 1 person subscribing to cable: **28.5%**
Households of 3 or 4 people subscribing to cable: **44.4%**

Households with children 6 to 11 years subscribing to cable: **41.0%**
Households with children 12 to 17 years subscribing to cable: **45.8%**

Source: Simmons Market Reasearch Bureau

Can cable connect in the city?

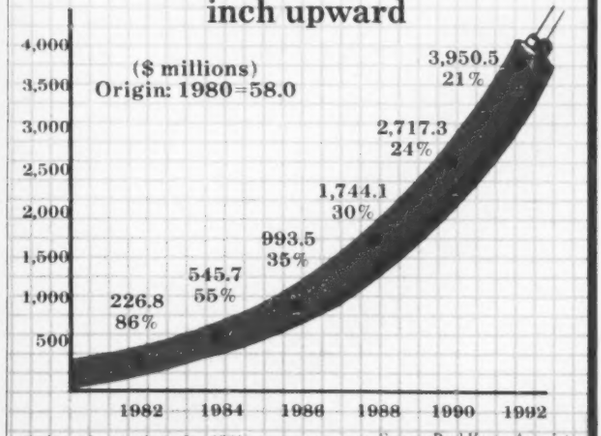
White people subscribing to cable: **41.6%**
Black people subscribing to cable: **28.7%**

Metro central city subscribing to cable: **37.2%**
Metro suburban subscribing to cable: **41.0%**

Non-metro subscribing to cable: **41.0%**

Source: Simmons Market Research Bureau

Cable ad revenues inch upward



Estimated projections after 1984. Source: Paul Kagan Associates

Spot cable hopes to connect with interconnects

By Kevin Brown

If you're hot, you're going to sell spot. That's a tv industry truism.

By that measure, though, cable tv is cold. Spot advertising sales have been a weak link in cable advertising, representing 15.7% of the $545 million spent on all cable advertising in 1984.

Industry executives say spot sales, which make up slightly more than 1% of the $8 billion in total cable revenues, should be 5% of revenues, and they have taken steps to reach that goal.

These steps include consolidating more local systems into interconnects, which permit local ad insertion on network feed-ins; developing local market studies to more accurately gauge cable viewership, and stepping up trade promotion.

Spot cable ad sales have not been completely stagnant, however. In 1984, they jumped to $85.7 million for a 70% increase over the previous year. Projections for 1985 are $128.9 million, or a 50.4% increase. Much of that growth is attributed to the cable interconnect.

The interconnect joins cable systems to sell advertising by market rather than by system, offering some or all of the average two minutes an hour ad-supported cable networks allocate for local use.

Interconnects are either "hard" or "soft." In a hard (microwave) interconnect, advertisers need supply only one tape of the commercial. In a soft interconnect, a tape for each system may be required. The soft interconnects send the tapes with simultaneous traffic orders.

Most of the top markets are included in the 55 interconnects in operation in 1984, up from 38 in 1983. One of those new systems was CBS CableConnect system in Chicago. The Chicago interconnect serves 11 of 15 systems in the suburbs. Two of the systems CBS does not serve have no commercial insertion capabilities. Most of the city is not yet wired for cable.

CBS pays each system $2 per subscriber per year for the rights to sell 30% of each system's available ad time. CBS has contracted to sell 40% of available ad time in two years. Like most interconnects, CBS inserts only on the four major ad-supported cable networks: MTV:Music Television, Cable News Network, ESPN and USA Network.

When CBS began the interconnect in April, 1984, CableConnect served 90,000 subscribers. Subscribers now have increased to more than 400,000, representing an $800,000 annual cost for CBS. Use of the interconnect's microwave hardware, owned by Centel Video Path in McCook, Ill., costs CBS about $500,000 a year.

The interconnect keeps all revenues from ad time it sells. Spots go for $50 to $250 for a 30-second commercial, according to Jeffrey Jacobs, general sales manager, CBS CableConnect.

CBS CableConnect sells ad time for 11 of 15 cable systems in the suburbs of Chicago.

Mr. Jacobs expects total revenues this year of about $500,000, equal to an anticipated net loss of about $500,000.

Although it may appear that CBS-TV is competing with its CableConnect subsidiary—both are vying for ad dollars in the Chicago market where 80% of the suburbs are wired and where 71% of all retail sales occur—Mr. Jacobs says this is not so.

"It's a new baby compared to a grandfather," he says. "This is a way for CBS to hedge its bet, like Kellogg putting another cereal on the market, hoping it will take more market share away from another cereal maker."

CableConnect is running an ad campaign through December in the local business press and business pages of local newspapers with headlines reading: "The best way into the best homes" and "Use the power of cable tv in its simplest form." Part of the copy reads: "This enables you to saturate simultaneously more than 400,000 cable households with a single stroke. One order. One tape. One invoice."

In his message to potential advertisers, Mr. Jacobs stresses cable advertising's low cost. "A marketer can cost effectively dominate the medium with lack of clutter." Advertisers also get the benefit of subscriber growth in their contracts. Because subscriber levels are growing, an annual commitment by an advertiser provides greater viewership at the end of the commitment than at the beginning.

"To use cable effectively, advertisers should buy a rotation of spots throughout the day," Mr. Jacobs says. "Since the average unit rate is less than tv, they could buy from 15 to 42 spots and dominate the medium."

Some spot cable is sold nationally for local systems or interconnects. For example, between 10% and 15% of CableConnect's sales are through Cable Networks Inc.

CNI, a New York-based subsidiary of 3M Co., represents interconnects in 20 of the top 25 markets, or 12.47 million of the nation's 38.96 million subscribers.

Five-year-old CNI expects revenues of $14 million this year. The company has built itself by representing other interconnects and, in new markets such as New York and Atlanta, creating its own interconnects.

In Atlanta, CNI spent nearly $400,000 installing insertion equipment in 12 local systems in exchange for five-year representation rights.

Program guides fail to turn on advertisers

By Mark Bittman

It sounds like the answer to an advertiser's prayers—a medium that reaches select, upscale consumers who zap commercials, watch movies on videocassette recorders or tune in commercial-free tv.

And the medium maintains its ad message in these prime households 30 days or more.

Sounds like magic? That's the way the publishers of cable viewer guides promote their products. But despite these attributes, cable guides aren't making it in the competition for national advertising or for cable operator acceptance.

Cable tv audiences should be good advertising targets. They spend a minimum of $10 each month for basic service, and many spend three and four times that amount for premium channels, indicating willingness to use disposable income for entertainment.

And cable operators should be good markets because they all have schedules that need to be communicated.

Yet two national cable guides have folded in the past two years, and only one cable guide has been successful in attracting national advertising. Even that magazine, the Horsham, Pa.-based *Cable Guide*, published by TVSM, has just begun to sell advertising to its fullest potential, executives say.

The digest-size *Cable Guide* next month will introduce a new rate base circulation of 6 million, 70% of which is in the country's top 30 markets. The magazine is distributed by more than 500 cable system operators.

Most publications with that kind of rate base would not have trouble generating advertising, but cable guides are unusual creatures, says Robert Dallas, TVSM's national ad manager.

"We didn't even go after Madison Avenue until we had 3.5 million subscribers," he says. This year, the publication's first actively pursuing national accounts, advertisers include Philip Morris Inc., American Telephone & Telegraph, Eastman Kodak, Mitsubishi, the Magnavox division of North American Philips Corp., General Foods and General Electric. "We'll [illegible] million to $6 million this year in consumer advertising," Mr. Dallas says.

Cable Guide, which charges $49,500 for a four-color inside page, also estimates it will receive about $4 million in pay tv ads and about $1 million in advertising from cable networks.

Cable Guide goes to press every month with 52 pages of color, an amount comparable to *TV Guide*. The magazine also will start using perfect binding next month.

TVSM is by far the most successful of the handful of national publishers. Some of the cable guides have no national or local advertising and many lack the slick look preferred by big advertisers.

Many guides would like to follow *Cable Guide's* lead, but the cable publications business is very competitive.

Premium Channels ***is distributed as a bill stuffer, one of the several forms cable guides take.***

"Most research indicates that there are at least 2½ sources of programing information available to the average cable household," says Lou Pirnik Jr., director of marketing for *TV Host*, a cable guide publisher based in Harrisburg, Pa. These sources include an operator-provided cable guide, *TV Guide* and the local newspaper.

Cable guides come in a variety of forms, including single magazines designed for a national audience such as *Cable Guide*, customized publications designed for specific systems such as *TV Host* and bill stuffers such as the new *Premium Channels* by Premium Channels Publishing Co., Bayshore, N.Y.

An increasing number of guides are sold, rather than given, to subscribers.

"This industry defies ultimate description," Mr. Pirnik says.

TV Host is available in three formats from which the operator can choose, varying in size and editorial content. *TV Host* has a circulation of about 1.3 million. Advertisers can segment their buys by cable system for about $24 per 1,000 circulation. However, the magazine is just beginning to see some national advertising, Mr. Pirnik says.

CableView, a New York-based publisher, has stayed alive by customizing its publications for individual operators.

CableView prints everything: Bill stuffers, a magazine-style guide for Storer Communications in New York (a multiple system operator with 1.5 million cable subscribers nationally) and a four-color, all-glossy extravaganza for Colony Communications, an mso in Providence, R.I., with 213,000 subscribers.

The company publications have a combined circulation of 5.3 million, including bill stuffers with no feature editorial content, and charges about $20 per 1,000 circulation.

Jerry Lyonnaise, Colony's national sales manager, says the magazine "helps us in marketing our premium services" because a top-of-the-page grid displays the premium channel schedule. "And we know subscribers are using it because they're paying for it."

About a quarter of Colony's basic subscribers and more than half of the premium subscribers take the magazine, and Mr. Lyonnaise says Colony is pleased and sticking with it. "We used to mail out four guides to some customers," creating logistical problems and high postage costs. "We are now making some money on the magazine."

That's the goal of every operator and publisher, and most believe the prospects in the field are good.

"Why was Time Inc. ready to spend $110 million?" asks Mr. Dallas, referring to the media conglomerate's *TV-Cable Week*, a weekly that ceased publication last year after losing nearly $50 million in its short life. "They were after a huge market."

The demise of *TV-Cable Week* was a shock to the cable guide industry; the publication had one of the greatest launches in history, with lots of promotion and lots of promise. But the operators didn't buy it, and 18

Mark Bittman is a frequent contributor to Special Report.

Tom Sassos, CNI vp-general manager, sees spot cable adding another dimension to tv advertising. "Cable provides a possibility for the local retailer to be on tv for the first time," he says.

National and local advertisers that traditionally have used tv apply national and local tv marketing principles to cable. But cable has opened what Mr. Sassos calls "the grass-roots level of cable advertising," attracting a third level of advertiser.

For example, instead of buying spot time in the most expensive market in the country, a retail advertiser 80 miles outside Manhattan can use spot cable to reach more localized areas. Mr. Sassos says these local retailers could make up as much as half of the spot cable industry this year.

Even after attracting local retailers, spot cable must develop further to claim more of the ad pie, Mr. Sassos says. "The industry is young and needs time to grow, add insertion capabilities to systems and organize into interconnects."

Spot cable also needs to refine its selling angle, and CNI has a formula that advises media planners how much money they should set aside for spot cable.

Chief component of the so-called CNI budgetary formula is the more upscale cable viewers who watch less broadcast tv.

"If cable viewers represent 30% of the tv viewers in San Francisco, and those viewers are 50% more upscale and over-all broadcast viewership is lower in cable households than elsewhere, then marketers should be filling in the gaps with a larger cable budget," Mr. Sassos says.

"The whole point of the formula is to bring cable into the planning process," according to Karen Klein, CNI marketing manager. Advertisers traditionally have been spending only extra media dollars for cable. Ms. Klein says you "can't build a business with leftover dollars."

Getting media buyers to accept the formula and buy spot cable is "like pulling teeth," Mr. Sassos says.

A new A.C. Nielsen Co. monitoring service, Local Cable Index, will monitor local cable viewership and may help reinforce the spot cable argument.

The service also may help the next step in the cable planning process: Giving buyers demographic information on networks and their availabilities.

Interconnects have another possible growth area: Systems can expand capabilities to insert on other ad-supported networks. But Mr. Sassos says interconnects have to sell the time they have first. Once that time is sold, the choice of networks probably will depend on the market. In Atlanta, The Nashville Network is popular. But in New York, Lifetime may be a better choice.

For now, most interconnects offer the four core ad-supported networks—with some local variation—while other systems install equipment, organize their markets and sell time. With cable viewers representing 6% of the national tv viewing audience, cable reps will be busy as spot sales heat up.

Cable leaders

Top 10 systems

	System	Number of basic subscribers
1.	Tele-Communications, Inc.	3,660,839
2.	American Television and Communications Corp.	2,500,000
3.	Group W Cable	2,393,704
4.	Cox Cable Communications	1,521,987
5.	Storer Cable Communications	1,500,000
6.	Warner Amex Cable Communications, Inc.	1,294,000
7.	Continental Cablevision	1,053,000
8.	Times Mirror Cable Television Inc.	878,340
9.	Newhouse Broadcasting	910,189
10.	United Cable Television	651,000

Source: Subscriber counts are provided by MSOs to International Thomson Communications

Top 10 multiple system operators

	Location	Operator	Number of basic subscribers
1.	San Diego, CA	Cox Cable	256,415
2.	Woodbury (Long Island), NY	Cablevision Systems Development	241,483
3.	Manhattan, NY	ATC	206,900
4.	Florida Division (Orlando/Ormond Beach)	ATC	196,700
5.	San Antonio, TX	Rogers Cablesystems	190,979
6.	Houston, TX	Warner Amex	185,000
7.	East Orange, NJ	MacLean Hunter	172,246
8.	Honolulu, HI	ATC	156,400
9.	Wayne, NJ	UA Cablesystems	138,000
10.	Tulsa, OK	United Cable	134,989

Source: Subscriber counts are provided by MSOs and systems to International Thomson Communications

Top 10 cable advertisers

	Company	Total cable spending ('000)
1.	Procter & Gamble Co.	13,082.5
2.	Anheuser-Busch Cos.	7,954.2
3.	General Foods Corp.	7,560.3
4.	Time Inc.	5,482.1
5.	Nabisco Brands Inc.	5,134.5
6.	Mars Inc.	5,080.0
7.	General Mills	5,035.3
8.	Thompson Medical Co.	4,721.9
9.	Philip Morris Inc.	3,549.2
10.	Ford Motor Co.	3,518.8

Source: Broadcast Advertisers Reports and Publishers Information Bureau. © Copyright 1985

months after the magazine's death, the publication remains an active topic of conversation.

"If *TV-Cable Week* flew," Mr. Pirnik says, "we could have coattailed their efforts. We were excited that Time was making a major commitment to this industry and were hurt that they went belly up in less than six months."

"Their major mistake," Mr. Dallas says, "was that they thought the thing could be consumer-driven and turned their backs on the operator. Their first cover featured a network show!"

Operators were also resistant because they expected the Time Inc.-controlled pay channel Home Box Office to be favored over competing channels.

The cost, about $30 a year, was too high for the operators to bear and too difficult to pass on to subscribers. More successful products, such as Colony's *CableView*, cost subscribers only $1 a month, which includes a small profit for the operator.

Industry leaders weren't very surprised by the October announcement that Atlanta-based Cox Communications, the fourth largest mso with 1.5 million subscribers, was suspending publication of *On Cable* magazine with the December issue.

On Cable was an exception to most cable guides, and its editor and publisher, Peter Funt, struggled to differentiate the 8½-by-11-in. On Cable from other cable guides by paying greater attention to consumer needs and features.

In an interview six months ago, Mr. Funt said, "We don't consider ourselves to be in the cable guide business." Though the magazine functioned as a guide, he said, "We're in the consumer magazine business. Others simply supply printed material to cable operators; they see advertising as gravy, but remain in the marketing support business."

Now Mr. Funt says he was wrong. The cable guide industry isn't "the magazine business, but something else; you have to make it not only with the public and the advertisers, but in this other strange arena, with the cable operators."

On Cable's circulation peaked at nearly 1.5 million, but five years after the magazine's 1980 birth, the competition was getting tougher. "Five years ago," Mr. Funt says, "you could convince operators to spend 50 cents a month for a quality magazine. But the whole mood has changed, and those same people —or, more likely, their successors—want to pay 15 cents, or do without a guide altogether."

TV Host *offers operators a choice of three formats, varying in size and editorial content.*

Also, *On Cable* never broke into the New York market, an area that would have helped solidify its position as a marketing tool, industry sources say.

Competing publishers also say *On Cable*'s consumer-oriented approach alienated operators. For example, *On Cable* panned Cable News Network for firing veteran journalist Daniel Schorr. "This turned off the operators," Mr. Dallas says, "and had little value to the consumer, who doesn't know what ancillary services like CNN are anyway."

Consumers need and want a guide, Mr. Dallas says. "They connect the guide to the service," he says. "Their mental connection is 'This is the cable system telling me what's on this month.' And our research shows that they want more information on the cable service. They're confused, deluged and want to understand what the services are. They want an easy-to-use guide."

TV Host's Mr. Pirnik agrees. "The cable guide is to cable service as a telephone book is to a telephone. It's provided as part of the service, and it encourages subscribers to use the service."

On Cable's other major problem was its cost. Though Mr. Funt was proud of his $5,000 covers and professional copy, the operators, even those selling subscriptions, were tentative about committing to an expensive product. While ad pages were increasing with national advertisers such as R.J. Reynolds Industries, American Express and Citibank, the magazine couldn't sell enough national ads to to break even, Mr. Funt says.

Cable Guide, *distributed by 500 operators, has found some success in attracting national advertisers.*

On Cable charged about $20,000 for a four-color inside page on a rate base of 1.4 million.

"You cannot have a cable guide that isn't profitable," Mr. Pirnik says. "Maybe that's an oversimplification, but a lot of people in this industry have lost track of that. Ultimately, despite Cox's capital, *On Cable* cost too much to produce."

As the shakeout in cable guides continues, both operators and advertisers can expect some bargains, though advertisers will not be likely to find many prospects with large national circulations.

One potentially attractive cable guide strategy is the network that offers advertisers several options from a broad geographic base. The Cable TV Magazine Network in New York, for example, links 16 cable guides and tv publications and has nearly as big a rate base as *Cable Guide*, says sales manager Harvey Oshinsky.

Even the smaller Cable TV Guide Network offers a rate base of 2 million by tying together the guides for many msos. The Cable TV Guide Network charges about $19,000 for a four-color inside page.

Using networks means understanding more than circulation numbers, Mr. Oshinsky says.

"You can really pinpoint by using them [cable guides]; the whole New York area of dominant influence may not be as important to an advertiser as one particular segment of it," and, by advertising in one guide that serves one system, advertisers can hit the desired segment, he says.

National advertisers, however, seem not to have a clear idea of how cable guides can be used in this way, publication executives say. Until they do, cable guides as an advertising market remain more promise than practice.

$1.25 a copy; $55 a year

Monday, December 9, 1985

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Advertising Age®

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C-P shifts favor regional approach

Move to global marketing slows

By NANCY GIGES

As part of a revised global marketing program, Colgate-Palmolive Co., New York, has realigned $50 million worth of advertising among its three key agencies.

Instead of moving toward worldwide brand assignments, Young & Rubicam, Ted Bates Advertising and Foote, Cone & Belding each will now serve as "lead agency" for Colgate's core brands in key regions around the world.

Young & Rubicam gains an estimated $40 million in C-P business, to about $120 million worldwide, and becomes the lead agency in Europe. Foote, Cone & Belding remains at about $90 million and will concentrate in Latin America, and Ted Bates Advertising stays at about $100 million, with a focus in the Far East.

All three shops keep a strong base of C-P business in the U.S.

The shift to a regional rather than worldwide brand alignment strategy stems from the company's realization that it must approach global marketing more slowly than it had intended.

Previously core brands had been assigned to the three agencies without regard to coordination across borders. Now each agency is responsible for a C-P brand assignment within a specific region. This is different from the strategy followed by arch-rival Procter & Gamble, which assigns brands on a country-by-country basis.

Clay Timon, who joined C-P a year ago as vp-director of worldwide advertising after 20 years of international agency experience, said, "What I've discovered coming into this job is that a global realignment is not physically possible. The simple fact is that everywhere we do business, there isn't a single agency that operates everywhere we are."

Mr. Timon said C-P's new lead agencies, in addition to handling the biggest budget in their respective areas, are also responsible for taking the lead in developing strategies in advertising that can be used on a broader than single-country basis.

He has not given up hope for a global approach one day but has realized the process

(Continued on Page 73)

P&G makes muffins its main mixes

By JULIE FRANZ and LAURIE FREEMAN

Procter & Gamble reportedly intends to deemphasize standard cake mixes, a market it leads, in favor of "finger foods" such as brownie and muffin mixes.

Such a move would appear to leave the cake-mix field open for General Mills, which this month is introducing regionally a four-item Cake Lover's Collection line under its Betty Crocker banner. The Minneapolis company's new mixes include dehydrated fruit, nuts and chocolate packaged separately to produce "chunkier" cakes.

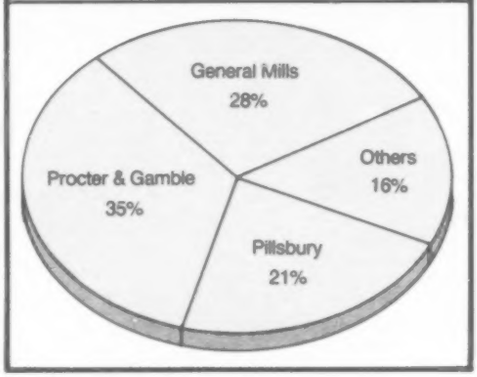
Retailers say Cincinnati-based P&G is telling them it will concentrate on introducing new "premium" home-baking items and stay away from further expansion of its standard cake-mix lines.

P&G's Duncan Hines holds an estimated 40% share of the more than $756 million mix category (exclusive of cookie mixes).

"[P&G's] philosophy is that cake mix, as a category, is dying, and that the real growth will come from high-quality dessert items, like muffins and brownies," a midwestern grocery buyer told Advertising Age.

Slices of the cake market

Despite new product introductions, Procter & Gamble remains the leader in the $500 million single and double layer cake market. *Source: Kidder, Peabody, New York, and Advertising Age.*



A P&G spokesman denied any implication that the company was forsaking the standard cake category, although he did note that P&G already is "very diversified in the cake area with over a dozen flavors" and that there is more opportunity for "diversification and flavor extensions in brownies and muffins."

The numbers, though, suggest the regular segment is

(Continued on Page 73)

Ford planning major revamp of marketing

By JESSE SNYDER

Detroit—Ford Motor Co. executives are preparing massive marketing changes they believe will breed success for the company into the next century.

Radical changes at the second-largest auto maker will affect advertising agencies, marketing divisions, media and dealers. Ford's top executives are rethinking the marketing program right down to gauging the thought processes of different customer-types before they buy a car.

As a result, Lincoln-Mercury division last week hired one new specialized agency and may be considering another.

Ford's efforts will not involve the sweeping structural changes of General Motors Corp.'s reorganization (AA, Dec. 19, '83, *et seq.*). But Ford's are no less market-oriented and, in a different way, as profound as those of the No. 1 auto maker.

Ford's changes are just taking shape, but the over-all change from a largely autocratic, manufacturing-oriented company to a slimmed-down, marketing-oriented one is cropping up on several levels:

- Ford is researching the "thought process" that precedes new-car purchases and the differences

(Continued on Page 68)

Ford's Taurus intro barely makes it into '85. Page 68.

Last Minute News

Seagram reviews $9M in billings

New York—Jos. E. Seagram & Sons is reviewing for an $8 million-to-$9 million assignment that includes brands at Perennial Sales Co., Seagram Classics Wine Co. and Seagram Chateau & Estate Wine Co. Ten agencies selected to compete reportedly have been cut to three unidentified shops. Incumbent agencies include Doyle Dane Bernbach, William Esty Co. and Warwick Advertising for Perennial; DDB and Kenyon & Eckhardt for Classics, and Esty for Chateau & Estate. Separately, Iroquois Brands' Champale unit, Trenton, N.J., has narrowed a review on its $3 million Champale malt liquor account to Geers Gross, incumbent Weiss & Geller and North Castle Partners, Greenwich, Conn.

Buckingham Wile checks 5 shops

New York—Buckingham Wile Co. is reviewing "four or five" shops for an estimated $10 million in business being resigned by D'Arcy Masius

(Continued on Page 8)

Hey, got a minute?

Super Bowl 'break' draws crowd

By ROBERT RAISSMAN

When NBC Sports executive producer Michael Weisman decided to let tv screens go dark for a minute during its Super Bowl XX pregame telecast, he never expected to be accused of using Big Brother tactics to control when America goes to the bathroom.

Nor did NBC Sports sales expect to have advertisers call up asking to buy into a minute of network time when nothing but a ticking clock would be on the screen. But after the plan to run a 60-second "intermission" during the Jan. 26 pregame show was revealed in Advertising Age (AA, Dec. 2), the phones at NBC started ringing from advertisers and the media alike. The story spread across the country and into Europe, gaining momentum and leading NBC Sports sales to believe they were on to something big.

"They [the salesmen] believe more people than ever will tune into the pregame show just to see the blank screen," Mr. Weisman said. "It's tv sports' version of the eclipse."

Sources said Timex Inc. wanted to have its logo on the clock that will be used to time the minute break. Anheuser-Busch reportedly asked either to sponsor the intermission or have the Budweiser jingle playing during the break.

A Timex spokesman said he had "no knowledge of any plans to do anything involving Timex and the Super Bowl." Anheuser-Busch execs declined comment on the report. Kevin Monaghan, an NBC Sports spokesman, said the minute is still coming out of programing time and will not be sold.

Mr. Monaghan said a variety of media contacted Mr. Weisman to talk to him about the idea, while members of the NBC Sports information staff were called on last week to do radio interviews.

Early last week, the idea seemed to be more of a

(Continued on Page 70)

NEWSPAPER

HIGHLIGHTS

Colgate realigns global shops 1

In a realignment of $50 million worth of advertising among its three global agencies, Colgate-Palmolive Co. has designated a lead agency in key regions around the world for its core brands —Young & Rubicam in Europe; Foote, Cone & Belding in Latin America, and Ted Bates Advertising in the Far East.

Ford looks ahead 1

Ford Motor Co. executives are preparing massive marketing changes they believe will breed success for the company into the next century.

Health claims get healthier 3

A controversial advertising strategy became more alluring last week when a federal health official seemed to invite marketers to take advantage of the government's changing attitude toward health claims for foods and consumer advertising of prescription drugs. The ad industry reacted with cautious optimism.

And Saatchi makes three 6

Saatchi & Saatchi Co. last week revealed plans to create a major new London ad agency that will operate independently from the parent company. The move would give the Saatchi group three agencies in the U.K.'s top 10, and enhance the British group's ability to handle accounts that conflict with accounts at Saatchi & Saatchi and Dorland Advertising.

Mail rates take hike 12

The U.S. Postal Service last week made good on its threat to raise rates for not-for-profit and other mailers that enjoy taxpayer-subsidized postal rates. The size of the increases, effective Jan. 1, will vary from publication to publication.

Radio volume lowered 27

The radio industry will hardly feel it when Ford Motor Co. launches its new Taurus and Sable models Dec. 26 with the biggest single ad blitz in company history. Dearborn, Mich.-based Ford has allocated only $4 million to radio out of an estimated $100 million introductory budget, according to a Radio Advertising Bureau survey of Detroit-area advertisers.

Ashton-Tate gets on dBase 35

Ashton-Tate, feeling the competitive waters around it heat up, launched a preemptive strike to shore up its leading position in the personal-computer database software market. The pc software publisher, which last month moved from Culver City to expanded quarters in Torrance, Cal., introduced dBase III Plus at the Computer Dealers Expo in Las Vegas. An enhanced version of dBase III, the new program allows linked pcs to share information, a key feature for marketing to larger corporations.

Martin picks up a Pet 56

Pet Inc.'s grocery group president Jim Matson screened 150 reels before picking the Martin Agency to create national tv spots for Accent flavor enhancer, Martin's first package-goods account.

Teacher's learning a lesson 66

W.V. Elliott Co. faces a formidable task in trying to resurrect Teacher's scotch from a long-term sales decline. It also must buck over-all lagging popularity in the U.S. for scotch whisky. Having seen its reputation sag as the drink of upscale imbibers, scotch—like most brown goods—has been losing sales for several years to vodka and rum, which are now the dominant spirits in the alcoholic beverage industry.

Sweets from the sweeps 67

If it's December, it must be time for the Big 3 tv networks to pick through the November sweeps ratings results and trumpet the positives. Unlike last year, there were highlights to be found for over-all network viewing.

Rv sellers sound call of the road 69

Marketers of recreational vehicles, strapped by the image of motor homes carrying golden oldies down the highway toward the sunset, are searching for a way to get baby-boomers to warm up to the rv life style. It was evident last week at the Recreation Vehicle Industry Assn.'s annual trade show that rv marketers want to attract more first-time buyers. Manufacturers and dealers are expected to dump a total of $300 million into advertising this year.

INTERNATIONAL

Ease up on advertising 40

Advertising should be allowed to support the growth of global media and advertising restrictions should be relaxed worldwide, according to a new report by the International Advertising Assn.

Bruise brews furor 40

A tv commercial featuring a woman with a black eye begging for "another punch" has sparked an uproar among feminists in Argentina.

Ad gets Christo spirit 40

A popular print ad for Gallaher Ltd.'s Silk Cut cigarets, showing a swath of purple silk with a diagonal slit cut through the material, has evolved into a three-minute commercial for U.K. cinemas that borrows from the technique of the eccentric artist Christo.

S. African auto slump hits shops 42

South Africa's declining automobile industry is dragging down already-suffering advertising agencies. In the past three months three auto marketers have left South Africa, and rumors are flying that a fourth, possibly General Motors, might follow suit.

OTHER NEWS

Retailers say Calvin Klein's Obsession and Chanel's Coco are the hot new department store fragrances. Page 4.

Though the king of rock 'n' roll stopped making music nearly 10 years ago, Elvis Presley's memory can still produce royalties. Natural Choice Industries, the latest company to capitalize on the singer's name, plans to launch Elvis Presley Love Me Tender shampoo, conditioner, styling gel and other hair and body products in the South to debut next spring. Page 12.

Extensive promotion of new-product entries—especially cold remedies, antacids and arthritic pain relievers and the growing number of drugs switching from prescription to the over-the-counter category—contributed to a 7.8% growth in nonprescription drugs in the U.S. in 1984. Page 54.

With several government agencies still on its trail over check-floating transgressions, E.F. Hutton has hitched its wagon to President Reagan and the American Red Cross for a fund-raising appeal. Page 67.

CAMPAIGNS BREAKING

Quaker Oats Co., Chicago, reveals the whereabouts of Cap'n Horatio Crunch, missing from cereal boxes since late August, during a two-minute tv spot, running simultaneously on all three networks at 9:30 a.m. and 10:30 a.m. (ET) Dec. 14 (AA, Sept. 9). Backer & Spielvogel, Chicago, handles.

Baskin Robbins Ice Cream, Glendale, Cal., breaks 15-second network tv ads Dec. 12. The ice cream retail chain will tie in with Walt Disney Productions' re-release of the film classic "101 Dalmatians." J. Walter Thompson USA, Los Angeles, handles (AA, Nov. 11).

COMING THURSDAY

A merger will take place in the pages of the Dec. 12 Advertising Age Thursday. *The happy mergees: Agency creative and media departments. More than ever, creatives and media directors, planners and buyers are working with each other to devise creative solutions to the challenges posed by clutter and new media options such as 15-second tv commercials. As their "magazine of the creative process,"* Ad Age Thursday *has expanded its coverage and analysis of their activities with features such as MediaWorks and Street Talk in order to support and strengthen their efforts.*

Special Report: Outdoor advertising friends and foes are fighting in the halls of Congress as the industry registers steady growth, employs advanced technology and recruits new users.

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ABP MPA RED TAG ABC ANPA

Clorox asks for 20-sec. tv spots

By VERNE GAY

Clorox Co. has asked the tv networks to begin accepting stand-alone 20-second commercials, a move that would further erode the 30-second spot as the tv standard and add to the fractionalizing of acceptable commercial lengths.

Clorox, Oakland, Cal., is pressing for the 20s because, it says, its creative executions for 30-second spots cannot be converted to 15-seconds. While all three tv nets accept "split 30s"—a 30-second commercial pod containing two different ads for products from the same advertiser —CBS-TV has also started taking stand-alone 15s.

ABC-TV and NBC-TV are expected to follow suit and begin accepting stand-alone 15s early next

(Continued on Page 68)

DDB sees drop in '85 earnings

By STEWART ALTER

The Doyle Dane Bernbach Group, which a year ago said the worst was behind it financially, informed securities analysts last week in a private meeting that earnings could plunge 37% to $5.4 million for 1985, compared with $8.7 million in 1984.

According to sources, Robert Pfundstein, DDB exec vp-chief financial and administrative officer, said the earnings shortfall was due to declining client spending (including some unexpected fourth-quarter cutbacks) as well as money-losing operations in Australia (pretax loss of $700,000), Hong Kong (pretax loss of $800,000) and Fletcher/-

(Continued on Page 73)

West Coast news

New shop for Norman cosmetics

Merle Norman Cosmetics, Los Angeles, made its second agency switch in less than a year by shifting its cosmetics and personal-care products account from Doyle Dane Bernbach/West, Los Angeles, to Della Femina, Travisano & Partners, New York. According to DDB/West president Richard Edler, Merle Norman is cutting its advertising budget to virtually nothing and shifting the balance to sales promotion. Reportedly, the moves come at the insistence of

(Continued on Page 73)

Saatchi plans third major London shop

By LAUREL WENTZ and STEWART ALTER

LONDON—Saatchi & Saatchi Co. last week revealed plans to create a major new London ad agency that will operate independently from the parent company.

The move would give the Saatchi group three agencies in the U.K.'s top 10, and enhance the British group's ability to handle accounts that conflict with accounts at Saatchi & Saatchi and Dorland Advertising.

Saatchi is taking over Humphreys Bull and Barker, a $40 million agency with a good creative reputation and attractive multinational clients, including General Mills, and merging it with Saatchi's own creatively troubled KMP, which recently lost its largest client, British Telecom. Two other Saatchi-owned agencies, Downton Advertising Ltd. and Crawford Halls London, also will be added to the new agency, which will be called KMP Humphreys Bull and Barker.

Although the new agency will function separately, it will be part of the Saatchi & Saatchi Compton Worldwide network, unlike Dorland Advertising, which is owned by the Saatchi holding company, but is outside SSC&W and is building its own international network.

"We at KMP Humphreys Bull and Barker will be competing head-to-head with both Dorland and Saatchi and other agencies of significance in the U.K.," said Stuart Bull, planning and new-business director of Humphreys Bull. Mr. Bull will retain the same title at the new agency. Mr. Bull said the new agency would be the ninth-largest here, with billings of about $120 million. Saatchi and Dorland rank first and third.

The new agency will resign at least one account—Lever Industrial—which Humphreys Bull handles for "a small consultancy fee." That account conflicts with Saatchi client Procter & Gamble.

Another conflict, between KMP client Carlsberg beer, worth about $12 million, and Humphreys Bull's Allied Breweries business, billing about $750,000, still is being discussed, Mr. Bull said.

KMP's chairman, managing director and financial director all resigned last week to make way for new management from Humphreys Bull. The Humphreys Bull principals will receive equity in Saatchi & Saatchi rather than a cash payment for their agency, and they will run the new agency.

"Saatchi had a number of agencies that had mixed fortunes," said Jack Rubins, chairman of Dorland Advertising.

"It gives Saatchi a third force in the U.K.," said Bill Seward, an analyst at London stockbroker Philips & Drew. "By adding Humphreys Bull to KMP and Crawford, Saatchi will have a much stronger and more effective unit."

In New York last week, Saatchi & Saatchi also reported more than $60 million in business referred from one segment of its business to another for the six months ended Sept. 30.

Saatchi has "only just begun to develop the potential of this system," said chairman Maurice Saatchi in announcing results for the fiscal year.

"We are working with 53 of the world's top 100 companies, with more than 20 of them across three or more business services and with more than 20 across five or more countries," said Mr. Saatchi.

Mr. Saatchi also announced that the acquisition-minded company had about $190 million in cash.

For the fiscal year, revenue rose 105%, to $375 million, from the previous year. The increase mostly reflects major acquisitions such as the Hay Group consulting company and Yankelovich, Skelly and White research company.

Likewise, Saatchi's pretax profits rose to $50.3 million from $22.8 million. Pretax profit margins as a per cent of revenue rose to 13.4% from 12.4%, especially reflecting improved margins at Hay from 11.5% to 14%.

The U.S. now accounts for 62% of Saatchi's revenues and 58% of its profits, compared with 24% and 29% for the U.K. and 14% and 13% for the rest of the world (AA, Nov. 18).

Mr. Saatchi also indicated that plans were afoot for expanding the consulting business. Milton Rock, who has been Hay's chairman, "has taken up the chairmanship of our consulting division and is developing plans to take the company into all the key areas of consulting in the years ahead," said Mr. Saatchi.#

Ally picks Dexheimer

NEW YORK—Larry Dexheimer has been named chief operating officer of Ally & Gargano, a post that has been vacant since Edward Gallagher left the agency 16 months ago.

The creative department will not report to him, but account management, broadcast operations, media, research and traffic will, according to a staff memo from Amil Gargano, chairman-ceo.

"As soon as he can get his things packed, he will move into the office next to me," said Mr. Gargano in his memo.

Mr. Dexheimer, who joined Ally in 1970, has been senior vp-director of marketing services at the agency, in charge of the media and research activities for all accounts. He became chairman of the agency's operations committee in 1984.#

AA New York bureau taps Winters, Dagnoli

NEW YORK—Patricia Winters has joined ADVERTISING AGE as a reporter in the bureau here.

New York bureau chief John O'Connor also has announced the promotion of Judann Dagnoli to reporter from editorial assistant. She held the latter post since joining the AA staff last March.

Ms. Winters, previously a freelance writer and New Jersey correspondent for AA, is a Fordham University graduate. Her work has appeared in *Crain's New York Business*, *New Jersey Monthly*, the *New York Times* and *Venture*.

She has held editorial posts at Gannett Co.'s *Journal News*, West Nyack, N.Y., and the *News* in Paterson, N.J.

Ms. Winters will report on imported beers, gums and candies, shaving products, writing instruments and radio programing.

J. Dagnoli

P. Winters

Ms. Dagnoli has been specializing in cable tv coverage while at AA. A 1980 Pace University journalism graduate, she served as a researcher with the law firm of Debevoise & Plimpton before joining AA.#

CORRECTIONS & CLARIFICATIONS

- Airwick Industries markets Bully, Bully Plus Blue, Bully Power and Swish toilet bowl cleaners, not R.T. French Household Products Co., as reported (AA, Nov. 25, P. 3). Following an early 1985 merger with Airwick, R.T. French is now R.T. French Household Products Division. Airwick is now the U.S. household products arm of London-based Reckitt & Colman, while R.T. French Co. handles food products. Also, since Oct. 1, Bloom Advertising, New York, has been the agency of record, not J. Walter Thompson USA, which was identified as the agency.
- The monthly per-subscriber cost for Turner Broadcasting System's Cable News Network and CNN Headline News goes up to 25¢ in January for systems that do not also carry WTBS, Atlanta. Cable systems carrying all three TBS services will pay 18¢ per subscriber, not 25¢ as reported (AA, Nov. 25, P. 52).
- In the ADVERTISING AGE Flash Report of newspaper advertising investments for August (AA, Dec. 2, P. 72), general-merchandise stores increased ad spending 12.4% to $41.2 million, not 21.2% as reported.
- Captions identifying fashions by Ralph Lauren and Arnold Scaasi (AA, Dec. 5, P. 2) were inadvertently transposed.#

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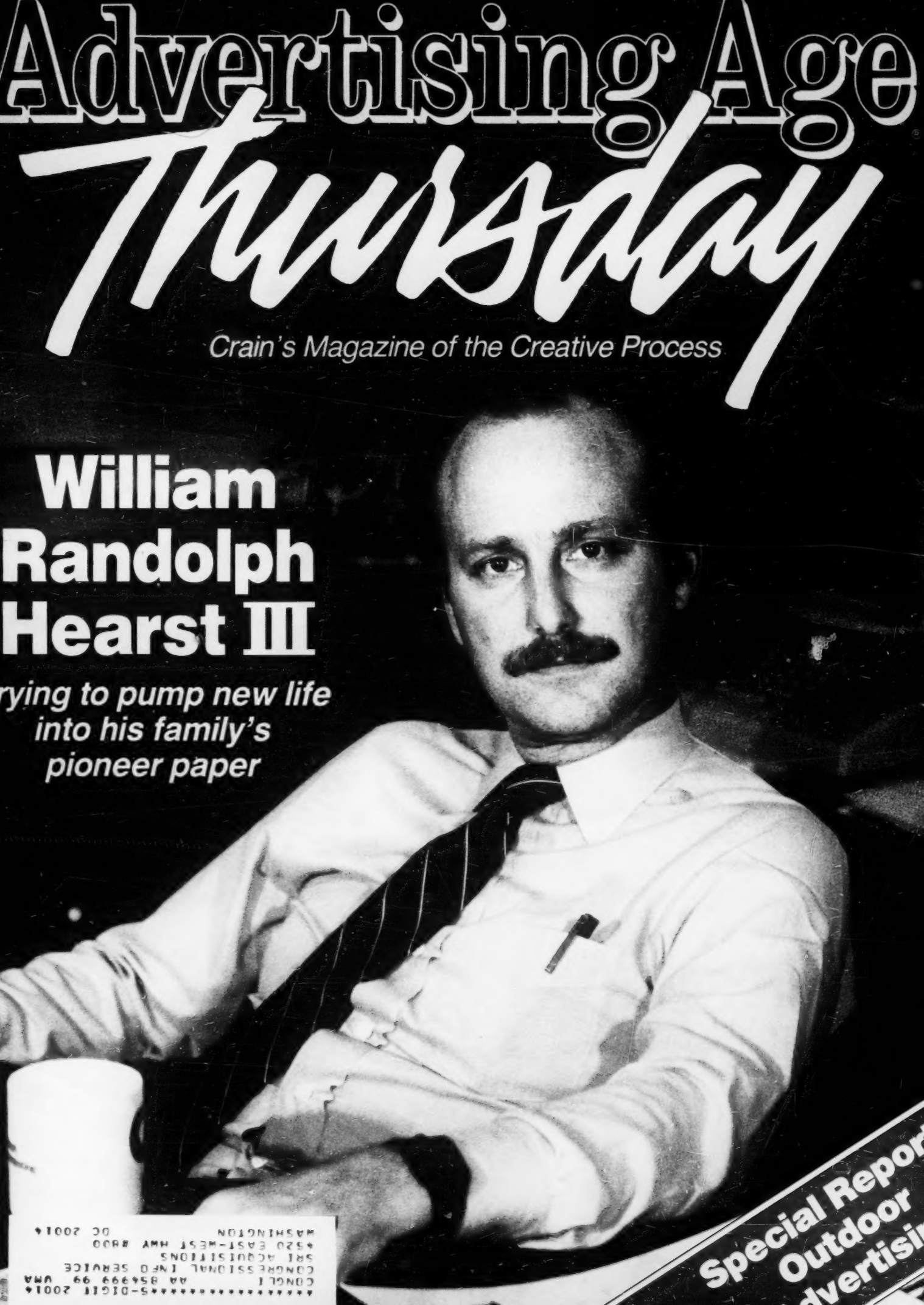
Advertising Age
Thursday
Crain's Magazine of the Creative Process

William Randolph Hearst III

rying to pump new life into his family's pioneer paper



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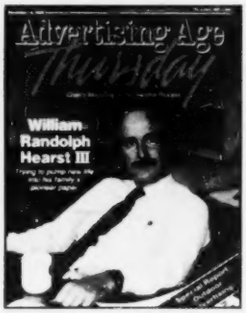
Thursday

The rosebud flowers

In the spring of 1984, after 10 years of searching for a niche both within and without the Hearst Corp., 36-year-old Will Hearst agreed to accept the publisher's post at the *San Francisco Examiner*, the paper from which his grandfather built an empire. Far from being a figurehead, Hearst has remade the paper into a feisty, irreverent and more interesting publication than it was—a place where some believe the "new journalism" has been reborn. *See Page 4.*



Cover photo by James D. Wilson

Dumping

Yuppies have had their day, and now it's the dumpies' turn. Two entrepreneurs in Denver have taken the downwardly mobile plunge to market the 1986 Dumpie calendar, which marks such dates as National Failure Day and Custer's last stand. *See Currents, Page 8.*

Media messages

Where can you get the latest on which network tv shows are the big winners in their prime time segments? Or advertising avails in upcoming tv and radio programing? In MediaWorks, Advertising Age *Thursday's* new feature for media and creative people. *See Page 30.*

Special Report—Outdoor Advertising

Outdoor advertising friends and foes are fighting in the halls of Congress as the industry registers steady growth, employs advanced technology and recruits new users. *Page 13.*

Presstime

Austin, Nichols reviews

New York—Austin, Nichols & Co., the Pernod Ricard SA subsidiary that markets Wild Turkey bourbon, has reopened its agency review, sources say. Calvillo, Shevack & Partners has handled the $9 million account for the past dozen years.

McCann to buy Sieber

Chicago—McCann-Erickson, New York, this week was expected to acquire healthcare agency Sieber & McIntyre, sources say. Sieber's billings hover near $90 million (AA, Dec. 9).

Coors taps UniWorld

Golden, Colo.—Adolph Coors Co. has named UniWorld Group, New York, its first agency of record for brand and corporate advertising directed at black consumers. Sources had estimated the account would be worth $6 million to $8 million annually. Coors is the second recent major account win by UniWorld, the nation's second-largest black-owned agency. Last week it gained a similar assignment from Ford Motor Co.'s Lincoln-Mercury division (AA, Dec. 9).

AMA: Ban tobacco ads

Washington—American Medical Assn. has officially endorsed a universal ban on tobacco advertising in all media. The group's policy-making house of delegates concluded that the inherent dangers of all tobacco products warrant an unprecedented call by the AMA for banning the advertising and promotion of a legal product.

Court backs Barclay ads

Washington—Brown & Williamson Tobacco Corp., Louisville, can advertise Barclay cigaret tar ratings even though they are not sanctioned by the Federal Trade Commission, a U.S. circuit court of appeals ruled here this week. B&W can advertise the ratings providing it doesn't imply they are comparable to brands tested by the FTC method. The decision partially overturns a lower-court ruling in favor of the FTC (AA, Oct. 17, '83). Ogilvy & Mather, Chicago, handles.

Chiat shares more shares

New York—Chiat/Day, Los Angeles, has taken another step toward wider employe ownership; chairman-ceo Jay Chiat has sold 30% of his remaining shares to the agency's employe shareholder ownership plan. He plans eventually to sell a majority 51% to that program. The agency was 100% owned by Mr. Chiat until he distributed 15% of his shares to key managers a year ago. "This allows Jay to get his money out of the agency without selling to an outsider," said Bob Wolfe, exec vp-general manager of the agency's office here. He added the sale does not signal any plan by Mr. Chiat to leave the agency.

Hancock preps $20M effort

Boston—John Hancock Mutual Life Insurance Co. on Dec. 22 breaks a $20 million campaign. Four network tv spots show how the company communicates with customers. Print includes

(Continued on Page 31)

Street Talk

The question: There's a growing trend for advertisers to return to television production, especially with miniseries and made-for-tv movies. With the risks involved, is this the way to go?

Bill Evans, senior vp-executive media director, Foote, Cone & Belding, Los Angeles: Yes, they should if they have the budget. But they have to remember it's an expensive proposition to mount a tv show. I've seen some clients get enamored of the idea and get close to making a deal. Then they come to realize that they hadn't figured on talent fees and other major costs. It's expensive, and it doesn't necessarily mean you can make a quality show. So for clients like Mazda, it's a great idea. But for average clients, it's probably too dear.

B. EVANS

C. BACHRACH

Charles Bachrach, senior vp-network and programing, Western International Media, Los Angeles: Yes, for a couple of reasons: The cost of buying time is getting exorbitant. It gives them more control over the message, and hopefully they can develop programing compatible [demographically] to the commercial message. For networks, programing costs are so expensive they're looking for partnerships with clients. On the down side, it involves a long-term commitment for a return a client might not see for a year.

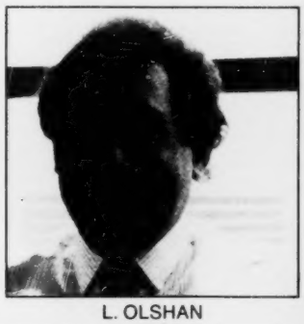
James Spero, senior vp-media director, Doyle Dane Bernbach/West, Los Angeles: If they want to put up the money, it could be terrific. Certainly, programing right now could use a shot in the arm. We need innovative programing, especially in cable. But it's a gamble. You might not get the ratings you want. It can be very cost-effective or you can lose your shirt, or somewhere in between.

J. SPERO

G. RUBIN

Gerrold Rubin, president, Needham Harper Worldwide, Los Angeles: It's just unaffordable to sponsor an entire show. From a production standpoint, no, I don't feel advertisers should interfere with the creative process; on the other hand, advertisers can add a perspective, because they know who their target audience is. When we look at a show, editorial content is more important to us than ratings.

Larry Olshan, president, Wells, Rich, Greene/West, Los Angeles: If it's a right fit for the advertiser—if the advertiser is large enough—very definitely. You can create your own environment in which you have complete control. It can be more efficient. But in the case of producing continuing series, the risks are horrendous with the high failure rate of new programing. We're seeing more of it now, but mostly it's a case of the big getting bigger.



L. OLSHAN

Advertising Age *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, Advertising Age *Thursday*, 220 E. 42nd St., New York 10017.

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ABP MPA RED TAG ABC CMPA

Technology gives new look to great outdoors

By Richard Edel

New technology gave outdoor advertising a giant boost two weeks ago when Eastman Kodak unveiled the world's largest color photograph on the facade of New York's new Marriott Marquis Hotel overlooking Times Square.

The photograph, a scene from Tri-Star Pictures' "Santa Claus —The Movie," is not your average drugstore print. At 30 ft. by 50 ft., it marks the first "spectacular" size print, the first use of photography on an outdoor backlight display and a demonstration of how technology is changing the face of the industry.

But Rochester, N.Y.-based Kodak is not alone in the race to revolutionize out-of-home advertising with new products, techniques and materials.

Mediacom, a Toronto-based subsidiary of Gannett Co., Arlington, Va., early in 1985 introduced a new technique for reproducing signs on outdoor bulletins using a product called Superflex, a tough, flexible polyvinyl chloride plastic that previously was used only for backlight boards.

Other innovative companies are using pvc products to put outdoor boards in motion and to add a third dimension—depth—to poster displays. There also is a boom in the use of electronic message centers, allowing advertisers to continually update information on outdoor boards. One company, Clark White & Associates, Spokane, Wash., even has created a talking outdoor board.

Kodak scored a coup with the Marriott display, which it has secured through a long-term lease. The company not only unveiled its first print the day before millions lined up to watch Macy's Thanksgiving parade, but it also flashed holiday greetings to the crowd from a 6-by-50-ft. electronic message center mounted beneath the photograph.

"We wanted something so dazzling that it would make people stop and look," says Scott Grover, coordinator-market development for Kodak professional products.

The company wanted a full-size color transparency similar to Kodak's Colorama display in New York's Grand Central Terminal. Colorama is an indoor display measuring 1,080 sq. ft. The Marriott display, dubbed Kodarama, is one-third larger, mounted 30 ft. above the sidewalk and outdoors. Large scale outdoor photographs were untested.

"If this works the way we expect, we will have our name and image in the heart of the most visible location on the planet," Mr. Grover says. The backlight display will be viewed by about 1.5 million persons each day. If all goes well, the Kodarama print will be changed six times a year.

Depending on how the transparency and its mounting system holds up to the elements, Kodak is on the verge of introducing photography as an outdoor medium. Kodak accomplished essentially the same thing in 1981 for indoor backlight displays with the development of Duratrans, a heavy-duty pvc material.

"We all think photography is going to have an amazing impact on outdoor," says George Stonbely, principal with Spectacolor in New York. "What we've had to this point is airbrushing, screen printing and hand painting, but there's nothing that compares with an actual photograph."

A newly formed subsidiary of Mr. Stonbely's company, Spectarama, is responsible for installing and maintaining the Marriott display and for suggesting Kodak as the exclusive advertiser.

The Kodarama photo at the Marriott is reproduced on Duratrans, double laminated with a polyester material for protection from the weather and coated with matte vinyl to protect against ultraviolet sunlight.

The photo consists of 17 pieces of Duratrans spliced together at Kodak's Rochester laboratory and mounted on site with hooks and grommets in a large frame box. Backlighting is provided by approximately 900 fluorescent lamps producing 180 kilowatts. The lamps adjust for three levels of brightness.

To keep the transparency taut, Kodak engineers devised a system of 10 blowers mounted inside the frame box. The blowers create a partial vacuum by displacing air behind the photograph. Controlled automatically by dampers, the resulting inward bow of up to 12 ins. makes the photo "tight as a drum," says Jerrold J. Gearhart, Kodak supervisor of technical services. The blowers perform a dual purpose by also venting heat from the lights, which otherwise could cause distortion of the photo.

Although Kodarama is not yet available commercially, Kodak's Mr. Grover already is fielding inquiries, and he sees great potential. "This is a totally new concept, and we're going to make information [about the Marriott project] available to everyone," he says. "Our hope ultimately is to call attention to the fact that photography is an outstanding medium for outdoor."

Another innovation expected to have a big effect on out-of-home display is development by Mediacom of a process that allows ad reproduction on its Lumiflex pvc material on outdoor bulletins, or "superboards" as they are called in Canada. Previously, Lumiflex was used only for poster and backlight displays.

Mediacom, Canada's leading outdoor company, has spent more than $8 million in capital investments in the past year, opening the largest, most advanced airbrushing studio in North America. The company also maintains North America's largest screen printing press to produce 10-by-30-ft. backlight faces in one piece.

In 1985, Mediacom introduced Superflex, a process of reproducing ads in sections on large sheets of Lumiflex (up to 14 ft. by 48 ft.), which are seamlessly bonded and stretched over an existing superboard structure. The result is a standardized, high-quality reproduction rivaling photography, says Bill Smalley, marketing manager at Mediacom.

"It's not like you're going to have an artist in one city who is having a bad day. The quality of the reproduction in each market doesn't depend on the artist's mood," Mr. Smalley says.

Superflex has several advantages over poster paper in that it is more durable and reusable, lasting up to five years. It is easily posted and taken down, can be printed on both sides, and it is more economical than hand painting on orders of eight-plus poster faces, Mr. Smalley says.

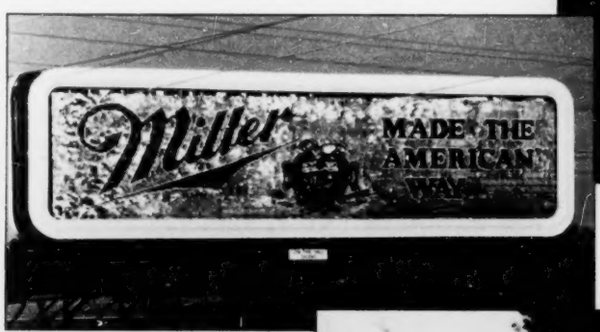
"This is the next generation in outdoor advertising. Nothing else can touch it," he says. "It's going to revolutionize the superboard concept."

Air Canada, the first of several national advertisers in Canada to use Superflex, was impressed with the material. The airline ran a program in 11 markets through mid-fall and plans a bigger one in 1986.

The ability to transfer ads to different locations was an advantage in reaching a target au-

(Continued on Page 18)

Eastman Kodak's Kodarama promoting "Santa Claus—The Movie" measures 30 ft. by 50 ft. on New York's Marriott Marquis Hotel.



Motion becomes an element of outdoor boards such as this one for Miller beer using discs that move and reflect light.

Comic Jeff Stilson, a Spokane, Wash., native, got lots of hometown exposure with routines broadcast by the Budweiser talking board, created by Clark White & Associates for B&B Distributing and Anheuser-Busch.

Rolling boards shift into gear

Two years ago a passing truck triggered an idea that set Joe Commerford and Stuart Shore on a quest.

"You know," Mr. Commerford recalls saying as a tractor-trailer rolled by while they were stalled in traffic, "I've wanted for 30 years to put signage on the side of that truck." Mr. Shore liked the idea, and the two quit their jobs at a Chicago outdoor sign company to form Mobilmedia Corp., Park Forest, Ill., in 1984.

Early next year, Mobilmedia will begin marketing rolling outdoor boards. The concept involves printing outdoor boards on polyvinyl chloride material, stretching it over a frame and attaching it to trucks with aluminum brackets.

New Visions, Miami, recently began marketing a similar product, and Vehicle Displays, New York, markets a product called Prestige Panels.

"The idea has tremendous potential," says John P. McGill, executive director of the American Trucking Foundation in Washington. "It's a heck of a big idea with lots of potential impressions, but it takes a lot to get something like this going."

A 1977 trucking foundation study sponsored by 3M found daylight exposure to graphics on over-the-road trucks generated 101 visual impressions a mile, or 10.1 million impressions per 100,000 yearly miles. Local delivery trucks rated even better

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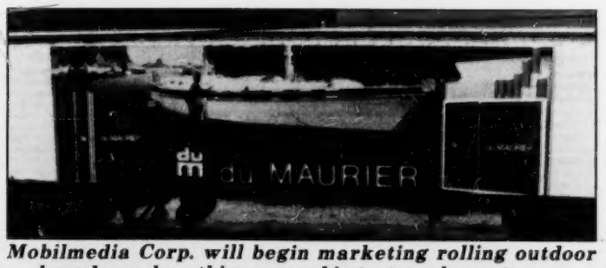

Mobilmedia Corp. will begin marketing rolling outdoor boards, such as this one used in test, early next year.

Richard Edel, a Chicago-based free-lance writer, is a frequent contributor to Special Report.

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Technology

(Continued from Page 17)

dience of business fliers, says Joyce Roblee, vp-media director at Ronalds-Reynolds, Montreal, which handles the Air Canada account. "[Superflex boards] were probably the one medium in the plan that built frequency," she says. The agency also liked the quality control in getting boards from one source, she says.

The material is being introduced in the U.S. by Gannett Outdoor of Chicago, which will be using it early in 1986 for outdoor bulletins for Soft Sheen, Marriott and Carson Pirie Scott & Co., a local retailer, says Dawyne Williams, account exec in the Chicago office. "We feel confident it will be a huge success here," he says.

Another innovation that is gaining favor is a new technique from Modern Graphics, New York, for producing three-dimensional posters and signs. The company counts a dozen of the top 200 U.S. advertisers in tobacco, liquor, soft drinks, oil, computers and electronics as clients, says Bob Gold, a principal with the company.

Modern Graphic's innovation is a process of heat-sealed embossing that is superior to the more universal technique of injection molding. With the embossing technique, pvc panels are printed like a flat piece with colors in register. Injection molding requires that printing be a quarter-inch to a half-inch out of register, which leads to unpredictable results, Mr. Gold says.

"There is no way to know what the final color is going to look like with injection molding until it's printed, and this is after you've spent thousands of dollars. More important is the time you lose," he says. "With our printing technique, what the art director approves on the color proof is what he gets. And we can hold incredible detail."

Molds for the 3-D signs are made from papier-mache sculptures created by art students in Italy. Posters can range from 9 ft. by 12 ft. to a maximum of 26 ft. by 38 ft. with a raised surface of up to 3 ins. Typical cost is between $2 and $6 per unit, Mr. Gold says.

"There is no difference in terms of cost than for flat paper. Agencies have no added expense," he says. The largest run so far was 30,000 signs.

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Rolling

(Continued from Page 17)

with 16 million visual impressions per 100,000 yearly miles. Nighttime use of trucks increased impressions by 37.5%.

"Our studies prove that a heck of a lot of people see trucks. This shapes their attitudes about a company and its products," Mr. McGill says.

But rolling boards, though promising, remain unproven with advertisers.

Outdoor Services, a San Francisco-based agency, tried them in Portland, Ore., for introduction of Hiram Walker's Royal Canadian brand several years ago. Dennis Zinchook, vp-account supervisor at Simons Michelson Zieve, Troy, Mich., the brand's agency, says followup interviews by Mobile Billboards, a Salt Lake City company that since has gone out of business, showed 314% better brand recognition.

"Those results are almost too remarkable, and I'm not sure how believable," Mr. Zinchook says. "I believe the advertising was effective, but the brand didn't show such remarkable sales figures."

Mr. Zinchook says he would consider trying rolling boards again, depending on market, situation and cost.

Per cent of local outdoor sales by business categories

	1985 (3 qtrs.)	1984
Automotive	18.6	15.0
Auto aftermarket	1.4	3.6
Beverages	26.4	18.4
Computers	1.3	3.8
Electronics	2.0	1.3
Fast foods	11.7	—
Heating/air cond.	1.8	3.5
Media	1.3	3.7
Office products	2.8	—
Sportswear	3.2	8.0

Source: Creative Marketing Services, Augusta, Ga.

Still another innovation is the use of materials that put outdoor displays in motion. Flektagrafix, formerly Air Display, a St. Louis-based display company, uses a multitude of quarter-size discs attached to beveled pegs on high-impact polystyrene boards. Air movement activates the discs to reflect sun and artificial light.

The discs pegs are made of polycarbonate and coated with acrylic for bright colors that will not fade, says Dan Shroyer, principal with the company. Mr. Shroyer started his company after seeing the signs in West Germany. After buying one for a business, "I couldn't believe the response!" he says.

Air Display holds the U.S. rights to a technique developed by German inventor Johannes Matthiesen, which seems to overcome some of the problems that have plagued moving parts on outdoor boards.

So far, Air Display has tested three signs in the St. Louis market and has licensed an Illinois outdoor company to produce two signs. "You can't talk to anyone in St. Louis who hasn't seen our signs," Mr. Shroyer says. "It makes it a very fun job."

The Foster & Kleiser division of Metromedia recently placed an outdoor bulletin in Chicago for the Illinois Film Office thanking film makers for supporting the growing Illinois motion picture industry. The bulletin incorporates thousands of pvc discs as the sparkling attire of Abraham Lincoln, who is tipping his hat in thanks. The irreverent style, not possible without new materials, foreshadows exciting things in store.

"It's a new era," one sign company executive says. "It's unbelievable."

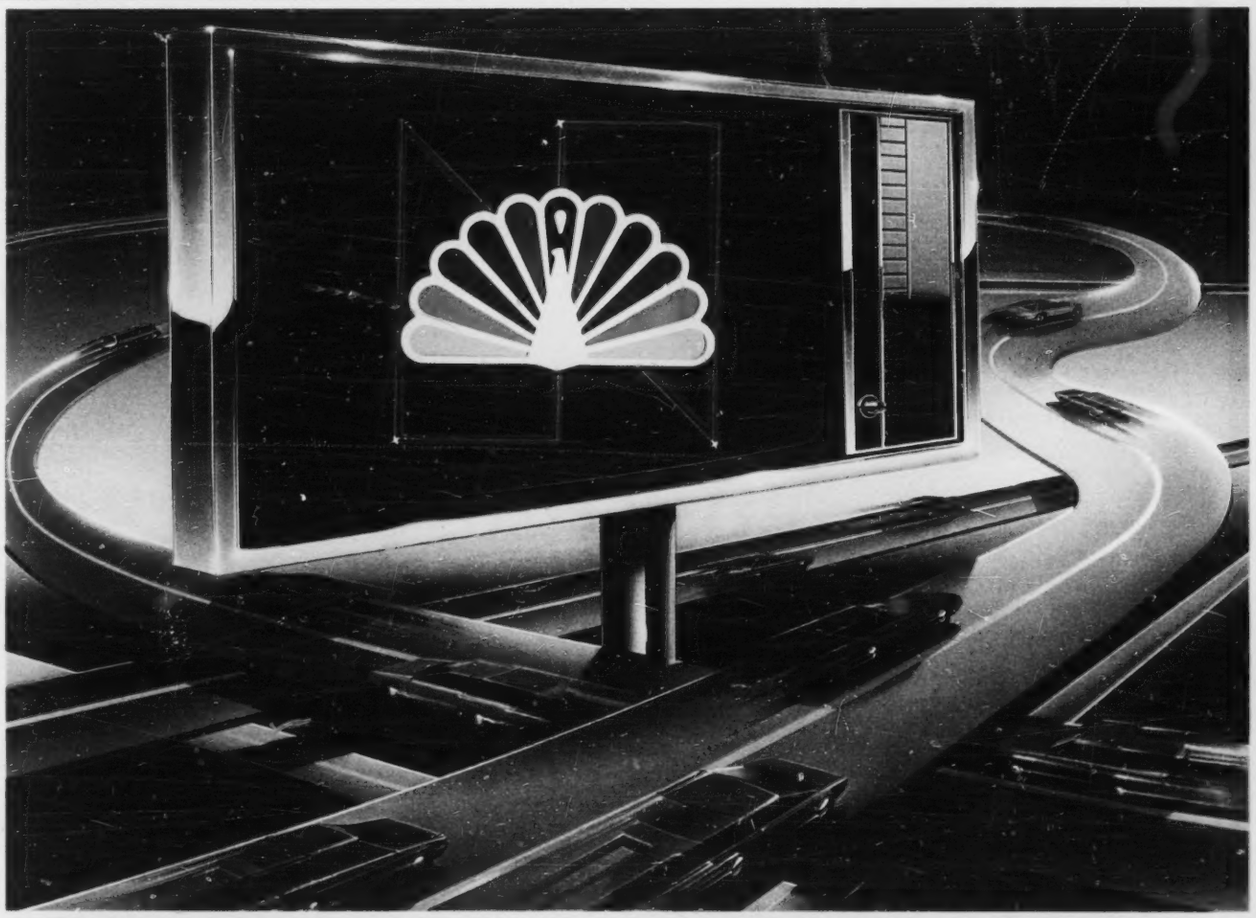
Ford Motor Co., which tested rolling boards in 10 markets during the 1983 introduction of Ford Tempo, met with disappointing results, says Roger C. Olsen, formerly ad manager with Ford division and now sales/promotion manager for light trucks.

"We listened to all the claims and gave it a shot. It was not satisfactory," he says. "We felt it provided less recall than stationary boards."

Barbara Barczyk, outdoor buyer for J. Walter Thompson USA, Detroit, which represents Ford, says 1,552 rolling signs were placed, and followup shopping mall interviews showed aided and unaided advertising awareness of 4% in Omaha and 10% in Denver. Ford was hoping for awareness levels in the 20% to 30% range, she says.

Mobilmedia's Mr. Shore acknowledges some companies may have had problems in the past, but believes his company has improved both the technique and the materials for rolling outdoor boards. For example, Mobilmedia uses Toronto-based Mediacom's new Superflex material. Mobilmedia's bracketing system permits changing outdoor boards in as little as 30 minutes, he says.

"We perceive this as a whole new medium. It's going to open up a lot of opportunities for everybody involved." —*R.E.*



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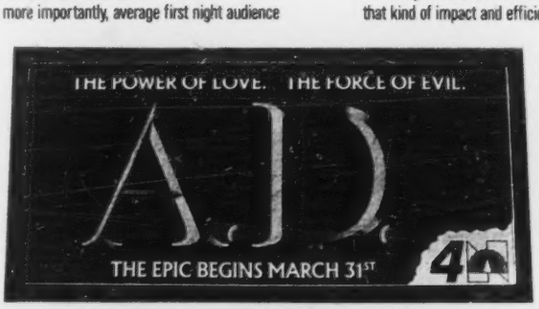

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Company

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AA

Industry battles beauty and beast images

By Lisa Phillips

True or false:

- The public dislikes outdoor boards and would like to do away with them.
- The Highway Beautification Act of 1965 has done little or nothing to improve the aesthetic quality of U.S. highways.
- The outdoor board lobby has sponsored amendments that have weakened the 1965 HBA.

If you answered "true" to any of the above statements, the Outdoor Advertising Assn. of America, a Washington-based trade group, has a pamphlet it would like you to read. "A New Look. Outdoor Advertising Myths & Facts" was published three months ago to combat anti-outdoor board stories appearing in national media, proposed legislation and any media coverage of the 20th anniversary of the passage of the Highway Beautification Act.

To those opponents who argue that the Federal Highway Administration has failed to regulate the outdoor industry, the OAAA cites figures from that federal agency showing the total number of signs has dropped from 1.1 million in 1966 to only 500,000 as of August. The number of signs per mile has dropped from 4.4 in 1966 to 1.7 this year, and outdoor advertising signs in commercial and industrial areas fell from 260,659 in 1966 to 241,608 this year.

As proof that the public really does like outdoor boards, the OAAA cites a nationwide survey conducted by the University of Michigan Survey Research Center that shows 64.5% of the people polled favored "reasonable regulation" of outdoor advertising. Only 19% favored doing away with outdoor ads.

Despite an expected 6% increase in outdoor ad spending this year, with an estimated 10% increase for 1986, and the dynamic emergence of new networks among outdoor companies, the industry is fighting image problems in the advertising industry as well as aesthetic issues.

About 80% of outdoor advertisers are local merchants and companies advertising in local markets, according to Bill Wilkins, president of the Institute of Outdoor Advertising, New York, the marketing arm of the outdoor industry. While total ad spending this year is projected at $98 billion, spending in the outdoor medium hit the $1 billion mark for the first time only two years ago and is projected at $1.23 billion in 1985.

Outdoor advertising frequently is overlooked by advertisers and agencies, many industry executives say, partially because of the belief that "outdoor is hard to buy."

One opponent of that sentiment is Martin Mullaney, president-chief executive officer of Out-of-Home Media Services, New York. Mr. Mullaney says buying outdoor advertising is easier than buying spot broadcast advertising.

Gordon and Richard Asch, owners of Asch Advertising, New York, an agency that deals exclusively in outdoor advertising, say outdoor buys can be as targeted as more expensive media such as broadcast and print.

Jim Creel, president of Creel Outdoor, Myrtle Beach, S.C., and this year's chairman of the IOA, argues against the popularity of broadcasting among advertisers.

"What we used to call broadcast media are now narrowcast media," he says. "You've got formatted tv stations now, like formatted radio stations. So you're losing, throughout the nation, a broad appeal for mass products. Outdoor can both broadcast and narrowcast."

But getting that message across to ad agency people is a continuous process, he says. It isn't unusual for the IOA to make creative and media presentations to account personnel at agencies, only to have them leave for other jobs within the year. Then the education process has to begin again.

In addition to the 20th anni-

Morris Communications Corporation Buys Naegele Outdoor Advertising

The Naegele Outdoor Advertising Companies were purchased in July by Morris Communications Corporation, Augusta, Georgia. Morris Communications Corporation (MCC), headed by William S. Morris III, chairman and chief executive officer, is comprised of daily and weekly newspaper businesses, commercial printing and computer operations. Upon the purchase of Naegele Outdoor Advertising, MCC became one of the top media companies in the United States.

Paul S. Simon is president of MCC. Richard E. Condon will continue as president of the Naegele Companies. A. Wayne Lamm serves as Naegele's national sales manager.

Morris Communications intends to preserve the tradition of excellence Naegele has established in the Outdoor industry by vigilantly maintaining and upgrading its Outdoor structures. The Naegele Companies were recently among the first major Outdoor concerns to offer early morning illumination (from 6-8 am). The 6-8 am drive time period accounts for over 11 percent of daily effective circulation, according to the Traffic Audit Bureau. Naegele's added illumination, at no extra charge, will mean even more exposure for Naegele advertisers.

Morris Communications Corporation media properties include: Alaska–Juneau Empire; Florida–Florida Times-Union, Jacksonville Journal, St. Augustine Record; Georgia–Athens Banner Herald, Athens Daily News, Augusta Chronicle, Augusta Herald, Savannah Morning News, Savannah Evening Press; Texas–Amarillo Daily News, Amarillo Globe-Times, Lubbock Avalanche-Journal, Lubbock Evening Journal. Newspapers (non-dailies) include: Florida–Courier-Journal (Crescent City); Georgia–Elberton Star-Elbert Beacon, Hartwell Sun, Royston News-Leader; South Carolina–Hilton Head News; Fort Worth–Quarter Horse News.

William S. Morris, III
Chairman & CEO
Morris Communications Corporation

Paul S. Simon
President
Morris Communications Corporation

Richard E Condon
President
Naegele Outdoor Advertising, Inc

A. Wayne Lamm
National Sales Manager
Naegele Outdoor Advertising, Inc

Commercial printing for business and industry is provided by MCC's publications divisions: Hartwell Publications, Southwestern Publications and St. John's Publishing.

Located in Texas, Florida and Georgia, these companies specialize in web and sheetfed offset printing of advertising circulars, textbooks, telephone books and high quality printing of all types.

Compudat is MCC's systems and services organization, providing intercompany EDP services; in addition to handling commercial programming for industry, government, business and agribusiness throughout the Southeast, Texas and Alaska.

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- GSA Greenville, SC (803) 242-1900 Spartanburg, SC (803) 583-1900 Asheville, NC (704) 252-1900
- Gastonia, NC (704) 867-7300
- Indianapolis, IN (317) 634-1900
- Jacksonville, FL (904) 768-1900
- Jacksonville, NC (919) 455-7206
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Kansas City, MO-Stamford, CT

versary of the Highway Beautification Act, this year also marks significant changes within the outdoor ad industry. In July, Gannett Outdoor Group, New York, formed the Outdoor Network USA with 21 other outdoor companies (AA, July 29), offering advertisers and agencies a nationwide system of outdoor companies in 75% of the top 100 areas of dominant influence.

Gannett's claim that nearly 40% of the nation's outdoor boards can be bought with a single phone call and only one invoice spurred more innovation.

Asch Advertising, according to Richard Asch, always has been able to service clients with the one phone call-one invoice outdoor buy, but since the Outdoor Network USA debut, even more services began offering their own versions.

Creative Marketing Services, Augusta, Ga., developed a computerized outdoor rates database to help advertisers, agencies and outdoor plant operators look into major markets and more smaller ones all over the U.S. The brainchild of CMS president Alice Vantrease, the database gives rate information by state, county, city, area of dominant influence and standard metropolitan statistical area.

The program features the one phone call-one invoice service to every outdoor company in the U.S., and like Outdoor Network USA, production costs can be included in estimating the buy.

More and more media companies are finding outdoor plants and networks to be attractive investments. This summer, Savannah, Ga.-based Morris Communications purchased Naegele Outdoor Co., Minneapolis, for an estimated $400 million.

Metromedia Inc., this summer rumored to be selling Los Angeles-based subsidiary Foster & Kleiser, is reopening the company's Detroit sales office.

Changes at the upper level of the outdoor industry have filtered down to local plant operators, Mr. Creel says.

Plant operators are updating their signs, physical structures and facilities. Plant operators are more environmentally sensitive, he says, and will landscape a board's site. That's because, in his view, good-looking outdoor structures "enhance that city's business reputation. It reflects well on the community, and more businesses will want to use outdoor ads."

On the legislative front, the outdoor industry faces escalating attacks. Congress this summer held hearings to talk of banning the industry's two biggest spenders, liquor and tobacco marketers, a loss of more than $260 million annually to the industry.

In Washington, a 2-year-old lobby called the Coalition for Scenic Beauty is pressuring Congress for tighter controls and regulations on the outdoor medium.

The coalition, together with other environmental and consumer groups, contends the outdoor ad industry, represented by the OAAA, has emasculated the Highway Beautification Act through amendments benefiting the medium and not the public.

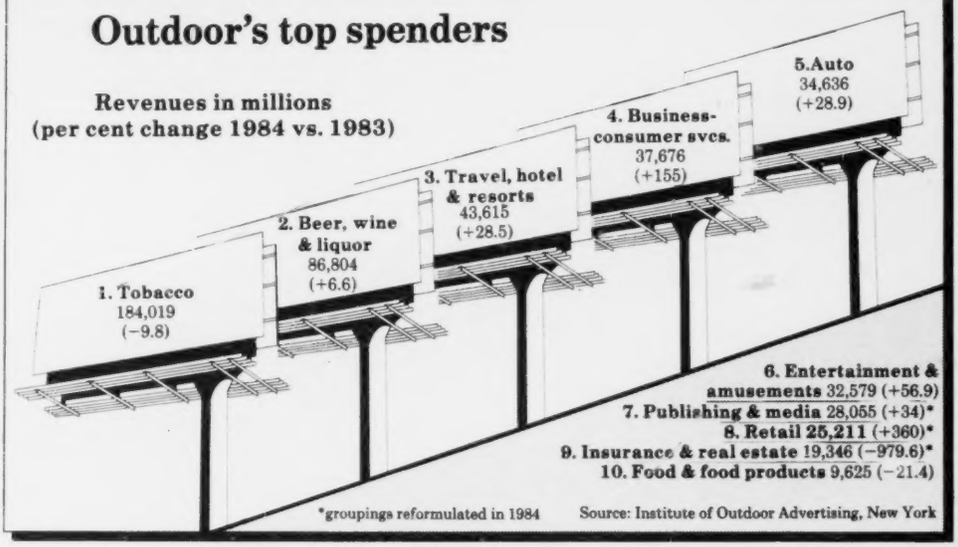
Sen. Slade Gorton, (R., Wash.), recently introduced a bill that would prohibit placement of new outdoor boards along federally funded highways and roadways and calls for amoritization of the existing boards, phasing them out within a five-year period.

The bill also would eliminate an outdoor company's right to cut vegetation obstructing signs and would turn all cash compensation matters, a standard practice now handled by the federal government, over to state agencies for removing boards from federal highways.

(Continued on Page 22)

Outdoor's top spenders

Revenues in millions
(per cent change 1984 vs. 1983)



6. Entertainment & amusements 32,579 (+56.9)
7. Publishing & media 28,055 (+34)*
8. Retail 25,211 (+360)*
9. Insurance & real estate 19,346 (−979.6)*
10. Food & food products 9,625 (−21.4)

*groupings reformulated in 1984

Source: Institute of Outdoor Advertising, New York

TAB

The Traffic Audit Bureau, Inc.

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APRIL 13 - 16, 1986

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Competitions provide positive exposure

France

By Claire Wilson

A visitor to Paris in June, designated National Advertising Month, will see outdoor boards in as much color and prominence as the traditional sights of the city.

The city will host the second annual International Outdoor Advertising Competition, open to advertising creatives around the world.

As many as 10 advertising exhibitions are planned for both the public and the professionals, but emphasis is on public participation. "The public is, after all, the target for advertising, isn't it?" says Philippe Benoit, director of Agora, Paris, the company charged with promoting French outdoor advertising.

As beautiful a backdrop as Paris will be, however, it will be difficult to top Nimes, the site of the first international contest. For three days last June, the picturesque hamlet, with some of France's best known Roman ruins, was transformed into a mecca of outdoor advertising. Outdoor boards and transit ads were mounted all over the city.

Claire Wilson is a Paris-based ADVERTISING AGE *correspondent.*

J. Walter Thompson London's campaign for Persil detergents, by illustrator David Fairman, took the grand prize for the competition.

Twelve international judges reviewed 713 entries from 16 countries to name winners in 19 categories, plus the grand prize.

The classifications for the winners are the same as for the American OBIE competition, without classification by size or application. "The only criteria is that they appear on the street," Mr. Benoit says.

Before the event, contest organizers posted promotional no-poster posters. The outdoor boards by References Saatchi & Saatchi Compton, Neurilly, France, featured a life-size board installer seated on a stool in the corner. Scrawled across the top, as if in apology for his idleness, was the legend: "The poster's in Nimes."

Outdoor companies donated space with an estimated value of $60,000 for 100 placements in Paris in March and the end of May.

Entries for the first contest were sent by outdoor advertising associations in each participating country. In 1986, agencies will be invited to send entries for a fee of about $50 each.

New rules will allow more than one prize per category. "We found ourselves with several good posters in a particular category and limited to just one prize, or in some cases, with no deserving winners in a category, [we were] faced with making a selection and an award anyway," Mr. Benoit says.

Organizers came by the idea to begin an international competition, as is often the case in France, over dinner.

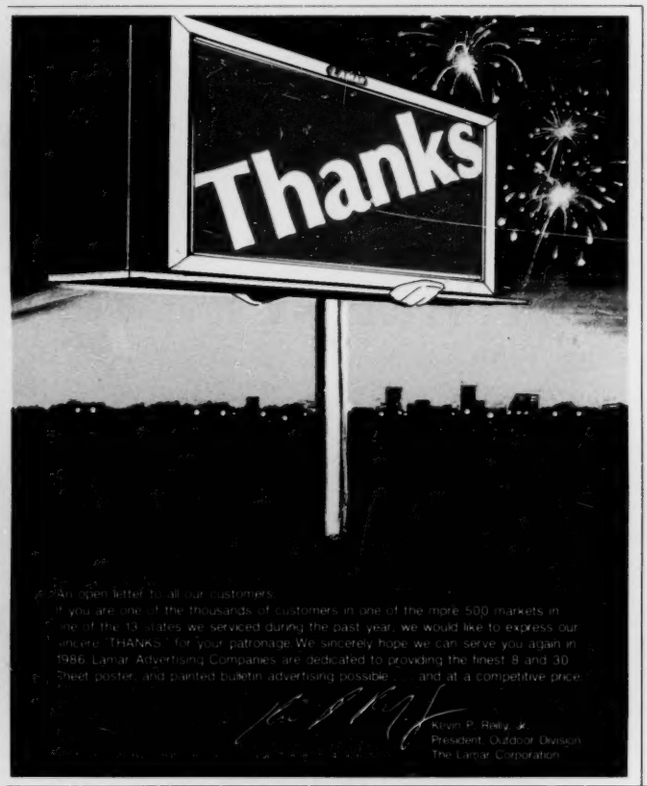
Agora and others in the outdoor industry had been organizing the French Advertising Festival in Corsica each September for 12 years. As French advertising and media become more international, with the invasion of satellite tv, foreign investors in land-based tv, the purchase of French agencies by Americans and the export of French agencies and media like Filipacchi's *Elle*, the idea for an interna-

Open Publi created this board for Armani, a winner in the apparel category in Italy's first outdoor board festival.

Italgas' board from Gruppo G. Comunicazione won in the miscellaneous category in Italy's contest.

Promo's designed this winning food category board for Gran Premio in Italy.

Persil campaign from J. Walter Thompson in London won the grand prize in the International Outdoor Advertising Competition, promoted by boards from References Saatchi & Saatchi Compton.



Battles

(Continued from Page 21)

All of this is seen as unfair and unnecessary regulation by the OAAA and members of the outdoor industry. Local disputes with outdoor advertising should be settled by local municipalities, an OAAA spokesman says.

Also, the right to operate an outdoor plant in any community is protected under the First Amendment as freedom of speech, Mr. Creel says, echoing the OAAA's stand.

Any amortization of outdoor boards amounts to seizure of private property by the government, and the OAAA and outdoor plant operators "are working very closely to defend their right . . . as property owners and corporate citizens, to operate the medium in commercial and industrial areas," Mr. Creel says.

Numerous articles have appeared this year in national consumer and newsmagazines, stirring public outcry against "billboard blight." The most reactionary article, according to Mr. Creel, ran in the June issue of *Reader's Digest*. That article, written by a contributing editor of the magazine, called the outdoor ad industry "parasitic" and urged readers to contact the Coalition for Scenic Beauty in support of Sen. Gorton's bill.

But the irony of the situation, says Foster & Kleiser's senior vp-eastern sales director John Mathis, is that at the time of the article, *Reader's Digest* had purchased the outdoor board directly across from the main entrance to Procter & Gamble in Cincinnati.

Reader's Digest's outdoor campaign ran from March through June, Mr. Mathis says.

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Editor's note: With agency creative departments and media departments clearly working more closely than ever, ADVERTISING AGE *Thursday* is helping their collaboration blossom.

Creatives and media directors, planners and buyers find they must meet more frequently to work out new creative solutions to the challenges posed by new media options such as 20-second and 15-second tv commercials, syndicated tv and radio packages, cable and cassette opportunities.

To assist them in their work, AA's "Magazine of the Creative Process" today expands its coverage and analysis of developments that relate to creative/media departments' disciplines.

Each Thursday, this "MediaWorks" page—supervised by New York-based news editor Craig Reiss—will include late information on television and radio availabilities, interpret tv ratings and discuss the meaning of the changes that are rapidly taking place.

In addition, "Street Talk" *(see Page 3)* provides agency media and creative executives opportunities to go on record with their views about events that relate to their clients' interests. ■

TV AVAILS

A weekly listing of tv programming that still has commercial availabilities open in the next few weeks.

"Hollywood Reporter," a Monday-through-Friday strip clone of Paramount's "Entertainment Tonight," has cleared 80% of the U.S. and is sold out for its Dec. 23 debut week. Columbia Pictures is producing the show with the *Hollywood Reporter*. LBS Communications, New York, is handling distribution and sales, and says it could juggle some advertiser scheduling to get a late-comer or two into the premiere week. No pricing revealed.

"Elvis: The Echo Will Never Die," a one-hour special on the rock 'n' roll legend who never got this much coverage when he was living, is scheduled for broadcast between Jan. 4 and Feb. 9. All American Television, New York, has already cleared the special in 85% of the U.S. and is just now hitting the streets to sell time.

BILL BOGGS

They're asking $18,000 per 30 seconds. No advertisers are signed yet.

"The Boy King," a one-hour dramatic special on the early life of Martin Luther King, is set for syndicated broadcast between Jan. 11 and Feb. 16. Actor Howard Rollins, who played the lead role in "Ragtime" and was up for an Oscar for his role in "A Soldier's Story," plays the young Dr. King. All American Television, New York, is handling distribution and sales. They're looking for full or half sponsorships; $300,000 or $150,000, respectively. All American has just started selling the show.

"Comedy Tonight," hosted and co-produced by New York tv celebrity Bill Boggs, the late-night Monday-through-Friday strip show has nine 30-second spots still open through December. Orbis Communications, New York, handles distribution and sales for the comedy talent showcase show, which has cleared in 105 markets covering 78% of U.S. tv households. Rate card is $5,500 per 30 seconds with a 2.0 rating guarantee. Procter & Gamble and Bristol-Myers are among the advertisers that have already purchased 327 spots in the series.

"Kids Inc.," a half-hour syndicated by Orbis Communications, has one $14,000 spot for the week of Dec. 16. It carries a 3.5 rating guarantee. Mattel Inc. and Mars Inc. are among the sponsors.

"Break the Bank," the Gene Rayburn-hosted game show, is cleared in 65% of the country and has four spots open in December. Orbis Communications is the barter syndicator, asking $4,000 per 30 seconds and giving a 2.0 rating guarantee. ■

ON THE DIAL

Upcoming radio specials and new programs or syndicated services.

"The Jazz Show with David Sanborn," a new one-hour weekend contemporary jazz show from NBC Radio Entertainment, New York, starts Jan. 5. Sanborn, who started with the Paul Butterfield Blues Band and now has nine solo albums to his credit, will perform as well as host other jazz musicians. No advertisers

D. Sanborn

signed as yet.

"Diet Coke Presents Live from L.A.," a 60-minute weekly show from LBS Network, New York. Diet Coke is the major sponsor. The show will have music, tv and movie stars before a studio audience taking telephone calls from listeners. No other sponsors yet. LBS Network is a unit of LBS Communications.

"Heart & Soul" is a new 24-hour format from Satellite Music Network, Dallas, geared to urban audiences and the 25-to-49 age group. Researched by Strategic Radio Research, Chicago, it mixes oldies with Motown and contemporary artists with strong cross-over appeal. SMN says initial results on 17 stations show an even split among black and white listeners. No national advertisers yet. ■

REISS'S THESIS

Super Bowl order changeth

By Craig Reiss

The Old Guard sports advertisers are sitting out Super Bowl XX in significant numbers.

The market is weak.

The new multidimensional man is watching prime time.

There's more sports on the air than ever.

And there's no way the Old Guard—especially its U.S. car maker contingent—is going to pay 10% more than last year's $1 million-a-minute to get reasonably good tickets to the game.

As fate would have it, the Old Guard takes its hard line in the season NBC gets the Jan. 26 championship game. All year long the NBC Sports sales force has argued that the soft sports market is the creation of the buyers' propaganda machine. Softness is determined by the lack of buyers, and NBC says if the Old Guard doesn't want it—at its price—the New Guard will.

The way NBC formally *announced* its Super Bowl was sold out—and at its asking price—betrays just how seriously NBC is taking this latest media showdown.

It's as if NBC decided to rub the sellout in the noses of those who had passed on the game. The secrecy that covered NBC's new Super Bowl client roster—the network said the deals included promotional tie-ins, and it wanted to let the advertisers release their own details—also spoke volumes about what it took to find elasticity in the advertiser market.

The flip side of the NBC I-told-you-so is the assumption that the New Guard simply does not know any better and is paying the freight. Sooner or later, they'll wise up. To which NBC must reply that, by that time, it will cost the Old Guard even more to get back in the game than they saved by dropping out.

So the questions now become: Will NBC's new roster of Super Bowl advertisers stick with sports beyond this one big event, or is NBC dealing with a one-night stand, an aberration in the sports market? Are the new Super Bowl advertisers big enough to make up for the loss of the automotive exclusivity category (exclusivities bring premiums, and such deals usually spread to other, softer, programing). With Stroh bowing out and Miller passing, will Anheuser-Busch keep paying premium rates to freeze out Coors? What advertiser category is strong enough to counter the loss of last year's computer marketer competition? If AT&T retrenches, can GTE Sprint pick up all the slack?

My money usually goes with the guys writing the checks, and the bigger the check they write, the more I bet with them. ■

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen National Overnight Ratings.*

Show	Week ending	12/6	11/29	11/22
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		32	28	24
2. "Family Ties" (NBC)		25	23	20
3. "Dallas" (CBS)		22	12	15
4. "Monday Night Football" (ABC)		21	-5	-1
5. "60 Minutes" (CBS)		20	22	22
6. "Golden Girls" (NBC)		16	18	13
7. "Sunday Night Movie: Perry Mason Returns" (NBC)		16	-8	-2
8. "Miami Vice" (NBC)		14	7	5
9. "Dynasty" (ABC)		13	13	16
10. "Murder, She Wrote" (CBS)		13	8	DNA
GOOD WINNERS				
11. "Facts of Life" (NBC)		11	13	13
12. "227" (NBC)		10	13	8
13. "Cheers" (NBC)		10	1	8
14. "Gimme a Break" (NBC)		8	10	11
15. "Love Boat" (ABC)		7	-5	-8
16. "Night Court" (NBC)		6	DNA	4
17. "Highway to Heaven" (NBC)		6	11	6
MARGINAL WINNERS				
18. "Hotel" (ABC)		5	DNA	DNA
19. "Knot's Landing" (CBS)		3	3	7
20. "Spenser: For Hire" (ABC)		3	-12	-3
21. "Moonlighting" (ABC)		3	-7	0
22. "Webster" (ABC)		3	4	2
23. "Scarecrow & Mrs. King" (CBS)		3	0	2
24. "Mr. Belvedere" (ABC)		2	3	0
25. "Who's the Boss" (ABC)		2	2	1
26. "A-Team" (Second ½ Hour) (NBC)		2	-1	3

BEHIND THE SHARES

NBC's **Cosby Show** is not only *the* dominant show on tv, but it continues to beat its direct competition by increasing margins. **Cos** became the first show this season to score 54 share points. Its 32-point margin of victory last week almost deserves its own category of winner. . .**Family Ties,** which follows **Cosby,** is the luckiest show on tv. **Ties** also is tracking upward. . .**Dallas** made a 10-share domination jump against its regular competition, an especially impressive surge for such an established show. . .Tell ABC it was losing Cosell and not the poor schedule. **Monday Night Football's** Bears-Dolphins game gave the show a 26-share domination turnaround; the game had not won its time period in a month before that. . .**60 Minutes** continues as the strongest, steadiest audience deliverer this side of **Cosby**. . .**Golden Girls** has steadied after suffering under the weight of ABC's **North and South.** It's a certified new hit for NBC. . .Can **Perry Mason Returns** be far off as a regular series? The NBC made-for-tv movie was the first time-period winner for its **Sunday Night Movies** in a month, and **Perry** beat up on the competition. . .**Miami Vice** had its strongest week in a month, as Sonny Crockett remembered Vietnam, a la Thomas Magnum. . .**Dynasty** continues rolling along, showing no signs of weakening. . .**Murder, She Wrote** is back to its usual strength after a slight slip following a preempted week. . .**Facts of Life** is doing consistently well, although it's no **Cosby**. . .**227,** riding the strength of **Golden Girls,** has recovered from the **North and South** setbacks. . .**Cheers** had a 9-share domination rebound last week. . .**Gimme a Break** keeps winning handily. . .**Love Boat** makes the charts for the first time in a month, and ABC starts a letter-writing campaign to NBC pleading, "Don't cancel **American Almanac.**" Oh, the power of the network news department in prime time. . .**Night Court** seems to have settled as a comfortable, though not formidable, winner in its Thursday slot. . .**Highway to Heaven** blipped two weeks ago, settled back into regular winning margin last week. . .**Hotel** had not been seen in a month, then comes back to win its time slot against **The Equalizer** and **St. Elsewhere**. . .**Knots Landing** is edging out a narrow victory every week. . .**Spenser: For Hire** got a new time period and showed its first victory, a 15-share-point domination turnaround.

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December 19, 1985

Advertising Age Tuesday

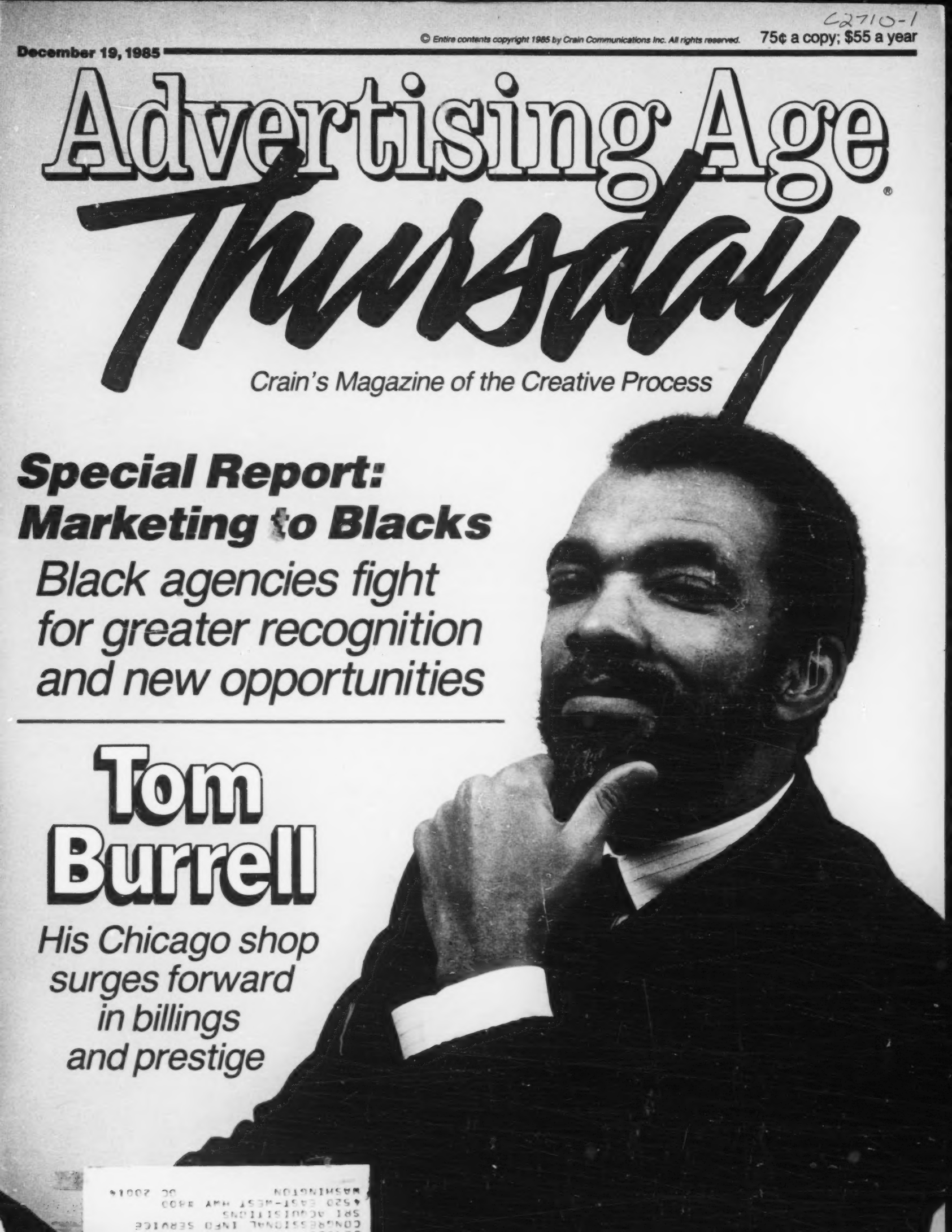
Crain's Magazine of the Creative Process

Special Report: Marketing to Blacks

Black agencies fight for greater recognition and new opportunities

Tom Burrell

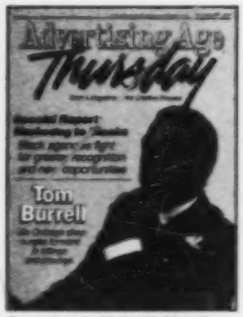
His Chicago shop surges forward in billings and prestige



Thursday

Burrell aims for big time

Tom Burrell now can lure top personnel away from large agencies and other companies, doing to them what they had been doing to him for so long. His 14-year-old agency may have reached this point just in time, now that fewer companies are signing up a minority agency out of a sense of social obligation and fewer talented blacks are willing to make big sacrifices to work for the smaller, black shops. *See Page 4.*



Cover photo by Michael A. Marcotte

Sweets

For Darrell Wilkes, a senior art director at J. Walter Thompson USA, New York, the moment of inspiration, the moment he knew he had just found "the look" for the new "Sweet dreams" campaign for Nestle milk chocolate and almond bars, was inside a darkened theater on Manhattan's Upper West Side. *See Page 12.*

Shoes toe Cole's law

While Kenneth Cole makes shoes that teeter on the edge between fashion and parody, they never lose their balance. And it is this perfect poise that makes them so attractive. Retailers are more than amused—they're enthused. *See Page 12.*

Special Report—Marketing to Blacks

The leading black agencies in the U.S. reveal their steps to success and the barriers they've encountered in trying to break into general-market accounts, beginning on Page 15.

Presstime

Bills aim at cigaret ads

WASHINGTON—Senate and House bills were introduced this week that would bar cigaret companies from deducting cigaret ad costs as a business expense. The moves were seen as a response to the American Medical Assn.'s push to ban all cigaret ads (AA, Dec. 12, *et seq.*). The bills were introduced by Sen. Bill Bradley (D., N.J.) and Rep. Fortney Stark (D., Cal.) in their respective chambers. The Bradley bill would affect only ad costs; the Stark proposal would eliminate the deductibility of all promotional expenses.

SBA gets 'Playboy'

CHICAGO—*Playboy* has named Smith Burke & Azzam, Baltimore, to handle its $2.8 million consumer account, following the agency's selection to handle the monthly's trade advertising account (AA, Oct. 17). Consumer advertising, which had been in-house, is to be tested on tv and radio here and in New York and Los Angeles for the March through May issues, with results to guide expansion into other markets as well as other issues.

Two vie for BankAmerica

SAN FRANCISCO—BankAmerica Corp. has narrowed the review for an estimated $4 million new corporate-image account to Allen & Dorward and Ketchum Advertising. Speculative creative will be test-marketed, and a winner will be named in January. Grey Advertising here and Keye/Donna/Pearlstein, Los Angeles, also were finalists (AA, Sept. 23).

Austin, Nichols ceo to leave

NEW YORK—Austin, Nichols & Co. president-ceo Marshall Berkowitz will leave that post at yearend as the company undergoes a major restructuring. As a result of a joint venture between its parent, Pernod Ricard, and R.J. Reynolds Industries' Heublein unit, Austin, Nichols now will manage Pernod Ricard's U.S. interests. The joint venture, Boulevard Distillers & Importers, will take over production and marketing of Wild Turkey bourbon; Austin, Nichols' main product; Heublein Spirits already distributes Wild Turkey. Succeeding Mr. Berkowitz is Pierre de Champfleury, formerly exec vp-marketing, Wild Turkey's account, now at Calvillo, Shevack & Partners, is under review (AA, Dec. 16).

Chevy backs 'Drive-Aid'

NEW YORK—General Motors' Chevrolet division, Detroit, will sponsor a "Drive-Aid" rock concert as the latest fund-raiser for Live Aid's African famine-relief efforts. The concert, due Feb. 20, will be co-produced by Radio City Music Hall here and World Wide Sports & Entertain-

(Continued on Page 39)

Holiday notice

ADVERTISING AGE *Thursday* will not be published Dec. 26 or Jan. 2 due to the Christmas and New Year's holidays. The next issue of AA *Thursday* will be Jan. 9.

Street Talk

The question: Chesebrough-Pond's is the latest advertiser to pull its print media in-house with the intent of using its clout to get magazines to break rate card. Should magazine buying be turned over to negotiations?

Eugene McCarthy, senior vp-executive media director, BBDO, Southfield, Mich.: Magazines are at liberty to do whatever they choose, but they will reap the consequences. If they drop their rate cards, they may be penalized for it in the long run. Magazines have prospered because rate cards eliminated the need to negotiate for space, unlike broadcast media. You will always get magazines that are not in demand that take the risk. But if others do find out, they'll have to drop their rates across the board. It's up to them, but I think it would be harmful.

E. McCARTHY

M. ROSEN

Marcella Rosen, senior vp-media director, N W Ayer, New York: Both from the client and agency side, we've got to make the best deal possible for our clients. When business is bad, we've got to look for better packages. And while we try to do the best we can for all clients, not all situations are the same. Also, this is really not a new concept. It has been very traditional in broadcast to negotiate individual sales. I've always felt that negotiating on behalf of the client was part of our charge.

Paul Zuckerman, senior vp-director of media planning and operations, Doyle Dane Bernbach, New York: I'm dead set against breaking rate cards. We would be negotiating every buy and would never know if we're getting the best price. If magazines come to us with specific proposals, we should evaluate them, but we should never solicit breaking rate card. It would undermine the credibility of the medium, the industry and the client. Breaking rate card would lead to negotiations for positions, adjacencies and leverage—so the strong would get stronger.

P. ZUCKERMAN

T. PIERCE

Thurman Pierce, vp-U.S. manager of print media, J. Walter Thompson USA, New York: Every time the economy goes down and the market for magazine space gets soft, magazines start dropping their rate cards. There's nothing new about it. Now, magazines are not having a good year and some advertisers and agencies are putting pressure on them. It's a carry-over from tv. But if those rates are broken, agencies have a new obligation that we didn't have before. We must get the client a rate that is as low as anybody else's for the same volume.

Mike Bienstock, vp-associate media director, BBDO, New York: No. We don't seek or encourage magazines to break rate cards. It would be unfair to all our clients. If we were able to negotiate a good deal for one client, others would question why we didn't do it for them. Further, for many small, targeted magazines, it could undermine their profitability. We're not buying the small ones for price or efficiency. We want them for selectivity, position and editorial adjacency. Breaking rate cards is a negative for the whole industry, and I wish it would come to a halt.

M. BIENSTOCK

ADVERTISING AGE *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE *Thursday*, 220 E. 42nd St., New York 10017.

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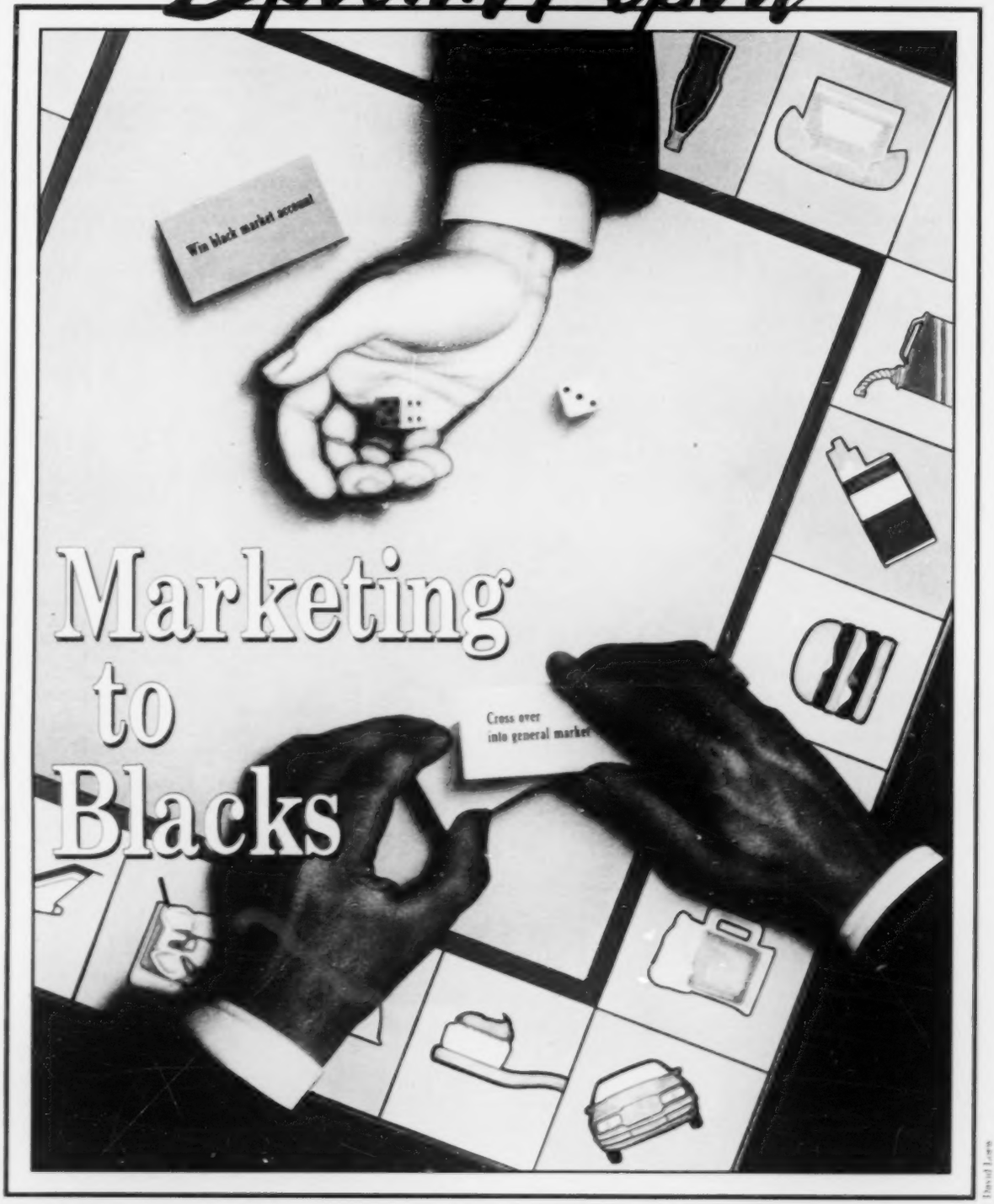
Special Report



Marketing to Blacks

Agencies playing for equality from advertisers

By Ed Fitch

In the movie "Guess Who's Coming to Dinner," a classically liberal couple confront their true feelings about blacks when their daughter brings a respected black doctor home as her fiance.

It's time advertisers and black market agencies sat down and broke bread.

Black market agencies have been accepted by general market advertisers and their agencies, but they are not always embraced as equals. And in terms of agency size they are not equals.

Of the 18 agencies listed as black market specialists in the *Standard Directory of Advertising Agencies*, 15 reported billings. These agencies' combined billings equal $168 million, or the 1984 billings total for Geers Gross Advertising, ranked as the nation's 46th largest agency by Advertising Age.

Granted, these billings do not represent advertisers' total black market spending. Many general market agencies realize part of their billings from black market work, and the agency directory does not list all black market specialists. But the comparison illustrates that if general market companies invite black market agencies to dinner, they would have to provide a booster seat for their guests.

An advertiser that uses size as an excuse to not use a black agency is not putting all of the cards on the table, says Joel P. Martin, president, J.P. Martin Associates, a New York-based agency. "The response 'Your agency is just too small' is used as a shield for people who don't want to get involved.

"If a white man or woman representing an agency of a comparable size as mine went to a client, they could pitch either black market or general market business," she says. "But because I am black, I am assumed to have only one area of expertise and am offered one business opportunity—the black market."

Some black agencies seem content to concentrate their efforts within their specialty. "There's enough business in our own backyard," says Anthony Moore, vp, director-media and research of Chicago-based Proctor & Gardner. "Some want to cross into the general market and some want to grow from within the black market specialty. It depends on what they feel their strength is."

Wanting to expand market horizons is a natural impulse for agency executives. "Most black agency executives received their training in general market agencies, which brings to us an advantage of general market exposure," says Ms. Martin, who launched her agency after leaving McCaffrey & McCall.

In addition, she says, blacks have been forced to understand white society in a way whites have not had to understand the black community. "We offer the best of both worlds."

Many black agencies have seen some of their efforts added to national campaigns. Mingo-Jones developed Kentucky Fried Chicken's national tag line; Uni-World Group's Burger King spots are familiar to any tube addict.

In doing business in both markets, however, the big winner is Burrell Advertising. In addition to select Ford Motor Co., Coca-Cola Co., McDonald's Corp. and Procter & Gamble work that can be seen in any household, the Chicago agency won Jos. Garneau Co.'s general market assignment for Martell. With minorities accounting for 25% of all cognac sales, according to Business Trends Analysts, Commack, N.Y., this probably was a smart move by Garneau.

(Continued on Page 30)

Media

(Continued from Page 27)

market and media increase, black shops could see a business boom, says Frank Mingo, president of Mingo-Jones, New York. "More concern, more awareness will lead to more people beginning to say, 'We'll go to the folks with expertise,' " he says.

Mr. Alligood challenges that notion, saying, "The requisite is not whether the agency is black or general. The requisite is that it's an intelligent agency that is handling things in an intelligent and prudent manner." Despite an over-all shaky success record in establishing internal black market units, more agencies may combat the perceived threat of black-owned agencies by forming such groups.

The result, Mr. Lewis says, is that even the most hypocritical media buyer will recognize the value of black media. It fills emotional and informational needs that make it attractive to the black buying public. Consequently, any advertising placed there gets better than average attention, he says.

"I don't understand why [businessmen] can't make that connection," Mr. Lewis says. "They can make a similar connection for the *Wall Street Journal* and the *New York Times* and television shows like '60 Minutes,' 'Monday Night Football' and 'Dynasty.' " AA

Directing the right buys

The accompanying charts show the leading black-oriented magazines and the top tv shows among blacks, but a lot can be said between these lines. ADVERTISING AGE went to the media directors of some segmented market agencies to fill out the picture:

Pat Stevenson, vp, media director, J.P. Martin Associates, New York:

"There has not been a lot of talk about the role of black viewers in network erosion. If cable is going to only upscale areas and it is eroding network, then the network viewer profile is skewing more toward minorities, who don't live in areas receiving cable.

"Minority viewership is not eroding and it is becoming more of a factor in programing. Black viewers may be why top shows are doing well. Of course, the efficiency is still not there.

"Black Entertainment TV is out on cable, but it faces the handicap of going only into areas where cable goes. And these are not typically black areas. Minorities have a greater propensity to view tv, and cable went out recognizing that the greatest potential users of product would not be reached.

"Cable needs to look at more of a general market to survive. The face of cable programing will have to change. They have come to the realization that they need more general audience programing and to look at potential audiences.

"Black magazines' problem is that they are not included in general market budgets. This year J.P. Martin positioned *Essence* as the eighth sister and *Jet* compared itself to *People* to illustrate that although they do deliver black people, they deliver people. They want to be considered in general market buys.

"The most recent Scarborough report on black newspapers shows them at 300 strong, covering about 30% of the population. Any place you have a concentration of blacks, there will be a newspaper. Because about 65% of them are represented by black media rep companies, they are not difficult to buy.

"It appears that general ad agencies are starting to recognize that eight-sheets are pretty much ethnic boards. Black agencies and local businesses have always used a lot of eight-sheet, but it seems that national product advertisers are beginning to catch on.

"In radio, we see that audiences are spreading out into other formats because black artists, like Michael Jackson, for example, are being played on them. You have to take a look at the top contemporary stations now, in addition to the traditional black/urban format."

Anthony Moore, vp, media director, research director, Proctor & Gardner, Chicago:

"I think radio is a very efficient way to reach blacks. It's reach is pretty strong, compared to radio for white audiences. You may have 20 stations for white listeners, but only a few for blacks, so listening is concentrated in fewer outlets.

"Because of the programing, you don't have to face a lot of waste. It may be the most efficient black media outlet.

" 'The Cosby Show' is a waste of money as a black market buy. For any show to work, the majority of viewers have to be

Blacks don't look for a mirror in the tube

Black households account for 10% of total tv households and nearly 15% of total tv viewing. The ranking of black-favored programing certainly questions the assumption that black viewers are drawn only to black-oriented shows.

Top 10 shows among blacks	Ranking among total households
1. The Cosby Show	1
2. Dynasty	3
3. The A-Team	5
4. Family Ties	2
5. Hotel	10
6. Knots Landing	18
7. Knight Rider	48
8. Gimme a Break	54
9. Riptide	12
10. Webster	44

Source: BBDO Special Markets Group

Does Money Matter

It sure does! Understanding what it is, how it works and how to make more of it is at the core of everyone's thinking today. The Black community is no different. As Blacks become more aware of their increasing financial strength, the need for good information is increased.

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white. So although many black people watch "The Cosby Show," to call it a black market buy would be wrong because there would be a lot of waste for the money."

Nick Howse, vp-media director, Burrell Advertising, Chicago:

"Comparing household ratings, tv shows with blacks in them are viewed in disproportionate numbers in black households. But, I don't think black people watch 'Dynasty' just because Diahann Carroll is on it.

"Across the board there are more media outlets. There was a time when there was just one [radio] station in each market.

The big get bigger

Major black magazines' performance (1983 vs. 1984)

	Per cent change		
Title	Ad pages	Ad rev.	Circ.
Ebony	4.8	11.8	3.9
Jet	−3.9	15.1	−0.3
Essence	4.9	8.4	—
Black Enterprise	5.3	17.2	1.0

Source: *Folio* 400/1985

Now in medium-size markets there are two and in large markets there are several.

"There are more magazines now too. There was a time when there was only *Ebony* and *Jet*. Now there's *Essence*, *Ebony Man*, *Modern Black Man*. I think *Ebony Man* and *Modern Black Man* were long overdue because adult black males have been the hardest group to reach.

"Black newspapers had been experiencing growing pains. Now they are becoming aggressive and relevant. They are an increasingly important force.

"The five-year growth curve [for black media] goes almost straight up. There's a good chance [all outlets] will survive.

"There's more commitment now. It used to be a [radio] station would have a couple of bad [ratings] books and they'd sell the station."

David Krieger, exec vp, Adelante Advertising, New York:

"If you have a really major effort, you have to cover every form of media. In our Apollo theater campaign for Dewar's, in addition to using typical media outlets, we used subway, outdoor, poster, brochures, merchandising.

"Media efforts are weakened without point-of-sale support. It's our biggest thrust, because the buyer may be seeing and hearing pretty generic commercials on tv and radio. When you get into the market and reinforce the message at the point where they buy, it can make the difference between whether or not a sale is made."

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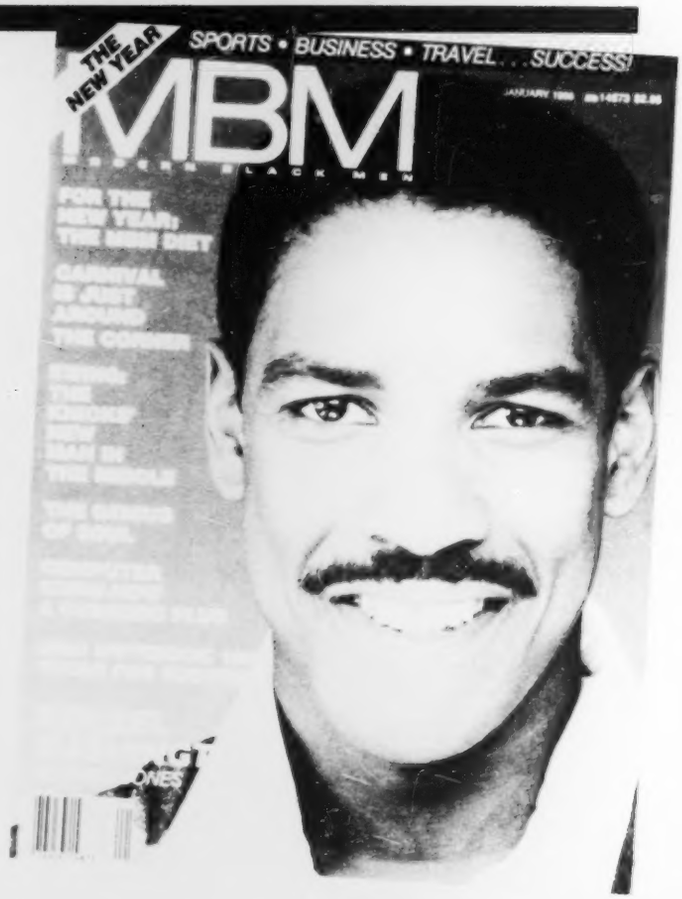
WHO CAN AFFORD TO BE OUT OF THE BLACK?



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Manufacturers and retailers alike should take a long look at this emerging middle class with increasing new money to spend. Over the past 13 years with wider job opportunities, rising income and increased schooling, we have a new status and we are spending money on luxury items and especially automobiles, clothing, electronic equipment, and travel to prove it!

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Equality

(Continued from Page 15)

Addressing a strong customer franchise is one thing; creating an execution that speaks to both the minority segment and general market is another. "The approach Burrell used for Martell fit the psychic expectations of both markets," Ms. Martin says. "It's a life-style approach anyone can identify with. The desire to do, be and have the best."

J.P. Martin's Anheuser-Busch corporate work was created for the black market, she says, "but that doesn't mean it's not appropriate for the general market. In some sense, black market advertising has to talk to every market because a company's advertising cannot be objectionable."

Vince Cullers, president of Vince Cullers Advertising, Chicago, agrees, saying a recent spot his agency did for Amoco Oil tested equally well in the general and black markets. "You have to look at well-targeted efforts without offending any part of the buying market."

In creating a spot that crosses into the general market, he says, it may be difficult not to offend portions of the black market. "Some blacks might react favorably to campaigns that position us as part of the greater scheme of things, but this approach might insult a big segment."

Both Ms. Martin and Mr. Cullers say spots that cross into both markets are more efficient because they deliver a larger audience at a one-spot production cost. "For this reason, agencies that understand the black and general markets should be given

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Promotion and pr not lost on market

The old stool metaphor is not lost on some members of the black marketing movement. The saw says if one leg is cut, the stool will tip over. Moving products through the black consumer market is no different, they say, and advertising is only one leg.

"A lot of companies will hire a black market ad agency and feel they have reached the black consuming market," says C. Roy Jackson, director, Flair Communications, Chicago, and head of the promotion company's segmented market division. "You reach black consumers in many ways—one way is advertising, another is promotion."

Approaching the black consumer market through promotions is like traveling uncharted terrain. "Promotion companies would set up booths at fairs and hand blacks shopping bags and that would be the extent of their efforts to reach blacks through promotions," he says.

Yet blacks are spontaneous and brand-conscious buyers, qualities that complement promotion's immediacy, Mr. Jackson says. "You can reach them at the instant they exercise their buying power."

Promotions also permit finely targeted marketing efforts, a plus in reaching the urban-based black populace and one that could become a larger factor as the black population distributes itself further across the economic spectrum.

"We created a promotion for Beatrice that recognized the leading 100 black businesswomen," he says. "We are using them as a means to spread information to their communities; the impact of the promotion will filter down to their associates and friends."

Another Flair promotion for Beatrice will enter the market through black churches, another strong information outlet.

Another leg of the communications stool plays a large role, says Charles Richardson, Tri-Ad Consultants, a New York-based ethnic marketing services company. "Public relations efforts tell the public a specific company is supporting this group, energizing a drum and getting the public talking about a company. If you start people talking, it will ripple outward."

Tri-Ad administers Brown & Williamson's Hot Line on Jobs program, which he says illustrates pr's ability to generate good will. "It's not advertising and it only influences sales incidentally," he says. "These non-exploitative programs carry a large residual impact of sincerity in speaking to minorities. They give back to the community what has already come to [companies] in sales, and indicates a company is here to stay."

Blacks notice companies' community-oriented activities and respond in kind, Mr. Richardson says. "They are sophisticated and are aware of manufacturers' motives."

Of course, boosting sales can be an information campaign's prime objective. For example, "Silverado" was not advertised to the black community as having a black actor, he says. "If you get that fact into the black community, it can have an enormous impact on box office receipts."

Pr does have its place, and it is not to push product categories in which blacks are the major consumers. Here the heavy sell is more appropriate, Mr. Richardson says. "The softer sell tells the market the company is out there. Its message is something different than our product is better than the next guy's."

Flair's Mr. Jackson has no doubts about promotions' ability to sell goods. "Electronic media help in terms of moving merchandise," he says, "but promotions actually move merchandise off the shelves."

He says he will not compete with agencies for business, however, opting to work through them. "I'm not in electronic media and they are not specializing in promotions. Black agencies don't handle promotions because it involves a large investment in money, people and time. It is a specialized and sensitive area of communications."

And every stool needs at least three legs. —*E.F.*

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Media outlets tune in to needs

So, Mr. and Ms. Marketing Director, you think you've got it bad, sitting in New York or Chicago, wanting to reach the black consumer market and complaining the major black agencies you have approached already have a client in your product category.

Well, picture yourself in Philadelphia, Houston or Detroit—all areas with sizable black populations and fewer or no black market agencies.

According to Lee Zapis, director-operations, at WZAK (fm) in Cleveland, advertisers in smaller markets can turn to the Yellow Pages for help, but they should look under the "Radio stations and broadcasting companies" heading.

"Out of necessity, many black media function in the same fashion as black agencies, often providing creative services, mailing lists, research data and promotional vehicles."

The only alternatives general market advertising agencies offer is to run a general market ad in targeted media or tailor ads to the segment—options that may work as long as the product is the only one being presented to the black buying public, he says.

In lieu of specialized black market agencies, black-oriented media's familiarity with the segment provides them with the expertise to more effectively reach blacks, Mr. Zapis says. "Also, disc jockeys carry a lot of clout in the black community and can be very effective product spokespersons."

Mr. Zapis says he identifies with all of the problems black agencies face. Although blacks comprise about 20% of the Cleveland metropolitan area and about 50% of the city itself, "we're faced with a constant educational process, the same challenge black market agencies confront," he says.

"Very few general market advertisers come to us without prodding," Mr. Zapis says. "You get the black personal care marketers and liquor companies, but there is no 'black' toothpaste, so you don't have those kinds of accounts walk through the door on their own."

Once advertisers run a black market ad, they typically become long-term customers, he says. One reason is the results are visible. "They see the return on their effort in the increased number of black consumers walking the aisles of their stores." —*E.F.*

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93FM WZAK

A comparison in black & white

	Black adults	White adults
Population	18,302,000	147,469,000
Male	44.6%	47.6%
Female	55.4%	52.4%
Single	32.5%	19.9%
Married	40.8%	63.7%
Divorced/separated/widowed	26.7%	16.4%
Graduated college	8.5%	17.8%
Graduated high school	36.5%	40.4%
Age		
18 to 34 years	45.3%	39.5%
35 to 49 years	23.6%	25.1%
50 or older	31.2%	35.4%
Median household income	$14,187	$25,708
Employment		
Professional	7.2%	16.6%
Technical/clerical	14.5%	19.3%
Precision/craft	5.2%	8.0%
Other	27.8%	17.2%

Source: Simmons Market Research Bureau, 1985

the opportunity to pitch more business," Ms. Martin says.

Minority agency executives say their shops are very capable of working in both markets. Many marketers' efforts to reach the minority segment are best described as putting a black face in a general market campaign, says David Krieger, exec vp, New York-based Adelante Advertising. "While you may reach the segmented audience with general market campaigns and media placements, you're not talking to them."

More than creative expertise is at question, Ms. Martin says. Pr efforts, promotions, distribution checks, "all of the strategies that guarantee a product's market success must be addressed. Distribution is so important because many of the best selling brands in the black market are the only ones distributed to it."

Black agencies also are more familiar with segmented media, Ms. Martin says. "A lot of agencies lose interest in smaller media vehicles, meaning black media."

Any major agency has thousands of employes, Mr. Krieger says, "so you know some of them are black, Hispanic, Arab. It's not that they are insulated, it's just not their orientation."

Black agencies still appear to be struggling to win business in their own specialty, much less branch into the general market.

"Black agencies are three times as hard pressed to state their case and therein lies enormous frustration," says Peggy Seats, Proctor & Gardner's marketing manager. That case, most simply put, is that the black market exists and deserves to be addressed in advertising.

A look at the big buying picture explains black agency executives' frustration. Black consumer expenditures should reach $203 billion in 1985, according to Market Research Bureau, New York.

"If you look at the dollars spent by blacks and the product usage indexes, it's frustrating when you're not even given a shot to pitch for some business," Ms. Martin says. "In certain categories—music, fashion, electronics, cooking, baby food, orange juice, malt liquor and many more—blacks are trendsetters. A campaign to the black market can spread to the general market. In many instances blacks drive the category."

Ms. Seats says many marketers "still have a problem investing in the market. It will take a more critical examination on their part of the bottom line."

Part of the problem is the number of "lame duck advertisers," Mr. Moore says. "They ask the question of whether they want to take on what they perceive to be a problem area. True marketers look toward opportunities."

This is why black agencies are being given more business opportunities, Mr. Cullers says. "Companies are turning to the black market because there are no other places for them to go to increase their business."

Still, the over-all feeling is one of frustration. "Nobody said it was going to be easy," Ms. Martin says. "Black agencies are not asking for handouts, just to be given an opportunity." Dinner, anyone?

Associate editor Ed Fitch coordinated this report on Marketing to Blacks.

Coming

ADVERTISING AGE *Thursday* will not be published Dec. 26 and Jan. 2 because of the Christmas and New Year holidays. Publishing of *Thursday* will resume with the Jan. 9 issue, and the Special Report will focus on Consumer Electronics.

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MediaWorks

TV AVAILS

A weekly listing of tv programming that still has commercial availabilities open in the next few weeks.

"WWF Network," a combination package of all six World Wrestling Federation broadcast and cable shows, including WWF Championship, All-Star and Super Star over the air, All-American, Prime Time and TNT on USA Network. Titan Sports, Greenwich, Conn., handles. The network package has 90% U.S. household unduplicated coverage. Up to two minutes per show per week still are available at $35,000 per 30 seconds. The shows are being sold individually as well. WWF guarantees an 11 national rating and will negotiate demographic guarantees. Warner-Lambert, Valvoline, Coleco and LJN Toys are already in the shows.

"Boys Town," a made-for-tv updating of the Mickey Rooney classic, is being produced by Columbia Pictures and syndicated by LBS Communications, New York, for an April run. Station clearances are being completed now and the LBS sales force will hit the streets with "Boys Town" next week. No advertisers are signed yet. LBS is asking $85,000 per 30 seconds and is guaranteeing a 15 national household rating. It expects 90% U.S. coverage by airdate. The show stars Art Carney.

World Wrestling heavyweight champion Hulk Hogan stars on "WWF Network."

"America's Top 10," the Casey Kasem-hosted perennial weekly series, has time left through December at $16,000 per 30 seconds. All American Television, New York, handles distribution and sales. The show is carried in 85% of the U.S. Mars, Noxell and Nabisco are three of the regular sponsors of the music countdown show.

"New York Hot Tracks," a music-video show hosted by former New York deejay Carlos DeJesus and concentrating on rhythm and blues videos, has spots open through December. All American Television, New York, is handling sales for the show, which has cleared 65% of the U.S. The U.S. Army and Coca-Cola already are regular sponsors. All American is asking $4,500 per 30 seconds.

"Black Achievement Awards," a special syndicated by Carl Meyers Associates, New York, to 94 stations for a play date in February, already has Miller Brewing as its major sponsor and AT&T, Ford Motor Co. and Burger King as participants. Johnson Publishing Co., Chicago, made the nominations for the awards, and the winners were selected by an "all-star panel of black opinion leaders." No prices were revealed. ■

ON THE DIAL

Upcoming radio specials and new programs or syndicated services.

"Live from the Hard Rock Cafe," a 90-minute monthly live show from NBC Radio Entertainment, New York, starting Feb. 2 at 8:30 p.m. (ET). David Letterman's band leader Paul Shaffer is the host. The show comes from New York's Hard Rock Cafe. Heineken is the major sponsor, but there are still availabilities. Ad closing is Jan. 20.

P. Shaffer

"The Pat Benatar Story" airs Dec. 21 as the latest edition of United Stations Programming Network's 90-minute "Hot Rocks" series of specials. Faberge's Babe cologne is a major sponsor. The specials combine interviews with the featured star and the performer's music. United Stations ran 15 "Hot Rocks" in 1985, and plans to expand the series next year.

"Emmylou Harris' Golden Decade" is the New Year's Day holiday special in the "Country Six Pack" series from United Stations Programming Network, New York. The special already is cleared "by most of the Arbitron-rated top country stations in the nation on an exclusive market basis," according to USPN. The "Country Six Pack" series this year has had major sponsors such as Allstate, Ford Motorcraft, Holiday Inn, Johnson & Johnson, Ace Hardware and Remington shavers.

"Top 85 of '85," is a series of countdown shows featuring the top 1985 hits for each of Dallas-based Satellite Music Network's formats. The formats include Country Coast-To-Coast, StarStation adult contemporary, StarDust traditional/nostalgia, Heart & Soul urban and Rock 'n' Hits top 40. The series has been cleared on 550 stations. Regular advertisers include Warner-Lambert's Dentyne, Sears, AT&T and Dial soap. The series airs on New Year's Day.

"Legends of Rock," a monthly series of two-hour specials featuring a particular rock artist, produced and distributed by NBC Radio Entertainment, New York. Jethro Tull will be featured the weekend of Jan. 17, and the ad closing date is Jan. 6. Paul McCartney will be showcased in February, with a Feb. 3 ad closing date. NBC did not report any current sponsors. ■

REISS'S THESIS

Beware of small video ideas

By Craig Reiss

With most videocassette recorder playbacks going to commercial-free movies, exercise tapes or time-shifting of daytime soaps, advertisers are fretting over being frozen out of this emerging medium with all the right socioeconomic demographics and remote-control zappers.

When advertisers fret, the Great Idea Guys pop up with solutions that on paper make all the sense in the world. But when it comes to any form of tv, A plus B rarely equals C.

Since there's no traditional way to measure efficiencies in home-video advertising, the Great Idea Guys usually propose something like this: Make a video about your product category, use your products in the show and sell it only to your target audience. What they never tell you is that, in tv, small ideas beget small results.

Targeting a segment of an audience through a medium that hasn't reached maturity is not worth a premium price. Getting there first with a small idea is worth nothing at all. You can't patent programming.

Few media translate well into other media, especially into tv. Take Glenmore Distillers' how-to video on bartending. You're watching it to learn how to mix a drink. The video says a jigger of this, a dash of that. You don't catch it the first time, so you have to hit stop, rewind, cue up and play back. The printed page needs no rewinding.

But tv in all its forms is a mass medium. It is weakest, both in program quality and audience delivery, as an information vehicle. If you're going to play with home video, pull out the stops. Go for the biggest idea. Get Paramount to let you underwrite the entire collection of "Star Trek" tv episodes to retail for $5 each, and toss in a funny high-production commercial as a lead-in. That probably makes no economic sense either, but it would work. ■

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decisively a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	12/12	12/5	11/28
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		28	32	21
2. "Family Ties" (NBC)		24	25	22
3. "Dallas" (CBS)		16	12	12
4. "60 Minutes" (CBS)		14	23	22
5. "Golden Girls" (NBC)		14	16	18
6. "227" (NBC)		11	10	13
7. "Cheers" (NBC)		10	10	14
GOOD WINNERS				
8. "Alice in Wonderland, Part 1" (CBS)		9	DNA	DNA
9. "Highway to Heaven" (NBC)		9	6	12
10. "Dynasty" (ABC)		8	13	11
11. "Monday Night Football" (ABC)		8	19	—1
12. "Miami Vice" (NBC)		7	12	7
13. "Circus of the Stars" (CBS)		7	DNA	DNA
14. "All Star Party Dutch Reagan"(CBS)		6	DNA	DNA
15. "Hotel" (ABC)		6	5	DNA
16. "Night Court" (NBC)		6	6	11
17. "Knot's Landing" (CBS)		5	3	DNA
BORDERLINE WINNERS				
18. "Moonlighting" (ABC)		3	2	—4
19. "Barbara Walters Special"(ABC)		3	DNA	DNA
20. "Webster" (ABC)		3	1	4
21. "Facts of Life" (NBC)		2	11	13
22. "Who's the Boss" (ABC)		2	1	4
23. "A-Team" (Second half-hour) (NBC)		1	1	—1
24. "Mr. Belvedere" (ABC)		1	—1	3
25. "Twilight Zone" (CBS)		1	—1	—3
26. "Gimme a Break" (NBC)		1	8	10

BEHIND THE SHARES

NBC'S **Cosby Show** continues to lick the competition but no longer by increasing margins. The once hugely popular **Magnum P.I** on CBS refuses to die under the onslaught from **Cos** and **Family Ties,** the second most popular show on tv. Both shows took a slight dip last week as **Magnum** added a full three share points. . .the perennial powerhouse **Dallas** built its share lead by four points from the previous week proving once again that Bobby Ewing's absence is not a hit-destroyer. . .**60 Minutes** took a tumble and not because **Ripley's** over at ABC is suddenly popular. An NFL overrun plundered its audience for the first half hour. But when Brent left the airwaves audiences quickly tuned into Mike, giving the tried-and-true winner a resounding win over NBC's **Silver Spoons**. . .Saturday night continues to be NBC night by impressive margins. CBS tried an end-run at the dynamic duo on NBC, **Golden Girls** and **227**, but to little avail. The CBS movie **Victor/Victoria** was beaten by over a dozen share points. ABC's **Lady Blue** mustered a 19 share for its swan song against the NBC hits. NBC's **Hunter** is on a clear winning track, handily beating the fading **Love Boat** by over 8 share points. . .**Cheers** on NBC is obviously getting "hurt" by a building **Dynasty II:The Colbys** on Thursday. Of course "hurt" is a relative term here: **Cheers** and **Night Court** beat number two show **Simon and Simon** by ten and six share points, respectively. . .The critics hated it, but the audience, as usual, was kinder. CBS's **Alice in Wonderland, Part 1** obliterated a couple of dogs on NBC and ABC by a huge nine share-point margin. It took the L.A.Rams and the Forty-Niners on **Monday Night Football** to tackle little **Alice**. The game beat the last hour of the CBS movie by three points. The folks at ABC were more than pleased not to have to face the formidable regularly scheduled series on CBS. With a few exceptions, **MNF** usually loses by a few share points to **Cagney and Lacey** et al. . .NBC's **Highway to Heaven** stumbled under the weight of **Mary** on CBS. The premiere of Mary Tyler Moore's new comedy pulled a remarkable 26 share.

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Monday, December 23, 1985

Advertising Age®

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Bonuses, holidays vary

Agencies exercise their Santa clause

An Advertising Age roundup

Was it Scrooge or Santa Claus giving out ad agency Christmas bonuses this year? Well, it depends upon where you work. And there didn't seem to be any direct correlation between what kind of year the agency had and how generous it was to its employes.

Many retailers lament six lost shopping days as the Christmas buying season enters its final hours. Page 3.

Doyle Dane Bernbach's New York office, for example, did not exactly have a terrific year (AA, Dec. 9), but employes got their traditional bonus of one week's salary anyway.

On the other hand, Ketchum Advertising/San Francisco had a great year but skipped its usual practice of giving employes coupons for a free turkey at client Safeway Stores, Oakland.

New York-based Grey Advertising, which ended the year with a super $100 million in new-business gains, also did not alter its usual practice of performance-related bonuses. But employes will be off Dec. 23, 24, 25 and New Year's Day.

Among the more generous agencies was Leo Burnett Co., which gave employes a percentage-of-salary bonus that an agency spokesman would only say was "substantial." Sources say it was 20% for most employes and higher for top management.

Also, Burnett client United Airlines, Elk Grove Village, Ill., gave the Chicago-based agency 20 pairs of tickets good for round-trip flights anywhere in the world United flies. These were awarded through a drawing.

The agency will be closed Dec. 24 and 25 and Jan. 1, with regular business hours observed on other days.

Performance-related bonuses, of course, continue at many agencies.

Among the more unusual formulas came one from Cramer-Krasselt, Chicago, which gives employes $1 for every year the agency has been in business—$87 this year. The agency will be closed from noon Christmas Eve and all day Christmas Day, as well as Tuesday and Wednesday of New Year's week.

As far as days off, Lord, Geller, Federico, Einstein in New York

(Continued on Page 28)

Where's Herb? Lost in McD.L.T. shuffle

By BRIAN MORAN

McDonald's Corp.'s avalanche of advertising and discount coupons for its McD.L.T. sandwich has roadblocked the first phase of Burger King's nationwide "search" for Herb.

Burger King's month-old quest for the mythical character who has never visited its restaurants, via J. Walter Thompson USA, New York, has apparently refocused some consumer attention on the No. 2 hamburger chain. Independent BK franchisees generally praise the Herb concept as an awareness-building novelty. But BK operators say the overwhelming McD.L.T. barrage from No. 1 McDonald's has thwarted Herb's ability to generate new business.

Fueling Big Mac's ambush of Herb is its estimated $5.5 million-a-week tv ad budget—about 2½ times BK's media weight for Herb—and coupons offering customers free McD.L.Ts. Many BK franchisees have decided to honor the competitor's coupons to keep customers from switching, but McDonald's new "Whopper Stopper" product is off to a strong start.

McDonald's original marketing plan had called for a four-week introductory campaign for the McD.L.T., which was to have been followed Nov. 25 by Chicken McNugget spots (AA, Nov. 11). But rather than slow the new sandwich's momentum, McDonald's has continued to focus tv advertising on the product beyond that date.

"We've never witnessed a bombardment like this [from McDonald's] before," said David Stein, a Burger King franchisee in Jacksonville, Fla. "It's totally blunted Herb so far."

Early awareness of the Herb campaign among customers is nearly as high as for BK's original "Battle of the burgers" campaign three years ago, said Joyce Meyers, a spokeswoman for Miami-based Burger King. But the Herb effort so far has fallen way short of approaching "Battle's" near-overnight sales gains. And BK franchisees are not forecasting any quick sales bursts as the Herb search continues.

"We didn't anticipate McDonald's coming in and

(Continued on Page 26)

Burger King is hoping to hold off Big Mac's megabuck onslaught with new tv spots offering 39¢ burgers and other discounts to customers who visit BK outlets and proclaim, "I'm not Herb." J. Walter Thompson USA, New York, handles.

Oliver may bring Right stuff to FTC

By STEVEN W. COLFORD

WASHINGTON—President Reagan's long-awaited nomination last week of political loyalist Daniel Oliver to head the Federal Trade Commission left ad industry leaders puzzled about everything but his politics and the probable continuation of current FTC policies.

Mr. Oliver had been considered the front-runner for months to replace James Miller III as FTC chairman, and initial ad industry reaction to his nomination was predictably positive.

D. Oliver

But little is known about Mr. Oliver's views on advertising issues.

His track record at previous Reagan administration posts suggests that his ultraconservative views were ultimately unpalatable to his Republican superiors at the Education

(Continued on Page 28)

Last Minute News

A-B search for Mich agency not all in family

ST. LOUIS—Anheuser-Busch, in evaluating its $35 million-to-$40 million Michelob beer account at Ted Bates Advertising/New York (AA, Nov. 25), reportedly has looked at presentations from a few New York agencies outside the A-B family. Those agencies are said to include the previously reported Young & Rubicam, as well as Doyle Dane Bernbach and Saatchi & Saatchi Compton. However, incumbent Bates and Michelob Light agency Needham Harper Worldwide, Chicago, still are said to be the leading contenders for the account in a group that also includes A-B agencies D'Arcy Masius Benton & Bowles and TBWA Advertising here, as well as the Bloom Agency, Dallas.

Nynex keeps 4 agencies on line, disconnects 5

NEW YORK—Nynex Corp. has narrowed to four the field of nine agencies contending for the regional telephone company's $10 million corporate account (AA, Nov. 11). Those agencies still said to be in the race are BBDO; Chiat/Day; Hill, Holliday, Connors, Cosmopulos, and incumbent Young & Rubicam. Not making the cut were Foote, Cone & Belding; Grey Advertising; HBM/Creamer; Kenyon & Eckhardt, and Scali, McCabe, Sloves. A decision is expected by Jan. 15.

Minolta has surprise play for Super Bowl

RAMSEY, N.J.—Minolta Corp.'s business equipment division is planning its own Super Bowl XX surprise, when it airs two spots for its new EP50 personal copier. Spokesman Tony Randall co-stars with a mystery guest, "Uncle Ebeneezer," whose identity viewers are to guess. Minolta says the mystery guest is as well known as Mr. Randall, has appeared with him before and "has also been seen previously in copier commercials" (Jack Klugman, anyone?). Local Minolta dealers are to reward winners. Bozell & Jacobs, New York, handles.

(Continued on Page 8)

Marketers shopping for stars

By SCOTT HUME and NANCY GIGES

That *other* shopping season, the celebrity shopping season, also is nearing its close as advertisers and agencies seek to sign famous names and faces for next year's first quarter.

Some of the potential matchups make clear sense, such as Pepsi-Cola's effort to snare Don Johnson, star of tv's hottest show, "Miami Vice." Others, such as McDonald's Corp.'s attempt to sign opera star Luciano Pavarotti, are more surprising.

Despite the abundance of celebrities in advertising, not everyone is interested. Mr. Pavarotti responded to McDonald's recent inquiry with what his manager called an "emphatic no." The ro-

(Continued on Page 26)

NEWSPAPER

Ultra Pampers to cap P&G's diaper drive

By LAURIE FREEMAN

Procter & Gamble, which has committed $500 million to shoring up its share of the disposable-diaper market, hopes to complete the effort next year with the national introduction of Ultra Pampers.

That will add a third national brand to P&G's lineup, which already includes New Pampers and the redesigned, thicker Luvs Baby Pants. The performance of these brands has stemmed the Cincinnati-based company's steady loss of share in the highly competitive $2.7 billion disposable-diaper market, analysts say.

P&G remains the market leader with a total share of 52.5%, up five percentage points in the last four months. Much of the gain is attributed to Luvs, because Ultra Pampers have been available only in a seven-state, midwestern area (AA, Oct. 21, *et seq.*).

Kimberly-Clark Corp.'s Huggies brand has held steady at a 34% share. Sources say P&G has gained its share points at the expense of private-label marketers rather than K-C, which leads in the premium-diaper category.

Paper industry sources say Neenah, Wis.-based K-C's strong position is "a bit surprising," because the company has put the retail trade on a strict Huggies allocation system for much of the fourth quarter of this year.

Retailers are allowed to buy limited quantities while the company retools its machines to make Huggies Extra Absorbent Medium 40s, a thicker, extra-absorbent diaper with an elastic waistband.

K-C has said it expects Huggies Medium 40s will be available nationally by yearend (AA, March 25), with continued advertising support from Ogilvy & Mather, New York.

P&G briefly tested Ultra Pampers in parts of Illinois, Indiana, Iowa, Kansas, Kentucky, Missouri and Ohio, supported by tv and print ads themed "Ultra Pampers are the driest diaper ever for your driest baby ever." D'Arcy Masius Benton & Bowles, New York, is Pampers' agency.

Dancer Fitzgerald Sample handles Luvs.

P&G would not say how it plans to position or advertise Ultra Pampers, which will be on shelves beside New Pampers. In test markets, the two brands got separate but similar ad campaigns.

Ultra Pampers is a fully shaped, premium diaper with an inner core that is "concentrated to absorb more wetness" without added bulk, a P&G spokeswoman said.

Some industry executives question whether P&G can convince consumers the thinner Ultra Pamper diaper is as absorbent as a "thick" diaper such as New Pampers.

"The jury is still out on whether mothers will accept something thin. The thin diaper works, but consumers must be confused over which diaper they should be using," one paper industry source said.

P&G is "hedging its bet" on Ultra Pampers, he added. Its new diaper-manufacturing equipment can make the thick New Pampers or the thin Ultra Pampers.

The P&G spokeswoman said Ultra Pampers will be sold in "giant" packs that hold either 64-count large superabsorbency diapers or 96-count medium superabsorbency diapers.#

Quaker tries again

'All-family cereal' set for '86

By JULIE FRANZ

CHICAGO—Quaker Oats Co. is readying its first introduction into the $4 billion ready-to-eat cereal market since its ill-fated Mr. T bowed in late 1984.

Quaker Oh's will be moved into East Coast markets in January.

Positioned as an "all-family cereal," the two-flavor line will receive support via tv and couponed freestanding inserts breaking during the first quarter. Backer & Spielvogel handles.

A Quaker spokesman wouldn't comment on the product before its introduction.

Ohhh... save $1.00
Try the great taste of new Quaker Oh's Cereal...
Crunchy "rings" of corn and oats filled with delicious bits of nut or graham. Lots of good things in the middle—plus $1.00 off—will make your whole family say "Oh!"
NEW!
Oh's
Ohhhh!
Save 50¢
ON NEW QUAKER CRUNCHY NUT Oh's CEREAL
Save 50¢
ON NEW QUAKER HONEY GRAHAM Oh's CEREAL

Quaker Oats' new Oh's cereal, the company's first ready-to-eat cereal introduction in more than a year, will be backed by tv and couponed, freestanding newspaper inserts. Backer & Spielvogel, Chicago, handles.

Print ads that were used in test markets (Marion, Ind., and possibly others) say the rice-and-honey cereal is "crunchy rings of corn and oats filled with delicious bits of nut or graham. Lots of good things in the middle...will make your whole family say, 'Oh!' "

Quaker's share of the ready-to-eat cereal market has been slipping steadily from the 8.6% share it posted in 1984. That slippage may be no fault of Quaker's, since Kellogg Co., Battle Creek, Mich., has such a stranglehold on the market with its 43% share, said John Maxwell, food-industry analyst with Furman Selz Mager Dietz & Birney, New York.

Quaker stayed out of the ready-to-eat cereal fray this year in favor of building on its flagship brand, Quaker Oats. The company now boasts a line of 20 oat products, both long-cooking and instant, up from only two in 1980.

The company also is testing in the Dallas market a premium-price, four-item line of Fruit n' Cream hot breakfast cereals based on its successful "peaches & cream" and "strawberries & cream" instant-oatmeal flavors.

Quaker's presweetened Mr. T cereal, introduced at the height of the licensed-character cereal craze, fell by the wayside as the market evaporated, analysts said (AA, June 25, '84, *et seq.*). Licensed cereals typically have a shelf life of 18 months and rarely achieve market share of more than 1%, one analyst said.

Backed by $10 million in tv and print, via Backer, Quaker cut the Mr. T cereal's budget in January of this year after the product had been on shelves only five months.

The company has just completed its multi-million-dollar "Where's the Cap'n" promotion for its Cap'n Crunch cereal, the best selling brand in Quaker's cereal line (AA, Sept. 9).

Sources estimate Quaker spent between $6 million and $10 million on the promotion, which removed the Cap'n's likeness from cereal boxes starting Sept. 1. Three sets of clues to the Cap'n's whereabouts were printed on the back of cereal boxes. His location was revealed Dec. 14 during a two-minute tv spot airing simultaneously on the three major networks.

Backer also handles the Cap'n Crunch brand.#

HIGHLIGHTS

Mac throws 'Herb' block 1
McDonald's Corp.'s avalanche of advertising and discount coupons for its McD.L.T. sandwich has roadblocked the first phase of Burger King's nationwide "search" for Herb.

Christmas is no bargain 3
Retail "merchants of dreams" are realists at heart, knowing that even if they finish the final two days with a bang, December sales may end with only a whimper.

INTERNATIONAL

Stork to the diaper rescue 16
Australian mothers don't care for disposable diapers, so Kimberly-Clark Australia has recruited Dr. Benjamin Stork to change their minds. The $300,000 tv campaign follows a change in the market after K-C purchased Colgate-Palmolive Co.'s Snugfit/Snugglers division earlier this year.

OTHER NEWS

Two bills introduced in Congress last week would, in effect, make it $1 billion a year more expensive to advertise and market tobacco products. Page 4.

Adams Natural Beverage Co. will call on O.J. Simpson this spring to carry its Napa Naturals juice-based soft drink into the eastern U.S. Page 6.

Seiko Time Corp. is buying radio time to warn Christmas shoppers about some Seiko watches. The watches, advertised at "reduced prices," were not "authorized for sale or import" in the U.S. Page 25.

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NEWSPAPER AD SPENDING FOR SEPTEMBER, '85 18

COMING THURSDAY

Due to the holidays, Advertising Age *Thursday will not be published Dec. 26 or Jan. 2.*

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West Coast news

Oakland project in review

Urban Center Development Ltd., San Francisco, is reviewing 17 California shops for a first agency to handle a new retail complex in Oakland. The development, in conjunction with the Port of Oakland, will include shops, restaurants, office space and a hotel. The ad budget is estimated at $750,000 until the 1988 opening, then $1 million annually. The review will narrow to five agencies this week.

The principals of Liebowitz, Olshever, Vogel & Baruch, Los Angeles, will go their separate ways in a few weeks, splitting the agency's remaining billings among them, partner Bonnie Baruch confirmed. Ms. Baruch, who will take L.A. Cellular Telephone Co. with her, said she is mulling two opportunities. Exec vp-creative director Iz Liebowitz will become a free-

(Continued on Page 28)

BEST OF PRESS

FLASH REPORT: Newspaper advertising investment for September

September 1985		IN 100 THOUSANDS IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR	1 2 3 4 5 6 7 8 9 1 5 10 15 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95 100 105 110	1985	1984	ACTUAL $ G OR L	% G OR L
Amusements	1985		$23,804,854	$24,379,860	-575,006	-2.4
	1984					
Computer stores & supplies	1985		4,903,075	4,277,137	+625,938	+14.6
	1984					
Department stores	1985		89,486,803	81,895,893	+7,590,91	+9.3
	1984					
Food stores	1985		26,729,894	21,633,759	+5,096,13	+23.6
	1984					
Radio, tv, phonographs, records	1985		17,140,207	13,495,431	+3,644,776	+27.0
	1984					
General merchandise stores	1985		40,198,078	35,149,061	+5,049,017	+14.4
	1984					
Alcoholic beverages	1985		2,456,638	2,124,109	+332,529	+15.7
	1984					
Cameras, photo supplies & services	1985		488,146	321,292	+166,854	+51.9
	1984					
Computers, equipment & services	1985		2,650,248	3,329,783	-679,535	-20.4
	1984					
Public service utilities & communications	1985		5,609,910	5,680,056	-70,146	-1.2
	1984					
Publishing & media	1985		14,142,026	13,081,516	+1,060,510	+8.1
	1984					
Cigarets	1985		7,057,538	5,271,588	+1,785,950	+33.9
	1984					
Airlines	1985		12,752,17	9,503,534	+3,248,583	+34.2
	1984					
Passenger cars-new	1985		13,242,318	10,149,696	+3,092,622	+30.5
	1984					
Banks & trust companies	1985		6,988,799	5,214,888	+1,773,911	+34.0
	1984					
Stock, bond & investment houses	1985		1,861,707	1,307,690	+554,098	+42.4
	1984					

This Flash Report of newspaper advertiser investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 28 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown. Note: *Philadelphia Inquirer* morning and Sunday and news evening did not publish September 7, 1985, through September 30, 1985, due to strike conditions. To maintain comparability, no Philadelphia data for September, 1985, and September, 1984, are included in this report.#

Source: Media Records Inc.

Dailies see increases

NEW YORK—September was a good month for the newspapers measured by Media Records Inc. for the ADVERTISING AGE Flash Report of newspaper advertising investments.

Spending was up in 13 of 16 categories in the newspapers measured by MRI. The data do not include September '84 or September '85 measurements of the *Philadelphia Inquirer* and *Daily News*, which were shut by a strike during September.

Leading the gainers in dollar volume were department stores, up 9.3% ($7.6 million) to $89.5 million. Food stores and general-merchandise stores followed closely, with a 23.6% hike ($5.1 million) to $26.7 million and a 14.4% increase ($5 million) to $40.2 million, respectively.

Other gainers included computer stores and supplies, up 14.6% to $4.9 million; radio-tv-phonograph-record retailers, up 27% to $17.1 million; alcoholic beverage advertisers, up 15.7% to $2.4 million; camera, photo supplies and service retailers, up 51.9% to $488,146; publishing and media advertisers, up 8.1% to $14.1 million; cigaret advertisers, up 33.9% to $7.1 million; airlines, up 34.2% to $12.8 million; new passenger car advertisers, up 30.5% to $13.2 million; banks and trust companies, up 34% to $7 million, and stock, bond and investment houses, up 42.4% to $1.9 million.

Losing categories included amusements, down 2.4% to $23.8 million; computers, equipment and services, off 20.4% to $2.6 million, and public service utilities and commissions, down 1.2% to $5.6 million.#

Young & Rubicam, New York, used line art effectively in this ad for Nynex Corp.'s data products and services. Group creative director, John Nieman; associate creative director, Jim Hayman; copy supervisor, Jean Kondek; art supervisor, Matt Basile.

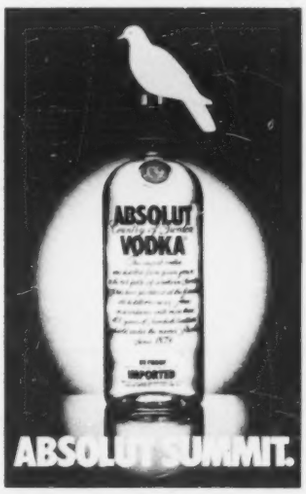
Best of Press selections are made by a committee of three: Hank Simons, vp-creative director of the Newspaper Advertising Bureau; James Dunaway, vp-information at the bureau, and William F. Gloede, ADVERTISING AGE's newspaper industry reporter. National System Inc., St. Louis, provides tear sheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Gloede in AA's New York bureau.

Bartels & Carstens, St. Louis created a perfect marriage of a sale event and the sale merchandise by dressing an anniversary candle in a business suit to celebrate the 109th anniversary of Boyd's, a St. Louis department store chain. Creative directors, David Bartels and Donn Carstens; copywriter, Cathy Williams; art director, David Bartels; illustrator, George Stravinos.

Ally & Gargano, New York, used space effectively by running this two-part ad for Federal Express on the lower portion of facing pages in newspapers across the country. Art director, Cathiann Mooney; copywriter, Ken Mandelbaum; photographer, Robert Ammirati.

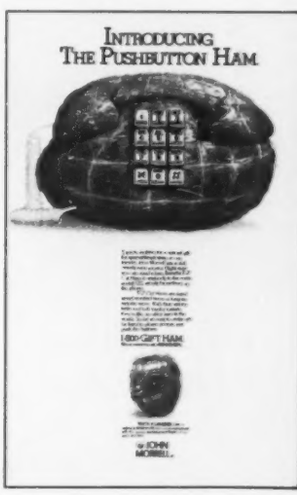
bahhhh taxes!
We agree—what a bore. A Federal Excise Tax increase goes into effect October 1 that will raise prices on all distilled spirits, including your beloved Kahlua. So, starting October 1, Kahlua will cost more—with our apologies.
But there's a loophole. Stock up on Kahlua before that taxing date, and you'll save yourself a bundle.
Look for the Kahlua display your neighborhood retailer is featuring. And pick up all the Kahlua you want at the pre-tax price.
Ah, revenge is sweet.
Kahlua

Eisaman, Johns & Laws, Los Angeles, also took a timely approach with this advertisement for Maidstone Wine & Spirits' Kahlua liquor by running the ad immediately prior to the increase in the federal excise tax on distilled spirits. Associate creative directors: Andrea Giambrone and Joel Gilman.



TBWA Advertising, New York, tied an ad for Absolut vodka to the Reagan/Gorbachev summit by running this ad as the meeting was in progress. Creative directors, Arnie Arlow and Peter Lubalin; art director, Geoff Hayes; copywriter, Evert Cilliers; photographer, Steve Bronstein.

This ad, via Dawson, Johns & Black, Chicago, uses a particularly effective headline and color illustration to sell John Morrell ham via the telephone. Creative director, Jim Black; art directors, Jim McLemore and Jim Black; copywriter, Matt Matcuk; illustrator, Dennis Magdich.



Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

December

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
— Art & antiques —				
American Artist	50.9	68.4	895.6	921.7
Antiques	—	—	—	—
Art in America	—	—	—	—
Southwest Art	92.7	71.2	1,031.3	1,045.3
Total Group	**143.6**	**139.4**	**1,926.9**	**1,967.0**
% change		+ 3.0%		- 2.0%
— Auto/cycle/rec. vehicles —				
Autoweek (52X)	116.2	102.5	1,620.0	1,590.0
Car & Driver	88.7	101.3	1,208.5	1,147.0
Car Collector & Car Classics	15.5	22.2	217.5	240.4
Car Craft	69.0	61.8	907.8	867.7
Circle Track	45.3	40.8	626.3	557.2
Cycle	37.4	39.6	595.5	533.6
Cycle Guide (11X)	30.3	33.0	430.1	426.6
Cycle World	31.5	36.7	574.4	555.7
Dirt Rider	62.1	48.8	421.1	345.0
Dune Buggies & Hot VWs	95.3	75.8	1,130.6	948.8
Family Motor Coaching	121.4	125.8	1,723.8	1,722.2
4 Wheel & Off-Road	89.2	72.7	976.3	888.5
Four Wheeler	89.1	85.6	1,054.7	974.9
Hot Rod	50.6	50.2	717.2	735.3
Motorcyclist	16.0	29.4	426.1	418.0
Motor Trend	78.9	68.5	929.7	801.3
Motorhome Life	76.8	88.7	1,118.9	1,086.1
Rider	39.4	32.4	618.8	642.0
Road & Track	117.2	109.9	1,333.7	1,249.4
3 Wheeling	80.8	48.5	748.5	400.8
Trailer Life	91.3	111.9	1,418.1	1,486.9
Total Group	**1,442.0**	**1,386.1**	**18,797.6**	**17,587.4**
% change		+ 4.0%		+ 6.9%
— Boating & yachting —				
Boating	104.0	110.5	1,573.7	1,610.0
Chesapeake Bay	24.1	17.4	414.0	338.5
Cruising World	89.5	95.9	1,632.3	1,743.5
Lakeland Boating (10X)	54.0	53.5	645.0	596.8
Motor Boating & Sailing	117.0	114.1	1,930.2	1,872.3
Sail	79.0	93.5	1,481.2	1,637.5
Small Boat Journal	39.2	31.8	273.1	246.9
Trailer Boats	24.4	24.2	266.9	141.5
Western Boatman	33.1	20.3	370.0	356.6
Yachting	123.7	143.8	1,911.5	2,060.9
Total Group	**688.0**	**705.0**	**10,497.9**	**10,604.7**
% change		- 2.4%		- 1.0%
— Canadian —				
L'Actualite	—	—	—	—
Chatelaine				
English Edition A	110.3	88.4	1,155.0	1,193.0
French Edition	96.8	85.6	952.2	1,034.7
City and Country Home (8X)	87.7	55.0	473.3	412.5
Financial Post A	33.9	33.1	420.1	526.6
Flare A	100.8	87.7	864.0	852.6
Homemaker's (10X)	—	—	—	—
Maclean's (52X) A	111.0	135.9	1,502.9	1,554.3
Montreal Calendar (10X)	39.0	44.0	374.6	492.0
Montreal Ce Mois Ci (10X)	51.0	51.0	410.6	536.0
Reader's Digest				
Canadian-English A	77.3	81.9	896.3	1,000.1
Canadian-French A	68.5	92.9	693.7	930.1
Toronto Life	150.0	150.2	1,094.8	1,212.4
Vancouver	127.3	116.6	978.1	1,097.0
Total Group	**1,053.6**	**1,022.3**	**9,815.6**	**10,841.3**
% change		+ 3.1%		- 9.5%
— Civic/fraternal —				
American Legion	14.6	17.6	300.4	276.6
Elks (10X)	—	—	194.2	227.3
Kiwanis	—	—	172.8	138.5
Rotarian	9.9	8.7	132.8	138.7
V.F.W. (11X)	15.2	12.9	327.0	302.5
Total Group	**39.7**	**39.2**	**1,127.2**	**1,083.6**
% change		+ 1.3%		+ 4.0%
— Comics —				
DC Comics	9.0	10.0	85.0	91.0
Marvel Comics Group	6.0	7.0	87.5	99.5
Total Group	**15.0**	**17.0**	**172.5**	**190.5**
% change		- 11.8%		- 9.4%
— General —				
American Health (10X)	56.2	31.5	560.0	404.8
American West (6X)	—	—	—	—
The Atlantic A	55.5	70.3	578.9	590.2
Audubon Magazine (6X)	46.1	41.4	214.1	174.1
Bon Appetit A	154.0	135.8	1,147.9	1,116.3
Changing Times	42.4	47.3	491.0	532.5
Connoisseur	87.2	75.6	838.2	703.2
Consumers Digest (8X)	36.5	13.6	235.3	102.6
Ebony	95.0	98.8	1,200.0	1,102.3
Fifty Plus	28.4	23.5	396.5	416.1
Food & Wine	77.4	59.4	630.2	506.6
Games	22.4	24.6	297.3	252.6
Gourmet	122.7	117.1	1,144.1	995.4
Home Entertainment	—	—	—	—
Harper's Magazine A	20.9	21.5	300.8	278.5
Life	74.2	87.1	778.5	765.2
Modern Maturity	45.6	43.8	275.3	259.5
Money	126.8	149.0	1,459.8	1,518.2
Moneysworth (4X)	—	—	51.4	53.8
Mother Earth News (6X)	38.4	37.9	268.4	301.0
National Geographic	—	—	—	—
Natural History	36.3	37.7	507.2	507.9
Prevention	51.6	53.9	714.1	808.0
Psychology Today	25.0	25.4	310.6	318.7
Reader's Digest A	109.6	104.0	982.4	980.8
Saturday Evening Post (9X)	—	—	—	—
Signature	49.5	42.7	672.9	674.8
Smithsonian	80.5	92.0	1,062.2	1,014.1
Success B	30.5	36.3	371.7	414.2
Sylvia Porter's Personal Finance (6X)	47.3	41.3	250.6	194.8
Town & Country	158.2	195.6	1,745.7	1,819.6
Travel-Holiday	24.0	27.1	507.5	493.9
Travel & Leisure	81.6	100.8	1,250.2	1,303.8
Vanity Fair	53.0	49.5	429.4	335.1
Writer's Digest	22.4	22.2	284.0	290.6
Yankee	65.5	71.6	959.1	974.9
Total Group	**1,964.7**	**1,942.0**	**20,935.3**	**20,206.1**
% change		+ 1.2%		+ 3.6%
— Home —				
Americana (6X)	—	—	210.0	226.0
Architectural Digest A	118.5	139.1	1,572.2	1,601.9
Better Homes & Gardens	123.2	142.7	1,345.8	1,479.5
Colonial Homes (6X)	—	—	371.0	413.7
Country Journal	25.4	—	336.7	350.4
Country Home	31.7	29.3	195.4	129.8
Country Living	52.3	66.9	829.1	794.6
Dallas/Ft. Worth Home & Garden	89.6	92.4	1,010.5	910.3
Family Handyman (10X) A	43.4	51.5	656.4	755.0
Flower & Garden (6X)	42.6	37.8	248.0	221.4
Home	20.4	27.7	586.1	613.6
The Homeowner (10X)	16.9	19.0	282.4	260.2
House Beautiful	47.3	77.4	960.8	1,136.5
House & Garden	96.1	93.9	1,163.9	1,098.0
Houston Home/Garden	87.1	112.0	1,165.0	1,257.0
Metropolitan Home	55.7	87.4	771.2	880.5
New Shelter (9X)	—	—	498.3	447.0
1,001 Home Ideas	29.0	38.3	587.5	513.0
Rodale's Organic Gardening	60.4	52.4	659.5	726.6
Phoenix Home/Garden	68.3	61.2	812.4	688.2
San Diego Home/Garden	79.3	65.8	927.0	864.6
South Florida Home/Garden	30.1	28.7	450.2	—
Southern Accents (6X)	—	—	519.9	477.9
Southern Living	128.2	124.6	1,630.9	1,625.2
Sunset Magazine A	127.9	132.8	1,747.8	1,684.1
Texas Homes	66.2	75.1	944.1	959.9
Workbench (6X)	—	—	320.7	360.8
Total Group	**1,439.6**	**1,556.0**	**20,802.8**	**20,477.7**
% change		- 7.5%		+ 1.6%
— In-flight & other passenger —				
Aboard Group (7) (6X)	—	—	126.0	75.4
Alaska Airlines	53.0	54.3	601.1	628.4
American Way (26X)	81.6	77.6	1,402.3	1,195.7
East/West Network:				
Eastern Review	86.3	99.3	1,143.0	1,372.1
Northwest Orient	40.2	38.5	510.5	407.6
Ozark	39.8	42.8	510.8	541.5
PSA Magazine	77.7	89.0	1,024.5	1,218.9
Pan Am Clipper	51.2	67.8	703.4	753.5
Republic Scene	36.3	48.2	564.4	698.7
Spirit	78.0	100.2	1,148.0	1,175.0
Unired	72.7	87.3	1,124.6	1,357.0
Western's World	61.7	53.7	677.8	797.0
Halsey Publications:				
Air Cal	41.7	53.0	582.1	631.5
Delta Sky	65.2	70.7	684.3	908.5
Skylite	18.5	21.0	246.6	249.2
USAir	39.5	52.5	614.7	717.8
Hawaii (6X)	20.8	22.8	278.5	262.0
Pace	79.8	86.8	857.3	655.9
Spirit of Aloha (6X)	20.3	23.8	272.5	262.4
TWA Ambassador	47.2	47.3	667.3	706.4
Total Group	**1,010.6**	**1,136.6**	**13,939.7**	**14,614.5**
% change		- 11.1%		- 4.6%
— Men's —				
Esquire A	220.3	262.3	1,400.3	1,409.3
Firehouse Magazine (13X)	46.3	50.3	640.6	678.4
Gentlemen's Quarterly A	175.7	160.0	1,865.6	1,930.8
M Magazine	64.3	56.0	672.5	765.3
Penthouse A	54.5	66.3	489.8	625.3
Playboy A	103.6	110.2	894.3	904.4
Total Group	**664.7**	**705.1**	**5,963.1**	**6,313.5**
% change		- 5.7%		- 5.6%
— Metropolitan —				
Aloha (6X)	38.7	39.8	204.2	185.7
Atlanta	97.7	59.4	707.8	717.8
Baltimore	121.4	129.2	1,024.6	834.7
Boston	216.6	220.9	1,949.8	1,831.1
California	93.8	87.7	855.0	835.8
Charlotte (10X)	27.0	24.0	243.0	220.3
Chicago	185.7	173.0	1,734.3	1,753.5
Chicago's North Shore	129.1	108.9	1,019.8	1,060.4
Cincinnati	61.1	75.8	746.2	682.3
Cleveland	107.4	93.6	1,047.0	944.5
Columbus Monthly	81.2	74.4	891.8	835.8
Connecticut	104.2	82.9	1,119.2	998.2
Country Magazine	40.3	42.0	557.3	501.8
D/Magazine, Dallas/Ft. Worth	161.2	175.3	1,666.0	1,648.8
Denver	58.0	52.5	434.9	372.4
Grand Rapids	38.9	46.3	597.0	635.1
Gulfshore Life (10X)	70.2	50.9	618.0	539.5
Honolulu	80.6	79.8	791.5	802.0
Houston City	88.8	115.2	874.9	1,053.7
Indianapolis	49.3	45.3	575.2	513.2
Kansas City	—	—	—	—
Los Angeles	240.0	256.5	2,222.9	2,507.5
Louisiana Life (6X)	—	—	352.9	470.2
Madison	93.0	61.0	760.6	578.8
Metropolitan Detroit	70.3	85.1	873.0	708.6
Miami Mensual	130.9	135.6	1,155.2	1,120.8
Miami/South Florida	61.8	58.3	527.4	506.9
Milwaukee	104.7	107.1	855.1	611.3
Minneapolis/St. Paul	132.8	117.1	1,263.9	1,171.5
Monthly Detroit	137.4	138.0	935.2	865.7
Nashville	48.0	34.0	490.0	442.0
New England Monthly	40.4	23.8	423.9	129.8
New Jersey Monthly	64.8	59.3	753.3	669.3
New Mexico	30.5	43.6	442.5	487.6
Ohio	49.1	50.8	802.6	742.6
Oregon	23.6	18.7	390.1	300.0
Orlando	94.8	95.3	1,182.7	1,023.8
Palm Beach Life	170.0	121.3	888.3	901.7
Palm Springs Life	—	—	—	—
Philadelphia	172.6	183.8	1,716.6	1,636.2
Phoenix	113.9	115.3	1,188.5	1108
Pittsburgh	62.0	65.9	761.9	746.3
St. Louis	72.0	80.0	708.4	748.0
San Diego	159.3	197.3	1,864.6	1,866.6
San Francisco	51.3	97.0	—	—
San Francisco Focus	129.6	108.0	1,150.2	830.5
Texas Monthly	149.8	156.4	1,562.6	1,656.8
Twin Cities	—	—	—	—
Ultra	114.3	123.1	946.1	1,054.6
The Virginian (6X)	—	—	54.0	46.5
Washington Dossier (11X)	66.3	51.5	669.8	598.1
The Washingtonian	—	—	—	—
Total Group	**4,434.4**	**4,362.7**	**42,619.8**	**39,499.1**
% change		+ 1.6%		+ 7.9%
— Movie/romance/radio/tv —				
Macfadden's Women's Group:				
Modern Romances	17.3	17.7	229.9	277.9
Secrets	17.3	17.7	229.9	277.9
True Confessions	17.3	17.7	229.9	277.9
True Experience	17.3	17.7	229.9	277.9
True Love	17.3	17.7	229.9	277.9
True Romance	17.3	17.7	229.9	277.9
Sterling Women's Group:				
Daytime TV	23.5	28.5	332.0	337.0
Modern Screen	15.5	21.5	89.3	123.0
Movie Mirror (6X)	10.0	21.5	97.0	124.0
Soap Opera Stars	16.5	17.5	110.1	124.3
TV Movie Screen (6X)	8.3	6.0	43.6	25.0
TV Picture Life (6X)	7.0	6.0	40.0	98.0
Total Group	**184.6**	**207.2**	**2,091.4**	**2,498.7**
% change		- 10.9%		- 16.3%
— Music/entertainment —				
American Film (10X)	32.5	33.5	272.5	277.5
Audio	78.6	75.1	1,056.2	947.4
Circus Magazine	55.5	59.3	605.3	481.3
Dance Magazine	59.5	63.1	656.0	708.6
Musician	58.7	61.5	710.3	721.7
Playbill	65.8	75.4	616.5	725.2
Record	27.6	40.8	271.8	308.9
Stereo Review	74.2	55.3	640.4	567.0
Video Magazine	107.8	117.0	932.0	886.0
Video Review	71.2	71.3	735.0	675.0
Total Group	**630.4**	**652.3**	**6,496.0**	**6,298.6**
% change		- 3.4%		+ 3.1%
— National Sunday magazines —				
Parade (52X)	63.9	56.6	660.1	645.8
USA Weekend (52X)	67.0	55.1	683.3	694.4
Total Group	**63.9**	**56.6**	**660.1**	**645.8**
% change		+ 12.9%		+ 2.2%
— Outdoor & sport —				
Alaska	52.9	51.2	576.1	513.0
The American Handgunner (6X)	48.0	45.0	221.0	225.0
American Hunter	11.6	34.6	241.2	264.5
American Rifleman	19.9	26.5	316.0	353.1
Backpacker (6X)	—	—	200.9	257.2
Bass Master (9X) A	42.0	—	506.7	449.4
Bicycling (9X)	—	—	819.2	939.7
Duck's Unlimited	—	—	210.0	213.7
Equus	31.6	33.5	697.9	705.6
Field & Stream	78.3	69.7	1,056.0	1,019.7
Fins & Feathers A	—	—	—	—
Fishing World	15.6	18.2	201.5	221.6
Florida Sportsman	99.1	82.2	1,159.8	998.3
Flying	37.3	49.8	543.7	585.0
Fur-Fish-Game	—	—	—	—
Golf Digest	83.5	98.8	1,064.8	1,084.3
Golf Magazine	51.1	48.1	736.3	810.5
Guns	37.0	25.0	314.0	308.0
Guns & Ammo	39.6	44.2	552.7	583.5
In-Fisherman (6X)	67.5	48.0	538.5	536.0
Muscle & Fitness	109.8	122.2	1,282.4	1,329.3
Outdoor Life	62.0	58.9	846.5	916.4
Outside Magazine	50.6	44.9	516.7	464.1
Petersen's Hunting	43.9	43.5	573.5	534.1
The Runner	29.2	45.7	430.7	625.0

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net, except Los Angeles Times Home Magazine and New York Times Magazine.

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December

	Current month 1985	1984	Year-to-date 1985	1984
Runner's World (12X)	28.1	41.2	448.6	623.0
Salt Water Sportsman	67.5	58.6	857.3	833.0
Shooting Times	29.6	34.7	53.9	27.8
Sierra (6X)	41.9	35.0	226.5	215.2
Ski (8X) A.	129.6	139.5	783.5	870.5
Skiing (7X)	170.1	179.6	959.2	985.5
Skin Diver	77.3	64.3	965.4	884.3
Southern Outdoors (8X)	—	—	322.7	356.0
Sport	39.7	42.0	522.7	551.5
Sports Afield	82.3	76.8	1,035.7	1,053.2
Tennis	52.9	70.9	959.8	1,035.5
Western Outdoors (10X)	—	—	425.1	425.9
World Tennis	18.6	29.1	468.0	526.9
Total Group	**1,748.1**	**1,791.7**	**21,634.5**	**22,325.3**
% change		**– 0.8%**		**– 3.1%**

— Photography —

American Photographer	57.2	45.2	520.1	502.6
Petersen's Photographic	33.7	39.2	353.2	410.5
Popular Photography	79.5	106.1	1,022.9	1,121.4
Total Group	**170.4**	**190.5**	**1,896.2**	**2,034.5**
% change		**– 10.6%**		**– 6.8%**

— Religious —

Christian Herald (11X)	28.7	39.8	347.2	406.3
Christian Life	22.5	24.3	294.2	344.8
Christianity Today (18X)	56.8	43.3	726.3	777.5
Inside (4X)	78.4	66.3	330.0	336.1
Moody Monthly (11X)	54.2	46.7	596.2	566.0
Today's Christian Woman	52.2	65.8	267.4	237.8
Total Group	**292.8**	**306.2**	**2,861.3**	**2,668.5**
% change		**– 4.4%**		**+ 7.2%**

— Science/electronic/mechanic —

Discover	33.3	41.2	416.5	434.3
Family Computing	51.5	87.5	482.5	689.7
Home Mechanix	—	—	—	—
Info World (52X)	143.0	189.0	1,516.0	2,136.0
Omni	75.5	96.4	727.1	816.8
Personal Computing	175.7	189.9	1,787.5	1,909.1
Popular Mechanics	90.2	87.6	1,155.9	1,151.3
Popular Science	70.8	73.7	793.4	972.7
Science Digest	17.2	35.2	261.2	358.6
Science 85 (10X)	21.7	31.0	299.1	384.0
Scientific American	43.2	70.7	585.6	839.8
Spectrum	83.5	64.4	1,242.4	1,196.6
Total Group	**805.6**	**986.6**	**9,249.2**	**10,888.9**
% change		**– 18.3%**		**– 15.1%**

— Women/fashion/service —

Bride's Magazine (6X) A.	241.1	266.4	1,814.6	1,887.5
Cosmopolitan A.	185.5	183.9	2,457.0	2,512.6
Essence	76.0	77.6	879.7	922.7
Family Circle (24X) A.	246.9	154.4	1,858.1	1,796.0
Family Magazine	37.2	31.0	476.8	436.0
Glamour	162.8	163.4	2,143.0	2,172.5
Good Housekeeping A.	245.5	208.9	2,052.1	2,033.3
Harper's Bazaar	104.8	135.9	1,736.9	1,814.2
Health	36.2	28.0	471.8	434.4
Ladies' Home Journal	133.8	122.4	1,369.0	1,268.0
Mademoiselle	103.8	118.8	1,503.9	1,684.6
McCall's	120.5	128.3	1,154.9	1,193.1
Military Lifestyle (10X)	32.2	42.0	334.7	408.8
Modern Bride (6X)	221.4	218.6	1,887.3	1,823.5
Ms.	37.1	62.4	555.8	650.6
New Woman	70.5	35.0	661.2	556.4
Parents Magazine A.	113.8	118.0	1,130.8	1,000.4
Playgirl	35.9	32.5	415.5	395.9
Redbook	129.2	104.8	1,166.8	1,177.8
Self	90.8	71.6	1,182.5	1,158.5
Seventeen	77.0	87.2	1,437.7	1,495.6
Shape	11.2	11.8	210.2	209.4
Soap Opera Digest (26X)	33.1	20.8	334.7	331.4
Teen Magazine	32.4	32.6	579.5	619.7
True Story A.	52.5	56.2	611.3	677.6
Vogue	228.7	245.0	3,247.9	3,468.4
W Magazine	63.1	62.0	1,352.0	1,335.0
Weight Watchers	21.2	19.8	332.7	357.1
Woman's Day (16X) A.	—	—	—	—
The Workbasket (10X)	—	—	365.6	385.2
Working Mother	88.9	91.9	936.6	915.5
Working Woman	95.6	120.8	1,239.9	1,308.1
Total Group	**3,118.7**	**3,054.0**	**35,940.5**	**36,429.8**
% change		**+ 2.1%**		**– 46.1.3%**

— Youth —

Boys' Life	11.2	11.8	210.2	209.4
Campus Life (10X)	—	—	—	—
Total Group	**11.2**	**11.8**	**210.2**	**209.4**
% change		**– 5.1%**		**+ 0.4%**

November

	Current month 1985	1984	Year-to-date 1985	1984

— Business —

Advantage	68.0	75.0	565.0	610.0
Arizona Bus. Gazette (52X)	43.0	27.7	330.7	281.0
Atlanta Bus. Chronicle (52X)	77.6	47.2	636.9	523.8
Austin Business Journal (52X)	58.2	43.0	644.3	523.8
Baltimore Business Journal	93.0	65.5	763.0	699.0
Barron's (52X)	237.1	237.0	2,113.5	2,173.9
Boston Business Journal (52X)	153.7	117.1	1,577.5	1,058.9
Business Atlanta	70.3	57.6	751.4	642.0
Business First of Columbus	82.8	—	—	—
Business North Carolina	53.0	36.8	—	—
Business Week (52X) A.	396.3	508.2	3,618.7	4,539.3
Business West (24X)	41.0	39.0	—	—
California Business	107.5	104.8	1,189.5	982.6
Capital District Business Review (25X)	27.9	35.5	430.3	508.8
Cincinnati Business Courier	70.0	54.6	699.4	291.4
Corporate Report/Kansas City	39.8	74.2	496.7	681.2
Corporate Report/Minnesota	104.7	82.3	1,042.3	953.5
Crain's Chicago Bus. (52X)	82.7	85.0	838.7	751.6
Crain's Cleveland Bus. (52X)	—	—	—	—
Dallas/Ft. Worth Bus. (52X)	—	—	—	—
Dun's Business Month	—	—	—	—
Financial World (24X)	61.0	39.3	488.5	350.0
Florida Trend (13X)	99.4	90.3	1,029.1	952.4
Forbes (26X)	374.2	445.8	3,315.5	3,405.2
Fortune (26X) A.	295.7	357.5	3,008.3	3,180.8
Frequent Flyer	77.0	73.5	707.6	646.1
Futures (13X)	68.0	53.0	616.0	617.0
Georgia Trend	52.1	—	209.4	—
Hawaii Business	46.0	56.8	541.8	561.3
High Technology	33.6	33.6	329.7	373.4
Houston Business Journal (52X)	—	—	—	—
Inc. Magazine A.	—	—	—	—
Income Opportunities	51.0	44.8	481.4	464.8
Industry Week (25X) A.	113.3	152.9	1,016.1	1,263.5
Indianapolis Bus. Journal (52X)	131.3	119.8	1,369.1	1,262.7
Kansas City Business Journal	132.1	160.2	1,615.3	1,483.2
Milwaukee Business Journal (52X)	153.8	94.1	1,149.6	942.2
Minnesota Business Journal	53.9	59.7	545.7	557.7
Nation's Business A.	47.3	61.5	376.1	396.6
New England Business (20X)	101.8	98.5	1,032.5	818.4
Pacific Business News (52X)	118.4	94.6	1,237.8	1,107.6
Philadelphia Business Journal (52X)	111.7	85.3	1,099.6	991.6
Pittsburgh Bus. Times (52X)	69.7	53.8	863.3	599.6
San Jose Bus. Journal	—	—	—	—
Savvy	32.3	57.0	352.1	458.4
St. Louis Bus. Journal (52X)	158.1	189.6	1,597.4	1,560.8
South Florida Bus. Journal	109.2	73.8	1,016.3	748.4
Texas Business	65.2	78.2	792.0	808.6
Venture	—	—	—	—
Total Group	**4,398.4**	**4,264.1**	**40,981.7**	**39,144.2**
% change		**+ 3.1%**		**+ 4.5%**

— Newspaper Sunday magazines —

Boston Globe	231.7	234.2	2,206.9	2,087.2
Chicago Tribune	193.1	134.6	1,380.2	855.3
Cleveland Plain Dealer	73.4	68.3	552.6	646.9
Columbus Dispatch	53.4	67.9	533.0	554.6
Denver Post	—	—	—	—
Detroit News	172.0	168.0	1,468.0	1,502.0
Image	124.1	90.6	961.6	640.6
L.A. Times Home Magazine	140.0	132.0	868.5	1,014.6
Louisville Courier-Journal	132.1	127.1	846.3	811.0
Miami Herald	54.1	58.3	479.4	565.3
New York News	—	—	—	—
New York Times Magazine	441.7	534.2	3,969.4	4,275.7
Philadelphia Inquirer	97.5	91.0	527.9	675.0
Toledo Blade Magazine	67.0	62.7	496.3	567.4
Washington Post	140.6	133.8	1,281.1	1,234.2
Total Group	**1,920.7**	**1,902.7**	**15,971.2**	**15,429.8**
% change		**+ 0.9%**		**+ 0.9%**

— Weeklies/bi-weeklies —

The Advocate (26X)	142.2	89.6	1,202.6	1,143.5
Army Times Military Group:				
Air Force Times (52X)	195.9	183.8	1,779.0	1,699.4
Army Times (52X)	190.0	178.5	1,741.4	1,630.1
Navy Times (52X)	204.2	200.8	1,879.3	1,821.4
The Times Magazine	10.0	12.4	112.4	169.1
The Blood-Horse (52X)	642.2	669.8	4,828.8	4,968.4
Capper's Weekly (26X)	26.9	24.8	293.9	285.8
Commonweal (22X)	14.2	17.4	78.5	79.4
Golf World (43X)	—	—	—	—
Grit (52X) A.	21.6	18.7	222.9	247.7
National Journal (50X)	47.0	41.3	513.0	271.3
National Review (25X)	58.2	35.9	291.1	301.8
New Republic (48X)	47.4	26.7	366.1	341.1
New York Magazine (50X)	318.4	335.3	2,713.5	2,592.4
New Yorker (52X)	395.1	433.7	2,603.8	3,148.9
Newsweek (52X) A.	—	—	—	—
People (52X)	438.6	492.7	3,367.1	3,613.2
Rolling Stone (25X)	110.6	102.5	1,015.1	953.9
Sporting News (52X)	44.4	52.4	486.6	540.8
Sports Illustrated (52X) A.	289.6	299.2	2,535.0	2,812.5
Time (52X) A.	301.5	329.2	2,400.2	2,557.4
Travelhost (52X) C.	3,125.0	3,164.0	35,232.0	35,406.0
TV Guide (52X) A.	451.9	422.6	3,426.6	3,495.5
Us Magazine (26X)	97.8	41.4	516.0	448.9
U.S. News & World Report (52X) A.	200.8	196.1	1,558.5	1,579.9
Total Group	**7,379.5**	**7,367.8**	**69,213.4**	**68,964.9**
% change		**+ 0.2%**		**+ 0.4%**

— Foreign —

Business Week Int'l (52X)	243.4	173.6	1,507.6	1,557.1
Cosmopolitan en Espanol:				
Central America	5.3	10.0	19.2	18.0
Colombia	24.5	26.3	164.2	129.0
Ecuador	1.0	1.0	5.0	5.0
Mexico	75.2	101.5	515.7	562.3
Peru	2.0	5.5	27.0	32.5
Puerto Rico	35.5	26.0	244.0	295.7
U.S. (Spanish language)	26.8	29.2	206.2	218.2
Venezuela	53.3	44.0	283.0	216.5
Cosmopolitan Foreign Editions:				
Australia	107.4	116.9	767.4	719.5
Brazil	71.4	74.3	513.1	450.2
France	117.7	139.3	1,079.7	1,387.8
Germany	158.7	140.5	1,121.0	1,023.7
Great Britain	179.0	177.0	1,337.0	1,311.3
Greece	48.0	87.0	567.4	574.0
Holland	102.0	86.0	746.3	593.0
Italy	91.5	95.2	559.6	604.5
Japan	57.3	33.3	407.3	346.9
Good Housekeeping Foreign Editions:				
Australia	47.4	35.2	590.6	364.7
Great Britain	204.2	218.6	1,469.5	1,467.9
Japan	103.5	96.5	524.5	798.4
Buenhogar:				
Central America	3.0	4.0	10.0	18.5
Chile	1.0	2.0	10.0	10.0
Columbia	53.7	53.0	374.7	372.2
Ecuador	17.0	19.0	117.0	142.5
Mexico	76.2	73.0	456.2	476.7
Peru	15.0	12.3	123.0	191.7
Puerto Rico	6.0	19.3	97.5	153.8
Venezuela	47.2	52.0	380.3	317.5
Geomundo:				
Central America	9.0	10.0	59.5	70.3
Chile	6.0	9.0	58.5	66.3
Colombia	12.0	17.2	106.5	109.7
Ecuador	8.0	5.0	48.0	45.0
Mexico	18.5	15.5	101.5	97.3
Peru	5.0	7.0	53.5	63.3
Puerto Rico	5.0	4.0	34.0	32.3
Venezuela	22.5	13.5	108.5	117.3
Hombre De Mundo:				
Central America	8.0	15.0	47.5	78.0
Chile	6.0	13.0	51.5	74.0
Colombia	25.5	15.7	113.0	116.7
Ecuador	7.0	9.0	47.0	53.0
Mexico	24.7	42.2	140.2	186.3
Peru	5.0	8.0	36.5	66.0
Puerto Rico	8.0	11.0	73.0	97.0
Venezuela	39.8	27.5	243.8	205.5
Ideas Para Su Hogar:				
Central America	—	—	—	1.5
Chile	—	—	—	1.0
Colombia	26.5	33.2	178.2	224.7
Ecuador	6.0	—	59.0	52.5
Mexico	18.7	22.7	119.2	118.2
Peru	5.5	10.0	27.0	67.0
Puerto Rico	—	7.0	10.5	12.0
Venezuela	41.5	44.5	204.8	215.5
International Communications:				
African Business	39.2	25.0	297.0	305.2
The Middle East	9.3	24.4	165.4	202.0
New African	16.3	18.5	185.8	192.4
International Management:				
Europe	79.8	60.5	583.0	455.2
Middle East	27.5	29.0	188.5	183.8
Pacific	25.2	13.3	183.2	146.0
Johnston International:				
Alam Attijarat	57.0	78.9	512.7	638.0
Modern Africa (6X)	25.3	39.0	88.8	156.1
Modern Asia (11X)	64.3	74.8	361.0	360.7
Mecanica Popular:				
Argentina	1.3	3.2	18.0	57.8
Central America	10.5	14.7	103.8	142.3
Chile	4.3	8.2	35.8	71.5
Colombia	20.3	22.0	160.7	168.8
Mexico	18.0	17.8	163.7	152.2
Peru	11.5	15.3	121.7	170.7
Puerto Rico	10.0	14.2	99.3	155.0
Venezuela	16.7	18.3	148.2	183.5
Newsweek International A.:				
Atlantic (52X)	131.1	123.8	983.9	978.2
Latin America (52X)	40.3	23.0	318.0	270.0
Pacific (52X)	79.9	91.7	699.8	770.7
Reader's Digest:				
Arabic	10.5	9.5	98.0	98.0
Asian	262.0	222.0	2,351.0	2,068.0
Australian	70.5	83.0	624.5	806.3
Belgian-Flemish	151.5	138.0	913.0	919.5
Belgian-French	85.0	94.0	566.0	606.0
British	62.0	72.1	513.3	608.9
Chinese	120.0	148.0	1,325.5	1,149.2
Danish	32.3	36.5	347.8	354.3
Dutch	51.5	52.5	483.8	438.3
Finnish	30.0	38.5	462.7	462.0
French	31.9	53.2	448.6	513.2
German	99.5	90.0	723.6	749.8
Greek	2.5	7.0	65.5	92.0
Iberian	4.5	12.0	37.5	188.0
Indian-English	112.5	87.5	992.0	785.0
Indian-Hindi	15.5	15.5	124.0	73.0
Italian	56.0	46.0	375.0	371.0
Japanese	40.7	53.4	456.9	486.4
Korean	39.3	27.0	282.8	256.0
Latin American:				
Argentina	8.5	29.5	189.5	227.5
Brazil	4.5	7.5	48.5	35.5
Central American	5.5	10.5	90.0	107.5
Chile	13.0	24.0	119.5	128.5
Colombia	37.5	51.5	304.0	352.0
Ecuador	5.5	9.5	92.0	92.5
Mexico	63.5	91.5	536.8	563.6
Peru	8.5	13.0	105.5	106.5
Puerto Rico	1.5	6.0	50.5	59.5
U.P.B.	5.5	10.5	78.5	85.0
U.S. Spanish	14.5	23.5	110.5	125.5
Venezuela	7.0	12.5	111.0	124.5
New Zealand	85.0	125.5	616.0	969.1
Norwegian	13.0	38.0	196.4	360.7
Portugal	56.5	59.5	406.6	417.0
South African	112.0	157.5	1,010.0	1,101.3
Swedish	28.5	3.5	200.5	108.5
Swiss-French	39.0	33.0	289.1	288.6
Swiss-German	48.0	44.0	398.4	377.0
Time International:				
Time-Asia	105.7	111.6	941.1	1,003.1
Time-Atlantic	140.2	138.0	1,161.6	1,194.5
Time-Canada	325.5	290.8	1,983.4	2,072.2
Time-Latin America	63.8	67.2	511.4	541.7
Vanidades Continental:				
Central America	33.8	22.8	115.8	88.2
Chile	4.3	10.3	34.7	31.7
Colombia	137.2	117.0	840.2	753.0
Ecuador	32.3	27.7	241.8	207.5
Mexico	167.0	175.3	935.8	1,033.7
Peru	26.7	24.7	191.0	233.7
Puerto Rico	52.8	48.7	399.5	404.8
Venezuela	99.8	106.2	604.2	583.7
Visao	6.3	9.3	103.3	65.2
Vision/Latin America (26X) A.	36.2	51.1	301.4	337.5
Total Group	**5,960.0**	**6,128.7**	**45,508.6**	**46,907.0**
% change		**– 2.8%**		**– 3.0%**

$1.25 a copy; $55 a year

Monday, December 30, 1985

Advertising Age

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FORECAST & REVIEW

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Forecasting for '86—P. 2
Newsmakers of '85- –P. 3
'85's hot products—P. 3

Polaroid puts BBDO in focus

By STEWART ALTER

There was a most welcome gift for BBDO Inc. president Tom Clark on Christmas Day: A phone call from Peter Eichorn, Polaroid Corp.'s vp-North American marketing operations, telling him BBDO had won Polaroid's estimated $45 million consumer-photography account.

Pitching the account besides BBDO were Della Femina, Travisano & Partners; Needham Harper Worldwide, and Ogilvy & Mather, all New York. O&M recently had won the Polaroid account in Latin America (AA, Dec. 23), consolidating its position as the agency for all Polaroid business outside the U.S.

Cambridge, Mass.-based Polaroid had announced that it was considering those four agencies for its new 7000 photographic system, and possibly for the whole consumer-photography account as well. Ally & Gargano, New York, the incumbent, resigned the business rather than participate in the review (AA, Nov. 4). Ad spending for that new system is expected to be about $30 million.

The four agencies made creative presentations on how they would handle the 7000 system, said Mr. Clark. "We didn't show an array of creative ideas. We showed one creative concept which we extended and recommended that they do," he said of BBDO's approach, noting that the advertising

(Continued on Page 30)

Yule sales end with a flourish

An Advertising Age roundup

When the number crunchers add up their Christmas sales figures, most retail chain stores are expected to show increases of 6% to 8% compared with last year.

But while sales gains were posted over a sluggish 1984, major retailers found that their yuletide "season" was basically confined to four days—the two days right after Thanksgiving and the last two days before Christmas.

There were six fewer shopping days between Thanksgiving and Christmas this year, but the strong surge in last-minute shopping boosted sales over year-ago figures in most cases. And retailers, who a year ago had to improvise special sales and promotions just to drum up consumer traffic, this year planned their promotions, but had to ride out the anxiety of generally

(Continued on Page 30)

Last Minute News

Y&R ends year with $12M win from AHP

NEW YORK—American Home Products' American Home Foods and Boyle-Midway divisions have assigned Mama Leone's jarred pasta and Holiday insecticides, respectively, to Young & Rubicam. Y&R wins an estimated $10 million to $12 million in billings. The Mama Leone's line is a new product that has been quietly testing in the burgeoning jarred pasta category (AA, Dec. 2). The line, which had no previous agency of record, will be expanded into regional and then national distribution, eventually

(Continued on Page 8)

NEWSPAPER

Adman of the year

GM's visionary

Roger Smith steers drive to market-oriented future

By JESSE SNYDER

Roger Bonham Smith, a General Motors Corp. chairman who pictures himself as an explorer leading an odyssey into the 21st Century, is ADVERTISING AGE's 1986 Adman of the Year.

It is not a commanding on-air presence that won this honor for Mr. Smith. Instead, it's his long-range vision, his efforts to give the world's largest manufacturing company a new marketing orientation and his determination to overcome formidable obstacles and internal inertia.

He has embraced a view of the world that Detroit-based GM and other U.S. auto makers will inherit, and stamped his vision on every aspect of the $90 billion company.

Unlike 1983 Adman of the Year Lee Iacocca, whose series of commercials as Chrysler chairman made him America's most recognizable businessman and a symbol of Chrysler's resurgence, Mr. Smith rarely involves himself in GM's advertising.

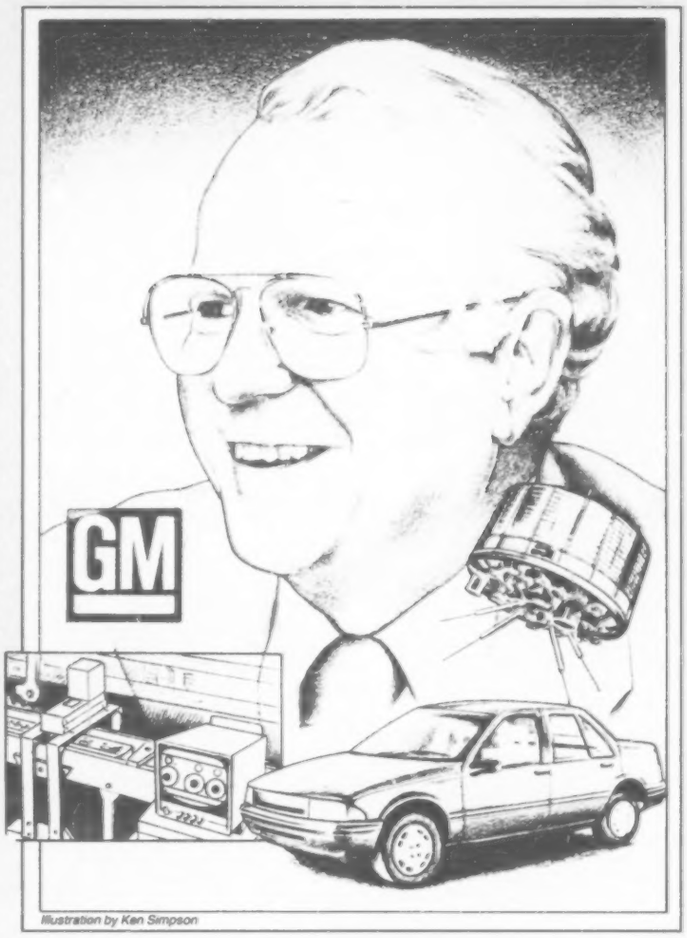

Illustration by Ken Simpson

But he made an exception for "The GM Odyssey: Science, not fiction," a new corporate campaign now breaking via N W Ayer.

"I may have had a little bit to do with the theme of that one—not the words but the direction," Mr. Smith said. "I'm done with 'sweating the details.' Now I want to move on to the 21st Century."

With a slight build, wire-rim glasses and high-pitched voice, Mr. Smith is an unlikely looking explorer.

Intellectually, however, he is as suited to this corporate-world quest as any pith-helmeted jungle explorer of a century ago. He is curious, eager to try new ideas, willing to abandon a position of comfort.

And like a practiced explorer of untraveled terrain, he weighs risks against potential gains, learns from his mistakes and hires experienced guides.

Since taking over as chairman on Jan. 1, 1981, Mr. Smith has steadily moved GM toward the global, technology-based, marketing-oriented shape he envisions. Along the way, he is changing the rules on how cars will be produced and sold by the entire industry.

Mr. Smith has reorganized GM's truck operations and car operations into two groups, emphasizing marketing as a guide to product development and allowing car division managers to go outside GM for vehicles.

In his first two years as chairman, he pared 27,000 white-collar and 172,000 blue-collar jobs to streamline the company. GM's Media Council, created in his third year as chairman, has scrutinized advertising agency relationships, ad efficiencies and effectiveness, as well as development of improved in-house marketing and advertising expertise.

Mr. Smith also has aggressively purchased high-technology companies such as Electronic Data Systems, Dallas, and Hughes Aircraft, El Segundo, Cal. These companies—specializing in computing, aerospace, machine-vision, financial services and tele-

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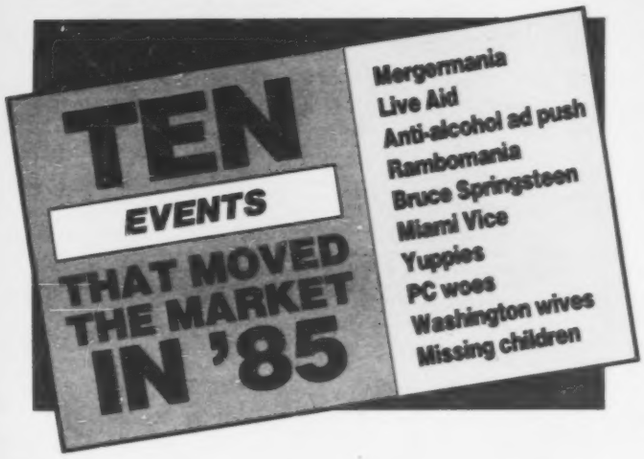

Acquisitions & mercy missions top '85 events

From a year chock full of news, Advertising Age selected these 10 marketing-related events as the most newsworthy.

FORECAST & REVIEW

The year 1985 will likely be remembered as the year Wall Street moved into the corporate offices of some of the nation's largest companies and served notice that no public company, no matter how large, was safe from takeover.

More than $41.1 billion was spent on or committed to **mergers and acquisitions** of consumer-products companies, airlines and media companies. There was another $6 billion to $7 billion in takeovers that eventually were aborted, led by Ted Turner's unsuccessful $5.4 billion bid to acquire CBS.

Three megamergers—R.J. Reynolds Industries' $5.25 billion merger with Nabisco Brands, Philip Morris Cos.' $5.7 billion merger with General Foods Corp. and Procter & Gamble's $1.55 billion acquisition of Richardson-Vicks—saw the title of the nation's largest national advertiser change hands three times in three months. The combined RJR/Nabisco, with an estimated $1.01 billion in measured and unmeasured ad spending in 1984, eclipsed longtime leader P&G. PM/GF then checked in at $1.02 billion. But scarcely days later, P&G's marriage to R-V retook the title with an estimated $1.03 billion in spending.

The megamergers set executives at several agencies on edge with fears that so-called "soft" conflicts would lead to a major reshuffling of account responsibilities. Many observers believe that reshuffling will occur in 1986.

Here's a partial scorecard on who bought what, or who tried to buy what, during 1985:

FEBRUARY: Greyhound Corp. acquires the consumer-products division of Purex Industries for $264 million.

MARCH: Rupert Murdoch buys a half interest in 20th Century Fox Film Corp. for $162 million and an $88 million loan. . .Capital Cities Communications agrees to merge with American Broadcasting Co. in a $3.5 billion deal. . .Ted Turner launches his ill-fated $5.4 billion

(Continued on Page 23)

Our 10 predictions for hot topics in '86

There will be plenty of surprises for all in 1986, but here are 10 areas where Advertising Age editors see news apoppin' next year.

Pfizer Inc.'s search for an agency to handle **consumer-targeted prescription drug campaigns** may be a sign of the times as the pharmaceutical industry maneuvers to get a handle on the government's newly relaxed attitude toward drug advertising.

The three drugs Pfizer wants to advertise directly to consumers include what many feel will be the advertising pioneers among prescription drugs: Medications for arthritis and heart diseases. Those ailments afflict a large number of consumers—large enough, perhaps, to justify the additional costs of consumer advertising.

Although some in government agencies, including senior staffers at the Federal Trade Commission and Food & Drug Administration, are pushing for more advertising on the theory that it will heighten competition and lower prices, the prevailing industry sentiment seems to be of the opposite view: More ads mean higher marketing costs and lower revenues.

The drugs Pfizer is most interested in bringing to the consumer ad stream include Procardia (heart), Feldene (arthritis) and Minipress (hypertension).

Merrell Dow is perhaps the most active in the direct-to-consumer business, first with a wide campaign for Nicoret, an anti-smoking aid, and then for Seldane, an antihistamine without the usual drowsiness side effects.

FDA deputy commissioner John Norris has said there are a number of drugs for which direct-to-consumer advertising would work well, another number for which its use would be questionable and a third group for which it would neither work nor be allowed.

But the FDA has not yet shed any clear light on which drugs fall into which of those three categories and, until it does, the prescription-drug marketers must tread lightly.

Some of the biggest automotive news in 1986 is likely to come in small packages—**small cars** from unlikely places such as Yugoslavia, Korea and Greece.

Yugo America, Montvale, N.J., fired the first shot in the entry-level car war with its August introduction of the $3,990 Yugo GV built in Yugoslavia by Zavodi Crvena Zastava.

Korea's Hyundai Corp., already the top import nameplate in Canada, plans to introduce its mid-$5,000 Excel subcompact in the U.S. Feb. 15.

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Another Korean manufacturer, Daewoo Motors, will supply General Motors' Pontiac division with 75,000 minicars a year starting in the fall of 1986.

The Desta APV, an under-$5,000 utility vehicle assembled in Greece using mostly Ford of Europe components, will be introduced about mid-April by Automotive Imports & Marketing, Phoenix.

"With the average price of a new car now exceeding $11,300 and that of a used car at the $5,200 level, many Americans find themselves priced out of the marketplace for a new car," said William Prior, president of Yugo America, in describing the market niche sought by these new entries. Yugo launch advertising, via Rosenfeld, Sirowitz & Lawson, New York, positioned the car as heir to classics of practical transportation, the Model T and the Volkswagen Beetle.

Although it only brought in 8,000 cars for sale, mostly in the Northeast, in 1985, Yugo attracted considerable press attention, and claimed that virtually all its cars were presold by dealers.

Yugo plans to complete its national network of dealers by summer and is aiming at sales of 40,000 in its first full year, through Aug. 31, and then 75,000 cars in the second year.

Also introduced in late 1985 was the Samurai, from Japanese maker Suzuki. A sort of subcompact Jeep, the Samurai is being marketed as both a truck and—with backseat added—a car. Suzuki is bringing in about 10,000 between Nov. 1 and March 31.

Hyundai will offer three-door and five-door hatchbacks and four-door sedans in its drive to sell 100,000 units in the U.S. in 1986. Distribution will begin in 31 states.

(Continued on Page 15)

HIGHLIGHTS

New products lifted food sales 4

Growth trends during the past year in food-store sales came from new products that expanded category volume, according to Selling Areas-Marketing Inc.

H&R Block files early 6

H&R Block will file three separate U.S. ad campaigns this tax season, hoping for returns even greater than the $457 million it made from helping taxpayers in 1985.

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OTHER NEWS

The U.S. Army takes the offensive next month with a $17 million tv campaign. Page 18.

Westinghouse's $1.6 billion sale last week of its Group W cable holdings indicates established leaders will continue to dominate cable. Page 30.

COMING THURSDAY

Due to the holidays, Advertising Age Thursday *will not be published Jan. 2.*

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West Coast news

Hills Bros. taps Riney

Hills Bros. is starting a new round of tv commercials, featuring actor Elliot Gould, for its Hills Bros. Gold Blend premium coffee. The ads were created by Riney & Associates, San Francisco, agency for Hills' sister company MJB Co. (AA, Oct. 7). The San Francisco-based coffee company, owned by Swiss-based Nestle SA, selected the Riney spots over the work of Hills Bros.' agency Cohen/Johnson, Los Angeles, in a creative competition, but Cohen/Johnson still is the agency of record. The product is rolling into Hills' western, midwestern and northeastern marketing territories after testing in Arizona and Wisconsin (AA, Oct. 24). It is Hills' first entry into the pre-

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Products

(Continued from Page 12)

flies the British Union Jack as its logo, was on a fast track in 1985. Selling 13 million pairs of shoes for sales of $275 million, it claims its aerobic and fitness-shoe unit market share reached 68%, comfortably outpacing competitors such as Nike, Foot Joy and New Balance. Now, during the coming year, it will jump into basketball shoes and sports clothes while trying to build its children's shoe and adult running-shoe businesses.

With origins dating back to 19th Century England, the company's shoes are worn by world-class runners such as Briton Steve Jones. Those tie-ins and Reebok's very British logo have prompted some retailers to promote the line under the theme "The British are coming." But 20th Century Reebok is a success story written in the colonies, not the mother country.

In 1979, Paul Fireman, an American marketer of outdoor equipment, obtained the license for Reebok in North America and by 1984 Reebok's U.S. shoe sales were $65 million. During that same year, Reebok moved its headquarters from England to Avon, Mass., and Mr. Fireman stepped up from licensee to president-ceo of Reebok

Reebok shoes
Jumping into U.S. market

International. In mid-'85, Mr. Fireman's original U.S. distributorship merged with Reebok International to become Reebok International Ltd., and went public in the U.S.

With most manufacturing now done in Korea rather than England and with a $6.5 million advertising and promotion budget handled by Maslow, Gold & Rothschild, Boston, Reebok International Ltd. makes no pretense that its British connection today is anything other than symbolic.

But it's an association that serves both Reebok and the British. One source at the British Trade Development authority in New York says British products are perceived as quality products in the U.S. Stressing that cachet and its belief that the U.S. market is a favorable one for British marketers because of exchange rates, the BTD has been encouraging its manufacturers to sell and promote more in the U.S.

This year they have. Food From Britain USA began an extended ad campaign this fall in Boston, via Warwick Advertising, and encouraged separate campaigns in other cities to dispel the notion that British food is bad. For 1985, British food imports to the U.S. were up 30% compared with last year. British manufacturers also got a boost this year from J.C. Penney Co. when that chain bought $50 million worth of British-made clothing for a storewide salute to Britain, which the Prince and Princess of Wales attended. And the U.K.'s Double Diamond Original Burton Ale also tried to tap the U.S. imported-beer market with a foray into the Northeast.

Even British auto makers are getting into the act. Since 1981, Jaguar has been the only British auto marketer in the U.S. The luxury marketer since 1980 has enjoyed more than a 500% sales increase and will have moved 20,000 cars, priced at more than $32,000 each, by the end of this year. Now, Austin Rover is poised to come back into the market by late 1986 or early 1987 in a joint venture with Honda.

In the fast-food industry, 1985 was the year of the "big burger," but of the menu marvels tried the most successful was **McDonald's McD.L.T.** sandwich.

The news in 1984 had been the rise of the so-called "gourmet burger" restaurants, where those same consumers who were telling

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pollsters they were interested in more "healthy" foods such as sprouts and mineral water were lining up to buy half-pound burgers topped with every condiment known to foodservice. Fast-food chains responded by trying to develop even bigger and gloppier burgers than they had already.

On the West Coast, the Carl's Jr. chain rolled out the ⅓-lb. Western Bacon Cheeseburger. Roast-beef maker Arby's tested a ⅓-lb. burger, too. Marriott's Roy Rogers chain trotted out the Double-R-Bar Burger topped with smoked ham and cheese. In Milwaukee and Indianapolis, McDonald's tried the ⅓-lb. Cheddar Melt burger, topped with cheese and grilled onions.

The most noise was made by Burger King, which had the fast-food "coup" of the year when it increased the size of its Whopper—the original lettuce and tomato hamburger—from 3.6 ozs. to 4.2 ozs., thereby making it larger than any competitor's ¼-lb. burger. Burger King spent $30 million in eight weeks to announce the change and the results were awesome: Customers yawned and the chain's advertising-awareness score dropped. Former senior vp-marketing Don Dempsey is now over in the operations department.

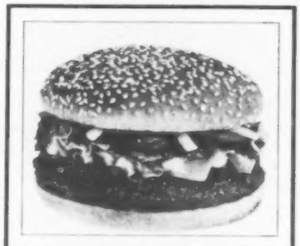
Only Wendy's, which had made a name for itself years ago by selling only big burgers that it always has admitted are messy (remember the "Hot 'n' juicy" and "Lots of napkins" campaigns?), sat out the hunt for the bigger burger. Instead, it added baked potatoes, chicken sandwiches and breakfast.

The idea of a lettuce-and-tomato-topped burger has been kicking around the McDonald's system for years. Such a sandwich was tested under the McFeast name off and on for years. Late in 1984 it resurfaced as the Lettuce & Tomato Special in Shreveport, La.

Barely a year later, McDonald's had the sandwich—rechristened the McD.L.T.—moved into all 6,800 U.S. stores, which probably means that Americans will spend more on McD.L.T.s in 1986 than they will in all the "gourmet burger" restaurants combined. So much for competitive threats to Big Mac.

If nothing else, the McD.L.T. represents some of the best news America's farmers got all year. McDonald's will use 800,000 tomatoes and 100,000 heads of lettuce *daily* preparing the sandwiches. Onion and pickle producers no doubt are dancing in the fields as well.

There's nothing terribly innovative about the product itself. It's basically the Quarter Pounder hamburger McDonald's has sold since 1972 (but for which sales have slowed lately) topped with tomatoes, lettuce, mustard, ketchup,



McD.L.T.
The hot and cold of it

mayonnaise, onions, pickles and cheese. As a press release from Needham Harper Worldwide's Phoenix office (where it handles the local co-op) points out gleefully, "That's more flavor than you'll find on any other sandwich in the quick-service restaurant industry!" Anything for an edge.

What separates the McD.L.T. from the Whopper, the Wendy's Single and the rest is its packaging. The twin-bay foam container in which the McD.L.T. is served was the brainchild of franchisee Will May in Nacogdoches, Tex. Burger and bun bottom are in one half, bun top and condiments in the other. The result, as initial advertising for the product stressed, is that "The hot stays hot and the cool stays cool," thereby answering the question, "Why, if we can put a man on the moon, can't someone serve a burger with lettuce and tomato that can stand up to a heat lamp?"

McDonald's has a tradition of good ideas from its franchisees. Jim Delegatti in Pittsburgh developed the Big Mac; Lou Groen in Cincinnati came up with the Filet-O-Fish, and Santa Barbara's Art Bender invented the Egg McMuffin. Will May says he explained his idea for the McD.L.T. package to McDonald's chairman Fred Turner by laying two square glass ashtrays end to end. Glass being too expensive, McDonald's went with foam.

McDonald's didn't waste time moving the McD.L.T. to national availability, and it didn't cut corners on the marketing side. The chain quickly signed Chicago Bears' 308-lb. rookie and cult hero William (The Refrigerator) Perry, shot a commercial and got it on the air during the Dec. 2 network matchup of the Bears and Miami Dolphins. That broadcast garnered higher ratings for that week than all but two other programs, edging even "Miami Vice."

Some companies just live right.

Syndicated tv reruns became the entertainment industry's biggest business with revenues from tv production outpacing theatrical films.

- Sales of MCA/Universal's "Magnum, P.I." reached $1.7 million per episode, a record price for an off-network hour syndicated show. Twentieth Century Fox's "The Fall Guy," with Lee Majors, sold for $1.1 million per episode.
- "Silver Spoons," a marginally rated half-hour comedy available for airing in 1987, presold in 27 markets for $70 million. If brisk sales continue, the NBC series could earn its producers an unheard of $1.5 million per episode for 116 shows.
- "The Honeymooners," the 1950s Jackie Gleason b&w half-hour comedy, made headlines when Viacom unearthed 52 new episodes thought to be lost. The comedy classics ran on the premium cable service Showtime. The shows became the focus of the pay channel's marketing campaign.
- Christian Broadcasting Network paid $1 million for the rights to Orion TV's sitcom "Green Acres."

Other shows of yesteryear, such as "Perry Mason," "Leave It to Beaver," "Wagon Train" and "The Rifleman" are finding new life on cable tv, consistently rating among the top 10 cablecast shows.

The nostalgia wave even reached commercials. Frito-Lay interspersed a spokesman with clips from "Mr. Ed," "Leave It to Beaver" and "Dragnet" to help sell its Tostitos brand. The clever $9.1 million campaign earned the 1985 Clio Award for confections/-snacks.

But this all isn't just a warm look back at tv's golden years. Sid Caesar stands to make a fortune syndicating 65 half hours of comedy culled from his legendary "Your Show of Shows" and "Caesar's Hour" for fall, 1986.

Others will follow the path to syndication riches in the near future. But while most think syndication will remain a lucrative business for years to come, it seems likely that the industry will not sustain the heady record-driven sales pace. The number of new cable channels and independent tv stations aren't expected to grow as quickly as in recent years.

This should lead to a more stable future market with prices leveling off for reruns, but until then the owners of tv series are smiling. Especially those responsible for "The Bill Cosby Show."

If shows such as "Webster" and "Silver Spoons" can sell for more than $1 million per episode in 1985, they figure "Cosby" could go for as much as $2.5 million per episode and be the big story next year.

Pump-dispensed toothpastes once were the new twist in an old category, but by yearend the new **plaque and tartar-fighting dentifrices** were the hot topic of conversation among dentists and consumers.

The reason for such high awareness is that Procter & Gamble and Colgate-Palmolive have spent more than $10 million apiece in the last half of the year, promoting new Crest Tartar Control Formula and new Dentagard plaque-remover toothpaste, respectively.

For 1986, industry observers expect $35 million-to-$50 million advertising and promotional budgets as Beecham Products, Lever Bros.

Dentifrices
Fighting tartar, plaque

and Johnson & Johnson join the plaque-and-tartar party with "adult" toothpastes of their own.

Yet some industry analysts criticize P&G's and Colgate's advertising efforts, saying consumers are confused about what is the difference between the two gum-disease-related problems.

"Ask most anyone what's the difference between the two and they say it's all the same," said a toothpaste product manager.

However, analysts caution that it is too early to draw conclusions about either company's marketing efforts.

And, although Colgate beat P&G to the starting gate by introducing Dentagard in April while P&G waited until June to roll Crest Tartar Control Formula out of test market, the Cincinnati-based household-products giant once again has firm control of the toothpaste category.

P&G recently posted a strong 35%-to-37% total Crest market share, up from a midyear 30.5% share—due primarily to its new Crest Tartar Control. The introduction of the Crest pump has not started showing up in market-share data.

During the same period, Colgate rang up a total 28% share, down about half a share point, while its Colgate brand alone pulled a 23% share, down five points from its spring peak of 28%. At that time, many analysts believed Colgate would overtake P&G as the market leader, but not anymore.

"P&G has done an effective job with marketing Crest Tartar Control Formula, while Colgate hasn't convinced consumers there's a difference between it and Dentagard," said Jay Freedman, household-products analyst, Kidder, Peabody, New York.

Adds Hugh Zurkuhlen, P&G watcher at Salomon Bros., New York, "What surprised me was how much P&G's share picked up with the introduction of Tartar Control—and it doesn't include the pump. It's now a two-toothpaste race between Colgate and P&G."

Mr. Zurkuhlen said Beecham's Aqua-fresh and Lever's Aim continue losing market share to both Colgate and P&G, although no figures were available.

At the same time, Chaska, Minn.-based Minnetonka, the company that was first in the plaque and pump-dispensed toothpaste category with Check-Up, successfully defended its market position through the initial onslaught by P&G and Colgate.

Check-Up has an estimated 4.5% share, a position that has not changed substantially since the introduction of the new Crest formula nor Colgate's Dentagard.

Minnetonka, through agency Bozell & Jacobs, Minneapolis, ran print ads in major consumer magazines and periodically dropped coupons in Sunday newspaper freestanding inserts.

Additionally, Warner-Lambert's Listerine was repositioned as a weapon in the fight against plaque.

While both P&G's and Colgate's toothpastes have received the seal of approval from the American Dental Assn.'s Council on Dental Therapeutics, the seal was granted because the toothpastes fight cavities, not because they reduce plaque or tartar.

The Chicago-based ADA is expected to unveil its plaque guidelines by early 1986, although industry observers say the guidelines already are "too late to make much difference" in the way plaque fighters are marketed.

Dishonorable mention

One of the hottest products of 1985, as it has been for several years, is illegal and often debilitating to users: Cocaine.

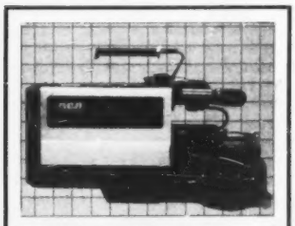
According to statistics from the National Institute on Drug Abuse, cocaine abuse shows no sign of declining. Mentions of cocaine as a contributing factor in cases handled by U.S. hospital emergency rooms were up again last year—a projected 12%, based on actual numbers for the first half.

More ominously, use by teen agers continues to grow rapidly. Last year, 6.7% of high school seniors surveyed by NIDA admitted using cocaine in the previous month, up from 5.8% in 1984 and 4.9% in 1983.

Cocaine abuse has spread to the workplace, reaching epidemic levels in some fields, drug experts say. Cocaine's effect on the lives and work of people in advertising was explored in a two-part Advertising Age series (AA, Sept. 23, *et seq.*).#

News

(Continued from Page 17)
full-size VHS models by several makers, camcorders should supplant two-piece models as the portable video system of choice. Camcorders are now available in four basic formats: VHS, VHS-C (a compact VHS format), Beta and 8mm.



Camcorders
Upgrading the vcr market

RCA, General Electric, Magnavox, Panasonic and several other electronics companies will have full-size VHS models on the market early this year. Before introduction of the standard VHS format, consumers with VHS vcrs at home were forced to use the compact format, whose tapes are only 20 minutes long. VHS deck owners now can purchase the standard format camcorders that play tapes up to two hours in length.

With more than 20 million VHS vcrs in use and total vcr penetration approaching 30%, industry observers expect a camcorder boom this year. Most camcorder purchasers, it is expected, will select a unit that is compatible with their home vcrs.

FORECAST & REVIEW

The biggest drawback to camcorder sales will be their price. Most models retail for more than $1,500, causing many retailers to believe consumers are awaiting the rapid drop in price that is now common about a year after new technology hits the market.

The ultra-compact 8mm format, whose tapes are about the size of an audiocassette, is expected to receive its greatest acceptance among consumers who don't own vcrs. Those consumers will be able to purchase 8mm decks for playback. Only three companies—Kodak, Canon and Sony—had 8mm decks on the market in the fourth quarter, but several others are expected to join the fray early this year.

The 8mm format, decks and all, will really take off once videocassette marketers see it as a viable option that is here to stay—unlike Beta—and begin to produce 8mm software for playback.

General Electric and Polaroid marketed 8mm camcorders in 1985, though neither company had a home deck on the market. Camcorders in the 8mm format are priced about the same as VHS and Beta units, but because there is so little competition in the 8mm vcr category, those units are priced very high. While a mid-line VHS or Beta deck can be had for $400 or less, 8mm decks were retailing for $1,500 or more in '85.

Nonetheless, a spokesman for Sony said fourth-quarter demand for 8mm was so strong, the company was "flying 747 jumbo jets of them in from Japan."

The stand-alone 15-second commercial, one of the most significant developments in commercial tv in 10 years, got off to a running start in 1985. In 1986, the revolution will be well under way.

Like most revolutions, the solo 15 will have its detractors and supporters. But one fact remains certain: The unit will come into widespread use before the year is out.

This was the year the 15-second ad worked its way into mainstream use and advertiser consciousness. A Television Bureau of Advertising survey shows that an average of 5,500 15s were run weekly from January to September.

That pace marked a 228% increase from 1984. While TvB did not project use into this year, some industry experts have estimated that use will double, if not triple, by yearend.

The move to 15s has some far-reaching ramifications, both for advertisers and the tv industry. Increased clutter is the most immediate one; all agree this could lead to a deterioration in tv's effectiveness.

Clutter aside, there's an irresistible lure to the 15. The networks see a way of building their revenue base by attracting marketers who have been shut out from the high-price world of network tv; so far, 15s sell for half the cost of a 30.

This would have the effect of drawing some advertisers away from magazines, cable and, most important, syndication. Only CBS-TV sells solo 15s throughout its commercial schedule. ABC-TV sells 15s in lieu of 10s on news, sports and business briefs.

NBC-TV remains resolute in its stand against 15s, a stand that is expected to be modified once the network begins losing business to its rivals.

Marketers have been ambivalent. Major package-goods companies see it as an excellent tool to build frequency for brands, especially those hurt by rising costs in tv. Unfortunately, the 15 allows smaller competitors into *their* formerly exclusive domain.

There's a big creative issue as well. Directors, comfortable in the 30-second world, are loath to break new campaigns in the 15-second mold. But this could change as well.

Sophisticated users are exploring ways of kicking off campaigns via 15-second spots.

The solo 15 has set off a chain reaction in network tv that will gain momentum in the coming months. No longer content to think about tv in terms of 30s or 60s or even 15s only, some advertisers want a medium unfettered by any prescribed lengths. Clorox Co. has asked the networks to sell solo 20s. ABC is thinking of selling advertisers 60-second pods, to be divided any way the advertiser wants.

Could 1986 be the year tv ends up looking like the back pages of some magazines?#

Ford makes music with compact player

By CLEVELAND HORTON

Ford Motor Co. will become the first U.S. auto maker to include a compact-disc player as a factory option next spring as part of a 140-watt audio system for its high-end 1986 Lincoln Continentals and Town Cars.

Japan's Mazda Motor Corp. also is expected to introduce a compact-disc player in the U.S. next spring for its top-of-the line RX7 GXL model.

Ford's audio system, which features 12 speakers, was designed in conjunction with loudspeaker marketer JBL Inc., Northridge, Cal. Print and radio ads are themed "The concert continues with the Ford/JBL system," which was introduced in October. Wells, Rich, Greene, Detroit, is agency for the Lincoln-Mercury division.

Don Duncan, planning, marketing and sales manager for Ford's audio products group, said Ford expects 20% to 30% of Town Car and Continental sales will include the optional audio system.

The audio system adds just over $500 to the cost of the music option. Although the company hasn't set a price on the compact-disc player, it is expected to be in the $600-to-$800 range.

Only 3% of Lincoln-Mercury division customers settle for a factory-installed radio, opting instead for a stereo system.

Earlier this year in Japan, Mazda added a compact-disc player as an option for its Familia model, which is sold as the 323 in the U.S. The factory-installed cd player for its RX7 GXL will be built by Pioneer Electronics. Foote, Cone & Belding is Mazda's agency.#

Apple won't bite into Super Bowl ads

By CLEVELAND HORTON

Apple Computer's decision not to participate in the upcoming telecast of Super Bowl XX is either an indication of the personal computer marketer's maturity or a sign that its long-term vision went out the door with founder Steven Jobs.

The company, whose bold tv commercials dominated the last two Super Bowls, doesn't plan to sit on the marketing sidelines entirely, however. It's planning a media event in mid-January with a conference called AppleWorld in San Francisco.

There, Apple executives will present the Cupertino, Cal.-based company's goals to industry analysts and the press.

Apple changed its course after a difficult corporate reorganization this year. While Mr. Jobs vowed to put "a Macintosh computer on every desk," current president-ceo John Sculley has a different vision: He's inclined to find appropriate desktops and market selectively to the people sitting behind them.

A former Apple marketing manager applauded the company's decision to cut its advertising excesses. "They've proven they can waste more money than anyone else," he said. "They have to concentrate now on market development, not just awareness."

Apple defends its decision to pass on tv's most expensive time.

"During the last two Januarys, Apple had something fairly dramatic to say," said Bruce Mowery, advertising and sales promotion manager. "This year, we don't feel we have a strong enough message."

However, Apple is widely rumored to be planning two significant January product introductions: A more powerful Apple II and a faster Macintosh that will enable those lines to share software and peripherals.

Undoubtedly, the high cost of Super Bowl tv time played a large part in Apple's decision to shun the big game. Although the company projected it would end its first fiscal quarter with record earnings, it earned those profits on reduced sales, compared with the previous year. Mr. Sculley has said he wants the company to become more profitable in 1986 on flat sales.

Apple Computer scored a grandstanding touchdown during Super Bowl XVIII with its breakthrough announcement of the Macintosh computer with the eerie "1984" spot. While the commercial ran only once, its impact was magnified by countless news stories.

Apple's controversial "Lemmings" spot the following year did not gain the critical success of its predecessor but drew much attention from the press and public.

Some think Apple is missing an opportunity by staying out of Super Bowl XX. Bill Kelley, vp-management supervisor, Keye/-Donna/Pearlstein, Los Angeles, said, "If they had stayed in the Super Bowl, it would have been an opportunity to make up for the missed communication last year."

Greg Helm, director of client services at Chiat/Day, Los Angeles, Apple's agency, though, said, "I don't know that 110 million Americans are expecting an ad from Apple." He insisted that Apple's media strategy would be noted only within the advertising and personal computer industries.

Apple marketing head Michael Lorelli dismissed the possibility of a backlash to the decision to abandon the Super Bowl. "In the business arena, our marketing efforts are more selective, both in the present and the future."

Apple posted its first quarterly loss in the third fiscal quarter last year, largely attributed to its reorganization. The company released its projections for the first fiscal quarter earlier this month, stating it will post about $52 million in earnings, its most profitable quarter ever.#

SAMI

(Continued from Page 4)
from the increased warehousing of Dannon (versus direct store delivery) in a number of markets.

Continuing gains were found in refrigerated Mexican foods (up 13%) and refrigerated salad dressings and sauce (up 11%).

There were three SAMI refrigerated food categories with an increase in dollars exceeding $100 million: Orange juice (up $131.3 million), warehoused yogurt (up $131 million) and lunch meat (up $102.4 million).

Health & beauty aids

Much of the action in health & beauty aids categories represented a holdover from trends detected in 1984, particularly increases for hair-setting needs (primarily hair-styling mousse products), eye-care products, sleeping aids and stick deodorant/antiperspirants.

Other h&ba categories with annual food-store retail sales increases of more than $25 million included internal analgesics, where new products such as American Home Products' Advil, Bristol-Myers' Nuprin and Procter & Gamble's Encaprin added year-to-year volume.

New pump dentifrices and plaque-tartar formulations can be credited with some of the $64 million increase in toothpaste sales.#

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For more information about how the Better Business Bureau system makes the marketplace better for consumers and business, contact The Council of Better Business Bureaus, 1515 Wilson Boulevard, Arlington, VA 22209. (703) 276-0100.

BBB

HMOs reach for mainstream status

Regional plans boost ad buys to gain edge

By JULIE FRANZ

Health Maintenance Organizations have become one of the fastest-growing categories of regional marketers.

This year, these health plans shed their image as alternative providers to become part of the mainstream in the eyes of both employes and employers. In 1986, they are expected to continue their rapid growth, boosting ad buys in some of the nation's most lucrative markets.

The New York market should outpace the rest of the nation because several Jewish-sponsored hospitals there have formed a pre-paid health plan, said Randall Huyser, health industry analyst, Montgomery Securities, San Francisco. Heavy competition is expected to continue in California, particularly the Los Angeles and San Francisco markets.

This year, HMOs spent an estimated $100 million on advertising, up 50% from last year, according to industry sources.

During the same period, HMO membership rose 25% to 8.9 million, as these health plans entered new markets.

The abundance of opportunity in the field lured 92 new programs into the fray, bringing the total number of prepaid health plans in the U.S. to 383.

Membership and ad spending will continue to snowball as independent and national, publicly traded HMO networks begin to hook up secondary markets.

"HMOs are starting to get the credibility they need to grow because people are happy with the care they are receiving and employers are happy with the money they're saving," said David Hallis, senior vp-marketing for MaxiCare Health Plans, Hawthorne, Cal., one of the category's top five networks.

HMO enrollments

Source: Randall Huyser, a health industry analyst in Montgomery Securities, San Francisco.

State	1984	1985
California	5,300,000	5,900,000
Michigan	645,000	904,000
Wisconsin	577,000	845,000
Illinois	629,000	815,000
Ohio	501,000	719,000
Florida	401,000	641,000

In more established markets, the question has become not whether to sign up with an HMO but which HMO to use.

Major West Coast aerospace companies require new employes to sign up for HMO coverage and sources say workers at General Motors Saturn plant will be offered only HMO coverage.

What makes the health plans attractive is the medical care offered at a set rate, without deductibles or co-payments.

Families with children and the elderly generally realize the highest savings.

Next year, most HMOs will spend their advertising dollars to dispel the impression that medical coverage under these plans is restrictive and substandard.

"You're not giving up anything; you do have a choice of providers," is a message expected to be used by many, said Mr. Hallis.

In Southern California, MaxiCare just completed an eight-week tv and radio campaign addresing that problem.

The tv spots featured closeups of six doctors leaning into the camera, advising, "Say ah." Chiat/Day, Los Angeles, is MaxiCare's agency.

The introduction of Preferred Provider Organizations—or PPOs—also is expected to spur growth in the field.

Unlike HMOs, PPOs require a lower fee from employers, but often charge employes co-payments and deductibles for care. PPOs also pay for a portion of care given by physicians or hospitals not under contract.

HMOs will begin offering PPOs as an incremental product in an attempt to gain access to larger segments of the population, Mr. Huyser said.

Industry analysts agree traditional insurance companies are in the best position to take advantage of additional coverage plans. Then they can advertise traditional insurance, HMO and PPO coverage in an effort to be all things to all people.

"The field is relatively new, and we want to make people realize that it's a value—in cost and in its delivery system. It also removes many of the obstacles traditionally standing [in the way of a] member's good health care," said Mr. Hallis.#

Preferred Care's ads promote the cost efficiency of a Health Maintenance Organization. Ads stress $3 doctor appointments, periodic physical exams and immunizations. Preferred Care is the largest Rochester-area HMO, with 85,000 members—a 27% increase over last year. Hutchins/Young & Rubicam created the $270,000 campaign, themed "Handle with care."

Plans boost ad budgets

By JUDITH A. BILTEKOFF

An unusually high percentage of enrollees has Rochester, N.Y., Health Maintenance Organizations dividing to conquer.

Blue Cross/Blue Shield of Rochester is offering two separately designed and promoted programs to a market where 30% to 35% of those under 65 already belong to an HMO. That number is expected to grow to 43% in 1986; the industry average is 13% to 15%.

Blue Cross' two programs—Blue Choice and Genesee Valley Group Health Assn.—combined have 102,000 members. The programs differ slightly—but both tout BC/BS affiliation.

With three area centers, Genesee boosted its ad budget 57% this year to $220,000—but saw only a 13% enrollee increase. Genesee has 43,000 members.

Blue Choice, which affiliates with individual practices, outdistanced Genesee by pulling in 50,000 members on Jan. 1, its first day of operation. Membership is expected to increase markedly next year when Blue Choice opens an "over-65 facility," said Bob Vogel, executive director.

The company would not comment on its advertising budget, but said it plans to continue to heavily advertise Blue Choice. Blue Choice competes with two agressive marketers: Rochester Health Network and Preferred Care.

Preferred Care is the largest Rochester-area HMO, with 85,000 members, a 27% increase from last year. This year, it spent $270,000 on its "Handle with Preferred Care" campaign. Hutchins/Young & Rubicam, Rochester, handles.

Rochester Health Network is the biggest advertiser in the market, spending $300,000 to promote itself as the "Network that cares about you." Broadcast is handled by Flynn Associates; DeFranco Associates is the agency for print.#

Ad Age on the air

NEW YORK—A capsule report on the latest advertising and marketing trends airs here daily at 7:50 a.m. on WMCA Radio (570 on the am dial). The live broadcast, part of WMCA's "Breakfast with Bob & Betty" format, features ADVERTISING AGE editor Fred Danzig.#

Boston HMOs switch strategy to competition

By ALAN RADDING

Health Maintenance Organization advertising in Massachusetts will shift from an informational to competitive approach in 1986.

Until recently, HMOs informally agreed on educating the public on the health plans, said Jennifer Neville, account exec, Altaman & Manley, a Cambridge, Mass.-based ad agency handling Multigroup Health Plan.

With a combined 16% market share, the top HMOs—Harvard Community Health Plan, Bay State Health Care and Multigroup—are boosting ad spending to create name recognition. The three spent $3 million to $4 million in advertising in 1985, up about 10% from 1984, industry observers estimate.

Total HMO advertising may run about $6 million in 1986, they conclude.

HCHP, which had the HMO market virtually to itself until the late 1970s, leads the pack with more than 200,000 subscribers, up about 15% in the past year. BSHC is the second largest HMO in the market with 130,000 subscribers, followed by Multigroup with 65,000 subscribers.

Only recently have the plans begun to take competitive swipes at each other.

BSHC just completed an aggressive radio campaign positioning it as "the doctor's plan" as opposed to the other health plans it says are "run by accountants." Clarke Goward Fitts, Boston, former agency for HCHP, now handles BSHC.

Although some observers see BSHC's advertising as being aimed at HCHP, account exec Christina Lamb disagrees, "We always position against the market leader," which is Blue Cross/Blue Shield of Massachusetts, Boston, a traditional health insurance plan.

Multigroup calls itself "the best" in five radio and tv spots. The HMO anticipates healthy growth at the expense of traditional health insurers. "Traditional insurance plans are quickly becoming a thing of the past," said Ms. Neville.

But insurance companies are responding to the plans by coming up with their own HMOs or creating traditional coverage plans that resemble HMOs.

For example, Blue Cross, which has a 55% share of the health-coverage market, has set up its own staff model HMO, Medical East, in the Boston market. For people who still want traditional health insurance, BC/BS has developed Master Health Plan, a program which eliminates much of the paperwork associated with conventional health insurance.

Hospitals in the area are attempting to cooperate with the HMOs instead of fighting them.

For instance, Brigham & Women's hospital has set up a special relationship with HCHP to handle all its major hospitalization.

The statewide hospital association also is gearing up a low-key media campaign informing the public about the role of the hospitals in the community.

Smaller hospitals, such as Central Hospital in Sommerville, are scrambling to fill special niches, such as alcohol-abuse treatment.#

Monday, January 6, 1986

Advertising Age®

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Sears will boost magazine budget

By LAURIE FREEMAN

Sears, Roebuck & Co. plans to spend more on magazine advertising this year and to sharpen its tv focus as it fine-tunes its "Store of the future" strategy.

The strategy's emphasis on individual products, especially those introduced under its "New century" program (AA, Dec. 2), is part of the retailer's plan to stress product innovation during this 100th anniversary year.

"When we began the 'Store of the future' program two years ago, we wanted to show how the physical environment of the stores had changed, and we put a heavy emphasis on tv during that period. Now, we'll be using more magazine ads than we did a couple of years ago, which allows us to be more product-oriented and to target specific audiences," a Sears spokeswoman said.

Chicago offices of Ogilvy & Mather and Needham Harper Worldwide share Sears' $726.2 million merchandise division ad budget. O&M handles appliances, automotive and hard lines; Needham is the

(Continued on Page 68)

'Letterman' powers late-night rampage

By VERNE GAY

NEW YORK—NBC-TV's "Late Night with David Letterman" suddenly has become the hottest property in the hottest daypart in network tv: Late night.

For the second consecutive year "Letterman" has sold out commercial avails in the first quarter, a remarkable accomplishment since the show is in "late" late night, starting an hour after most of its competitors. Only "Saturday Night Live" also is sold out in late night for the first quarter, and "SNL" is a weekend show when there is a larger late-night audience available.

CBS-TV also is reporting high sell-out levels in the daypart. ABC-TV, which features "Nightline" and "Eye on Hollywood," is considered a "news buy" for most advertisers, and thus has not been part of the recent surge in late-night ad spending. ABC however, plans to add a new program to follow "Nightline" this fall. The nature of the show is still under discussion.

The heavy marketplace action in late night is unusual. In most markets late-night sales follow daytime and prime time: After advertisers have satisfied their appetites on inventory in these higher-price dayparts, they turn to late night to lower the cost-per-thousands on their over-all network packages. Late-night cpms normally are about 35% cheaper than comparable demographics in prime time. From an audience-profile perspective, late night has a heavier concentration of adults than any other daypart.

Two phenomena appear to have gripped the market recently. Some advertisers released from their commitments to Paramount Television's recently canceled "America" have channeled funds into late night, a daypart with prices comparable to "America." CBS re-

(Continued on Page 66)

Agencies see more of same in '86

4th period was cautious

By STEWART ALTER

Marketers played 1985's fourth quarter like the rest of the year: Close to the vest, backing established brands at the expense of new-product launches, according to a survey of some major agencies.

Expectations for the new year from these shops range from predictions of no growth to cautious optimism.

Said Larry Wassong, president of William Esty Co., New York: "As a generalization, it appears that the majority of people were concentrating on their core businesses. They were not less interested in new products, but they put greater value on established brands and on heartland names, and on refreshing, updating and supporting them."

The general view predominating among marketers, according to Jerry Siano, vice-chairman of N W Ayer, New York, was, "Let's not cut badly, but let's not go overboard to launch new products or do much investment spending."

Is there "a distinct trend toward reinvesting in very strong brands? There's no doubt about that," said Graham Phillips, chairman of Ogilvy & Mather U.S.

There does not yet appear to be any documentation of this greater emphasis on established brands, however. Dancer Fitzgerald Sample, New York, which looks at new-product activity through its "New Product Newsletter," has projected that new package-goods product introductions would be up 11% for '85, but it includes line extensions and new flavors and varieties in its count of new products.

Not everyone agrees that new-

(Continued on Page 70)

Last Minute News

Hasbro starts hunt for second agency

PAWTUCKET, R.I.—Hasbro and Griffin Bacal, its New York-based ad agency, have begun the initial phase of considering candidates for $15 million in new toy-product billings (AA, Dec. 9). Among those said by industry sources to be vying to become the toy giant's second agency are New York shops Campbell-Ewald; Doyle Dane Bernbach; Needham Harper Worldwide; Wells, Rich, Greene, and Young & Rubicam.

Robins spends $5M on Dalkon notices

RICHMOND, VA.—A.H. Robins Co. today breaks a $5 million multimedia three-week program notifying consumers of an April 30 deadline for filing claims relating to the use of the Dalkon Shield intrauterine birth control device. Robins is running the advertising under order of the U.S. district court here. The court specified the copy to be run in the ads. Mil-Mor Advertising, a house shop, placed the ads. Burson-Marsteller, New York, is handling the international aspect of the program.

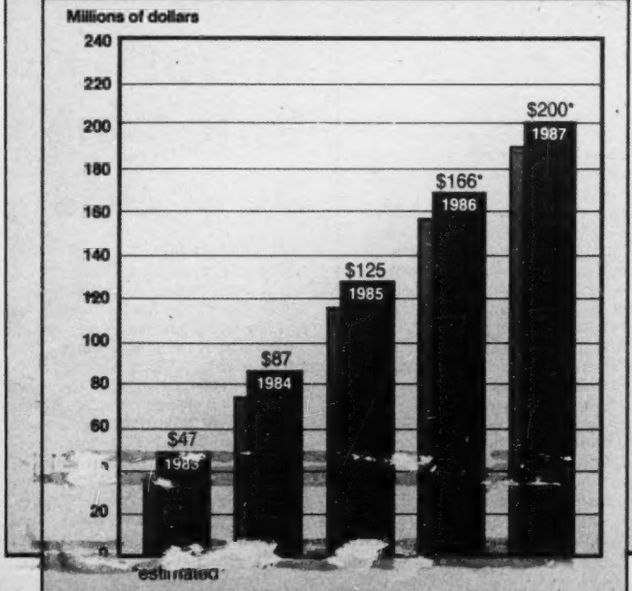
General Mills rolls calcium-added flour

MINNEAPOLIS—General Mills this week begins shipping Gold Medal all-purpose and self-rising flour with added calcium *(see related story below)*. Dancer Fitzgerald Sample, New York, handles. General Mills also this

(Continued on Page 8)

Growth of calcium supplements

Spurred by medical studies linking calcium deficiency with osteoporosis, the calcium supplement market will grow from $47 million in retail sales in 1983 to an estimated $200 million in 1987. Source: Advertising Age.



Boning up on calcium

Supplements marketed to women

By PATRICIA WINTERS

NEW YORK—The woman in the tv commercial looks like a healthy 30-year-old—that is, until she begins to age. Within 30 seconds she is 65 years old, wrinkled, gray-haired and stooped over.

"Do something about calcium deficiency before your body does," the announcer says.

The commercial is part of a multi-million-dollar campaign for Marion Laboratories' market-leading Os-Cal calcium supplement. That, and other ads like it, are turning a once-sleepy calcium-supplement industry into a marketing battleground.

The battleground, which also involves charges of questionable product claims, is over a market that has mushroomed from $18 million in retail sales just six years ago to $125 million today. Sources believe it will reach $200 million by 1988.

The industry's advertising has expanded from medical journals to tv and major magazines, such as *Good Housekeeping, Reader's Digest* and *Vogue*.

Kansas City, Mo.-based Marion Labs' spending for Os-Cal, via Tracy-Locke, Dallas, has increased "dramatically" from pre-1984 levels, said Charles Rouse, manager-public affairs at Marion.

"Everyone is jumping into the market because they can see a market is there," he said. "Because of the increased awareness in the media and by manufacturers to take calcium now in order to prevent something later, the market is expanding dramatically."

The calcium-supplement market has been skyrocketing ever since studies began linking calcium deficiency with osteoporosis, a condition of weak or brittle bones that generally afflicts women in middle age.

Marketers are pitching calcium supplements at the baby-boomer generation of women, now in their 30s, encouraging them to think about preventing osteoporosis.

The condition afflicts an estimated 18 million to 20 million women, and an additional 35 million are at risk, Mr. Rouse said.

Over the past two years a plethora of companies has jumped into the market, including American Cyanamid's Lederle Laboratories, Wayne, N.J.; Warner-Lambert, Morris Plains; Miles Laboratories,

(Continued on Page 68)

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NEWSPAPER

HIGHLIGHTS

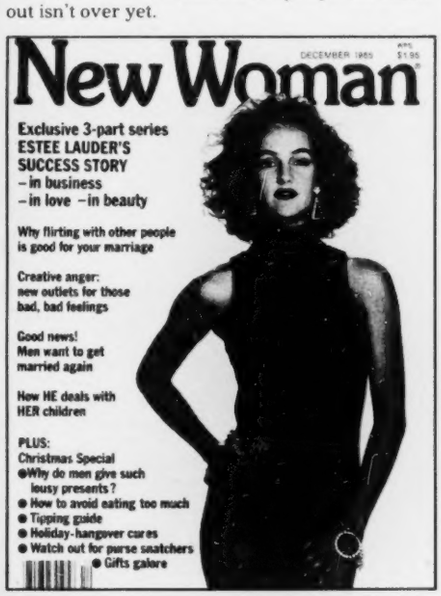
Better late than never 1
NBC-TV's "Late Night with David Letterman" suddenly has become the hottest property in the hottest daypart in network tv: Late night. For the second consecutive year "Letterman" has sold out commercial avails in the first quarter.

Boning up on the market 1
Marion Laboratories is conducting a multi-million-dollar campaign for its market-leading Os-Cal calcium supplement. That, and other ads like it, are turning a once-sleepy calcium-supplement industry into a battleground involving a market that has grown from $18 million in retail sales six years ago to $125 million today.

ABC finds some friends 3
More than 50 newspaper publishers last week issued a strong vote of confidence in the Schaumburg, Ill. -based Audit Bureau of Circulations following earlier resignations from the organization by 15 other dailies. The move pitted publishers of the nation's most influential dailies, including the *New York Times* and *Washington Post*, against Gannett Co. and 14 of its papers that quit over what it called "outdated" methods of newspaper readership measurement.

CBS makes midseason moves 3
In the latest round of the three networks' midseason alterations, CBS-TV finally made some of its moves, adding a Sunday movie package and shifting "Crazy Like a Fox" to Wednesdays.

Good news from the Valley 6
There are signs the recession in California's Silicon Valley may be lessening, and the ad agencies that remain in this region 40 miles south of San Francisco seem optimistic that the worst is behind them. But the smart money says the shakeout isn't over yet.


New Woman
DECEMBER 1985
Exclusive 3-part series
ESTEE LAUDER'S
SUCCESS STORY
– in business
– in love – in beauty
Why flirting with other people is good for your marriage
Creative anger: new outlets for those bad, bad feelings
Good news! Men want to get married again
How HE deals with HER children
PLUS:
Christmas Special
● Why do men give such lousy presents?
● How to avoid eating too much
● Tipping guide
● Holiday-hangover cures
● Watch out for purse snatchers
● Gifts galore

'New Woman' an old idea? 54
Is *New Woman* a *Cosmopolitan* clone? Its editor says no, but some in marketing and media communities wonder.

Flaws hurt Beatrice contest 60
Beatrice Cos.' problems with its controversial Monday Night Winning Line-up promotion resulted from poor design and inadequate rules, promotion-industry experts say.

Tale of two cities 65
One newspaper said "Goodbye, Columbus" last week, while a St. Louis paper was given a new lease on life. The *Columbus Citizen-Journal* published its last edition Dec. 31, when owner Nyles Reinfeld failed to raise enough money to publish the 81-year-old daily. On Dec. 30 in St. Louis, a bankruptcy-court judge approved the sale of the *Globe-Democrat*—unpublished since Dec. 6—to local businessmen.

CORPORATE CLOSEUP

Visa seeks upscale passport 4
Visa Corp., the leader by dollar volume in the booming credit-card market, has 4.3 million merchant outlets worldwide, but it no longer is content to be considered just "a shopper's card"—it's aiming for American Express' turf.

INTERNATIONAL

RUSSIA

Marketing to the Soviets 38, 39
Since Soviet leader Mikhail Gorbachev came to power last year, a series of developments have indicated that Russia might be opening its doors to the West. These include media mogul Ted Turner's planned "Goodwill Games" this summer in Moscow as well as tv programing deals with CBS Worldwide and PBS. On the other end of the spectrum, a new Soviet auto will be launched this year in Europe and Canada. In a special report on the Soviet Union, Advertising Age examines these developments and what they mean for U.S. marketers and advertising agencies.

NEW PRODUCTS

Haircare—old meets new 62
New haircare products are forming battle lines for 1986, carrying both new flags and old—but mostly old. Brylcreem plans mousse for men; Natural Choice Industries has slated a full grooming line under the Elvis Presley Love Me Tender banner; Revlon's Flex brand will come out with a Sun & Sport line "for active, outdoor-oriented men and women," and L'Oreal is introducing Studio Line.

OTHER NEWS

Computers, cameras and Carringtons were at the top of American shoppers' minds as they entered the holiday buying season, according to November adWatch data. Page 3.

Domino's Pizza virtually owns the home-delivery turf in the U.S., but is finding slower going in capturing global markets. That may blunt the No. 2 pizza maker's drive to reach 10,000 stores worldwide by 1990. Page 12.

The National Assn. of Television Program Executives convention, beginning in New Orleans Jan. 16, is the premier showcase for the $500 million barter syndication industry. An advance look at the highlights, The Road to NATPE, begins on Page 26.

One of the most colorful little ad campaigns around has become even more colorful. Maker's Mark Distillery, well known to *Wall Street Journal* readers for the homey, just-between-you-and-me style of its all-copy ads, has added color illustrations to its insertions in *Esquire*. Page 37.

Ore-Ida Foods' decision to test-market a line of breaded vegetables is the first step to increase its presence in the frozen-food market. Page 60.

CAMPAIGNS BREAKING

Pioneer Takeout Corp., Los Angeles, this week breaks a 24th anniversary promotion with both tv and print ads appearing in Los Angeles and outlying markets. Asher/Gould handles the account (AA, Dec. 2).

H&R Block, Kansas City, Mo., this week breaks three separate campaigns totaling $8 million to support its tax-return preparation service (AA, Dec. 30). Included are the Rapid Refund test in Cincinnati and Phoenix; a guaranteed-largest-refund offer in 42 other markets, and the reprised "We couldn't have done it without you" effort in remaining cities. Bernstein-Rein handles.

COMING THURSDAY

Leonard Monahan Saabye is the advertising equivalent of the rock world's overnight smash. A 6-year-old agency billing just $20 million, it was unknown outside New England until it coolly walked away with 31 awards at New England's Hatch Advertising Awards (one of the nation's biggest regional awards shows) in September. A feat made all the more remarkable by the fact that they cleaned up 21 awards at the previous year's show.

Efficiency and entertainment are the building blocks of the consumer electronics industry, profiled in Special Report. Marketers are selling and consumers are buying products ranging from compact-disc players to stereo tvs to colorful small appliances to make life a little easier and a little more fun.

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INTV: Indies 'Coming of Age'

By JAMES P. FORKAN

Los Angeles—Independent tv station executives opened the 13th annual Assn. of Independent Television Stations convention-seminar here this week with the steam going out of barter profit margins and other problems nipping at their heels.

The theme of the Jan. 5 to 9 convention at the Century Plaza is "Coming of Age," and a new INTV report indicates the independent tv business has done just that.

Independents, which numbered 190 stations in 1985, up from nearly 180 in 1984, garner $2.5 billion a year from advertisers, a sum that could hit $5 billion by 1990, according to the report.

A wide variety of issues related

(Continued on Page 66)

Kraft tests pourable toppings

By JULIE FRANZ

Kraft Inc. has added a third item to its line of pourable products by testing Kraft Pourable Cheese Toppings in Denver and San Francisco.

Spot tv and print via Needham Harper Worldwide, Chicago, support the product. Pourable Cheese Toppings come in two flavors, mild and sharp, packaged in 12-oz. plastic bottles.

The unit of Dart & Kraft, Glenview, Ill., has been testing 15-oz. squeeze bottles of Miracle Whip and Real Mayonnaise in northern Indiana and other selected markets (AA, Oct. 3). Spot tv and print via J. Walter Thompson USA, Chicago, sup-

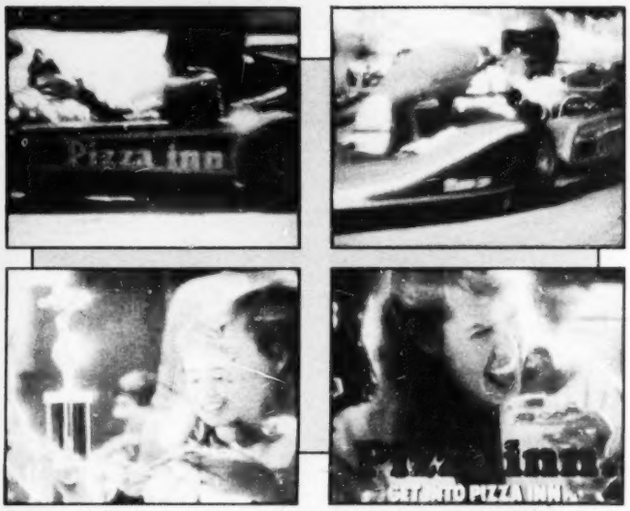
(Continued on Page 66)

West Coast news

Importer tunes in beer ads

Moctezuma Imports, Irvine, Cal., will start its first series of radio commercials Feb. 15 for Hussong's Cerveza Clara, a new beer named after the famous tourist cantina in Ensenada, Mexico. The spots, airing in Los Angeles, Orange County and San Diego, on top-40 radio stations, feature a pair of Mexican federales who banter about the danger of losing their jobs because "gringos" can get Hussong's in California. A "we imported the fun, not the federales"

(Continued on Page 68)



Casey celebrates her go-cart victory by sharing a pizza with her family in Pizza Inn's new spots. Marschalk Co., Houston, handles.

Pizza Inn racing for family diners

By JENNIFER LAWRENCE

DALLAS—Pizza Inn, the nation's fourth-largest pizza chain, begins a new ad campaign today aimed at driving up dinner business by focusing on the fun of sharing a pizza. Tv spots feature a family rooting on one of their own at a high-performance go-cart race.

With entirely new theme, music and tag line, the campaign is backed by 50% more ad dollars than last year's $5 million-to-$6 million effort; the increase is going into tv. Pizza Inn's account is handled by Marschalk Co., Houston, which won the business from Stern/Monroe, Dallas, last June.

In addition to the ad budget increase, the company plans a 25%-to-40% decrease in discount couponing, said Roger Goertz, Pizza Inn vp. He said more emphasis is being placed on product quality than price in the pizza category, and Pizza Inn's ad campaign reflects this trend.

The chain, which operates 732 units in 28 states and seven foreign countries, reported total revenues of $148.3 million through the first nine months of 1985, compared to $135.5 million for the corresponding period in 1984.

Despite the sales gain, earnings dropped 80% during the same period, said Michael Smith, group vp at B.C. Christopher, a Kansas City-based regional brokerage company.

"I would think that Pizza Inn wants to increase traffic without giving the product away," Mr. Smith said. "The company will establish momentum with a new ad campaign, and the goal of increasing evening business would be a relatively easy one with a reasonably good chance of success."

Last year's campaign, celebrat-

(Continued on Page 65)

Dailies join to back ABC after defections

By GARY LEVIN

SCHAUMBURG, ILL.—More than 50 newspaper publishers last week issued a strong vote of confidence in the Audit Bureau of Circulations here following earlier resignations from the organization by 15 other dailies (AA, Nov. 18, *et seq.*).

The move pitted publishers of the nation's most influential dailies, including the *New York Times* and *Washington Post*, against Gannett Co. and 14 of its papers that quit over what it called "outdated" methods of newspaper readership measurement.

In a brief statement released Jan. 3 and drafted by *New York Times* publisher Arthur Ochs Sulzberger, major dailies and media companies affirmed their commitment to ABC and its function as the arbiter of newspaper and magazine circulation measurement.

"We support the Audit Bureau of Circulations and intend to remain members," said the statement. "Although we may disagree with some of the ABC rules, it is our intention to work toward resolving these problems within the established framework. It is our firm conviction that publishers and advertisers need a strong, independent guarantee of standardized circulation data."

Washington Post publisher Donald Graham, spokesman for the ad hoc alliance, said signers of the statement include officials from the *Baltimore Sun, Boston Globe, Chicago Tribune, Dallas Morning News, Houston Chronicle, New York Daily News, St. Louis Post-Dispatch* and the *Wall Street Journal*, in addition to the *New York Times* and *Washington Post*. Companywide support from Capital Cities Communications, New York; Cox Newspapers, Atlanta; Donrey Media Group, Fort Smith, Ark.; Freedom Newspapers, Santa Ana, Cal.; Scripps-Howard, Cincinnati; Tribune Co., Chicago, and others also was expressed.

Times Mirror Co., Los Angeles, issued a separate but similar statement on behalf of its *Dallas Times Herald, Denver Post, Los Angeles Times* and *Long Island* (N.Y.) *Newsday*. On a somewhat more negative note, it cautioned, "ABC needs to be more receptive and flexible to innovation in the marketing of newspapers."

Central issues in the ABC dispute include the counting as paid circulation of bulk newspaper sales to air-

(Continued on Page 69)

World News Roundup

LONDON—H.J. Heinz Co. last week dropped Doyle Dane Bernbach from its roster and realigned its brands equally among its three other agencies: Dorland Advertising, Foote, Cone & Belding and Young & Rubicam. Dorland picked up most of DDB's $8.25 million in business.

TORONTO—The Ontario government last week picked McKim Advertising as agency of record for its $35 million account. The $15 million tourism account went to Vickers & Benson. Foster Advertising previously handled both accounts.

SEOUL—Foote, Cone & Belding signed an association agreement with Geoson Advertising, a medium-size Korean shop. Geoson maintains its association with Standard Advertising of Japan.

TORONTO—Pepsi-Cola Co. in March will introduce in Canada a line of casual clothing bearing its logo. Pepsi officials say they are considering a U.S. introduction. J. Walter Thompson Co. handles.

TOKYO—Suntory International, Japan's largest liquor distiller, plans to open 20 Japanese restaurants in North America during the next three years, starting this year in Boston, Chicago and Vancouver.

PARIS—France's first private tv channel is scheduled to start broadcasting Feb. 20 from the Eiffel Tower with the goal of initially reaching at least 10 million viewers around Paris.

CBS shifts 'Fox' for movie slot

By JAMES P. FORKAN

NEW YORK—In the latest round of the three networks' midseason alterations, CBS-TV finally made some of its moves, adding a Sunday movie package and shifting "Crazy Like a Fox" to Wednesdays.

Both those nights figure in mid-year doctoring by CBS' rivals. ABC recently made changes to its Wednesday and Sunday schedules, while NBC is adjusting its Wednesday slightly and planning to re-

(Continued on Page 65)

ADWATCH

Shoppers remember three 'c's in survey

By JULIE FRANZ

Computers, cameras and Carringtons were at the top of American shoppers' minds as they entered the holiday buying season, according to November adWatch data.

Advertising awareness scores for 12 different products gained or lost more than the 2.8 percentage points considered statistically significant. That's the largest number of products to shift ad recall in 1985, as recorded by ADVERTISING AGE's adWatch survey, which asks consumers to name the first advertising that comes to mind in various categories of any seen, heard or read in the past 30 days.

Apple Computer's share increased 5.4 percentage points to 30.5% of first mentions in November. That kept it on top of the computer category after losing 3.8 points the previous month. Apple's score was buoyed by 1.9% of respondents specifically recalling advertising for the Apple IIe and 1.1% saying Macintosh advertising came to mind first. Apple's recent advertising focused on price, since the company reduced the cost of selected Apple II models and Macintosh for the holiday season.

No. 2 in computer-category ad awareness again was IBM Corp., with 17.3% of first mentions, up one point from October. IBM also has been offering holiday shoppers rebates and price cuts.

Surprisingly, Commodore International's advertising came to mind first for only 5% of the November sample, unchanged from October's 5.4%, despite its $40 million campaign, via Ted Bates Advertising/New York, for the Amiga home computer (AA, July 29, *et seq.*). None of the 1,000 adults surveyed first recalled the Amiga name.

Cameras also were on shoppers' minds in November, with Canon making a 4.4 percentage-point advance to 16.5% of first mentions and Kodak adding 4.1 points to its category-leading 22.4% share. Minolta held on to its No. 3 position with 7.9% ad awareness, up 1.4 points from October.

Ads for Kodak's new Tele-disc, featuring actor Telly Savalas, broke in November issues of consumer magazines and December issues of women's service magazines, via J. Walter Thompson USA, Chicago. Network tv spots for the entire disc line broke late in the November survey period and may show more of an effect in the December data.

Forever Krystle perfume, inspired by "Dynasty" character Krystle Carrington, moved to second place from 17th in the cosmetics and fragrance category. The perfume's ads captured 4.8% of first mentions, up 4.7 percentage points from October. Maybelline, however, maintained its No. 1 position with a 5.8% share, while Avon dropped to No. 3 with 4% of first mentions (down one point).

Both Forever Krystle and Carrington, the line's men's cologne from Charles of the Ritz, got heavy pre-Christmas ad pushes estimated at $3 million a month. Rosenfeld, Sirowitz & Lawson, New York, handles.

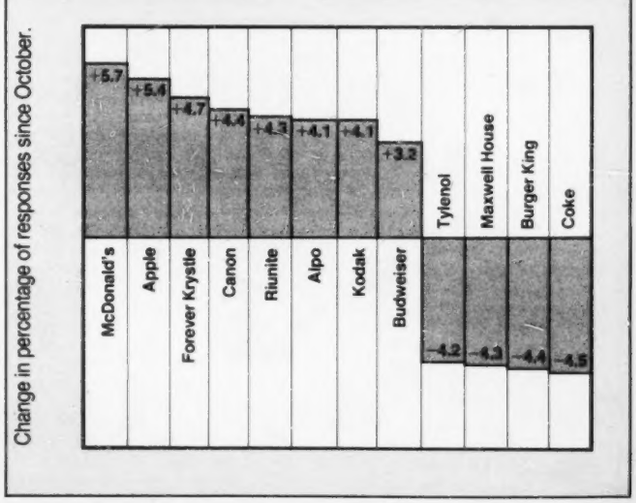
All that shopping can make one hungry and thirsty, and fast-food and soft drinks also helped swell the November list of adWatch gainers and losers. When respondents were asked which fast-food advertising came to mind first, it was McDonald's Corp. at the head of the line once again, with 49% of first mentions, up 5.7 percentage points to its largest recall share of 1985.

McDonald's has been short-cir-

(Continued on Page 33)

November winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 percentage points is statistically significant. ***Source: SRI Research Center Inc., Lincoln, Neb.***



adWatch

(Continued from Page 3)

cuiting the efforts of competitors Burger King and Wendy's International with its barrage of couponing and media advertising for its new McD.L.T. sandwich. McDonald's spends an estimated $5.5 million a week pushing its menu lineup on tv via Leo Burnett USA, Chicago.

Troubled Burger King's share of first mentions dropped 4.4 percentage points from October to November. Its 10.1% share in November was its lowest score in 1985, but still good enough to keep the No. 2 position. BK's most recent attempt to regain its former sales momentum—the new campaign featuring the search for Herb, the only man in American who hasn't tried the Whopper—broke after the November adWatch survey was completed. J. Walter Thompson USA, New York, handles.

Rounding out the fast-food category are Wendy's with 9.5% of first mentions (down 2.2), Hardee's with 4% and Kentucky Fried Chicken with 2%. Like Burger King, Wendy's has seen little top-of-mind advertising awareness improvement after launching a major new campaign (the "Choose fresh, choose Wendy's" campaign from Dancer Fitzgerald Sample). One spot in that campaign, a Joe Sedelmaier-directed spoof of a Soviet fashion show, has gotten some attention but began its network run late in November, after that month's survey was completed.

Ad recall for Coca-Cola continued to fizzle last month, dropping 4.5 percentage points to 37.2% of first mentions, although that still was good enough to keep the top spot in the soft-drink category. Coke's awareness has been dropping steadily since July when the furor over new Coke (introduced in April) and Coke Classic began dying. The company moved its Coke Classic account to SSC&B from McCann-Erickson in mid-November to separate the two products and their ad campaigns.

Pepsi Cola remained No. 2 in the soft-drink category with 27% of first mentions. Diet cola products made a big pre-holiday showing: Diet Coke and Diet Pepsi tied for third with 2.9% shares, enough to bump 7Up, which placed third in the October survey, into the No. 5 spot (with 2.6% of first mentions).

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name ads in a variety of product categories that first come to mind from all seen, heard or read in the previous 30 days.

In November, 1,000 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

The top 10 in over-all, unaided awareness (without asking for a specific product category) in November were, in descending order: Coca-Cola, McDonald's, Miller/Miller Lite, Budweiser/Bud Light, Ford, Pepsi, AT&T, P&G's Pampers, Burger King and IBM.

Among other significant changes in the November survey results:

- Villa Banfi's Riunite, the nation's No. 1-selling imported wine, posted a 4.3 percentage-point gain in November ad awareness to remain in first place in the **wine category**. Advertising for the brand resumed Nov. 4 after being suspended Oct. 31 following a voluntary recall of 400,000 cases of wine suspected of being tainted with diethylene glycol. Despite the recall, Riunite's 14.4% share of first mentions in November was a 12-month high. The brand's previous high was 12.2% in May. Hicks & Greist, New York, handles.

Gallo stayed in second place with 6.2% awareness (from 6.4% in October) and those two lovable gentlemen who hawk Gallo's Bartles & Jaymes wine cooler held on to third with 4.4% of first mentions (from 3.1%).

- Top-of-mind awareness of Alpo brand dog food jumped 4.1 percentage points to 10.8% from 6.7% of first mentions in October in the **pet food category**. New ads for canned and dried Alpo dog food broke Oct. 28 via Weightman Inc., Philadelphia.

That gain wasn't enough to bump Purina out of the No. 1 position. Purina's ads came to mind first for 10.9% of the sample (up from 10% in October). Quaker Oats' Kibbles & Bits remained in the third spot with a 6.1% share (from 4.4% in October).

- Anheuser-Busch continues to lead a charmed life in the **beer category**. Bud's share of first mentions rose 3.2 points to 16.3% from 13.1%. D'Arcy Masius Benton & Bowles, St. Louis, handles Bud.

Archrival Miller Brewing, meanwhile, launched a new multimillion-dollar campaign for superpremium Lowenbrau Nov. 1 (from JWT, Chicago), and advertising for the brand came to mind first for less than 1% of the sample, good enough for 13th place. Miller's Miller High Life brand held the No. 3 spot with 9.8% of first mentions, down from 11.6% in October.

Coors still was No. 2 in top-of-mind awareness with 10.9% of first mentions in November, off from 11.3% in October.

- Tylenol brand pain reliever's ad awareness hung on to the top spot in the **medicine and drugs category**, despite dropping 4.2 percentage points to a 22.4% share. McNeil Consumer Products Co.'s Tylenol continues to use its campaign featuring satisfied users who first learned about the pain reliever while they were in the hospital. Saatchi & Saatchi Compton, New York, handles. American Home Products' Advil came in second with 6.3% of first mentions (up from third) while Sterling Drug Co.'s Bayer dropped to third place from second with a 4.9% share.

- Hopscotch is still the name of the game between General Foods' Maxwell House and Procter & Gamble's Folgers brands in the **coffee category**. This time, Maxwell House's ad recall dropped 4.3 percentage points to 21.2% of first mentions to land the brand in second place. Folgers' ad recall was up to 22.2% from 20.8%, for first place, while Sanka remained No. 3 with a 5.7% share of first mentions.

Maxwell House is relying on its "Hal & Duke" campaign, via Ogilvy & Mather, New York, which follows the travels of a man and his dog as they visit craftspeople in various American cities.

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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Newspaper Advertising MRCS/SAU Inches

October 1985 vs. October 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	110 709	43 371	118 949	24 968
Beacon Journal (S)	68 464	16 936	75 910	12 805
Grand Total	179 173	60 307	194 859	37 773

NOTE: Part run figures supplied by publisher to Media Records.

ATLANTA, GA

Constitution (M)	197 115	74 188	189 503	43 598
Journal (E)	195 967	74 856	193 581	51 359
Journal & Constitution (S)	127 247	49 615	125 564	54 118
Journal & Constitution (Sat)	40 462	——	35 672	——
Grand Total	560 791	198 659	544 320	149 075

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

News American (S)	33 533	12 132	36 235	10 003
News American (E)	44 313	6 901	51 368	7 632
Sun (M)	134 490	1 213	130 240	6 968
Sun (E)	110 764	1 213	110 021	6 250
Sun (S)	145 113	34 117	136 154	24 250
Grand Total	467 213	55 576	464 018	55 103

BERGEN COUNTY, NJ

Record (E)	177 603	27 887	163 074	28 450
Record (S)	139 521	34 234	131 136	25 395
Grand Total	317 124	62 121	294 210	53 845

NOTE: Record Evening published five days a week only.

BOSTON, MA

Herald (M)	59 324	——	43 460	——
Herald (S)	20 122	44 547	19 269	23 503
Globe (M)	158 143	12 940	149 097	13 133
Globe (S)	175 812	30 211	175 152	17 614
Grand Total	413 401	77 698	386 978	60 250

BUFFALO, NY

News (AD)	128 904	19 935	113 864	33 192
News (S)	67 073	24 901	46 738	32 976
Grand Total	196 043	44 836	160 608	67 168

CAMDEN, NJ

Courier-Post (E)	349 551	19 026	320 574	18 503
Courier-Post (S)	101 008	13 331	90 194	3 216
Grand Total	260 459	32 357	170 768	21 719

CHARLOTTE, NC

News (E)	75 652	——	83 425	——
Observer (M)	133 170	——	125 804	——
Observer (S)	68 766	——	70 207	——
Grand Total	279 588	——	279 436	——

NOTE: News Evening published five days a week only. Part run figures not available.

CHICAGO, IL

Sun-Times (M)	145 919	86 833	141 086	66 944
Sun-Times (S)	97 629	44 229	94 182	42 180
Tribune (M)	142 740	239 669	149 012	209 383
Tribune (S)	130 792	98 747	138 920	99 150

NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 9:30 P.S.T. to 12 A.M. Tribune All Day change to Morning publication effective August 19, 1985.

CINCINNATI, OH

Enquirer (M)	191 592	6 431	180 663	13 362
Enquirer (S)	127 844	13 046	115 978	7 043
Post (E)	82 605	17 599	86 405	31 436
Grand Total	402 041	37 076	383 046	51 862

CLEVELAND, OH

Plain Dealer (M)	163 606	31 071	148 497	24 431
Plain Dealer (S)	117 715	6 894	117 013	7 447
Grand Total	271 621	37 965	265 429	31 878

DALLAS, TX

News (M)	317 085	21 127	319 560	21 326
News (S)	183 066	15 658	174 319	11 652
Times Herald (AD)	261 111	30 236	283 543	26 978
Times Herald (S)	132 841	12 495	137 140	9 811
Grand Total	894 023	79 516	914 612	69 867

DENVER, CO

Rocky Mt. News (M)	295 369	4 517	292 143	2 415
Rocky Mt. News (S)	97 125	3 308	88 722	1 567
Post (M)	197 041	4 315	199 936	15 116
Post (S)	117 009	3 685	119 004	3 025
Grand Total	706 544	15 825	699 805	22 123

DETROIT, MI

Free Press (M)	107 283	46 463	110 639	34 278
Free Press (S)	55 870	23 739	40 638	22 721
News (AD)	168 438	42 115	150 159	43 245
News (S)	87 445	29 007	90 891	18 125
Grand Total	419 036	141 324	392 327	118 369

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	116 204	——	113 150	——
Sun-Sentinel (M)	300 226	——	307 992	——
Grand Total	416 430	——	421 142	——

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

Journal Gazette (M)	85 310	——	61 283	——
Journal Gazette (S)	70 900	——	62 239	——
News Sentinel (E)	98 958	——	96 709	——
Grand Total	255 168	——	240 231	——

NOTE: Part run figures not available.

*FORT WORTH, TX

Star Telegram (M)	267 928	111 034	276 800	70 633
Star Telegram (E)	224 040	111 034	237 486	70 633
Star Telegram (S)	133 085	49 324	140 260	48 484
Grand Total	625 053	271 392	654 546	189 750

NOTE: Figures supplied by publisher to Media Records.

GREENWICH/STAMFORD, CT

Time (E)	90 523	2 655	86 819	——
Tribe (S)	58 846	——	47 217	——
Advocate (E)	124 154	6 604	115 662	1 108
Advocate (S)	62 498	——	51 402	——
Grand Total	336 021	9 262	301 100	1 108

HARTFORD, CT

Courant (M)	161 784	36 503	156 784	29 614
Courant (S)	92 159	116 034	90 156	116 934
Grand Total	253 943	152 537	246 940	145 638

HONOLULU, HI

Advertiser (M)	125 936	——	123 000	——
Star-Bulletin (E)	128 849	——	120 666	——
Star-Bulletin & Advertiser (S)	72 875	——	71 247	——
Grand Total	327 660	——	314 913	——

HOUSTON, TX

Chronicle (AD)	272 484	46 257	313 753	52 899
Chronicle (S)	173 595	29 804	137 140	31 095
Post (M)	183 996	43 254	199 083	48 490
Post (S)	81 964	27 200	80 437	16 667
Grand Total	861 959	146 515	730 413	134 051

LONG BEACH, CA

Press Telegram (M)	112 488	——	119 132	——
Press Telegram (S)	51 543	——	51 871	——
Grand Total	164 431	——	171 013	——

NOTE: Part run figures not available.

LONG ISLAND, NY

Newsday (M)	192 573	49 065	172 850	51 099
Newsday (S)	111 417	81 641	103 676	68 237
Grand Total	304 990	130 706	276 526	119 336

LOS ANGELES, CA

Times (M)	326 379	401 240	306 141	266 241
Times (S)	171 260	99 243	170 801	91 975
Herald Examiner (M)	82 411	10 760	57 819	16 943
Herald Examiner (S)	14 064	2 687	13 244	4 965
Grand Total	594 114	513 930	548 005	380 124

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	231 141	34 174	173 291	41 842
News (S)	80 291	3 382	77 187	5 561
Grand Total	311 662	37 179	250 478	47 403

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	224 314	——	203 460	——
Grand Total	224 314	——	203 460	——

NOTE: Figures supplied by publisher to Media Records.

*LOUISVILLE, KY

Courier-Journal (M)	109 397	66 362	109 513	49 561
Courier-Journal (S)	63 647	62 111	62 861	54 227
Times (E)	108 264	87 101	105 277	78 569
Grand Total	272 308	215 574	268 651	182 357

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	174 879	——	185 335	——
Herald (S)	102 830	——	100 314	——
News (E)	63 060	——	67 472	——
Grand Total	340 719	——	353 121	——

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	129 211	21 950	124 241	23 506
Star & Tribune (S)	134 593	6 193	127 852	607
Star & Tribune (Sat)	24 019	——	23 435	——
Grand Total	287 823	28 143	275 528	23 913

*NASHVILLE, TN

Banner (E)	124 981	——	111 479	——
Tennessean (M)	123 723	——	109 047	——
Tennessean (S)	91 408	——	72 657	——
Grand Total	340 112	——	293 183	——

NOTE: 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	100 531	75	——	——
Home News (S)	70 656	904	——	——
Grand Total	171 187	979	——	——

NOTE: 1984 figures not available.

NEW YORK, NY

Times (M)	188 666	15 465	181 046	21 134
Times (S)	210 975	129 577	201 157	111 442
News (M)	70 574	121 662	66 489	113 427
News (S)	40 486	83 108	32 142	77 690
Post (AD)	65 737	1 188	61 427	1 229
Grand Total	576 438	351 000	542 261	324 922

NEWARK, NJ

Star Ledger (M)	234 634	6 880	214 132	6 301
Star Ledger (S)	178 744	33 951	164 037	26 359
Grand Total	413 378	40 831	378 169	32 660

OAKLAND, CA

Tribune (M)	96 245	79 545	114 598	74 735
Tribune (S)	49 510	31 824	46 038	30 490
Grand Total	145 755	111 369	160 636	105 225

OCEANSIDE, CA

Blade-Tribune (E)	99 798	4 974	——	——
Blade-Tribune (S)	48 680	——	——	——
Grand Total	148 478	4 974	——	——

NOTE: 1984 figures not available.

ORANGE COUNTY, CA

Register (AD)	346 644	95 077	292 907	78 128
Register (S)	126 398	4 781	121 416	7 467
Grand Total	473 042	99 858	414 323	85 595

PHILADELPHIA, PA

Inquirer (M)	45 834	9 754	175 237	62 294
Inquirer (S)	57 442	822	127 451	45 797
News (E)	25 291	817	86 483	10 544
Grand Total	103 534	11 413	387 172	118 635

NOTE: Figures Morning and Sunday and News Evening are not available for 1985 through 9 August 22, 1985 due to strike condition.

*PHOENIX, AZ

Arizona Republic (M)	233 430	10 947	228 750	10 737
Arizona Republic (S)	155 967	——	145 616	——
Gazette (E)	210 221	11 093	218 967	16 464
Grand Total	632 578	22 040	593 333	33 621

NOTE: Figures supplied by publisher to Media Records.

ROCHESTER, NY

Democrat & Chronicle (M)	91 461	13 568	105 404	8 981
Democrat & Chronicle (S)	75 627	33 618	67 416	19 460
Times Union (E)	76 227	16 059	90 917	13 396
Grand Total	243 329	63 275	263 737	41 837

NOTE: Times Union Evening published five days a week only.

SACRAMENTO, CA

Bee (M)	243 090	24 241	247 087	17 929
Bee (S)	104 315	17 205	86 722	3 199
Grand Total	347 351	41 496	333 804	21 128

*ST. LOUIS, MO

Post-Dispatch (M)	111 181	38 529	132 768	36 599
Post-Dispatch (S)	127 846	——	122 959	——
Grand Total	239 027	38 529	275 727	36 599

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	105 271	——	96 619	——
Pioneer Press Dispatch (S)	104 571	——	53 035	——
Dispatch (E)	——	——	96 542	——
Grand Total	209 842	——	286 196	——

NOTE: Past run figures not available. Pioneer Press Morning and Dispatch Evening combined to one edition. Pioneer Press Dispatch All Day effective January 2, 1985. The Pioneer Press Morning activity is shown in the Pioneer Press Dispatch All Day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press Morning and Dispatch Evening had a combined Saturday edition with the activity shown only in the Dispatch Evening.

SAN ANTONIO, TX

Express-News (AD)	151 010	32 824	121 816	29 669
Express-News (S)	82 238	32 590	78 866	18 673
Express-News (Sat)	39 238	——	38 934	——
Light (AD)	133 589	37 452	113 880	39 492
Light (S)	72 390	36 208	71 311	27 613
Light (Sat)	31 785	——	34 402	——
Grand Total	510 250	139 074	459 209	115 447

NOTE: Light All Day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

Union (M)	247 235	23 107	216 824	16 575
Union (S)	131 836	——	117 804	——
Tribune (E)	259 908	21 961	234 389	16 079
Grand Total	638 979	45 068	569 017	32 654

SAN FRANCISCO, CA

Chronicle (M)	140 812	77 434	137 621	80 792
Examiner (E)	139 271	76 731	133 397	80 226
Examiner & Chronicle (S)	77 023	41 574	77 902	38 861
Grand Total	357 106	195 739	348 920	199 879

SAN JOSE, CA

Mercury News (AD)	308 644	38 076	323 278	36 516
Mercury News (S)	150 317	——	138 616	487
Grand Total	458 961	38 076	461 894	37 013

SHREVEPORT, LA

Journal (E)	93 871	11 006	85 113	6 701
Times (M)	116 444	18 159	110 444	17 952
Times (S)	67 350	5 692	65 676	4 966
Grand Total	278 665	34 857	261 183	29 619

*STATE COLLEGE, PA

Centre Times (E)	85 363	7 182	93 230	5 150
Centre Times (S)	33 044	3 483	33 046	——
Grand Total	118 307	10 665	126 276	5 150

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

Herald Journal (E)	104 041	33 038	101 686	30 337
Herald American (S)	51 460	44 656	55 301	23 595
Post-Standard (M)	88 184	37 094	86 676	27 134
Grand Total	243 685	114 788	243 663	81 066

*TAMPA, FL

Tribune (AD&S)	325 791	116 945	304 614	103 526
Grand Total	325 791	116 945	304 614	103 526

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	112 340	——	115 318	——
Blade (S)	95 441	——	89 324	——
Grand Total	207 781	——	204 642	——

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

Post (M)	241 165	58 118	246 349	34 430
Post (S)	193 530	38 960	152 173	29 767
Grand Total	434 695	97 078	398 522	64 197
Alexandria Gazette (M)	13 212	——	29 683	183
Prince George's Journal (M)	64 130	763	62 759	183
Montgomery Journal (M)	66 899	747	64 769	——
Fairfax Journal (M)	73 278	548	72 807	841
Arlington Journal (M)	71 749	——	70 955	183

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning and Arlington Journal Morning published five days a week only.

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	97 938	16 541	83 374	20 371
Reporter Dispatch (S)	88 178	10 123	71 838	12 627
Grand Total	186 116	26 664	156 162	33 148

WICHITA, KS

Eagle-Beacon (M)	117 058	——	137 237	——
Eagle-Beacon (S)	76 200	——	72 174	——
Grand Total	193 258	——	209 411	——

NOTE: Part run figures not available.

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in image but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the NAME Measurements Committee, The ANPA NAB Working Committee, The AAAA Newspaper Committee and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2 0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

Calcium

(Continued from Page 1)

Elkhart, Ind., and Ayerst Labs, New York.

They are aiming to take on not just Os-Cal but another product that, though over 60 years old, has found new life through calcium-supplement claims: Tums antacid.

Beecham Products' Northcliff-Thayer unit, Tarrytown, N.Y., markets Tums. An estimated $7 million-plus campaign via Jordan, Case, Taylor & McGrath, New York, claims in radio ads that Tums is an "inexpensive way to prevent calcium deficiency and osteoporosis" and that "thousands of women are following their doctors' advice and taking Tums daily to avoid this brittle bone disease."

That 10-month-old campaign was attacked last July as unsubstantiated, reportedly by Lederle and Ayerst, in claims filed with National Advertising Division of the Council of Better Business Bureaus.

NAD upheld the Tums campaign because "the advertiser substantiated all of the charges."

Tums sales could not be determined, but a source said that Tums' sales have increased dramatically since calcium-benefit claims were added to the product's advertising. Norcliff-Thayer, which also markets Avail vitamins containing calcium and Calcimax, a calcium supplement, declined comment.

The latest challenge to Tums comes from Warner-Lambert, which in December started rolling Theracal national (AA, Dec. 9).

The new mint-flavor, chewable calcium tablets in "the first easy-to-carry pack" are priced at about half the cost of leading bottled calcium supplements, Warner-Lambert says.

Theracal, with 334 milligrams of calcium per tablet, is priced at 50¢ for a 12 pack and $1.79 for a box of four-stick packs; Tums antacid, with 200mg of calcium per tablet, is priced at about 50¢ a roll in the New York area and about $2 for a bottle of 75. W-L also markets Suplical, a vanilla-flavor chewy calcium supplement.

Branded calcium supplements cost from $4 to $8.50 a bottle.

"This has the convenience and the low cost, and it's 100% [pure] elemental calcium," said Marshall Molloy, W-L manager-media relations.

Theracal, which has not yet been advertised, is handled by J. Walter Thompson USA, New York. W-L declined to release details of the first Theracal campaign, which is scheduled to start sometime this year.

Ironically, W-L's Rolaids competes directly with Tums in the antacid category. Rolaids also contains calcium but is not marketed as a calcium supplement.

Instead, advertising for Rolaids, via Ted Bates Advertising/New York, continues to emphasize its antacid properties, though Rolaids commercials now also mention the added benefits of calcium.

The challenge to ad claims for Tums is not the only example of a marketer charging that a competitor's calcium-supplement advertising is questionable.

Last year, Marion Labs retracted a print ad for Os-Cal after the National Dairy Research & Promotion Board, Arlington, Va., filed a false ad claim with the Federal Trade Commission. Marion blamed a typographical error for the claim that a person must eat 3 lbs. of cheddar cheese a day to get enough calcium. The ad was later pulled.

Each advertiser is scrambling to find unique selling propositions for essentially the same product.

Print and tv advertising for Lederle's Caltrate, via Carrafiello, Diehl & Associates, Irvington, N.Y., tells consumers that adding Caltrate to the diet gives "more pure calcium than a half quart of milk—without the calories."

Tv and print ads that have been running since August for Ayerst's Posture brand point out that good posture may be lost as one ages without taking Posture now. Saatchi & Saatchi Compton, New York, handles.

The dairy board also jumped onto the calcium bandwagon last year, via a $12 million tv and print campaign themed "Dairy foods—calcium the way nature intended."

The board has budgeted $16.9 million for this year's calcium campaign, which will begin in February via McCann-Erickson, San Francisco.

The theme will be basically the same, except with greater emphasis on nonmilk sources of calcium, such as cheese.

In 1984, $3 million was spent on advertising Os-Cal and $6 million on Caltrate.

The first calcium supplements were simply uncoated elemental calcium, but marketers are now adding special features.

Miles Labs' Bio-Cal and Marion's Os-Cal have introduced line extensions with vitamin D, and Ayerst plans to roll out a line extension of Posture with vitamin D this month. Caltrate, which was initially uncoated, is now coated and offered in a smaller size for "ease of swallowing."

More products offering calcium as a secondary benefit are coming on the market. Miles Labs in 1984 took its well known One-A-Day Vitamins Plus Iron off the market and replaced it with Within, a multi-vitamin with iron and calcium. Marion Labs offers Os-Cal Plus, a multi-vitamin with calcium.

Most calcium marketers also offer supplements in various dosages. Ayerst, for example, this year will roll out a 300mg version of Posture (compared with its current 600mg tablet).

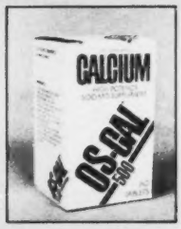
"The big issue is convenience," said Marion's Mr. Rouse. "How many should you take [to get the 1,000mg of the recommended daily allowance]—one, two or five?"

Another area of competition is in research to determine new uses for calcium.

One study, partly financed by Miles Labs and released in early December by the Oregon Health Sciences University, Portland, suggests that calcium supplements may help manage high blood pressure in some adults. Miles Labs, as well as other calcium marketers, said it is still too early to make any definitive claims in this area and, therefore, will not touch on it in marketing programs.

But "in years to come, additional studies might establish possible new uses [for calcium]," a Miles spokeswoman said.#

Top calcium-supplement brands



Os-Cal
Marion Labs
Tracy-Locke, Dallas

Caltrate
Lederle Labs
Carrafiello, Diehl, Irvington, New York

Posture
Ayerst Labs
Saatchi, Saatchi & Compton, New York

Suplical
Warner-Lambert
J. Walter Thompson USA, New York

BioCal
Miles Laboratories
Tatham-Laird & Kudner, Chicago

Coast

(Continued from Page 2)

theme will be used in outdoor and print ads as well. The campaign is the first for the brand from Grey Advertising, Los Angeles, which earlier replaced Basso & Associates, Newport Beach, as Moctezuma's agency.

The Desert Inn Hotel, Las Vegas, named McAuliffe & Fishel, Los Angeles, to handle its $2.5 million account, held by Kelly & Reber, Las Vegas, for almost 10 years. Other finalists were HCM, Los Angeles, and R&R Advertising, Las Vegas. Separately, Kelly & Reber is negotiating to merge with R&R.

TBWA Advertising has pushed back plans to open a California office (AA, Sept. 16). New York-based TBWA president Richard Costello said the agency will not expand into California until the situation is right—meaning until it finds a desirable acquisition candidate. Mr. Costello speculated that TBWA likely will expand into California in 1987 or 1988, "probably, but not necessarily," in Los Angeles.

McLean-Stewart Advertising, San Mateo, Cal., has merged with Wenger Associates, San Francisco, to form an agency with combined billings of $11 million. The two agencies continue to operate under their respective names. No client conflicts were reported.

Blue Ribbon Marketing, Portland, Ore., will break an animated and live-action tv commercial for its Heathcliff's Blue Ribbon cat litter in four western markets, probably Denver, Los Angeles, Phoenix and Salt Lake City, in March. The commercials, like the outdoor boards that precede them, will use the slogan "The competition stinks." Blue Ribbon also will expand distribution of the litter to Chicago, Texas and St. Louis, by late February. Osborn & Associates, Portland, is the agency.#

Rabbit redux

The Trix Rabbit, popularized for more than 30 years in tv spots for General Mill's Trix cereal, has found a friend. In the first of a two-part series of spots that broke Jan. 4, the Trix Rabbit is joined by another famous hare, Warner Bros.' Bugs Bunny. In part one, Bugs offers to help the Trix Rabbit get a taste of his favorite cereal with a new disguise. What is it? Bugs isn't telling until the second spot breaks March 17. Dancer Fitzgerald Sample, New York, handles.

Sears

(Continued from Page 1)

apparel and soft-goods agency.

Sears' planned magazine boost reverses its trend away from that medium. Magazine ad spending in 1984 was $21.9 million, 35% below the $33.6 million it spent in 1983. Through the first half of last year, Sears spent $5.9 million on magazine advertising, compared with $10.4 million during the first half of 1984, according to Leading National Advertisers.

But in the second half of last year, Sears unveiled a series of bolder magazine ads—frequently involving multiple pages—as it began broadening and enhancing its product lines (AA, July 22).

Tv spots that sell the "total store" will continue to play an "important part" in the company's attempt to increase customer traffic between departments, Sears said. Those total-store campaigns, however, increasingly will give way to tv and print ads that take a more personal tone and spotlight products for various family members.

Under this individualized approach, three tv spots replace one. One spot may target fathers with a message about power tools, while another may pitch the new Stefanie Powers clothing to mothers. Yet another may try to convince children that Sears is the place to shop for fashionable clothing.

This product-oriented focus also gives Sears more freedom to experiment, to try moods and production techniques such as those used in the austere Stefanie spots that may not be appropriate for the total-store campaigns. It also enables Sears to tout its traditional strength in hardware, while upgrading its image in apparel—without diluting either message by blending them, Sears said.#

January 9, 1986

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C2710-1

Advertising Age Tuesday

Crain's Magazine of the Creative Process

Special Report
CONSUMER ELECTRONICS

LMS—'Advertising is the rock 'n' roll of the business world'

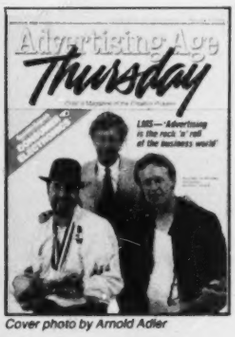
(From left) Tom Monahan, Bob Saabye and Bruce Leonard.

♦♦♦♦♦♦♦♦♦♦♦♦♦♦♦♦♦5-DIGIT 20014♦
CONGLI AA 860199 99 AYA
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
♦520 EAST-WEST HWY #800
WASHINGTON DC 20014♦

Thursday

LMS means fine ads

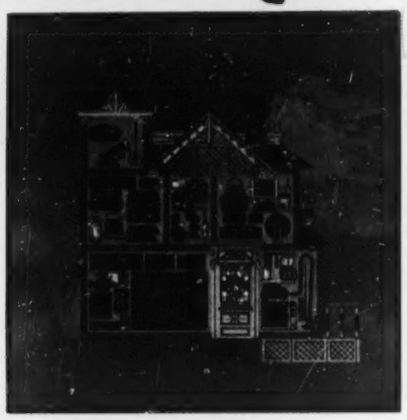
Leonard Monahan Saabye is the advertising equivalent of the rock world's overnight smash. A 6-year-old agency billing just $20 million, it was unknown outside New England until it coolly walked away with 31 awards at New England's Hatch Advertising Awards (one of the nation's biggest regional awards shows) in September. A feat made more remarkable by the fact that they cleaned up 21 awards at the 1984 show. Further adding to the agency's rising reputation was the controversial decision to award "Best of Show" to LMS' consumer magazine campaign for Marlin Firearms. *See Page 4.*



Cover photo by Arnold Adler

Out of the agency

When the creative team of Gary Johns and Jeff Gorman left Chiat/Day to hang their shingle as independent tv commercial directors, they expected to wait six months for the phone to ring. Six months later, they didn't have a phone. Too busy. But they did have four commercials on their reel. And even though Johns & Gorman Films only recently rented office space, the principals are quickly gaining confidence that there is life after Chiat/Day. *See Page 23.*



Special Report—Consumer Electronics

Efficiency and entertainment are the building blocks of the consumer-electronics industry. Marketers are selling and consumers are buying products ranging from compact-disc players to computerized telephones and from stereo tvs to colorful small appliances. The Yankee Group estimates about 11% of American families are now "technologically advanced," meaning they use technology to improve their quality of life. *Starting on Page 9.*

Presstime

Discover goes national

CHICAGO—Sears Financial Network has moved up to this month the national rollout of its Discover credit/financial services card. Spreads break Jan. 23 in the *New York Times*, *USA Today* and *Wall Street Journal*, followed by two 60-second spots airing Jan. 26 during Super Bowl XX. The estimated $40 million "Dawn of Discover" campaign, handled by J. Walter Thompson USA, will include continuous direct mailings, national and local print ads, plus network and local radio and tv spots throughout 1986. A Sears spokesman said the national launch was moved up from April "due to overwhelming response" to the card in Georgia and San Diego pilot markets.

Pepsi to sign Glenn Frey

PURCHASE, N.Y.—Pepsi-Cola USA reportedly is closing a deal today with former Eagles singer Glenn Frey, who will team up with "Miami Vice" star Don Johnson (AA, Dec. 26) as the headliner in Pepsi commercials this year. BBDO, New York, handles.

Cooler response to Bears

STOCKTON, CAL.—California Cooler is placing large football-shaped stickers, tied to the run for Super Bowl XX, on supermarket refrigerators carrying its product. The Brown Forman unit hopes the Los Angeles Rams will upset the Chicago Bears Jan. 12 to give the "One more reason to hate California" tag line added meaning. Chiat/Day, San Francisco, handles.

Merrill Lynch eyes five

NEW YORK—Merrill Lynch has narrowed to five the list of agencies in contention for its $40 million account (AA, Nov. 18). Finalists are N W Ayer; Bozell, Jacobs, Kenyon & Eckhardt; Dancer Fitzgerald Sample; Grey Advertising, and incumbent Young & Rubicam.

Sweet ad news for tv

WASHINGTON—The Sugar Assn. is looking to tv advertising to fend off gains made by G.D. Searle & Co.'s NutraSweet and other sweeteners. The industry trade group will test tv for the first time in May as part of its $3 million ad budget. A spot promoting sugar as a natural, low-calorie sweetener will air in two unnamed markets. North Castle Partners, Greenwich, Conn., handles.

Postal head is bottom-liner

WASHINGTON—The naming this week of Albert Casey, former chairman of American Airlines and former president of Times Mirror Co., as U.S. Postmaster General is expected to intensify U.S. Postal Service attention on its finances. Mr. Casey replaced postal veteran Paul Carlin, in office for just a year. The move was attributed in part to a push by the USPS board to become more competitive with growing private delivery services.

Jet America lowers fares

LONG BEACH, CAL.—Jet America Airlines this week introduced "Blue light specials," unan-

(Continued on Page 23)

Street Talk

With most media predicting a soft sales picture in the first half of 1986, do you see any new advertising categories that will emerge to pick up the slack?

James Spero, senior vp-media director, Doyle Dane Bernbach/West, Los Angeles: "Not really. The reason is that the softness is very general; buying won't flow from newspapers into television or vice versa. It has affected all media and no new categories like the computer field of the past are on the horizon. Categories don't develop that quickly."

J. SPERO

C. BACHRACH

Charles Bachrach, senior vp-network and programing, Western International Media, Los Angeles: "I'm not sure we'll see new or developing categories. What we might see is current categories rethinking what they buy. Spending patterns may change; for example, advertisers who don't have sale or release dates and can hang around and wait may come to the forefront. There may be a shift to more opportunistic spending rather than scatter. You may see, not on national tv, but on cable, new categories like real estate investment and health products."

Marshall Karp, executive vp-creative director, Marshalk Co.: "No. Granted, with the availability of 15-second commercials a lot of smaller advertisers will now be able to afford to go on the tube. However, they won't have big enough budgets to have a major impact on the networks' problems. For the media to turn around, the economy will have to turn around."

M. KARP

C. BOTWAY

Clifford Botway, chairman, Clifford A. Botway Inc., New York: "I don't see it happening in the coming year. I do believe we'll see some increase in the service categories, such as financial services, but there will be no substantial increases to cover or compensate for the computer hardware and software category cutbacks."

Howard Nass, senior vp-media, Cunningham & Walsh, New York: "The high-tech guys who spent tons of money are coming to a standstill. There are only some left who spend reasonable amounts. The only things that may change the market are politics, since some Senate seats are coming up, and maybe the airline wars, which are warming up. These megamergers may also change things. Two years ago I would have said computers or banks. Now there's a trend toward brokerage houses going toward the average joes.

H. NASS

ADVERTISING AGE *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE *Thursday*, 220 E. 42nd St., New York 10017.

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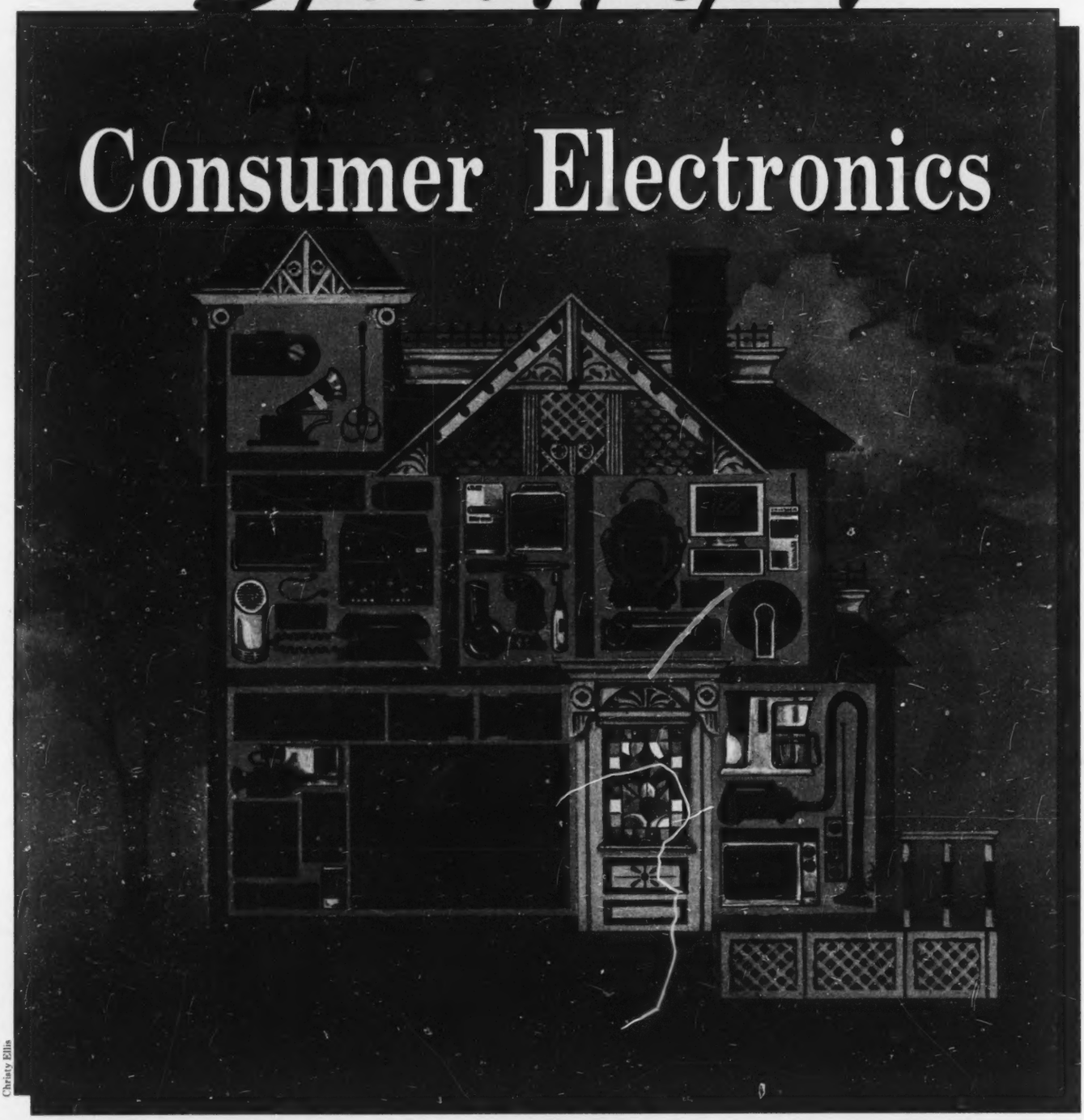
Special Report

Consumer Electronics



Christy Ellis

Families tune in for efficiency, entertainment

By Len Strazewski

Dinner is in the kitchen microwave and Ozzie is crunching numbers on his personal computer in the den. Harriet is running late and calls in on the station wagon's cellular telephone.

Ricky is listening to a compact disc in his bedroom and David is watching a "Dynasty" rerun he taped last night on the family room videocassette recorder.

They'll soon gather at the table for their evening meal, but a few minutes after, each will return to his own electronic hearth for homework or the evening's entertainment.

Is this the typical American family? Not yet, but a lot has happened since the days when everyone clustered around the single family tv set to watch the misadventures of the Nelson family or sat around the one radio or phonograph to hear Ricky sing "Hello, Mary Lou." Ever-busier families are investing a substantial share of their disposable income to make their homes as efficient and entertaining as possible.

The Yankee Group, a Boston-based market research company, estimates about 11% of American families, or about 9.2 million households, are now "technologically advanced families," about twice as many as a decade ago.

These families are integrating consumer electronics into their life styles—planning their schedules on personal computers, waking up to digital alarms, cooking in microwave ovens, listening to personal stereos on their way to work or school and spending their evenings listening to high-fidelity audio or watching time-shifted tv programing on vcrs.

"TAFs are the families that master technology for the purpose of furthering their quality of life and fostering the participation of the family unit in the computer age," says Yankee Group senior analyst Donna Amrhein. "But they don't just buy anything with bells and whistles."

Technologically advanced families are a step

(Continued on Page 10)

Electronics purchases made in last 12 months

Item	% of U.S. households
Tv set	23.4%
Microwave oven	13.6%
Blank videocassette	9.9%
Videocassete player/recorder	8.5%
Separate audio component	6.4%
Portable/walkabout stereo	4.5%
Prerecorded videocassette	3.0%
Electric portable typewriter	2.4%
Compact or console stereo	2.0%
Food processor	1.8%
Burglar alarm/security system	0.7%
Compact disc player	0.3%

Source: 1985 SMRB Study of Media and Markets.

Tv marketers try to focus advertising picture

By Pat McGeehan

Most consumers can remember when the biggest choice they had to make before buying a tv was whether to get a color or a black-and-white set.

It's not that simple anymore.

Today, black-and-white tvs are passe and color tvs are available from pocket size to screens large enough to cover a wall. The "boob tube" has given way to command centers that can receive signals from outer space and control everything from a multimedia home entertainment system to family finances.

Consumer electronics technology has been progressing at a dizzying rate in the past few years, leaving tv makers racing to the market with the latest features without spending much time or money to explain to consumers what's what.

With an ever-increasing number of competitors in the field—several Korean companies have entered the U.S. market in the '80s—a costly price war is being waged. As prices and margins plummet, one of the first manufacturer expenses to be slashed is advertising and promotion spending.

While high-end producers like Sony Corp. of America continue to advertise heavily, many of the low-end marketers rely on their big-spending counterparts and retailers to lure consumers to the point of sale, where they hope their prices will speak for themselves. Fierce pricing battles have divided tv buyers into two basic groups: Videophiles who appreciate new high-tech features and are willing to pay for them as soon as they're available, and price-conscious purchasers looking for a bargain.

"We've done a great job of training the consumer to be very price-sensitive," says Lucy Sherrill, with more than a hint of sarcasm. Ms. Sherrill is marketing manager-color tv for General Electric, Fairfield, Conn.

Zenith tv ads, including one produced and broadcast in stereo, promote its "Smart sets." Foote, Cone & Belding, Chicago, handles.

Ms. Sherrill says she thinks high-tech innovations, such as flat picture tubes, larger screen sizes and stereo sound, will help reverse price and margin erosion—at least for a while. The key, she says, will be for tv marketers to find ways to reduce their costs so the inevitable price-cutting won't decimate profits.

The introduction of stereo, or multichannel sound (mts) as it is known officially, is looked to as the most likely savior of a flat tv industry. Penetration of color tv is very close to the 100% mark, and 1985 sales are expected to be up only about 4% over 1984.

Because the average lifespan of a modern color tv is eight to ten years, tv makers have sought to accelerate replacement of current sets by developing new, must-have features. In stereo, most think they have hit on such a selling point.

"What stereo has done," Ms. Sherrill says, "is made sound quality the No. 2 or 3 attribute that consumers are looking for when buying a tv. Three years ago, sound quality would have been near the bottom of the list."

"The excitement of stereo tv sound is like the excitement that was caused by stereo audio sound 15 to 20 years ago," says Dick Komiyama, president of image display devices for Sony, Park Ridge, N.J. "Sound quality has always been a very important aspect of home entertainment. As home electronics is getting more sophisticated, one area that has been slow in developing is tv sound. Even home vcrs, which was a much later development than tv, had stereo capability before tv."

Development of stereo tv and stereo broadcast technology was slowed by a basic chicken-and-egg dilemma. Tv makers were in no hurry to market stereo tvs when there was scant stereo programming on the air. Commercial broadcasters, meanwhile, had no incentive to invest in stereo broadcasting equipment when consumers were unable to receive the signal.

Hardware producers showed they were willing to meet broadcasters halfway by manufacturing tvs capable of receiving stereo sound—but not by themselves. The sets, which cost $100 to $200 more than conventional tvs, have multiplex (mpx) jacks through which a separate mts decoder can be connected.

While the commercial networks fiddled, the Public Broadcasting Service, led by Chicago's WTTW-TV, began airing a smattering of programs, mostly musical, in stereo. PBS-type broadcasting doesn't attract the masses, however, so only true audio/videophiles were encouraged to plunk down more than $1,000 to experience the added dimension.

Not until NBC-TV stepped away from the pack in 1984 and began broadcasting selected programs, including the Major League Baseball All-Star Game and "The Tonight Show," in stereo did it begin to take shape as a wave of the future. NBC now makes available 20 hours of stereo programing a week, most notably music-oriented shows such as "Miami Vice." More than 50 NBC affiliates broadcast in stereo.

ABC-TV this season offered only one regular program, "The Insiders," in stereo, but the network says it is gearing up to expand its offerings. CBS-TV says it has no immediate plans to join in.

Industry experts say as many as 250 stations will be airing some portion of their programing in stereo early this year and many expect to see that number rise by about 100 during 1986.

Now that NBC has shown its commitment to stereo, "the other networks will be dragged into it," says Tom Lauter-

(Continued on Page 12)

Families tune in for efficiency

(Continued from Page 9)

up and away from the electronics buffs who used to lead the consumer electronics field, Ms. Amrhein says. Because they buy practical products with mass-market potential, these families are the group for electronics marketers to watch.

"They are the investigators and they make the decisions as to whether a product offers enough performance for the price. What they do determines the direction of the mass market, since their homes become showcases for the products," she says.

Like the steady growth of the technologically advanced family, the direction of the consumer electronics mass market is up. Since 1975, factory sales of consumer electronics products in the U.S. more than quadrupled from about $5.2 billion to $23.4 billion in 1984, according to the consumer electronics division of the Electronic Industries Assn., Washington. Including retail markups, the domestic consumer electronics market topped $35 billion in 1985, according to industry estimates.

Color tv sales have more than doubled from $2.3 billion in 1975 to more than $5.5 billion in 1984. Audio systems and components grew from $1.1 billion to almost $1.9 billion during that period, and even home radios, the oldest consumer electronics product category and generally considered the most static, grew from $372 million in 1975 to $661 million in 1984.

New products such as home computers, software, videogames, telephones, telephone answering devices and videodiscs stimulated additional industry growth of about $5.7 billion in 1984, up from about $7 million in 1980 when the industry first began recording those categories.

"What's happened is that over the years, the consumer electronics industry has moved from the high-tech gadget business into the home entertainment business—and now it's moving into the life-style business," says Jack Wayman, senior vp of the EIA and founder of the twice-yearly Consumer Electronics Show.

"When we first founded CES, we considered calling it the Home Entertainment Show, but we changed our minds at the last minute to broaden the subject areas. I'm glad we did," Mr. Wayman says. "We wanted the show to demonstrate how consumer electronics enhanced the quality of life. Now enhancing life styles has become the overriding goal of the show."

He says the 18-year-old CES mirrors the industry; since its founding, the industry has expanded from three basic product lines (tv, radio and audio equipment) to about 25 product lines, including video recorders and cameras, telephones, satellite dishes, computers, microprocessor-based appliances and even kitchen products such as microwave ovens.

FOLLOW THE BOUNCING BALL.
In 1986, follow the leader. As our colorful sphere moves across your counters on our powerful line of video, audio and floppy disk products.
Our sphere moves mighty fast. Why? Because the new, highly recognizable Scotch ® packaging identifies us as a leader. And because Scotch Magnetic Media will help to pre-sell your customers with the most extensive promotion and advertising programs available in the industry.
In addition, our strong retail management expertise and our unique shelf-management kit will boost your return on investment. And only the Scotch Magnetic Media nationwide sales force can give you programs flexible enough to fit your needs.
Scotch
3M

Software marketers, including 3M, are stressing unified package designs in an effort to build brand loyalty.

Miniaturization and product economy also have spurred industry growth, he says. "As I promote the industry in speeches around the country, I can carry 15 of the 25 product lines around the country with me in a single footlocker."

Video is still the hot product area and has produced the most sweeping effects on the industry, observers say.

"Most people don't realize that video has become as influential a communications medium as cable television, broadcast television, magazines, whatever," says James Meigs, senior editor of *Video Review*, New York, the largest of the national video publications with more than 370,000 circulation, according to Audit Bureau of Circulations' June 30 report.

"The whole structure of the way people get entertainment has changed as a result of the video movement," he says. "People are making more and more changes in their home environment to enhance video use. People who had only a small interest in technology prior to their purchase of a vcr are now looking at larger screen color tvs, small projection tvs, enhanced sound systems and hi-fi speakers for their video components."

Hot video products for 1986 include hi-fi vcrs, stereo tvs or universal stereo decoders for existing units, and 8mm videotape for film buffs, he says.

• The need to manage this complex array of products has led to a trend toward integration of function and design.

"The nature of what consumers are looking for in electronics is a way to simplify their lives—a way to get their electronics to operate on an automatic basis," says William Smith, general manager-consumer electronics product department, General Electric, Portsmouth, Va.

Last year, General Electric introduced two electronic control products: The $500 Home-Minder, which allows consumers to use their tv screen to program and control home lighting, heating and entertainment equipment from a central panel, and the $150 Control Center, designed to link electrical systems that use infrared controls, such as vcrs, cable systems and some audio products.

"The consumer is concerned about the clutter that results from all these electronics, each with a separate control panel," Mr. Smith says. "Simplification has been the big trend for the past 10 years, and I expect it will continue to be so for the next 10 years and beyond."

In addition to miniaturization and integration, family involvement is shaping the marketing of consumer electronics products, marketers say.

"We've gone to a family package design for all our software

Fashion appeal colors product lines

By Pat McGeehan

Upon entering the average American home of the middle '70s, a guest may have felt compelled to don a pith helmet and safari jacket before venturing through the jungle of wood-grain electronics.

Wood grain, the conventional thinking went, is the only finish that could fit into the standard home design scheme. After all, what goes better with wood?

But today, as more and more social conventions fall by the wayside, electronics marketers are taking a new view. Why not liven up the place, they're saying to consumers, with a *pink* microwave and a *green* tv and a *lavender* clock/radio?

"People today are very life-style driven," says Dan Infanti, manager-corporate communications and marketing for Sharp Electronics Corp., Paramus, N.J. "In the past, Americans were willing to try new things outside but were more conservative inside."

Sharp, whose parent company is based in Japan, was one of the first electronics marketers to capitalize on the fashion appeal of colors when in 1984 it introduced the QT50, a portable radio/cassette player, in pink, green and white.

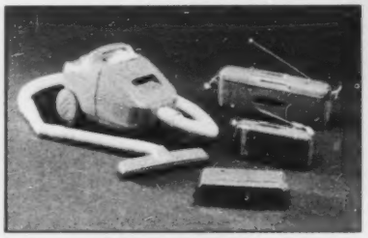
This week's Consumer Electronics Show in Las Vegas, Nev., features a full spectrum of color from several marketers.

"There will be a lot more color than you've ever seen," says Tom Lauterback, vp-pr for Franklin Park, Ill.-based Quasar, which in mid-1985 made a big splash with its Fashion Accents line of 10-in. tvs in several colors, which sell for $200.

Manual models of Fashion Accents will be available this year in white, blue, almond and pink. Models with remote-control units that look like mini-tvs already are available in red, white, yellow and blue, and the company plans to introduce new colors at this summer's CES in Chicago.

Quasar featured Fashion Accents in its 1985 magazine ads. But most companies aren't playing up color in their advertising, primarily because the products are low-priced and four-color print and tv advertising aren't.

In addition, Mr. Lauterback says, to some extent these products advertise themselves; he cites "how fantastic color is at the point of sale."



Quasar is trying to carry the popularity of Fashion Accents over into the portable audio segment by introducing Fashion Mini radio/cassette players in blue, red, yellow and black. The units resemble Sharp's QT50 but are a little slimmer.

"Just about everybody tried [colors] in the '60s," Mr. Lauterback says, pointing out that the idea never caught on then. "This time our timing was right."

This week's Consumer Electronics Show will feature color products from Sharp (l.), while Quasar will introduce new colors to its Fashion Accents line.

Greater emphasis also will be placed on color in Sony Corp. of America's new offerings, which already include 20 and 25-in. tvs in plum, beige, pearl and black (suggested retail prices: $900 and $1,200), says a spokeswoman for the Park Ridge, N.J.-based company. New technology comes along every few years, she says, "so I think color is going to be relied on more and more to provide excitement."

But at least one electronics company isn't getting too excited about color. After conducting focus group interviews, General Electric rejected the idea of adding colored cabinets to its tv line. "We did a bunch of consumer research and colors bombed," says Lucy Sherrill, General Electric's marketing manager-color tv. "What we found was that consumers wanted wood grain-type cabinets.

"Quasar has a hot little product in that [QT50]," she says. "But I think it's a small niche opportunity. The next company that tries to jump in there is probably going to be disappointed."

That would be bad news for Sharp, which this week is introducing colored tvs in screen sizes ranging from 13-in. to 3½-in. in black, blue, white, yellow, green and pink. Other colorful products Sharp is introducing this week include $125 Half Pint mini-microwave ovens in white, red, powder blue, pink and yellow; canister vacuums in white, green and pink, all with gray stripes; its first line of clock radios, in lavender, pink, green and white with a $25 price tag, and a compact, $50 version of the QT50 called the QT5 in white, lavender, pink and green.

Sharp sees the 18-to-34-year-old age group as the primary market for colored products, considerably younger than the target for high-end electronics. But that doesn't mean this passion for pastels is a passing fancy, Mr. Infanti says.

"We don't believe that color's a fad. We believe that this is a trend," he says. "And the ability to identify and create a trend is what separates the good companies from the great companies."

products such as audiotape, videocassettes and computer floppy discs," says Don Linehan, marketing communications manager of 3M, St. Paul, Minn. "The consistency of image and recognition is of great value as the market for these broadens."

As audio, video and computer hardware become more pervasive in the home, consumers will buy in larger amounts and seek consistent quality. Unified package designs will lead to that recognition and brand-loyal purchases, he says.

"And even though vcr penetration, for example, is only about 30%, we are already seeing focus group homes with two or three units. That means that the head purchaser of the family is buying a box of 10 videocassettes and distributing them to various family members for use on the units."

Advertising creative, managed by Grey Advertising, New York, also reflects the family motif, Mr. Linehan says. Print advertising for 1986 shows 3M's Scotch brand tape products in use in a family environment, and tv spots, still in production, split between family setting and high-tech features, he says.

Maxell Corp. of America, Moonachie, N.J., another tape manufacturer, also is marketing more directly to family users, according to Bill Tucker, senior vp and management representative of Scali, McCabe, Sloves, New York, the company's long-time agency.

"There was a time when we marketed products to the audiophile, and what he was interested in was high tech," Mr. Tucker says. "Audio salespeople sold to audiophiles and the market was reached with magazines like *Stereo Review*.

"But as products got more sophisticated, they also got cheaper and available to more people. Now vcrs are available to mass markets and videotape must also be promoted for mass use," he says.

Tape manufacturers have become more like package goods marketers, fighting for shelf space with other manufacturers and other products.

"We can't just market high tech anymore and we can't talk down to consumers," Mr. Tucker says. "We have to acknowledge that our products are used by families and our advertising must reach broader markets."

Another Scali client, Sharp Electronics Corp., Paramus, N.J., also is modifying its marketing. A manufacturer of microwave ovens as well as other consumer electronics, Sharp is trying to develop brand loyalty that cuts across product lines, Mr. Tucker says.

"Seven or eight years ago, microwave ovens were generic. Now, brands are more diversified and it's important to emphasize brand quality," he says.

Above all, marketers are realizing that the technologically advanced family now is looking for quality, not just gadgets. Ozzie and Harriet wouldn't have it any other way.

Building the right look, sound into media room

By Van Wallach

The thing of the week is projection tv," says Alan Lucas of Alan Lucas & Associates, a San Francisco interior designer. "After the Mercedes, the Jacuzzi and the tennis courts, that's what my clients want."

But, Mr. Lucas says, "Without good planning this creates a large lump in the room, and looking at the black all-seeing eye is not pleasant."

For many of his clients, the solution is a media room, an expensive showcase of interior design and superb electronics. The design alone costs $20,000 minimum, the equipment another $5,000 to $150,000.

At this level, price becomes less a concern than aesthetics and audio-visual performance—and getting the right stuff requires more than a trip to the stereo store. "The big retailers aim for the middle-low market, not the middle-high," Mr. Lucas says.

Because customers usually lack the expertise to assemble packages, they and their interior designers rely on consultants, who may select ready-made equipment but customize it to fit a room's design.

Free-lance writer Van Wallach's media system includes two tvs and three radios in a one-bedroom apartment.

For example, audio consultant David Lynn, president of Sound Design & Engineering, North Miami Beach, Fla., refinishes components in brass, chrome, gold, lacquers—whatever the client wants. A new faceplate for a $1,800 Nakamichi USA Corp. cassette deck can cost $600. "I've had an artist paint speakers to match wallpapers," he says. "Concealment is important."

But even off-the-shelf components look better these days. Designers say the "dancing lights" syndrome, where manufacturers glitzed up equipment with blinking lights, is fading.

Leaders in electronics design emphasize clean, simple executions. Mr. Lynn likes Canton North America's speakers, priced at $250 to $3,500 a pair, which come in different colors and woods.

Both Mr. Lucas and Mr. Lynn mention Bang & Olufsen a/s, Struer, Denmark, as a pacesetter in stereo design as well as performance. In fact, New York's Museum of Modern Art displays 10 pieces of B&O equipment, according to Keld Hanson, audio products manager for Bang & Olufsen of America, Mount Prospect, Ill.

"Simplicity is the key," says Mr. Hanson, whose company uses rosewood, teak, oak and white birch in its products. "As electronics become extremely complex, other manufacturers put on knobs and buttons and dials. We package the complexity within. It's a European design approach."

In addition to these sophisticated off-the-shelf designs, companies package electronic products as so-called rack systems. RCA Corp.'s remote-controlled Dimensia system, for example, features a 40-in. projection monitor, stereo videocassette recorder, compact disc player, turntable and audiocassette deck.

"It's much easier to create an original look for a client that way," Mr. Lucas says.

Design problems start when consumers add components like compact disc players to existing systems and nothing matches. Mr. Lucas then opts to conceal the electronics in cabinets with doors.

"You can put new faceplates on the components," he says, "but to me that's not as good as getting an integrated unit."

But audio wizard Mr. Lynn has his doubts about the all-in-one approach, which he believes often results in a tradeoff between design and sound quality. "Packages look neat, and for $1,200 you can get a compact disc, dual cassette deck, the whole nine yards," he says. "They look great, but they are not great quality. The best equipment is not necessarily the prettiest.

"Enthusiasts who pay $5,000 for an audio amplifier aren't looking for aesthetics but for realistic sound."

MediaWorks

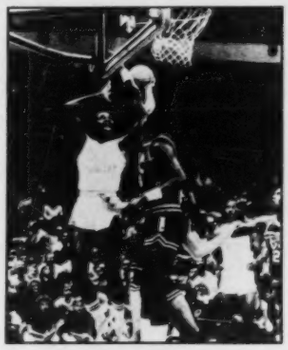
TV AVAILS

A weekly listing of tv programming that still has commercial availabilities open in the next few weeks.

"East/West Shrine Game," the football game featuring college seniors, has eight 30s left on its Jan. 11 broadcast from Palo Alto Stadium. Mizlou Programming, New York, is asking $17,500 per 30 for the 3 p.m. (ET) broadcast. The show has been cleared in 60% of the U.S. and has a projected 4 to 5 rating.

"The Senior Bowl," also handled by Mizlou, has four 30s left on its Jan. 18 broadcast from Mobile, Ala. Unit costs for the broadcast are $17,500 per 30. The game is cleared in 78% of the country and Mizlou is projecting a 4 to 5 rating.

"The National Invitational Basketball Tournament" final game at Madison Square Garden has four 30s left at $22,500 each. Advertisers that already have purchased two minutes include Mercedes-Benz, Miller Brewing



and Hayes Computer. The March 26 broadcast at 9 p.m. has an 83% clearance level and will achieve a 4.8 rating, according to Mizlou.

"College Basketball" on Entertainment & Sports Programming Network has spots in most of its 18 prime time and one nonprime games through Jan. 25 featuring teams from the Metro Conference, ACC, Big East and Southwest Conference. No pricing revealed. Already in are BMW, Chevrolet, Dodge, Lincoln-Mercury, Mercedes-Benz, PaineWebber and the Joint Recruiting Advertising Program of the U.S. Armed Forces.

"USA College Basketball" on USA Network on Wednesday and Thursday East Coast prime time through January. Asking $2,400 per 30, with Toyota, Ford and Levi Strauss already in.

"Senior Bowl," a college football all-star game at 1 p.m. Jan. 18 on cable tv's USA Network, is getting $2,000 per 30. No advertisers revealed.

"National Hockey League" Sunday prime time games on ESPN have scattered avails through Jan. 25. No rates revealed.

"Friday Night Fights" on USA Network has spots left for the Jan. 24 bouts from Madison Square Garden. Fights start at 9 p.m.; USA wants $1,800 per 30.

"AT&T Challenge Cup Tennis" runs live on USA Network starting at 11 p.m. from Jan. 8 through 10. Asking $2,000 a 30. AT&T, Volvo, Ford and Levi Strauss already signed. ■

ON THE DIAL

Scheduled radio specials and new programs or syndicated services.

"Dire Straits" special stereo simulcast broadcast will air Jan. 17 on Showtime pay cable service and Westwood One Radio Networks, Los Angeles. The hour-long concert, preceded by a 15-minute interview with the band, was recorded live at Wembley Arena in London. Clearance on 150 stations. Advertisers include Sony and Stroh. Ad closing date is Jan. 8.

"Sassy Stars of Rock & Roll," sponsored by Coca-Cola's Tab ("Tab's got sass"), is a new monthly one-hour live special that spotlights a provocative rock personality each month. Syndicated by DIR Broadcasting, New

DIRE STRAITS

York, and hosted by Lisa Robinson, the show targets women 18 to 34. Premieres Jan. 18 with featured guest Pat Benatar live from Los Angeles. Also available is a bonus show Jan. 26 featuring Sting, live from London.

"An Affair of the Heart" is a 24-hour Valentine's Day (Feb. 14) special featuring music appropriate to four of Dallas-based Satellite Music Network formats, which include Heart & Soul urban, Country Coast-To-Coast, StarStation adult contemporary and Stardust traditional/nostalgia. Cleared on 525 stations. Advertisers undetermined.

"John Lander's Hit Music USA" is a four-hour weekly show from United Stations Radio Networks, New York, featuring the program director and morning air personality on Houston's highly successful KKBQ's "Q-Zoo" show. The show starts Jan. 11. Many of Mr. Lander's on-air characters will be included, such as psychiatrist Dr. Fraud, Mr. Potato Head and Timmy the Paper Boy. There will be toll-free audience phone-ins. No information on advertisers. ■

NEWSSTAND

With this issue, MediaWorks introduces Newsstand, a listing of upcoming print advertising opportunities, such as special issues and special advertising sections.

New York, New York, personal-investment guide special advertising section, Feb. 17 issue; ad close: Jan. 20. B&w page, $11,810; color page, $18,600.

Runner's World, Emmaus, Pa., annual shoe survey, April issue, moved from October, where it has appeared for 11 years; ad close: Jan. 20. B&w page, $8,310; color page, $12,455.

Boy's Life, New York, special 32-page editorial section in its March 75th anniversary issue; ad close: Jan. 22 (materials). Color page, $16,560.

Working Woman, New York, special two-part editorial section, "The year of the woman business traveler," April issue; ad close: Jan. 24. B&w page, $15,250; color page, $20,900.

NASA Tech Briefs, New York, bonus distribution of its March/April issue at six trade shows, including both Comdex Expos; ad close: Jan. 25 (orders), Feb. 5 (materials). B&w page, $4,990; color page, $5,985.

WORKING WOMAN

NASA Tech Briefs

Prevention, Emmaus, Pa., "Countdown to summer beauty" editorial section, with color-page advertisers qualifying for product inclusion in a cosmetics travel bag offer to readers; ad close: Feb. 1, products due March 15. Color page, $27,550.

Us, New York, eight special theme issues in '86, including "summer fun" and "the 10 sexiest men." The first, the Academy Awards, is on sale March 10; ad close: Feb. 11. B&w page, $14,780; color page, $19,080.

Baby!, New York, second issue, May distribution; ad close Feb. 13. B&w page, $65,000; color-page, $80,000.

Computer Retail News, New York, introduction of *Micro-Product Review*, a glossy pullout tabloid supplement, with seven issues in '86. The second, covering power-protection equipment, is dated March 17; ad close: Feb. 24. B&w page, $4,305; color page, $5,205.

Barron's, New York, first of two '86 fashion sections, "The Executive Image: The Power of Fashion," March 17 issue; ad close March 8. B&w page, $13,250.

Closings next week: East/-West Network, New York, personal-finance supplement, March issues of 10 in-flight publications, Jan. 15. . .**Rx Being Well**, New York, special allergy-medication guide and "mineral myths and facts," March/April issue, Jan. 15. ■

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	1/2	12/26	12/19
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		27	28	33
2. "60 Minutes" (CBS)		23	20	20
3. "Family Ties" (NBC)		21	22	27
4. "Cagney & Lacey" (CBS)		19	—7	—7
5. "Murder, She Wrote" (CBS)		13	DNA	11
6. "Kate & Allie" (CBS)		13	—3	—7
7. "Newhart" (CBS)		13	—4	—7
8. "Miami Vice" (NBC)		11	10	7
9. "Golden Girls" (NBC)		10	11	10
10. "Scarecrow & Mrs. King" (CBS)		10	2	3
GOOD WINNERS				
11. "Fast Copy" (NBC)		8	DNA	DNA
12. "Facts of Life" (NBC)		7	5	13
13. "Who's the Boss" (ABC)		7	4	8
14. "Cheers" (NBC)		7	4	10
15. "Orange Bowl" (NBC)		6	DNA	DNA
16. "Crazy Like a Fox" (CBS)		6	—1	—10
17. "CBS Special Movie: Intimate Strangers"		5	DNA	DNA
18. "227" (NBC)		5	6	5
BORDERLINE WINNERS				
19. "Growing Pains" (ABC)		4	2	4
20. "Rose Bowl" (NBC)		4	DNA	DNA
21. "Webster" (ABC)		4	DNA	3
22. "Knots Landing"		4	7	5
23. "Trapper John, M.D." (CBS)		4	DNA	1
24. "Hunter" (NBC)		3	3	1
25. "Moonlighting" (ABC)		3	0	4
26. "Gimme a Break" (NBC)		3	DNA	12
27. "Night Court" (NBC)		3	—1	6
28. "Mr. Belvedere" (ABC)		2	DNA	DNA
29. "Spenser" (ABC)		1	0	—5
30. "CBS Tuesday Night Movie: Night Shift"		1	—4	—4

BEHIND THE SHARES

It was holiday week at the networks, a fact amply reflected in their schedules. There was stunting as well as football bowl games, new series, Christmas specials. The erratic behavior of some of the usual winners showed it. Take **Scarecrow & Mrs. King,** which usually wins the laurels during its Monday berth: last week it nit the big 10 in share dominance. However, it is usually only a marginal winner at best. In fact, CBS got a lot of gifts during the week ending after New Year's Day. The network scored 11 wins in the top 30, virtually blasting ABC out of the water. ABC's problem was football. Monday night's **Gator Bowl** performance was inept at best, allowing four CBS shows impressive wins. A resurgent **Monday Night Football** this year has tackled the CBS Monday foursome without fail every week. **Kate & Allie, Newhart,** and **Cagney & Lacey** each had impressive upsets last week. But ABC's problems didn't stop there. A sour **Sugar Bowl** on Wednesday, pitting Miami against Tennessee, wiped out the sweetest night on the ABC schedule. The game got an amazingly bad 10 share. But while football hurt ABC, NBC's fortunes were enhanced by both the **Rose** and **Orange Bowls.** Thanks to a competitive match that did not deteriorate until late in the fourth quarter, NBC scored a 33 share on Wednesday night. However, the Wednesday night New Year's crown goes to CBS, which won the night with a movie, **Intimate Strangers.** Score one for sex versus football. The dominant shows of the year continued to display their winning ways. **Cos, Family Ties** and **60 Minutes** show no sign of weakening. Missing from the front line was Dallas, **preempted by** The Kennedy Center Honors...**Miami Vice** built its audience base, even after moving to a temporary 9 o'clock berth. At 10, NBC threw in a rerun series, **Fast Copy,** which showed good numbers thanks to Vice...ABC is solidifying its hold on Tuesday night. The network handily won the night with its lineup but the network's schedule crew has to be particularly happy with **Spenser: For Hire.** This show finally edged out a fading **Remington Steel.** Both shows have been nip and tuck for several weeks now...NBC finally won the entire Saturday slate, a feat made possible by the absence of **Love Boat.** The **Boat** was temporarily berthed for an ABC News closeup, **Growing Old in America.** Saturday Night on NBC is geling. All of the net's shows, with the exception of **Gimme a Break,** now are winning with regularity.

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Monday, January 13, 1986

Advertising Age®

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Ford puts account up for review in Germany

— Page 1

Playboy interrupts ads in tv campaign

— Page 3

Sid Caesar at NATPE

America's favorite tv comic of the '50s tells why he'll be in New Orleans to promote a new syndicated series based upon "Your Show of Shows."

— Page 60

'Mother's' intuition keeps book up to date

— Page 40

1986: A challenging year for advertising

Budgets, media get scrutiny

By HERBERT ZELTNER

The "go-go" years for advertising spending in the U.S. seem to be ending.

Gone are double-digit annual increases in budgets accepted just to maintain "share of voice." Gone are 15%-to-20% hikes in media costs, passed on (after sometimes considerable grumbling) by agencies to clients and then by marketers to their customers.

And gone, as well, are many of the comfortable relationships and routine practices used to develop creative work and build media plans—well worn ways of doing things, refined and improved over a generation of remarkable stability and satisfaction.

It's been a golden age of network tv dominance, aggressive new-product introduction, record budgets and traditional package-goods leadership. But all this seems up for grabs now as advertising enters the second half of the 1980s, in the widely held view of members of the Advertising Age Editorial Sounding Board.

Some of the key findings of a poll dealing with spending trends, budget making and advertising productivity conducted during the fall of 1985:

- 1986 advertising budgets, over-all, will be up modestly, with a sizable minority holding even or dropping. Forty-eight per cent of panel participants (both client and agency) see spending levels up—but by less than 10%. Another 15% see them unchanged or actually cut. In fact, fewer than one in 20 expect budget increases above the 20% mark.

Agency management, on the other hand, is quite a bit more optimistic—with only one in eight expecting budget cuts in the coming year among their clients. But here, too, a more conservative view seems to be emerging. More than half the agency executives sense a slowdown in spending, in contrast to only 6% who see more rapid gains ahead.

- That this is a marked change from recent practice is borne out by the Sounding Board views on how spending trends are changing. Forty-one per cent of the company executives in our survey state that year-to-year budget hikes are slowing down. Another 27% note that dollar investments in

(Continued on Page 28)

Ford sets review in Germany

By DAGMAR MUSSEY and JESSE SNYDER

The Ford Motor Co. in Germany is reviewing its $26 million account, and Young & Rubicam stands a good chance of taking it away from J. Walter Thompson Co., Ford's biggest agency in Europe.

A decision is expected by mid-February. Both JWT and Y&R are making presentations to Ford at the end of this month.

The decision will be made by executives from Ford of Europe, Ford of Germany and Ford's worldwide marketing staff, but is subject to review by Ford Motor chairman Donald Petersen, who will not sit in on presentations.

The German account is Ford's biggest on the European continent, although the U.K. account is bigger

(Continued on Page 62)

Monday, January 13, 1986

Advertising Age

Crain's International Newspaper of Marketing

Ohlmeyer gets $250 million in buying from Y&R

RJR broadcast goes in-house

By WILLIAM F. GLOEDE

R.J. Reynolds Industries has moved about $250 million in network and spot broadcast-media buying responsibility from Young & Rubicam to Ohlmeyer Communications, giving Reynolds the largest in-house media operation in the advertising business.

Reynolds, which acquired a 50% interest in Ohlmeyer when it merged with Nabisco Brands in June, had been considering the move for several months.

The switch to Ohlmeyer puts nearly all of RJR's $1.01 billion in measured and unmeasured media spending under the direct control of the company. That surpasses Procter & Gamble, which handled an estimated $412.7 million in network tv buys in-house in 1984, the latest full-year figure available.

Increasingly of late, major advertisers have moved media buying in-house from their agencies as they try to control rising costs and audience shifts among all media. Among the clients that have gone this route, in addition to RJR and its Nabisco unit, are Anheuser-Busch and Jos. E. Seagram & Sons (AA, Nov. 25). Others have reassigned media buying along daypart lines.

Sources, who would not speak for attribution, said they believe Dan Pearson, director of Reynolds' existing print and outdoor media unit, will oversee broadcast as well. RJR declined comment.

An agency executive who is familiar with Reynolds said he was not surprised by the move.

"They have the critical mass that makes it work," the executive said. He added, "Agencies don't really suffer" when a client takes media in-house.

Y&R continues to handle crea-

(Continued on Page 66)

Cleveland gets hot

Poking fun at Cleveland's winter in this print ad by New York Air for service from Cleveland to Florida had unanticipated results. (See story on Page 63.)

Last Minute News

Time for Citizen Watch to review agencies

Lyndhurst, N.J.—Citizen Watch Co. of America reportedly is reviewing its $10 million-to-$15 million account, currently at Levine, Huntley, Schmidt & Beaver, New York. Citizen had "no comment," but sources indicated the Japan-based client conducts this review annually.

'SI,' USA Cable Network join in ad package

New York—Time Inc.'s *Sports Illustrated* and USA Cable Network, which is one-third owned by Time, are selling a combined advertising package including time and space in both properties. Packages run from $50,000 to $1 million and are split evenly between print space and cable time. Time Inc. last week decided to sell its stake in USA Network, but a spokesman said that move will not affect this combined package deal.

Hasbro talks to 50 agencies; not done yet

Pawtucket, R.I.—Hasbro Inc. so far has talked to more than 50 shops in the initial stages of its search for a second agency. It plans to see perhaps a dozen more this week and next. Hasbro vp-marketing Al Carosi hopes to reach a decision by the end of February. Griffin Bacal, New York, will remain Hasbro's primary agency.

Kellogg plays name game in new tv spots

Battle Creek, Mich.—Kellogg Co. on Jan. 12 broke new creative for its No. 1-selling Corn Flakes. The tv spots, themed "The surprise is the people who eat them," name but do not picture famous people who eat the cereal, such as the Beach Boys, Robby Benson, Charles Bronson and Christie Brinkley. Leo Burnett USA, Chicago, handles.

Republic 'Perks' again with $10M campaign

Minneapolis—Republic Airlines on Jan. 14 breaks a $10 million, five-month print, radio and spot tv campaign for its expanded frequent-flier program. Ads, continuing Republic's "Perks" theme, detail new reward tie-ins with Western Airlines, Los Angeles, and Radisson Hotel Corp., Minneapolis. Dancer Fitzgerald Sample, New York, handles. Separately,

(Continued on Page 8)

Super Bowl's ad lineup—P. 64

$2 mil in ads will back hot skincare item

By PAT SLOAN

New York—A new skincare system that promises to make skin look younger is lighting up the switchboard at Alfin Fragrances, which has fielded as many as 60 calls a day from consumers wanting to tap into the beauty industry's latest fountain of youth.

To be backed by an initial $2 million print campaign in March from Drossman, Lehmann & Marino here, the new hope in a bottle is called Glycel.

Its draw is a cellular substance developed by heart surgeon Christiaan Barnard and Switzerland's Schaefer Institute, which helped create synthetic penicillin (AA, Aug. 12).

Dr. Barnard's name will appear on Glycel packaging and again in print ads. The print ads, DL&M's first work for Alfin, also will carry Dr. Barnard's picture and a personalized text titled "Dr. Christiaan Barnard on Aging. . .A discussion on aging and its effects on the skin, by Christiaan Barnard, M.D."

The "magical" substance in Glycel is glycosphingolipid (GSL), described as a skin cell memory rejuvenator that binds to cells, helping skin look younger.

"The level of credibility here, I think, is outstanding," said Irwin Alfin, chairman of the cosmetics marketer. "From what I hear the consumer awareness level of Dr. Barnard is unbelievable," agreed Allan Mottus, a cosmetics consultant.

So far, retailers have purchased more than $5 million worth of Glycel, not yet enough to scare the competition. But Alfin expects Glycel to double the

(Continued on Page 66)

HIGHLIGHTS

Ford in Y&R's future? 1
The Ford Motor Co. in Germany is reviewing its $26 million account, and Young & Rubicam stands a good chance of taking it away from J. Walter Thompson Co., Ford's biggest agency in Europe. The decision is expected by mid-February.

Advertising in for changes 1
Recent years have been a golden age of network tv dominance, aggressive new-product introduction, record budgets and traditional package-goods leadership in marketing. But all this seems up for grabs now as advertising enters the second half of the 1980s, in the widely held view of members of the Advertising Age Editorial Sounding Board.

Do you know a muffin man? 3
The newest craze in specialty-food retailing is muffins. Sales of the home-style creations through specialty stores soon could reach $100 million a year, according to Chicago entrepreneur Dalia Ratner, a housewife who started All My Muffins, a three-store chain of muffin outlets in California and Illinois.

'Playboy' tries ad interruptus 3
Playboy will test two "interrupted" 30-second ads in three top markets as part of its first tv campaign from Smith Burke & Azzam, Baltimore. Each 30-second ad will be divided into 15-second segments, with the segments separated by a 10-to-30-second ad from another advertiser.

Mail rates safe—for now 4
Albert Casey's appointment as the nation's 67th postmaster general is not expected to directly affect advertiser mail rates.

INTV heavy on barter talk 6
The impact of barter syndication on programing was one of the most hotly debated topics, in both formal and informal sessions, at last week's convention of the Assn. of Independent Television Stations.

Amtrak conjures new campaign 12
"Magic" is the theme of a new Amtrak ad campaign that has to serve the dual purpose of attracting riders and rallying public sentiment for maintaining the passenger railroad system.

Retailers are winners 44
Seven retailers from the U.S. and Canada took first-place honors in the annual NoRMA Awards competition sponsored by the Newspaper Advertising Bureau. The winners were announced this week at the annual convention of the National Retail Merchants Assn.

Caesar sights syndication 60
Comedian Sid Caesar is hoping to conquer a new generation of tv viewers with a syndicated series culled from "Your Show of Shows," his long-running, award-winning series that ran in the 1950s.

The price of a new name 61
International Harvester Corp. will spend $13 million this year—"the bulk of it" on advertising—to announce its name change to Navistar International Corp., a moniker company officials admit was chosen for its lack of meaning.

WHAT DO YOU CALL 15,000 PEOPLE WHO SURVIVED BILLIONS OF DOLLARS OF DEBT, THE WORST RECESSION IN RECENT MEMORY, WERE WRITTEN OFF BY MOST OF THE EXPERTS, AND STILL CAME OUT ON TOP?

YOUR NEIGHBORS.

They work here in town. For the company that until today was known as International Harvester.
Together they weathered one of the most difficult series of crises any American corporation has ever faced.
Through it all, they were magnificent.
They responded to every adversity with hard work, determination, savvy and guts.
And consider what they accomplished.
Despite the hardships, they helped us become the industry leader, with trucks and engines known throughout the world for quality and efficiency.
Our manufacturing productivity has been doubled.
And our well-publicized debt has been cut by two-thirds.
Recently a divestiture has forced us to change our name.
So today IH is becoming Navistar International Corporation.
A brand new company of nearly 15,000 people.
To you, they're neighbors. To us, they're heroes.

NAVISTAR
The rebirth of International Harvester

INTERNATIONAL

Spreading the 'word' 36
Borrowing from St. Paul's exhortations to the early Christians, ad exec John O'Toole argues in an essay that global advertising cannot succeed without a "sound doctrine" in place throughout the system or without a "word" to preach. Agencies, he says, need a set of beliefs that encourages the common good to transcend local interest.

Portuguese tv expects changes 39
Portuguese tv viewers may get an alternative to stodgy, state-run stations if the ruling Social Democratic party wins the Jan. 26 election. Portugal now has only one national tv channel, RTP 1, which broadcasts six hours per day, and a second Lisbon-based station, RTP 2. Both are government-owned and ad-supported. The party has vowed to cut state-owned media to one tv channel, one radio station and one daily newspaper.

NEW PRODUCTS

Third quarter lacked innovation 65
New-product introductions exploded during the third quarter of 1985, producing a record number of entries. But there also was a noticeable lack of innovations.

OTHER NEWS

Public advertising agencies may be ready to reap more profits, according to a report just released by a securities investment company. Page 3.

Ad spending on barter-syndication programs increased 23% last year, according to a study prepared for INTV. Page 6.

Public Broadcasting Service this month tests whether tv tune-in commercials on network affiliate stations will convince commercial tv viewers to spend more hours with PBS. Page 45.

Nearly seven out of ten companies with a marketing research department report increased research budgets in 1985, and two-thirds anticipate an increased budget in 1986, according to an industry survey. Page 48.

Kicking off its switch to all-Sunday distribution, NCC Sunday Inserts lined up special tie-ins for its two January dates. Its first Sunday date, Jan. 5, was spearheaded by a sweepstakes promotion underwritten by Campbell Soup. Its Jan. 19 insert features a tie-in with the National Football League and offers a grand prize of a trip to the Super Bowl in '87. Page 50.

The Washington Post Co. will spend $30 million in the next two years to modernize the oldest of the 53 cable systems it took over last week from Capital Cities Communications. Page 51.

Canadian programing is more visible than ever at this month's major syndication conventions. Page 60.

For the 11th consecutive year, the financial industry last year recorded more corporate name changes than any other segment of American business, according to an annual survey. Page 61.

Offnetwork series have helped independent tv stations draw an audience, but the future of the medium lies in first-run programing. That was the consensus at last week's INTV convention. Page 68.

COMING THURSDAY

Roy Grace, Doyle Dane Bernbach chairman and executive creative director/U.S., is a 49-year-old overachiever with a fanatical desire to excel. A desire that goes far beyond a mere tennis match and that spills over into every aspect of his life. "I was intense as a kid. It's a challenge to try something I can't do," he explains. "I do everything with great intensity."

The goal of the contest is ratings success. To syndicators turn to game shows, situation comedies, dramas, sports programing and other formats to try to reach that goal. Special Report examines the trends in cash and barter, hour and half-hour, first-run and offnetwork as programers get ready for the National Assn. of Television Program Executives convention.

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Computer concerns hit home for CES

By BRIAN MORAN

Las Vegas—Sluggish home computer sales are the only bad apple in a bushel of good news for the consumer electronics business.

Sales of videocassette recorders and videotapes are booming, compact-disc-player sales have surpassed expectations and the prospects for both segments in 1986 are bright, according to figures released here at the winter Consumer Electronics Show by the Electronic Industries Assn., a Washington-based trade group.

Vcr sales are seen increasing to an '86 total of 12.5 million units, putting a unit in four out of every ten U.S. homes. Current vcr penetration is estimated at 30%.

In 1985, the movie industry

(Continued on Page 66)

Nissan trucks out 'Hardbody'

By CLEVELAND HORTON

The fitness craze enters auto marketing when Nissan Motor Corp. USA puts all its marketing muscle behind this month's introduction of its "Hardbody" line of compact trucks.

The new line is touted by the No. 2 Japanese auto importer as "The most important truck advance in 25 years." The Carson, Cal.-based company will back the introduction with a multi-million-dollar ad campaign, including a buy on NBC-TV's Jan. 26 telecast of the Super Bowl.

William Esty Co., Los Angeles, developed the campaign for Nissan around the "Hardbody" concept, clearly aiming to

(Continued on Page 64)

West Coast news

Pando to take over DDB/West

Doyle Dane Bernbach named Alan Pando, president, Della Femina, Travisano & Partners, Los Angeles, president of Doyle Dane Bernbach/West effective Feb. 1. He assumes a title DDB Inc. president Barry Loughrane has held since 1978. Replacing Mr. Pando at Della Femina will be Peter Stranger, senior vp-management supervisor and director of client services.

Mr. Stranger has been heavily involved in Della Femina's new-

(Continued on Page 62)

Barter dominates INTV shoptalk

By JAMES P. FORKAN

LOS ANGELES—The impact of barter syndication on programing was one of the most hotly debated topics at last week's convention of the Assn. of Independent Television Stations.

The topic dominated formal and informal discussions at the Century Plaza, and was fueled by the release of the latest barter study (*see accompanying story*).

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Martin Brantley, president-general manager, KPTV, Portland, Ore., said barter has helped boost first-run programing, from children's cartoons to sitcoms such as "Too Close for Comfort" and events such as the Goodwill Games.

Dennis Gillespie, senior vp-marketing, Viacom Enterprises, New York, was among those who believe barter has cut into network more than spot sales.

Citing "very clear" evidence, Mr. Gillespie said at least one big spot category, toys, has boosted spot spending since becoming committed to a batch of bartered cartoon series.

As for the Big 3 nets' "frontal attacks" on barter, he felt those may be due to their concern that affiliates may come to see barter and network compensation as similar arrangements. In exchange for withholding big blocks of program and ad time, nets pay their affiliates fees totaling $500 million a year, nearly equal to barter's ad volume, he noted.

Barter also has created a "fiercely competitive" program environment that can only help the stations control their costs, said Mr. Gillespie, noting that 160 weekly hours of new fare are due this year.

Joel Segal, exec vp, Ted Bates Advertising/New York, said his clients have increased barter spending to 10% of their network/syndication budgets in 1985-86, up from 8% in 1984-85 and 6% in 1983-84.

"Barter is here to stay," in part because its first-run series deliver target demographics at "far lower cpms" than network shows, he said.

Still, Mr. Segal cautioned that barter has several shortcomings, including a more commercially cluttered environment than network series; station lineups, ratings and promotional support smaller than the nets' and uncertainty about when shows will air.

Moreover, he said, demographic ratings become available months after sponsors' campaigns end, making it difficult to implement make-goods.

Harry Stecker, senior vp-marketing director, Petry Inc., New York, was among those maintain-

(Continued on Page 68)

Barter draws more ad $$: INTV study

LOS ANGELES—Ad spending on barter-syndication programs increased 23% last year.

Butterfield Communications Group, Cambridge, Mass., prepared a study on barter for INTV and Station Representatives Assn., New York.

Butterfield's David Butterfield said the survey was based on interviews with media directors at "most" of the top 25 tv advertisers; media directors and planners at 24 major agencies, and executives at syndicators, tv networks and station reps.

Among the findings:

- Advertisers spent an estimated $530 million on barter-syndication programs in 1985, up 23%. Barter-syndication ad sales will gain 19% to $630 million in 1986 and another 19% to $750 million in 1987.
- About 60% of general managers felt barter's growth has had a "greater negative impact" on national spot ad business than on the networks' ad sales.
- The average independent station carries 28 hours of barter fare weekly, versus eight for the average affiliate. While interest continues in offnet series, movies and specials, the study found stations' "real appetite is for first-run [series]."
- Most independent stations put the bulk of their barter programing into daytime slots (18.5%), followed by early fringe (15%) and weekend (14.6%). On the low end, late fringe accounted for only 5.6% of independent stations' barter inventory, prime time 4% and prime time access 1.8%. Affiliates put most of their barter in weekend (10%), with early fringe and access hovering around 9%.#

CORRECTIONS & CLARIFICATIONS

- The Chicago *Reader's* circulation was incorrectly reported in a Special Report story (AA, Nov. 7, P. 28). The *Reader's* actual circulation is 120,000.
- McCann-Erickson's work on Buick's Hispanic marketing program (AA, Dec. 30, P. 28) is handled by the agency's office in Troy, Mich., not the New York office, as reported.
- McDonald's franchisee Herb Peterson, rather than Art Bender, as reported, is credited with inventing the Egg McMuffin sandwich (AA, Dec. 30, P. 14).
- As noted in the caption in a chart on calcium supplements (AA, Jan. 6, P. 1), retail sales of the supplements in 1983 totaled $47 million. In another chart accompanying the story (P. 68), the agency for Suplical calcium supplements was listed incorrectly. It is Ted Bates Advertising/New York.#

ABC
Absorbine Jr.
Ace Hardware
Adidas
Ajay Enterprises/ Octa-Gym
Alberto Culver
Allstate Insurance
Alugard
American Cyanamid
American Express
American Isuzu Motors
American Motors
Anheuser-Busch
Arby's Restaurants
Armor-All Protectants
Arrow Staplers
AT&T
Australian Tourist Commission
Avis
Barclay's Financial
Bay's English Muffins
Beird-Poulan/Chain Saws
Benjamin Moore Paints
Bernz-Omatic/Blow Torch
Best Western Motels
Bike Athletic Wear
Black & Decker Tools
Blistex Lip Cream
BMW
Bordens/Krylon
Briggs & Stratton Gas Engines
Buick
Burmah Castrol Motor Oil
California Wine Coolers
Callaway Management/ Hickory Stick
Campbell Soup Company
Canada Dry Ginger Ale
Canon
Caravatt Communications
Carquest Auto Repair Stores
Casio Watches
Castleton Farms
Ceco Builders
Century Martial Arts
Certainteed Insulation
Champion Spark Plugs
Christen-Chimney Quick
Chrysler Corporation
Clorox Corporation
Coast-to-Coast Data Corporation
Columbia Bowling Balls
Combe Inc./Grecian Formula
Compaq Computers
Computerland Electronics
Conoco Inc./Zerex Anti-freeze
Consolidated Video
Conwood Corporation
Cooper Tools
Cotter & Co./True Value Hardware
Curtis Mathes/Home Electronics
Dana Inc./Herbissimo Cologne
Data General Computers
DeBeers Diamonds
Delta Faucets
Diners Club
Dr. Scholl
Dupont/Thermax
Duracell
Eastern Airlines
Eastman Kodak
E.F. Hutton
Emerson Radio
Emhart/Thermogrip Glue Gun
ERA Real Estate
Excelcior Fitness
Exxon Motor Oil
EZ Painter Corporation
Faberge
First Jersey Securities
First Alert
Foot-Joy Shoes
Foot Locker
Ford Motor Company
Fram Auto Parts
FTD Service
Gainesway Farms
Gannett/USA Today
Gates Rubber
Gatorade Sport Drink
General Mills Corporation
General Motors
Gillette
GMC Trucks
Golf Course Superin. Association of America
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Noxzema
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Olympia Office Products
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Board

(Continued from Page 1)

advertising are, in fact, decreasing (one out of six termed the drop "significant").

- Profit contribution goals and other corporate financial dictates loom large in advertising budget-setting deliberations. More than half the advertiser members of the Sounding Board (55%) term these financial concerns "extremely important" in pegging spending levels in their own organizations. And agency executives are even more emphatic in this regard—64% noting this element as vital in their clients' thinking.

Moreover, sizable majorities on both the client and agency sides see these financial targets (both performance and bottom line-related) as growing in importance in the future.

- Individual company and agency experience colors, of course, the thinking of these executives about the national advertising scene. When asked what they personally believe will be the industrywide spending situation this year, 43% of the panel members expect a slowdown or decline in activity. Only 6% are bullish about increases in both dollars and advertising weight in 1986.
- Rates of growth and shrinkage are expected to vary widely among different categories of goods and services. Singled out for major growth and spending much faster than the average are consumer financial services, fast-food, communications and entertainment. Expected to drop behind—with possibly major declines from historic spending levels—are sectors such as tobacco, liquor and gasoline, as well as electronics and office equipment (this last after some spectacular, unsustainable bursts in advertising investment during the past few years).
- On the *creative* front, a great deal of activity seems to be under way as agencies and advertisers explore ways to improve the effectiveness of ad budgets.

An overwhelming 83% of the company executives represented tell us they are developing and testing new creative strategies and sales appeals. Three out of four are experimenting with new creative units and different formats. Three-quarters also are undertaking special efforts against specific-market segments and new targets.

The search seems to be intensifying as well for new sources of talent. One-third of these client managers say they are now tapping into creative resources either within their own companies or at their agencies. In fact, 17% are scouting for entirely new creative resources—looking at other agencies or considering special creative talent pools.

Confirming this apparently widespread search by clients for new creative departures, agency management also sees a great deal going on. Seven out of eight of the agency respondents say they are now involved in exploring special-segment efforts against new targets for their clients; 79% are developing and testing new creative strategies. Seven of ten are looking at new uses and applications for client products as well as working with different kinds of creative units.

- Activity seems to be increasing in many quarters in regard to *media* changes, also intended to enhance productivity. More than three-quarters of the panel state they are "presently more active than ever" in tightening and redefining prospect targets and using improved demographic data techniques to fine-tune plans. Three-fourths of the agency executives and two-thirds of the client members of our panel state they already are using, or at least testing, different media forms—such as direct mail, Yellow Pages, cable tv or out-of-home availabilities.

Two-thirds of the agency Sounding Board members tell us that clients are getting considerably more involved in media matters—and participating at much higher levels of management than ever before.

- The traditional balance between advertising and promotion spending also seems to be undergoing change. More than a third (35%) of the clients state that in their own companies, dollars are being moved toward promotion from media. In fact, 52% on the agency side see this same trend at work—obviously still another way advertising budgets are squeezed.
- Coloring a new realism about advertising-spending levels are some profound reservations about the effectiveness of advertising itself in the years ahead. More than one-quarter of the entire panel (26%) tell us they expect advertising will be less effective in the future to a marked degree. Concerns about clutter, "zapping," audience erosion and growing commercial volume all contribute to this sense of anxiety.

Close to half (42%) also see damage being done, but not to the same degree, since they feel that "advertising may be hurt a bit." Thus, more than two-thirds of this wide-ranging sample of executives share some pessimism about the power of the very promotion tool with which they work.

Only one in the entire sample feels any confidence that advertising is likely to improve in effectiveness in coming years.

- Views on what to do about the situation range across a wide gamut of reforms, improvements in technique and tighter professional discipline. Strong cries for more direct attention to real consumer needs and speaking with clarity and honesty come through. Many calls for better discipline in the matter of clutter occur throughout the responses.

Quite a few executives stress the need for more work on the professional relationship between advertisers and their agencies as a major means to enhance the productivity of advertising.

The picture that emerges, then, is a striking and sobering one. Several reasons for an emphatic slowdown in ad spending have been offered by industry experts with whom we've discussed the findings. Among the explanations:

1. Advertising, traditionally viewed as a lagging economic indicator, is simply now adjusting to much lower rates of inflation. With the double-digit hikes in prices throughout the general economy of the late 1970s and very early '80s now down to the 3%-to-5% range, it seems it was only a matter of time until advertising itself makes this sometimes painful adjustment. In this view, advertising costs are merely echoing the lowered expectations and demands of labor unions and suppliers of goods and services elsewhere in the economy in recent months.

2. Another interpretation is that top management at many major marketing companies had been convinced that continuing escalation of advertising investments was necessary in order to build broader and more secure franchises in the marketplace. The time may have come when these top executives have simply decided that investment should stop and some of the anticipated rewards be reaped at the bottom line. In this view, it's now time to start cutting back promotion expenses and improving margins.

3. Still another thought reflects

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(Continued from Page 28)

the wide attention being given to megamergers among big-budget consumer-goods marketers. This opinion suggests that many top-ranked advertisers are preoccupied with current profit performance and are taking steps to fend off undesirable merger bids or get a good price from a friendly suitor by holding all possible expenses down.

4. Yet another view holds that top management has gotten a great deal more skeptical and hard-nosed about the sometimes considerable expense involved in advertising. As a new, younger breed of highly trained financial experts moves to the top rung of major American corporations, they appear not to be as willing as their predecessors to accept ambitious marketing and advertising programs on faith. They want some reassurance that investments made through advertising will pay off in actual sales performance and are becoming a great deal more demanding about minimizing risk before expenditures are approved.

For the Ad Age Editorial Sounding Board over-all, close to two-thirds see media spending up less than 10%—at best—and a goodly number within this majority see budgets unchanged or actually being cut. In fact, fewer than one in 20 expects increases on the high side, up 20% or more (Table 1).

Advertisers show a wider range of views than do their agency executive counterparts. Although one-third of the clients see 1986 spending in a "bullish" light—up 10% or more—a significant one-quarter expects this year's spending to hold unchanged or drop to some degree. Three marketing heads anticipate severe cuts in the vicinity of 50%. What we see at work here is a checkerboard pattern of variations both by product category and corporate health.

Agency management, on the other hand, when considering what their clients' spending is likely to be in 1986, tighten into a much clearer pattern. Almost two-thirds expect spending to be up, but by no more than 10% compared with 1985. This variation can largely be explained by the much wider range of market situations represented in a typical agency's client roster.

Advertising spending trends

Putting this anticipated rate of spending in the perspective of year-to-year adjustments of the recent past, there's little doubt a pervasive and marked change is in the wind—advertising budgets most likely will be increasing, but at a much slower rate than we've experienced in the past (Table 2).

The majority of advertisers responding—39 out of 75—states that their own company's 1986 spending represents a slowdown (or even decrease) from what they've been doing lately. Yet patterns obviously vary a great deal among these organizations. One out of six clients expects spending to accelerate this year.

Their agency counterparts tend to agree, but here again the consensus view is much tighter. Two-thirds of agency top management, as represented in our Sounding Board, see client media budget growth down or declining.

Underscoring this "braking" effect in action, only one out of ten members of the panel—combining both clients and agencies—sees this year's media dollars growing faster than has been the case in recent years.

Viewed in the broader context of year-to-year record growth in ad dollars and weight during the past decade and more, there's little doubt that 1986 will be a watershed—demonstrating a marked departure in spending philosophy and practice in the business. Whether it's a short-term, one or two-year interruption of historic growth, or the beginning of a major shift in American business' attitude toward promotion expense remains to be seen.

Among those pointing to a significant downturn is William Phillips, ceo, Ogilvy & Mather, New York. He notes that advertising spending is related to sales and that with slower growth due to the economy in general, as well as lower rates of inflation, this means a moderating growth in advertising spending as well.

More specific reasons are advanced for a slowdown or tightening in particular market categories. For instance, William Dowse, vp-advertising of Eastern Air Lines, states, "We made some significant increases in 1985 over 1984 in anticipation of major revenue growth in some key categories. The growth rate did not meet projections. Consequently, we'll show only modest increases in 1986."

Ann Smith, assistant vp-advertising, American Airlines, echoes this view, noting that "1984 was a year in which our ad spending rose about 20%. Thus, with 1985 and 1986 budgets roughly at 'no-growth' levels, when averaged over three years, this puts our spending up about 6% to 7% a year."

Other reasons offered as contributing to expected declines stem from stringent budget-tightening when the client is a government unit, intensifying pressure for improved profit performance from top management and some cold-eyed looks at disappointing financial projections for 1986.

Notes Michael Kirby, director-corporate advertising and promotion, Xerox: "We made significant increases in media budgets in 1985 over 1984 in anticipation of major spending growth in our business category. The growth rate did not meet earlier expectations. We'll consequently show only modest spending increases in 1986."

Other views explained different expectations for different reasons—major increases, an uneven pattern of ups and downs and shifts in spending strategy.

Louis Cardamone, president of MARC & Co., a Pittsburgh-based agency, points to a change in the spending "mix" as the reason behind some of the shifts he spots ahead. "The general trend for our clients' brands is more short-term sales, which may mean greater shifts from pure image media to heavier-weighted promotional events. Over-all, budgets will stay status quo or even increase, but the marketing mix shift may be the most significant factor in 1986."

The advertising director of an automobile importer expects the introduction of vehicles from Korea, Yugoslavia and the U.K. will create greater competition for "share of voice" in his field, so that automotive spending has a good chance of being up significantly this year or soon after.

An executive at a convenience-food company was quite aggressive: "We have the dollars to support our market expansion plans and most of our competitors don't. While we're in robust health relative to our competitors, we want to move ahead as strongly as we possibly can to secure and broaden our consumer franchise."

To some, the pattern is not even across the board, and simple solutions don't apply. Ronald Cox, group vp, Wm. Wrigley Jr. Co., Chicago, states that spending "can vary from year to year depending on marketing opportunities. A blind adherence to a rate of change makes no sense anymore." And Barry Biederman, president of Biederman & Co., New York, notes, "On the whole, budgets are up compared with two or three years ago. But within the over-all pattern there's a good deal of variety."

But whether the trend is up, down or up at a noticeably slower rate, a pervasive change in attitude toward spending seems to be coloring the development of many media budgets right now.

Much of the thinking offered by our panelists in this regard is summed up by Steve Tart of Steve Tart & Associates, a Greenwich, Conn.-based consultancy. "Most advertisers I know are forecasting modest increases in their sales and advertising budgets. But in their guts they're prepared to cut back—and dramatically—if things begin to slip. This is a big change—perhaps a watershed one—in the post-World War II attitude of 'onward-forward-upward.' Nineteen eighty-six will be a year of prudence in media budgeting and exploitation in media buying."

Mr. Tart goes on to say, "The mental state spawned by inflation pricing is long gone. Today the over-all advertiser attitude is to accept a lower rate of increase in profit if there is a corresponding increase in the reliability of making profit goals.

"This attitude is affecting media spending for all brands and programs—from new introductions to brands that are being milked."

Rating the significance of factors in determining ad budgets

Probing more thoroughly into how marketing executives come to grips with advertising spending levels, we asked members of the panel how they felt about the relative importance of many of the different elements which can go into budget planning (Table 3).

For the panel as a whole, the most widely noted single element termed "extremely important" in determining the size of an ad budget is "profit contribution goal or other financial target."

Almost two-thirds of agency management and somewhat more than half of the advertisers termed this requirement crucial in developing the approving advertising budgets.

Beyond this area of agreement, however, client and agency views seem to diverge.

Among advertisers, the next most frequently mentioned point considered "extremely important" (by 40%) is an imminent "change in advertising strategy and/or creative approach." An almost identical number selected "volume or share projections" as of top concern, further emphasizing internal performance and financial matters as preeminent in ad-spending matters.

Still other factors widely considered by clients to be of prime importance in pegging budgets are other aspects of "money mechanics"—"senior management dollar allocation or set limits" and the "level of previous year's spending, with adjustment."

While there is a rough parallel in these patterns on the agency side, there is a noticeable shift of perspective at work. Half of all the agency executives responding consider prior spending levels as extremely important, more so than clients do.

Following close behind, as far as agency executives are concerned, is the matter of using competitive activity or spending levels as a factor in establishing budgets. Some 45% of the agency panel members consider this essentially uncontrollable environmental force an extremely important factor, an emphasis not shared by clients to anywhere near the same degree.

Roughly 40% on the agency side share the client's view that intended changes in advertising strategy or creative approach loom large in spending deliberations.

Media considerations—either

(Continued on Page 32)

Ad budgets - Table 1

Expected rate of change of advertising budgets 1986 over 1985 at respondent's own company or clients. Figures represent per cent of respondents agreeing with statement. Source: AA Sounding Board.

	Total	Advertisers	Agencies
Up 20% or more	4	5	3
Up 10% to 20%	23	28	18
Up less than 10%	48	33	64
Unchanged	7	9	4
Down	8	16	1
Varies by product/client	10	9	10

Ad spending - Table 2

Expected rate of change in ad spending levels 1986 compared with past two or three years at respondent's own company or clients. Figures represent per cent of respondents agreeing. Source: AA Sounding Board.

	Total	Advertisers	Agencies
Growing more rapidly	10	16	6
Increasing same rate	23	24	26
Increasing, slower rate	41	25	55
Decreasing slightly	11	12	12
Decreasing significantly	7	15	—
Varies	8	8	1

Keys to ad budget size - Table 3

Factors considered "extremely important" in determining size of advertising budgets. Source: Ad Age Sounding Board.

ADVERTISERS—REFERRING TO OWN COMPANIES	
Profit contribution goal or other financial target	55%
Intended changes in advertising strategy and/or creative approach	40%
Volume share projections	39%
Senior management dollar allocation or set limit	32%
Level of previous year's spending, with adjustment	24%
AGENCIES—REFERRING TO CLIENT COMPANIES	
Profit contribution goal or other financial target	64%
Level of previous year's spending, with adjustment	49%
Competitive activity and/or spending levels	45%
Intended changes in advertising strategy and/or creative approach	39%
Senior management dollar allocation or set limit	39%

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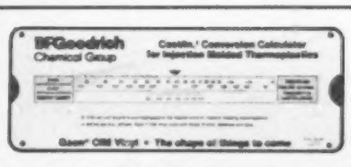

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The AA Editorial Sounding Board

Formed several years ago in answer to a need for a broad-based forum of senior management opinion across the entire range of American marketing and advertising, the Advertising Age Editorial Sounding Board was updated several months ago.

Top-ranked marketing directors and advertising executives from 92 of the 200 largest American advertisers signed on, agreeing to respond to several questionnaires during the year dealing with matters of broad current concern in the business.

They are joined by a representative of top management from 130 of the 200 largest U.S. advertising agencies (in terms of U.S. domestic billings) and 11 prominent consultants active in marketing, communications and advertising strategy work.

The Sounding Board is under the chairmanship of Herbert Zeltner, a consultant in marketing and advertising and frequent contributor to Ad Age.

For the fall, 1985, poll dealing with budgets, productivity and views on the effectiveness of advertising, 75 advertisers, 77 agency representatives and 10 consultants provided comprehensive answers to a detailed 11-point questionnaire. The over-all response, totaling 162, represents 68% of the full group of 237.

The complete roster:

Advertisers

Robert Watson, corporate media director, AT&T; Nancy Ryan, vp-advertising, Abraham & Strauss; Robert Geller, president, Adforce Inc.; Ann W. Smits, assistant vp-advertising, American Airlines; Joseph B. Kelsch, president, American Dairy Assn.; J.A. Stitzell, director-advertising, Amoco Corp.; B.D. Smith, vp-marketing, Anheuser-Busch Cos., Busch Entertainment Corp.; Bryan Kerr, marketing manager, Atari Products; Hans Riedel, vp-marketing group, BMW of North America; Kenneth E. Homa, vp-marketing/U.S. household products group, Black & Decker Corp.

Donald Lesieur, exec vp-director of marketing, Block Drug Co.; Duane R. Carlson, vp-communications, Blue Cross & Blue Shield Assns.; M.H. Koslow, senior vp-marketing services, Bristol-Myers Co.; Hans L. Stern, director-BF media services and vp Jack Daniels, Brown Forman Inc.; Warren W. Spellman, vp-media services, CBS Inc.; H.M. Baum, president-Campbell USA, Campbell Soup Co.; John D. Porter, vp-marketing/sales-Dole Processed Foods, Castle & Cooke Foods; Bruce Oseland, senior vp-marketing and advertising, Century 21; J.L. Hickey, manager-corporate advertising, Chrysler Corp.; Bill Hackett, director-advertising and sales promotion, Ciba-Geigy Corp.

A. Allen, vp-creative services, Colgate-Palmolive Co.; Robert Recholtz, exeuctive vp-sales and marketing, Adolph Coors Co.; James N. Porter, director-advertising and sales promotion, Delta Airlines; Margaret Jenkins, director-marketing, Denny's Inc.; Jack B. Lindquist, executive vp-marketing/outdoor entertainment, Walt Disney Productions; John B. Brett, group manager-corporate advertising, Du Pont; William H. Dowse, vp-advertising, Eastern Air Lines; John J. Powers, vp and general manager-marketing/consumer products division, Eastman Kodak Co.; Gerald R. Kerr, group vp-advertising, Firestone Tire & Rubber Co.; William P. Gordon, acting marketing director, Florida Citrus Commission.

Douglas T. McClure, director-advertising, Ford Motor Co.; Mike Modzelewski, vp-marketing services, Frito-Lay; Richard A. Costello, manager-corporate brand communications, General Electric Co.; Alvin Kalish, director-corporate advertising services, GrandMet USA; Brad R. Moore, director-advertising and tv programing, Hallmark Cards; J.H. Dowd, vp-new business development, Hershey Chocolate Co.; Russell M.H. Berg, director-marketing communications, Hewlett Packard Co.; T.J. Purcell, corporate director-advertising and media services, Geo. A. Hormel & Co.; Robert C. Bolster, vp-advertising, Household Finance Corp.; Robert F. Lauterborn, director-marketing communications and corporate advertising, International Paper Co.; Sid Lawrence, senior vp-marketing and advertising, Jeffrey Martin Inc.

George F. Tyrell, vp-advertising, Johnson & Johnson; Sam A. Preston, exec vp, S.C. Johnson & Son; M.D. Simpson, executive vp-sales and marketing, Kellogg Co.; G.J. Ker Jr., director-advertising services, Kimberly-Clark Corp.; Richard J. Sharoff, senior vp and general manager-retail, Kitchens of Sara Lee; James R. Blocki, vp-director, advertising and marketing services, U.S. Retail Food Group, Kraft Inc.; Judy Ranzer, vp-marketing, MCI Communications; Irv Ivers, president-worldwide marketing, MGM/UA Entertainment Co.; M.B. Streicker, director-marketing services, Miles Laboratories; R.C. Isham, director-advertising and marketing information, Monsanto Co.

Dan Bonardi, director-advertising production, Nabisco Brands; Todd S. Middleton, vp-marketing, National Distillers & Chemical Corp.; William Castleberry, director-advertising and sales promotion, National Railroad Passenger Corp. (Amtrak).

Blair E. Gensamer, senior vp-marketing and strategic planning, Nestle Co.; Robert Kent, vp-marketing services, Nissan Motor Corp. USA; Dorothy Dowling, district manager-advertising, Nynex Corp.; William Campbell, exec vp-marketing, Philip Morris Cos.; R.V. Goldstein, vp-advertising, Procter & Gamble; William Tremayne, senior vp, Prudential Insurance Co. of America; W.M. Claggett, division vp and director-advertising and marketing services, Ralston Purina Co.

John Temple, director, Republic Airlines; Sanford Buchsbaum, exec vp-advertising, Revlon Inc.; William S. McGranahan, vp-marketing services, Richardson-Vicks; J. Douglas Mickle, advertising manager, Reynolds Metals Co.; Carl D. O'Hallahan, Mil-Mor Media, A.H. Robins Co.; Ronald J. Giglio, vp-advertising and promotion, Safeway Stores; George Varjan, director-corporate media services, Sandoz Corp.; Peter Dimsey, exec vp-marketing/House of Seagram, Joseph E. Seagram & Sons; William Cora, national retail advertising manager, Sears, Roebuck & Co.; David Strousse, vp, Seiko Time Corp.

Jerry Orenstein, manager-marketing communications, Sharp Electronics Corp.; John H. Haines, manager-marketing refining advertising and sales promotion, Shell Oil Co.; Victor R. Galef, vp-marketing, SmithKline Beckman Corp.; Roland Martin, senior vp, Sony Corp. of America; John Shanahan, advertising and promotion manager, Southland Corp.; Christopher B. Wackman, national advertising manager, Subaru of America; D.B. Fox, vp-marketing, Tambrands Inc.

R.R. Brett, manager-advertising, Texaco USA; Don Scharringhausen, corporate merchandising manager worldwide, Texas Instruments; John W. O'Brien, senior vp-marketing, Transamerica Airlines.

John Ruhaak, vp-advertising, United Airlines; David L. Roberts, advertising manager, Visa USA; Gerald Dudzik, national advertising manager, Volvo of America Corp.; Milton Gravatt, manager-marketing services, Volvo of America Corp.; Bob Ano, vp-corporate communications, Wang Laboratories; Marvin Solomon, director-marketing services, Warner-Lambert Co.; William M. Welter, exec vp, Wendy's International; Gary Fuller, vp-U.S. division, F.W. Woolworth Co.; Ronald O. Cox, group vp, William Wrigley Jr. Co.; Michael E.G. Kirby, director-corporate advertising and promotion, Xerox Corp.

Agencies

Alvin Chereskin, president, AC&R Advertising; Dale Taylor, president-chief operating officer, Abelson-Taylor; Tom Burr, chairman-ceo, Abert, Newhoff & Burr; Angus L. McQueen, president, Ackerman & McQueen Advertising; Robert J. Geller, president, Adforce; Lois Geraci Ernst, president-ceo-creative director, Advertising To Women; Marc F. Shamban, president, Allied Advertising Agency; David Altschiller, chairman, Altschiller Reitzfeld Solin Advertising; Fred Posner, senior vp, executive director-marketing services and research, N W Ayer; Gary R. Bayer, president, Backer & Spielvogel.

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Peter F. McSpadden, president-chief operating officer, Dancer Fitzgerald Sample; John S. Bowen, chairman-ceo, D'Arcy Masius Benton & Bowles; Brad A. Ball, president, Davis, Johnson, Mogul & Columbatto; David Deutsch, chairman, David Deutsch Associates; Robert S. Allison, president-ceo, Doe-Anderson; W.B. Doner, chairman-executive committee, W.B. Doner & Co.; Alvin Q. Ehrlich, chairman, Ehrlich-Manes & Associates of Washington; Dennis Coe, president, Eisaman, Johns & Laws Advertising; Henry W. Eisner, chairman, Eisner & Associates; Stanley Elkman, ceo, Elkman Advertising; Thomas Hall, chairman-ceo, Ensslin & Hall.

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Consultants

Alvin A. Achenbaum, Canter, Achen baum Associates; Stephens Dietz, Dietz Erickson; Robert M. Prentice, Dietz Erickson; William M. Weilbacher, Bismar Corp.; Michael P. Ryan, Bismark Corp Eugene Jacobson, Bismark Corp.; Pau Jordan, Bismark Corp.; Jim Mortenser Bismark Corp.; H.E. McDonald, H.E McDonald Associates; Charles Bradfor Jones, H.E. McDonald Associates; Stev Tart, Steve Tart & Associates.#

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Board

(Continued from Page 30)

concerns about adjusting to cost escalation or adopting necessary strategy changes—are not viewed as crucial in the budget process by either group.

Only 16% of the clients and only 9% of the agency managers see modifications in media as "extremely important" in establishing budgets.

Yet 41% of the advertisers and 43% of the agency managers see it as "somewhat important" in the process.

Several executives volunteered further comment. A few agency heads pointed to the growing popularity of marketing approaches that can provide measurable results.

Henry Eisner, chairman of Eisner & Associates, Baltimore, states, "Some of our major clients are large retailers or direct-response advertisers. Advertising, therefore, is tightly monitored. If the advertising is meeting objectives, the budgets are increased [sometimes rapidly] until the return-on-investment ratio starts to decline."

James Kobs, chairman of Kobs & Brady, Chicago, notes, "There's an ongoing trend to shift budgets from general advertising to areas that are most cost-accountable, like direct marketing and sales promotion."

Shepard Kurnit, chairman of Ephron, Raboy, Tsao & Kurnit New York, sees the budget chal lenge in very pragmatic terms.

"Most of our clients work on 'task' budget—what are we tryin to achieve in terms of share o market, volume increases, stor traffic, etc., and now how much d we have to spend to attain tha goal?"

Establishing an advertisin budget has never been a casua process. However, today, as mos Sounding Board members see it those who pay the bills are in sisting on better proof of wha they can get for their money and more reassurance tha promises will be kept.#

More Sounding Board comment next week.

Ad pages in farm publications for 12 months, 1985-84

Fourth-quarter and year-to-date figures for U.S. and Canadian publications reporting to Advertising Age

	Pages			
	Oct.-Dec. 1985	Oct.-Dec. 1984	Jan.-Dec. 1985	Jan.-Dec. 1984
Canadian				
Country Guide:				
Eastern Edition	95.8	120.3	477.4	500.8
National Edition	137.9	181.2	879.2	914.6
Western Edition	104.8	127.8	601.7	644.0
Le Bulletin des Agriculteurs	169.0	162.0	826.3	811.0
Total Group	507.5	591.3	2,784.6	2,870.4
% change	−14.2%		−3.0%	
Dairy & livestock				
Beef Magazine A.	142.4	175.0	646.0	753.9
Beefweek	162.9	182.4	650.4	823.0
The Cattleman	275.2	320.5	1,229.0	1,282.7
Dairy Herd Management	39.0	77.8	236.7	425.0
Drovers Journal (52X) A.	217.7	264.4	940.3	1,178.0
Farm Progress Hog Producer	—	—	—	—
Feedlot Management	64.4	66.5	227.2	274.0
Florida Cattleman	251.6	269.3	882.1	944.3
Hoards Dairyman (23X) A.	139.4	147.7	671.7	744.6
Hog Farm Management	31.8	91.3	145.7	323.6
Pork '85	109.9	97.0	398.9	319.7
Southern Beef Producer (8X)	38.7	33.9	192.8	157.0
Sunbelt Dairyman (6X)	13.1	13.8	59.6	62.3
Western Livestock Reporter	216.6	118.4	551.4	494.7
Total Group	1,427.5	1,858.0	6,831.8	8,329.5
% change	−23.2%		−18.0%	
Fruit & vegetable				
American Fruit Grower	80.0	83.3	489.7	487.0
American Vegetable Grower	140.6	110.4	616.7	490.3
Citrus & Vegetable	136.1	112.1	578.5	537.6
Total Group	356.7	305.8	1,684.9	1,514.9
% change	+16.8%		+11.2%	

	Pages			
	Oct.-Dec. 1985	Oct.-Dec. 1984	Jan.-Dec. 1985	Jan.-Dec. 1984
General farm publications				
American Agriculturist	—	—	—	—
California Farmer (21X) A.	120.0	131.0	573.0	630.0
Farm Industry News (10X)	73.9	85.4	457.7	472.5
Farm Journal (14X)	30.4	153.6	649.7	772.0
Florida Grower & Rancher	66.1	54.8	315.9	206.7
Farmer-Stockman Unit:				
Oklahoma Farmer-Stockman	—	—	—	—
Texas Farmer-Stockman	31.7	28.8	146.4	149.1
Harvest Publishing Unit				
Kansas Farmer (21X)	64.2	104.5	492.5	631.6
Michigan Farmer (21X)	92.2	139.6	560.5	631.5
Missouri Ruralist (21X)	89.5	146.1	589.5	703.9
Ohio Farmer (21X)	118.7	182.4	724.9	824.2
Pennsylvania Farmer (21X)	78.7	116.1	472.6	502.0
High Plains Journal:				
Eastern Kansas (52X)	—	—	—	—
Colorado	—	—	—	—
Nebraska	—	—	—	—
Oklahoma-Texas	—	—	—	—
Western Kansas	—	—	—	—
Irrigation Age (10X) A.	—	—	—	—
Kentucky Farmer	42.7	46.9	261.7	265.9
Lancaster Farming (52X)	1,244.1	1,266.3	5,622.0	5,357.7
Midwest Farm Paper Unit: (24X)				
The Farmer	29.6	29.7	159.8	162.2
Nebraska Farmer	175.7	242.8	1,099.2	1,405.1
Prairie Farmer A.	—	—	—	—
Indiana Edition	—	—	—	—
Wallaces Farmer (24X) A.	—	—	—	—
Wisconsin Agriculturist (24X)	—	—	—	—
Pecan South (6X)	14.5	19.7	79.0	55.8
Progressive Farmer A.	148.3	128.4	674.2	697.1
Specialized Agricultural Publications:				

	Pages			
	Oct.-Dec. 1985	Oct.-Dec. 1984	Jan.-Dec. 1985	Jan.-Dec. 1984
Flue Cured Tobacco Farmer	—	—	—	—
Peanut Farmer (8X)	—	—	—	—
Successful Farming A.	139.5	160.6	622.7	714.0
Tennessee Farmer	20.2	24.6	142.0	142.6
Western Unit Farm Magazines:				
Arizona Farmer-Stockman	55.6	46.0	243.9	263.1
Colorado Rancher & Farmer (14X)	49.0	62.9	299.1	420.6
Idaho Farmer-Stockman	73.2	91.8	460.9	577.4
Montana Farmer-Stockman	119.5	157.4	727.1	852.1
Oregon Farmer Stockman	61.7	74.1	378.8	430.4
Utah Farmer-Stockman	51.0	67.1	344.6	381.6
Washington Farmer Stockman	64.3	80.0	401.0	465.6
Total Group	3,109.9	3,686.6	17,008.7	18,398.9
% change	−15.8%		−7.6%	
Poultry				
Broiler Industry	157.8	154.5	572.0	540.4
Poultry Digest	59.7	45.6	211.1	186.9
Poultry Tribune	46.9	60.6	207.1	260.5
Poultry & Egg News:				
Poultry Times Southeast Edition	—	—	—	—
Southwest Edition	—	—	—	—
Northeast/Midwest	—	—	—	—
Pacific Edition	—	—	—	—
Poultry & Egg Mktg.	—	—	—	—
Total Group	264.4	260.7	990.2	987.8
% change	+1.4%		+0.2%	

(X) Represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions.

Monger moves office

ATLANTA—Monger & Waterhouse has moved its offices to 750 Hammond Dr., Building 19, Suite 300, 30328.

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MacNelly—adman and artist—dies

RICHMOND, VA.—C.L. (Bud) MacNelly, 65, whose career ranged from advertising to publishing, died here Jan. 2. Cause of death was not given.

At one point, Mr. MacNelly served an agency simultaneously as an account and creative executive. He began his career in New York in the 1940s, working at Doherty, Clifford, Steers & Shenfield (merged later to form Needham, Harper & Steers, now Needham Harper Worldwide) and Pedlar & Ryan, long since out of business.

In 1950, he joined Ted Bates Advertising, where he rose to become a senior vp working on the Colgate-Palmolive account.

Mr. MacNelly left Bates in 1962 to become publisher of the *Saturday Evening Post*, the first person to hold that title in 65 years.

He served there until 1964, when he moved to Norman, Craig & Kummel as an exec vp. Mr. MacNelly then joined Kenyon & Eckhardt as a vp, doubling as management supervisor (on Ford, Nabisco and Pabst Brewing) and a creative director.

He became exec vp at K&E in September, 1965, but left 15 months later to set up a consultancy and become a portrait painter.

Mr. MacNelly's portraits included agency founders such as Bruce Barton (BBDO), Ted Bates and David Ogilvy, as well as Omar Bradley, Jimmy Durante, Joan Fontaine, Barry Goldwater and Billy Graham. His portrait of Rev. Graham appeared in the *Post* while he was publisher.

Mr. MacNelly's son, Jeffrey, also pursued an art career, becoming a three-time Pulitzer Prize winner for his syndicated editorial cartoons and creating the "Shoe" comics strip.

Despite a career that combined creativity and business, Mr. MacNelly created a stir with a 1966 speech criticizing "creative" ad agencies. The speech was given when the industry's "creative revolution" was at its height and was seen as being aimed at the work then being produced by agencies such as Carl Ally Inc.; Doyle Dane Bernbach; Jack Tinker & Partners, and Wells, Rich, Greene.

The formula for a "creative" agency was to "get a bankrupt client who has no choice but to be permissive, write kooky advertising, get it in *The New Yorker* and the subway and you'll have a 'creative' agency. Eveyone will run to you and give you business. And they'll never ask how well the product did," he told the audience at a joint magazine seminar sponsored by the the American Assn. of Advertising Agencies, Assn. of National Advertisers and Magazine Advertising Bureau.

"We've done such a miserable job of selling our image to the outside world that we've got to con one another. And we're beginning to believe ourselves," he told the audience, which responded with applause.

The particular ad Mr. MacNelly was taking to task was designed to keep teen agers in school; its headline read "I quit school when I were 15." If the premise is right Mr. MacNelly said, then the youth thinking about dropping out does not know the difference between "was" and "were," and therefore will not get the message.#

BILL VEECK

CHICAGO—Bill Veeck, a promotional genius who would do almost anything to attract and entertain fans of his baseball teams, died here Jan. 2 of cardiac arrest. He was 71.

Mr. Veeck, known as the "Barnum of Baseball," probably will be remembered most for a single stunt: Sending a 3-ft., 7-in. midget named Eddie Gaedel to the plate as a pinch hitter for the St. Louis Browns in 1951. Among the attractions Mr. Veeck introduced to the game were exploding scoreboards and promotions such as ladies' day, bat day and cap day.

He owned three major-league teams in his career: The Cleveland Indians (1946-49), the Browns (1951-53) and the Chicago White Sox twice (1959-61 and 1975-80).#

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January 16, 1986

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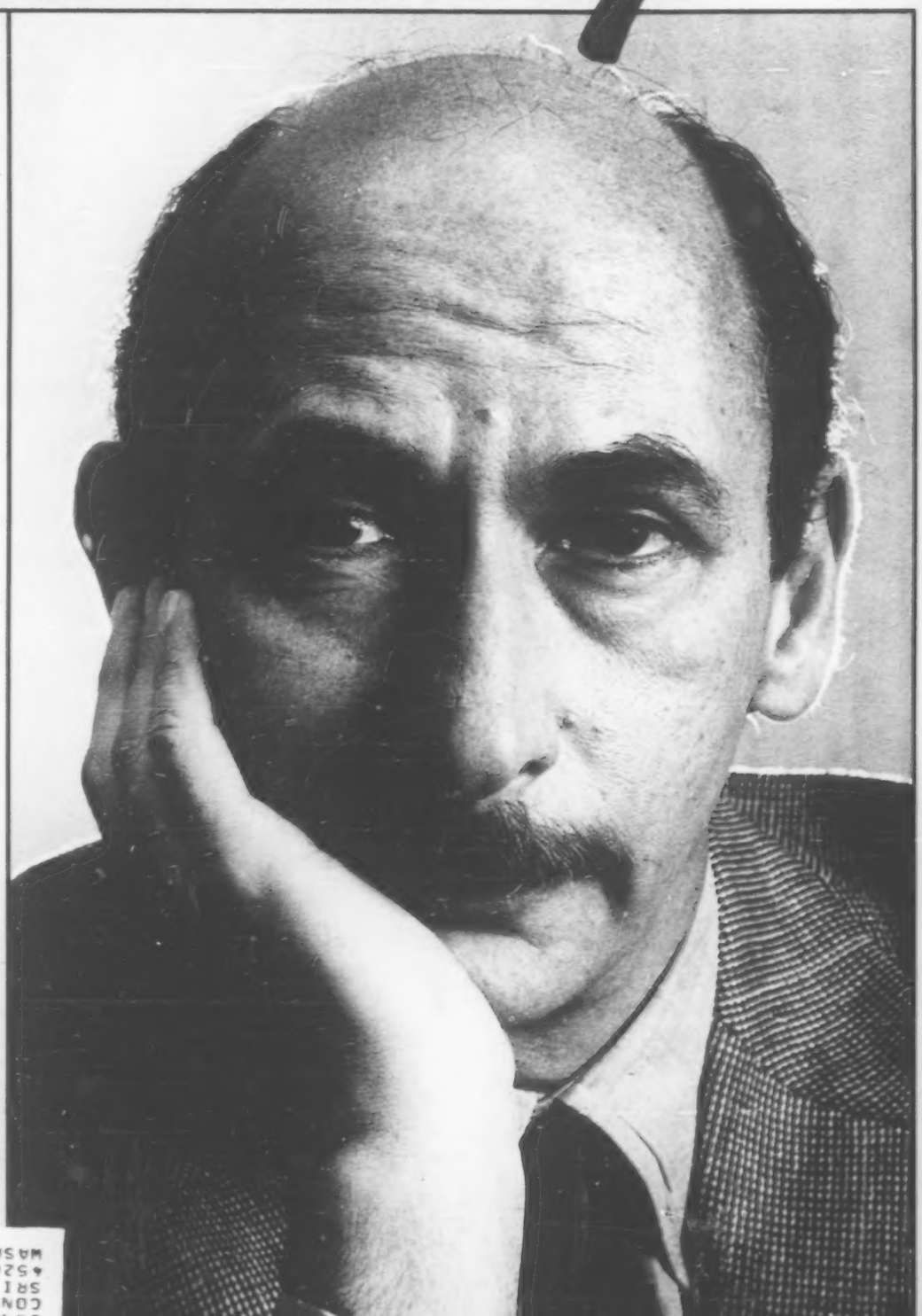
Advertising Age Tuesday

Crain's Magazine of the Creative Process



Special Report

Tv Syndication: Adventures in programing pave the way for growth

ROY GRACE

Chairman still shepherds DDB's creative vision

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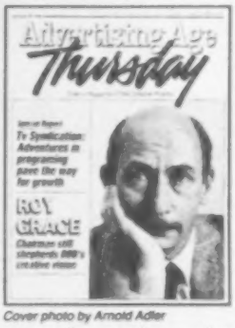
Thursday

Grace under pressure

Roy Grace, Doyle Dane Bernbach chairman and executive creative director/U.S., is a 49-year-old overachiever with a fanatical desire to excel. A desire that spills over into every aspect of his life. "I was intense as a kid. It's a challenge to try something I can't do," he explains. "I do everything with great intensity." This intensity has not escaped the notice of his former and current employes at Doyle Dane Bernbach, where it is manifest in an extreme form of competitiveness—Grace against his own staff. Not surprisingly, it is a trait that divides employes into two camps. The "for" lobby sees Grace's methods as inspirational, influential, astute and brilliant. The "against" lobby considers him stubborn, mercurial, intimidating and contemptuous. *See Page 4.*



Cover photo by Arnold Adler

Bulletin

At J. Walter Thompson USA offices in New York, you don't have to dial 411 to get information. By consulting an eclectic "411—News You Can Use" bulletin board located on the 7th floor—creative headquarters—one is privy to the latest info on where to eat, what to watch and how to get the most out of the city. *See Page 50.*

Special Report—Tv syndication

The goal of the contest is ratings success. Tv syndicators turn to game shows, situation comedies, dramas, sports programing and other formats to try to reach that goal. Special Report examines the options available in tv syndication—cash and barter, hour and half-hour, first-run and offnetwork—as programers get ready for the National Assn. of Television Program Executives convention this week. *Starting on Page 15.*

Presstime

Shasta may hunt new shop

HAYWARD, CAL.—Shasta Beverages may begin looking for a new agency in March, sources say. Needham Harper Worldwide, Chicago, resigned the soft-drink marketer's $10 million account after Shasta was acquired by National Beverage Corp., Fort Lauderdale, Fla., from Sara Lee Corp., Chicago (AA, Nov. 11). Also, Shasta director of marketing Rob Cohen has left to take the new post of vp-marketing at Blue Cross of California, Woodland Hills.

FMR loses 'Us'

NEW YORK—*Us* is moving its $1 million trade account from Fallon McElligott Rice, Minneapolis, following "a mutual parting of the ways," says associate publisher Gregory Dunn. The account moves in-house, pending a creative review next spring. Bozell, Jacobs, Kenyon & Eckhardt, which may be used temporarily to place media, will be included in the review. BJK&E will become a sister company to one of *Us*' owners, Telepictures Corp., when the latter's merger with Lorimar is completed.

Harris reaches net tv

MELBOURNE, FLA.—Harris Corp. next month will break its first-ever network tv spots, featuring Jerry Stiller and Anne Meara, as part of a $20 million image effort for the company's communication and information processing products (AA, Oct. 14). Foote, Cone & Belding, Chicago, handles.

Cornish goes to C&W

NEW YORK—Peter Cornish is moving to the top creative tier at Cunningham & Walsh, taking the new post of associate creative director. Mr. Cornish will remain exec vp-creative director at Ketchum Advertising until his successor is found.

Cole leaves Ziff

NEW YORK—David Cole, who joined Ziff Corp. as president-chief operating officer in November, 1984, from chairman-ceo, Ashton-Tate, is leaving to become co-managing partner of the Cole Gilburne Fund. The new venture-capital fund will get major financing from Ziff. Ziff chairman Philip Korsant adds the president title. Also, Ziff Corp. is being renamed Ziff Communications Co., with two divisions: Ziff-Davis Publishing Co. and technical information services.

Sports fights hunger

NEW YORK—Sports will figure in two major sponsored events due this year to raise funds to fight hunger: Sport Aid, due in late spring from Bob Geldof (of Band-Aid and Live Aid fame), and the First Earth Run, developed by New York entrepreneur David Gershon (AA, Oct. 14). Sport Aid will fight African famine. The September-into-December global relay race is patterned after the 1984 Summer Olympics torch relay.

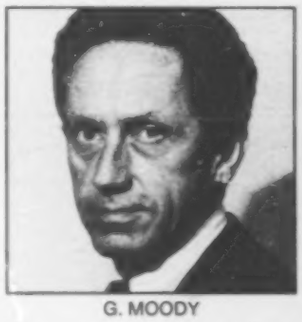
Rise falls from market

NEW YORK—Carter-Wallace must remove its Rise shaving gel from retail shelves, after a U.S. *(Continued on Page 53)*

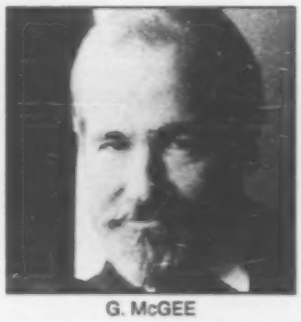
Street Talk

A few years ago agencies felt some pressure to get clients on pay cable channels. Now, pay-per-view movies, sports and specials are the rage. Should advertisers use ppv to break the commercial-free barriers on pay tv?

Gerald Moody, senior vp-director of media, Ross Roy Inc., Detroit: "It isn't a question of whether we should but whether we can. Pay-per-view offers a simple and beautiful advertising opportunity, because you know exactly how many persons contracted for the view, and you can establish a fixed cost-per-1,000 contract. A substantial number of viewers will accept a commercial at the beginning or end of programing, or in the middle if they think it reduces the cost of the programing."



G. MOODY



G. McGEE

Gerald D. McGee, senior vp-managing director, Ogilvy & Mather, Los Angeles: "If I'm buying something, I don't want to be sold, too. I get annoyed if my privacy is invaded, so advertisers could get a negative reaction. Just take a good, hard look at cinema ads and you'll see what happens. But it could be done if the ads are entertaining, don't cut into the programing and are sensitive to the audience."

Bart McHugh, senior vp-director, cable tv, Doyle Dane Bernbach, New York: "When it becomes a viable method of transmitting communications, you're damn right I'll use it. But it's not there yet. I'd rather, and I believe that in our lifetime we will be able to, buy time on the pay networks. Pay universes are still not very big, but they are a proven thing. But what is the pay-per-view universe? I don't want to sound like I only deal in numbers. If ppv carried a program that really made sense for my advertisers, I'd use it."

B. McHUGH

R. KAATZ

Ronald Kaatz, senior vp-U.S. director of media concepts, J. Walter Thompson USA, Chicago: "No-no-no! When everyone was talking about advertising on pay cable movies in the early 1980s, I thought it was a bad idea. This is even worse. There's no way the consumer would pay $4 or $5 for a film with ads when he could get it at his friendly corner taperental store sans blurbs for less. If it was cinema-style advertising at the start of the film it might work, but I wouldn't want to be the first to test the viewer's wrath."

James Dale, vice chairman-corporate creative director, W.B. Doner & Co., Baltimore: "The agency creating advertising for a pay-per-view show would have to be sensitive that the viewer is paying for the programing. Any commercial interruption would have to carry the extra burden of being entertaining. They would be wise to cluster the ads in the British style, in order not to interrupt the programing. It is a contradiction in terms. The viewer is paying for the right to be free of commercials. If the programing is not free, the ads had better be pretty attractive."

J. DALE

ADVERTISING AGE *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE *Thursday*, 220 E. 42nd St., New York 10017.

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ABP MPA ABC

Gaining more respect from media buyers

By Marcy Gray Rubin

In the past, syndication has been viewed as broadcasting's stepchild. But current reactions from several ad agencies suggest it is stepping out on its own and now may be one of the biggest contenders for media buyers' attention.

Better quality programing, higher ratings and more sophisticated marketing strategies have increased advertiser interest in syndication spot placement. Clients no longer are looking down their noses at syndication nor hesitating to include it as an element in upfront buying plans.

In addition, the networks' spiraling production costs are encouraging agency participation in programing projects.

If the growth in syndication has any mixed blessing, it is that it will be scrutinized more closely by the ad community and be pressured by the networks. The selling points and pitfalls of each medium will be measured directly against the other's costs, ratings and risks.

Despite syndication being dubbed "this year's hot button in broadcasting" by Wesley Dubin, senior vp, corporate director-network tv and radio, Needham Harper Worldwide, Chicago, its success story has been a few years in the making.

Three years ago syndication was a $150 million to $200 million business, says Bill Croasdale, senior vp, director-network tv and programing, BBDO, New York. That number has swelled to its current height of $500 million, and by 1990 it will reach the $1 billon mark, he says.

The networks' 1982-83 15% rate increases initially led agencies to consider syndication, Mr. Croasdale says. Continuously improving station clearances, bigger delivery and greater efficiency keep them coming back, he says. Also, standardized sales practices have legitimized the former ad-hoc approach, says Robert Welty, exec vp, corporate media director, Bozell & Jacobs, New York.

Some media directors indicate syndication's strong growth curve may level off. Richard Kostyra, senior vp, media director, J. Walter Thompson USA, New York, says his agency's syndication activity has tapered off following an earlier shift in its favor.

Syndicators seem to believe their success is not because of any passing fancy on advertisers' parts. First-run shows like "Wheel of Fortune" and "Family Feud" pull ratings that compare to network fare, says Dennis Gillespie, senior vp-marketing, Viacom Enteprises, New York. In addition, with the networks putting more support behind made-for-tv movies, he says, syndicators are pulling high ratings by offering film packages after their theatrical and pay cable distribution.

More than programing validity has improved syndication's picture, however, Mr. Gillespie says. Its inroads in children's programing have revolutionized ad revenues for toy manufacturers, he says, and barter has helped offset the costs of first-run programing.

Most media directors agree more ad dollars are being invested in syndication. These bucks are being pulled from network budgets, and not from spot tv, a fact recently documented in an Assn. of National Advertisers report.

Yet upfront buying presents syndicators with a double-edged sword. While scatter buys typically generate more money, syndicators that hold out may face a soft market that helps to fill network coffers instead.

The fourth quarter of 1985 saw this scenario, where the weak market drove network scatter budgets down 15% to 20%, and forced syndication rates down 50%. Both Joel Segal, exec vp, Ted Bates, New York, and Mr. Gillespie say this performance level will continue into the first, second and possibly third quarters, resulting in tough agency spending policies and hard-nosed bargaining.

When evaluating syndication, agencies seek properties that are compatible to the specific marketing requirements of their clients. They may have broad-based or specialized appeal, but the bottom line is to deliver target audiences at lower costs. Traditionally syndication penetration is an estimated 20% to 30% less than network, with a coverage of 70% as opposed to network's 95%, according to most media directors.

Often syndication buys are made when they present a stronger option than conventional programing. For example, Bruce Fein, Bozell & Jacobs' associate director-network negotiation, says one of the agency's clients, a toy manufacturer, enjoys a stronger showing during syndicated after-school animated strips than with network programing. Another client, Lee Co., the Merriam, Kan.-based jeans manufacturer, is ideally suited for the big teen audiences of "Soul Train" and "Hot Tracks," he says, while Ace Hardware Corp., Oak Brook, Ill., does well on syndicated sports shows.

Syndicated shows often fill programing gaps the networks overlook, says Paul Isacson, exec vp, director-broadcast programing and purchasing, Young & Rubicam, New York. He cites programs such as "At the Movies," "Solid Gold" and "Entertainment Tonight," which have no direct network counterparts.

Program timing is another factor. In some time slots, such as early fringe and prime access during weekdays and early fringe on weekends, syndication holds its own. Daytime and late-night continue to be dominated by the networks and many syndicators elect to stay out of these periods, says Mr. Gillespie, pointing to the recent troubles of LBS' Inday block of programing. Stand-alone programing also is a challenge, Mr. Fein says. It is difficult for them to compete with continuous soap lineups, and the costs and time involved can be prohibitive.

Many advertisers tend to feel more comfortable with off-network programs. "M*A*S*H" and "Dallas," which were network blockbusters, tend to attract attention when they go into syndication.

While syndication spot placement has become an advertising staple, the verdict on advertiser-funded programing is still being deliberated. Many say production partnerships are risky and expensive.

"It's a crapshoot, developing a show, clearing it, trying to promise delivery," Mr. Fein says. "Buying an already packaged show lets you predict how it will do based on past performance. If it fails to get ratings, you'll always be paid back."

Agencies cannot just plunk down money and expect to succeed, says BBDO's Mr. Croasdale. "You must do research, get the right property, hire the right production team and have a client who is willing to take the risks with you throughout the long process." He says creative cooperation between BBDO and Multi-Media Productions was the key to success for "Young People's Special," a monthly, half-hour production sponsored by BBDO client Campbell Soup Co., Camden, N.J.

For those companies that might not have the financial muscle to afford coproduction, Richard Coveny, president of New York-based Blair Entertainment, suggests a way advertisers can gain exposure without incurring program sponsorship costs. Clients, such as McCann-Erickson's American Telephone & Telegraph, New York, create commercial lead-ins such as the "Right Choice" syndicated sports spots, which play off the ad's theme.

"We've seen the high cost and frequency of network failures," says Mr. Coveny. "Syndication would enable advertisers to produce at a fraction of the cost and still reap the benefits of creative control."

With audience erosion a fact of broadcasting life, the issue of programing saturation has divided agency and syndication experts into several camps. A growing pool of shows skewed to the same audiences will dilute each program's effectiveness, JWT's Mr. Kostyra says. To prevent this, independent stations should concentrate on building major audiences for fewer shows, he says.

An "explosion in the number of channels and viewer fragmentation won't allow independents to devour each other," Mr. Croasdale says. During the experimental days of ad-supported cable, industry experts discovered that breaking from traditional formats into informational and how-to shows failed to gain audience support, he says. "The bottom line is that viewers want to be entertained. So now syndication, like the networks, is seeking general entertainment vehicles."

Despite this move to network fare, some media directors say syndication will not face an erosion factor. Needham's Mr. Dubin says syndication will suffer no more erosion today than when "audiences were presented with the choice of two radio stations instead of one."

Other influences of network programing could affect syndication's market position. The longer life span of successful network shows added to the smaller number of programs aired may mean the number of offnetwork properties cannot sustain the independent stations. For this reason, syndication's future rests squarely in first-run programing, says Mr. Croasdale.

Shows like "Fame" and "Too Close for Comfort," which have found life after network cancellation, suggest the next step is to bypass the networks entirely. This move may be under way: According to Lawrence Gershman, president MGM/UA Television Group, Los Angeles, syndicators cleared more shows at the NAB convention than the networks.

Syndication's clout may be growing by virtue of the company it is beginning to keep. Acquisitions and joint venture partnerships among station groups, major programing producers and distributors and advertisers and ad agencies are likely to increase as entertainment conglomerates become more vested in marketing and vice versa, says Mr. Gillespie.

Syndicators, such as Mr. Gershman, confirm this suggestion. He directed a recent speech to the Society of Motion Picture & Television Engineers to the topic of profit participation. The trend is exemplified by Lorimar-Telepicture's recent purchase of Kenyon & Eckhardt and Coca-Cola Co.'s takeover of Columbia.

Another possibility is the emergence of a fourth network founded on a base of independent stations. Mr. Gillespie says current network affiliates receive only 5% compensation, compared with syndication's offer of 50%. This may tempt affiliates to leave the networks, he says.

Many media directors say syndication's improved programing quality, bigger budgets and higher ratings, coupled with lower network prices, will narrow any gaps between the two businesses, resulting in a more competitive situation.

With syndication now achieving the recognition from advertisers it has struggled for, how it meets future challenges will determine its staying power.

P&G hits the spots

Top spot advertisers on independent stations, 1984

	Independent expenditures ($ millions)	Independent share of spot tv dollars
1. Procter & Gamble	$160.4	67%
2. General Mills	71.9	79
3. General Foods	59.9	62
4. Anheuser-Busch	45.1	84
5. Hasbro Bradley	40.4	94
6. Pepsico	34.0	40
7. Warner-Lambert	33.6	82
8. Mars Inc.	31.2	73
9. Coca-Cola	30.9	51
10. Toyota Motor Sales	30.3	52

Source: Assn. of Independent Television Stations

Most media directors agree more ad dollars are being invested in syndication. These bucks are being pulled from network budgets.

Marcy Gray Rubin, a New York-based free-lance writer, covered the tv industry as a reporter for Back Stage.

area of motion picture production.

An untitled project that incorporates the talents of director Sidney Lumet and actress Jane Fonda is in the works. Another Lumet film, "Power," starring Richard Gere, will be released in February. "The Boy Who Could Fly" is expected at Easter, and "American Anthem" will take a fling at the summer movie market.

Lorimar's activity in motion pictures has been fairly steady although modestly successful, prompting Mr. Furman to speculate that the company will "revise, revamp and rethink" that area.

Some past projects have been impressive. "Being There" and "An Officer and a Gentleman," which was developed by Lorimar and produced by Paramount, turned in solid box office performances. "The Last Starfighter" has been strong in videocassette release.

A lot will depend on Mr. Rich, who has shown a steady ability for spotting trends and setting precedents—"Dallas" is the granddaddy of prime-time soaps. One of the first miniseries was Lorimar's four-hour "The Blue Knight."

Persistent rumors that Messrs. Rich and Adelson are at odds—one bit of scuttlebutt has Mr. Rich on his way out—probably can be discounted.

"That story has been going around for four or five years," according to aforementioned source. The rumor started when Mr. Rich's ex-wife wanted to dispose of some Lorimar stock, and it reappears every time Mr. Rich approaches a network to make a deal. "Someone always assumes he's making a deal on the side."

Mr. Rich probably is too busy making deals for Lorimar, the company he started in 1969 with Mr. Adelson, after four years as president and executive producer of Mirisch-Rich Productions, which created "Rat Patrol," "Hey Landlord" and the "Pink Panther" tv series. Before that, Mr. Rich spent 14 years with Benton & Bowles in charge of media and programing.

When Lorimar started, Mr. Rich says, it was little more than himself and a secretary. Mr. Adelson was gone most of the time, in those early days, taking care of other business—primarily real estate.

The company's first production was a movie-of-the-week called "The Sporting Club." Mr. Rich unabashedly says it "was a disaster." "The Man," based on the Irving Wallace book of the same name, did somewhat better. It wasn't until another two-hour movie-of-the-week called "The Homecoming" that Lorimar had its first real success.

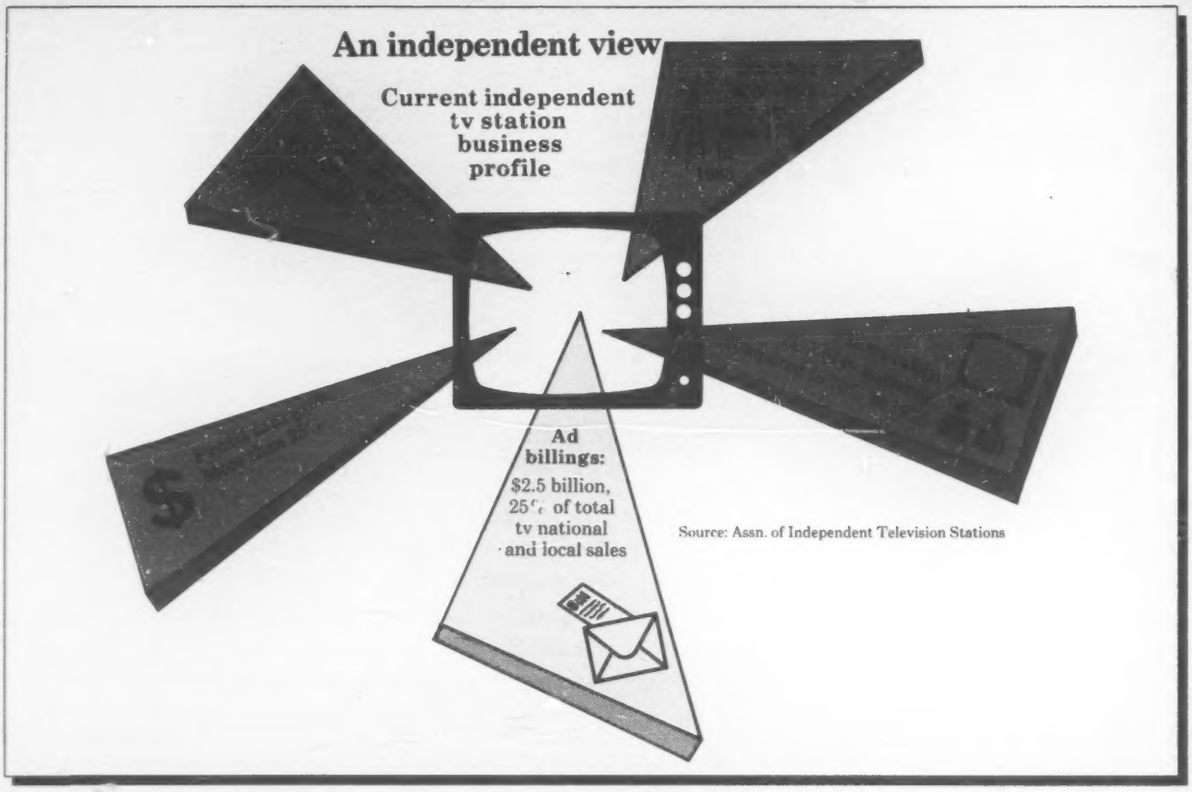
The program introduced a character called John Boy, and it became "The Waltons" for nine years. Its creator, Earl Hamner, is the idea man behind and current executive producer of "Falcon Crest."

Mr. Rich often is described in Hollywood as having a very short attention span. This characteristic really may be more of a unique ability to shrug off failures as easily as he embraces successes.

Although "Our Family Honor" didn't work this tv season, ABC offered Lorimar a chance to produce nine more episodes, bringing the total to 22. A larger package might have made the show more valuable in rerun and overseas sales, however, Mr. Rich killed it at 13 episodes and decided to convert the nine hours into a commitment for another show with the network.

"It wouldn't be right to continue doing it," he says. "We made those shows as good as we knew how. I think they're good... but the public doesn't like it."

No crying over spilled milk. No wailing over "Our Family Honor" being up against his own "Falcon Crest." There's no such thing as a bad time slot, Mr. Rich says. He learned that long ago, when "The Waltons" started out against Flip Wilson and "The Rookies."


An independent view
Current independent tv station business profile
Ad billings:
$2.5 billion, 25% of total tv national and local sales
Source: Assn. of Independent Television Stations

'Newlywed' hopes for long honeymoon

By Kevin Brown

If you could figure out a show called the 'News Lead-in Game Show' you could make $100 million," says Budd Granoff, president of Barris Industries, Los Angeles.

His company's "New Newlywed Game" may not make $100 million—at least not this year—but Mr. Granoff has figured out a formula for success. In its first year of syndication in 1985, the "New Newlywed Game," which cost the company about $2.7 million to produce 175 episodes, may gross $27 million and earn $20 million.

Media directors are calling it the syndication success story of the season. Not bad for a show that almost did not run.

Barris Industries shot a pilot for ABC, which left it standing at the altar for six months. The "New Newlywed Game" pilot was hosted by Jim Lange, instead of Bob Eubanks, who headlined the old "Newlywed Game" from July, 1966, to December, 1974, on ABC. The original show was syndicated from 1977 until 1980, when it was pulled. By the time ABC's option ran out, Mr. Eubanks became available, so Barris edited the old host back into the pilot.

The company sold the show on a cash-barter basis, keeping two 30-second spots. Mr. Granoff says selling the show in 60 or 70 markets would have been good, but selling 163 for the 1985-86 season was great.

Unlike many game shows, "New Newlywed Game" does not pin its success on the size of its purse. The show's prize budget is about $150,000, not much compared to other game shows, Mr. Granoff says.

"Our forte is humor and entertainment," he says. "We like to feel that our shows can operate like a sitcom, as opposed to skill and knowledge shows."

The formula seems to have worked. "New Newlywed" is pulling a 9.2 share (percentage of tv sets in use) nationally, and Barris is projecting revenues of $42 million in 1986.

"This show is one that you can't help but watch because it's so funny," says Barbara Welsh, vp-director account service at Botway/Libov's Chicago office. Botway, the largest media buying service in the country, according to Ms. Welsh, likes the "New Newlywed Game" because it offers good cost per thousand and a good reach factor for women 18 to 34 years old.

Barris already is selling another reincarnation: "We Love the Dating Game." "They're honing them down, making them faster, perfecting them," Ms. Welsh says of the two shows. Part of the formula is that these are shows to which people can relate, she says. "They see themselves up there."

Barris Industries expects a lot of people to identify with its reincarnated dating game. The company projects the program will gross $30 million in 1986.

"We are the only game show that's a firm go for 1986," Mr. Granoff says. "Dating" has sold in New York, Los Angeles, Chicago, San Francisco and Philadelphia at a cost to the company of $3 million for 175 episodes.

In some markets, such as Baltimore, "Newlywed" has surpassed game show leader "Wheel of Fortune," Mr. Granoff says.

"We're clipping away at 'Wheel of Fortune,' " he says. "We've found early fringe has become so critical to stations' local news that they're willing to pay high prices for afternoon shows, sometime comparable to [prime time] access."

Barris Industries' "New Newlywed Game" is bring riches to more than just contestants. The show may have earned more than $20 million in 1985.

Associate editor Ed Fitch coordinated this report on Tv Syndication.

Coming

Next week Advertising Age's Special Report will focus on **Newspapers.**

ON THE DIAL

A weekly listing of tv programming that still has commercial availabilities open in the next few weeks.

"NFL Update '86," a one-time-only special produced by Blair Entertainment, New York, is being sold at $20,000 per 30-second spot. The one-hour show will be broadcast on or before Labor Day this year. Station clearance has not yet been completed but Blair is guaranteeing advertisers a 4 to 5 national household rating. The show features prominent players, coaches and games of the previous year.

"Road to Super Bowl '87," next year's version of the annual program, is already on the market from Blair Entertainment. The 1986 broadcast has already been sold out. The show, which chronicles the campaigns to the SB, will be broadcast from 7 p.m. to 8 p.m. the night before Super Bowl XXI. Last year the show achieved an 8.6 rating; Blair is guaranteeing advertisers an 11 to 12 rating for the '87 show. Pricing has not yet been set.

"Break the Bank" and **"Divorce Court"** each have avails through Jan. 24. Orbis Communications, New York, is handling the barter sales. Avails on "Break

the Bank" are priced from $7,000 to $7,500 per 30 seconds; on "Divorce Court" a 30 is priced at $15,000. "Court" has a 91% national coverage on 132 stations and averages a 5.5 to a 6 rating. "Break the Bank" has a 61% national coverage on 54 stations and achieves under a 3 rating. Both shows are guaranteed on a cash-back basis.

"Wall Street Journal Report," the weekly financial news show produced by Dow Jones & Co., New York, and based on the *Wall Street Journal*, has avails during the last week of February and all of March. Thirty-second units are priced at $8,500. Cleared on 88 stations in 75 markets, the half-hour show has been averaging just less than a 2 rating.

"Ireland and the Irish" is a one-hour special on the people, music, language, sport and history of Ireland set for broadcast the weekend of March 14 to 16, just before St. Patrick's Day. ProServ Television, Dallas, is producing and handling sales. Price for a 30-second spot is $20,000, with a 4 audience rating guarantee. Advertisers already in include Anheuser-Busch's Budweiser and Aer Lingus. Flutist James Galway hosts. The producer is guaranteeing at least 65% U.S. household clearances by airdate.

"A Hard Road to Glory" is a one-hour special on the history of the black American athlete set for broadcast during Black History Month in February. ProServ, Dallas, is producing and handling sales. Asking price for a 30-second spot is $20,000 with a 4 audience rating guarantee. Anheuser-Busch's Budweiser, Nike and McDonald's are already in the show as sponsors. Arthur Ashe, the former tennis star, is the host and actor James Earl Jones is the narrator. Lou Rawls handles the theme song. The show has cleared seven of the top 10 markets; the producer guarantees 75% coverage by airdate. ■

TV AVAILS

Scheduled radio specials and new programs or syndicated services.

"Profile '86," starts the weekend of Jan. 24 to 26 with Canadian supergroup "Loverboy." It is a new 90-minute monthly series featuring the latest music and up-to-the-minute interviews with rock's million-selling performers. Syndicated by NBC Radio Entertainment, "Profile '86" is produced by Torus Communications and hosted by Dan Neer, a New York disc jockey. Anheuser-Busch, St. Louis, is already in the show.

"Live From the Apollo" is a monthly, one-hour rhythm & blues show live from Harlem's historic Apollo Theatre. Its debut is Jan. 25. Eugene Wild, whose "Don't Say No Tonight" album has topped the black/urban record charts, is the first star. B.K. Kirkland of WBLS (fm), New York, is the show host. The pro-

LOVERBOY

gram was created by Westwood One Radio Networks, Culver City, Cal., in association with Inner City Broadcasting and the Apollo Theatre Investment Group, New York. No word on advertisers as yet.

"An Affair of the Heart," 24-hour Valentine's Day special featuring music appropriate to four of Dallas-based Satellite Music Network's formats, including Heart & Soul urban, Country Coast-to-Coast, StarStation Adult/Contemporary and Stardust traditional/nostalgia. It still has availabilities and has been cleared on 525 stations.

"Sassy Stars of Rock & Roll," a monthly one-hour live special from DIR Broadcasting, New York, that spotlights a rock personality each show, is offering a Jan. 26 bonus show featuring rock star Sting, live from London. Coca-Cola's Tab ("Tab's got sass") is regular sponsor, but there are still other avails open.

"The Jazz Show with David Sanborn," from NBC Radio Entertainment, features two hours weekly of the the latest jazz music plus interviews with artists. Designed for rock, adult/contemporary and contemporary-hit radio formats, advertisers include Miles Labs' Alka-Seltzer and Alka-Seltzer Plus and Bausch & Lomb soft contact lens solution. The guest for the Jan. 24 to 26 show is Wayne Shorter. There still are spots open. ■

NEWSSTAND

A listing of upcoming print advertising opportunities, such as special issues and special advertising sections.

Industrial Distribution, New York: First of four special 75th anniversary issues, March issue; ad close: Jan. 24. B&w page, $3,200; color page, $4,210.

Southern Living, Birmingham, Ala., "Breakfast & brunches" special ad section, April issue; ad close: Jan. 24. B&w page, $30,560; color, $43,100.

Business Week, New York: First "Mutual Fund Scoreboard" issue, Feb. 24; ad close, Jan. 27. B&w page, $32,142; color, $48,854.

Forbes, New York: Special advertising section, equipment leasing and financing, March 24 issue; ad close Jan. 27. B&w page: $27,810; color, $42,290.

Video Review, New York, April special issue, "America on fast forward"; ad close Jan. 31. May special issue, "The fast forward lifestyle"; ad close Feb. 28. B&w page, $13,425; color, $17,980.

House & Garden, New York: "Design Debut" showcase advertising sections for newly introduced home furnishings, May and November issues; respective ad closes: Feb. 1, Aug. 1. B&w ¼-page, $4,155; color ¼-page, $5,740.

Closings next week: New York, New York, personal-investment guide special advertising section, Feb. 17 issue, Jan. 20...**Runner's World**, Emmaus, Pa., annual shoe survey, April issue, Jan. 20...**Boys' Life**, New York, special editorial section, 75th anniversary issue, March, Jan. 22 (materials)...**Working Woman**, New York, "The year of the woman business traveler" special editorial section, April issue, Jan. 24...**NASA Tech Briefs**, New York, bonus distribution of its March/April issue at six trade shows, Jan. 25 (orders), Feb. 5 (materials). ■

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. ***Source: Nielsen Overnight Ratings.***

Show	Week ending	1/9	1/2	12/26
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		31	27	28
2. "Family Ties" (NBC)		25	21	22
3. "60 Minutes" (CBS)		18	23	20
4. "Golden Girls" (NBC)		12	10	11
5. "Highway to Heaven" (NBC)		12	DNA	7
6. "Who's the Boss" (ABC)		11	7	4
7. "Cheers" (NBC)		11	7	4
8. "Dallas" (CBS)		11	DNA	10
GOOD WINNERS				
9. "227" (NBC)		8	5	6
10. "Knots Landing" (CBS)		8	4	7
11. "Facts of Life" (NBC)		7	7	5
12. "Gimme A Break" (NBC)		7	3	DNA
13. "Night Court" (NBC)		7	3	-1
14. "Murder, She Wrote" (CBS)		6	13	DNA
15. "Growing Pains" (ABC)		6	4	2
16. "Miami Vice" (NBC)		6	11	10
17. "Kate & Allie" (CBS)		5	13	-3
18. "Hunter" (NBC)		5	3	3
19. "Blacke's Magic" (Pilot Special) (NBC)		5	-7	-9
BORDERLINE WINNERS				
20. "Dynasty" (ABC)		3	DNA	11
21. "Newhart" (CBS)		3	13	-4
22. "Webster" (ABC)		2	4	DNA
23. "Mr. Belvedere" (ABC)		2	2	DNA
24. "Hotel" (ABC)		2	DNA	10
25. "Scarecrow & Mrs. King" (CBS)		2	10	2
26. "Remington Steele" (NBC)		1	-1	3
27. "Tuesday Night Movie" (2nd Hour) (CBS)		1	-3	-4
28. "Cagney & Lacey" (CBS)		1	23	-7

BEHIND THE SHARES

The power of **NBC's** prime time line up becomes increasingly obvious every week. Of the 28 time periods during the week ending Jan. 9, NBC won 13, including six of the top 10 dominant shows and 12 of the top 20 winners. CBS had nine time period winners, but four of those were borderline victors and only stalwarts **60 Minutes** and **Dallas** had impressive wins. ABC won only six time slots, and if the network can make a turnaround, its going to be known as the Tony Danza network. **Who's the Boss** moved up from the good winner category to a dominant victor, and is a certified megahit. The show is also tracking upward. Watch for **Boss** to keep on getting stronger —it's part of the new theme that good writing is the key to ratings success, and Who's the Boss has some of the best writing on tv. **Golden Girls** continues to show strong shares, moving up from 9th place last week to finish fourth in a very competitive week for regular series head-to-head competition. The folks at Disney, who hold the Girls' syndication rights, can expect a gold mine a few years from now. **Highway to Heaven** came back strong after a week's hiatus and posted strong shares. **Cheers** had one of its most dominant weeks ever and continues to gain strength. Patience, as Mr. Tartikoff knows, is a virtue and a half. **227** can't hold Golden Girls' lead-in shares, but it is tracking upward every week and seems to be getting its own legs and is close to becoming the true sleeper hit of the year. **Miami Vice** had one of its weakest victories of the season, dropping from eighth place last week to 16th. That was the first show after Tartikoff revealed the letters of protest received from former Vice fanatics. No wonder the NBC wonder boy said he was misquoted. **Kate & Allie** won for the second week in a row, but it did not do nearly as well against regular series as it did against a grade "b" college bowl game. NBC looks to have another potential hit on its hands with **Blacke's Magic.** The pilot special won its time period and the first regular episode took **Dynasty** down to its weakest win of the season. **A Time To Triumph** was the first CBS Tuesday Night Movie in a month to win its time slot, and that one—with Patty Duke Austin getting a job after her husband gets laid off—only won part of its second hour.

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Monday, January 20, 1986

Advertising Age

Crain's International Newspaper of Marketing
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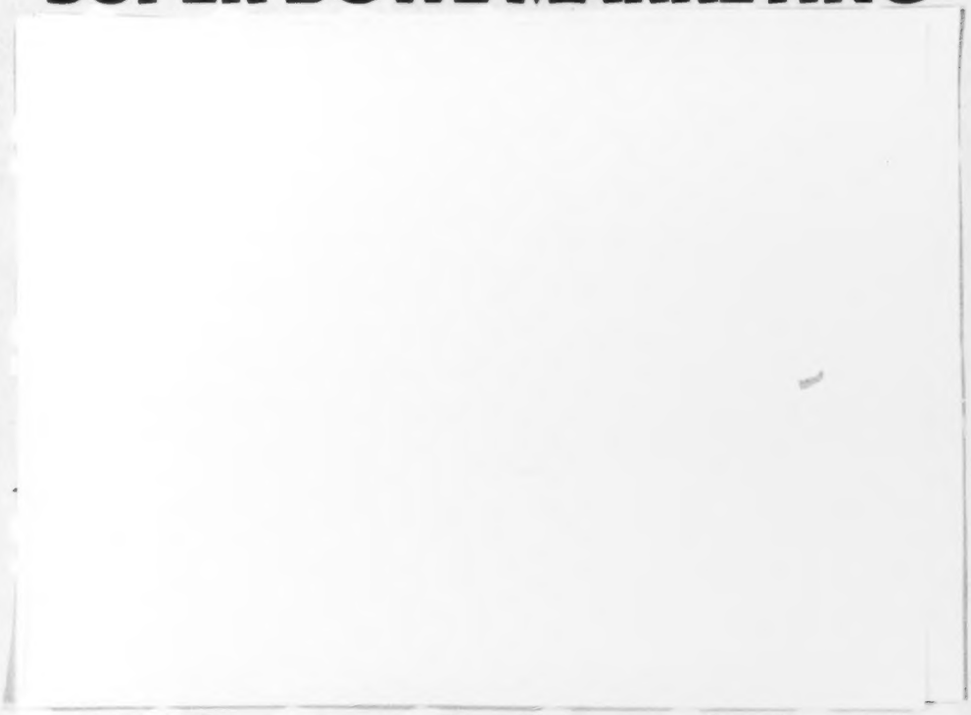
SUPER BOWL MARKETING



The growth of America's premier sports event

Cost of :60 spot

I – 1967 **$80,000**	VI – 1972 **$200,000**	XI – 1977 **$324,000**	XVI – 1982 **$670,000**
II – 1968 **$70,000**	VII – 1973 **$207,000**	XII – 1978 **$290,000**	XVII – 1983 **$800,000**
III – 1969 **$85,000**	VIII – 1974 **$214,000**	XIII – 1979 **$444,000**	XVIII – 1984 **$890,000**
IV – 1970 **$200,000**	IX – 1975 **$220,000**	XIV – 1980 **$450,000**	XIX – 1985 **$1,000,000**
V – 1971 **$200,000**	X – 1976 **$250,000**	XV – 1981 **$550,000**	XX – 1986 **$1,100,000**

NEWSPAPER

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The tumult ends for D'Arcy's Hal Bay

— Page 1

SAMI-Burke combo to challenge Nielsen

— Page 1

It's Herb! Super Bowl debut, tour set by BK

— Page 1

Brewers rolling out barrel in share fight

— Page 4

HIGHLIGHTS

Nielsen gets challenge 1
The battle for dominance in marketing research intensifies as the research subsidiaries of Time Inc. and Control Data Corp. merge their resources to challenge the A.C. Nielsen Co. unit of Dun & Bradstreet.

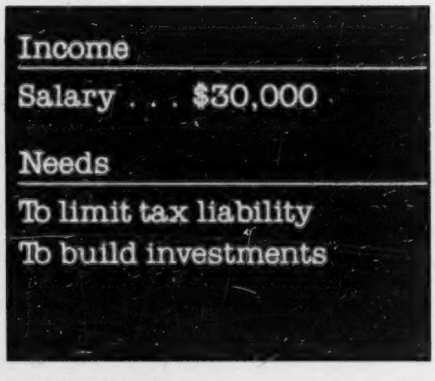
Bay's rise was rocky 1
Hal Bay, who has resigned as president of D'Arcy Masius Benton & Bowles, came to power as a compromise, the only viable candidate in a bitter battle between two agencies—D'Arcy-MacManus International and Masius, Wynne-Williams—that had merged more in name than in spirit. *First of a series.*

Creation of a media monster 3
When it comes to advertising, it is the mind-boggling $1.1 million minute for Super Bowl XX that people talk about. It's become as much of a phenomenon as the game itself—the most expensive minute in tv advertising. But how did the Super Bowl become such a big event? The men who created the game will tell you the Super Bowl just kind of happened.

Here comes Hyundai 3
Hyundai Motor America this month drives into the U.S. with a three-week teaser campaign designed to introduce both the South Korean company and its first car designed for the U.S.

Sweet inspiration 27
The sugar industry will sweeten its advertising pot this year, adding $1 million to its ad budget and using tv spots for the first time. Also being considered is a sugar "designer label" for food-product marketers that use the real thing.

In the swim 33
Ujena Co. hopes to broaden awareness of its mail-order swimsuits with *Swimwear Illustrated*, wrapping a slick editorial format around the company's catalog. Buoyed by the success of *Sports Illustrated's* annual swimsuit issue, Ujena sees *Swimwear*, which features only Ujena swimwear, both as a means of increasing sales and a potential winner at newsstands.



Reality theater 42
John Hancock Financial Services' new "Real life, real answers" campaign by Hill, Holliday, Connors, Cosmopulos, Boston, most definitely breaks through the clutter. In fact, it just about grabs you by the neck and shakes you: *"Real life, real answers, DAMN IT!"* A review by Bob Garfield.

Taking chances 66
Bozell, Jacobs, Kenyon & Eckhardt's resignation of the $10 million-to-$12 million Prudential-Bache account in order to compete for $40 million in Merrill Lynch business (AA, Jan. 9) is the best illustration to date of why Bozell & Jacobs decided to merge with Kenyon & Eckhardt—a greater capacity to take risks.

Triangle whips up 'Good Food' 67
Triangle Communications' top executives remain optimistic about this week's reintroduction of *Good Food*, despite an unenthusiastic response so far from advertisers. Said group publisher Frank Wolf, Walter Annenberg, chairman, parent Triangle Publications, "tells me, and tells everyone, he doesn't expect to fail. And given the adequate amount of time, I don't see how we can."

Auto media spending on rise 69
Heightened competition in the U.S. car and truck market is likely to drive total new-vehicle media spending to $6 billion this year, a top auto executive predicts.

CORPORATE CLOSEUP

Thompson's on the spot 4
Thompson Medical Co., the company that makes its money by helping thousands of Americans lose weight, was forced onto a corporate diet itself last year. Competition heated up in Thompson's biggest category, appetite suppressants, and the bottom fell out of its second-largest, meal replacements.

NEW PRODUCTS

Innovations, yes; technology, no 35
While marketers are coming up with record numbers of new food and beverage products, the innovations are coming in areas they know best—positioning and formula—rather than from any new technology.

INTERNATIONAL

Hugo's hot 40
Meet Hugo Sanchez, a Mexican soccer star who endorses more products than the Chicago Bears' William (The Refrigerator) Perry.

Chinese ad crackdown 40
The Chinese government is taking steps to regulate the advertising industry, which has grown substantially since major reforms were introduced in 1979 that opened the door for western-style marketing.

Little dabs still do it 41
Beecham Products' Brylcreem is making a comeback in the U.K. with an ad campaign via Grey Ltd., London, that uses segments of old, b&w U.S. spots.

OTHER NEWS

After a year of new-product rollouts, new national advertising campaigns and repositionings, the nation's brewers are down to arm wrestling for increased market share. Page 4.

Cruise-ship operators and many warm-weather destinations on this side of the Atlantic are expecting their best year ever, as travelers appear to be taking a detour from terrorism. Page 32.

New American Dental Assn. standards of what constitutes a genuine plaque-fighting dental product will keep the group's coveted Seal of Acceptance from most toothpastes and mouth rinses. But major dentifrice producers are giving the criteria the brushoff, and will continue current antiplaque advertising campaigns. Page 36.

The market setting is the West Coast, but the style will be more "Miami Vice" when General Motors' Pontiac division on Jan. 20 launches a three-month, $4.5 million California-only media effort. Page 42.

John Pepper, newly appointed president of Procter & Gamble, worked his way up through the advertising side of the company, a factor P&G watchers say clearly shows the direction the company is heading. The marketer last week formally announced Mr. Pepper's move from exec vp-U.S. consumer products to the presidency. Page 64.

Drug companies, broadcasters and agencies may face congressional hearings if interest in direct-to-consumer prescription-drug advertising continues to grow. Page 67.

Nissan Motor Corp. may enter the fast-growing luxury sedan market within 24 months, but probably won't form a new marketing division as Japanese rival Honda is doing with Acura. Page 69.

Although negotiations between Estee Lauder and Giorgio for Lauder's purchase of the $110 million fragrance company broke off last week, it's clear Lauder is no longer content with being a one-star company. Page 71.

COMING THURSDAY

Philip Guarascio holds a coveted corner office in Detroit's General Motors building, a privilege usually reserved for people who have made automobiles and GM their lives. Guarascio is an outsider, recruited from the agency business to become executive director for advertising services on GM's marketing and product planning staff. He oversees GM's $1 billion a year ad and promotional budget from a position that didn't exist before he filled it.

Special Report: Niche, product development and target audience are all part of the vocabulary of newspaper executives as marketing becomes an important part of the business.

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Shasta shakeup has it fizzling

By BRIAN LOWRY

HAYWARD, CAL.—Shasta Beverages appears to be in disarray following its acquisition by National Beverage Corp. from Sara Lee Corp.

The eight-person marketing staff has left the soft-drink company during the last two months, and members of the executive committee and sales force seem likely to follow, a former Shasta executive predicted.

Notable among those leaving is director of marketing Rob Cohen, who took the title of vp-marketing at Blue Cross of California, Woodland Hills (AA, Jan. 16). Shasta sales manager Truitt Crenshaw is overseeing marketing on an interim basis.

The exodus reflects Shasta's un-

(Continued on Page 68)

Xerox 15s to run in serial form

By BRIAN MORAN

Xerox Corp. next month will break an unusual series of 15-second commercials telling a continuing story about the Xerox Marathon copier throughout an hour of network tv programing.

To convince business customers that its copier won't break down in a pinch, Xerox agency Needham Harper Worldwide, New York, has created a "serial" that shows how "boring" owning a Marathon can be.

The spots feature a satisfied Marathon user trying to get excited about a machine that "just keeps churnin' 'em out."

Xerox has bought up to six units each on CBS-TV's broad-

(Continued on Page 68)

West Coast news

Star-Kist pet food to GB&Y

Star-Kist Foods hired Goodby, Berlin & Silverstein, San Francisco, to handle an undisclosed new pet food product, beating out Keye/Donna/Pearlstein and Chiat/Day, both Los Angeles, in a review. As part of its winning pitch to the H.J. Heinz Co. unit, the three agency principals donned mansize dog suits to help convince the H.J. Heinz Co. subsidiary of their interest. Star-Kist, a division of H.J. Heinz Co., declined to discuss the product, but sources

(Continued on Page 70)

After teasers, Hyundai set to 'make sense'

By CLEVELAND HORTON

GARDEN GROVE, CAL.—Hyundai Motor America later this month drives into the U.S. market with a three-week teaser campaign designed to introduce both the company and its first car designed for the U.S.

The teaser-corporate campaign is designed to pique the interest of the car-buying public before the Excel goes on sale Feb. 15.

The new U.S. importer is a subsidiary of the giant South Korean conglomerate Hyundai Corp., and the campaign will focus on the company's heritage, specifically its ranking in the ship-building and locomotive manufacturing industries.

The ads point out that Hyundai Corp., with annual sales of about $11 billion, is the 39th-largest corporation in the world.

Print ads, accompanying the company's current participation in the national auto show circuit, use the headline: "Its father was a locomotive. Its mother was a ship." The first advertising also will stress Hyundai's success in Canada, where the company became the leading automotive importer after only two years.

Not the least of Hyundai's problems is its name, which to westerners can look impossible to pronounce. It will try to make that task easier on the western world with an explanation in copy that Hyundai rhymes with Sunday.

The first tv commercials keep the Excel under wraps. They show the cars loaded on a carrier truck, each carefully cloaked in what appears to be a tarpaulin.

As the kickoff date approaches, Hyundai will remove the covers from the car. Once the car begins selling, Hyundai will substitute more traditional product advertising while retaining the theme line "Hyundai. Cars that make sense."

Hyundai is aiming its message at

(Continued on Page 69)

World News Roundup

SAO PAULO—Ford Motor Co. executives in Argentina, Brazil and Venezuela will hear a Young & Rubicam "marketing and product strategy" presentation here this week. Similar presentations have been made to Ford in other parts of the world. A Ford spokesman says there "are no plans to change agencies in Brazil." J. Walter Thompson Co. and Salles/InterAmericana handle the account in Brazil.

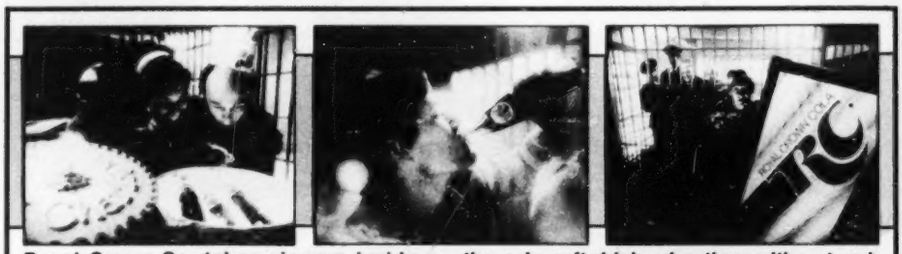
FRANKFURT—American Express Co. moved its $10 million credit-card advertising account to Ogilvy & Mather from McCann-Erickson.

PARIS—Parker Pen Co. moved its account in France, Holland, Belgium and Luxembourg to Lowe Marschalk from Ogilvy & Mather.

SYDNEY—Doyle Dane Bernbach is merging its Australian operations with Magnus Nankervis & Curl. MNC will own 51% of the new agency, billing $60 million, and will supply top management.

BERNE—Nestle, Ciba-Geigy and other top Swiss companies have formed a group to lobby for the creation of a private national tv

(Continued on Page 40)



Royal Crown Co. takes viewers inside a prison in this Super Bowl spot, new from Dancer Fitzgerald Sample, New York. RC is the only soft-drink advertiser with network time during the game. For an armchair guide to Super Bowl ad-watching, see Page 70.

The Super Bowl: Two decades in the spotlight

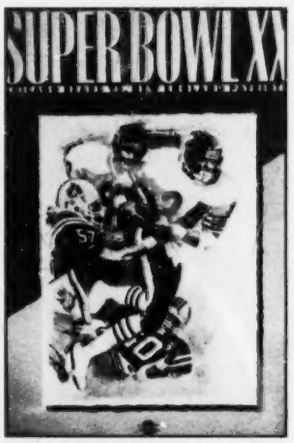
By ROBERT RAISSMAN

Vince Lombardi paced the sidelines, champing at the bit.

His Green Bay Packers were on the way to defeating the Kansas City Chiefs in Super Bowl I, erasing any doubt about whether the National Football League was superior to the American Football League.

The second-half kickoff was drilled deep into Kansas City territory. Referees' whistles started blowing. There was confusion—no penalty flags had been thrown, but the zebras were bringing the ball back. Mr. Lombardi was doing his version of the Ubangi stomp on the sidelines.

Only Bill Creassy, a CBS producer handling the pool feed for both CBS and NBC, knew what was happening. A Winston cigaret commercial running on NBC had delayed the start of the kickoff. With 13 seconds left in the commercial, the officials decided to start the second half. NBC cut from the spot and picked up the action. Tv viewers saw the ball hitting the ground and the referees whistling it dead. When the refs began running the ball back, viewers were told the kickoff was being repeated because the game clock had not started and Mr. Lombardi's Packers had jumped the gun.



Circle Fine Art, Chicago, last week rushed this NFL-licensed poster to market.

Bill McPhail, CBS vp in charge of sports, said both NBC and CBS had been warned to cut first-half replays short and to get into the commercial fast.

NBC engineers missed the cue on that day 20 years ago, writing the first chapter of the Super Bowl advertising phenomenon.

When it comes to advertising, it is the mind-boggling $1.1 million minute for Super Bowl XX that people talk about. It's become as much of a phenomenon as the game itself—the most expensive minute in tv advertising.

But how did the Super Bowl become such a big event? Was there a concerted marketing effort behind it? The men who created the game say no.

They will tell you the Super Bowl just kind of happened.

"We sold the television rights to the 1960-61 NFL Championship Game to CBS for $600,000," said NFL commissioner Pete Rozelle. "That was before the merger [between the AFL and NFL]. I thought it was a lot of money, but I could never foresee advertisers ever paying a million for a minute."

In 1969, Super Bowl III set the price for future advertisers. The New York Jets, the AFL underdogs led by brash Joe Willie Namath, defeated the heavily favored Baltimore Colts, 16-7. The price of a minute skyrocketed from $85,000 to $200,000 for Super Bowl IV the next year.

Not only was there a lot at stake for the Jets, there was also a lot riding on the game for NBC, the network that telecast AFL games. In 1965, NBC had bailed out the AFL by paying $36 million for tv rights. The network stipulated that much of the

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AD AGE SOUNDING BOARD

Strategy, creative shaping ad budgets

Competition, spending also keys

This is the second of two articles on the ADVERTISING AGE *Sounding Board outlook for advertising in 1986. The first article ran Jan. 13.*

By HERBERT ZELTNER

Attempting to put the budget-planning process into the perspective of change over time, we asked members of the ADVERTISING AGE Editorial Sounding Board which of a variety of forces and measurements were gaining—and which were losing—in importance in their thinking when advertising budgets were being determined (Table 4).

More than half the client-side executives who responded noted impending changes in advertising strategy, or modifications in creative approach, are taking on increasing importance in their budget thinking. Close to half (47%) also stated that competitive activity and spending levels were becoming more significant. Yet the very practical matter of profit contribution goals or other financial targets—already named as the most important single factor by more than half the group—is gaining.

More than half the agency respondents (56%) also singled out financial targets and profit contribution as growing in importance in client budget thinking.

Agency executives also believe a greater regard for competitive activity is occurring in budget strategy work and that changes in strategy will take on added significance as well.

On the other hand, a good number of marketing executives sense that adjustments to the previous year's budget level will be decreasing in importance as a factor in budget making. Agency participants broaden the list of factors lessening in significance—25% of them stating that media cost projections and working from last year's spending levels will take on less prominence in client thinking.

Industrywide spending

On the broader subject of national advertising in general, we asked members of our Sounding Board how they personally felt about advertising spending

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Keys to ad budget size - Table 4

Factors gaining and losing in importance in determining size of advertising budgets percent total respondents. Source: Ad Age Sounding Board.

ADVERTISERS—REFERRING TO OWN COMPANIES	
Growing in importance	
Intended changes in advertising strategy and/or creative approach	51%
Competitive activity and/or spending levels	47%
Profit contribution goal or other financial target	43%
Decreasing in importance	
Level of previous year's spending, with adjustment	17%
Senior management dollar allocation or set limit	11%
Volume share projections	8%
AGENCIES—REFERRING TO CLIENT COMPANIES	
Increasing in importance	
Profit contribution goal or other financial target	56%
Competitive activity and/or spending levels	43%
Intended changes in advertising strategy and/or creative approach	37%
Decreasing in importance	
Projections/assumptions on media cost increases	25%
Level of previous year's spending, with adjustment	24%
Modifications in media strategy and/or buying techniques	17%

CORPORATE CLOSEUP

Thompson Medical hungry for new markets

By NANCY GIGES

Thompson Medical Co., the company that makes its money by helping thousands of Americans lose weight, was forced onto a corporate diet itself last year. Competition heated up in Thompson's biggest category, appetite suppressants, and the bottom fell out of its second-largest, meal replacements.

When final figures are calculated, sales for the year ended Nov. 30 may be more than 30% below those of the previous year. Earnings may fall 40%.

But executives at New York-based Thompson point out that '84 was a record year, primarily due to a $50 million increase in Slim-Fast meal replacement sales. Thompson says it never expected to beat those figures a year later.

"We're a 'seize the moment' kind of company," said Ronnie Stern, vp-marketing. "We don't manage our sales and earnings. We don't hold back new products nor push them ahead to make our income statement look good."

That's why a graph of Thompson sales and earnings zigs and zags, reflecting spurts of growth when the company takes advantage of opportunities. This past year's nose dive, however, was more than Thompson anticipated, as unit volumes fell in its two key categories.

Sales are estimated at $140 million for fiscal '85, down from the $197.2 million reported a year ago. Earnings are estimated at $12 million, down from $21.1 million. Analysts say both figures will bounce back this fiscal year, but not quite to the record levels of '84.

True to its philosophy of "seize the moment," Thompson does not spend a lot of time and money on sophisticated market research. It prefers to send its marketing executives out to talk directly to the food and drug trades and, especially, to consumers. The company then puts products in the marketplace and lets the consumer decide.

Typically, Thompson breaks advertising as soon as a product gains good distribution. And it spends heavily. Its advertising/sales ratio is more than double the drug-industry average.

For '84, the company reported spending $52.8 million, a figure equivalent to 27% of sales, compared with an industry average of 11%. Even with sales slumping last year, Thompson did not cut back proportionately; sources estimate ad spending at $44 million, representing an estimated 31% of sales.

All that money goes through one agency, Saatchi & Saatchi Compton, New York, a shop that convinced Thompson of its worth several years ago by suggesting the company use testimonials for its Dexatrim appetite suppressant.

Accustomed to handling most of its functions in-house, Thompson was experimenting with using outside agencies in 1979 by asking several to come up with concepts. Just before a new active ingredient for Dexatrim was approved by the Food & Drug Administration, Thompson and one of the agencies produced a spot with the product as hero.

"We all hated it," said Mr. Stern, "but we knew approval would come any day." Then Thompson marketing executives wound up talking to the Compton agency (now part of Saatchi), which told them of the "gold" they had in testimonial letters from consumers. The rest is history.

Thompson is so loyal to Saatchi that even when the agency is blocked from handling a particular product (such as Decongest, because Saatchi handles Johnson & Johnson's Co-Tylenol), it uses another member of the Saatchi family. Decongest, originally handled by Saatchi's healthcare subsidiary, Klemtner Advertising, has found a permanent home with Fairfax Advertising, Saatchi's direct-marketing subsidiary.

Decongest is Thompson's first entry in the huge cough/cold remedy category, and the company's strategy with that product typifies its approach to advertising. Planning to roll out across the country this winter, Thompson gained such good distribution quickly in Chicago, Charlotte, N.C., and Milwaukee that it made spot buys in those markets to precede its network program.

Decongest also represents the first of a hoped-for string of new products that will reduce Thompson's dependence on diet aids, businesses that represented 86% of the company's sales in '84. "Our hope is to enter a new [over-the-counter] category each year," Mr. Stern said. "We want to broaden our base to become a major factor in every [health & beauty aid] category out there."

Those are ambitious objectives, but Mr. Stern points to the company's track record: "When I joined Thompson 10 years ago, we were doing about $18 million in sales, and only 5% was nondiet aids. Last year sales were near $200 million."

While the company's first product was not a diet aid, those brands established a firm foundation. Thompson's origins can be traced to 1947 when the current chair-

(Continued on Page 27)

Court limits Thompson, Ciba

New York—Thompson Medical's fight with Ciba-Geigy to hold onto the Dexatrim market share has resulted in a court order preventing both companies from shipping certain products until they provide adequate substantiation.

Ciba-Geigy, Summit, N.J., also has been enjoined from making claims of therapeutic advantage or superiority for Acutrim over Thompson's extra-strength Dexatrim or any other appetite suppressant with phenylpropanolamine.

Both companies claimed victory after the federal court order this month, but neither can ship line extensions that were added to enable them to make longer-lasting claims. The products involved are Thompson's Dexatrim-15, which made a 15-hour claim, and Ciba's Acutrim II, which made a 17-hour claim. Regular Dexatrim makes a 12-hour claim and Acutrim makes a 16-hour claim.

The complicated order prevents Ciba from using comparative advertising for regular Acutrim unless the company presents additional clinical studies that support claims of therapeutic advantage or superiority. Ally & Gargano, New York, handles Acutrim; Saatchi & Saatchi Compton, New York, handles Dexatrim.—*N.G.*

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Beer marketers barreling toward market-share fight

By SCOTT HUME and RAY SERAFIN

After a year of new-product rollouts, new national advertising campaigns and competitive repositionings, the nation's brewers are down to arm wrestling for market share.

Total domestic-beer shipments in 1985 increased less than 1%, the fourth consecutive year to yield no significant gain. More importantly, 1985 saw brewers develop product lineups and marketing plans in which flat sales are status quo.

A stagnant or shrinking market is being treated as the new reality of the industry, rather than a short-term problem soon to be reversed, and brewers' 1986 game plans will channel resources toward grabbing larger shares. Analysts expect a rough fight.

"The level of competitive activity is going to be high, but it's going to be more localized," said Manny Goldman, analyst at Montgomery Securities, San Francisco. Brewers have spent the past 18 months polishing or revising their national images to set the stage for a shift in direction this year, he said. "Now I look for the focus to be on particular markets, and submarkets within those markets, to gain

(Continued on Page 66)

Major brewers' output - 1985

Anheuser-Busch and Adolph Coors were the only major brewers that registered gains in barrelage between 1984 and 1985. *Estimated. Figures given in millions of barrels. Source: Montgomery Securities.

Board

(Continued from Page 3)

over-all in 1986 (see Table 5).

The most widely held view on both sides is that budgets will be slowing down in their rate of growth. Just about four out of ten see this braking effect taking hold. Somewhat more than a third believe that 1986 will be up in dollars by a bit, by merely staying even with modest levels of inflation.

Agency executives are much more inclined to a mixed view—that whatever pattern develops will be the result of varying rates of change among different categories. Almost a fifth of the agency officers answering held to this view.

Only 6% of the full panel held to the upbeat view that advertising spending would be up again, sharply, this year.

Many acknowledge that ad spending trends have varied widely from category to category, based on different situations regarding competition, traditional advertising-to-sales ratios, opportunity, profits, corporate health and a host of other factors.

More than half the Sounding Board expects that advertising in support of consumer financial services will continue to grow rapidly. Other candidates for faster-than-average gain include fast-food entries, communications and entertainment and soft-drink brands.

On the other hand, some long-established categories are expected to decline in relative importance. Almost a third of the panel expects a significant drop in tobacco and liquor advertising. Large numbers of respondents also sense that budgets will be tightening for brands in the chemicals, gasoline, electronics and office-equipment areas.

Clients tend to be more bullish about faster advertising dollar growth in the automobile category than is true of our agency participants. They also are more optimistic spending will hold up for chemicals and gasoline.

On the agency side, opinions are considerably more optimistic for major new spending growth in both pharmaceuticals and among retail chains.

Tom Purcell, corporate director of advertising and marketing services, Geo. A. Hormel & Co., Austin, Minn., observed that flux and change is normal and expectable: "The economy is such a mixed bag. I feel some parts are 'consolidating,' some 'reassessing,' some moving full-bore. Consumer income and life styles will continue to crown new heroes and dethrone old kings."

Victor Galef, vp-marketing, SmithKline Beckman Corp., Philadelphia, notes unusual uncertainty, which clouds the outlook: "Economic trends are not yet clear, and I believe product advertisers will take more of a 'wait and see' attitude before committing increased spending over inflationary rates."

Michael Kirby of Xerox agrees and adds that major mergers by big advertisers will generate higher discount levels for more brands, thus holding down the rate increase somewhat.

Agency panelists citing the air of certainty included R.W. Fletcher, chairman of Fletcher/Mayo Associates, St. Joseph, Mo., who said, "The past 12 months have shaken our confidence in our ability to forecast anywhere near as accurately as in the past." Adds Patrick J. McGrath, president of Jordan, Case, Taylor & McGrath, New York, "Caution seems to be making a comeback across business in general."

William Weilbacher, head of Bismark Corp.—a New York-based marketing and advertising consultancy—suggests a deep-seated cause which could affect planning quite broadly. "Advertisers are getting very nervous about advertising expenditure levels. Some are beginning to ask, 'Could we be spending too much?' This question will be asked more frequently in 1986."

On the creative front

We asked the client members of the Sounding Board whether, in light of tight ad budgets, they were working at ways to increase the productivity of creative efforts. We also asked agency members whether they saw moves along these lines among their clients.

An overwhelming 83% of the client participants said yes, they were now involved in the development and testing of new creative strategies for established brands. Another 10% volunteered that they planned to take such action.

Confirmation that a great deal of effort is under way on the creative front comes from the agency side, where 79% of the agency executives polled see more activity than ever, with both clients and agencies.

Three out of four clients also tell us they're considering or evaluating special efforts against specific market segments or new target areas. And 85% of the agency managers responding agree that there's more action now in probing for new niches for established products.

The search also goes on in reassessing brand attributes to find new uses or applications for products; 60% of the clients and 70% of the agency respondents tell us work along these lines is under way.

Still another aspect of the search for better ways to handle creative has to do with using new creative units (15-second spots in broadcast, fractional space in print) and experimenting with quite different media formats. That plenty is going on here, too, is evident when 76% of the marketers and 71% of the agency heads mention action of this type.

In this search for greater effectiveness, clients are looking around for new sources of talent, both within their own organizations and agencies or even outside. Just about one-third of the clients responding state they are augmenting or tapping into added creative resources within their companies or getting new teams at their agencies assigned. A significant minority (17%) say they are scouting for and appointing entirely new creative resources—other agencies or special outside talent units.

The agency community senses this restlessness; 45% of the agency executives acknowledge their clients are seeking additional creative resources, and one out of four is aware that clients are looking outside present affiliations for new talent and approaches.

We asked clients how effective they thought these various moves might be. John Porter, vp-marketing and sales, Dole Processed Foods (Castle & Cooke), notes that "special efforts against [particular] market segments are potentially our most cost-effective marketing program."

We asked the agency members of the Sounding Board whether they saw any shift in who is taking the initiative in these creative changes—client or agency? Quite a few noted that agencies were taking the lead—or certainly should as a fundamental part of their assigned responsibility.

Yet a good number also commented that clients seem to be getting a great deal more active in initiating or urging their agencies to undertake new moves designed to improve the selling power of creative efforts.

Media planning and buying

Media planning and buying is a fruitful area for change and improvement as the hunt for "budget enhancers" intensifies, according to members of the Sounding Board. As with creative and budget planning, action seems under way among advertisers and agencies.

The most widespread area of attention on the media front, according to the Sounding Board, has to do with more sophisticated data and analysis techniques that relate prospect profiles to demographics and to media audiences.

Three-fourths of the clients note they are active in this type of work and three out of four agency managers state their media departments are more active than ever in study and analysis of this type.

Two-thirds of the clients also tell us they're using or testing different media forms. References here include the integration of direct-mail campaigns with more traditional broadcast and print forms; the inclusion of Yellow Pages directory advertising as a selling medium; the addition of tightly focused cable tv schedules to augment wider tv efforts, and use of entirely new approaches to out-of-home availabilities in key urban locations. And 73% of our agency participants say they are more involved than ever in this broadening out of media efforts to less traditional approaches.

But this battle for greater media effectiveness exists among the standard media categories as well. More than six out of ten company ad executives state they are involved in altering their usual media mix. Close to half of the agency panel—48%—see the same thing happening with media plans developed within their agencies.

A very new development in media planning and buying is, of course, the growing availability of 15-second announcements in tv. More than two-thirds of the agency segment (68%) tell us that they already are considering or using these new commercial lengths—a point echoed on the client side, where almost half the advertisers (48%) already are making this adjustment.

More than half the clients (57%) also note they are shifting the balance between national and local media components, apparently as a result of improved skills in adjusting advertising weight geographically. Agency management also spots this trend, but some less broadly (41%).

Significant minorities—anywhere from one-third to 45% of both groups—point to other moves, such as adjusting daypart mixes in broadcast and modifying the timing of media schedules, either by tightening up seasonal efforts or using in-and-out patterns more aggressively.

A particularly revealing clue to how widespread and insistent the search is becoming for improvements in media productivity comes from the fact 50 of the top agency executives queries—three-quarters of the entire group—tell us that their clients are becoming much more involved in media matters and at much more senior levels.

A top movie industry marketing executive said his department and agency are adjusting advertising plans for each feature film distributed to focus on who they know will be best prospects.

Robert Lauterborn, director-marketing communications and corporate advertising, International Paper Co., believes "a tighter focus on smaller segments" will be particularly effective in his company.

Other comments pointed to the

(Continued on Page 31)

Ad spending - Table 5

"What do you, personally, believe will be the industrywide spending situation next year?" Figures represent per cent of respondents agreeing. Source: AA Sounding Board.

	Total	Advertisers	Agencies
Up strongly in dollars and weight	6%	8%	4%
Up in dollars, but weight about same level	36%	36%	37%
Slowing rate of growth	38%	39%	40%
Declining in weight and possibly dollars	5%	8%	1%
Unclear trend—varies by category	13%	8%	17%

Words of wisdom

A sample of views from members of the Advertising Age Sounding Board on what to do to strengthen the effectiveness of advertising. The question: "What suggestions would you offer to fellow advertisers and agencies to improve productivity in our field?"

Advertisers should become more involved with the media and creative process. Independent analysis—then joint decision—make for more effective and efficient use of advertising dollars. *Christopher Wackman, Subaru of America.*

Work hard, be open-minded, be focused and creatively take no prisoners! *Patrick Fallon, president, Fallon McElligott Rice.*

Proceed cautiously as you consider "new" media options/mixes. Continue to pressure the agency and the media source for more audience information—and don't hesitate to experiment, but where possible take steps to make it a true learning experience with measurable results. *Joseph Kelsch, senior vp-marketing, American Dairy Assn.*

Greater reliance on upfront (i.e., strategic) research, less on copy testing. Better pinpointed strategies, better creative product. *Edward Wax, president, Saatchi & Saatchi Compton.*

1. Involve fewer and more senior people in decision-making process at both agency and client company.

2. Greater focus on alternatives to network tv in particular and, in general, a more creative approach to media planning.

3. Less "mass-market" approach, more segmented "target-market" thinking in strategy development and execution. *R.A. Costello, manager-corporate brand communications, General Electric.*

Get out of the box. Manage risk to breakthrough—particularly in television. In print—be patient; it takes much longer than we want to admit. *Hans Stern, director-Brown-Forman Media Services, Brown-Forman Corp.*

Defend your large, broad-based buys that are capturing 50% of your target bases. They need your support and dollars if they are going to survive. You'll pay big when they're gone. And we could see them collapse in five years. *Robert Miller, president, Miller Meester Advertising.*

Get rid of layers—have fewer decision-makers. Get key people to write the copy and key people to agree on it. Would David Ogilvy have done away with the seven layers of brand management? Cream can't rise to the top if it's filtered in cotton balls! *Henry Kornhauser, ceo, Kornhauser & Calene.*

Get more entertainment value into advertising. Experiment with new and unique media vehicles. Do more/better testing of strategy before writing advertising. *H.M. Baum, president-U.S. division, Campbell Soup Co.*

In order for advertising to be effective, the first consideration is that it needs to be arresting. The second consideration is that it should be intellectually and emotionally rewarding; people give the advertiser their undivided attention and in exchange they receive a reward. This reward is in the form of a smile or laugh, a piece of information, or a conscious involvement with the ad that establishes rapport with the advertiser. Effective advertising is created by an informed group of people who know why the product or service is a good buy; know what the product or service offers; know what kinds of people are good prospects, and know why they should want the product or service. *Stan Richards, principal, Richards Group.*

Be willing to invest in consumer research prior to strategy development. Avoid highly visible media unless they really fit product needs. Be willing to reach the consumer in little bits and pieces, which is more complex and time-consuming, but critical to future marketing. *John Porter, vp-marketing and sales, Dole Processed Foods, Castle & Cooke.*

A point of view offered by William Claggett, vp, Ralston Purina Co., touches on many issues raised in this poll.

How the business outlook for 1986 affects the management of the media function:

Many advertisers tell us 1986 will be a year in which sharper focus will be placed upon increased productivity in all areas. Since advertising is usually the biggest variable in large advertisers' budgets, it stands to reason that emphasis will be placed upon making the most effective possible media purchases, attempting to hold down tv production costs and making sure that agency commissions and fees should be targeted against the most productive assignments.

The sudden rash of megamergers in the communications industry will result in the very biggest agencies having more buying clout, commercial piggybacking opportunities, media resources and budget flexibility than ever before. This may put medium-size agencies and independent large advertisers at a disadvantage, so they're going to have to do everything possible to stretch out their dollars. In many cases this will result in increased efforts to examine media alternatives to network television, more emphasis on tv production costs, a more widespread use of 15-second commercial lengths and the investigation of new media combinations. It seems to me that alert advertisers can achieve their objectives, but they will have to pay more careful attention to all of these cost areas and be willing to examine a wider range of options.#

Board

(Continued from Page 28)
emergence of 15-second announcements as offering new opportunities for major improvements in efficiency.

Xerox's Michael Kirby urges the industry to "curb the use of 15-second commercials which will contribute to clutter and potentially reduce effectiveness." Yet some feel economic forces are working for greater availability of the new unit. Noted Victor Galef of SmithKline Beckman: "The trend to 15 seconds will increase in tv and will bring smaller brands, which can't currently afford tv, back to the medium."

Balance of ads and promotion

To improve short-term sales results, many consumer-goods marketers shift funds from advertising to promotion. Traditional thinking holds that media advertising works longer-term, building awareness and favorable attitudes in order to strengthen brand franchises for the future. Merchandising and promotion efforts, on the other hand, are expected to give an immediate and measurable boost to volume.

In our panel, somewhat more than a third (35%) of our advertiser panelists stated they were moving more money into promotion—and presumably taking it away from media efforts—in their 1986 planning. But there apparently is a great deal of contrary motion as well—another 20% tells us that budgets are shifting the other way from promotion into media. For close to half the clients who responded, no significant alteration in either direction is being made now.

On the agency side, more than half (52%) the agency executives note their clients are intensifying promotion efforts at the expense of media programs. Only 12% see funds moving in the other direction. One possible reason agency people are more inclined to see a shift toward promotion is the greater diversity of client interests represented in their rosters. Another is their greater sensitivity to this kind of attrition in billings.

Spotting the likelihood that the two approaches be combined is Brad B. Moore, director-advertising and tv programming, for Hallmark Cards, who notes that in his company's case "copy approaches are being looked at to make the advertising itself more 'event/promotion' oriented...." Ronald Cox of Wrigley makes the point for advertising quite strongly: "While we are clearly out of phase with trends, we refuse to fall into the promotion trap. Advertising sells goods!"

Advertising effectiveness

Considering that limited advertising dollars will have to work harder than ever, what about the changing environment within which messages will have to fight for attention—and recall—and response?

We asked each member of the panel to what degree he or she personally thought clutter, "zapping," audience erosion, inattentiveness, growing ad volume or other negatives might impair the effectiveness of advertising itself over the next several years.

One-fourth of our panel believes advertising will be less effective in the future—and to a marked degree. Clients seem to be relatively more pessimistic than their agency counterparts, 28% of the clients and 23% of the agency members thinking there's real trouble ahead in the continuing ability of advertising to get through effectively. An additional 42% believes advertising may hurt—but to a less drastic degree.

What about the likelihood of an improvement—that advertising might actually gain in effectiveness in the near future? Only one in ten, over-all, felt any optimism; 7% of the advertisers and 13% of the agency heads see improvement on the horizon.

Quite a few Sounding Board members volunteered comments that a particularly worrisome problem is the extreme fractionalization of audience as media become more targeted and competitive in their own fight for share.

The picture, though, is not unrelievedly bleak. Quite a few executives feel there are hopeful signs in a perceived rededication to advertising which is properly focused and compellingly executed. Many use the word "breakthrough" to describe the advertising they are working hard to achieve.

On the negative side, many volunteered the view that there were intensifying problems in clutter, "lazy" strategy work, poor or indulgent execution and escalating media costs.

On the "plus" side, many pointed to the "demassification" of media—offering more opportunities to reach specific audience targets with less waste. Additionally, it's obvious that many clients and agencies are confident about—and proud of—the intensity of work now under way to move their respective advertising efforts to a higher plane of effectiveness and to minimize the damage they sense being done to commercial messages in general.

The Advertising Age Editorial Sounding Board

Formed several years ago in answer to a need for a broad-based forum of senior management opinion across the entire range of American marketing and advertising, the Advertising Age Editorial Sounding Board was updated several months ago.

Top-ranked marketing directors and advertising executives from 92 of the 200 largest American advertisers signed on, agreeing to respond to several questionnaires during the year dealing with matters of broad current concern in the business.

They are joined by a representative of top management from 130 of the 200 largest U.S. advertising agencies (in terms of U.S. domestic billings) and 11 prominent consultants active in marketing, communications and advertising strategy work.

The Sounding Board is under the chairmanship of Herbert Zeltner, a consultant in marketing and advertising and frequent contributor to Ad Age.

The complete list of members appeared in the Jan. 13 issue. In that listing, the section on consultant members was partially incorrect due to a transmission error.

The correct list of consultants:

Alvin A. Achenbaum, Cantes, Achenbaum Associates; Stephens Dietz, Dietz & Erickson; Robert M. Prentice, Cos Cob, Conn.; William M. Weilbacher, Bismark Corp.; Michael P. Ryan, Darien, Conn.; Eugene Jacobson, Dallas; Paul Jordan, Glendale, Cal.; Jim Mortensen, Briarcliff, N.Y.; H.E. McDonald, H.E. McDonald Associates; Charles Bradford Jones, Chicago; Steve Tart, Steve Tart & Associates.

The 1985 Ad Dollar Summary lists 35,000 Brands and how much they spent in 7 Media.

You can't buy this complete listing anywhere else.

These are the official industry figures. If you want to know who's spending what on advertising, BAR/LNA's Ad Dollar Summary is the reference tool you need.

Because only in this one volume will you find a complete summary of ad dollars from the PIB Magazine and Newspaper Supplement Service, from BAR's Broadcast Services and from the LNA Outdoor Advertising Service.

These are the very same figures LNA prepares for major media organizations like MPA, TVB, RAB, and OAAA. They're used by leading advertisers and their agencies. The trade journals also turn to LNA for media data.

The 1985 Volume now includes cable TV. The Ad Dollar Summary tells you how much each of 35,000 brands is spending in consumer magazines, newspaper supplements, network and spot television, network radio, outdoor advertising, and now, for the first time, in cable TV.

Brands are listed in alphabetical order along with their parent company identifications and the media used.

And that's not all. For the first time we've added listings that show the top 100 companies ranked by expenditures in each of the media.

Top 1000 Companies by total ad dollars. The Ad Dollar Summary includes other vital reference data.

For instance, there's a convenient listing of Top 1000 Companies ranked in order of total media expenditures and broken out in each of the seven media.

There's also a section in the year-end edition showing the top 10 brands in 275 product categories, with a category total.

Year-End 1984 Edition on sale now. If you didn't subscribe to the last year's Ad Dollar Summary, now is your chance to order the entire year round-up in one conveniently bound edition for just $150.00.

Multi-Media Services from BAR/LNA. The Ad Dollar Summary is just one of the Multi-Media reports we offer, and the only one available without subscribing to the full service. Our full-service subscribers receive two additional reports which complement the Ad Dollar Summary with more detailed analyses.

- Company/Brand—an alphabetical listing of companies and how much is spent on each brand in seven media.
- Class/Brand—compares competitive brands within 275 product categories. This enables you to see not only how much each brand spent in specific media, but also who the major spenders are in each category.

For more information about our other media analysis services, including on-line programs and customized reports, just check the box in the adjacent column.

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☐ Send me ____ 1985 Ad $ Summary Quarterly Service at $250.
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BAR LNA aa

INTERNATIONAL

Government pinches Chinese ad industry

By LYNNE REAVES

BEIJING—The Chinese government is taking steps to regulate the advertising industry here, which has grown substantially since major reforms were introduced in 1979 that opened the door for Western-style marketing.

New regulations include rules on ad content, the government registration of local ad agencies and a ban on all outdoor boards along Changan Avenue, this city's main thoroughfare (AA, Dec. 16).

A recent circular on advertising restrictions issued by the government said "No slanderous propaganda, obscenity or superstition will be allowed, and the wording [of ads] must not be harmful to national dignity or pander to low tastes."

Also, late last year the government ordered all local advertising agencies to register with the bureau of industry and commerce.

There are hundreds of such operations that call themselves ad agencies, but in fact they are mostly small graphics shops that have opened all over China in the past few years.

In a further tightening of the reins, additional regulations stipulate that the media "must stop coercing businesses into turning over funds to sponsor advertisements."

The government said advertising departments of mass media agencies often charge their customers exorbitant fees for ads that simply display the name of the business at the end of a tv program or on a newspaper page.

Western admen said the outdoor board ban resulted from growing anti-Japanese sentiments among Chinese officials. Both local and foreign advertisers will be affected by the order, but most of the 50 boards on Changan Avenue promote Japanese cars and electronic goods—items the average Chinese cannot afford.

Doug King, managing director at Jardine-Interpublic in Hong Kong, said the outdoor board ban "has given people a lot to think about," but added that ad executives should not overreact.

"Outdoor boards are the very visible focus of the Japanese presence in China, and the Chinese have been trying to tell the Japanese they are unhappy with their trading relations for some time," he said.

He also said the Japanese may have been "overaggressive" in their advertising.

"They are obviously the most visible," he said. "In the future, I believe people will be more careful. We may see more corporate-image ads instead of the 'Mine is the best product. Buy it' approach."

World News Roundup

(Continued from Page 3)

channel that would be supported by advertising. The three existing channels in Switzerland are government-controlled.

LONDON—Bristol-Myers moved its $3 million Clairol hair color business to Boase Massimi Pollitt. Geers Gross lost the account last year.

SYDNEY—Kellogg Co. added a third agency in Australia by giving SSC&B:Lintas the estimated $3.3 million Special K and Sultana Bran business. J. Walter Thompson Co. previously handled the cereal brands.

LONDON—Mars Inc. added Grey Advertising to its U.K. roster by moving its $2.2 million Thomas pet snack account from Clarke Lee & Nightingale.

MILAN—FMR, the glossy, upscale Italian art magazine published by Franco Maria Ricci, will launch three new European editions this spring in English, French and German.

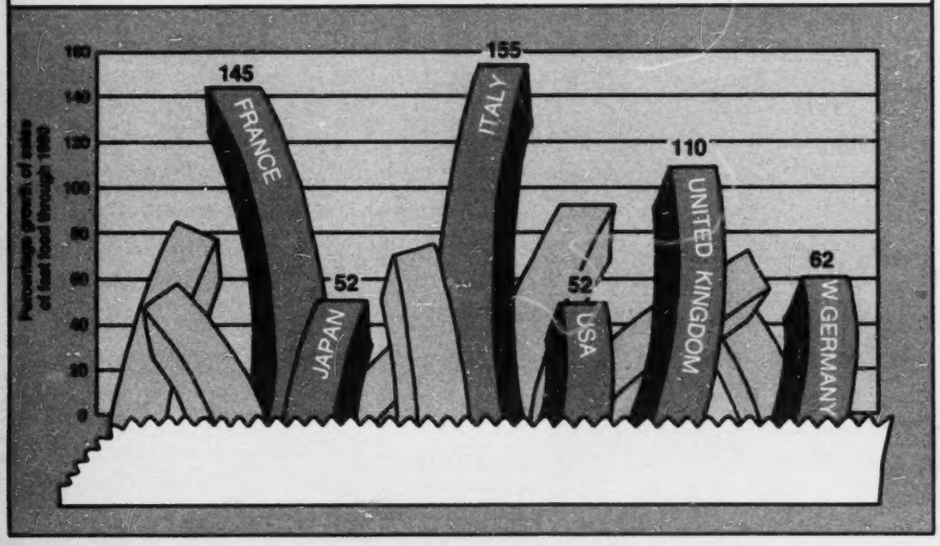
TOKYO—Japan Victor will introduce in February in Japan a low-cost, light-weight video recorder movie camera, called GR-C7. It will hit the U.S. this spring under the JVC label. Dentsu is Victor's agency.

MILAN—Saatchi & Saatchi-Compton picked up the $1.5 million Tuborg beer account. No previous agency.

BANGKOK—Thai Airways moved the creative part of its domestic account to BBDO affiliate Thai Image from in-house.

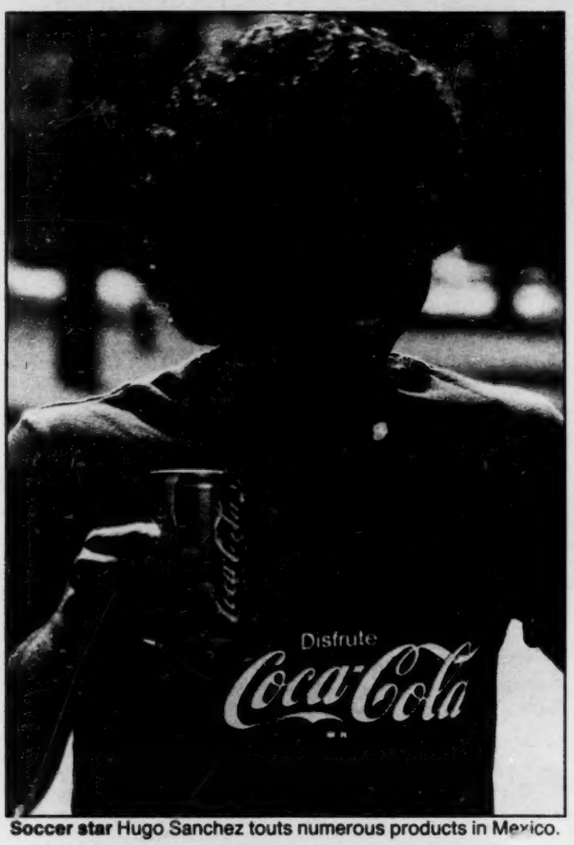
Fast-food's global growth, 1984-1990

Fast-food sales growth in Italy, France, the United Kingdom and West Germany is expected to outpace U.S.through 1990, with the strongest demand for Mexican, oriental and "health" foods. But the U.S. remains the fast-food leader with a projected $60 billion in sales by 1990. Japan is next with $2.8 billion and the U.K. third with $1.93 billion. Source: Euromonitor (London).



Europeans catching fast-food fever

Fast-food popularity is growing at such a pace that it could revolutionize European eating habits over the next decade, according to Euromonitor, a market research organization. Statistics show that fast-food operations outside the U.S. are heavily dominated by American chain or franchise operations.



Soccer star Hugo Sanchez touts numerous products in Mexico.

Soccer star shines in ads

By STEPHEN DOWNER

MEXICO CITY—The U.S. may have William (The Refrigerator) Perry, but Mexico has Hugo Sanchez.

Mr. Sanchez is neither as physically imposing as the Chicago Bears' Mr. Perry, nor does he play football. But like the 'Fridge, Mr. Sanchez, a soccer star, is the hottest athlete in Mexico when it comes to product endorsements.

His endorsements have been so extensive that even those who are not familiar with Mr. Sanchez' soccer prowess know him from his appearances in ads for Coca-Cola Co., Ford Motor Co., Richardson-Vick's, Adidas and his own clothing line.

This year, Mr. Sanchez will appear in Coke ads in the U.S. in eight states with heavy Hispanic populations, according to his business manager Jorge Berlanga. Mr. Berlanga estimated his client earns "at least $1 million a year" from endorsements.

A Mexican native who began his career with a minor-league soccer team here, Mr. Sanchez later graduated to the major leagues and played with a local team called Universidad. In 1978 he began playing for Mexico's national soccer team and in 1980 he moved to Spain to play for Atletico Madrid, a popular professional team. He played there for four years, scoring more goals than any other soccer player in Spain.

Last year, the 27-year-old Mr. Sanchez signed a five-year contract with Real Madrid, one of the world's most famous pro soccer teams. This season he is the team's leading scorer.

Real Madrid, the leading Spanish team, paid $2.5 million for the rights to purchase Mr. Sanchez from Atletico Madrid, but Mr. Berlanga declined to divulge his client's annual soccer salary.

The transfer to the prestigious Real Madrid team turned Mr. Sanchez into an idol in his homeland, a country known for its passionate soccer fans.

In addition to his endorsements, Mr. Sanchez comments on Spanish soccer every week for Televisa, Mexico's largest tv network, which transmits all Real Madrid games live.

Ad executives also say that Mr. Sanchez is easier to work with than most professional athletes.

"He is very smart," said Marco Antonio Bravo, creative director for J. Walter Thompson de Mexico, which handles Ford. "He thinks. He doesn't just open his mouth. In many cases youngsters are so good at games at school that they forget their formal education. He didn't."

Indeed, Mr. Sanchez is unique among Mexican athletes. Aside from soccer, he has a degree in dentistry and practices twice a week at a Madrid clinic.

But some say the extent of Mr. Sanchez' exposure to the Mexican

(Continued on Page 41)

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

January

	Pages Jan. 1986	Jan. 1985
— Art & antiques —		
American Artist	80.1	68.4
Antiques	—	—
Art in America	—	—
Southwest Art	56.2	69.5
Total Group	**136.3**	**137.9**
% change		**– 1.2%**
— Auto/cycle/rec. vehicles —		
Autoweek (52X)	—	—
Car & Driver	117.2	110.6
Car Collector & Car Classics	14.3	21.0
Car Craft	—	—
Cycle	28.7	32.3
Cycle Guide (11X)	—	—
Cycle World	37.7	39.1
Dirt Rider	—	—
Dune Buggies & Hot VWs	92.1	76.1
Family Motor Coaching	177.7	176.7
Four Wheeler	74.5	70.3
Hot Rod	—	—
Motorcyclist	—	—
Motorhome Life	84.9	94.7
Rider	29.2	33.3
Road & Track	79.9	96.3
3 Wheeling	64.9	46.6
Trailer Life	101.5	107.8
Total Group	**902.6**	**904.8**
% change		**– 0.2%**
— Boating & yachting —		
Boating	161.0	145.8
Chesapeake Bay	30.0	26.1
Cruising World	111.5	124.4
Lakeland Boating (10X)	59.5	60.7
Motor Boating & Sailing	232.9	215.1
Sail	103.5	118.6
Sea	—	—
Small Boat Journal	—	—
Trailer Boats	40.5	29.5
Western Boatman	54.7	54.1
Yachting	190.9	216.4
Total Group	**984.5**	**990.7**
% change		**– 0.6%**
— Canadian —		
L'Actualite	51.3	27.2
Chatelaine		
English Edition A.	61.4	60.9
French Edition	51.1	43.5
City Woman (5X)	—	—
City and Country Home	—	—
Equinox (6X)	—	—
Financial Post A.	31.1	30.0
Flare A.	27.5	37.4
Homemaker's (10X)	—	—
Madam Au Foyer (10X)	—	—
Macleans (52X) A.	71.5	75.3
Montreal Magazine (10X)	22.0	35.8
Montreal Ce Mois Ci	23.0	35.8
Reader's Digest		
Canadian-English A.	77.3	81.9
Canadian-French A.	68.5	92.9
Toronto Life	61.5	61.1
Vancouver	—	—
Total Group	**546.2**	**581.8**
% change		**– 6.1%**
— Civic/fraternal —		
American Legion	28.9	28.7
Elks (10X)	20.1	25.5
Kiwanis	16.9	13.6
Lion (10X)	7.3	6.7
Rotarian	11.0	13.6
V.F.W. (11X)	30.1	23.9
Total Group	**114.3**	**112.0**
% change		**+ 2.1%**
— Comics —		
DC Comics	7.0	9.0
Marvel Comics Group	7.0	4.5
Total Group	**14.0**	**13.5**
% change		**+ 3.7%**
— General —		
American Health (10X)	56.5	42.2
American West (6X)	50.5	25.5
The Atlantic A.	39.3	36.7
Audubon Magazine (6X)	30.3	30.9
Bon Appetit A.	57.0	56.2
Changing Times	49.1	35.4
Connoisseur	45.3	42.1
Consumers Digest (8X)	—	—
Ebony	70.5	63.9
Fifty Plus	41.4	34.3
Food & Wine	33.3	33.9
Games	22.5	16.9
Gourmet	—	—
Home Entertainment	36.3	29.0
Harper's Magazine A.	23.5	27.2
Life	68.5	77.8
Modern Maturity	—	45.6
Money	98.2	95.4
Moneysworth (4X)	7.2	13.8
Mother Earth News (6X)	53.3	53.0
Mother Jones (9X)	22.2	13.3
National Geographic	—	—
Natural History	51.0	43.2
Prevention	59.6	64.6
Psychology Today	19.4	26.7
Reader's Digest A.	71.8	51.3
Saturday Evening Post (9X)	38.2	30.7
Signature	52.0	39.1
Smithsonian	85.8	68.0
Success B.	60.2	53.1
Sylvia Porter's Personal Finance (6X)	—	—
Town & Country	86.5	86.9
Travel-Holiday	34.5	37.3
Travel & Leisure	86.7	59.3
Vanity Fair	37.0	28.2
Writer's Digest	19.6	23.5
Yankee	74.4	71.4
Total Group	**1,581.6**	**1,456.4**
% change		**+ 8.6%**
— Home —		
Americana (6X)	—	—
Architectural Digest A.	103.5	75.6
Better Homes & Gardens	63.2	65.4
Colonial Homes (6X)	52.4	46.1
Country Home	38.5	30.6
Country Journal	19.8	37.2
Country Living	62.2	57.3
Dallas/Ft. Worth Home & Garden	82.3	54.7
Family Handyman (10X) A.	57.9	61.6
Flower & Garden (6X)	—	—
Home	—	—
The Homeowner (10X)	35.2	32.5
House Beautiful	55.2	58.5
House & Garden	61.1	67.8
Houston Home/Garden	54.0	73.0
Metropolitan Home	32.3	38.7
New Shelter (9X)	43.5	51.7
1,001 Home Ideas	33.9	25.8
Phoenix Home/Garden	56.0	63.5
Rodale's Organic Gardening	76.7	69.7
Rx Being Well	22.0	19.0
San Diego Home/Garden	73.0	57.0
South Florida Home/Garden	—	—
Southern Accents (6X)	108.8	74.4
Southern Living	95.4	80.0
Sunset Magazine A.	96.0	84.2
Texas Homes	83.0	94.2
Workbench (6X)	51.2	56.8
Total Group	**1,457.1**	**1,375.3**
% change		**+ 5.9%**
— In-flight & other passenger —		
Aboard Group (6X)	—	—
Alaska Airlines	58.3	38.6
American Way (26X)	92.1	86.5
East/West Network:		
Eastern Review	89.8	84.2
Frontier	39.5	26.3
Northwest Orient	45.2	34.2
Ozark	46.5	34.3
PSA Magazine	88.5	66.0
Pan Am Clipper	50.2	55.0
Republic Scene	46.6	43.2
Spirit	85.5	53.3
United	85.6	78.7
Western's World	63.8	44.3
Halsey Publications:		
Air Cal	42.3	39.3
Delta Sky	62.3	56.3
USAir	34.8	39.7
People's Expressions	31.0	0.0
Hawaii (6X)	20.8	23.7
Pace	59.8	53.0
Spirit of Aloha (6X)	20.3	23.6
TWA Ambassador	41.3	39.0
Total Group	**1,104.2**	**919.2**
% change		**+ 20.1%**
— Men's —		
Esquire A.	43.6	43.3
Firehouse Magazine (13X)	41.6	43.3
Gentlemen's Quarterly A.	56.8	58.5
M Magazine	26.3	28.0
Penthouse A.	46.3	51.9
Playboy A.	72.5	93.9
Total Group	**287.1**	**318.9**
% change		**– 10.0%**
— Metropolitan —		
Aloha (6X)	25.2	28.2
Atlanta	46.9	50.7
Baltimore	56.5	58.5
Boston	131.7	145.8
California	99.7	55.8
Chicago	82.8	97.3
Chicago's North Shore	77.8	81.2
Cincinnati	52.9	56.4
Cleveland	60.3	74.2
Columbus Monthly	50.2	75.6
Connecticut	83.4	72.9
D/Magazine, Dallas/Ft. Worth	112.0	116.0
Denver	32.2	18.5
Detroit Monthly	144.6	51.1
Grand Rapids	66.2	36.0
Gulfshore Life (10X)	—	—
Honolulu	58.5	79.1
Houston City	40.7	72.0
Indianapolis	39.4	32.5
Kansas City	19.9	31.4
Los Angeles	126.3	143.5
Louisiana Life (6X)	—	—
Madison	60.0	80.0
Metropolitan Detroit	49.0	76.5
Miami Mensual	51.8	40.5
Miami/South Florida	89.0	99.6
Mid Atlantic Country	24.5	28.8
Milwaukee	47.3	54.3
Minneapolis/St. Paul	64.8	112.0
Nashville	51.0	28.0
New England Monthly	43.2	39.8
New Jersey Monthly	62.9	54.8
New Mexico	42.9	58.5
Ohio	60.5	52.8
Oregon	—	—
Orlando	97.5	98.0
Palm Beach Life	94.0	118.1
Palm Springs Life	—	—
Philadelphia	113.3	102.0
Phoenix	103.4	117.2
Pittsburgh	38.2	48.8
St. Louis	38.7	53.0
San Diego	126.4	163.8
San Francisco	—	—
San Francisco Focus	91.9	74.7
Texas Monthly	194.5	91.7
Twin Cities	39.9	65.3
Ultra	43.2	52.4
Washington Dosier (11X)	46.5	66.1
The Washingtonian	112.0	147.0
The Virginian (6X)	58.5	58.0
Total Group	**3,252.1**	**2,358.4**
% change		**– 3.2%**
— Movie/romance/-radio/tv —		
Macfadden's Women's Group:		
Modern Romances	16.5	14.0
Secrets	16.5	14.0
True Confessions	16.5	14.0
True Experience	16.5	14.0
True Love	16.5	14.0
True Romance	16.5	14.0
Sterling Women's Group:		
Daytime TV	23.8	28.5
Modern Screen	—	—
Movie Mirror (6X)	—	—
Soap Opera Stars	—	—
TV Movie Screen (6X)	—	—
TV Picture Life (6X)	—	—
Total Group	**122.8**	**112.5**
% change		**+ 9.2%**
— Music/entertainment —		
American Film (10X)	—	—
Audio	94.5	105.5
Circus Magazine	34.5	45.0
Dance Magazine	53.9	56.1
Musician	54.8	48.7
Playbill	38.5	43.6
Record	—	—
Stereo Review	58.6	47.2
Video Magazine	86.3	78.2
Video Review	62.0	63.0
Total Group	**483.1**	**487.3**
% change		**– 0.9%**
— National Sunday magazines —		
Parade (52X)	46.8	47.1
Total Group	**46.8**	**47.1**
% change		**– 0.6%**
— Outdoor & sport —		
Alaska	35.9	53.6
The American Handgunner (6X)	35.0	33.0
American Hunter	22.1	15.2
American Rifleman	28.1	26.7
Backpacker (6X)	23.1	25.3
Bass Master (9X) A.	50.6	47.4
Bicycling (10X)	60.1	80.7
Duck's Unlimited	28.8	20.5
Equus	53.8	52.4
Field & Stream	62.4	55.0
Fins & Feathers A.	31.9	—
Fishing World	33.1	30.1
Florida Sportsman	—	—
Flying	34.2	39.9
Fur-Fish-Game	—	—
Golf Digest	97.6	107.4
Golf Magazine	135.3	137.5
Guns	29.0	21.0
Handgunner	35.0	33.0
In-Fisherman (6X)	67.5	48.0
Muscle & Fitness	107.7	103.3
Outdoor Life	62.5	43.2
Outside Magazine	30.3	28.6
Runner's World (12X)	28.2	33.0
The Runner	25.8	27.0
Salt Water Sportsman	161.4	76.1
Sierra	36.1	30.9
Shooting Times	53.5	27.8
Ski (8X) A.	115.8	75.5
Skiing (7X)	84.7	87.8
Skin Diver	—	—
Southern Outdoors (9X)	39.0	38.1
Sport	31.2	36.5
Sports Afield	73.2	61.0
Tennis	40.5	51.1
Western Outdoors (10X)	35.3	30.3
Total Group	**1,788.5**	**1,577.7**
% change		**+ 13.4%**
— Photography —		
American Photographer	34.3	38.7
Petersen's Photographic	—	—
Popular Photography	65.1	89.2
Total Group	**99.4**	**127.9**
% change		**– 22.3%**
— Religious —		
Christian Herald (11X)	29.8	33.3
Christian Life	22.6	24.9
Christianity Today (18X)	50.0	47.2
Inside (4X)	—	—
Moody Monthly (11X)	47.7	50.7
Total Group	**150.1**	**156.1**
% change		**– 3.8%**
— Science/electronic/-mechanic —		
Creative Computing	—	—
Discover	37.3	34.7
Family Computing	54.3	62.5
Home Mechanix	55.8	59.0
Info World (52X)	98.0	201.0
Omni	45.1	46.4
Personal Computing	111.3	154.4
Popular Mechanics	81.5	81.9
Popular Digest	68.2	49.7
Science Digest	16.4	31.7
Science '85 (10X)	—	—
Scientific American	33.4	46.4
Spectrum	106.3	113.9
Total Group	**707.6**	**881.6**
% change		**– 19.7%**
— Woman/fashion/-service —		
Bride's Magazine (6X) A.	512.5	497.7
Cosmopolitan A.	154.6	137.8
Essence	—	—
Family Circle (17X) A.	101.5	98.0
Family Magazine	30.0	30.0
Glamour	103.6	97.6
Good Housekeeping A.	105.4	98.7
Harper's Bazaar	—	—
Health	41.5	32.0
Ladies' Home Journal	75.0	85.4
Mademoiselle	51.8	56.9
McCall's	60.0	73.2
Military Lifestyle (10X)	57.5	26.5
Modern Bride (6X)	484.8	488.5
Ms.	39.7	49.1
New Woman	46.2	33.6
Parents Magazine A.	64.5	66.9
Playgirl	33.3	37.1
Redbook	71.3	69.1
Self	57.0	56.2
Seventeen	61.9	54.9
Shape	59.9	44.6
Soap Opera Digest (26X)	—	—
'Teen Magazine	—	—
True Story A.	34.6	28.8
Vogue	126.7	141.0
W Magazine	63.1	67.5
Weight Watchers	30.7	19.7
Woman's Day (16X) A.	81.9	63.9
The Workbasket (10X)	41.8	37.3
Working Mother	52.6	60.4
Working Woman	80.5	73.5
Total Group	**2,723.9**	**2,625.9**
% change		**+ 3.7%**
— Youth —		
Boys' Life	14.2	13.4
Campus Life (10X)	56.8	68.6
Total Group	**71.0**	**82.0**
% change		**– 11.2%**

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Nei. except Los Angeles Times Home Magazine and New York Times Magazine.

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December

	Current month 1985	Current month 1984	Year-to-date 1985	Year-to-date 1984
— Business —				
Advantage	50.1	38.0	615.0	648.0
Arizona Bus. Gazette (52X)	37.8	39.2	368.5	320.2
Atlanta Bus. Chronicle (52X)	77.4	36.9	714.3	560.7
Austin Bus. Journal (52X)	54.7	50.2	548.2	694.4
Baltimore Bus. Journal	173.0	70.0	951.5	769.1
Barron's (52X)	193.6	176.2	2,307.1	2,350.2
Boston Bus. Journal (52X)	—	—	—	—
Business Atlanta	90.0	81.5	841.4	723.4
Business First of Buffalo	64.4	76.3	742.2	152.6
Business First of Columbus	73.9	—	819.5	—
Business North Carolina	34.8	23.8	—	—
Business Week (52X) A.	396.3	432.8	4,214.6	4,971.6
California Business	—	—	—	—
Capitol District Business Review (25X)	—	—	—	—
Corporate Report/-Kansas City	50.9	65.8	547.6	747.0
Corporate Report/Minnesota	77.8	68.5	1,120.1	1,022.0
Crain's Chicago Bus. (52X)	154.9	120.0	1,945.6	1,630.0
Crain's Cleveland Bus. (52X)	62.0	57.1	813.7	895.8
Dallas/Ft. Worth Bus. (52X)	—	—	—	—
Dun's Business Month	56.0	42.0	817.0	612.0
Financial World (24X)	42.0	39.0	530.5	389.0
Florida Trend (13X)	—	62.7	—	1,091.7
Forbes (26X)	395.7	427.7	3,711.2	3,832.9
Fortune (26X) A.	263.6	305.7	3,272.5	3,486.3
Frequent Flyer	54.5	52.3	762.1	705.3
Futures (13X)	44.4	42.5	660.4	659.5
Grand Rapids Bus. Journal	20.6	7.8	233.5	84.4
Hawaii Business	53.4	46.9	595.2	608.2
High Technology	17.2	37.2	346.8	410.6
Houston Bus. Journal (52X)	168.0	192.0	1,713.6	2,015.1
Inc. Magazine A.	—	—	—	—
Income Opportunities	—	—	—	—
Industry Week (25X) A.	61.0	73.6	1,077.1	1,337.1
Indianapolis Bus. Journal (52X)	102.3	89.9	1,471.3	1,352.6
Kansas City Bus. Journal	137.6	161.0	1,771.8	1,644.2
Milwaukee Bus. Journal (52X)	130.3	97.1	1,279.9	1,039.3
Minnesota Bus. Journal	38.7	44.1	584.4	601.8
Nation's Business A.	—	—	—	—
New England Business (20X)	40.2	59.8	1,082.0	878.2
Pacific Business News (52X)	127.8	88.6	1,365.6	1,196.2
Philadelphia Bus. Journal (52X)	113.6	107.3	1,217.3	1,098.9
Pittsburgh Bus. Times (52X)	45.5	111.4	664.3	973.5
Regardie's	87.5	81.5	—	—
San Jose Bus. Journal (52X)	—	—	—	—
Savvy	—	—	—	—
St. Louis Bus. Journal (52X)	150.1	161.6	1,747.4	1,721.6
South Florida Bus. Journal	105.8	73.7	1,122.2	823.1
Texas Business	—	—	—	—
Venture	87.5	87.0	900.6	1,054.6
Total Group	**3,934.9**	**3,828.7**	**43,476.0**	**43,101.1**
% change		**+ 2.8%**		**+ 0.9%**
— Newspaper Sunday magazines —				
Arizona Republic	—	—	—	—
Boston Globe	246.6	181.4	2,453.6	2,268.6
California Living	—	—	—	—
Chicago Tribune	138.7	113.1	—	—
Cleveland Plain Dealer	66.2	57.2	618.8	704.1
Columbus Dispatch	91.9	45.0	624.9	599.6
Denver Post	—	—	—	—
Detroit News	168.0	184.0	1,636.0	1,686.0
L.A. Times Home Magazine	181.0	296.0	1,046.0	1,310.0
Louisville Courier-Journal	118.0	99.6	964.3	940.6
Miami Herald	81.1	57.1	560.5	622.4
New York News	—	—	—	—
New York Times Magazine	375.9	406.8	4,345.3	4,682.5
Philadelphia Inquirer	121.1	125.6	649.0	800.6
Seattle Times	116.0	46.0	680.0	289.0
Toledo Blade Magazine	74.8	58.2	571.1	625.6
Washington Post	124.2	151.3	1,405.3	1,385.5
Total Group	**1,903.5**	**1,821.3**	**15,554.8**	**15,864.5**
% change		**+ 4.5%**		**– 2.1%**
— Weeklies/bi-weeklies —				
The Advocate (26X)	68.6	43.2	1,245.0	1,220.3
Army Times Military Group:				
Air Force Times (52X)	184.2	165.5	1,963.1	1,864.9
Army Times (52X)	177.7	160.0	1,949.1	1,790.1
Navy Times (52X)	189.5	169.9	2,068.8	1,991.3
The Times Magazine	0.2	3.2	112.5	172.3
The Blood-Horse (52X)	1,790.5	2,080.5	6,619.3	7,048.9
Capper's Weekly (26X)	13.1	12.2	307.0	298.0
Commonweal (22X)	1.8	1.5	81.2	79.9
Golf World (43X)	—	—	—	—
Grit (52X) A.	13.3	11.1	236.2	258.8
National Journal (50X)	—	—	—	—
National Review (25X)	35.2	17.1	336.5	318.8
New Republic (48X)	51.9	57.8	418.0	398.9
New York Magazine (50X)	412.5	362.9	3,121.3	2,955.3
New Yorker (52X)	336.1	380.4	2,989.9	3,529.3
Newsweek (52X) A.	281.5	258.6	2,715.7	3,010.1
People (52X)	496.7	447.3	3,863.8	4,060.5
Rolling Stone (25X)	159.6	131.7	1,174.8	1,085.6
Sporting News (52X)	31.2	37.1	547.8	578.0
Sports Illustrated (52X) A.	250.2	217.5	2,784.3	3,031.7
Time (52X) A.	288.1	264.2	2,690.9	2,821.6
TV Guide (52X) A.	243.4	303.8	3,669.9	3,799.3
TV Update (52X) C.	2,562.0	2,626.0	30,747.0	26,499.0
Us Magazine (26X)	42.4	18.4	—	—
U.S. News & World Report (52X) A.	247.6	178.1	1,776.1	1,758.0
Total Group	**7,847.3**	**7,948.0**	**71,358.1**	**68,570.3**
% change		**– 1.3%**		**+ 4.1%**
— Foreign —				
Business Week Int'l (52X)	178.2	176.9	1,685.8	1,733.9
Cosmopolitan en Espanol:				
Central America	7.3	8.3	26.5	26.3
Colombia	34.5	23.8	198.7	152.8
Ecuador	3.0	2.0	8.0	7.0
Mexico	81.3	122.1	597.0	684.0
Peru	6.0	7.0	33.0	39.5
Puerto Rico	40.0	51.3	284.0	347.0
U.S. (Spanish language)	35.2	23.8	241.3	242.0
Venezuela	44.8	49.3	327.8	265.8
Cosmopolitan Foreign Editions:				
Australia	107.7	106.9	875.1	826.4
Brazil	94.5	53.0	607.6	503.2
China	53.5	24.0	403.9	—
France	99.5	112.3	1,179.2	1,500.4
Germany	127.7	118.8	1,248.7	1,142.5
Great Britain	155.0	129.0	1,492.0	1,440.0
Greece	55.0	96.0	622.4	670.0
Holland	107.0	79.0	853.3	672.0
Italy	67.3	58.0	626.9	662.5
Japan	58.6	35.6	465.9	382.6
Good Housekeeping Foreign Editions:				
Australia	35.9	29.4	623.7	394.1
Great Britain	155.0	167.3	1,624.5	1,635.1
Japan	103.0	86.5	—	884.9
Mexico	79.7	85.0	535.8	561.7
Puerto Rico	6.5	15.3	104.0	169.2
Venezuela	55.2	62.3	435.5	379.8
Colombia	63.0	65.3	437.7	437.5
Peru	17.5	19.0	140.5	210.7
Central America	3.0	7.0	13.0	25.5
Chile	1.0	6.0	11.0	16.0
Ecuador	18.0	24.0	196.0	166.5
Geomundo:				
Central America	9.0	11.0	68.5	81.3
Chile	6.0	9.5	64.5	75.8
Colombia	16.0	14.0	122.5	123.7
Ecuador	6.0	9.0	54.0	54.0
Mexico	12.5	14.0	114.0	111.3
Peru	5.0	5.5	58.5	68.8
Puerto Rico	3.0	4.5	37.0	36.8
Venezuela	10.0	13.0	118.5	130.3
Hombre De Mundo:				
Central America	12.0	12.2	59.5	90.2
Chile	8.0	10.2	59.5	84.2
Colombia	31.3	19.3	144.3	136.0
Ecuador	9.0	11.2	56.0	64.2
Mexico	29.2	38.7	167.3	225.0
Peru	6.0	6.2	42.5	72.2
Puerto Rico	11.0	16.2	84.0	113.2
Venezuela	45.5	32.2	289.3	237.7
Ideas Para Su Hogar:				
Central America	—	1.0	—	2.5
Chile	—	1.0	—	2.0
Colombia	27.2	41.7	205.3	266.3
Ecuador	2.0	10.0	61.0	62.5
Mexico	31.2	25.2	150.3	143.3
Peru	2.5	8.0	29.5	75.0
Puerto Rico	1.0	2.5	11.5	14.5
Venezuela	23.0	37.3	227.8	252.8
International Communications:				
The Middle East	—	—	—	—
International Management:				
Africa	—	—	—	—
Europe	—	—	—	—
Latin America	—	—	—	—
Middle East	—	—	—	—
Pacific	—	—	—	—
Johnston International:				
Alam Attijarat	51.7	45.5	564.4	683.5
Modern Africa (6X)	25.3	39.0	88.8	156.1
Modern Asia (11X)	45.1	26.5	406.1	387.2
Mecanica Popular:				
Argentina	7.2	6.2	25.2	64.0
Central America	12.0	20.2	115.8	162.5
Chile	6.3	10.8	42.2	82.3
Colombia	27.8	28.0	188.5	196.8
Mexico	19.7	22.3	183.3	174.5
Peru	10.8	25.5	132.5	196.2
Puerto Rico	9.5	21.2	108.8	176.2
Venezuela	21.0	22.7	165.2	206.2
Newsweek International A.:				
Atlantic (52X)	—	—	—	—
Latin America (52X)	—	—	—	—
Pacific (52X)	—	—	—	—
Reader's Digest:				
Arabic	10.5	12.0	108.5	107.5
Asian	288.0	298.0	2,639.0	2,366.0
Australian	51.0	59.5	675.5	865.8
Belgian-Flemish	77.0	90.0	990.0	1,009.5
Belgian-French	46.0	58.5	612.0	664.5
British	51.9	57.9	562.2	666.8
Chinese	222.0	206.0	1,547.5	1,355.2
Danish	16.0	23.5	363.8	377.8
Dutch	48.5	52.5	532.3	490.8
Finnish	16.5	26.5	479.2	488.5
French	16.0	25.1	464.6	538.3
German	70.6	61.5	794.2	811.3
Greek	0.0	6.0	65.5	98.0
Iberian	0.5	11.0	38.0	199.0
Indian-English	103.0	95.0	1,095.0	880.0
Indian-Hindi	8.5	10.0	132.5	83.0
Italian	36.0	57.5	411.0	428.5
Japanese	38.4	66.4	495.3	553.3
Korean	32.8	17.0	315.6	273.0
Latin American:				
Argentina	17.0	29.0	206.5	256.5
Brazil	5.0	5.0	53.5	40.5
Central American	10.0	11.0	100.0	118.5
Chile	21.5	15.0	141.0	143.5
Colombia	37.0	47.5	341.0	399.5
Ecuador	11.5	9.0	103.5	101.5
Peru	12.5	12.0	118.0	118.5
Mexico	73.7	78.4	610.5	642.0
Puerto Rico	5.5	5.0	56.0	64.5
U.P.B.	12.5	11.0	91.0	96.0
U.S. Spanish	13.5	13.5	124.0	139.0
Venezuela	10.5	14.5	121.5	139.0
New Zealand	56.5	86.5	672.5	1,055.6
Norwegian	12.5	27.0	208.9	443.2
South African	56.0	82.5	1,066.0	1,183.8
Swedish	22.5	9.5	223.0	118.0
Swiss-French	28.0	34.0	317.1	322.6
Swiss-German	39.0	42.0	437.4	419.0
The Ring en Espanol:				
Mexico	—	—	—	—
Puerto Rico	—	—	—	—
U.S.	—	—	—	—
Venezuela	—	—	—	—
Time International:				
Time-Asia	118.0	104.4	1,061.2	1,109.8
Time-Atlantic	119.0	128.9	1,287.0	1,322.2
Time-Canada	213.6	177.4	2,200.8	2,243.4
Time-Latin America	63.3	63.1	574.8	604.7
Time-South Pacific	102.0	124.7	1,401.2	1,460.0
Vanidades Continental:				
Central America	26.5	21.8	142.3	110.0
Chile	5.3	9.3	40.0	41.0
Colombia	131.7	117.5	971.8	870.5
Progreso	—	10.5	—	113.8
Visoa (52X)	—	187.5	—	1,727.4
Vison/Latin America (26X) A.	—	31.4	—	332.8
Total Group	**4,792.0**	**5,208.3**	**45,139.6**	**49,184.1**
% change		**– 8.0%**		**– 8.2%**

NARB

(Continued from Page 12)

pled. NAD agreed these new amounts were sufficient to include listing in the total nutrient count.

Regarding the NAD's iron-content query, the advertiser proved that the 50mgs iron in the daily dosage meets the 25-to-75mgs range accepted by authorities as safe.

The advertiser also showed NAD published articles stating that the trace minerals nickel, silicon, tin and vanadium are essential for some animals, and likely to be found essential for humans. The advertiser also produced, at NAD's request, a survey of literature featuring quantitative studies that would support the inclusion of nickel and silicon.

The advertiser said its claims in advertising and labeling will be modified based upon a total count of 28 nutrients, including nickel and silicon and excluding tin and vanadium.

In connection with NAD's concerns for performance claims made by Los Angeles-based **Beverly Hills Beauty Factory's** Magic Mud Formula in advertising created by David Geller & Associates, the company informed NAD that it has dropped the claims in dispute rather than go through an NARB panel review.

Hlavin Cosmetics, imported by Micro Balanced Products, Tenafly, N.J., in ads for Lavilin Long Life deodorant and foot deodorant (in-house), claimed that one application would eliminate perspiration odor for 7 to 15 days and that Lavilin lasts long after showering has washed it away. Advertising also referred to products containing aluminum, saying that the substance is believed "by medical experts to be potentially hazardous because of its connection to Alzheimer's disease." NAD questioned features in the design and execution of practical use studies used to support the claims and also objected to a lack of substantiation for claims for Lavilin foot deodorant or the references to the hazards of aluminum-based products. Subsequently, the company withdrew the claims for Lavilin foot deodorant and is also reformulating Lavilin Long Life deodorant.

Beneficial Corp., Wilmington, Del., in a direct-mail promotion (BBDO Direct, New York) for MasterCard and Visa credit-card accounts, ran a headline and copy featuring the claim, "There's no annual fee." NAD reported, however, a detailed description in the brochure noted that customers were subject to a $1.50 monthly service charge whenever they used the cards.

NAD said that prominent use of the claim, "There's no annual fee," detached from any further explanation of the charges, could be confusing. Beneficial responded that any future campaigns would not include the mailing piece and that the fee claim would not be used unless accompanied by an explanation.

Coleco Industries, West Hartford, Conn. (Richard & Edward's, New York), for its Sectaurs action figures: Children's Advertising Review Unit questioned whether the figures could perform all the movements depicted and also cited the absence of audio or video statements indicating purchase requirements in its 13 "episodic" tv spots promoting the figures with cliffhanger storylines as well as in other Sectaurs spots. Having tested actual samples of the figures, CARU found that "most," but not all, movements could be duplicated by children. Coleco agreed to add disclosure audio copy.

Matchbox Toys (USA) Ltd., Moonachie, N.J. (via Ciociola & Co., New York), for its "Robotech" action figure assortment: CARU, concerned about the lack of audio or video statements indicating whether the depicted figures shown in one tv spot were sold together or separately, was told that Matchbox will add the necessary disclosure copy.

Play Jour Inc., New York (via Richard & Edward's), for Capsela construction sets: CARU, singling out a tv spot in which two boys assembled parts from two Capsela boxes and in which completed motorized vehicles and a remote-control device were shown, felt the commercial did not make it clear to youngsters "which sets were needed to construct the featured vehicles" or whether the remote-control device required an added purchase. The advertiser, while maintaining the commercial was meant to show the line's flexibility, agreed to clarify future spots. Play Jour added that the remote-control unit could be used interchangeably with other Capsela products.

Service Merchandise Co., Brentwood, Tenn., via its in-house agency, Standard House Agency, Nashville, advertised a fully assembled, 10-speed bicycle in a flyer with a product description that said "Your cost: $69.94." The flyer was brought to NAD by a consumer who later found there was an additional charge for assembly. Service Merchandise provided NAD with a copy of its current catalog, which discloses that bicycles are sold in cartons and that there is an additional charge for assembly. The company explained the omission of the disclosure in the flyer was an oversight and it would notify its merchandising and ad departments of the importance of the disclosure in all advertising.

Kransco, San Francisco, in magazine ads for Hydroflex Swim Machine (in-house), claimed, "In 10 minutes you can get the equivalent exercise of swimming 50 laps," and "Hydroflex can be used in any pool, above-ground or in-ground, 12 ft. or longer."

The advertiser told NAD the operation is based on "tethered swimming," a common form of swimming workout. A study commissioned by Kransco showed that a well conditioned swimmer could swim as much as 775 meters in 10 minutes, depending on his work level. Even at a low work level, the advertiser said, a swimmer would do the equivalent of 55 laps in an average, 35-ft. backyard pool.

NAD felt that potential purchasers might understand the claim to mean 50 laps in a standard competition-size pool (75 ft. or 82 ft. long) could be achieved in 10 minutes. The advertiser then agreed to modify the claim.#

Beer

(Continued from Page 4)

share. That could mean the shift of ad dollars from national to local marketing programs."

Hot markets, Mr. Goldman said, will include Boston, which Golden, Colo.-based Adolph Coors Co. entered last year to grab a surprisingly strong share; Detroit, Stroh Brewery's hometown, which Coors will enter this year; Chicago, where LaCrosse, Wis.-based G. Heileman Brewing is struggling to hold its lead against better-funded assaults from St. Louis-based Anheuser-Busch and Milwaukee-based Miller Brewing, and Los Angeles, where Coors is trying to regain its past sales strength.

One such assault, the "Made the American Way" campaign on behalf of Miller High Life, has garnered most attention in the ad world. Analysts say it's helping to slow that brand's decline.

Through selective price increases on premium brands and heavier promotion of lower-price popular and budget brands, the beer battle may be fought on a city-by-city, even store-by-store, basis, analysts say.

Pabst Brewing, Milwaukee, already has begun shipping a new low-price beer, Steinbrau (AA, Jan. 13), that it can promote to prop up its fading Pabst Blue Ribbon brand. In April, Stroh will launch a $2 million campaign for its Schaefer brand, via MCA Advertising, New York, themed "The one for fun." Heavy attention to low-price brands from A-B, Miller and Heileman is expected.

Stroh officials forecast that the price-beer segment (sold even below popular-price brands) could grow from 14 million bbls. in 1985 to 20 million bbls. by 1990, a 40% increase since 1982. Rollout of Stroh's Schaefer brand was completed in February, 1985, and sales for the year were up 9.5% to more than 4 million bbls.

Of course, the real focus of brewers' marketing plans will continue to be A-B, whose sales and over-all share continued to increase last year. Mr. Goldman estimates 1985 sales for A-B at 67.8 million bbls., up 3.8 million bbls. in an industry that grew barely more than 2 million bbls.

A-B's growth has come at the expense of No. 2 competitor Miller (down an estimated 1.3% to 37 million bbls. in 1985); Stroh (down 2.1% to 23.4 million bbls.); Heileman (down 4.2% to 16.1 million bbls.), and Pabst (down 19.8% to 9.3 million bbls.). Only for A-B competitor Coors does Mr. Goldman estimate a barrelage increase last year (up 11.4% to 14.7 million bbls.), and that is largely because of increased marketing territory.

A-B's flagship Budweiser brand, which alone accounts for better than 25% of total domestic-beer sales, is the only brand in the premium-price category (about 46% of the total market) that didn't receive a major national advertising overhaul in the past 18 months. Agency D'Arcy Masius Benton & Bowles, St. Louis, recently added a new musical score to Bud spots, but the "This Bud's for you" theme and you've-earned-it positioning remain intact.

Miller High Life, the No. 2 premium brand, has gotten a new agency (J. Walter Thompson USA, New York) and a new campaign ("Miller, made the American way"). Heileman has moved responsibility for its Old Style premium brand from Campbell-Mithun, Chicago, to Hal Riney & Partners, San Francisco (and, soon, Chicago), which has created ads touting the brand as "Made with water from when the earth was pure." Coors went the celebrity route, featuring actor Mark Harmon in its 1985 "Coors is the one" campaign (via Foote, Cone & Belding, Chicago), while Stroh has opted for what it openly admits is "mainstream" advertising in its "Stroh's is spoken here" effort (from Marschalk Co., New York).

Analysts generally give those campaigns high marks for effectiveness. Miller High Life, Mr. Goldman said is "declining at a declining rate." He estimates its 1985 shipments at 12.6 million bbls., down 11% from 14.1 million bbls. in 1984, but better than last year's 18% dropoff.

JWT's campaign is "well executed, nicely coattailing the patriotic surge," said John Nelson, analyst at Brown Brothers Harriman, New York. "But High Life's sales decline is still pretty horrendous."

Brewing consultant Robert Weinberg gives the highest marks to FCB's campaign for Coors, which he calls "the best advertising Coors has ever had. They used to have one good ad followed by an awful one. Now it's all good."

One of the first results of S&P Co.'s acquisition of Pabst last year was the firing of national agencies Young & Rubicam, Chicago, and McCann-Erickson, New York. Asher-Gould, Los Angeles, now Pabst's agency, has yet to produce a major multimedia campaign, although some newspaper ads bearing the theme "Pabst is the place" have appeared.

But the development and introduction of those new competitive market positionings is done. Now comes the harder part of seeing some return.

"This year will be a time for brewers to examine every project and brand carefully and for fighting as tough a battle [to increase share] as they can," said Mr. Nelson. "The difficulty will be doing it without playing into Anheuser-Busch's hands."

One of those fronts is price. A-B next month will selectively increase prices on premium-category Budweiser and superpremium Michelob. Bud increases reportedly will be greatest in markets in which the brand's competitive dominance is most unassailable, while no increases are scheduled in most New England markets to better compete with recently introduced Coors.

Rather than discount Budweiser in many markets, A-B instead will give heavier promotion support to Busch (handled by Needham Harper Worldwide, Chicago) and Natural Light (DMB&B, St. Louis), its popular-price entries. Miller similarly can use Meister Brau as a discounted lure to drive High Life.

"Busch used to be the 'heavy' for Anheuser-Busch," said Mr. Goldman. "It was A-B's bodyguard, a brand that kept them above the fray of price competition, and it did it's job admirably. Now Busch is more important than ever for A-B, and it still has mileage left in it as a regional tool."

Busch, Stroh's Old Milwaukee and Schaefer brands and Miller's popular-price Meister Brau and price-brand Milwaukee's Best have presented strong challenges to Heileman, long the king of the low-price segment. Heileman has built itself into a national brewing power by using its regional budget brands—Blatz, Schmidt, Weidemann, Red, White & Blue and others—to use its brewing capacity, keep distributors happy and back its premium Old Style and Special Export brands. Heileman now has a fight on its hands.

"For the first time, Heileman's facing other breweries playing its game, the price game," said Mr. Weinberg. "But [Heileman chairman Russell] Cleary still knows how to play it, and he'll tailor deals for individual markets, too, to keep Heileman's position."

In a no-growth industry, holding on to what they have would represent a good year for most major brewers.#

Stroh on import binge

DETROIT—Stroh Brewery wants it both ways this year. It's not only looking closely at the low-end of the beer market, but also has its sights set on the top end with two new imports and a Hawaiian pseudo-import ready to go.

The imports are Barbican, a non-alcoholic malt beverage produced by England's Bass Brewery, and Koenig, the top-selling beer in Germany. Primo, a Stroh-owned premium Hawaiian beer, has been repackaged and will get a stateside test beginning in the Boston area in February. MCA Advertising, New York, handles both Barbican and Koenig, while Primo is handled in-house.

The products are the first introductions since White Mountain Cooler from a marketing hothouse Stroh set up last spring to counter flat sales of U.S.-brewed beers (AA, March 18).

Barbican, which is sold in Europe and the Middle East, will be launched in New York in March with plans for a "rapid national expansion," said John Bissell, Stroh senior vp-special products. Stroh expects its marketing muscle to expand the entire segment, which was only 440,000 bbls. in 1984.

"The potential could be a lot greater than for the low-alcohol segment, which is neither fish nor fowl," Mr. Bissell said. "We're entering with the conviction that the category will take off."

The initial ad campaign, print and spot tv, will use ex-football player Franco Harris as pitchman extolling the taste of the beverage and its imported status.

Koenig will be introduced this spring in an undisclosed pilot market. Mr. Bissell said ad plans haven't been firmed up, but hinted that Koenig's status as the best-selling beer in the world's No. 1 beer country won't be ignored.

"We believe the brand is very marketable, one we can build into one of the top 10 imports," said Mr. Bissell.

Primo has been repackaged in Hawaii with a green bottle and a label that duplicates the one used for the beer at the turn of the century. Stroh acquired Primo when it took over the Jos. Schlitz Brewing Co. in 1982.

Mr. Bissell said Primo will be positioned "in line with Canadian imports" in its Boston test. Stroh plans a number of promotional efforts such as sponsoring "Hawaiian nights" as well as some spot radio advertising to introduce the beer.#—*R.S.*

B&J, K&E merger allows more risk-taking

By STEWART ALTER

Bozell, Jacobs, Kenyon & Eckhardt's resignation of the $10 million-to-$12 million Prudential-Bache account in order to compete for $40 million in Merrill Lynch business (AA, Jan. 9) is the best illustration to date of why Bozell & Jacobs decided to sell to Lorimar and merge with Kenyon & Eckhardt.

C. Peebler

In his first interview since the BJK&E merger took effect Jan. 1, Charles Peebler Jr. made it clear he is planning bold moves to make BJK&E the recognized creative and international powerhouse he dreams it can be.

"If an agency or organization is going to make something happen, you're not going to be right all the time," said Mr. Peebler, who is ceo of the $1.2 billion combined operation. But with more resources, he said, "you can absorb the cost of your mistakes."

This belief applies particularly to international expansion, an area that B&J only recently had begun considering. "If we had been trying to invest on our own as aggressively as we needed to and if, God forbid, we ran into any economic downturn, it would have put at undue risk all that we had built," he said.

But is K&E's international network, with billings reported at about $100 million, really all that worthwhile?

"Kenyon & Eckhardt had an undervalued international operation," Mr. Peebler said. "It's much stronger than it was given credit for." The $100 million figure only represents "our percentage of ownership," he said, noting that the presence of the agencies themselves in their markets is much greater, with total billings of about $375 million.

B&J's and K&E's networks are now being put together "with additional resources to fill in any gaps that were there," said Mr. Peebler. "We're in the process of doing that in a very aggressive way."

Mr. Peebler has long contended that B&J was underrated creatively and it was, in fact, his efforts to combat that image that ultimately led him to K&E, though Lorimar made the initial overture.

"Probably neither Bozell & Jacobs nor Kenyon & Eckhardt was ever given the credit or the esteem and recognition in this business which we felt was deserved," he said.

B&J was "in the process of looking for a creative director to provide us with increased visibility and stature for a product we felt was underestimated," said Mr. Peebler, adding that his search for a creative spokesperson to provide that visibility often wound up with people saying he was looking for someone like Steve Frankfurt.

Mr. Frankfurt, the creative wunderkind when he served as president of Young & Rubicam/-USA in the 1960s, was vice-chairman/chief creative officer at Kenyon & Eckhardt. He retains that post in the merger.

The search for greater visibility and international capabilities was the main reason B&J explored a sale. Mr. Peebler, who was the largest stockholder with a little more than 15% of the agency, had entertained bids from Lorimar and a few other suitors, he said. The Interpublic Group of Cos. reportedly was one of those, with an offer said to be in line with Lorimar's $40 million.

Mr. Peebler would not comment except to say: "If our objective was to sell out and not worry about the future, we could have made more money, but money was not the motivation."

"The key is we're a people business," he continued, "so we have to ask, 'Is it right? Do they think alike? Do they approach problems in a similar manner? Do they genuinely appreciate and respect each other's values?'" Answering his own questions, he replied, "This really is right. We like the people. They are our kind of people."

One advantage BJK&E had in the merger process was the long incubation period between the announcement in June and the actual amalgamation on Jan. 1. This allowed working out details in advance and let the new agency come up with USAdvertising, its innovative solution to the client-conflict issue. That 40-person, $30 million agency was spun off from K&E as an autonomous subsidiary of Lorimar with the Ponderosa Steakhouse and Quaker State Motor Oil accounts. Otherwise, there would have been conflicts with B&J's McDonald's Corp. regional franchise account and Valvoline's motor-oil business.

For many employes of BJK&E, especially those at K&E, the long lead time also gave rise to anxieties that proved to be justified. On Jan. 1, the agency let go a little more than 30 professional-staff employes, mostly from K&E—though that might have happened anyway with the unexpected loss of the Seagram business late last year. Additionally, about 50 accounting-department employes, almost entirely from K&E, will be let go by March.

Those 80 persons represent a sizable chunk of staff in New York, where the agency and its other communications companies (public relations, healthcare marketing and direct marketing) employ only about 500 staffers. But no other layoffs were necessary among the ranks of the company's 3,000 employes worldwide, he said. BJK&E additionally has committed itself not to laying off any employes as a result of resigning the Prudential-Bache account.

The decisions on who would get laid off was based on the "over-all objectives of clients," said Mr. Peebler. "It has to be totally objective on what's the best quality of work and performance."

Asked whether he would do anything differently in the merger process, Mr. Peebler replied, "I'm satisfied with the decision in concept. I wish that we somehow could have had the time to do all the things and go through all the processes we did faster, in order to cut down on anticipation. I wish we would have been smart enough to have foreseen the Seagram's situation to lessen any of the pain involved in that process. I think that in any major situation, you never talk enough to the people involved and affected. We did everything we could, but you never do enough and it bothers you and leaves you with a sense of frustration."#

Super Bowl

(Continued from Page 3)
money should be used to purchase high-quality players.

NBC was tired of the AFL losing the Super Bowl. It needed a winner to make its regular-season package more attractive to advertisers.

"The Thursday before the game Namath guaranteed that the Jets would beat the Colts," recalled Charlie Jones, an NBC sportscaster who was involved in the telecasts of Super Bowls I and III. "NBC executives were running around screaming, 'Oh, no, what has Namath done to us.' The AFL, and therefore NBC, was battling for respect. The executives didn't want to be embarrassed. Namath didn't give a bleep, he was playing to win. When the Jets won the game, NBC knew it had something. It was really the turning point for the National Football League and the Super Bowl."

Every year, the events surrounding the Super Bowl escalate. When the Chicago Bears and New England Patriots step on the New Orleans Super Dome Jan. 26 for Super Bowl XX, the battle between CBS and NBC will move into another phase.

CBS' coverage of the National Football Conference crisscrosses the largest markets in the country. The Dallas Cowboys, San Francisco 49ers, Bears and New York Giants are all recognized as "national" teams. Executives at NBC, which covers the American Football Conference, consider the Los Angeles Raiders and the Miami Dolphins as their two most attractive teams. If the Patriots defeat the Bears, NBC instantly has another "national" team, which strengthens the package it sells to advertisers.

"Even a good performance, not necessarily a win, will make the Patriots a national team," said Michael Weisman, exec producer, NBC Sports. "Obviously, the most memorable telecasts are the upsets, the unexpected. If New England can pull it off, they will be the team people want to watch."

Lamar Hunt, owner of the Kansas City Chiefs, an AFL founder and one of the members of a joint committee of AFL owners who helped put together the merger of the two leagues, was not concerned about all this network intrigue when the committee was ironing out details. As part of the merger, he, along with Mr. Rozelle and a joint committee of NFL owners, wanted to work out the format for a championship game which would, of course, have to include a name. But they did not think the name of the game would turn out to be a key to its marketing.

The name they decided on was long and mundane: "The AFL-NFL World Championship Game." But another name was literally bouncing around in Mr. Hunt's mind. He would come home at night and play with his daughter who constantly bounced a "Super Ball" around the house. Super Ball, super ball, yes, Super Bowl.

"The committee was discussing whether we were going to allow one week between the conference championship game and 'the game,' " Mr. Hunt said. " 'What game?' someone asked. 'You know, the last game, the final game, the Super Bowl.'

"I looked around the room, checked the faces of my colleagues, saw blank stares," Mr. Hunt continued. "Everybody kind of laughed. The whole thing was spontaneous. Nobody sat down and even tried to think of a name."

The formal name was used for the first two years, but the public and media adopted the name "Super Bowl."

So the newly merged NFL had one key factor in place: A name for the product. The other key was the decision to play the game at a neutral site. This was revolutionary in sports; no championship game had ever been played at turf neither team called home. It also gave advertisers the chance to make plans in advance and allow agencies and companies to throw a week's worth of parties.

The "NFL Party," thrown by the league, is the largest affair. Some 3,000 people gather the Friday night before the game to become part of an unusual theme that changes each year, *e.g.*, the circus.

"I've come to the conclusion that the game has become a phenomenon because it's a gradual buildup to a winner-take-all matchup," Mr. Rozelle said. "No other sport has the same arrangement. It's like a heavyweight championship was in the old days. The most glamorous event in sports."

This, along with the having-to-be-there syndrome, has led sources to speculate that advertisers today are willing to pay more than $1 million a minute just to go to the game. "Some people thought I was buying time [two 30-second spots] on the Super Bowl so I could get the [10] tickets and attend the parties," said Mike Wayne, chairman of Birmingham, Mich.-based Duracon, a company that makes truck-bed liners and is advertising for the first time on tv during Super Bowl XX. "That wasn't the reason, but I must admit there was some pride and ego involved. The Super Bowl is the ultimate. It's the super advertising experience."

Just as a new company can use the Super Bowl as a springboard, so can an athlete. By winning two Super Bowls and two Super Bowl most-valuable-player awards in four years, San Francisco 49er quarterback Joe Montana parlayed his success on the field into a number of off-the-field endeavors. Following Super Bowl XIX, Pepsi-Cola Co. paid him $500,000 to appear in a commercial for Diet Pepsi. The figure is the largest ever paid an athlete for a one-shot commercial deal. Although the 49ers were knocked out of this year's playoffs by the Giants, Mr. Montana will be addressing company gatherings at Super Bowl XX.

"In '81, Joe was a young, emerging star," said Larry Muno, president of Los Angeles-based Charter Athletes, and Mr. Montana's agent. "He makes it to the Super Bowl and all of a sudden here's this smiling kid on the cover of *Time* magazine. He had his helmet on, but those blue eyes, that face and the fact that he was a Notre Dame graduate told people here's the new All-American boy. Now in 1986, he's a mature gentleman. Madison Avenue has watched him grow up, and the Super Bowl has been his vehicle."

It seems with all the talk of media buys, endorsements, companies, parties and marketing, the event—the game itself—tends to get lost. "It's like Curt Gowdy always used to say," recalled NBC's Mr. Jones. " 'What about the game! What about the football game!' "

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Lauder close, but no Giorgio

By PAT SLOAN

New York—Although negotiations between Estee Lauder and Giorgio for Lauder's purchase of the $110 million fragrance company broke off last week, it has become clear that Lauder is no longer content with being a one-star company.

For the last seven months, according to a Giorgio executive, the two companies have been holding preliminary talks, but now "all negotiations are off" (AA, Jan. 13).

At the same time, Lauder ceo Leonard Lauder issued a memo to his staff, which said, according to a Lauder spokesman, "Re: Possible acquisition by Estee Lauder. We aren't."

Mr. Lauder's statement was made just as new reports surfaced that the Lauder family, and not the Lauder company, would actually make the acquisition and run Giorgio as a separate entity.

At Giorgio, the corporate word is that the fragrance division is not for sale. Neither company would discuss what the sticking point to the deal was, though industry sources said it centered on price in relation to projections of Giorgio's long-term growth.

Last June, according to these sources, a Wall Street investment banking company was brought in by Lauder to appraise the value of Giorgio Parfums and arrived at $150 million, based on sales in 1984 of $60 million and a 30% operating profit. But Giorgio president Fred Hayman reportedly held firm at $185 million based on 1985 growth, which almost doubled sales.

What is believed to have concerned the Lauders, however, is whether that growth can be sustained over the long haul.

Said one source, "The question is, what is the life cycle of fragrance brands today? You have to make a guess on that."

Some retailers, who asked not to be identified, think Giorgio may peak by next year. This is not to say its sales will plummet, but that its rate of growth will not be as smart as in the past. That, and the fact that Giorgio has been essentially a one-product company, may have soured the deal.

Still, the talks prove one thing: The 43-year-old privately held Lauder company, which despite its estimated $1.25 billion in sales has never made an acquisition before, now is ready to acquire.

And that is a complete turnaround for Lauder. In 1975, before George Friedman left Lauder to develop the Ralph Lauren fragrances, he first took the Lauren concept to the Lauders. They said no and Mr. Friedman later started Warner Cosmetics under Warner Communications. That was sold to Cosmair for $146 million.

When Mr. Friedman was turned down by the Lauders, it was said that Estee Lauder, Mr. Lauder's mother and the company's founder, did not want to sell anything that either didn't carry her name or wasn't thought up by either herself or a member of the family.

But a year ago, Lauder negotiated with the San Francisco-based sportswear marketer, Esprit Corp., to license that name for a fragrance. Those talks also broke off. However, the Giorgio affair shows the company has continued searching outside for a new brand while continuing to develop its own internally.

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Thursday

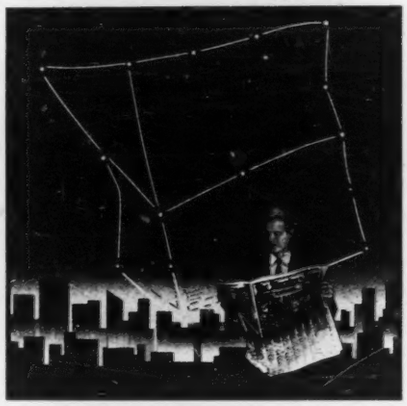
Motown media man

Philip Guarascio, long known as a brilliant media theoretician, holds a coveted corner office in the General Motors building, a privilege usually reserved for people who have made automobiles and GM their lives. Guarascio is an outsider. He was recruited from the agency business to become executive director for advertising services on the auto maker's marketing and product- planning staff. He oversees GM's $1 billion a year advertising and promotional budget from a position that didn't exist before he filled it. For Guarascio, the lure of the GM job was a chance at making history. *See Page 3.*

Photo by Mary Harlehy

Workin'

Joey Cummings' current "Work" is the creative directorship of Tracy-Locke, the $240 million, Dallas-based powerhouse ad agency. How it differs from previous "Work" at agencies she's been at earlier is in offering her a seat on the board as well as complete creative control of the agency's 80-person creative department and its 30 or so accounts. A juicy career package for which many creatives would happily sell their Clios. *See Page 52.*



Special Report—Newspapers

Newspapers have discovered the power of modern marketing. Terms like niche, product development, target audience and skew now are part of the vocabulary of editors, publishers and ad executives. Reader research, price, editorial content, advertising and special promotions all come into play as newspapers seek to attract readers and advertisers. Special Report examines some of these marketing tactics, starting on *Page 13.*

Presstime

Nynex keeps Y&R

New York—Nynex Corp. has retained incumbent Young & Rubicam to handle the regional telephone company's $10 million-to-$15 million corporate account (AA, Nov. 11, *et seq.*). Other finalists were BBDO and Chiat/Day here and Hill, Holliday, Connors, Cosmopulos, Boston.

Alberto nods to Grey

Melrose Park, Ill.—Alberto-Culver Co. has moved its estimated $10 million toiletries account to Grey Advertising from Bozell, Jacobs, Kenyon & Eckhardt, both Chicago. The company last week confirmed it was talking to other agencies, but an A-C spokesman said the company had no immediate plans for such a move (AA, Jan. 16).

'War' from N.Y. Air

New York—New York Air will launch a "Shuttle wars" campaign against Eastern Air Lines' service from here to Boston and Washington with two Super Bowl tv commercials that will air in the three markets at a cost of close to $1 million. The effort promotes services, including snacks and reserved seats. Levine, Huntley, Schmidt & Beaver handles.

VW pulls into Super Bowl

Troy, Mich.—Volkswagen of America will introduce a new wrinkle in automotive sales incentives in 15-second spots during this weekend's Super Bowl telecast on NBC-TV. Volkswagen will offer a refund of the first year's interest on private loans for its GTI model. VW will run two different spots in the pregame show, one mentioning the Chicago Bears and the other the New England Patriots. For the postgame show, the German car maker has shot two spots but will air only one. One version of the postgame commercial names the Bears as the Super Bowl victor and the other names the Patriots. Doyle Dane Bernbach handles.

Miss St. Pat's sought

Stamford, Conn.—Guinness Import Co. is running a national promotion to elect Miss Guinness Stout or Miss Harp Lager as "Miss St. Patrick's Day 1986." Guinness will run page ads of the beauty queens in *USA Today* in March, asking consumers to call in their choice on a 900 number. The Marketing Center, Westport, Conn., handles.

Miller sweeps onto court

Milwaukee—Miller Brewing Co. next month will conduct a "Win the finals" sweepstakes for its High Life brand, tied to the NCAA basketball tournament in March. Print ads in February issues of *Basketball Times, Sports Illustrated, USA Today* and college newspapers support. J. Walter Thompson USA, New York, handles.

Kodak products develop

New York—Eastman Kodak Co., Rochester, N.Y., has introduced two fully automatic, non-single-lens-reflex 35mm cameras that will be available at retail Jan. 27. Advertising, via Kodak

(Continued on Page 55)

Street Talk

For 1985, newspapers expect national ad revenue to come in 9.5% over 1984. Have newspapers turned the corner in attracting national ads, and will national newspaper spending continue to grow at the same rate this year?

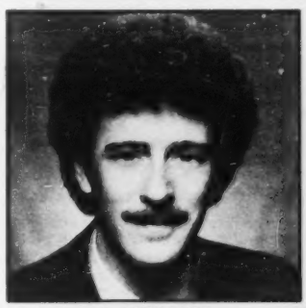
Jack Cohen, vp-print and outdoor media buying, Doyle Dane Bernbach, New York: "Newspapers have taken some positive steps to attract national advertisers, vis-a-vis the SAUs and a vast improvement in the quality of color reproduction. On the other side of the coin, however, they still have a pricing problem; the differential between the national and the retail rates seems to be widening rather than narrowing. I think expenditures in 1986 will be pretty much as they were in 1985."

J. COHEN

L. SCHULTZ

Louis M. Schultz, exec vp-director of media services, Campbell-Ewald, Warren, Mich.: With increased emphasis on local marketing by many national advertisers, newspapers have a wonderful opportunity to improve revenues. However, until newspapers come to grips with the age-old, two-tier pricing controversy and make significant progress in reducing the general vs. retail rate differential, along with an improvement in national ad positioning, they won't enjoy a significant increase in 1986 or the short-term future.

Leo E. Scullin, senior vp-director of print and new electronic media communications services, Young & Rubicam, New York: "They have not turned the corner. One must isolate the rate increases from this figure. Rates have risen in the 7%, plus or minus 0.5, range and there has only been 1% to 2% of real growth. It's not a trend, it's a blip. In my estimation, no significant increase in national advertising will occur until there is an elimination of the rate differential.


L. SCULLIN

W. HADLOCK

Willard Hadlock, exec vp-director of media services, Leo Burnett USA, Chicago: I don't know what's going to happen [this] year. I think that as long as newspapers have local rate differential. . .they'll continue to have a problem. The newspaper industry as a whole has got to come up with a rate program that says 'we care as much about the national advertiser as we do about local advertisers.' Until they do that, they're sending a message to national advertisers that they're second-class citizens.

Frank Hajek, associate media director-director, print media relations, Dancer Fitzgerald Sample, New York: "There has probably been very little change. From the agency point of view, there are two things that will require the most attention and are probable causes for them not making national advertisers' media schedules or being knocked off. They are pricing, either heavy out-of-pocket costs, rate differentials or premiums, and the fact that newspapers are the only visual medium that doesn't have good, consistent color.

F. HAJEK

Advertising Age *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, Advertising Age *Thursday*, 220 E. 42nd St., New York 10017.

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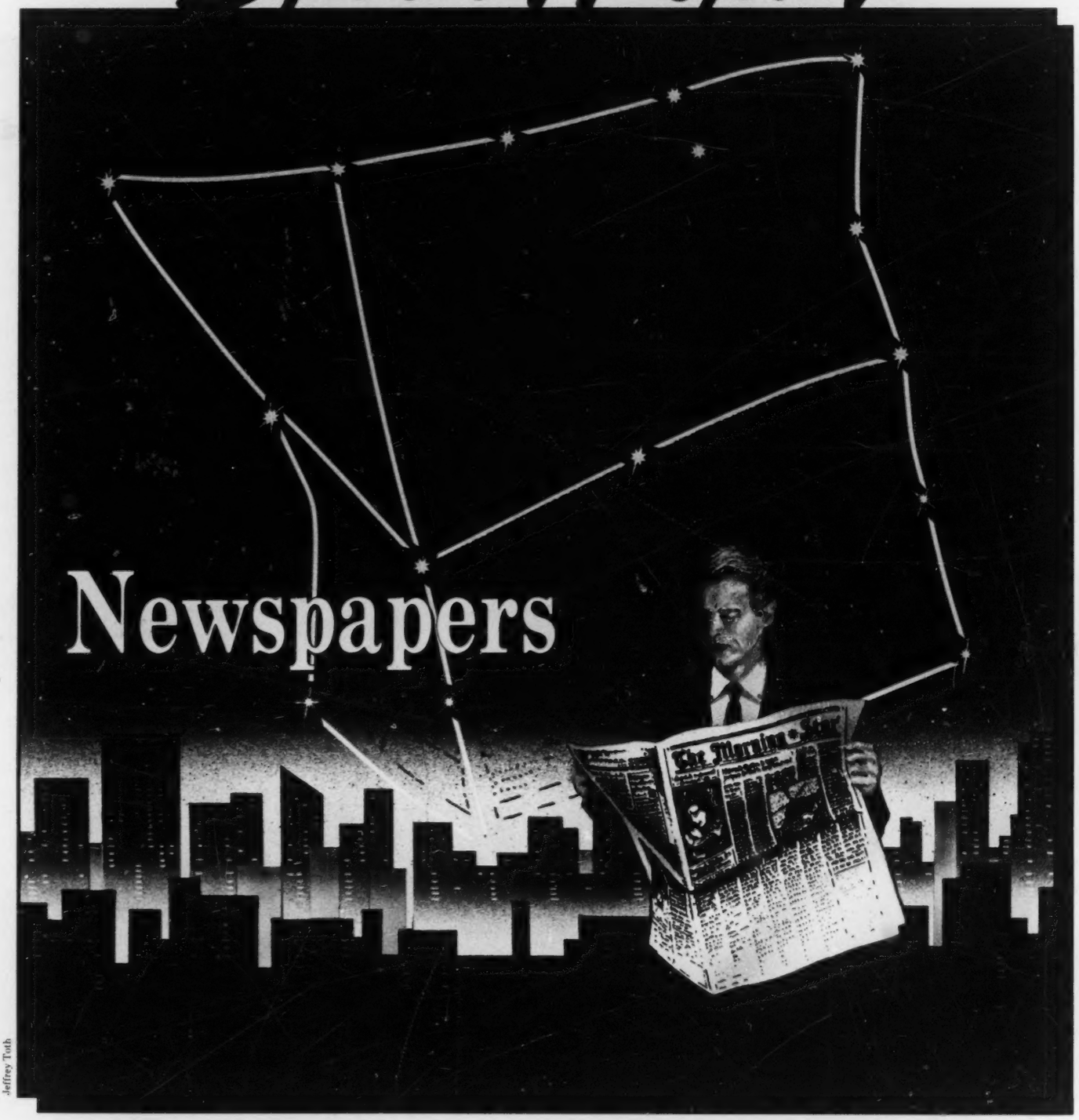
Special Report



Jeffrey Toth

Marketing is the industry's rising star

By William Gloede

It was scarcely a decade ago that a typical newspaper executive was more likely to equate the word marketing with a trip to a grocery store than with the science of moving manufactured goods into the hands of consumers.

Now, editors, publishers and ad executives are using terms like niche, product development, target audience—even skew—when they talk about their business. Newspapers have discovered the power of modern marketing.

In the past 15 years, the newspaper business gradually has said "yes" to marketing, and some newspaper executives have begun embracing its tenets almost as fervently as they do those of the U.S. Constitution.

"The newspaper business was a labor-intensive industry with hefty production parameters that produced a traditional and relatively unchanged medium," says Charles Kinsolving, vp-new technology for the Newspaper Advertising Bureau, New York. "Formats hadn't changed since Benjamin Franklin's time."

Although there were some newspapers that paid heed to marketing before the early to mid-1970s, most were run by editors and publishers who believed that the relationship between the newspaper and its readers, based on the First Amendment, made the newspaper itself special.

"There was a historical resistance to think of newspapers as just another package good, just another commodity," says John Mennenga, vp-research and marketing for Sawyer-Ferguson-Walker Co., a New York-based company that represents newspapers to advertisers.

That resistance began to break down as news-

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Unless otherwise noted, all daily newspaper circulation figures used in this Special Report are those reported to Audit Bureau of Circulations for the six months ended Sept. 30, the most recent statistics available.

Putting muscle behind media mix

By Janet Simons

You see that sleepy guy in his pajamas, the one trying to keep snow out of his slippers as he hops to the curb to pick up his morning paper? The newspaper reader, publishers used to assume, would always be there, cursing his paper carrier and clutching his bathrobe against the wind.

They don't take him for granted anymore. Publishers are aiming millions of dollars of advertising at him in an effort to assure that he, and new readers just like him, will hop across America's lawns every morning for decades to come.

Advertising to attract readers is nothing new. Newspapers always have plugged holes with in-paper ads designed to persuade newsstand patrons to subscribe. What's new is a growing realization that newspapers need to promote themselves to survive, a realization fueled by newspaper failures and bleak statistics indicating that the readership base is continuing to erode, according to the American Newspaper Publishers Assn., Reston, Va.

For example, to promote its *Chicago Tribune*, the Tribune Co. spends between $3 million and $4 million a year on media that include tv, radio and outdoor, says Richard Honack, manager of promotions and special events.

"It's necessary just to keep us in the market," Mr. Honack says. The paper faces competition from New York-based News America Publishing's *Chicago Sun-Times*, another heavy user of tv and radio advertising. *Tribune* radio spots push single-copy sales, and tv ads focus on image, presenting the paper as Chicago's market leader.

"For such a long time, everyone preached the use of in-paper ads," Mr. Honack says. "But that's like restricting toothpaste advertising to messages on the backs of the tubes. The only customers who see them have already bought your product."

However, marketing of toothpaste and newspapers is more comparable than it once was. As newspaper promotion departments have expanded to become marketing departments, various papers have recruited veterans of the package-goods industry to guide their efforts. These veterans bring a firm belief in the value of radio and tv advertising.

Pierce DeGross, former vp-hair products for L'Oreal, New York, is director-marketing for the *Washington Post*. He compares the *Post's* current campaign, "We are everything that's Washington," to the image advertising previously used by L'Oreal. Created by Needham Harper Worldwide, New York, it features evocative scenes of Washingtonians reading the *Post* as part of their daily routine, backed by an anthem sung by country singer Lee Greenwood. Introduced in May, the effort is the paper's first year-round, image-based campaign. Previous tv campaigns were limited to short-term subscription pitches.

While the *Post* attempts to strengthen its king-of-the-hill position in the market, other metropolitan dailies struggle for readers amidst strong competition.

For example, in Denver the *Rocky Mountain News*, owned by the Cincinnati-based Scripps Howard chain, began using tv after its competition, the *Denver Post*, was purchased by promotion-minded Times Mirror Co., Los Angeles, in 1981. Even considering that the Scripps Howard newspaper properties are considerably smaller than Times Mirror's, the contrast between the two chains' tv advertising expenditures is striking. The Scripps Howard chain spent only $224,000 nationally on spot tv advertising in 1984; Times Mirror spent nearly $3 million, according to the Television Bureau of Advertising, New York.

"The *Post* began using television, and we didn't want them to win the battle of perception by default," says Vern Mallinen, *Rocky Mountain News* promotion director.

In addition to building image, circulation and ad revenues, newspapers have learned to look to advertising as a short-term problem-solving strategy. The *Seattle Times* tv and radio advertising budget nearly doubled after May, 1982, when the *Times* and the *Seattle Post-Intelligencer* signed a joint operating agreement, says James Mace, marketing services manager for the *Times*, which handles business functions for both papers.

"It has taken us more than two years to get the public to understand the new arrangement, and we advertised heavily, particularly on the radio, to explain it," Mr. Mace says.

Similarly, at the beginning of a strike against the *Chicago Tribune*, the paper saturated the radio airwaves for six weeks to assure readers that the paper would continue to publish.

Radio often is the medium of choice for such campaigns because of its penetration ability, lower production costs and quick turnaround time, industry observers say.

Over-all, newspapers are rapidly expanding their use of radio advertising, according to the Radio Advertising Bureau, New York. Reports from member stations on cash transactions, excluding trade-outs, show newspapers spent $3.7 million on radio advertising in the first nine months of 1985, compared with $2.1 million in the first nine months of 1984—an increase of 75%. The increase is attributable to the medium's strength as a targeting tool, says Daniel Flamberg, senior vp-communications for the RAB.

"For a long time, the print media saw radio only as a means to give a quick rabbit punch to street sales," Mr. Flamberg says. "Now it's being used much more broadly, for example, to support image campaigns."

However, radio is not the only medium previously misunderstood by the newspaper industry. Although tv has become an integral part of a newspaper's media mix,

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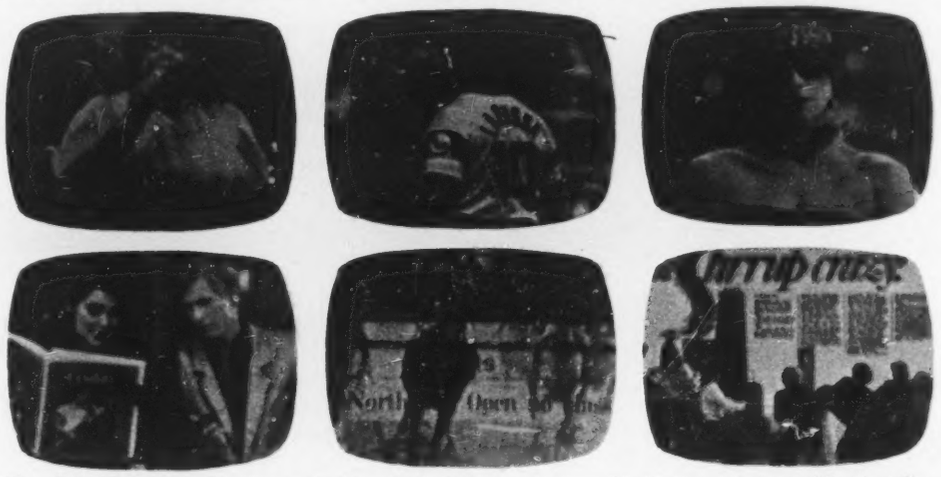


The *Chicago Tribune* focuses on the image of a "great newspaper" in its tv spots, part of its $3 million to $4 million media campaign.

Newspapers are looking to advertising as a short-term problem-solving strategy also.

Janet Simons is ADVERTISING AGE's Denver correspondent.

Marketing is the rising star

(Continued from Page 13)

papers began seeing the decline of circulation and circulation penetration, the number of newspapers sold in a particular market relative to the population of that market. With that decline came stronger competition for local ad dollars, first from broadcast media, then from weekly newspapers and shoppers and finally from direct mailers.

Through the Newspaper Advertising Bureau and the American Newspaper Publishers Assn., Reston, Va., the industry funded and participated in a six-year study of newspaper readership called the Newspaper Readership Project. It is that effort, begun in June, 1977, and concluded in May, 1983, that ushered in the era of newspaper marketing, industry executives say.

The project sought to find the reasons readers were abandoning newspapers. It looked at who readers were, why they read and what they read. Similarly, it studied nonreaders and their reasons for shunning newspapers. The effort, a first, smacked of market research, and it was backed by some of the biggest publishers in the business.

"It really helped break down the wall between editorial and advertising," says James Dunaway, vp-information for the Newspaper Advertising Bureau. Editors, heretofore zealously protective of the news product, began to understand that what they believed readers wanted was not necessarily what readers wanted.

At the same time the industry embarked on the readership project, the *New York Times* developed what at the time was a new concept in newspapering. It began special sections keyed to the day of the week with the roster eventually filling out to Sports on Monday, Science on Tuesday, Living on Wednesday, Home on Thursday, and Weekend on Friday.

The *Times* was followed throughout the industry as newspapers realized that separate segments of their readership had definite interests and a one-day-a-week section could address these interests while providing a specific editorial environment for advertising messages.

About midway through the readership project, individual newspapers began cooperating with one another in ventures thought to be of value to the industry. The most visible of these efforts was the Standard Advertising Unit system, a series of standard ad sizes conceived to alleviate advertiser and agency problems with ad production. A preliminary system was adopted in 1982, with a modified system adopted in 1984.

Another result of the new spirit of cooperation was the syndicated research study of newspaper audiences. Conceived in response to advertiser and agency calls for standarized, comparable research across the nation's top markets, the industry has funded and participated in four such studies since 1980, the most recent being the Simmons-Scarborough study released last summer.

Also during the readership project, newspapers went on a capital-spending binge centered in the marketing functions of packaging and distribution. New press equipment brought color to the pages of scores of newspapers and new computerized conveying, inserting, bundling and sorting equipment began converting the typical newspaper mailroom—a nightmare of labor intensivity and inefficiency—into a modern materials handling and distribution facility.

Although there are no industrywide figures on advertising and promotion, it is generally believed in the newspaper business that both are up substantially since the dark days of the early '70s. In the first nine months of 1985, newspapers spent 75% more on radio advertising than during the same period in 1984, according to Radio Advertising Bureau, New York. Radio expenditures by local papers have increased from $2.1 million to $3.7 million over that period, the RAB reports. Even papers in so-called noncompetitive markets are running tv and radio campaigns.

Although the results of newspapers' new marketing prowess are difficult to quantify, over-all circulation has been moving upward through the 1980s. Also, newspapers will remain the nation's No. 1 advertising medium in 1986, showing a gain in the 8% range over 1985's $25.5 billion in advertising investments, according to Robert Coen, senior vp-director of forecasting at McCann-Erickson, New York.

Price gains value as marketing tool

By Mark Watanabe

Executives of Gannett Co. recognize a good cup of coffee when they taste one. They also know how much it costs, and they're willing to pay for it.

Likewise, these executives say, newspaper readers recognize a good paper when they see one—and are willing to pay for it.

But that's where the analogy ends. While the price of a cup of coffee has risen from 25 cents, the newspaper reader of today has to shell out, in most cases, only 25 cents to get his daily fix.

"We haven't kept pace in terms of comparative value with a cup of coffee," says Lee J. Guittar, president of Gannett's *USA Today*. "You can still buy a lot of newspapers for a quarter, but a quarter cup of coffee is kind of hard to find."

Industry statistics and interviews with newspaper circulation executives say newspapers are underpriced for the "value" consumers receive. But some publishers have become less resistant to increases, realizing that price is a crucial part of the over-all marketing plan and not just a function of circulation.

"Newspapers are worth much more than we're getting for them," says Howard Hay, vp-circulation of the *Chicago Tribune*. "Unfortunately, as an industry we have not convinced the consumer, nor have we tried to convince the consumer, that the newspaper is of greater value."

As recently as 1975, two-thirds of all daily newspapers in the U.S. cost 15 cents, according to the American Newspaper Publishers Assn., Reston, Va. In 1985, nearly 80% of all papers were only 25 cents and had been at that level for five years. Single-copy prices for Sunday newspapers are mostly at 50 cents and 75 cents, compared with 25 cents and 35 cents about 10 years ago.

Revenue figures, too, indicate there is room to expand circulation income. In 1975, circulation revenue, determined by multiplying the single-copy rate by circulation, accounted for 32.3% of total revenue, defined as advertising and circulation income. In 1984, that figure had decreased to 23.9%.

At the same time, the gap between newsstand prices for newspapers and magazines has widened considerably.

How high single-copy prices can go may be problematic, but studies indicate there is plenty of breathing room. "People like to think in even change," says Chris Urban, president of Urban & Associates, a Sharon, Mass.-based media research company. "In other words, the days of the nickel or dime increase, at least in my opinion, are pretty much gone. We're talking here of quarters as being the basic coin unit."

There are indications newspapers are taking heed. For example, all but three of Gannett's 86 newspapers will have a daily single-copy price of at least 35 cents by the end of 1986, John J. Curley, the company's president, recently told securities analysts. *USA Today* reached a cover price of 50 cents in August, up from 35 cents. Mr. Guittar says that price was always part of the business plan.

Other papers have increased or are planning to increase their prices. The *Chicago Tribune* has targeted an April start for a $1.25 Sunday edition, an increase from $1. In Kansas City, Mo., Capital Cities Communications increased the price of the Sunday *Star* from 75 cents to $1 in October. At Lee Enterprises, a Davenport, Ia.-based chain, 15 of 18 dailies cost 35 cents.

Despite these signs, newspapers overall are reluctant to let the reader bear more of the costs. The cause-effect relationship between price rise and circulation fall seems as obvious as the fundamentals of supply and demand.

Also, newspapers historically have maintained low prices; the term "penny press" is enough to evoke nostalgia.

Finally, especially in competitive markets, there is an aversion to losing even marginal circulation to a price increase.

Such is the case in Detroit, where the long-standing competition between the *News* and the *Free Press* has led to the lowest-priced metropolitan dailies in the U.S. The *News*, soon to be owned by Gannett, is 15 cents daily in the metro area and 75 cents Sunday; Knight-Ridder Newspapers' *Free Press* is 20 cents daily and 75 cents Sunday.

"The pricing here has been rather reserved because of the circulation war that has been going on," says Myron Didyk, circulation director of the *Free Press*.

How intense this "war" has been is illustrated partly by the 75-cent Sunday prices. The *Free Press* instituted the price, up from 50 cents, in January, 1985; the *News* followed suit four months later. Both papers since have lost Sunday circulation, though the *News*' decline may be less. The *News*' Sunday circulation is 837,821, a 3.2% decline from the year-earlier period. This compares with the *Free Press*' 754,615 in the latest reporting period, down 6.1% from the previous year.

One item of interest is what will happen to pricing after Gannett assumes leadership of the *News*: Insiders have suggested Gannett will move the price closer to industry norms; the *Free Press* probably would do likewise.

At the other end of the scale is a newspaper that has demonstrated little hesitation to take the price-increase plunge. On June 17, the *Quad-City Times* began charging 50 cents for its daily editions and $1.25 for the Sunday paper, prices a competitor calls "preposterous."

"We have felt here that newspapers have been and are underpriced," says John Gardner, publisher of the *Times*, which, like owner Lee Enterprises, is based in Davenport, Ia.

The *Times* has been attempting to educate its market to higher pricing by working hard to develop a product that will merit the greater cost, Mr. Gardner says.

For example, he points to the paper's attempts to gain greater visibility in the

Circulation's share of the pie

(in billions)

	Ad revenues[1]	Consumer expenditures on papers (circ.)[2]	Total (col. 1 + col. 2)	% circ. to total $\left(\frac{\text{col. 2}}{\text{col. 3}}\right)$
1970	$ 5.70	$2.63	$ 8.33	31.5%
1971	6.12	2.83	8.95	31.6
1972	6.94	2.93	9.87	29.7
1973	7.48	3.04	10.52	28.9
1974	7.84	3.58	11.42	31.3
1975	8.23	3.92	12.15	32.3
1976	9.61	4.09	13.70	29.9
1977	10.75	4.31	15.06	28.6
1978	12.21	4.53	16.74	27.1
1979	13.86	4.95	18.81	26.3
1980	14.79	5.47	20.26	27.0
1981	16.53	6.21	22.74	27.3
1982	17.69	6.66	24.35	27.4
1983	20.58	7.04	27.62	25.4
1984	23.52	7.37	30.89	23.9

Sources and notes: [1]McCann-Erickson, Newspaper Advertising Bureau
[2]SRDS, Editor & Publisher, Newspaper Advertising Bureau; figures determined by applying each newspaper's single-copy rate to its circulation.

Mark Watanabe is a former assistant managing editor-news for Advertising Age.

Putting muscle behind media

(Continued from Page 14)

that wasn't always the case.

"I'd say television's use as a device to sell newspapers is only 10 or 12 years old," says Dick Collins, director-public affairs for the *Boston Globe*. This growing trend toward tv advertising required the reversal of some longstanding industry resistance. In 1935, newspapers laid claim to 44% of all advertising revenues in the nation. Then along came tv, and by 1960, the newspaper share of the media market had dropped to 30.8% and since has edged down and lingered for the past few decades at about 27%.

Thurman R. Pierce Jr., U.S. manager-print media for J. Walter Thompson USA, New York, who compiled the market share figures from material gathered annually by McCann-Erickson Worldwide, New York, says the newspaper industry still hasn't recovered.

"For years, someone from the Television Bureau of Advertising would make a pitch at the annual meeting of the International Newspaper Promotional Assn., and it would fall on deaf ears," Mr. Collins says. "Nobody seemed to feel it was the appropriate medium."

But as market pressure grew, resistance gradually evaporated, he says. Spending by the newspaper industry on spot tv has nearly doubled in the past five years, going from $15.3 million in 1980 to $29.1 million in 1984, according to the TvB. During the first nine months of 1985, newspapers spent $22.3 million on spot tv, down slightly from 1984's nine-month figure of $22.4 million.

The *State* in Columbia, S.C., pokes fun at tv newscasts in spots aimed at non-newspaper readers.

Perhaps acceptance of the medium parallels the industry's desire to reach those potential readers, ages 18 to 34, that make up a bulk of the viewing audience.

For example, building youthful readership is the goal behind the first major media campaign launched by the *State*, a Columbia, S.C.-based newspaper with a circulation of 115,331. While radio plays a strong role, the campaign is keynoted by a 30-second tv spot poking fun at tv newscasts.

"The campaign is addressed to non-newspaper readers, ages 25 to 35, to tell them the paper is a necessity of their lives," says Robert Kaminer, director-marketing services for Columbia Newspapers, the paper's publisher. "We're really hitting at the group that grew up with tv."

Single copy sales price

U.S. daily and Sunday newspapers[1] 1965-1984

Daily

Year	5¢	10¢	15¢	20¢	25¢	30¢	35¢	40¢	50¢
1965	456	892	3	2	—	—	—	—	—
1970	46	1,507	139	5	1	—	—	—	—
1975	4	428	1,153	137	10	1	—	—	—
1980	—	41	497	644	555	9	7	1	—
1981	—	30	290	437	960	17	15	1	—
1982	—	14	143	272	1,227	29	16	3	—
1983	—	10	91	183	1,306	80	24	3	—
1984	—	6	61	111	1,316	109	75	2	2

Sunday

Year	5¢	10¢	15¢	20¢	25¢	30¢	35¢	40¢	45¢	50¢	55¢	60¢	65¢	70¢	75¢	80¢	85¢	90¢	95¢	$1.00
1965	21	128	190	143	45	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—
1970	2	89	115	140	161	30	35	3	—	4	—	—	—	—	—	—	—	—	—	—
1975	—	37	61	49	170	58	157	37	3	51	1	4	—	—	1	—	—	—	—	—
1980	—	5	50	25	84	29	121	30	6	291	—	23	5	1	46	—	1	2	—	1
1981	—	—	33	16	77	24	88	21	3	313	4	22	2	—	117	—	3	—	—	5
1982	—	—	21	17	77	14	61	17	1	326	1	23	6	1	160	1	5	2	1	15
1983	—	—	5	12	88	8	44	15	3	309	1	26	5	1	170	1	6	3	—	60
1984	—	—	3	8	83	6	31	6	0	301	1	19	2	1	219	3	8	2	—	82

[1]These tables reflect daily and Sunday newspaper single copy sales prices in 5¢ increments to illustrate a trend. Newspapers selling for odd cents have been omitted, as have specialized newspapers.

Source: ANPA

community, brighter approach to the news and enhanced use of color.

Not surprisingly, these arguments do not convince Hal Wilkerson, director-special projects and circulation with competing *Moline* (Ill.) *Dispatch*. "Lee Enterprises is a very heavy-handed and aggressive organization when it comes to the bottom dollar," he says. "They have really stuck it to subscribers here for five or six years."

The increase, up from 35 cents, was unjustified particularly because of the state of the farm economy upon which the Quad-Cities market is so dependent, Mr. Wilkerson says.

The *Dispatch* canceled a planned increase in Sunday price because of these circumstances, he says.

Not surprisingly, the *Times*' circulation has declined 18% since the price increase, according to Glenn Morrison, the paper's manager of single-copy sales. But the increased revenue has more than offset the drop, he says.

The Quad-Cities episode may be symbolic of publishers lowered resistance to price pressures.

Even Mr. Wilkerson, despite his aversion to the *Times*' move, admits his paper probably could absorb an increase from 25 cents to 35 cents daily and 75 cents to $1 on Sundays.

That resistance may lessen even more as newspapers discover price has less impact on circulation than supposed.

"We're finding that price sensitivity is much more a measure of people's loyalty to a paper than any kind of economic argument," Ms. Urban says.

How much growth or loss that comes with a price increase depends on three factors, she says: Whether there's a real competitor in the market; the general economic health of the market, and, most importantly, the general quality of the paper.

If a paper has added any quality to itself during a price increase, it will tend to wash out the effects of the increase because people make a price-value relationship, Ms. Urban says. This does not necessarily mean adding more elements to the paper; it may simply mean doing a better job, she says. "Make the paper easier to read, less of a burden to get through."

The *Wall Street Journal*, which has undergone four newsstand and four subscription price increases since 1979, is a prime example of a newspaper that rests strongly on the three factors Ms. Urban cites.

As a result, the price increases have not hurt circulation.

However, the *Journal* did experience some falloff when it shot above the $100-a-year home-delivery price in 1984, a 5% decline since recovered, according to Kenneth Burenga, vp-circulation.

The round number seems to represent a psychological barrier. "Those are difficult price increases to get through," Ms. Urban says.

USA Today has faced that situation in its brief history.

When the paper increased its price to 35 cents from 25 cents, it lost circulation.

The decline occurred partly because rack customers had to search for two coins instead of one to come up with 35 cents, Mr. Guittar says. However, this kind of drop did not occur after Gannett raised the price to 50 cents, still a two-coin purchase.

On such outwardly trivial matters do big decisions sometimes lie.

"The marginal readers who might be shaken out by a price increase would probably by shaken out by the natural attrition of the market," Ms. Urban says. This should allow advertisers access to a more efficient penetration of the market, thereby increasing the value of the newspaper.

And the value, Gannett executives and others would agree, would then match that of a cup of coffee. ■

The spot, created by Cook Reuef & Associates, Columbia, was introduced in November.

It shows delivery men tossing tv sets tuned to the news onto a porch.

The resident, baffled by the blaring pile of tv sets, is relieved when a newspaper carrier throws him a copy of the *State*.

In a smaller market, the *Scranton* (Pa.) *Times* shares a similar goal. The *Times*,

Scenes of Washingtonians reading the *Washington Post* are part of the paper's image-based campaign.

with a daily circulation of 57,611, attributes recent gains over the competing *Scranton Tribune*, daily circulation 39,019, partly to a circulation-building campaign that has been running on tv

and radio intermittenly since December, 1984.

Its message, aimed at nonsubscribers ages 22 to 34 years old, is that people need to read a newspaper to get ahead. It's tagged, "The smart people read the *Times*."

"We're scratching and clawing here for

every dollar, every ad, every subscriber," says Stew Kearney, director-community relations and promotion for the *Scranton Times*. "Only one of us is going to survive."

Although a sophisticated advertising strategy is as urgently needed in Scranton, Pa., as in Chicago and Washington, limited resources make it difficult to come by.

In response, the Reston, Va.-based International Newspaper Promotion Assn. has released the Newspaper Promotion Operation Survey to its members.

This survey of promotion budgets is broken down by market size and designed to help members decide on appropriate media budgets.

The survey is a response to demand that has escalated in the past few years, says Michael Kane, assistant to the executive director of the INPA.

"As the smaller newspapers have been getting more and more heavily involved in promotion, we've been getting maybe one or two calls a day from member papers who need budget help," Mr. Kane says.

"This will help them understand what other papers their size are doing.

"We've seen a lot of newspapers—even small ones—start advertising on television and radio over the past couple of years," Mr. Kane says.

"Still, considering the stiffness of the competition, the industry needs to see much more.

"Publishers are traditionally conservative spenders. Some of them may never be convinced of the need to advertise," he says. "But we keep hoping." ■

Technology transforms production and package

By William F. Gloede

You can have the best news product in the world, but if you can't get it out on the streets where people can buy it, it's worthless, according to an old newspaper adage.

Since 1975, newspapers have spent an estimated $9 billion on capital improvements aimed at getting papers to the right people at the right time while making the product itself more attractive, according to industry estimates and the U.S. Census of Manufacturers.

A quiet but far-reaching revolution in technology has transformed the business from a huge sweatshop into a space-age marvel. This revolution has allowed the introduction of color in many papers. It's given others the wherewithal to reach every household in their markets. It's also made the newspapers more timely, attractive and accurate.

The technological revolution in newspapers began in the mid-1960s with the introduction of cold type into the production process, a process that had remained ostensibly the same since Ottmar Mergenthaler developed the Linotype in 1884. Cold type killed hot lead, greatly reducing the time it took to turn news copy into type. While tolling the death knell for a whole class of newspaper production employes, it made the working environment much more livable.

Cold-type composition systems were rapidly followed by the introduction of computerized text processing, which allowed reporters and editors to compose stories on computer terminals. But the computer did not stop there.

"The introduction of the computer in the newspaper business really has had a big impact," says Pete Romano, director-technical services and training for the American Newspaper Publishers Assn., Reston, Va.

Today, there's scarcely a department in any major newspaper that isn't reliant on computers. From the newsroom and the ad department through the composing room, into the camera room, then into platemaking and even in the pressroom, computers are the rule.

"The intial thrust was in economies of operations," Mr. Romano says. "Once this was done, the next thing they looked at was better serving the reader and the advertiser."

Since 1982, when Gannett Co.'s *USA Today* proved to the business that a quality color newspaper could be produced under the most critical production parameters, newspapers have placed a greater premium on quality.

"The biggest thrust I've seen is quality improvement," Mr. Romano says. "There's a new animal in newspaper operations—the quality control manager."

An example of how newspapers are attending more to the quality of the printed product is the number of newspapers that have purchased digital color scanning equipment. These machines, which sell for about $500,000, allow precise separation of color artwork and give newspapers the ability to compensate for the shortcomings inherent in printing color on newsprint.

> ***"The biggest thrust I've seen is quality improvement. There's a new animal in newspaper operations—the quality control manager."***
> **Pete Romano, ANPA**

Results of digitally scanned color art can be impressive, and the wave of scanner purchases throughout the industry is evidence of newspapers' growing commitment to quality, Mr. Romano says.

"There's no way in the world a newspaper is going to coat justify a scanner unless it also has a commerical printing operation," he says. "They're making an investment in quality."

The quality issue translates roughly into the packaging end of the marketing equation, and in packaging, the revolution is just beginning.

There's a new process in the newspaper business called pagination, which began development as page layout systems at Westchester Rockland Newspapers, a group of 10 Gannett-owned dailies north of New York, in 1981. The next year the *Pasadena Star-News*, a Knight-Ridder newspaper, began producing pages containing text, graphics and advertising on the first system capable of handling all three. However, the *Star-News* is not yet capable of fully storing and manipulating graphics.

Newspapers planning to in-

(Continued on Page 22)

BROADCAST ONLY
$50,000 Best Buy
Target: Adults 25–54
Reach: 81%
Frequency: 4.3
GRPS: 348

BRAVO.

Cheers. The thunder of applause.

If you like the sound of people singing your praises, don't plunk all your money into broadcast.

After all, putting just half in The Chronicle alone gives you virtually the same reach. Better yet, put half in broadcast, half in The Chronicle.

Presto! You've just increased your reach. Without increasing your budget.

The Chronicle's Best Buy means your numbers are skyrocketing. Right along with your career. Bravo!

CHRONICLE VS. BROADCAST
Target: Adults 25–54
$25,000 Chronicle
Reach: 74%
$50,000 Broadcast
Reach: 81%

CHRONICLE, BROADCAST MIX
$50,000 Best Buy
Target: Adults 25–54
Reach: 91%
Frequency: 5.7
GRPS: 519

Houston Chronicle
Houston's primary advertising investment.

Sources: 1985 Belden Continuing Market Study, Houston PMSA, Loc.-! estimates. Chronicle schedules use 8 ads (4 daily, 2 Sat., 2 Sun.). Broadcast budget: 70% TV, 30% radio. Represented by Sawyer Ferguson Walker.

Technology transforms production

(Continued from Page 20)
stall or currently installing a system that entails composing a newspaper page, with all graphics in place, on a computer terminal linked with a printing plate maker include the Oklahoma City *Daily Oklahoman* and *Philadelphia Inquirer.*

In theory, pagination allows a newspaper to be composed by an editor with the resultant page image sent directly to the plate maker. No manual operations, such as pasteup or camera work, are required. Although full pagination technology is still under development, it will be available and working in the newspaper business within five years, Mr. Romano says. It will give newspapers unparalleled flexibility in page design, both in news and advertising.

There's another revolution now in progress, this one in what traditionally has been called the mailroom. The ANPA is leading a charge to get the name of the mailroom changed to the "packing and distribution" center, because most newspapers mail few copies, Mr. Romano says.

Newspaper libraries are moving onto computer storage, creating an eiectronic historical record that's updated daily.

The mailroom, where newspapers are sent once they've come off the press to be collated, bundled and moved onto delivery trucks, has always been a labor-intensive operation. But a new generation of equipment made by the Zurich, Switzerland-based Ferag Co. is changing the nature of the mailroom with a conveying and inserting system that allows automated inserting of special sections and circulars on-line with the press at speeds of up to 70,000 copies per hour.

When eventually linked with specialized computer equipment, the system will allow each newspaper to be custom-tailored to a particular subscriber. That would mean one reader could get a special fashion section while another received a section on international finance, all in the same day's edition of the newspaper.

Although no newspaper is that customer-specific, that day is not far off, according to the ANPA. Newspapers are using this type of equipment to create new advertising and editorial zones, giving advertisers the ability to reach target consumers at lower cost than running in all editions of the paper.

In the pressroom, formerly the dirtiest place in a newspaper plant, computers are now setting and running the presses, allowing for greater control over quality and paper waste. At some newspapers, once the paper web is threaded through the presses, the whole operation—from the loading of the reels of newsprint to the cut and folded finished product—is controlled from a remote "quiet room" that looks more like a Pentagon war installation than a nerve center for a printing plant.

Also, computers run the facsimile equipment that allows newspapers including the *Wall Street Journal* and *USA Today* to transmit pages to satellite printing plants dispersed throughout the country simultaneously.

Similar equipment allows the *Chicago Tribune* to transmit pages from its headquarters on Michigan Ave. to Freedom Center, its production plant several blocks away, and the *New York Times* to send pages from Manhattan to its plant in Carlstadt, N.J.

The same technology will be used in AdSat, a private venture trying to obtain funding for a satellite transmission system for national advertising. AdSat, due to be tested by a dozen major dailies and four major ad agencies this year, will allow advertisers to get ads into tomorrow's newspaper today.

"If there's a big snowstorm in Des Moines, Firestone could get an ad for snow tires into the paper the next morning," Mr. Romano says.

Through all the computerization, newspapers have begun to save the information that used to be left on the composing room floor. In the future, should the electronic newspaper become a viable business, subscribers will be able to access the newspaper's database and, in effect, edit their own paper by selecting what stories they want to read.

Newspaper libraries are moving onto computer storage, creating an electronic historical record that's updated daily. Also, many newspapers, pressed by competition from direct mailers, have compiled computerized lists of households in their market, called a subscriber-nonsubscriber file, which is used in distributing so-called total market coverage products.

For a business that only recently allowed the word marketing to creep into the executive lexicon, newspapers have come a long way in improving operations to meet the needs and desires of readers and advertisers. But, as Mr. Romano puts it, "We've got a long way to go."

CHOOSE THE NO.
IN FLORIDA'S NO.

Research serves editorial, advertising interests

By Richard Edel

Newspapers turn to research for insights into consumer behavior and attitudes to help position papers in the market and against competing media.

Newspapers are taking more active roles in defining and developing their markets through syndicated and proprietary research. This enables them to target editorial products to readers and to consult with advertisers on the reach and frequency of impressions they can expect from using newspapers.

Although some newspapers have been conducting market research since the 1940s, most began using it in earnest during the mid-1970s when readership and profits declined for the first time since World War II, says David Nelson, professor at Northwestern University and director of Chicago programs for the Medill School of Journalism in Evanston, Ill.

Newspapers turn to research for insights into consumer behavior and attitudes to help position papers in the market and against competing media. Research is increasingly the basis for decisions to use zoned editions, to switch from evening to morning or all-day publishing cycles, and to modify editorial content and approach to appeal to targeted readers.

Publishers need research to help them cope with a variety of social and life-style trends and with greater competition from national newspapers, weeklies, free papers and shoppers, says Frederick Currier, chairman of Detroit-based Market Opinion Research.

Because circulation has remained relatively static in recent years, newspapers zero in on each other's readers when looking for circulation gains, and that requires a better understanding of the market, Mr. Currier says. "It's one cannibal against another."

Another trend is the threat

(Continued on Page 24)

Richard Edel is a frequent contributor to Special Report.

NEWSPAPER MARKET.

Smart marketers are starting to call the Fort Lauderdale/South Palm Beach area Florida's Money Market.

Because it combines size (1.4 million residents) with affluence (7th largest U.S. market in retail sales per capita) like no other market in the state.

Hitting this market is not only profitable, it's easy. Thanks to the News/Sun-Sentinel... the only paper that reaches 2 out of 3 readers in the market. And the fastest growing paper in the state.*

So if you're buying affluence, put your money where the money is. The News/Sun-Sentinel... the best investment in Florida.

Fort Lauderdale/South Palm Beach
News/Sun-Sentinel
Florida's Money Market.

Represented nationally by C.W.O. & O.; Sunday Magazine Network; in Florida by Publishers Representatives of Florida.

*Audit Bureau of Circulation, six months ended September 30, 1985. Photograph by David Meredith.

Research serves advertising interests

(Continued from Page 23)
posed by electronic media through a merging of tv, computer and telecommunications technologies. The falling cost of electronic information delivery is putting a squeeze on all print media, he says.

> ***"We were interested in drift, in what readers were saying. We needed to get a handle on who our readers are . . . ."***
>
> **Arthur Gorlick**
> **Seattle Post-Intelligencer**

The upshot is that newspapers must isolate and develop their strengths, both as editorial products and advertising vehicles, to remain competitive, Mr. Currier says. But research is not a panacea that can transform a mediocre product into a great one. A host of factors unique to the publication, its staff and the needs of its readership also must be considered.

"You'll never paint a Rembrandt with research, but you still like to know the parameters," Mr. Currier says.

Research is little more than a pile of numbers, says Arthur Gorlick, assistant managing editor for research and development at the *Seattle Post-Intelligencer*. "The hard part is identifying problems, interpreting the research and trying to find new directions."

The *Post-Intelligencer* conducted extensive market research early in 1983 when it entered a joint operating agreement with the Seattle Times. Special attention was given to demographic, geographic and image positioning in an effort to build circulation in targeted areas and to improve readership in all sections, Mr. Gorlick says.

"We were interested in drift, in what readers were saying. We needed to get a handle on who our readers are and what we could do to help address their needs better."

Before final tabulation of the research, done both in-house and by an independent research company, the paper began changing content and graphic design, and it shifted or hired staff to improve coverage in key areas.

Jeffrey Toth

One surprise uncovered by the research was significant interest in expanded coverage of science and technology, Mr. Gorlick says. The paper immediately hired a science writer and gave greater emphasis to stories by its medicine reporter. Science and high technology also became the Tuesday theme of the redesigned Living section, he says.

The *P-I* also expanded coverage of local news in areas targeted for circulation growth, adding such weekly features as Neighborhood Profile and more stories in brief.

The paper emphasized local companies and people in an expanded business section. A regular feature is "A Conversation With . . . ," an interview with a local business leader. A periodic feature is Success Story, profiling the rise of small companies.

In some instances, new directions involved better labeling and organization, Mr. Gorlick says. For example, readers wanted more national and world news, but coverage was limited by the size of the front section. So the newspaper designated special pages and used more prominent labeling.

"We might not be giving them more national and international news, but it seems like more," Mr. Gorlick says.

A positive indication that the *P-I's* changes are on track is an increase in daily circulation to about 210,000 from about 180,000 in 1984, Mr. Gorlick says.

"The strength of the product is going a long way toward retaining those gains."

Research techniques have not changed in 40 years. Basic techniques include focus groups, where consumer reactions are monitored during a free interchange of ideas; personal interviews, usually conducted door-to-door or through shopping mall intercepts, and telephone interviews, the preferred technique for large research projects because of its relatively low cost. Most surveys also include some form of questionnaire or diary, which the consumer completes during the interview session or mails in afterward.

> ***Basic techniques include focus groups, personal interviews and telephone interviews. Most surveys also include some form of questionnaire.***

A majority of independent, proprietary newspaper research is conducted by five companies: Belden Associates, Dallas; Market Opinion Research, Detroit; MORI Research, Minneapolis; Scarborough Research Corp., New York, and Urban & Associates, Sharon, Mass. Several universities also are involved in proprietary research.

Syndicated research is dominated by Scarborough; Simmons Market Research Bureau, New York, and Mediamark Research Inc., New York.

Simmons and Scarborough formed an independent partnership in 1985 to conduct a biennial newspaper ratings study of

(Continued on Page 26)

BOSCOV'S SELECTS HARRISBURG

Boscov's is banking on Harrisburg. Albert R. Boscov, the Pennsylvania-based retailing giant, is fast becoming a legend in his own time.

Using the Harrisburg Sunday Patriot-News to run interference, Boscov opened his 11th store last fall in the revitalized Camp Hill Shopping Mall which is located in one of the Harrisburg market's most affluent communities.

Albert, who has achieved phenomenal success with his family-owned retail chain, made the decision to open a Harrisburg store only after concluding that the Harrisburg Patriot-News was so dominant in the Harrisburg marketplace that a market strategy built around the newspaper would insure success. His strategy is paying handsome dividends. He ran 70 pages of advertising to announce his opening and incredible traffic jams followed for most of the week.

In selecting the Harrisburg market, Boscov moved into the nation's 82nd largest metro area. It ranks 73rd in retail sales ($3,575,673,000) and 77th in effective buying income. Boscov knew the Sunday Patriot-News' nearly 80% penetration of that market would help him achieve his goal. He turned out to be right again.

HARRISBURG PATRIOT-NEWS
Represented by Newhouse Newspapers

WHO IS THIS MASKED MAN?

How well do you know your reader? Your viewer or listener?

Are they young, old? White collar, blue collar? How much disposable income do they have? What features or programs do they like better than others?

If you can't take the mask off your audience and see who they really are, you may not have the answers your advertisers really need.

Fortunately, you can get those answers. Area Marketing/Research Associates has the staff, equipment and facilities to provide you with current, quantifiable information, presented in an understandable, sales oriented format.

At an affordable price.

Take the mask off your customers and tell your advertisers all about them. Call AMRA today.

amra
AREA MARKETING/RESEARCH ASSOCIATES
303 West Capitol Avenue, Suite 300 • Little Rock, AR 72201 • (501) 376-1158

Expensive information yields valuable results

In 1983, Robert O'Neill, ad director for New Orleans-based Times-Picayune Publishing Corp., which publishes the *Times-Picayune/States Item*, sensed an opportunity. Although his city was losing its Woolco outlets when that company closed national operations and a large independent appliance dealer also was for sale, Silo, a Philadelphia-based discount electronics and appliance company, was looking for expansion markets.

In addition, the *Times-Picayune* had commissioned a study by Belden Associates, Dallas, on shopping habits, which showed significant local consumer interest in appliances and electronics.

> ***"We can show advertisers how effective or ineffective they are in reaching the various types of shoppers."***
> **Robert O'Neill, Times-Picayune Publishing**

Mr. O'Neill contacted Michael O'Hara, vp-sales promotion at Silo, and presented the research. "The next thing you know, they were signing leases here," Mr. O'Neill says.

The example illustrates an industry trend toward newspapers taking a more active role in defining and developing their markets through syndicated and proprietary research. This enables them to consult with advertisers on the reach and frequency of impressions they can expect from using newspapers alone or as part of a media mix.

"We can show advertisers how effective or ineffective they are in reaching the various types of shoppers," Mr. O'Neill says. "We know who picks up the newspaper, what their interests are, where they shop, and we can divide the pie into 10 slices so they can focus on [zoned areas]." The *Times-Picayune* gives advertisers comparisons with electronic media and consults in media strategy.

Despite the expense of generating this information, it has the potential to bring big paybacks. For example, Silo pumped more than $1 million into newspaper advertising in New Orleans during its first year there, Mr. O'Hara estimates.

The example illustrates the need of newspapers and other media to become increasingly sophisticated in their research if they hope to remain competitive as advertising vehicles, says Robert Rudasill, research manager for the *Atlanta Journal and Constitution*.

"Newspapers have been getting away for a long time with just selling [circulation] numbers," he says. "Now they're selling audience quality."

Experts are in general agreement as to why newspapers are motivated to conduct high-quality research.

"Their motivations are purely to sell advertising," says Jay Cohen, exec vp and a principal with Scarborough Research Corp., New York.

"When an advertiser asks, 'How can I best reach my customers?' and 'What media, or media mix, will give me the most for my money?' they need answers," he says.

This is especially true of major national retailers, such as Sears, Roebuck & Co., K mart, J.C. Penney Co. and Montgomery Ward & Co., some of the heaviest users of newspaper advertising, says John Mennenga, senior vp-marketing research at Sawyer-Ferguson-Walker Co., New York, which represents media clients to large advertisers. These companies rely heavily on syndicated and proprietary research in major markets and mostly on proprietary research in smaller ones, he says.

As large retailers reduce their overhead costs by centralizing media buying functions, newspaper research becomes a critical factor in ad placement, Mr. Mennenga says.

> ***"Newspapers have been . . . just selling numbers. Now they're selling audience quality."***
> **Robert Rudasill**
> ***Journal and Constitution***

Media buyers need information on demographics, shopping activity, shopper mobility, competition, use of credit cards, profiles of charge card customers and a host of other factors, which research studies are designed to provide, he says.

Although big retailers may already have much of this information, it would be nearly impossible to collate for up to 300 markets, he says.

"In the old days, the local store manager bought all of the advertising. Today, centralization is moving the media buyer into more remote locations. He relies on newspaper data to give him insights into markets that he may visit only once a year."

—*R.E.*

This coupon entitles you to thousands of free shoppers

Why? Because your food ad reaches so much extra spending power in Syracuse that it's like getting thousands of extra food shoppers free. In fact, Syracuse spends an average of $1509* per person on food, while the average market spends only $1,182.*

Let us show you why the Syracuse Newspapers are the best way to reach this profitable audience. Send this coupon today.

*1984 S & MM Survey of Buying Power

Syracuse. More than you bargain for.

Mail to: Promotion Dept., Syracuse Newspapers, Syracuse, NY 13221 or call 315-470-2089.

Name

Address

City

State Zip

The Syracuse Newspapers

Herald-Journal
Herald American
The Post-Standard

Represented Nationally by Newhouse Newspapers

Research

(Continued from Page 24)

the top 50 markets, covering demographics, consumer shopping and buying patterns, among other topics.

Previously, the two had conducted separate studies. Scarborough also conducts syndicated, multimedia studies of the top 10 markets.

One trend of the proprietary studies is a tendency to look almost as closely at product assessment as at advertising promotion, says Deanne Termini, senior vp at Belden Associates, Dallas.

For this reason, many proprietary studies are designed to generate local market statistics for retailers and market penetration and readership frequency information for editors.

"Newspapers need more attitude information to market themselves to the consumer," Ms. Termini says.

"They can no longer take for granted the fact that people will use them as their primary source of information," she says.

The *Orlando Sentinel* is using an annual Belden study, in addition to information generated by a large, in-house research department, to develop plans for editorial refinement, says Jim Jackson, the paper's research manager.

"We strive to produce a prod-

(Continued on Page 30)

Research serves advertising interests

(Continued from Page 26)
uct that has some value to all readers," Mr. Jackson says.

By looking at demographics and paying close attention to reader reactions to questions on media usage, readership and editorial content, the *Orlando Sentinal* in 1984 identified two editorial areas that needed improvement: Local business news and coverage of entertainment.

> *"Research can tell us where we are succeeding in reaching groups of people and where we are losing ground."*
>
> **Jim Jackson**
> ***Orlando Sentinel***

In June, 1984, the *Sentinel* launched a Central Florida Business tabloid appearing in Monday issues.

Five months later, it introduced Calendar, a weekly entertainment tabloid in Sunday papers designed to reach 18 to 34-year-olds.

The newspaper's circulation is booming, increasing 17% over three years to 250,000 in daily circulation and increasing 25% on Sunday to 310,000, according to the Audit Bureau of Circulations.

"Research can tell us where we are succeeding in reaching groups of people and where we are losing ground," Mr. Jackson says. "I think a lot of our success circulation-wise was due to changes in the editorial product."

But more importantly, the research permits top management to make intelligent and informed decisions that benefit and enhance the roles of the advertising and the editorial sides of the paper, Mr. Jackson says.

Computers speed up readership measurement

By Gary Levin

Advertisers have found a new technology of convenience to measure newspaper readership.

Several marketers, including General Foods and Kraft, use computerized data provided by Audit Bureau of Circulations, Schaumburg, Ill., to track circulation trends, calculate media market coverage and determine combined ad rates for several papers in a given market.

Media companies such as ABC-TV's spot sales division and *Parade* Sunday magazine supplement also use the measurement service.

"We literally could not function without [the service]," says Paul Black, research director at *Parade*, whose growing list of 282 subscribing papers made automation even more essential.

Advertisers, including AT&T Phone Centers, New York, and La-Z-Boy Chair Co., Monroe, Mich., can publish local dealer listings sorted by Zip code, Mr. Black says.

The system also can provide a fixed percentage coverage of a given market by adding buys in *USA Weekend* or the Metropolitan Sunday Newspaper Network to supplement shortfalls in *Parade*.

On-line circulation data is the same as that provided in hard-copy Audit Bureau reports. But the computer hookup enables marketers to more easily manipulate those numbers to provide rankings, cost-per-thousand calculations and other data that normally require hours of numbers-crunching.

> *"In our custom reports, advertisers want to look at circulations based on their markets, not on newspaper [designated] markets."*
>
> **Cecelia Kowalski**
> **Audit Bureau of Circulations**

All of this computer-age activity marks a significant departure from the days when marketers were dependent on hard-copy crunching and cross-tabulations. Such circulation reference books often provide year-old numbers that take hours to compile.

The on-line service has made most of that obsolete. In fact, a *Parade* researcher was replaced by a machine when bureau data became computerized in September, 1984.

Interactive Market Systems, Market Sciences Associates and Telmar Group, all New York-based companies, offer several on-line services for customized research tabulated from Audit Bureau of Circulations newspaper and magazine circulation tallies.

"In our custom reports, advertisers want to look at circulations based on their markets, not on newspaper [designated] markets," says Cecelia Kowalski, manager of the bureau's in-house databank service.

Areas of dominant influence, metropolitan statistical areas and Selling-Areas Marketing Inc. markets all can be used as benchmarks for such research.

THE RISING STAR IN THE EAST IS ON THE MOVE AGAIN.
Norfolk/Virginia Beach/Newport News is making a big impression! Over 1.2 million people now live in Hampton Roads.
An area that's getting bigger everyday! In just two years, the Hampton Roads MSA rose from 36 to 29, making it one of the East Coast's fastest growing markets.
The military, port activities, high tech business and tourism all make a positive contribution to this stable, diversified economy. And upscale consumers are lured by our high quality of life. A mild climate with lots of cultural and recreational opportunities.
To make your impression on this rising star, call or write Dale Bowen, General Advertising Manager, (804) 446-2092. 150 West Brambleton Avenue, Norfolk, VA 23510.
The Virginian-Pilot
The Ledger-Star
Norfolk/Virginia Beach/Newport News Climbs To #29 MSA.

Gannett pushes *USA Today* as tomorrow's paper

By Janet Meyers

USA Today publisher Cathleen Black is joyful.

The pride of Rosslyn, Va.-based Gannett Co., with a circulation of 1,170,559, carried its first department store ad in December—a full-page color spread of holiday gifts from Saks Fifth Avenue, New York.

In addition, ad revenue increased 67% and ad pages increased 44%, to 3,375, in 1985.

However, all is not rosy for *USA Today*.

The paper's ad rates are below many competing national papers. For example, cost per thousand for a full-page b&w ad in the *Wall Street Journal* is about $4,315, compared with $1,917 in *USA Today*, and the Gannett paper continues to discount thousands of subscriptions to build circulation. Also, *USA Today*, available in 90% of the country, may have difficulty gaining new readers this year because few new markets remain, newspaper analysts say.

In 1986, the nationally distributed paper will spend about $4 million, a quarter of its first-year, 1983, budget, on trade and consumer advertising. *USA Today* recently began reaping the benefits of its tv, print and radio campaign launched in the spring of 1984 via Lois Pitts Gershon Pon/GGK, New York, says Ms. Black, publisher since October, 1983.

However, according to industry observers, increased ad revenues and ad pages are the direct result of Ms. Black's efforts on the road.

"It's been an unrelenting public relations campaign as much as anything else," says Bruce Thorp, newspaper analyst with John Morton & Co., Washington. Gannett's flagship promotes circulation through free tie-ins with other companies.

For example, Neiman-Marcus, the Dallas-based department store chain, carried a *USA Today* subscription card in its winter catalog. In June, Gannett teamed with General Mills for a promotion offering consumers free six-month subscriptions to *USA Today*. The promotion netted 450,000 new, but unpaid, subscribers.

"We have to work harder," Ms. Black says. "We're not the *Wall Street Journal*. We're not sold out for the next three months."

In the beginning, the newspaper failed in its quest for advertisers, Ms. Black says. Advertising, via Young & Rubicam, New York, listed the newspaper's demographic and circulation figures and urged media buyers to take a chance.

When the account went to Lois Pitts, the paper introduced the theme "The advertising might of *USA Today*." In 1984, ads appeared on the back page of each section of the *New York Times*.

USA Today's colorful mixture of trivia and simple writing earned it the nickname of "McPaper," for serving up not necessarily the most news of the day, but tastes of the most interesting topics for an audience reared on tv.

"Seventy per cent of the coun-

(Continued on Page 34)

Interesting advertising for an interesting paper was the goal of Lois Pitts' work.

The Leader.

In some markets, newspapers may play a game of "Circulation Hopscotch", trading the lead back and forth with a special gimmick or a super offer.

But in the Sacramento market – the nation's 20th ADI – the game is "Follow the Leader", and the leader is The Sacramento Bee.

The Bee has stretched its circulation lead over the market's second-place paper to more than 2-to-1. That translates into a daily lead of 131,879 and a whopping 169,415 margin on Sundays.

During the coming year, we plan to continue our commitment to make The Bee the very best newspaper we can – editorially and technologically – and to continue to earn our leadership position in the dynamic Sacramento market.

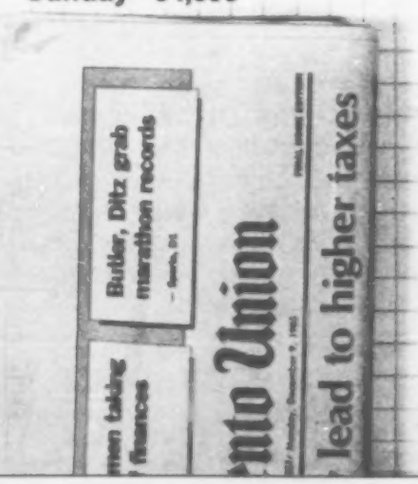
Source: ABC Publisher's statement for 6 mos. ending Sept. 30, 1985

The Sacramento Bee
The more you need to know, the more you need The Bee

Represented nationally by Cresmer, Woodward, O'Mara & Ormsbee, Inc.

SACRAMENTO BEE CIRCULATION
Daily - 227,708
Sunday - 264,011

SACRAMENTO UNION CIRCULATION
Daily - 95,829
Sunday - 94,596



The personality pitch

If comedian Bill Cosby can sell Jell-O, then "Dynasty" star Joan Collins should be able to hawk newspapers.

That's the reasoning behind Lois Pitts Gerson Pon/GGK's yearlong tv campaign for *USA Today*. George Lois, chairman and creative director, says he's believed in the power of personality endorsements for years. He chose the tv celebrity strategy so he could settle the question of who reads the 3-year-old national newspaper.

It's people like former Chicago Mayor Jayne Byrne, former Sen. Howard Baker, and baseball greats Mickey Mantle and Willie Mays who read *USA Today*, he says.

The Gannett Co. newspaper intends to keep its personality-rich campaign for a while. However, other newspapers have tried that method but dropped it for other tactics.

In April, *Newsday* used "Kojak" star Telly Savalas and New York Mets catcher Gary Carter in a tv campaign targeting Queens residents who favor New York newspapers.

Mr. Savalas promoted the new edition of the Long Island daily by touring his old Greek neighborhood in Queens. "Kojak was again becoming a hot character," says Burton Zelner, exec vp with Van Brunt & Co., New York, which handled the assignment. "Savalas was getting a lot of press back then."

The agency chose Mr. Carter because it also wanted to promote *Newsday's* sports section. "The Mets play in Shea Stadium, which is in Queens," Mr. Zelner says.

Newsday more than reached its goal of selling 75,000 copies to Queens readers after the two-month campaign, he says. The *Newsday* account now is handled by Boston-based Hill, Holliday, Connors, Cosmopulos, which no longer uses personalities.

The *Chicago Sun-Times*, faced with an image problem after its purchase by Rupert Murdoch, decided to make stars of its writers in advertising launched in October.

The theme of the tv, radio and print campaign from Campbell-Mithun, Chicago is "Take an expert with you. Take the *Chicago Sun-Times*." Four 30-second tv spots feature Roger Ebert, the newspaper's movie critic; Ron Rapoport sports columnist; Basil Talbott Jr., political editor, and Andy Yemma, financial editor.

"We wanted to tout their strength, their reporters and writers," Al Puccinelli, senior vp at C-M, says of the *Sun-Times*. "People were concerned what would happen with the paper after Murdoch bought it."

The *Detroit News*, which has a tough competitor in the *Free Press*, is using former Tigers pitcher Bill Slayback in one of its tv spots promoting the *News'* sports section and morning delivery.

Fred Yaffe, chairman of Yaffe Berline, the Southfield, Mich., agency handling the campaign, says he asked a talent search company to find a baseball player who looked like Robert Redford in "The Natural." They got Mr. Slayback, who's now ballplayer turned actor. —*J.M.*

Tomorrow's newspaper

(Continued from page 32)
try doesn't remember life before television," Ms. Black says. "George Lois is very visual. One of the first ads had a vending machine and pointed out its similarity to a tv screen. It gave substance to critics calling us McPaper. We're saying, in fact we are a newspaper, but we're designed for this generation."

Most *USA Today* readers earn more than $35,000 a year and are 24 to 55 years old—in short, the population coveted by advertisers, according to Lee Guittar, *USA Today's* president.

"Agencies are notorious for not accepting new ideas," Mr. Lois says. "I lived through MTV [another Lois Pitts client] too."

Advertising for such a new media vehicle as *USA Today* had to reflect the newspaper, he says. He got the account after he told Ms. Black, "You've got an exciting paper and you're running dull ads. The advertising certainly should be as interesting as the paper."

One of his trade ads showed a weird-looking creature and was headlined, "A lot of media people are saying *USA Today* is neither fish nor fowl. They're right." The ad admitted the newspaper fell into no category, and closed, "We don't care much what you call us, just as long as you call us."

Celebrities sell advertisers on who reads *USA Today*.

However, research showed that the bolder print ads in trade magazines and the *New York Times* attracted top-level executives, but not midlevel people who do the buying.

Subsequently, to reach younger media buyers, USA Today advertised on tv, Mr. Lois says. Spots aired in select markets during late news and early morning slots most likely to be seen by agency and company executives.

"The guy sitting behind a desk flipping through *U.S. News* may sell circulation for some magazines, but at *USA Today* we felt strongly we should go beyond that," Ms. Black says. In August, celebrities were featured in the tv ads, one for each of the paper's sections. Bill Marriott, president of Marriott Corp., endorsed business; Joe and Debbie Namath promoted the popular sports section, actress Joan Collins endorsed the Life section and former Sen. Howard Baker, the hard news.

"The second we did that, the people at the agencies knew that the important people read it," Mr. Lois says. In 1985, trade ads were headlined, "Because it works, works, works. They keep coming back for more, more, more!" Larger advertisers were cited by name, such as International Business Machines, which bought seven ad pages in 1984 and 50 in 1985, Ms. Black says.

In August, consumer ads had different celebrities, like former Chicago Mayor Jane Byrne, and tv personality Willard Scott, singing, "I read it every day."

Later that month, the newspaper increased its price to 50 cents from 35 cents. "We wanted to buffet any possible loss in circulation," Mr. Lois says.

However, despite positive year-to-year figures, *USA Today's* circulation is disappointing, Mr. Thorp says.

The newspaper projected a 2 million circulation by the time it turns a profit, anticipated in 1987, but has achieved its current 1.3 million subscribers largely by introduction in new markets, he says.

"It'll be hard to get past that initial segment of readers. Our projections for circulation revenue have been scaled back," Mr. Thorp says. "Maybe advertising revenue will make up for lower circulation revenue. It's ad revenue that will make it profitable."

This month the paper moved to a 56-page capacity. Each week it will carry a special insert devoted to one topic. The first four will focus on health, finance, the Super Bowl and corporate America.

"Obviously it's a way to bring in new advertisers," Ms. Black says. The 12-page sections will include five to seven ad pages.

"It's a big plate for us," she says. "Some will be more successful than others, like those where we have a strong advertising base anyway." Ad rates in the special sections will be 10% to 15% higher than in the regular paper, she says. The paper's most frequent advertisers are automotive companies, travel-related businesses, computers and office equipment, and business and consumer services.

USA Today's promotion direction will remain the same in 1986, she says. "We're toying with buying more spectacular units, like taking four pages to gang it up a little," she says. It's precisely the same advice the newspaper's sales force often gives to advertisers about buying in *USA Today*.

People Who Run Things In The Twin Cities Read The Star And Tribune.

When you run advertising in the Minneapolis Star and Tribune, you reach an upscale audience that includes an extremely large number of managers and other professionals.

Although we are the 13th largest ADI, Minneapolis-St. Paul ranks 8th in percent composition of Managerial-Professionals, 7th in college graduates, and 7th in household incomes over $50,000.

And a Twin Cities newspaper buy, anchored by the Star and Tribune, lets you reach a high percentage of these upper income readers at one of the most efficient CPMs in the country.

In fact, the Twin Cities rank 5th among the 20 largest ADIs in newspaper cost-per-thousand delivery of this group.

For a complete rundown on this lucrative market, just call Thomas J. Whelan, National Sales Manager, at 1-800-328-4674 or write: Minneapolis Star and Tribune, 425 Portland Avenue, Minneapolis, MN 55488.

Represented nationally by Sawyer Ferguson Walker Company Inc., Metropolitan Sunday Newspapers, and in Canada by American Publishers Representatives, Ltd.

London broadsheets target professionals

By Sean Milmo

In a crowded pool of tawdry tabloids, London's four broadsheets promote their products in the hopes of capturing an upscale, professional reader.

To compete in the London newspaper market, the *Times*, a News International paper; the *Guardian*, published by Guardian & Manchester Evening News PLC, and the Pearson Group-owned *Financial Times* have moved into advertising and marketing in an aggressive way.

Meanwhile, the *Daily Telegraph* has demonstrated that lack of marketing support can prove detrimental in today's newspaper market.

Since 1979, the *Daily Telegraph's* circulation has decreased by about 15%, 3% of that in the last year, to 1.21 million. However, over the past five years, the *Times* has increased circulation about 30%, to 475,707, and the *Guardian* by 23%, to 480,697. The *Financial Times*, a business publication, has a circulation of 230,981, a 7% increase from the previous year's figure.

During 1985, the *Telegraph* invested in new computerized printing technology to cut costs.

Despite this effort, the paper ran into cash flow problems and subsequently was rescued from bankruptcy by Canadian financier Conrad Black, head of Toronto Argus Corp. In December, the company took control of the *Telegraph* from the Berry family, owners since 1927.

Industry observers expect the paper to be much more active in marketing under Mr. Black, who brought in *Economist* editor Andrew Knight as chief executive. Although the paper has a lot of circulation ground to make up, it is by far the leader among London broadsheets.

In 1984, after years of promotional inertia, the *Telegraph* broke a $3.47 million campaign handled by Dorland Advertising, London, which is still running. Using the tag line "Hard news, infernal crossword," the campaign touted the paper's solid news coverage mixed with lighthearted, intellectual material.

But for the most part, the Telegraph has not gotten its marketing act together, competitors say.

"They don't appear even to have gotten down to basics, like finding out about their market and what people perceive as being their strong points," says an executive at one rival paper, who would not speak for attribution.

"In particular they have failed to bring in new, younger readers. Their readership is literally dying," he says.

But while only 25% of the *Daily Telegraph's* readership is younger than 35, 45% of the *Guardian's* and 40% of the *Times'* readers are, according to Grandfield Rork Collins, a London-based ad agency.

Portfolio, a bingo-type game, is the main promotional tool for luring additional, mostly young readers to the *Times*. Since the game's introduction in June, 1984, the paper estimates Portfolio has helped boost circulation about 100,000, says Julie Ferguson, ad services manager for the *Times*.

"The objective was to draw attention to the paper's business news section, which had been greatly improved," she says, referring to the section's new editorial staff. "Unlike other bingo-style promotions, it has not been a flash in the pan with circulation falling off after an initial success."

Marketing executives at the *Guardian* have dismissed Portfolio as a gimmick. Rather than counter with a contest of its own, the paper has concentrated on an image-building tv and print campaign.

"We've tried to get away from the building block approach to increasing newspaper sales," says *Guardian* marketing manager Jon Gordon. "This is based upon the idea that newspaper readers consist of groups of people with minority interests. All you have to do is cover someone's specific interest and you've gained a reader.

"We believe that people buy a paper for its over-all qualities—its political stance, the way its articles are written, its style. It is those sort of intangibles which our advertising is designed to promote."

The paper's main campaign during 1985, through London-based Boase Massimi Pollitt, was a series of commercials in which personalities, such as former *Times* editor Harold Evans, actor Peter Ustinov and Irish novelist Edna O'Brien, explain why the *Guardian* is their favorite paper. The campaign will continue running in 1986.

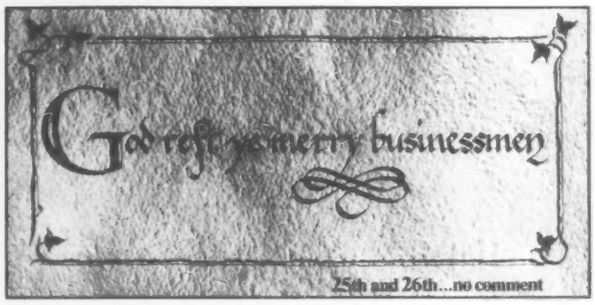
In one spot that no longer is running, Mr. Evans, who left the *Times* after clashing with News Group Ltd. president Rupert

Sean Milmo is a London-based free-lancer.

ABCDEFT

...comment

The *Financial Times* repeats its "No Comment" tv campaign, created by Ogilvy & Mather, London, in poster ads.

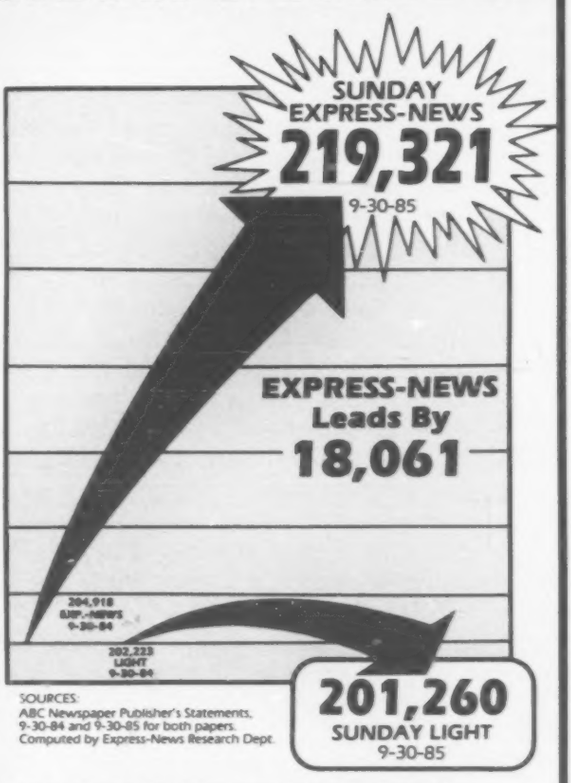


Portfolio, a bingo-type game, is the main promotional tool for luring mostly young readers to the Times.

"We believe that people buy a paper for its over-all qualities—its political stance . . . its style."
Jon Gordon
Guardian

DAILY CIRCULATION FIGURES
Newspaper
1985
Per cent change from 1984
Daily Telegraph 1,211,877 -3.2%
Guardian 480,697 +3.1
Times 475,707 +12
Financial Times 230,981 +6.9
Source: All figures from Audit Bureau of Circulations for period ending September 30, 1985

EXPRESS-NEWS
Sunday Circulation
SKYROCKETS!



SOURCES:
ABC Newspaper Publisher's Statements,
9-30-84 and 9-30-85 for both papers.
Computed by Express-News Research Dept.

Growing South Texas demands a quality and aggressive newspaper whose circulation is outpacing the area's growth. The Express-News meets that challenge, and more ... We also lead the competition in number of pages printed, volume of news presented, and in all categories of advertising. Definitely the dominant paper of choice for the state's third largest market.

Express-News leads the daily Light by 25,213:

EXPRESS-NEWS	LIGHT
164,503	139,290

Express-News

San Antonio's Quality Newspaper

Avenue E and 3rd St., P.O. Box 2171, San Antonio, Texas 78297, 512 225-7411

Represented Nationally by Branham Newspaper Sales

Murdoch, claims to like the *Guardian* because no one tells it what to say.

The left-of-center paper, owned by a trust and unaligned to any political party, makes a great play of its political and commercial independence.

"At a time when so much of the U.K. press is owned by multinationals with domineering proprietors, our independence is not only becoming more widely known but actually appreciated," Mr. Gordon says.

> ***"We wanted to get across that the paper is less predictable . . . than our competitors."***
>
> **Jenny Beck**
> ***Observer***

Also, the *Guardian* has had success in bolstering its recruitment, or help-wanted classified, advertising. Like other newspapers, the *Guardian* sees this category as an important means of increasing ad revenue as well as circulation.

But the *Guardian* is not alone in its brand-building method of advertising.

The Sunday-only *Observer*, owned by Lonrho PLC, London, one of the country's three broadsheet Sunday papers along with the *Sunday Times* and the *Sunday Telegraph*, has been running a tv spot through J. Walter Thompson with the tag line, "Do something different every Sunday, read the *Observer*."

"We wanted to get across that the paper is less predictable, more exciting and varied than our competitors," says Jenny Beck, marketing and circulation controller for the *Observer*. "Rather than running ads telling people what's in the paper this week, we are aiming to generate a long-term image for the paper."

Also stressing brand image is the *Financial Times*.

Since 1982, an ongoing tv campaign has combined content advertising with branding. The slogan, created by Ogilvy & Mather, London, "No FT . . . no comment," also has been repeated in poster advertising.

"The commercials aim to broaden the readership of the paper by highlighting specific articles on subjects not normally associated with it, like technology and managerial techniques," says Mark Knight, pr manager for the *Financial Times*.

"The message is that if a businessman wants to be well informed he must read the *Financial Times*. It's an image-building exercise rather than traditional newspaper advertising about what is in the paper tomorrow."

Bay Area dailies spending time on tv

By Betsy Gilbert

The San Francisco Bay Area is fertile ground for the newspaper trade. Dailies and weeklies cater to almost every group living in this cultural melting pot. However, three newspapers stand out, and those three recently implemented aggressive marketing strategies in an effort to capture a larger share of the pot.

You could spend the rest of your days trying to find three more diverse daily newspapers than the *San Francisco Chronicle*, *San Francisco Examiner* and *San Jose Mercury News*. These papers' promoters spend their days trying to establish individual images in the minds of potential readers. It's difficult to turn on a tv without seeing one of the papers being promoted in slick commercials.

"This is something that's relatively new, not just for the Bay Area, but around the country," says Jessie Knight, vp-marketing for the San Francisco Newspaper Agency, which operates business functions for the *Chronicle*, with a morning circulation of 545,622, and the *Examiner*, with an evening circulation of 142,314.

"Metropolitan dailies are buying a lot of television time projecting their corporate images. It's no secret that newspapers have been somewhat diluted [as an advertising medium] over time by tv and radio. I'm trying to bring these newspapers back as a strong force, as strong as they were in their heydays."

That effort, for the San Francisco papers as well as the *Mercury News*, which has a daily circulation of 261,668, is taking the form of direct appeals to consumers where they can be found most often—in front of their tv sets. High-quality commercials, some of them creating a short movie in a 30-second time frame, are succeeding in gaining reader attention.

"I think all of these papers have separate identities and appeal to a certain kind of audience, but all of them are trying to boost circulation and they're all going at it very aggressively," Mr. Knight says.

Mr. Knight, who wears two hats in his task of marketing the *Chronicle* and *Examiner*, was presented with a major challenge when he took the newspaper agency job in May. The *Examiner*, an afternoon paper that had not been setting the world on fire, had a new publisher in William Randolph Hearst III. The 36-year-old grandson of the newspaper dynasty's founder had some new ideas for running the predictable *Examiner*, and Mr. Knight saw a way to get those ideas across to the public: Tv advertising. Subsequently, the paper's most recent ad campaign, "The New Generation," was born.

"We sat down and decided that our biggest priority was establishing a separate identity for the *Examiner*," Mr. Knight says. "We needed to extricate it from the aura of the *Chronicle* and announce that there were all these positive new things going on. We figured the best way to get that message across was through the use of personalities."

The agency, San Francisco-based Goodby, Berlin & Silverstein, developed a black-and-white series of 30-second commercials around the new personalities on the paper, including Mr. Hearst, columnists Hunter Thompson and Cyra McFadden. Film buffs immediately recognized overtones from the film classic "Citizen Kane," based on the times of William Randolph Hearst.

"The idea behind the ads was to produce little serials, an ongoing story of what is going on at the paper," says Rebecca Holder, director-account services and a principal in Goodby, Berlin & Silverstein.

"The 'Citizen Kane' angle occurred to all of us."

The spots became a topic of general conversation and, more to the point, they got people thinking a little differently about the *Examiner*.

"The ads focused attention on the *Examiner*, but the paper itself is what brings in the readers, Mr. Knight says. "You compare the *Examiner* today to what it was a year ago, and you're going to see some marked changes, positive changes."

Editorial content is lighter with an edge of humor, compared with the weighty, serious tone of the past, he says.

(Continued on Page 38)

Betsy Gilbert is a Palo Alto, Cal.-based free lancer and frequent contributor to Special Report.

See us jump...

With a press run of 84,000 and an average daily paid circulation of 65,775, we've jumped 12.4% in 12 months!*

A new distribution system, enabling us to get our papers to our readers more efficiently, is helping us race to our goal of 100,000 paid circulation by the end of 1986.

Just one more reason why...

For total market penetration in Los Angeles... do it in Spanish!

Telephone: (213) 748-1191
P.O. Box 15093
Los Angeles, California 90015

* ABC September 1985

LA OPINION

The leading Spanish language daily newspaper in the U.S.

Dailies spend time on tv

(Continued from Page 37)

David Rosenthal, a tv critic for the *San Jose Mercury News*, says that while the use of personalities in the *Examiner's* current campaign is clever, he's not sure it's going to get the desired result, which is to appeal to a broader range of readers.

"Basically, the message is: 'If you are intrigued by Hunter Thompson or Cyra McFadden or Warren Hinkle, well they write for us now,'" he says. "I don't know that that is going to sell a lot of papers."

While results of the *Examiner's* campaign have yet to be determined, the Bay Area's leading newspaper has embarked on an ad campaign of its own.

"A lot of people have asked me if the current television commercials on the *Chronicle* are a result of the *Examiner* campaign's success," Mr. Knight says. "They're not. The two papers' ad campaigns were planned at the same time, looking at separate marketing problems and separate strategies."

When the earth shook in Mexico the Mercury News moved.
INTERNATIONAL NEWS
We're all over it.
Bureau chief thinks fast
Battling back
The Mercury News

The *Mercury News* emphasizes its broad coverage in ads and spots.

Because the *Chronicle* is the area's dominant newspaper, promoting it was not a matter of trying to uplift an underdog. Mr. Knight wanted to highlight the paper's strengths, rather than use a discount subscription offer. He worked closely with the San Francisco advertising agency Gardner Communications in developing that message.

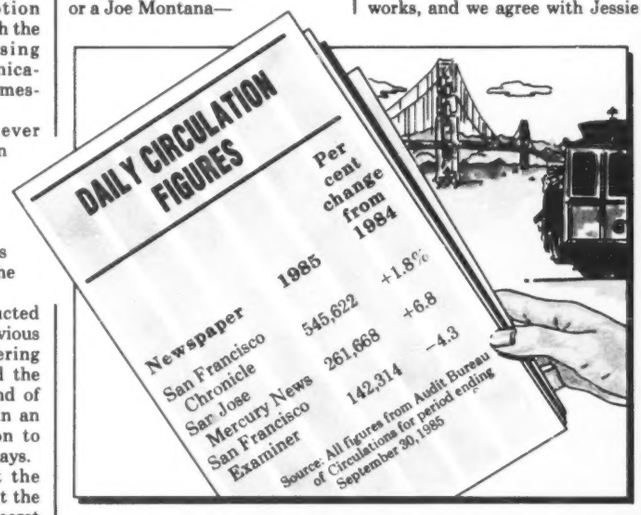
"The *Chronicle* had never done a corporate campaign in its history and we—Jessie and my staff—agree that a good strong corporate image was what we needed to portray," says Bob Gardner, founder of the agency.

"The research we conducted showed that because all previous advertising had been offering discounts, people perceived the paper as being in some kind of trouble. We needed to go in an entirely different direction to counteract that image," he says.

"We weren't looking at the same catalyst of events as at the *Examiner*, such as Will Hearst taking over, new columnists being brought in," Mr. Gardner says. "Because the paper leads the *Examiner* about five to one, we didn't need a lot of bells and whistles. What we wanted to do was reinforce the public's positive image of the *Chronicle* as the paper of record for the Bay Area."

The approach chosen was a dialog campaign of unscripted, unrehearsed spots done by a number of local personalities, including singer Boz Scaggs. They were all interviewed in man-on-the-street segments and gave positive impressions of the *Chronicle* in their own words. The tag line was "Great place. Great paper."

"We set unusual criteria for signing up the personalities we used," Mr. Gardner says. "The standard approach in something like this is to get a John Madden or a Joe Montana—people who do a lot of commercials. We decided to go with what we call testimonial virgins, people who are recognizable, but who've never done commercials before. At first, there was some resistance, but now we're getting calls and letters from people who want to be a part of the campaign."


DAILY CIRCULATION FIGURES
Newspaper
1985
Per cent change from 1984
San Francisco Chronicle 545,622 +1.8%
San Jose Mercury News 261,668 +6.8
San Francisco Examiner 142,314 −4.3
Source: All figures from Audit Bureau of Circulations for period ending September 30, 1985

A commercial with a more serious tone also has been running on local tv. "It's the anchor commercial," Mr. Gardner says. Several of the testimonial personalities make cameo appearances in the spot, which points up the *Chronicle's* strengths as a leading newspaper.

The *Chronicle* plans to continue the "Great place. Great paper" campaign indefinitely, and while the testimonials will be used, the personalities will change, he says.

"We found an approach that works, and we agree with Jessie Knight that we ought to keep it for as long as it continues to work," Mr. Gardner says.

That's an attitude shared by the marketing experts at the *San Jose Mercury News*, whose ads, with the tag line "The Bay Area's Best," have been touting the newspaper's corporate strengths on tv for more than four years.

"Our entire market approach for the past several years has been product based," says Tim Aldrich, director-consumer marketing for the newspaper. "It's different from what the San Francisco papers have traditionally done, but we felt that it was the right approach for us because we really do have the best newspaper in the Bay Area."

The *Mercury News* promotions are based on research that identified psychographic, rather than demographic, target audiences, Mr. Aldrich says. Spots promoting international news are aimed at one group, segments promoting business coverage at another.

"This is an approach that we've found extremely successful over the years, and it's something we plan to stick with," Mr. Aldrich says. "We've never done two-for-one discount ads, and it's not likely that we ever will. Our strength is the product, the newspaper, and that's the message we try to get across to the public."

The message will stay the same, but the paper's approach will change. "The Bay Area's Best" campaign, done by McCann-Erickson, San Francisco, is being replaced by a series based on the *Mercury News'* broad coverage. In December, "Entertainment—we're all over it" and "News—we're all over it" tv spots, created by Mr. Aldrich's in-house staff, began touting the corporate strength of the San Jose paper.

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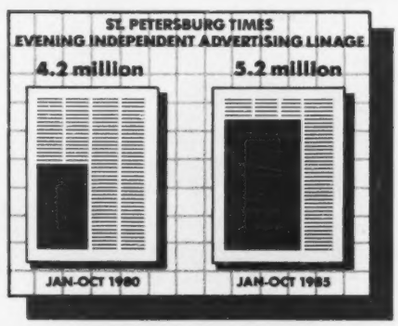

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New York papers playing the numbers game

By Cara S. Trager

Metropolitan New York's four major dailies are sharpening their editorial products and marketing swords in an effort to win distribution and circulation gains.

The Big Apple represents a highly charged, competitive market in which formidable media giants are battling for the New York newspaper reader.

Tribune Co.'s *New York Daily News*, News America Publishing's *New York Post* and Times Mirror Co.'s *Newsday* recently redesigned their marketing and advertising strategies with one goal in mind: Market dominance. Armed with special pullouts and new and expanded features, New York's major papers are playing for numbers —as in readers and advertisers.

Against this background, the New York Times Co.'s flagship marches to the beat of a different drummer. The paper has a daily circulation of 963,365, an increase of 3% from the previous year's figure, and a slight increase on Sunday, to 1,572,498. But unlike the other three dailies, which are eager to appeal to a broad-based audience, the *New York Times* is more concerned with the quality, rather than quantity, of its circulation.

The *Times'* editorial and marketing efforts are aimed at developing and maintaining a firm grasp on its well-heeled and well-educated reader, the professional or manager with a college degree and a median family income of $35,000 in Manhattan, $50,000 elsewhere, according to Len Harris, director-corporate relations.

> ***"We are expanding circulation on a very controlled basis . . . . We look for staying power."***
>
> **Len Harris**
> ***New York Times***

Although expansion of circulation outside the metropolitan New York area is a goal, the *Times'* interest is purely demographic, not geographic, as it wants upper-end readers, says Jim Cutie, director-marketing and promotion.

"We are expanding circulation on a very controlled basis, not for one day or one headline, but about 2% a year. We look for staying power," Mr. Harris says.

The *Times* promotes the paper through home delivery sampling and advertises with direct mail, which accounts for about 20% of its media mix, and morning and evening drive-time radio, which represents about 80% of its ad expenditures.

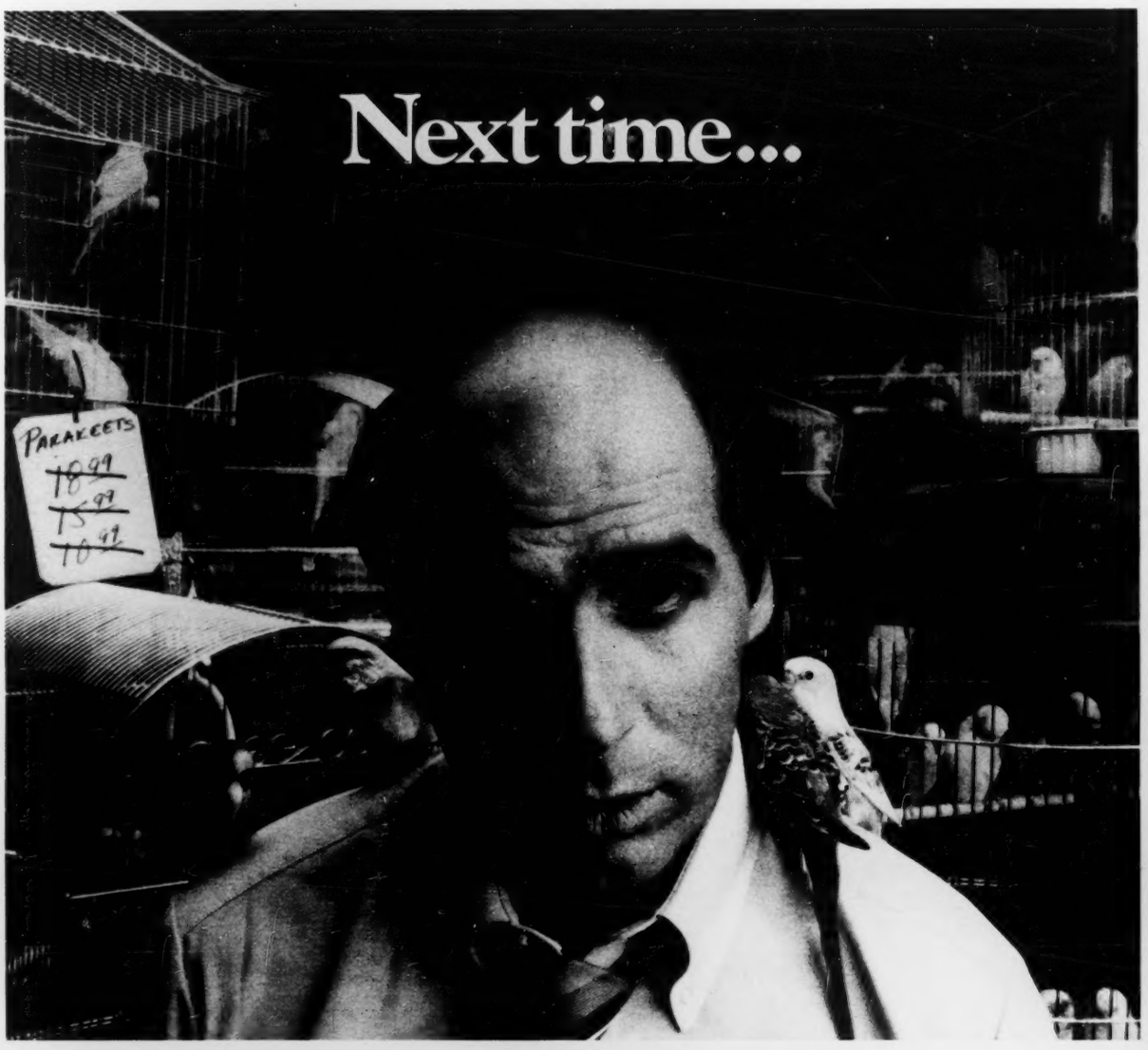
"Find Your World in Ours" is the paper's consumer ad campaign that attempts to attract the upscale reader by emphasizing the quality of the paper's national, international and business reporting, says Dorothy Abrahams, vp-account supervisor at Bozell & Jacobs, New York, which handles the account.

In an effort to build and maintain readers who fit the *Times* demographic mold, the paper continues to add sections and features suited to the needs and interests of these readers. For example, the paper, which started computer coverage in Tuesday's Science Times in 1982, launched regular computer coverage in its Sunday business section in January, 1985. Also, it has stepped up its single-topic Part II Sunday magazine sections to include Sports, the Sophisticated Traveler and World of New York, which examines the pleasures of life in the city.

New York Newsday since 1983 also has stepped up its number of pullouts, but the paper's most pronounced, recent efforts have been in city reporting. The 2½-year-old *New York Newsday*, determined to become a dominant player in the city, is increasing its distribution in

(Continued on Page 40)

Cara Trager is a New York-based free lancer and frequent contributor to Special Report.



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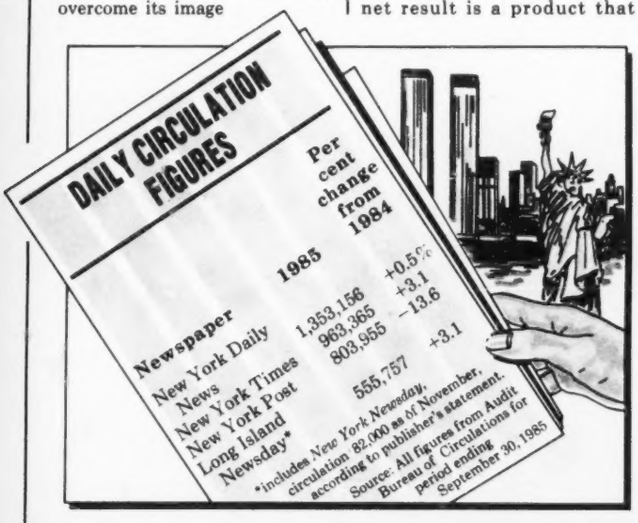
Papers playing the numbers game

(Continued from Page 39)
Manhattan and Brooklyn.

New York Newsday, as a relative newcomer to many city newsstands, is not only battling for circulation but also must overcome its image as a suburbanite.


DAILY CIRCULATION FIGURES
Newspaper
1985
Per cent change from 1984
New York Daily News 1,353,156 +0.5%
New York Times 963,365 +3.1
New York Post 803,955 −13.6
Long Island Newsday* 555,757 +3.1
*Includes New York Newsday, circulation 82,000 as of November, according to publisher's statement.
Source: All figures from Audit Bureau of Circulations for period ending September 30, 1985

Newsday's market research efforts, which include telephone surveys and focus groups, reveal that its Long Island image isn't going to change overnight. But *New York Newsday* is determined to change that perception.

About 120 writers, editors and photographers work exclusively on the New York edition, and another 25 will be added this year, says David Laventhol, senior vp for Times Mirror Corp. and *Newsday's* chairman. The net result is a product that boasts a city-oriented front page and, inside, news and features focusing on issues, events and business relevant to Big Apple residents, he says.

In April, based upon market research, the paper decreased its cover price from 30 cents to an introductory 20 cents "to get people to pick it up," Mr. Laventhol says. Earlier this month, Newsday increased its New York edition cover price to 25 cents. "Twenty cents is quite low in this market and was used as part of our marketing strategy. We don't feel we'll lose our readers to any significant extent because of the price increase," he says.

Through its editorial efforts and pricing strategy, *Newsday*, as of November, has reached a circulation of 82,000 in New York, an increase of 37,000 from April, according to Mr. Laventhol. By yearend, circulation is expected to reach 85,000, he ssays.

"That's relatively small by New York's standard, and most of it, 70,000, is in Queens, but that's not a negative," the publisher says. "The key word with us is incremental. We are in no rush and have no magic date to hit a magic circulation number. We want to do it right, and we expect it to take people a long time to change their reading habits. We are in New York for the long haul and expect to be fully competitive with other newspapers."

Media analysts say there's merit in the paper's incremental strategy. "If you can practice in Queens and leverage off your recognition while still developing your reporting, you can take your editorial product and gradually move into New York," says John L. Bauer, media analyst with Oppenheimer & Co., New York. "Queens is going to give them strength."

In 1986, as part of its long-term plans to gain city readership, the paper thus far has allocated about $2.5 million in media spending, a 25% increase from 1985, says Jack Squire, promotion director. Tv represents about 50% of its expenditures, with the remaining dollars spent on morning radio, outdoor boards and transit.

Newsday's most recent tv campaign, which began in September and ran for three months, featured an aerial view of the Manhattan skyline with the tag line, "We're taking New York head-on. There's more New York in Newsday."

Although the paper has had little effect on competition, its efforts have not gone unnoticed. "We view *Newsday* as a serious competitor and newspaper, which is extremely well-financed," says John Dunleavy, assistant to the publisher at the *Daily News*. "To date, however, it's had little effect on the *Daily News*, despite its price reduction. Their effect on both our advertising and circulation has been minimal."

Nevertheless, the *News* is not idle. The paper, which views itself as broad-based, recently introduced revisions and redesigns in its editorial product. For example, more and larger photographs have been added and two typefaces have been introduced.

In addition, the *News* has expanded its daily sports section by six pages, bringing total sports coverage to an average 16 to 20 pages a day.

The *New York Times'* marketing efforts are aimed at attracting well-heeled, well-educated readers.

"New York is a tremendous sports town. It's not an incidental section," Mr. Dunleavy says. Business coverage also has been enlarged to include a Tuesday business section and a Money Talks pullout, which offers Sunday readers business news and information.

Newspaper analyst John Morton of Lynch Jones Ryan in New York says the paper is acting defensively.

"What's been going on is that the *Daily News* is trying to hold the middle-ground against suburban *Newsday's* foray into the city, particularly in Queens," he says.

The paper's most recent campaign positions the *News* as a bona fide New York product. Its

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Source: ABC FAS FAX, 1985
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THE BUFFALO NEWS
Big Buffalo in one buy!

ad campaign, introduced in June, carries the tag line, "New York's hometown paper."

"The *New York Times* is the national paper of record, *Newsday* is not a New York paper yet and the *Post* is a foreigner-owned tabloid," says Jim Callaway, president New York-based Holland & Callaway, the *News'* agency. "The *Daily News* is down home."

TV represents the primary thrust of the paper's advertising expenditures, with outdoor boards and radio accounting for the remainder. Executives declined to reveal ad spending but anticipate the budget for 1986 to be about the same as last year.

Admittedly, the bottom line is circulation. Although the *News'* daily figure increased slightly from 1984 to 1,353,156 in 1985, Sunday circulation was down 59,415 from the previous year, to 1,662,026.

In the past, the *News* has relied upon contests to attract new readers and boost circulation.

"Contests always are beneficial in giving a temporary hike to circulation and introducing new readership to the product," he says. "However, at some point, the needle has to be withdrawn, and the fact which sells the paper in the long-term is a good, solid readable product."

To increase circulation, the paper is focusing more of its attention on Manhattan, adding several hundred outlets to its distribution system; tripling the number of street vending machines, and stepping up its home delivery program.

Despite these efforts, the paper anticipates a loss in circulation because it raised its weekday cover price last October from 30 cents to 35 cents, says Allan Talbot, director-planning. He expects circulation to return to pre-price increase levels by early 1987.

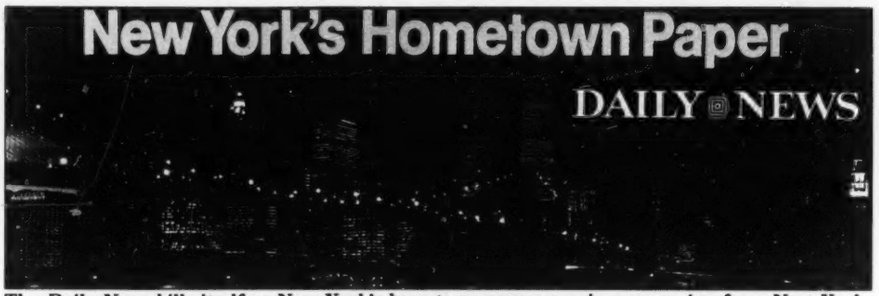
Also casting hungry eyes on the New York reader is the *Post*. The *Post*, long known for its bold and dramatic front-page headlines, is attempting to change that image, the *News'* Mr. Dunleavy says. "The *Post* is a moving target right now that was easier to describe a year ago. Today, it's trying to become more respectable; there's not quite the screech to the headlines, and we're seeing a lot more effort to introduce readers to commentary."

Post executives concur. "We're out to attract a younger audience, who spends all the money it makes, is educated and upwardly mobile and looking for life-style opportunities," says Tom Kennedy, advertising director.

To that end, the paper last August added a special City People section and also stepped up its sports and business coverage through special pullouts.

Like the *News*, the *Post* has attempted to boost circulation through contests, particularly its Wingo game, which ended last July after five years.

"The original goal was to increase circulation by bringing more people into the paper, and it was very successful in the beginning," says Roderick Welch, the *Post's* director-circulation. "Last spring, we decided to let the circulation settle where it may." As a result, circulation declined 13.6%, to 803,955 in 1985. "Wingo was hype, and we are happy with what we got, and now that we see where our circulation is, we will make other decisions to increase it again," says Mr. Welch, who would not discuss plans.



The *Daily News* bills itself as New York's hometown newspaper in a campaign from New York-based agency Holland & Callaway.

Post executives also attribute the circulation decline to the paper's cover price, which increased from 30 cents to 35 cents in October, 1984.

Although the higher price ultimately affected circulation, the *Post's* Mr. Kennedy indicated that it represented a competitive edge in selling advertisers. "The advantage is that readers weren't buying the paper out of cheapness but [because it was] something they wanted to read."

But with circulation being the name of the game, a new consumer advertising campaign is in the works, although the company declined to elaborate.

As the battle for readers, and ultimately, advertisers, rages on in the Big Apple, the competing dailies can find comfort in the fact that there's a strong possibility there will be more than one victor.

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Promotion is weapon in Dallas circulation war

By Susan Garland

The Dallas newspaper market has proved to be an arena of colorful battles between its two daily newspapers, the *Dallas Morning News* and the *Dallas Times Herald*.

In 1985, the *News*, owned by A.H. Belo Corp., scored a victory as the paper's daily circulation increased 4.9% from the previous year, to 377,843, and garnered about 62% market share. This gives the *News* a substantial lead over Times Mirror Co.-owned *Times Herald*, which has a circulation of 231,224, a 14.6% decrease from the similar period a year earlier.

Dallas is the only market to list two papers in the top 10 U.S. newspapers in full-run ad linage. For the first eight months of 1985, the *News* is ranked No. 1 and the *Times Herald* is No. 8, according to Media Records.

The marketing battle between the two is often as fierce as the circulation struggle.

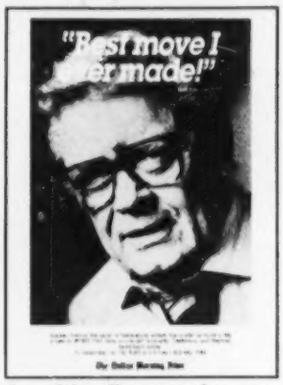
"In terms of circulation, Dallas is a more promotional type of market," says Barry Kaplan, a publishing analyst at Bear, Stearns in New York. "This is partly because of the competition and partly because you've got two very smart effective marketers competing against each other. Both are knocking heads from a promotional standpoint."

In 1977, when the *Times Herald*, previously an afternoon paper, published its first morning edition, competition escalated.

At that time, both newspapers began investing heavily in marketing support. The *Morning News* retained Yankelovich, Skelly & White, New York, to conduct a profile study of the Dallas market. Based on the report, the *News* stepped up its coverage of business, sports, fashion, arts and entertainment, and local news. The Yankelovich study was repeated in 1981 and 1983.

"We made a long-term commitment to improve the product," says Jeremy Halbreich, *Morning News* exec vp. "In close coordination with that commitment, we've mounted aggressive advertising sales efforts and year-round circulation solicitation."

And that effort appears to have paid. "Judging from circulation numbers, the *News* has quite obviously conducted an effective program, not just in marketing but in product improvement," says Bruce Thorp, media analyst for John Morton Co., New York. "The *Times Herald* has worked very hard to improve the appeal of its paper to the reader, but so far those efforts haven't paid off as well as they have at the *News*."



A multimedia campaign supported Blackie Sherrod's move to the *Dallas Morning News*.

The *Morning News* is oriented toward providing what the market perceives as a quality product, Mr. Kaplan says. "The *Times Herald* has made some product changes too, but most of that is a competitive response to what the *News* already has done."

But the *Times Herald* hasn't been without its own marketing studies. In 1985, it commissioned a market study by Urban & Associates, Sharon, Mass. "There are amazing reasons for why you are read," says Laurie Walton, *Times Herald* vp-promotions.

"You can't hang your hat on any one thing and be safe. You have to have appeal without fragmentation. We're isolating those areas with greatest impact and potential for growth," Ms. Walton says.

"In the Chris Urban study, readers were asked to rank the newspapers over-all on a scale from 0 to 100 and both newspapers ranked in the low 90s," says Arthur Wible, *Times Herald's* publisher. "In markets not as competitive as Dallas, you don't get such a high ranking. This shows that our environment is one of growth and it provides both papers enough room to improve and grow."

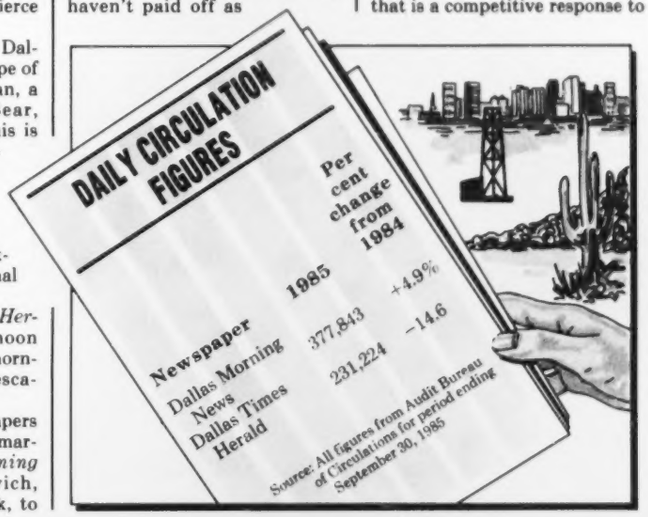
The *Times Herald* kept itself visible during 1985, beginning the year with a continuation of the popular "What does the *Herald* say?" campaign and the use of a classified ad phone number jingle. The introduction of new sections and features, including an expanded business section, the Sunday magazine and an in-depth news section, was promoted by using the date, Sunday, May 5. The product improvements were supported with heavy tv, radio and outdoor advertising, Ms. Walton says.

Tv spots to announce the return of a local columnist to the newspaper and the debut of *USA Weekend* in the *Herald*, and a revised jingle rounded out the *Times Herald's* broadcast year. "We'll continue multimedia exposure in 1986," Ms. Walton says.

"The *Times Herald* recognizes Dallas is a rural, sophisticated city that likes to have a good time and has a sense of humor," says Dave Campbell, group supervisor with the Dallas-based Richards Group, the paper's agency since 1977. "A lot of our [future] advertising and other communication will address that perspective," he says.

In January, 1985, the *News* began a multimedia campaign focusing on its newest addition to its staff, veteran *Herald* sports columnist Blackie Sherrod. Tv, radio, outdoor and direct mail supported "The Move" of Mr. Sherrod, who had worked 26 years of his 35-year career at the *Herald*. The campaign was designed to recruit *Times Herald* readers and non-newspaper readers.

Sunday, May 5, was the debut of special sections and features in the *Dallas Times Herald*.



In May, the *News* selected Tracy-Locke, Dallas, to handle its advertising after the Dallas office of Cunningham & Walsh, the paper's previous agency, closed that month. Because the *News* was left with an unusable, unfinished tv campaign after the switch, the paper refrained from any tv advertising the remainder of the year. This year, the *News* returns to tv and devotes equal spending between it and radio, according to Harold Gaar, *News* vp-marketing. Two tv spots introduced earlier this month promote image while the hard-sell subscription push is left to radio.

"The campaign officially begins February and runs for six weeks, followed by advertising tracking and then another flight of ads," says Scott Helbing, vp-management supervisor at Tracy-Locke.

To further promote themselves, both papers spend actively on cultural, athletic and community events.

"Public relations fits into the marketing objective, as does the sports, business or local news emphasis—it all comes out of the long-term commitment," the *News'* Mr. Gaar says. The *News* sponsors different business seminars and functions, races, ama-

(Continued on Page 44)

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Dailies mining Florida's Gold Coast

By Mark Schwed

If the moon's over Miami, the sun is shining off Florida's Gold Coast. North of Miami, in Dade, Broward and Palm Beach counties, the population is booming and the area has become a battleground for the daily newspapers.

"It's war there," says Fred Barger, *Herald* circulation manager.

Since 1975, Miami's growth has slowed, not in keeping with Florida market tradition. In 1980, Miami's population was at 1.6 million, of which 36% was Hispanic, according to the U.S. Census Bureau.

While population increased slightly to about 1.7 million as of April, 1985, the Hispanic population increased to 41%, according to estimates by the metropolitan Dade County planning department.

Because of that slow growth in Miami, the *Herald* turned to aggressive marketing in the area known as Florida's Gold Coast.

In 1985, combined population in Dade, Broward and Palm Beach counties is estimated at 3,595,524, according to the University of Florida. That figure is expected to increase 12.2% by 1990 and 30.9% by 2000, according to university projections.

However, in competing off home turf, Knight-Ridder Newspapers' flagship is faced with competition from the *Fort Lauderdale News* and *Sun-Sentinel* and the *Palm Beach Post* and *Evening Times*, each looking for a larger chunk of the steadily growing Gold Coast pie.

In 1985, Tribune Co.'s *Fort Lauderdale News* and *Sun-Sentinel* had a combined daily circulation of 196,249, a 7% increase from the previous year's figure, while the Palm Beach Newspapers, owned by Cox Enterprises, showed a combined circulation of 122,596, a 2.9% increase from 1984.

The *Herald*, which has a circulation of 421,679, a 0.5% increase from 1984, markets itself as "Florida's Newspaper," promoting its 16 world bureaus, national and regional coverage.

Most of the *Herald's* estimated $800,000 ad budget is spent on broadcast advertising, says Hank Goldberg, management supervisor at Beber Silverstein & Partners, Miami, the paper's agency.

In its tv campaign, which began in 1984, the *Herald* pushes its 800 telephone number to boost home delivery subscriptions and a "Find your one in a Million" campaign to push classifieds.

"The idea is with a million readers a day you can find any prospect for the product and vice versa," Mr. Goldberg says.

The *Herald* also used a "Catch the Herald" campaign, which dumps free newspapers on readers' heads to show how much they can save through home delivery.

Also, in November, the *Herald* aired tv spots during local news breaks to promote its 75th anniversary in December.

The spots featured a man reminiscing about events in Miami's past that the *Herald* covered.

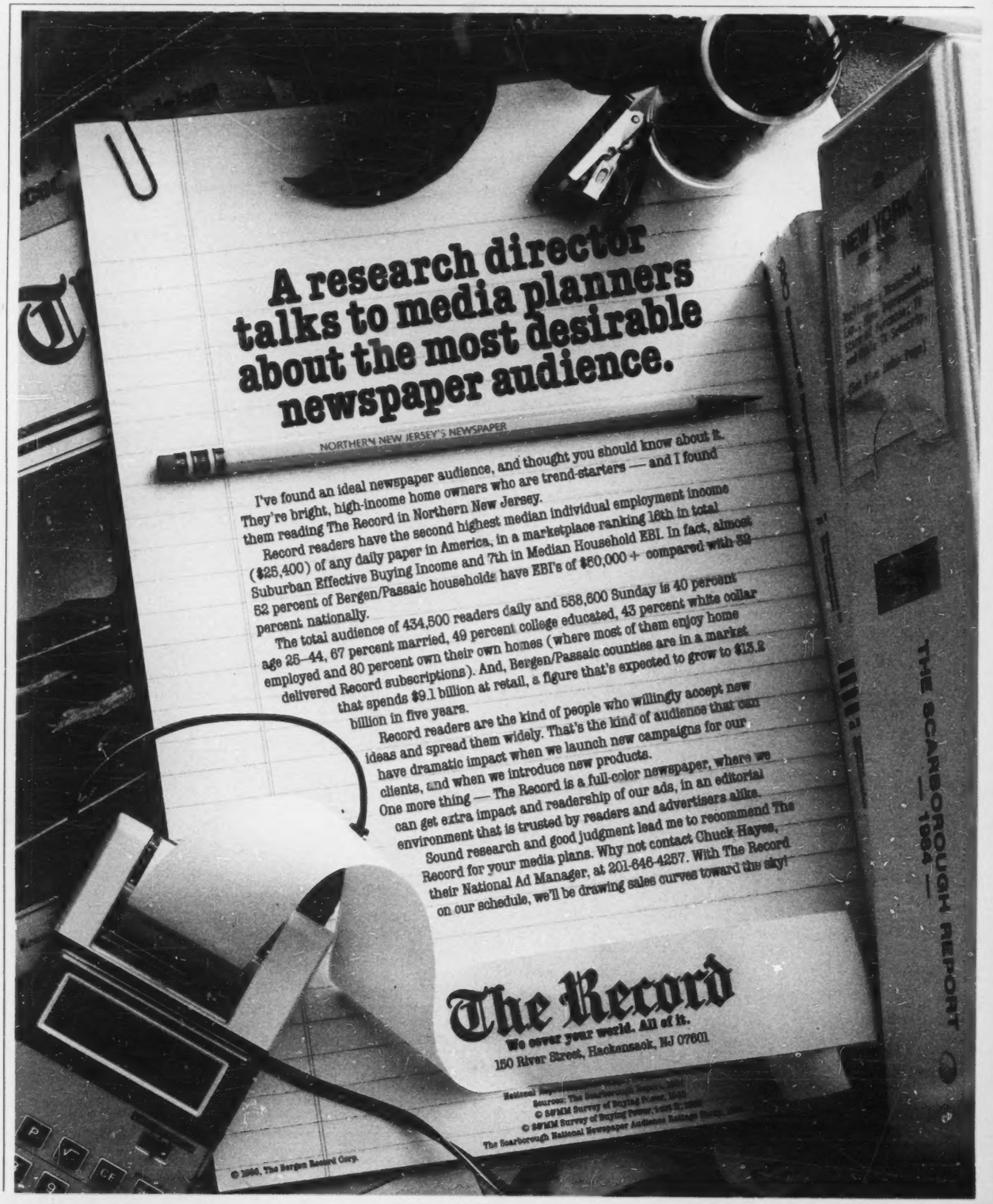
But while the Herald promotes a broad-based distribution and a humorous approach to advertising, the *Fort Lauderdale News* and *Sun-Sentinel* work the local beat with a vengeance.

"Our philosophy is we want to publish a complete newspaper, but more importantly, we want to be the best local news provider in our market," says Robert Plaisted, vp-marketing for News & Sun-Sentinel Co. The *News* and *Sun-Sentinel* consumer campaign takes a more serious tact.

"Our campaign is 'It's Required Reading,'" says Stan Harris, creative partner at Steve Walker & Associates, which handles the *News* and *Sun-Sen-*

(Continued on Page 44)

The *Miami Herald* uses a toll-free telephone number in its spots pushing money-saving home delivery subscriptions.


A research director talks to media planners about the most desirable newspaper audience.
NORTHERN NEW JERSEY'S NEWSPAPER
I've found an ideal newspaper audience, and thought you should know about it. They're bright, high-income home owners who are trend-starters — and I found them reading The Record in Northern New Jersey.
Record readers have the second highest median individual employment income ($25,400) of any daily paper in America, in a marketplace ranking 16th in total Suburban Effective Buying Income and 7th in Median Household EBI. In fact, almost 52 percent of Bergen/Passaic households have EBI's of $30,000+ compared with 39 percent nationally.
The total audience of 434,500 readers daily and 558,600 Sunday is 40 percent age 25–44, 67 percent married, 49 percent college educated, 43 percent white collar employed and 80 percent own their own homes (where most of them enjoy home delivered Record subscriptions). And, Bergen/Passaic counties are in a market that spends $9.1 billion at retail, a figure that's expected to grow to $13.2 billion in five years.
Record readers are the kind of people who willingly accept new ideas and spread them widely. That's the kind of audience that can have dramatic impact when we launch new campaigns for our clients, and when we introduce new products.
One more thing — The Record is a full-color newspaper, where we can get extra impact and readership of our ads, in an editorial environment that is trusted by readers and advertisers alike.
Sound research and good judgment lead me to recommend The Record for your media plans. Why not contact Chuck Hayes, their National Ad Manager, at 201-646-4257. With The Record on our schedule, we'll be drawing sales curves toward the sky!
The Record
We cover your world. All of it.
150 River Street, Hackensack, NJ 07601
© 1985, The Bergen Record Corp.
THE SCARBOROUGH REPORT — 1984 —

Mark Schwed is a Miami-based free-lance writer.

Dailies mine Gold Coast

(Continued from Page 43)
tinel's $700,000 account. "If you need to know what's happening locally, in Broward County and West Palm [Beach], then we are the best source of news."

The *News* and *Sun-Sentinel* rely on print and radio, with a smattering of tv spots. Toward the end of the week, the combined Saturday and Sunday paper, *News & Sun-Sentinel*, uses radio.

The 2-year-old campaign forced changes in the *Herald's* advertising from a light humorous approach to one pushing local news, Mr. Harris says.

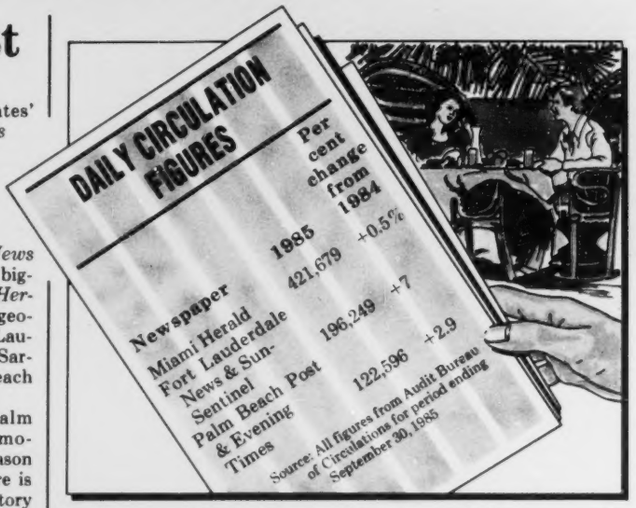
The *Herald's* Mr. Barger disagrees. "I haven't seen any change in our approach, and I don't recall any instance when we tailored our ads because of something they [*News* and *Sun-Sentinel*] did," he says. "We've always felt the first chore of being on tv is to get you noticed. Then deliver the message."

Steve Walker & Associates' Mr. Harris says the *Herald's* ads are fun, but questions their effectiveness. "We take the point of view, 'Let them be fun. We'll be important,' " he says.

"The *Fort Lauderdale News* and *Sun-Sentinel* is a much bigger threat than the *Miami Herald* simply because of the geographical location of Fort Lauderdale," says J. Lawrence Sartory, president of Palm Beach Newspapers.

The affluence of the Palm Beach area raises the demographics, but the primary reason for the newspaper wars there is the market growth, Mr. Sartory says. "Any survey you pick up shows it is anywhere from the first to the fourth fastest growing market in the country."

In March, the *Palm Beach Post* and *Evening News* introduced a campaign designed to differentiate between the locals and the invaders, with the tag line, "Your newspaper should be important, not imported."



"It's aimed at anybody coming into this market—*USA Today*, the *News* and *Sun-Sentinel* or the *Herald*," Mr. Sartory says.

In 1983, the jointly owned but separately run *Post* and *Times* began merging staffs. As of Jan. 6, only the editorial and op-ed pages are prepared independently, giving the papers combined circulation strength.

The "Imported" campaign, which promotes both papers, will run until March, when a new campaign is scheduled to break, Mr. Sartory says.

"We're working on a campaign that will have a different focus for 1986," says Denise Jones, account exec at Miami-based Caravetta, Allen, Kimbrough-BBDO, the papers' agency.

Although Mr. Sartory considers the *News* and *Sun-Sentinel* primary competition, the *Herald* has made an effort to strengthen its readership in the Palm Beach area.

In 1984, the *Herald* tripled its staff to beef up local coverage. Also, in Palm Beach, the Sunday *Herald* sells for 50 cents, while everywhere else it costs 75 cents.

However, the *Herald's* activity in the Palm Beach market has not affected the *Post's* circulation, Mr. Sartory says.

Regardless of the gains and the losses, one thing is certain: The big guns will still blast.

"I can't speak for what the boardroom of the Herald will do, but we are now and will continue to be the dominant newspaper in Broward and south Palm Beach County," says the *News* and *Sun-Sentinel's* Mr. Plaisted. "If we continue to go the way we're going, some of those folks who are now competitors may see the light."

"None of us shows any signs of going broke," Mr. Barger says. "The Tribune Co. has the Cubs and the *New York Daily News*. They seem to be solvent and they seem to be in it for the long run," he says. "I don't think there'll be anybody waving the white flag."

Promotion is weapon

(Continued from Page 42)
teur golf, bowling and tennis tournaments as well as the Dallas Morning News Basketball Classic.

In addition to daily feeds on various radio stations in the area, the *News* sponsors a daily program on public radio station KERA (fm). "It's an upscale audience, so it's the right group of people," Mr. Halbreich says. "It also gives us the ability to focus on breaking stories in the morning's paper and provides a forum for promoting what's important to our news department."

The *Times Herald* community commitments accelerated when Times Mirror came in, according to Ms. Walton. Perhaps the best known sports event the newspaper sponsors is the *Dallas Times Herald* Invitational Track Meet, which began in 1981.

> ***"The city is pleased . . . to have a first-class kind of event."***
>
> **Laurie Walton**
> ***Dallas Times Herald***

"The city is pleased, I think, to have a first-class kind of event such as this because of the recognition it brings Dallas," Ms. Walton says.

"Both newspapers have changed typographically," Mr. Thorp says. "They've added new sections in the last year and there's been some grabbing of columnists and writers from one newspaper to the other, which is an attention grabber."

Over-all, in 1985, both papers made more of a product improvement effort than seen in other cities, because of the fierce competition between the two, he says.

Follow the Readers to the Gazette.

You'll be in the very best of company.

Because 79 percent of our readers make over $50,000 a year. And 80 percent of them are college graduates or more, and 79 percent are in professional or managerial positions.

Gazette readers buy more new homes. Drive more new cars. Watch more cable TV. Enjoy more entertainment. Buy more groceries. Compute more on their home personal computers. And travel more.

More people in Arkansas read the Arkansas Gazette than any other newspaper in the state. And that means a lot of business for our advertisers.

Show your product to the "people most likely to buy"— follow the readers to the Arkansas Gazette.

Arkansas Gazette.

P.O. Box 1821, Little Rock, AR 72203
501-371-3994

Bill Bohannon, National Advertising Manager
Represented Nationally by Sawyer-Ferguson-Walker

Source: Simmons-Scarborough 1985 Newspaper Rating Study
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The Patriot Ledger

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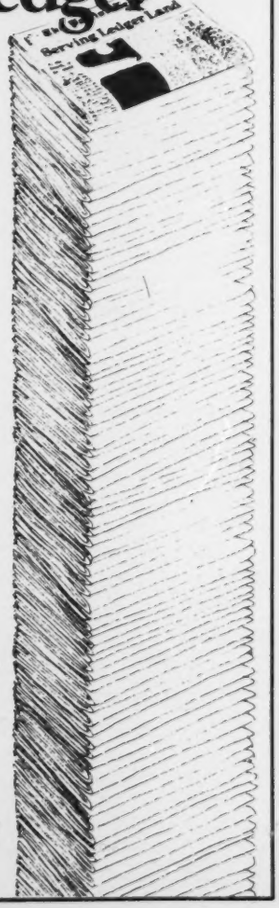

The Patriot Ledger
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Represented nationally by Landon Associates
*ABC Newspaper Publisher's Statement, 9-30-85
**N.E. Newspaper Assn. Lineage Report, 12-31-84

Coloring comics to change with the times

By Julie Liesse Erickson

Grab a sandwich with Dagwood. Commiserate with Charlie Brown. Catch up on the latest with Brenda Starr.

For many Americans, these are cherished traditions, as regular a part of Sunday as football games and as routine as the Monday morning commute.

For newspapers, too, it's been a rule of thumb that the comics sell papers. Pick the strips you want, have the printer make up the section and, *voila*, instant readership.

However, taking the comics for granted is not such a good idea, nor is this attitude enough to keep the section viable, according to leading syndicators, cartoonists and newspaper executives.

Comic strips have changed. They are more relevant, topical, trend-oriented and targeted to specific demographics, syndicate and newspaper executives say. There are fewer continuity strips and more varieties of humor. Most strip art is less detailed, perhaps more hurried than in the past, many industry executives say.

"[Our project] was based on a sense on the part of a lot of us involved with comics that the Sunday section had lost a lot of its punch over the decades," says Bill Baker, vp-news for Knight-Ridder Newspapers, Miami. "We felt that the comics were losing some of their intensity with readers."

In February, 1982, Mr. Baker headed the creative committee for the 21st Century Comics project, an ad hoc organization representing syndicates, newspapers, cartoonists, ad agencies and sales reps. Metro Sunday Network, New York, initiated the project.

"The project's original goal was to take a look at newspaper comics and what they were doing right—and wrong," says Thomas Craddock, sales director-comics at MSN, which sells space in the Sunday magazines and comic sections of 100 U.S. newspapers.

Research sponsored by the 21st Century committees and conducted by Scarborough Research, New York, revealed what comic sections still are doing right: Attracting readers.

Scarborough's 1983 study reported that of Americans receiving a Sunday newspaper, 53% of adults and 79% of readers 17 and younger read the comic section. Loyalty also is a characteristic, with 80% saying they read all four comic sections during a four-week period.

But in some cases, the comics fall a frame short. "There were eight to ten key things we found, essentially all based around the idea that the Sunday comic section is unedited, archaic and not very modern, at every level," Mr. Baker says.

Using the same size panels is a key problem. "Comic books long ago broke out of the panel approach, making the Sunday comics look old and tired," he says. "Newspaper comic sections also lack a package approach. It's been strips, strips, strips for as long as anyone can remember.

"We found also that the comics completely neglected two key areas of young people's interest, music and sports."

Making sure the comics maintain their traditional appeal for children and teens has been a primary concern. "Too many papers were skewing away from kids and toward adults," Mr. Craddock says. "One of the most important parts of the comic section's role is to get kids involved with the paper."

Today's young reader is tomorrow's subscriber and, according to the study, 10 to 17-year-olds call the comics the most important part of the newspaper.

HELP OVER!
DREAM DATE WITH OPUS !!
CHOICE EVENINGS STILL AVAILABLE ! QUICK ! WRITE FOR RESERVATIONS NOW ! HURRY ! QUICK ! THEY'RE GOING FAST !
I'M A PERFECT GENTLEMAN... TRULY I AM... NO HICKIES. I PROMISE... HELLO !
FOR ONLY $19.95!
T&S-53....$19.95

Comics are better at attracting readers than Opus is with dates.

The 21st Century research committee suggests that newspapers incorporate more reader-participation features, such as contests, trivia games and clubs and more pop culture news and strips with broad, family appeal. Editors also must pay more attention to comic section design as a whole. "Kids today are surrounded by so much graphic sophistication, you just can't throw garbage at them anymore," Mr. Craddock says.

During the '60s and '70s, when most of the newspaper was redesigned, the Sunday comic section remained virtually unchanged, Mr. Baker says. Perhaps this is because the section is an anomaly for most newspapers. It's printed out of house, sometimes out of state; it's printed in color; generally all the material is supplied by non-staffers, and it has little advertising.

"The editors find it harder to get their hands on the material," says Mr. Baker, pointing out that over-all concern about the comics centers on the Sunday

(Continued on Page 46)

"Here she comes, Miss What's-Her-Name."

Everybody knows Miss America, right? Wrong.

That's what the Institute of Outdoor Advertising discovered recently when we asked people to name the winner of the 1985 Miss America beauty pageant.

In our selected test markets, less than 2%—virtually nobody—knew that Miss Sharlene Wells is also known as Miss America 1985.

By itself, it may not be too astonishing. Until you consider that the question was asked after four months of media hype, primetime TV specials, and a string of talk show appearances.

Putting a price tag on that kind of exposure is next to impossible. But whether it was $1-million or $10-million, the fact remains—after four months of broadcast and print media exposure, Sharlene Wells was still a highly-publicized unknown.

The big change came after she spent a month with us. The Outdoor Channel.

After just 30 days of Outdoor Advertising, Miss America's recognition factor jumped almost 700%. Unaided.

If you want that kind of impact for your product or service, you need the Outdoor Channel. Simple. Direct. Uncluttered. And positioned enviably in the middle of the world's most mobile and affluent society.

For more information, call IOA at 212-986-5920. Or mail us the coupon below.

Make the switch to the Outdoor Channel. And find out how we can make a somebody out of just about anybody.

IOA
THE OUTDOOR CHANNEL

INSTITUTE OF OUTDOOR ADVERTISING 342 Madison Avenue, NY, NY 10173

I'm interested in the power of the Outdoor Channel. Please send me information on the Miss America film presentation, "But Nobody Knew Her Name...?"

Name _____ Title _____

Company _____

Address _____

Phone _____

AA 1/23

Changing with the times

(Continued from Page 45)

section. "The bottom line is that the editors have control over [the weekday comic pages], unlike the Sunday comics. If you do nothing but send a list of strips to your printer, how involved do you get?"

Tom Feran, who as features editor supervises the comics for the Cleveland *Plain Dealer*, a Newhouse Newspapers property, says he'd like to improve the design of the comics because it's one of only three sections in the Sunday paper that regularly feature color. "We'd like to make better use of that opportunity."

But, he says, "It's harder to do something with it, because you're doing it by remote control."

The 21st Century creative committee report, released in February, 1985, suggests specific design changes, including varying sizes of strips and individual panels, filling white space with smaller features such as jokes and packaging popular features as a unit.

"Reaction to these suggestions has been 'It looks good, looks great—now, how do I do it?'" Mr. Craddock says. But perhaps more significantly, the question is *who* will do it.

Syndicates say the responsibility should rest with newspapers.

"They are wonderful suggestions, but the real stumbling block now is how to execute these ideas," says Bob Ferguson, managing editor for Tribune Media Services, Orlando, Fla., distributor of "Shoe" and 19 other daily strips. "They should have done a feasibility study as an adjunct to the 21st Century project. I mean, how can you ask Jeff MacNelly, who draws 'Shoe' for 1,000 papers, to redraw that strip for 15 newspapers?"

The bottom line is that it's easier for everyone involved to maintain the straight-strip status quo. In addition, not everyone agrees that newspaper comic sections need a design update in the first place.

"Essentially I think that if the newspaper devotes a fair amount of space to a strip and displays it properly, the talent will sell itself," says Al Leeds, sales manager for the Washington Post Writers Group, syndicator of three strips, including "Bloom County."

But debate rages on about what constitutes a fair amount of space. "One of the biggest concerns of creators is that the medium be preserved, and a key problem is the reduction in size made by newspapers," says Bill Yates, comics editor for Hearst Corp.'s King Features Syndicate, New York, distributor of 50 strips, including "Blondie," "Hagar the Horrible" and "Beetle Bailey."

"Study after study shows that the comics are the best-read, most popular, most emotionally charged part of the newspaper; it's stupid to kill your No. 1 feature. They say they're doing it to save space, but that's not valid," Mr. Yates says.

"When the redebut of 'Doonesbury,' we had an opportunity to fight back a little," says Lee Salem, managing editor for Universal Press Syndicate, which also distributes "Cathy." When "Doonesbury" creator Garry Trudeau returned from a 21-month hiatus Sept. 30, 1984, the syndicate demanded his strip run in a space wider and deeper than the normal slot. Despite much discussion, the effort seems to have had little impact on the strip's popularity, Mr. Salem says.

"Why take something that helps newspapers keep old readers and attract new ones and shrink it down so that you can't even read it with your glasses on?"

Comics such as "Boomer's Song," "Calvin & Hobbes" and "Doonesbury" are part of a trend toward comics targeting specific demographics.

In addition to display size, syndicates and artists complain about newspapers' impatience with new strips. "Every once in a while you hit a real winner that catches on quickly, but it generally takes a long time to build an audience," Mr. Yates says. "And today, there's not as much patience on the part of editors to give a strip time to get a foothold.

"I'm convinced that if these conditions existed back in the 1960s, 'Peanuts' wouldn't exist today. It and 'Beetle Bailey' were both slow starters. I just think it's wrong to not give a strip a chance; and it's worse to buy a strip and not run it."

But, syndicate executives admit, to a large degree they have created the problem.

"We're all out there fighting for a finite amount of space, with five or six syndicates each sending out two or three new offerings each year," Mr. Salem says.

On top of that, says the *Plain Dealer's* Mr. Feran, "A comic strip isn't just a strip standing alone any more. The licensing surrounding comic strip characters makes that newspaper space more valuable."

However, some industry executives hesitate to call the comics an essential selling point for a newspaper. The *New York Times*, which has thrived despite the lack of a comics page, is often referred to as an example. Others say the trend toward colorful, flashy newspaper design may make comic sections expendable. "If *USA Today* is the newspaper of the future, where does that leave the comics?" Mr. Ferguson asks.

"One problem we've found after concluding our project is that the Sunday comics are such a behemothic, interlocked area of the paper that it's going to be hard to get the changes going," Mr. Baker says. He hopes two or three Knight-Ridder papers will lead the way with substantial changes during 1986.

Others hope change will come soon. "I'm not sure newspapers realize how important the comics are to them," Universal's Mr. Salem says. "To continue to disregard them as witnessed with the shrinkage in strip size would be a mistake."

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Toledo's newspaper has had a strong community influence for 150 years.

The Blade is more than a newspaper. It is a community institution . . . investing itself in the economic, cultural and political life . . . working to set priorities . . . sparking ideas . . . using its influence to help great things happen.

There is a rebirth today in downtown Toledo. One major project is SeaGate, a riverfront development dominated by the new 32-story world headquarters of Owens-Illinois, pictured at left.

Another is the exciting Portside Festival Marketplace. It features 76 shops and restaurants with food, merchandise and entertainment, all in a festival atmosphere.

Great things are happening in Toledo, with hardly a block left untouched in a massive revitalization of the riverfront and downtown.

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The Tacoma News Tribune delivers it for you

Located just 35 miles south of Seattle, Tacoma/Pierce County is the second-largest metropolitan area in Washington State and an important part of the Seattle-Tacoma CMSA.

Tacoma/Pierce County is home to 381,800 adults and includes a bonus military market of 32,000.

You can reach 214,600 adults daily, and nearly 300,000 in a five-day period in this important market by adding *The Tacoma News Tribune* to your advertising schedule. Seattle newspapers in this market add only 3% net unduplicated reach with an average daily issue.

The Tacoma
News Tribune
P.O. BOX 11000, TACOMA, WASHINGTON 98411

Ad sales no laughing matter

Like other advertising media, newspaper comics were derailed by tv's arrival in the 1950s. Those who sell space in comic sections still are trying to get business back on track.

"Back in the 1940s and 1950s, newspaper comics were the only newspaper ad medium available in four-color," says Thomas Craddock, comic sales director for Metro Sunday Newspapers, New York. Automobile and cigaret companies were heavy users. Many advertisers even devised cartoon characters of their own, featured in continuity strips.

"As a matter of fact, when MSN was founded, 75% of our total ad income came from the comics, only 25% from Sunday magazines," Mr. Craddock says. "Today, that's reversed."

Of U.S. newspapers' $25.5 billion in 1985 ad revenues, only about $15 million to $20 million comes from comic sections, Mr. Craddock says. "We could double that easily with the efforts we're putting into it. It's just a matter of education and economy," he says. "Comic sections are an untapped resource."

Advertising has been limited by marketers who don't think their products fit into the comics, some executives say. Others say new tones and styles of comic strips have been responsible for the lack of advertising. "Your success with comic section advertising has a lot to do with the kinds of comics you're running; lighthearted, family-oriented comics are the ones we look for," says Rod Moake, assistant ad director for the *San Antonio Express-News*.

But if they don't feature many ads, comic sections increasingly are being used as wrappers for free-standing inserts.

Two dailies, Newhouse Newspapers' Cleveland *Plain Dealer* and News America Publishing's *Express-News*, print stand-alone color comic sections on Wednesdays to hold a burgeoning number of inserts.

For the *Express-News*, this has provided two bonuses: Extra advertising and potentially higher readership. "We've learned that the comics have a great deal of loyalty attached to them. If we could ride on that, we realized it might facilitate greater readership during the week," Mr. Moake says.

Since the *Express-News* started Wednesday Comics Plus in September, 1984, the section has exceeded advertising projections, Mr. Moake says. The typical six pages of comics has been expanded to as much as 16 or 18 with ads and inserts.

Not only do the comics wrap ads, they often are wrapped themselves. Those half-page vertical ads that fold around comic sections, called spadeas, have grown in popularity.

But, while spadeas offer high visibility for an advertiser, they present two editorial problems, Mr. Craddock says. "First, it's seen as an intrusion by many readers. On top of that, if I were a newspaper editor, I wouldn't want my masthead blotted out by an ad. It's a fad."

However, the over-all future of comic sections' advertising is optimistic, Mr. Craddock says. "We've received a tremendous response from advertisers looking for an alternative to kid tv, which is completely saturated, where their ad gets lost in the whirl of clutter," he says.

The *San Antonio Express News* is one paper tapping the comics.

"Advertisers should use this medium," says Bill Yates, comics editor for King Features Syndicate, New York. "What a natural place to advertise, what a smart way to tie into a character's popularity."

Although no one is panicking, if advertising does not materialize, the comics, expensive to acquire and to print, could be in trouble, some executives say.

"The problem has been that with less advertising in the comics, as advertisers look at all the other options in and out of the newspaper, it takes away the comics' cost justification," says Bill Baker, vp-news for Knight-Ridder Newspapers, Miami. "Newspapers have become more businesslike, and in the effort to keep the bottom line intact, comics are somewhat vulnerable."

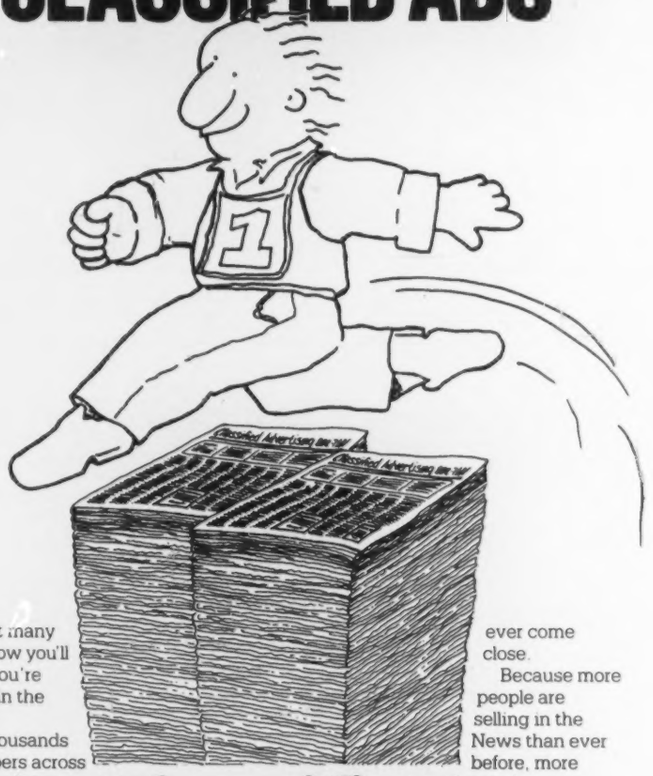
But, he says, "With their demographics and readership high, I see no reason why the comics can't be seen as a viable, effective ad medium." —*J.L.E.*

Associate editor Marie Spadoni coordinated this report on Newspapers.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Marketing to the Arab World.**

YOU WIN WHEN WE MAKE THE JUMP TO 4,491,608 CLASSIFIED ADS



With that many ads, you know you'll find what you're looking for in the News.

Out of thousands of newspapers across the country, the Rocky Mountain News is one of the top five in classified advertising. And we're the only daily in Denver to pass the four million mark. Our competition hasn't ever come close.

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MediaWorks

TV AVAILS

This is a special National Assn. of Television Program Executives edition of Tv Avails, listing barter syndicated shows that are expected to be among the hottest newcomers to national tv this fall. Since most syndicators are still clearing stations for the programs at the NATPE convention in New Orleans this week, national ad rates have not been set in most cases.

"SilverHawks" is the next first-run, $15 million animated half-hour afternoon strip from Lorimar-Telepictures, which has already cleared the 65-episode series in more than 65 markets for a fall start. There are 2½ national minutes for sale.

"Banko," a Bingo-inspired game show strip, is off to a "brisk" clearance start via 20th Century Fox TV, whose executives are withholding specifics until after NATPE sales. Fox is selling one national minute in each of the 260 half hours.

"The Oprah Winfrey Show," a first-run, one-hour talk show strip hosted by the WLS-TV, Chicago, personality now starring in the movie "The Color Purple." "Oprah" has been cleared for fall in at least 90 markets on a cash-plus-barter basis by King World. It's geared primarily for daytime.

"The Ted Knight Show" is a weekly, fall, half-hour, cash-plus-barter sitcom designed by D.L. Taffner/Ltd. as sort of a sequel to "Too Close for Comfort," now a Monday-through-Friday strip. First fall commitment is from the Metromedia station group. LBS Communications is handling sales of the 1½ commercial minutes in each of the planned 22 episodes. It's expected to appeal to most of the scores of outlets already clearing "Comfort."

"Kideo TV" is a first-run weekly package of three DIC Enterprises-animated series being bartered for spring startup by LBS Communications. The package can air as a 90-minute bloc or as three separate half hours, "Rainbow Brite," "The Popples" and "Ulysses 31." LBS is selling six ad minutes to national sponsors, except in the fourth quarter when LBS will sell three minutes.

"MTV Top 20 Video Countdown" is due for April startup from Viacom Enterprises, as a weekly one-hour series. Going into barter syndication after running earlier each week on cable's MTV: Music Television, the show will contain six national and six local commercial minutes.

"Smurfs," due this September as a half-hour, offnetwork strip cartoon, is being geared mainly for independent stations by Television Program Enterprises, and primarily for their morning and after-school dayparts. Two national minutes will be sold by TPE in each of the 125 episodes. "Smurfs" has been a consistent Nielsen ratings blockbuster for NBC-TV since 1981 in the Saturday morning daypart.

"Falcon Crest," the first major offnet prime time series hit to go into barter rather than cash syndication, will have ex-CBS 128 episodes ready for fall, with Lorimar-Telepictures selling six national ad minutes, and the remaining six available for local station sales. More than a dozen major markets already have been cleared.

"Disney Magic I" is the 25-title movie package from Disney Television, consisting of 20 offnetwork theatricals, four offnet made-for-tv movies and one ex-Disney Channel cable title. Ten of the 22 ad minutes will be available for national sponsorhip during the first two years of the 4½-year contract span. Titles include "Absent-Minded Professor" and "TRON" in 1986, "The Black Hole" and "The Love Bug" in 1987, "Escape to Witch Mountain" in '88, "Freaky Friday" in '89, "Splash" in 1990, "Mary Poppins" and "20,000 Leagues Under the Sea" during 1991.

"Friday Night Ringside" will air as a monthly series of fights from Anheuser-Busch Productions, from Jan. 24 through Dec. 26. There will be six national minutes available in the package, with Anheuser-Busch retaining the malt-liquor exclusive.

In non-NATPE news, the following are cable tv avails:

"CBN News Tonight," new nightly news program, CBN, anchored by Robert Hughes and broadcast live from Washington at 10 p.m. Monday through Friday beginning Jan. 27. A 1.5 rating expected, $1,200 per 30-second spot. Scattered avails; signed advertisers, not disclosed, were said to be computer and telephone companies.

"The Campbells," CBN, new series about Scottish pioneers emigrating to Canada, airs 7 p.m. Saturdays and carries a 3 rating. Scattered avails at $2,000 per 30-second spot.

ON THE DIAL

On the Dial lists scheduled radio specials and new programs or syndicated services.

"Country Closeup," a one-hour weekly special combining music and interviews, will feature singer-songwriter John Denver the weekend of Feb. 24. Cleared on approximately 175 stations. No word on advertisers. Syndicated by Narwood Productions, New York.

"American Music Awards Nomination Special," a four-hour special by United Stations Programming Network, New York, features capsule interviews and music from nominated artists such as Madonna, Tina Turner and Bruce Springsteen. Hosted by Dick Clark, it airs the weekend of Jan. 25 and 26. Sponsored by ABC-TV, which will telecast the awards live Jan. 27.

"Evergreen," a new adult contemporary format now being introduced by Drake-Chenault, Canoga Park, Cal. Designed for the 35-to-44-year-old nonrock listener, the beautiful music-type format features performers such as Billy Joel, the Carpenters and Anne Murray.

NEWSSTAND

Newsstand is a listing of upcoming print advertising opportunities, such as special issues and special advertising sections, and their advertising closing dates.

Good Housekeeping, New York, home entertaining section, May issue; ad close: Jan. 31 (regional), Feb. 14 (national). B&w page, $63,775; color page, $80,025.

The Atlantic, New York, summer travel planner (formerly the international travel planner), April issue; ad close: Feb. 10. B&w page, $10,708; color page, $16,070.

Forbes, New York, the Netherlands special advertising supplement, April 7 issue; ad close: Feb. 10. B&w page, $27,810; color page, $17,980.

New York, New York, "Voyages," travel advertising section, March 10 issue; ad close: Feb. 10. B&w page, $11,810; color page, $18,600.

Signature, New York, 1986 Caribbean forecast special advertising section, April issue; ad close, Feb. 10. B&w page, $12,260; color page, $15,000.

Dallas-Fort Worth Home & Garden, Dallas, and **Houston Home & Garden**, Houston, special Texas sesquicentennial April issue; ad close: Feb. 18 (space). *D-FWH&G*—B&w page, $3,195; color page, $4,495. *HH&G*—B&w page, $4,725; color page, $5,995. Combo—B&w page, $7,286; color page, $9,651.

Harper's Bazaar and **Working Woman**, New York: "The contemporary bride" advertorial section in both magazines' May issues; ad close: March 1 (orders), March 5 (materials). B&w page, $31,410; color page, $44,265.

Closing next week: Forbes, New York, special advertising section, equipment leasing and financing, March 24 issue, Jan. 27 . . . **Video Review**, New York, April special issue, "America on fast forward," Jan. 31. . . **House & Garden**, New York, "Design debut" showcase advertising section, May issue, Feb. 1.

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	1/16	1/9	1/2
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		33	31	27
2. "Family Ties" (NBC)		27	25	21
3. "Golden Girls" (NBC)		16	12	10
4. "60 Minutes" (CBS)		16	18	23
5. "Murder, She Wrote" (CBS)		16	6	13
6. "CBS Sunday Night Movie: Rockabye"		15	DNA	DNA
7. "227" (NBC)		13	8	5
8. "Dallas" (CBS)		12	11	DNA
9. "Cheers" (NBC)		10	11	7
GOOD WINNERS				
10. "Webster" (ABC)		9	2	4
11. "Miami Vice" (NBC)		9	6	11
12. "Kate & Allie" (CBS)		9	5	13
13. "Newhart" (CBS)		9	3	13
14. "Cagney & Lacey" (CBS)		8	1	23
15. "Mr. Belvedere" (ABC)		7	2	2
16. "Night Court" (NBC)		7	7	3
17. "Knots Landing" (CBS)		7	8	4
18. "Highway to Heaven" (NBC)		6	12	DNA
19. "Hotel" (ABC)		6	2	DNA
20. "Facts of Life" (NBC)		6	7	7
21. "Dynasty" (ABC)		5	3	DNA
22. "Hunter" (NBC)		5	5	3
23. "Gimme a Break" (NBC)		5	7	3
BORDERLINE WINNERS				
24. "Scarecrow & Mrs. King" (CBS)		3	2	10
25. Grand Ole Opry anniversary special (CBS)		2	DNA	DNA
26. "Who's the Boss?" (ABC)		1	11	7
27. "Growing Pains" (ABC)		0	6	4
20. "Dynasty" (ABC)		3	DNA	11
21. "Newhart" (CBS)		3	13	-4

BEHIND THE SHARES

Some of the earliest midseason "fixes" seemed not to be strengthening weak spots appreciably during this week, in part because several series already are so well entrenched. **Misfits of Science,** for instance, tied CBS' slipping **Twilight Zone,** but lagged well behind **Webster** and **Mr. Belvedere.** Those sitcoms got off to a slow start last fall, initially hurt by Zone. NBC's other Friday change, **Knight Rider,** returning to its old Friday parking space, seems likely to consolidate NBC's hold on the No. 2 position behind **Dallas.** The final Friday hour continues to find **Miami Vice's** MTV cops dominating former time-slot leader **Falcon Crest.** Both, appealing to very different target audiences, together left ABC's relocated **Fall Guy** to muster the leftovers, a 12 share. Saturday, once solidly in ABC's win column, now seems headed NBC's way, a la Tuesday, as **Golden Girls, 227** and **Hunter** benefit from ABC's sinking **Love Boat** and CBS' films—especially lackluster on a night now heavily given over to at-home vcr and pay cable movie watching. Sunday went to CBS in a big way, as **60 Minutes** (down somewhat due to an NFL playoff runover on NBC), **Murder, She Wrote** and the new **CBS Sunday Night Movie ("Rockabye")** overwhelmed runners-up by 15 to 16 share points. That movie debut, however, may be misleading since the counter-programing consisted of two reruns, ABC's **Diamonds Are Forever** and part one of NBC's **Fatal Vision. Scarecrow & Mrs. King** again held sway over its rivals, widening the gap over **TV's Bloopers & Practical Jokes,** its opposition last season.

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The Virginian-Pilot/The Ledger-Star 30

$1.25 a copy; $57 a year

Monday, January 27, 1986

Advertising Age

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Insider view of D'Arcy's pre-merger infighting

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Herb gives Burger King tasty boost —AdWatch

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Telemarket primer for ad execs —in Basics

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U.S. agency overseas shop buys breed fear

— International, Page 58

NEWSPAPER

**********5-DIGIT 20014
CONGLI AA 860499 99 PYA
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

HIGHLIGHTS

Thompson returns to barter 1

J. Walter Thompson USA, New York, is barter syndicating tv shows for the first time since 1982 when the Marie Luisi scandal forced it out of that business. The agency's return involves the syndication of a barter tv sports special, "Kemper Sports/1986 North American Pro Kick-Off," for Kemper Group, the Long Grove, Ill.-based insurer handled out of JWT's Chicago office.

Nestle to stir up powdered drinks 2

Nestle Enterprises will enter the $796 million powdered drink-mix category with a new sugar-free tea and fruit juice mix in a bid to wrest market share from General Foods and Borden's Wyler's brand. Nestea Ice Teasers will be introduced nationally in April, backed by an $8 million introductory campaign from J. Walter Thompson USA, New York. The Ice Teasers line, which will be sweetened with NutraSweet, will include citrus, lemon, orange and tropical flavors and will be competitively priced with GF's Crystal Light.

Cola giants trading punches 3

Coca-Cola USA and Pepsi-Cola USA are moving to the $6 billion citrus segment, as both companies step up new-product activity. Both are rolling national with orange-flavor, juice-content soft drinks—Minute Maid orange soda from Coca-Cola and mandarin-orange Slice from Pepsi. Additionally, Coca-Cola is adding a lemon/lime flavor to its Minute Maid entry. Also, Pepsi as expected announced that it will purchase loss-plagued Seven-Up Co. from Philip Morris Cos. (see related story on Page 1).

DDB sets up international board 3

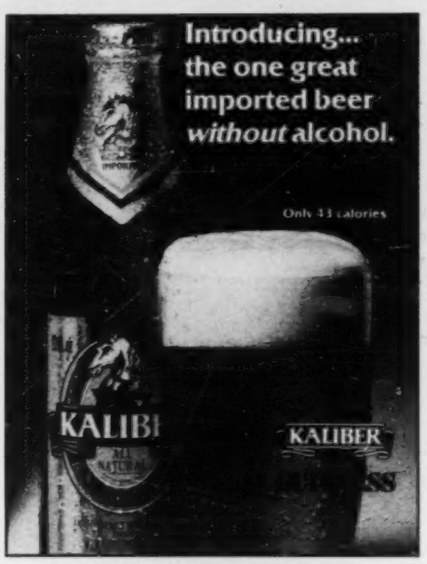
Doyle Dane Bernbach has created separate U.S. and international boards for the first time and has named exec vp Lloyd Highbloom to the newly created post of director of multinational account planning. The moves complete a multistage reorganization that represents Barry Loughrane's first major sustained attempt to rouse DDB from its sluggishness since he became chairman-ceo of the parent Doyle Dane Bernbach Group in mid-'84.

Stumbling shops find each other 3

Hal Bay's resignation as president of D'Arcy Masius Benton & Bowles this month is only the latest in a string of events that has haunted D'Arcy MacManus Masius and B&B for more than a year. The second installment of a series provides an insider's view of two agencies on a losing streak and how they found each other in the largest agency merger in history.

Nike pushes women's wear 6

Nike is bounding into women's apparel with an extensive line of sports and leisure wear as it continues to exploit niches that stretch beyond its running-shoe roots. The Beaverton, Ore.-based company's expansion into women's wear is inspired by the growing numbers of women exercising and playing sports. The upscale product line includes tennis dresses and tops, muscle tights, unitards, jacket-pants combos and running shorts, as well as leisure wear.



BATF rules on 'alcohol-free' ads 35

The Bureau of Alcohol, Tobacco & Firearms in Washington has ruled if a beverage contains less than 0.5% alcohol, then it isn't beer. That ruling, which also bans the term "alcohol-free" on nonalcoholic beer brands, is forcing label changes and at least one company's ad plans.

BASICS

Telemarketing we will go 50

Basics, a monthly "how-to" section featuring topics related to the advertising and marketing businesses, kicks off with an overview of the telemarketing industry.

INTERNATIONAL

In-script tv ads in Brazil 58

It is common practice in Brazil for brand name products to pop up within a tv show's story line, but Brazil's largest undergarment marketer Valerin Industrias Textil has become the talk of Sao Paulo because an outdoor board advertising its Hope panties has become part of the story line in a popular prime time soap opera.

Are midsize agencies doomed? 58

U.S. multinational ad agencies are gobbling up medium-size shops at such a fast pace around the world that industry experts question whether such agencies are headed for extinction.

NBC wants Olympic insurance 60

NBC's request for a $100 million "insurance" bond from South Korea has delayed the contract signing for tv rights to the 1988 Summer Olympics. South Korean organizers were balking at the idea they should put up bond to protect NBC if ad revenues fail to meet expectations.

OTHER NEWS

Three years ago, only a handful of advertisers and agencies sent a contingent to the National Assn. of Television Program Executives convention. This year, some estimated as many as 1,000 advertiser participants attended. Page 12.

The liquor industry was down nearly 2% in 1985, which was certainly a little bit better than anticipated. Much of this good showing, however, related to the retail inventory buildup in late summer in anticipation of the $2 per gallon increase in the excess tax effective Oct. 1. Page 35.

The word heard most often at this month's National Retail Merchants Assn. convention in New York was "change"—the changing consumer marketplace and the changing ways retailers must deal with it in order to succeed. Page 38.

The flatness and light weight of new liquid-crystal-display technology, proponents say, will give rise to compact hang-on-the-wall sets that consumers would substitute for traditional cathode-ray-tube models. LCD technology, now in its infancy, is expected to fuel a doubling of the market for hand-held tvs this year, to about 1.5 million units. Page 43.

Paul Kalmanovitz, the reclusive beer baron who bought Milwaukee-based Pabst last year and immediately fired both its national agencies, has taken out page ads in Milwaukee dailies defending himself and his disdain for advertising. The ad also announces plans for "dismantling the closed Pabst Brewery in Newark, N.J., for shipment to China" and plans for the U.S. launch of new products. Page 87.

CAMPAIGNS BREAKING

The Sporting News, St. Louis, this week breaks a $1.5 million tv campaign (AA, Dec. 16) featuring Chicago White Sox pitcher Tom Seaver to support the Times Mirror weekly's baseball coverage. Clark Direct Advertising, New York, is the agency.

Playboy, Chicago, on Jan. 31 breaks the first ads in a three-month spot tv test that promotes features in its March issue. Two 30-second ads are interrupted in the middle by an unrelated spot from another advertiser (AA, Jan. 13). Smith Burke & Azzam handles.

COMING THURSDAY

Arabian Peninsula oil states are suffering from a loss of oil revenues. But smart marketers still are tapping the resources of the Arab world, a region dependent on imports for many items. Special Report examines some of the importers, native companies and advertising.

Cover photo by Arnold Adler

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Nestle mixes it up with Teasers

By PATRICIA WINTERS

Nestle Enterprises will enter the $796 million powdered drink-mix category with a new sugar-free tea and fruit juice mix in a bid to wrest market share from General Foods and Borden's Wyler's brand.

Nestea Ice Teasers will be introduced nationally in April, backed by an $8 million introductory campaign from J. Walter Thompson USA, New York. Advertising, which will run through September, includes print, 30-second tv spots and freestanding couponed inserts.

The Ice Teasers line, sweetened with NutraSweet, will include citrus, lemon, orange and tropical flavors. It will be competitively priced with GF's Crystal Light, at

(Continued on Page 90)

Vcrs may dethrone network tv

By JAMES P. FORKAN

New York—Videocassettes will overtake network tv to become the U.S.' No. 1 entertainment medium, and retail sales of prerecorded vcr titles will hit $20 billion by 1995, according to a new home video study by Wilkofsky Gruen Associates.

Those and other findings in the "Video 1995" report will be presented at a conference for investors by Merrill Lynch.

Vcrs are not "a fad," chairman David Wilkofsky said.

Instead, people are integrating them into their lives "exactly as an earlier generation did with broadcast tv programming."

Among the other highlights

(Continued on Page 88)

West Coast news

Weider load added to Bozell

Weider Health & Fitness, Woodland Hills, Cal., marketer of exercise equipment, nutritional supplements and fitness magazines, assigned its estimated $3 million account to Bozell, Jacobs, Kenyon & Eckhardt, Los Angeles. Bozell is the first agency to handle the company built by muscleman Joe Weider, whose fitness products are now marketed in mass outlets, such as J.C. Penney Co. and Sears, Roebuck & Co. Wunderman West, Los Angeles, continues to handle

(Continued on Page 92)

ADWATCH

Search for Herb weathers McD.L.T. blitz

By JULIE FRANZ

Burger King has found Herb just as consumers have begun to find—and remember—the campaign.

Network tv spots announcing the search for Herb, the hapless fellow who never has tried the chain's Whopper, broke Nov. 24, via J. Walter Thompson USA, New York. Unfortunately for BK, the chain began looking for Herb at the same time rival McDonald's was blitzing the airwaves with spots for its new McD.L.T. sandwich. As a result, McDonald's ad-awareness level in November increased 5.7 percentage points; BK's was down 4.4 points.

Results of the December survey show a major change, however. Last month, Burger King garnered 14.9% of first mentions, up 4.8 percentage points from November. That score strengthened its No. 2 position behind McDonald's, whose score skidded 8.1 percentage points to 40.9% despite having thrown everything, including The Refrigerator (William Perry), into its ad assault (via Leo Burnett USA, Chicago).

Those scores reverse the streak both chains had going: McDonald's 48.9% share of first mentions in November was its high-water mark for the year; Burger King's 10.1% share in November had been its low.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name ads in a variety of product categories that first come to mind from all seen, heard or read in the previous 30 days.

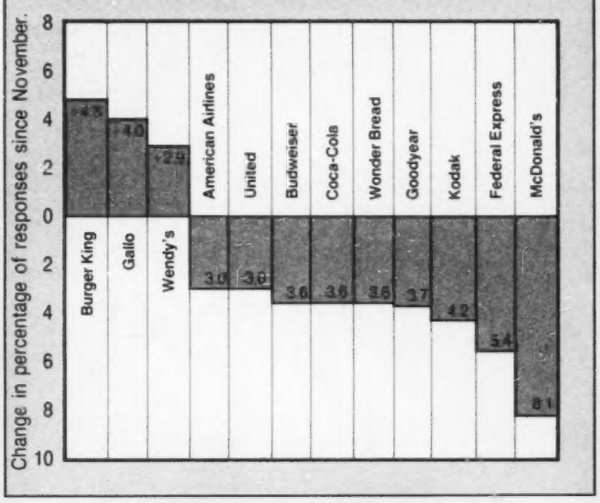
Rounding out the fast-food category at No. 3 is Wendy's with 12.4% of first mentions, up 2.9 percentage points from November. On Nov. 25, Wendy's broke a new spot directed by Joe Sedelmaier spoofing a Soviet fashion show where the same outfit is accessorized for different occasions (AA, Nov. 18). This is the first spot in the "Choose fresh. Choose Wendy's" campaign, via Dancer Fitzgerald Sample, New York, that has caused any significant increase in Wendy's ad-awareness score.

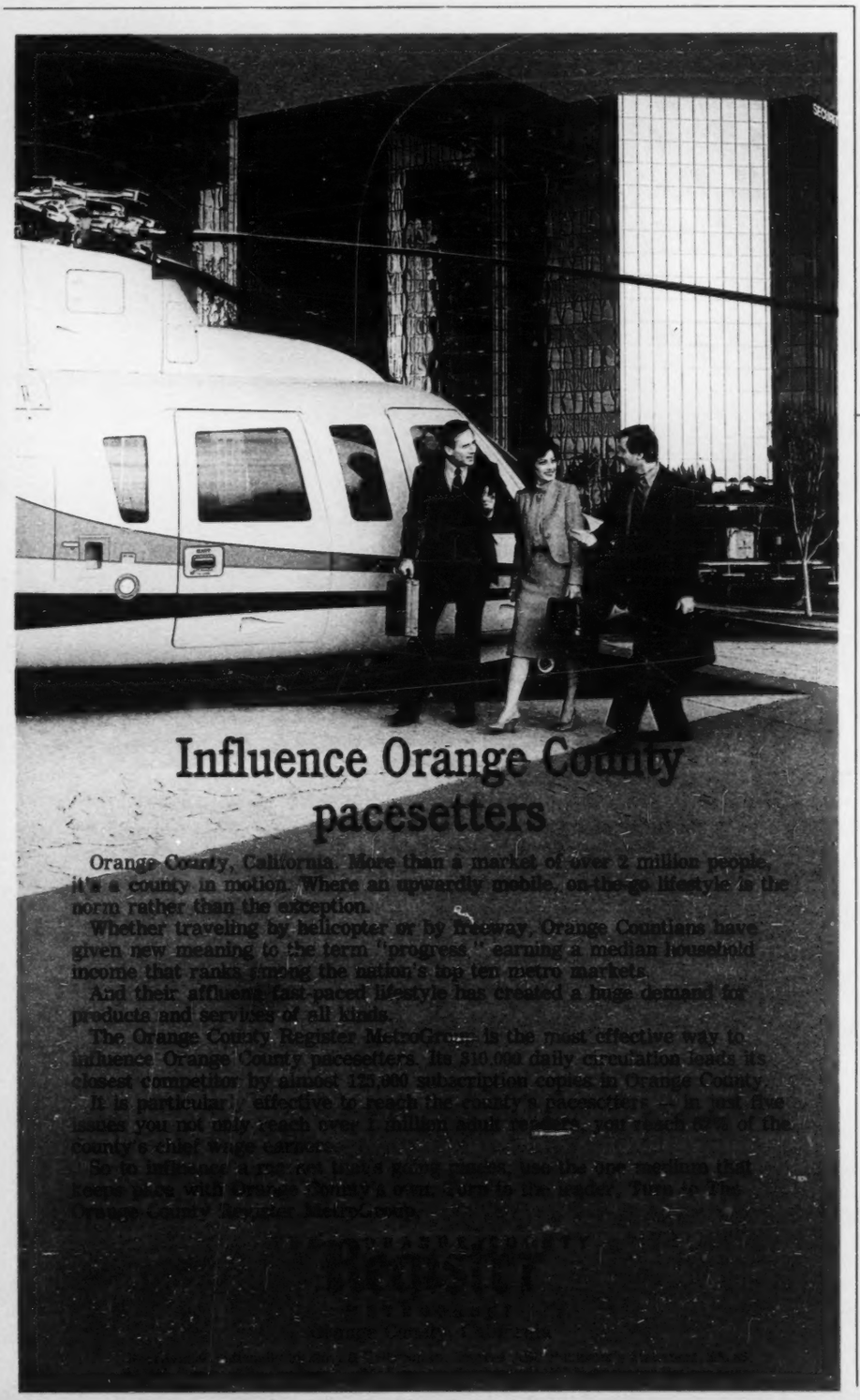
Fast-food outlets also dominated adWatch's top 10 in over-all, unaided awareness (without asking for a specific product category). In December the best-recalled advertising was, in descending order, McDonald's, Wendy's, Burger King, Coca-Cola, Miller/Miller Lite, Budweiser/Bud Light, Pepsi, Ford, Bartles & Jaymes (Gallo) and

(Continued on Page 87)

December winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 percentage points is statistically significant. *Source: SRI Research Center Inc., Lincoln, Neb.*




Influence Orange County pacesetters
Orange County, California. More than a market of over 2 million people, it's a county in motion. Where an upwardly mobile, on-the-go lifestyle is the norm rather than the exception.
Whether traveling by helicopter or by freeway, Orange Countians have given new meaning to the term "progress," earning a median household income that ranks among the nation's top ten metro markets.
And their affluent, fast-paced lifestyle has created a huge demand for products and services of all kinds.
The Orange County Register MetroGroup is the most effective way to influence Orange County pacesetters. Its 810,000 daily circulation leads its closest competitor by almost 125,000 subscription copies in Orange County.
It is particularly effective to reach the county's pacesetters — in just five issues you not only reach over 1 million adult readers, you reach 90% of the county's chief wage earners.
So to influence a group of people whose purchases like the pace of things that keep pace with Orange County's own, turn to the leader. The Orange County Register MetroGroup.

WHO PUT THE OH'S IN QUAKER OATS?

The same techniques that helped develop new Quaker Oh's, put Baking Soda in more than thirty million refrigerators, developed new Alka Mints for Alka Seltzer and new Light & Natural Wesson Oil...can work for you.

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...the "Product Success Program" offers unique and proven techniques.

To find out more about the "Product Success Program," call or write Sonia Kallen (914) 631-8800. 55 South Broadway, Tarrytown, N.Y. 10591

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Nike pushes upscale women's wear

By BRIAN LOWRY

Nike is bounding into women's apparel with an extensive line of sports and leisure wear as it continues to exploit markets that stretch beyond its running-shoe roots.

The Beaverton, Ore.-based company's expansion into women's wear is inspired by the growing numbers of women exercising and playing sports. The upscale product line includes tennis dresses and tops, muscle tights, unitards, jacket-pants combos and running shorts, as well as leisure wear such as oversize fleece t-shirts.

Prices range from $14 for shorts to $190 for a tennis warmup jacket. All the clothing carries the Nike label, though only the t-shirts will bear the familiar Swoosh logo.

Nike is taking on both mainstream women's apparel marketers and sporting attire marketers. International Playtex's Danskin division, New York, is the category leader, challenged by Capezio Shoes, a division of athletic marketing giant United States Shoes Corp., Cincinnati. Grey Advertising handles Danskin. U.S. Shoes recently moved its advertising in-house, breaking with Leber Katz Partners, New York.

The Tennis Wear & Fitness Wear products continue Nike's diversification, undertaken after a shift in consumer preference led to excess inventory and two losing quarters in 1984.

Nike has rebounded to show gradually improving profits during the last two quarters and appears to be building momentum.

Nike achieved the turnaround in part by fine-tuning its products, slashing ad budgets and introducing specialty lines supported through corresponding magazines.

In the past, that meant targeting a specific sport; here it means a sizable schedule in women's magazines, including February-through-April appearances in *Elle*, *Glamour* and *Vogue*. Ads also will run in spring issues of tennis publications.

Characteristically devoid of copy, the ads "try to romanticize sports" to women, said Mike Wilskey, Nike's assistant ad manager. Chiat/Day, Los Angeles, handles.

The agency's creative team included Lee Clow, exec vp-creative director; Rick Boyko, art director; Bill Hamilton, copywriter, and Dave Luhr, account supervisor.

The emphasis on women's apparel will greatly reduce Nike's advertising for McEnroe, the John McEnroe-endorsed line of men's tennis shoes and attire, Mr. Wilskey said. McEnroe had domestic sales of $3.5 million in the last fiscal year, getting heavy outdoor ad support last spring from C/D.

Nike Inc. is trying to romanticize sports to women in a series of magazine ads by Chiat/Day, Los Angeles, for its Fitness Wear line.

Another specialty line recently suffered a major setback. Due to a cool reception by the trade, Nike canceled shoes from Stickball, a new line of baseball clothes and accessories featuring New York Mets pitcher Dwight Gooden and Atlanta Braves outfielder Dale Murphy (AA, Sept. 23).

Nike hoped the baseball-style shoes would catch on as casual wear and promised a major ad push but apparently struck out with sporting goods buyers.

Although Stickball apparel will still make an April debut, advertising has been put on hold, as has a decision as to which Nike agency—C/D or Wieden & Kennedy, Portland, Ore.—will handle it.

BMW

Maker's Mark is not the kind of product one buys for the purpose of impressing others.

There's so little of it around, you'd never know whether the person you wanted to impress had heard of it or not.

And to make matters worse, bourbon isn't exactly enjoying a run of popularity right now.

James Bacon, the Los Angeles Herald Examiner columnist and Hollywood's official "Scribe to the Stars," may have summed the situation up best.

"I'm not a bourbon drinker ordinarily," he wrote in his column, "but Maker's Mark is the best I've ever drunk by far. It is one of those rare bourbons that only connoisseurs know about."

So, you might say, buying a bottle of Maker's Mark is not unlike buying a BMW . . .

ten years ago.

After all, it's easy to buy something after it becomes popular.

What's really impressive is to have it before everyone else finds out about it.

Bill Samuels, Jr.
President
Maker's Mark Distillery

Maker's Mark

BMW is a trademark of BMW of North America, Inc. Apple is a trademark of Apple Computers, Inc. Polo is a trademark of Ralph Lauren, Inc. Jordache is a trademark of Jordache Enterprises, Inc. Nike is a trademark of Nike, Inc. Maker's Mark Distillery, Loretto, KY 40037, Ninety Proof, Fully Matured.

CORRECTIONS & CLARIFICATIONS

- The agency for Nabisco's Shredded Wheat was incorrectly reported in a new-products listing (AA, Jan. 13, P. 65.) The correct agency is Doyle Dane Bernbach/New York.
- Incorrect figures were reported in the consumer magazine ad linage chart for the *Pittsburgh Business Times-Journal* and *Ladies' Home Journal* (AA, Jan. 20, P. 55). Updated figures should read: *Pittsburgh Business Times-Journal*, Dec. 1985-111.4; Dec. 1984-96.4; Year-to-date 1985-973.5; Year-to-date 1984-664.3. *Ladies' Home Journal*, Jan. 1986-85.4; Jan. 1985-75.0.
- NutraSweet, a product of the Skokie, Ill.-based NutraSweet Co. unit of Monsanto Co., is a nutritive sweetener, rather than a non-nutritive product (AA, Jan. 20, P. 27). The company's November-December print campaign was produced to "educate the public," and not to combat any bad press it may have received last summer, the company said.
- Consumer advertising for Fort Collins, Colo.-based Vipont Laboratories' Viadent toothpaste is handled by McCaffery & Ratner, New York, not PRB/Needham Porter Novelli, Chicago (AA. Jan. 20, P. 36). PRB/Needham Porter Novelli handles Viadent public relations.
- The forecast of $6 billion in automotive media spending in 1986 was an Advertising Age estimate and should not have been attributed to Chrysler Motors chairman Gerald Greenwald (AA, Jan. 20, P. 69).

Liquor sales drop, but not much

By JOHN C. MAXWELL JR.

The liquor industry was down nearly 2% in 1985, which was certainly a little bit better than anticipated. Much of this good showing, however, related to the retail inventory buildup in late summer in anticipation of the $2-per-gallon increase in the excess tax effective Oct. 1.

Retailers had been successful short-term in merchandising the tax increase as a savings to the consumer. Thus, the tax had a positive short-term effect by forcing inventory in.

The premium brands seem to be the least affected by the increase as the federal excise tax amounted to a 3%-to-5% increase on their base price. At the low end, however, the increase was more like 8% to 16%.

While we have no way of knowing whether Congress will hit the liquor industry with another "sin" tax in 1986 or beyond, further increases would accelerate the industry's decline. Whatever the 1985 drop turns out to be, we continue to believe the industry as a whole will be in a long-term decline phase, though certain niches will do extremely well.

For instance, the story of the year certainly is National Distiller's DeKuyper's Peachtree schnapps, which is estimated to sell 1.5 million cases in '85, making it the 24th-best-selling product in the U.S. It should be noted that it was introduced in October, 1984. We cannot remember a product that hit 1.5 million cases in one year. National Distiller's Original Apple Barrel, which was introduced in 1983, sold a little less than 400,000 cases in 1984 and about 450,000 cases are estimated for 1985.

Fruit-flavor schnapps seems to be the new drink trend. As such, new drinks with names like Fuzzy Navel (a combination of orange juice and Peachtree schnapps) have become the new "in" drinks. In addition, people drink it over ice or chill it or mix it with grapefruit juice. As a result of this success, the DeKuyper's brand is now No. 1 in the cordial line, and we would expect more products to follow.

National Distiller's now has more than 70% of the total schnapps market, with Peachtree alone having more than 50%. Other companies have followed suit, with Heublein introducing 12 new flavored schnapps in 1985, including peach, raspberry, blue grass and mint julep. Glenmore Distilleries' Mr. Boston unit and Hiram Walker also have entries.

The other new product in the industry is Jim Beam ZZZingers, a line of bourbon and soda in a can. This group of products is estimated to sell close to 600,000 cases in 1985. Again, this was barely in the market in 1984. Kobrand is in test markets with a Beefeater and Tonic in 200ml size. This is a premium product and the tonic is specially developed by James Burrough. This product currently is not available on the commercial market.

As far as future product trends, we may see some new products that would be categorized as "digestives" similar to those popular after-dinner drinks in Europe. One of these, Fernete Branca, will be imported by Carillon Importers beginning in 1986, and thus far advance orders look quite good. This would be another product in keeping with our trend towards health, fitness and generally feeling better. Yet another new product by Schiefflin, is the first entry in the sparkling liquor market. Called Petite Liqueur, it is a combination of old cognac and reserve wines under the Moet & Chandon label. It is in test in three markets.

It is interesting to note that the total nonwhisky area continues to move up slightly. Thus all the declines are in the whisky area, which has been the case for some time. In the former category, both rum, brandy, tequila and cocktails moved up, with the imported side of gin, rum and brandy showing the good gains. This was particularly evident with products such as Carillon's Absolut vodka, up 61.4%.

In the whisky area, Canadians were relatively flat, but Brown-Forman's Canadian Mist outperformed the category with the only meaningful gain. It continued its upward bent, rising 3.1% (in fourth position) and closing the gap between it and Seagram's 7 Crown. Scotch continued to decline the most in the whisky area.

Of the top 10 brands, the status of the first five remained unchanged, with Bacardi, the No. 1 brand of liquor in the U.S., up 0.5% compared with last year in unit sales. Second-place Heublein Smirnoff rose 0.2%, while No. 3 Seagram's 7 Crown fell 4.8%. American Brands' Jim Beam, No. 5 overall and the No. 1 bourbon, had one of the few over-all gains in the bourbon category, up 1.5%. Heublein's Popov vodka moved into sixth place from No. 9, replacing National Distiller's Windsor Supreme and fast closing in on the No. 5 spot. In fact, almost without exception, all of Heublein's brands showed improved performance, obviously outpacing the industry.#

Mr. Maxwell is with Furman Selz Mager Dietz & Birney, New York.

Top-selling liquor brands

Brands selling more than one million cases. *Source: John C. Maxwell Jr., Furman Selz Mager Dietz & Birney, New York.*

Rank '84	Rank '85	Brand	Company	Nine-liter cases (000) 1984	1985	Change
1	1	Bacardi	Bacardi	8,469	8,509	+0.5%
2	2	Smirnoff	Heublein (RJR)	7,658	7,665	+0.2%
3	3	7 Crown	Seagram	5,350	5,100	−4.8%
4	4	Canadian Mist	Brown-Forman	4,194	4,326	+3.1%
5	5	Jim Beam	James Beam (AB)	4,038	4,100	+1.5%
9	6	Popov	Heublein (RJR)	3,835	4,024	+4.9%
6	7	Windsor Supreme	National	3,796	3,795	—
7	8	Jack Daniel's	Brown-Forman	3,695	3,643	−1.4%
8	9	V.O.	Seagram	3,600	3,620	+0.6%
10	10	Seagram's Gin	Seagram	3,250	3,250	—
11	11	Canadian Club	Walker (HWR)	3,235	3,235	—
12	12	Gordon's Gin	Gordon (TDI)	2,585	2,585	—
15	13	Dewar's	Schenley (RA)	2,300	2,370	+3.0%
13	14	Gilbey's Gin	National	2,473	2,350	−5.0%
16	15	Kamchatka	National	2,282	2,323	+1.8%
14	16	J&B Rare	Paddingtn (GM)	2,350	2,230	−5.1%
17	17	Black Velvet	Heublein (RJR)	2,150	2,174	+1.1%
18	18	Gordon's Vodka	Gordon (TDI)	2,125	2,125	—
20	19	Gilbey's Vodka	National	1,853	1,945	+5.0%
21	20	Christian Brothers	Fromm & Sichel	1,830	1,830	—
19	21	Early Times	Brown-Forman	1,874	1,797	−4.1%
22	22	Kahlua	Walker (HWR)	1,700	1,750	+2.9%
23	23	Ancient Age	Ancient Age	1,690	1,690	—
—	24*	Peachtree Schnapps	National	--	1,500	—
24	25	Johnnie Walker Red	Somerset (D)	1,480	1,450	−2.0%
26	26	Crown Royal	Seagram	1,350	1,375	+1.9%
25	27	Cutty Sark	Buckingham (WB)	1,458	1,370	−6.0%
28	28	Ten High	Walker (HWR)	1,300	1,339	+3.0%
27	29	Kessler	Seagram	1,310	1,260	−3.8%
32	30	Tanqueray	Somerset (D)	1,200	1,235	+2.9%
30	31	Southern Comfort	Brown-Forman	1,205	1,229	+2.0%
32	32	Lord Calvert	Perennial (S)	1,200	1,200	—
29	33	Old Grand-Dad	National	1,215	1,190	−2.1%
33	33	Beefeater	Kobrand	1,177	1,190	+1.1%
32	34	Calvert Extra	Perennial (S)	1,200	1,150	−4.2%
35	35	Jose Cuervo	Heublein (RJR)	1,085	1,152	+6.2%
31	36	Old Crow	National	1,202	1,118	−8.0%
34	37	Wolfschmidt	Seagram	1,100	1,050	−4.5%
36	38	Baileys Irish Cream	Paddington (GM)	1,000	1,000	—

**Introduced in October, 1984. Key to parent corporations: (AB)-American Brands (D)-Distillers Co. (G)-Glenmore (GM)-Grand Metropolitan (HWR)-Hiram Walker Resources (RA)-Rapid-American (RJR)-R.J. Reynolds (S)-Seagram (WB)-Whitbred*

BATF rules on 'alcohol-free' ad claims

By PAT WINTERS

It may smell like beer, look like beer and even taste like beer, but the Bureau of Alcohol, Tobacco & Firearms in Washington has ruled if there's less than 0.5% alcohol, then it isn't beer.

That ruling, which also essentially bans the term "alcohol-free" on nonalcoholic beer brands, is forcing marketers to change their labels and has thrown a monkey wrench into at least one company's ad slogan.

The BATF ruling goes into effect on April 1 (AA, Sept. 16 *et seq.*).

Kaliber, a nonalcoholic beer from Ireland imported by Guinness Import Co., Stamford, Conn., successfully has been using the radio and print ad slogan "All the taste of an imported beer—but no alcohol." That slogan now may have to be changed to "All the taste of an imported malt beverage, but nonalcoholic," which the company admits is less than catchy. The company intends to ask BATF to allow use of the term "taste of an imported beer."

"Because it does have the taste of an imported beer," explained a company spokesman, "we're maintaining that we are not calling it [Kaliber] a beer." The Marketing Center, Westport, Conn., is the Kaliber agency.

The BATF ruling is just more bad news in the nonalcoholic beer segment, which, after a year in which thousands of dollars were spent publicizing the dangers of drinking and driving, still is struggling to become known as a viable beverage alternative.

Industry experts estimate the nonalcoholic beer segment totals from 5 million to 8 million cases, compared with the total beer market, which numbers about 2.5 billion cases.

In an effort to inform consumers, the BATF ruling says alcohol-free beverages must contain no alcohol, and beverages with less than 0.5%, which constitute virtually all of the alcohol-free beer brands, must not be labeled as such and can be called only "nonalcoholic." Marketers charge that many products contain traces of alcohol, including white bread, orange juice and lemon-lime soda. Meanwhile, the BATF definition of beer is that it contain more than 0.5% alcohol. Anything less is called a "malt beverage."

"The cost of changing the labels and advertising is insignificant," said one industry source. "What's significant is that we're losing potential sales because I can't say beer. A consumer doesn't want a light-malt beverage, he wants a beer."

But the miniscule market and the latest BATF rule hasn't dampened the interest of beer marketers who are continuing to jump into the no-alcohol fray. Some two dozen no-alcohol brands are said to be on the market, and more are on the way.

Brewers and importers say they are attracted to the no-alcohol beer category because of its current prestige, and its estimated annual growth rate of 25%. They also believe no-alcohol beers, often priced as high as imported beers, are stalking the right trend in a health-concious America. The nonalcoholic and low-calorie beers generally target the active, 25-to-50-year-old age group which might drink the product after a tennis match or during cocktail hour.

"We are looking [in an] educated crystal ball," explained John Bissell, senior vp-special products division, Stroh Brewery, Detroit, which will roll out Barbican, a British import and the brewer's first no-alcohol brand, in March. "The category fits the times and the product tastes good. We should be able to make sales."

Leading the category is Kingsbury, marketed by G. Heileman Brewing Co., LaCrosse, Wis., and Whitestone, N.Y.-based White Rock Products Corp.'s Moussy. Moussy is petitioning BATF on yet another "Catch 22" situation. Mark Cooper, Moussy's marketing director, says his brand has just 0.3% alcohol, but the ruling allows labels only to say "less than 0.5% alcohol."

"Since we have less alcohol than other products in the field, then we should be allowed to say how much we have," said Mr. Cooper. "They're lumping it together as one blanket category, which is not rational or in the interest of the consumer."

Industry insiders attribute the current lack of awareness for nonalcoholic beers to limited advertising. According to the 1984 Leading National Advertisers, Moussy, which basically created awareness of the category, spent $411,000 while Wartek, imported by Omni Industries, Greenwich, Conn., spent $115,000.

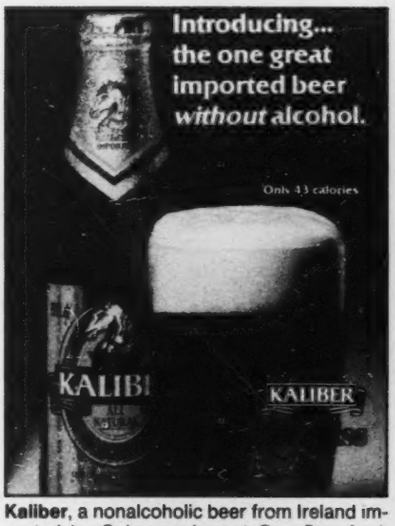
But no-alcohol beer marketers are optimistic that, as larger brewers jump into the market with big ad budgets, the entire category will expand. Stroh expects to roll out Barbican in March, and will support it with national print ads and tv in selected markets via MCA Advertising, New York. Competitors estimate Stroh's introductory ad budget will total about $1.5 million.

Moussy will spend $3 million in 1986 on tv and radio spots in selected markets. Moussy's $3 million ad campaign, which carries the theme of "The drink to choose when you choose not to drink," recently moved to Geer, DuBois, New York, from Venet Advertising. Warteck, which is now in 30 states and will roll out in Chicago and Los Angeles in the spring, will continue radio, print and 10-second tv spots in selected markets via Grey Advertising, New York.

Other imports now rolling out on the market include Poppen and Clausthaler, both from Germany, and Kaliber. Poppen, imported by Poppen Imports, Point Pleasant Beach, N.J., is in limited distribution in the Northeast.

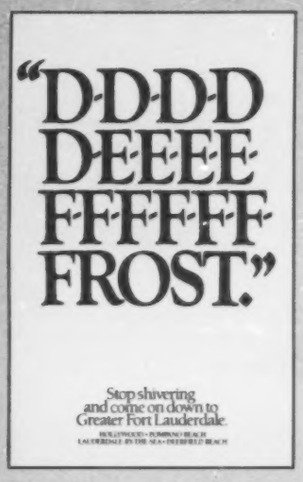
Radio spots, handled in-house, are expected to break in New York before spring.

Clausthaler, imported by All Brand Importers, New York, now is rolling out nationally and intends to launch an ad campaign, via McCann-Erickson, New York, in the spring.#



Kaliber, a nonalcoholic beer from Ireland imported by Guinness Import Co., Stamford, Conn., has been using the radio and print ad slogan "All the taste of an imported beer—but no alcohol." That slogan now may have to be changed. The Marketing Center, Westport, Conn., handles.

BEST OF PRESS

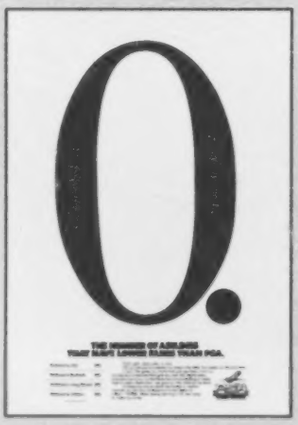


None of the usual flashy pictures of bodies in bathing suits here. Instead, clever use of typography allows the headline to say it all in this ad for Broward County Tourist Development Council, via BDA/BBDO, Atlanta. Creative director: Glenn Verrill; art director: Bob Pitt; copywriter: Jim Brytowski.

We chose this ad partly because we like Hercules, but also because it's an effective use of localized newspaper advertising to generate excitement over a product. The ad, via VanSant Dugdale Advertising, Baltimore, was run in newspapers near military bases that support the 132nd Aviation Company. Creative directors: Stan Paulau, Drew Babb; art director: Anne Prochazka; copywriter: Bruce Jacobs; illustrator: Robert Dale.

If you like Bugs Bunny (and we do), you've gotta love this ad for Sony Corp. of America's SuperBeta Hi-Fi videocassette recorders from Lowe Marschalk, New York. The ad's use of concentrated color, especially within the confines of the tv screen, makes it hard to miss. Creative supervisor and copywriter: Ron Burkhardt; associate creative director and art director: Lyle Metzdorf; photographer, Ric Cohn; illustration: Warner Bros.

An excellent use of spot color caught our eyes in this ad for the Red Cross Greater New York Blood Bank via Doyle Dane Bernbach. As it happened, the blood bank ran into a serious shortage of blood smack in the middle of a serious water shortage in the New York metropolitan area. Art director: Neil Raphan. Copywriter: Judy Protas.



DYR, Los Angeles, used a particularly effective headline. The goose egg grabbed our attention immediately and quickly ushered DYR's effort into the Best of Press category. Associate creative director: Judy Johnson; art director: John Lee Wong; Copywriter: Ken Fitzgerald.

Best of Press selections are made by a committee of three: Hank Simons, vp-creative director of the Newspaper Advertising Bureau; James Dunaway, vp-information at the bureau, and William F. Gloede, Advertising Age newspaper industry reporter. National System, St. Louis, provides tear sheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads, which should be sent to Mr. Gloede in AA's New York bureau.

In this ad for Diet Rite Cola, Dancer Fitzgerald Sample, New York, used color and an unusual way of presenting competitors' products in an unflattering manner to drive home the point that Diet Rite contains no sodium. Creative director: Stan Becker. Art directors: Donna Weinheim, Amy Bronstein. Copywriter: Arthur Bijur. Illustrator: Elwyn Mehlman.

FLASH REPORT: Newspaper advertising investment for October

October 1985	IN 100 THOUSANDS IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR	1985	1984	ACTUAL $ G OR L	% G OR L
Amusements	1985	$24,659,091	$27,221,027	-2,561,936	-9.4
	1984				
Computer stores & suppliers	1985	4,931,834	5,691,336	-759,502	-13.3
	1984				
Department stores	1985	92,116,597	78,176,757	+13,939,840	+17.8
	1984				
Food stores	1985	31,036,142	24,634,429	+6,401,713	+26.0
	1984				
Radio, tv, phonographs, records	1985	17,690,428	14,571,469	+3,118,959	+21.4
	1984				
General merchandise stores	1985	39,947,440	36,099,054	+3,848,386	+10.7
	1984				
Alcoholic beverages	1985	2,834,938	3,532,069	-697,131	-19.7
	1984				
Cameras, photo supplies & services	1985	597,002	379,473	+217,529	+57.3
	1984				
Computers, equipment & services	1985	2,608,596	4,493,773	-1,885,177	-42.0
	1984				
Public service utilities & communications	1985	7,282,899	6,919,819	+363,080	+5.2
	1984				
Publishing & media	1985	13,488,839	13,948,530	+459,691	-3.3
	1984				
Cigarets	1985	8,150,884	8,819,728	-668,044	-7.6
	1984				
Airlines	1985	18,926,247	13,861,570	+5,064,677	+36.5
	1984				
Passenger cars-new	1985	15,023,119	11,933,053	+3,090,066	+25.9
	1984				
Banks & trust companies	1985	9,070,897	7,231,021	+1,839,657	+25.4
	1984				
Stock, bond & investment houses	1985	2,465,749	1,620,558	+845,191	+52.2
	1984				

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Ad spending jumps 12.2%

New York—Advertiser spending in major-market daily newspapers in 16 categories increased 12.2% in October compared with a year ago, according to the Flash Report prepared for Advertising Age by Media Records.

Total advertiser spending in the measured categories in 29 daily and 23 Sunday newspapers in 15 major markets increased $31.7 million to $290.7 million.

Ten of 16 categories posted increases.

A 17.8% increase in spending by department stores during October led the way, putting October spending above the $92 million mark.

Food stores increased spending 26% to $31 million; general merchandise stores hiked spending 10.7% to $39.9 million, and radio-tv-phonograph and record retailers raised ad spending 21.4% to $17.7 million.

Among other categories posting large dollar gains were airlines, up 36.5% to $18.9 million; new passenger car sellers, up 25.9% to $15 million, and banks and trust companies, up 25.4% to $9 million.

Other gainers included public service utilities and communications, up 5.2% to $7.3 million; stock, bond and investment houses, up 52.2% to $2.5 million, and camera-photo supplies and services dealers, up 57.3% to $597,002.

Among the declining categories were amusements, down 9.4% to $24.6 million; publishing and media, down 3.3% to $13.4 million; cigarets, down 7.6% to $8.1 million; computer stores and suppliers, down 13.3% to $4.9 million; alcoholic beverages, down 19.7% to $2.8 million, and computers, equipment and services, down 42% to $2.6 million.#

Telemarketing rings in new business era

OVERVIEW

Even a forward-thinking individual like Alexander Graham Bell couldn't have imagined the enormous impact his invention would have on the way people do business.

Telemarketing—the art and science of marketing goods and services through telephone contact—like a good wine, required aging.

Ford Motor Co., Dearborn, Mich., conducted the first major telemarketing campaign in 1962 to find out when 20 million households were planning to buy a new car. The program was created by Murray Roman, founder of the telemarketing industry.

Twenty-five years later, telemarketing has matured into a vital marketing tool.

Direct marketing methods

Method	($ billion)
Telemarketing	$65
Catalogs	$37
Direct mail	$19
Media marketing (print & electronics)	$19
Total	$140

Source: Ernan Roman Direct Marketing

A breakdown of direct-marketing purchases by Michael Allen Co., Rowayton, Conn., places telemarketing at the top of the list. The strategic marketing company estimates telemarketing generated $65 billion in sales in 1983.

Telemarketing represents 46% of direct-marketing purchases, although initial consumer contact is made primarily through catalogs, mail or other media.

Part of telemarketing's growth can be attributed to the changing economics of direct response marketing. The average U.S. sales call now costs more than $250, and 5.5 contacts are needed to close the sale. A professional telephone communicator can make three to seven business contacts an hour at a cost of $7 to $15 per contact.

In the consumer market, professional outbound telephone marketers average seven to 12 consumer contacts per hour at $2.50 to $4 for each completion.

Although telemarketing programs have shown a profit without a coordinated direct mail or media advertising campaign, the programs almost always were directed at the company's existing customers. The individuals already had been influenced by the company's combined marketing efforts.

Often, telemarketing has been viewed as an add-on to a larger marketing strategy, brought in at the last minute in an attempt to salvage a failing campaign. This tactic is changing, however. Telemarketing is becoming an integral part of strategic marketing from a plan's inception.

For optimal results, management should incorporate the broadest range of media available, testing combinations until the most successful strategy becomes clear. Successfully integrating telemarketing with other marketing media requires attention to a number of issues, some entirely distinctive to telemarketing.

Other issues are familiar to the experienced marketer, but they take on new complexities and risks when considered in light of the expense, immediacy, personal nature, reach and power of telemarketing. And juggling four or five different media in a coordinated effort requires a talented manager. It takes energy to create synergy, but it pays.#

The story on this page was written by Ernan Roman, president of Ernan Roman Direct Marketing, New York.

Introduction

Basics is a monthly section designed to provide "how-to" information on topics related to the advertising and marketing businesses.

This section will be written by staffers and experts in the field who will present information in layman's terms. Topics will include business travel, sales meetings, tv and radio production, computers and personnel training. Overviews and case studies will be supplemented with fact sheets and resource lists to help in obtaining further information.

Contents

- **Overview** defines telemarketing and presents its business applications.
- **Case Study** looks at how Citicorp developed an integrated media campaign for its Home Equity second-mortgage loan.
- **Mechanics** outlines inbound and outbound phone operations and presents cost-cutting telephone alternatives.
- **Staff** explains how to train a telemarketing staff and includes a story on salaries.

Glossary

Inbound center—A telemarketing facility, usually equipped with an 800 toll-free number, used to receive telephone calls. The same facility often is used for several purposes.

On/Off Network—Not all specialized common carriers provide service to all locations. "On network" calls are those placed to locations the carrier serves. "Off network" calls are those that must be shunted to another carrier. With most services, on network calls are cheaper.

Outbound center—A telemarketing facility used to make telephone sales calls to prospective clients.

Resale carrier—A company that purchases large blocks of telephone service from a specialized common carrier and then resells it in smaller pieces to individual users.

Specialized common carrier—A provider of long-distance telephone service such as AT&T, MCI Communications Corp. or GTE Sprint Communications.

RESOURCES

This list of specialized telemarketing agencies was compiled from various sources by Advertising Age. Corrections and additions should be brought to the editors' attention for inclusion in subsequent telemarketing coverage.

Americall Corp.
1327 Butterfield Rd.
Downers Grove, Ill. 60615

American Airlines Telemarketing Services
P.O. Box 619616
Dallas 75261

American Tele-Response Group
401 Pilgrim Ln.
Drexel Hill, Pa. 19026

American Transtech
6000 Baymeadows Way
Jacksonville, Fla. 32216

AmRes
1280 West Peachtree St.
Atlanta 30367

Answer America
106-38 Queens Blvd.
Forest Hills, N.Y. 11375

APAC Telephone Marketing Services
3856 W. Oakton
Skokie, Ill. 60076

Astro Marketing
8446 N. 103rd St.
Omaha, Neb. 68134

Automated Phone Exchange
4931 S. 900th E.
Salt Lake City, Utah 84117

Avis Telemarketing
380 Fifth Ave.
New York 10118

Edward L. Banker & Associates
450 Anthony Trail
Northbrook, Ill. 60062

Gordon S. Black Corp.
1661 Penfield Rd.
Rochester, N.Y. 14624

Edward Blank Associates
71 W. 23rd St.
New York 10010

Britcom
2200 South Main St.
Lombard, Ill. 60148

Budget Marketing
P.O. Box 1806
Des Moines, Ia. 50306

Campaign Communications Institute/CCI Telemarketing
555 W. 57th St.
New York 10019

Com Mark International
236 Rt. 9 S.
Howell, N.J. 07731

Concord Group
4256 N. Arlington Heights Rd.
Arlington Heights, Ill. 60004

Contact Marketing
120 Brighton Rd.
Clifton, N.J. 07012

Custom Tel
10301 Wayzata Blvd.
Minneapolis 55426

Dial-A-Product
1666 New York Ave.
Huntington Station, N.Y. 11746

Dial America Marketing
125 Gelway Place
Teaneck, N.J. 07666

Dialogue Marketing
1909 E. Cornell
Peoria, Ill. 61614

Dial Services
4517 Minnetonka Blvd.
Minneapolis 55416

Directel
229 Huber Village Blvd.
Westerville, O. 43081

Direct Response Corp.
601 Skokie Blvd.
Northbrook, Ill. 60062

Stephen Dunn & Associates
1422 Washington Blvd.
Venice, Cal. 90291

Execucall
5280 Winton Rd.
Cincinnati, O. 45231

(Continued on Page 52)

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INTERNATIONAL

In-script tv ads get Brazilian boost

By JULIA MICHAELS

SAO PAULO—It's a common practice here for brand-name products to pop up within the context of a tv show's story line, but a Brazilian undergarment marketer has taken that scenario a step further.

Valerin Industrias Textil, Brazil's largest marketer of women's panties, has become the talk of the town because an outdoor board advertising its Hope panties has become part of the story line in a popular prime time soap opera.

In the U.S., a combination of network tv policies and federal laws effectively prevents such practices in commercial tv.

But not in Brazil. The program, "Roque Santeiro," is the alltime most popular soap opera or *telenovela*, with daily audiences often as big as 80% of tv households.

The setting for the show is the fictional town of Asa Branca, a microcosm of Brazil, in which the lives of the country's liberals, conservatives, rich, poor, blacks, whites, young and old are portrayed in allegorical form.

The campaign, created by Agnelo Pacheco Criacão & Propaganda, was launched on the tv show with an outdoor board for Hope panties appearing in the main square of Asa Branca.

Outdoor boards for Hope panties appeared during episodes of Brazil's prime time soap opera "Roque Santeiro" after being written into the show's story line. The copy reads "The panty that turns men's heads. Hope panties."

The board shows a woman wearing the panties, with the copy "The panty that turns men's heads. Hope panties."

Over a period of nine weekly episodes, the board developed a story of its own within the context of the program.

It started when one of the characters, a heavy drinker, became convinced that the woman in the ad was swiveling her hips at him. In one scene, he even climbed up on the board to see what the trick was, muttering, "One of those Japanese computers."

In following episodes, the upright ladies of the town were scandalized by the board and held a protest to get rid of it.

In another show, a rich rancher complained that Hope panties are so popular in Asa Branca that he couldn't find a pair to buy. That set off viewer speculation over which of his girlfriends he was buying them for.

Retailers were sold beforehand on the idea with an eight-page brochure explaining how the ads would appear on the show.

A month after the campaign was launched on tv, real outdoor boards appeared throughout Brazil. They were so popular that a hotel asked for a panty board to decorate its New Year's Eve ball, which had "Roque Santeiro" as its theme.

Agency president Agnelo Pacheco said the campaign built slowly. In the first episode, the outdoor board appeared for only three seconds. A survey revealed that of 100 people who saw the board during the show only about 22 remembered the brand name. But after the third episode, more than 90 recalled the board.

"This is how [in-script] advertising can come into the story without violating the author, the story and especially the viewer," Mr. Pacheco said, adding that most in-script advertisements are no more than badly camouflaged commercials that insult the viewer's intelligence.

The campaign was launched in October, when the company sold 180,000 dozen panties. By November, a new sales record of 220,000 dozen had been reached.

Baseball looks to Japan

By JOHN WOLFE

Major League Baseball has hired Dentsu, Japan's largest advertising agency, to snare Japanese corporate sponsors for American baseball teams.

"We're trying to bring some marketing strength to those clubs that have not had the benefit of major corporate support," said Joel Rubenstein, exec vp-corporate marketing for MLB, which is composed of all 26 professional baseball teams in North America.

Mr. Rubenstein said the teams include the Cleveland Indians, the Seattle Mariners, the Pittsburgh Pirates, the Texas Rangers, the Milwaukee Brewers and others.

"These are important markets, but they don't get the same attention as Chicago, New York or Los Angeles," he said.

Other sources said potential sponsors include marketers of camera film, watches and audio-visual equipment, and that Fuji Film is one of the first to be considering a sponsorship.

Mr. Rubenstein said any corporate sponsors Dentsu can secure will have a variety of sponsorship plans from which to choose, but any deal would have to include all 26 major league teams.

"We want them to make an equal commitment to all 26 clubs," he said. "They can't come in and just do an All-Star game promotion or a World Series promotion."

Under the plan, a corporate sponsor would have to invest a minimum of $5 million. Of that, $2 million would go for the sponsorship of club-related events designed to generate attendance, such as special promotional days or nights at the 26 ballparks.

Another $2 million would be spent on advertising, in which the sponsor can advertise and promote its association with the teams in print and tv commercials, as well as in ads in the teams' programs and yearbooks.

The sponsor also would have to pay an annual $1 million "rights fee" to MLB, Mr. Rubenstein said.

Dentsu also is negotiating with Japanese tv stations for the possible telecast of certain MLB games or related film properties as well as arranging for the licensing of team-related products like jackets and caps, Mr. Rubenstein said.

World News Roundup

(Continued from Page 3)

has pulled out of the Chilean market but hopes to reenter the country by next September.

MADRID—Danone moved the $6.5 million creative portion of its yogurt account to R.C.P. from Reclamo.

PARIS—Hasbro switched its $3.5 million Playskool account to Boulet Dru Dupuy Petit from Feldman Calleux et Associes.

MANILA—San Miguel Corp. moved its $2.5 million Pale Pilsen beer account to McCann-Erickson from Philippine Ad Counselors.

AMSTERDAM—GABA, the Swiss consumer products marketer, moved its $2 million account to Saatchi & Saatchi Compton from TBWA.

LONDON—Canon has decided not to renew its three-year, $4.5 million sponsorship contract with Britain's soccer league.

TURIN—Fiat shifted its $3 million Panda car account to local agency CGSS. Benton & Bowles was the last agency to handle the account.

TOKYO—Matsushita Electric Industry plans to introduce a 3-in. color tv that doubles as a video camera monitor in April in Japan and in May in the U.S. No agency has been announced.

Big shops feasting on midsize agencies

By VALERIE MACKIE

U.S. multinational ad agencies are gobbling up medium-size shops at such a fast pace around the world that industry experts question whether such agencies are headed for extinction.

Their concerns are prompted by a barrage of acquisitions outside the U.S. by multinational agencies in 1985 *(see chart at right)*. Many of the agencies being acquired are "medium size" in each country, though the billings of each agency vary with the size of that country's ad industry.

"There are a lot of agencies in the middle that are afraid that unless they do something they will disappear—it's the school of paranoia," said John Bernbach, president of New York-based Doyle Dane Bernbach's international division. "They are worried that if they don't happen to be a sexy, young, hot shop, they better link up with a stable multinational."

DDB is negotiating to buy agencies in Brazil, Greece, Italy, Malaysia and Thailand and to start up its own agency in Portugal in March.

"You've either got to be very big, or small and have a special niche in your own country," said Wim Slootweg, a native of Holland and general manager at Ogilvy & Mather, Chicago. "The medium-size agency is dead."

Local agencies, many of which have fought off multinational overtures in the past, admit they are having trouble competing for pan-regional accounts with the major international shops.

Grandfield Rork Collins in London is a typical example of the changes going on among locally owned agencies.

Once a strong, fiercely independent shop, GRC tried to set up an international network, called GRC International, by linking up with medium-size agencies in other countries, such as Ally & Gargano in the U.S. But

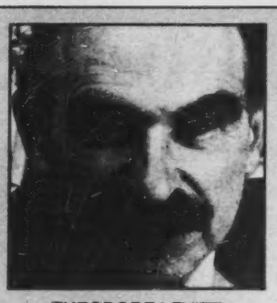
(Continued on Page 59)

U.S. agencies' international acquisitions

U.S. agency	Type of agreement	Foreign agency	Country	Billings (millions)
N W Ayer	Acquisition	William Wilkens	W. Germany	$62.5
	Acquisition	Berefelt & Delsol Reklambyra	Sweden	$2.0
Ted Bates	Majority	Scholz & Friends	W. Germany	$48.2
Leo Burnett Co.	Acquisition	Larsen Advertising	New Zealand	$2.0
	Majority	Marsden & Hartmann	Switzerland	$14.0
	Minority	AD S.A.	Switzerland	Not available
	Acquisiton	Star	Italy	$15.0
	Acquisition	Euro	Greece	$5.0
DDB	Minority	Verba	Italy	Not available
FCB	Affiliation	Yaratim	Turkey	Not available
Grey Advertising	Acquisition	Grierson Cockman Craig & Druiff	U.K.	$14.0
	Majority	Konsell Partner	W. Germany	$24.0
	Minority	Trace	Spain	Not available
Hill, Holliday	Joint venture	Magnus Nankervis & Curl	Australia	$18.6
	Merger	Aspect Advertising	U.K.	$30.0
Ogilvy & Mather	Majority	Schellenberg	W. Germany	$15.0
	Majority	DC-3	Portugal	$1.0
Saatchi & Saatchi	Minority	R.C.P.	Spain	$7.7
	Acquisition	Grandfield Rork Collins	U.K.	$98.0
	Cooperative	Asahi Advertising	Japan	$163.0
Scali, McCabe	Majority	Cascades	France	$15.0
TBWA	Acquisition	Voelker & Vorwerk	W. Germany	Not available
	Acquisition	Valero y Asociados	Spain	Not available
JWT	Acquisition	GDD	Spain	$12.3
Wells Rich	Minority	Holmes Knight Ritchie	U.K.	$25.2

Chart includes major acquisitions in 1985 only.

BLAIR VEDDER



THEODORE LEVITT

Global marketing: Love it or Levitt?

From a speech by Blair Vedder, retired chairman-ceo of Needham Harper Worldwide's international division, on Jan. 17 to the mid-America chapter of the International Advertising Assn.:

"If. . .there has been some lessening of the marketing and ad communities' enthusiasm for. . .international opportunities, the cause must include something more than. . .economics and politics.

"One of those additional causes could be the actions of one rather obscure man about three years ago, incredible as that may sound.

"The man was Dr. Theodore Levitt, and the action was his publication of a controversial thesis on global brands. There is no question that Dr. Levitt's intentions were above reproach, but I now wish he had stayed in bed and never written his paper.

"Instead of clarifying issues, Dr. Levitt's views have intensified doubts about international marketing, which were already fed by concerns over the strong dollar, political upheaval. . .tariffs and other impediments to constructive international market thinking.

"I happen to believe that Dr. Levitt's predictions about global brands were right. But I am afraid he was wrong in offering them up as he did. I think he was wrong for three reasons:

- "First, he presented his forecast not as a probability but almost as a commandment engraved in stone. If you want to invite contrariness in people, that's probably the best way to do it. . .
- "Second, the evidence Dr. Levitt used to support his idea of global brands as the wave of the future simply did not fit with most international marketers' experience with consumer behavior as that behavior exists today in much of the Western world. If you want to convince a significant number of people about the shape of things to come, you must show them a few clear examples of that future shape in their present experience.
- "Third, Dr. Levitt wrote of his envisioned future in a way that implied it would occur tomorrow, not sometime in the next decade or so. When a predicted 'tomorrow' comes and goes and nothing changes, people lose faith that what was predicted will ever occur.

"I now wish that instead of pressing that future on us he had allowed more time for it to evolve, for events to bring the future into sharper focus."#

Coke and Pepsi in hot U.K. cherry cola battle

By LAUREL WENTZ

LONDON—The cherry cola war has spread to the U.K., where Cherry Pepsi and Cherry Coke are poised to enter a fierce battle for market share.

Both colas were launched throughout the U.K. two weeks ago without test marketing (AA, Jan. 20). The launch of Cherry Coke by Coca-Cola Co., Atlanta, was expected, but the rollout of Cherry Pepsi by PepsiCo, Purchase, N.Y., was a surprise.

Cherry Pepsi entered Canada in November, just two days before test-marketing began there for Cherry Coke (AA, Nov. 11).

Cherry Pepsi has yet to be introduced in the U.S., and the U.K. launch is seen as a coordinated effort by PepsiCo to meet its chief rival head-on in the cherry cola market outside the U.S.

Cherry Coke was believed to be preparing to enter a test market in the U.K. when the national rollout began Jan. 15 without a test.

Robert Wilkinson, Coca-Cola's director for external affairs in Northern Europe, denied that the test-market phase of the launch was dropped because of the imminent arrival of Cherry Pepsi.

"There was no test because the nature of the research for Great Britain was sufficiently encouraging. . .that the company felt it was time to go ahead with the national introduction," Mr. Wilkinson said.

PepsiCo also denied that the U.K. rollout of Cherry Pepsi is due to Cherry Coke's offensive.

"It's unusual, but it represents the company's continuing commitment to build the U.K. market," said John Derkach, PepsiCo's U.K. marketing manager.

PepsiCo has no immediate plans to launch Cherry Pepsi in other European markets, said Peter Kendall, regional vp for Northern Europe.

Cherry Pepsi will get print, tv and cinema advertising, starting in early March, via J. Walter Thompson Co., Mr. Derkach said.

"The budget is still to be determined, but it will be substantial," he said. Other sources said the campaign might carry the same "Grab a taste of the good life" theme as the Canadian ads, also via JWT.

Cherry Coke ads, scheduled to break in early February via McCann-Erickson, will feature the tag line "Cherry Coke turns your world upside down," sources said. The campaign will include tv, cinema and print advertising.#

Tv station in Peru sells shares

By ANNE ARRARTE

LIMA—For just a $1 share in a fledgling Peruvian tv station, investors will be able to participate in the station's game shows and lotteries after it goes on the air in July.

On top of that, the investors will also receive dividends in three years.

Peruvian entrepreneur Ricardo Belmont—the Jerry Lewis of Peru, when it comes to telethons—has hit on the novel fund-raising tactic for RBC-TV, his latest dreamchild.

Mr. Belmont formerly owned Channel 11 in Peru, but the military government expropriated it in 1968. Since then, the government has returned his broadcasting license, but the $2 million start-up costs are prohibitive for a go-it-alone comeback.

A $270,000 radio and print fund-raising ad campaign via McCann-Erickson emphasizes "the idea of triumph over the odds," Mr. Belmont said.

"Let's be partners. Together, let's make RBC Television," ad copy says. To date, the ads have raised $870,000, coming from 37,000 "partners."

Mr. Belmont's radio spots have capitalized on his fame as a telethon host. Over the last five years, he has turned a small national telethon for Peru's handicapped children into a live 48-hour marathon in which funds are raised for children throughout Latin America.

Mr. Belmont said he will have spent at least $500,000 on advertising by the time RBC-TV goes on the air. He needs to raise $1.6 million by then.

The remaining $400,000 of the station's $2 million start-up costs, plus advertising fees, are being absorbed by a small group of Belmont family members.

"RBC-TV will air in the greater Lima area and will have between 60% and 70% local production—largely game shows, sports events and news," Mr. Belmont said.

Local ad executives believe RBC-TV has a fighting chance.

"Belmont has a well known tv personality and therefore brings a powerful tv talent to his station," said Jorge Penny, an account director at McCann. "He also owns two highly successful radio stations and has lots of broadcast experience."#

Feast

(Continued from Page 58)

the network soon fell apart when Federal Express Corp., which was supposed to be the network's chief account, went with McCann-Erickson instead and GRC eventually sold out to Saatchi & Saatchi.

In Germany there isn't a single local agency in the top 20 that's not linked to a multinational shop. As a result, multinationals are looking to buy the second-tier agencies. Many of these agencies for years have remained staunchly independent, but the lure of huge sums of money may be changing their outlooks.

"More and more companies are now thinking in European terms, and the expected satellite tv means that an agency of a certain size needs an international network," said Michael Menzel, an original partner of Scholz & Friends, Hamburg. The agency, made up of principals who broke away from Team/BBDO in Germany to gain independence, last year sold 51% of its operation to Ted Bates Worldwide, New York.

"Some of the sellers get into a last-minute panic, thinking they'll never again receive such a good offer," said Willi Schalk, exec vp at BBDO International.

The competition among the multinational agencies, which are seeking to fill the holes in their networks and improve their international rankings, also has elements of panic.

"Everyone is trying to become a global agency by trying to fill in their network," said John O'Toole, ex-chairman of Foote, Cone & Belding, Chicago. "There are going to be only a handful of agencies that are truly global that can handle the global accounts, and everyone is trying to become one. There is a fear that if you don't fill in your holes, you'll be left behind."

In the future there may only be eight agencies that qualify as "global," Mr. O'Toole said, adding, "Clients are saying, 'We want you there,' so we go."

He cited the example of FCB buying the NCK network in Europe and the Siboney network in South America because of pressure from Colgate-Palmolive Co.

Last year, FCB bought a minority share of an agency in the Philippines and has signed a nonequity deal with Yaratim in Istanbul, Turkey.

Another reason for expansion is that existing clients of international agencies have slowed down plans to increase ad spending. This is an indication that future agency growth will have to come from new clients.

"It used to be that half your growth would come from existing clients around the world, and the other half from new clients, but that's not true anymore," said one executive at a top U.S.-based international agency.

More growth must come from new clients, he said, and the fastest way to gain new clients is to buy an agency.

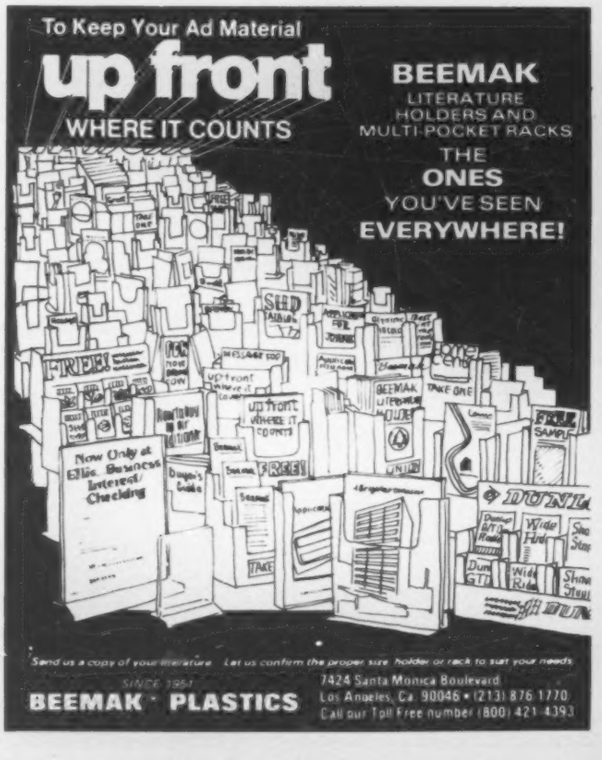
In some places, like Brazil, this can mean buying into as many as four agencies, as J. Walter Thompson Co., New York, plans to do.

But not everyone agrees with the theory that medium-size agencies are dead.

"The middle-size agency is not dead," said TBWA chairman Bill Tragos. "I know that's what everyone says, but I think what we're going to end up with is a department store—small, medium, large and extra-large agencies."

"All this buying of agencies is because everyone is betting the dollar will go down [further]—now the bargains are great," Mr. Tragos said.

If the dollar continues to go down, he said, it will get more expensive to buy agencies overseas. In contrast, the earnings of overseas shops will look more profitable when stronger local currencies are converted to dollars for U.S. reporting purposes.#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Local business books healthy

By JENNIFER PENDLETON

RANCHO MIRAGE, CAL.—While most national business publications are experiencing ad linage drops in the soft economy of early 1986, regional business newspapers and magazines are showing healthy gains, according to Joe Cappo, newly installed president of the Assn. of Area Business Publications.

J. Cappo

At the AABP's winter meeting here, Mr. Cappo, publisher of *Crain's Chicago Business*, said ad revenues at 90% of AABP's 86 members are up. And, he pointed out, the estimated 200 publications of this kind in the U.S. have a combined circulation that exceeds the *Wall Street Journal's* 2 million.

While startups aren't appearing at the breakneck pace of the early 1980s, the field is still growing at a fast rate—a reflection of the decline of daily newspapers and the public's hunger for specialized information, particularly local financial news, according to Mr. Cappo.

Regional business magazines or newspapers, well established in the top 20 U.S. markets, now are starting up in the smaller, second 20 cities.

Are these markets large enough to sustain these publications? Mr. Cappo said, "It hasn't been proven yet." He declined to predict when the inevitable shakeout among publications will occur.

Don Miller, president of Scripps-Howard Business Journals, publisher of 11 newspapers of the genre, was more specific. The shakeout will happen in two to three years, in both large and small markets, as competition for advertising dollars intensifies, he said. And many of the undercapitalized independents currently in the field will either sell to larger companies or go out of business. He believes the trend toward consolidation will eventually leave only a few major competitors in the field.

During the four-day meeting, some 100 registrants at the meeting heard speakers on a variety of practical topics, such as direct mail and the perils and promise of going public.

Saul Fructhendler, president, Louis & Saul Advertising, Santa Monica, Cal., advised the group to take advantage of negotiated ad rates and barter. He also described area business magazines as "one of the most underadvertised, underpromoted businesses I've encountered."

He urged the members to promote their publications with direct marketing and, in some cases, tv advertising.#

Pabst owner's ad slams ads

By SCOTT HUME

New wrinkles have appeared in the curious case of Pabst Brewing Co. Paul Kalmanovitz, the reclusive beer baron who bought Milwaukee-based Pabst last year and immediately fired both its national agencies (AA, March 25), has taken out page ads in Milwaukee dailies defending himself and his disdain for advertising.

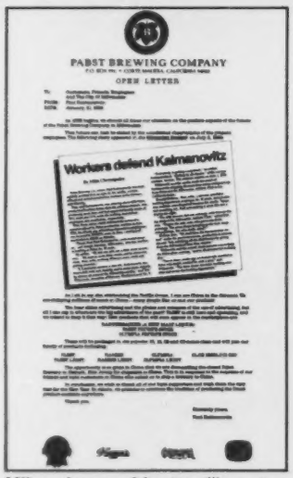
The ad also announces plans for "dismantling the closed Pabst Brewery in Newark, N.J., for shipment to China."

A decade ago, Pabst was the nation's third-largest brewer, with shipments of more than 21 million bbls. a year. Analysts estimate Pabst's output last year to have been slightly more than 9 million (AA, Jan. 20).

In the "open letter" ad to "customers, friends, employes and the city of Milwaukee," Mr. Kalmanovitz suggests attention be focused on the "positive aspects of the Pabst Brewing Co. of Milwaukee."

Also included is a reprint of a July 2 article from the *Milwaukee Sentinel* quoting brewery workers' praise for Mr. Kalmanovitz.

One of the positive aspects he points to is Pabst's intention soon to introduce three new products: Olympia Private Stock, Pabst Private Stock and Randersacker malt liquor. No mention is made of Steinbrau and Steinbrau Light, two brands Pabst officials earlier had confirmed have gone on shelves this month (AA, Jan. 13).


PABST BREWING COMPANY

OPEN LETTER

Workers defend Kalmanovitz

Milwaukee residents still are trying to decipher this "open letter" ad from Pabst Brewing owner Paul Kalmanovitz. Asher-Gould, Los Angeles, handles.

After purchasing Pabst, Mr. Kalmanovitz ordered the abrupt firing of national agencies McCann-Erickson, New York, and Young & Rubicam, Chicago.

Asher-Gould, Los Angeles, which handles other brands owned by Mr. Kalmanovitz, has been assigned the Pabst account and created the "open letter" ad.

"You hear about advertising and the pluses and minuses of the use of advertising," Mr. Kalmanovitz says in the ad, "but all I can say is where are the big advertisers of the past? Pabst is still here and operating, and we intend to keep it that way."

At press time, major beer advertisers Anheuser-Busch, St. Louis; Miller Brewing Co., Milwaukee, and Adolph Coors Co., Golden, Colo., also were still operating. But industry analysts and observers long ago stopped trying to figure out Mr. Kalmanovitz.

The announced plan to ship a brewery to China ("This is in response to the requests of our friends and loyal customers in China, who asked us to ship a brewery to China") drew skepticism from those quarters.

"What that probably means is that he's found a buyer for used brewing equipment," said John Collopy, an analyst at Robert Baird & Co., Milwaukee.

Ad copy implies Pabst is still a Milwaukee company, but the ad's letterhead lists Corte Madera, Cal., Mr. Kalmanovitz' home base.#

adWatch

(Continued from Page 4)

Procter & Gamble's Pampers.

Coca-Cola's percentage of first mentions in the soft-drink category fizzled again for the sixth consecutive month, falling in December 3.6 percentage points to 33.6% of first mentions. Coke's share peaked at 53.4% of first mentions in July following the introduction of new Coke and the reintroduction of Coca-Cola Classic.

Pepsi kept the No. 2 position with 28.6% of first mentions. 7UP moved into the No. 3 spot from No. 5 with a 3.2% share, Pepsi's Slice garnered a 1.9% share for fourth position and Diet Coke fell to fifth with 1.5% of first mentions.

In December, 1,000 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

Among other significant changes in the December survey results:

- E. & J. Gallo Winery added 4 percentage points to its share of first mentions in the **wine category**, rising to 10.2% of first mentions, on the strength of its highly stylized spots (AA, Dec. 16). The spots feature copyless, pastoral scenes of people drinking wine, set to music by Vangelis, best known for the "Chariots of Fire" movie score. Hal Riney & Partners, San Francisco, handles.

Despite the gain, Gallo still is No. 2 in the category behind Villa Banfi's Riunite brand, which last month was down slightly to a 12.3% share of first mentions.

Behind Gallo, in the No. 3 spot, are ads for its own Bartles & Jaymes' wine cooler, which received 3% of first mentions. California Cooler placed fourth with a 1.1% share, and Cella wines was fifth with 1.0% of first mentions.

- United Airlines and American Airlines each dropped 3 percentage points in their share of first mentions in the **airline category**. United dropped to 12.1%, still good enough for the No. 1 spot, while American fell to 11.5% of first mentions. While both carriers offered cut rates for holiday fliers, neither used much paid advertising to announce the cuts, due to the publicity their offers generated.

Delta moved up to the No. 3 spot from No. 5 in November with 9.2% of first mentions, bumping TWA into the No. 4 position with an 8.6% share. Eastern dropped into fifth with an 8% share.#

For additional information or data, contact: Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Kent Toys is bought out

TULSA, OKLA.—Composite Enterprises has acquired Kent Toys, Kent, O., best known for its licensed Moodies cartoon characters. Composite will assume the Kent Toys name next month.

For the Record

U.S. MARINE CORPS, Washington, last week issued a "solicitation of interest" to determine whether any agencies want to challenge incumbent J. Walter Thompson USA for its $15 million recruiting account. JWT is believed to have a solid grip on the account. The Marines asked agencies to respond by late March.

THE $3.2 BILLION takeover bid that Arthur Guinness & Sons P.L.C. announced last week for Distillers Co. is expected to be referred to an independent, nonbinding agency that makes recommendations to the government on antitrust complaints. Guinness' offer for Distillers, the world's leading marketer of scotch whisky (including Johnnie Walker and Dewar's brands in the U.S.), is the largest takeover bid in U.K. history and would put Guinness among the U.K.'s 10 largest companies.

JEFFREY MARTIN INC., Union, New Jersey, has bought worldwide rights to the Zizanie men's fragrance and skin treatment line from Beecham Cosmetics, Chicago. The estimated $100,000 ad budget moves from Zwiren & Wagner, Chicago, to **Saatchi & Saatchi Compton**, New York, one of Martin's agencies.

WEIGHTMAN GROUP has been formed as an $80 million marketing communications company in Philadelphia. The move follows the acquisition by Weightman Advertising, a $50 million shop, of a controlling interest in Schaefer Advertising, a $25 million agency in Valley Forge, Pa., and its purchase of Roska Direct Marketing, a $4 million shop in North Wales, Pa. All three will operate as Weightman Group subsidiaries, as will Weightman/Schaefer PR, which combines the two agencies' public relations units.

FOSTER & KLEISER, Los Angeles, will be sold for $710 million to Gerard Joyce, president of Patrick Media Group, Scranton, N.J., it was announced last week. F&K is the outdoor advertising unit of Metromedia, Secaucus, N.J. Through F&K, Metromedia and a partnership manage more than 40,000 boards.

WILSON SPORTING GOODS, River Grove, Ill., on Jan. 19 teed off its first ads from D'Arcy Masius Benton & Bowles, Chicago, during the Bob Hope Chrysler Classic golf tournament. The two tv spots for Ultra golfballs will be followed with ads for other golf and tennis equipment. DMB&B won the account this fall from Leo Burnett USA (AA, Nov. 4).

AMERICAN AIRLINES, Dallas, has named Young & Rubicam's **Wunderman, Ricotta & Kline** subsidiary, New York, to handle the direct-marketing assignment for its AAdvantage frequent-flier program. It formerly was handled in-house. The project does not include American's new Senior SAAvers Club, which is being handled by American's primary agency, Bozell, Jacobs, Kenyon & Eckhardt/Southwest.

A.H. ROBINS CO.'S $5 million notification program centering on its Dalkon Shield intrauterine contraceptive (AA, Jan. 6) has so far resulted in 20,000-to-30,000 cards and letters from consumers saying they intend to file injury claims. The court-ordered print and tv ads say notification of claims must be filed with the U.S. bankruptcy court by April 30. Some 6,000 cases and claims alleging injuries are already pending. Richmond, Va.-based Robins' in-house shop, Mil-Mor Advertising, placed the ads.

NBC-TV will win the 1985-86 prime time Nielsen homes ratings crown, predict BBDO and Gardner Advertising's Paul Schulman Co., both New York. BBDO expects NBC to average a seasonlong 17.7 rating to CBS' 17.3 and ABC's 15.8. The agencies see no "dramatic" ratings impact from the schedule fixes so far.

FORD MOTOR CO., Dearborn, Mich., has started a nationwide education campaign focusing on air bags, as a prelude to offering the safety devices as $815 options on Ford Tempo and Mercury Topaz beginning in March. The campaign will include seminars, printed literature and the training of dealer service departments. Ad plans have not yet been determined. J. Walter Thompson USA, Detroit, handles the Ford division and Young & Rubicam has the Lincoln-Mercury unit.

SCHERING-PLOUGH'S Plough USA unit, Memphis, Tenn., this spring will introduce two improved Di-Gel antacid formulas: Advanced Formula Di-Gel tablets with additional calcium and Low-Sodium Di-Gel liquid. Network radio and print ads start in April via the Bloom Agency, Dallas.

ACCOUNT ACTIVITY: **Abert, Newhoff & Burr**, Los Angeles, picked up two accounts when it recently hired **Bill Vogel** in the new post of exec vp-managing partner. The $1.3 million **Tahiti Tourist Board** account and the $1 million **UTA French Airlines** account followed Mr. Vogel from Liebowitz, Olshever, Vogel & Baruch, where he had been a partner...**Pizza Hut**, Wichita, Kan., to **Kobs & Brady**, Chicago, first agency for direct-marketing programs supporting the chain's home-delivery business, now testing in 10 markets.

WORTH NOTING: **Ogilvy Group**, New York, has declared a 3-for-2 split on its common stock, meant to "increase the marketability of the company's common shares and make them more attractive to smaller investors," says chairman-ceo William Phillips...**Northwest Orient Airlines**, St. Paul, Minn., has signed Miami Dolphins coach Don Shula to join former Minnesota Vikings quarterback Fran Tarkenton as spokesmen for its $8 million-to-$10 million business traveler campaign (AA, Jan. 20). Grey Advertising, Minneapolis, handles...**D'Arcy Masius Benton & Bowles**, Bloomfield Hills, Mich., and **Marketing Services Bureau**, Southfield, are developing a tv public service campaign for the National Center for Missing & Exploited Children, Washington...The **average print ad** cost 8% more to produce in 1985 than in '84, according to an annual survey by Trout & Ries, New York...**Chicago Sun-Times** on Jan. 31 will publish the last of its two afternoon "Red Streak" editions, leaving the city without an all-day newspaper. Publisher Robert Page cited economic reasons for the demise of the late-markets and final-markets editions. Some layoffs are expected. The *Chicago Tribune* last year dropped its "Green Streak" final (AA, Aug. 19, *et seq.*)...**Times Mirror Co.'s** *New York Newsday* today starts offering advertisers a New York-only zone...**CBS Magazines**, New York, denies persistent reports that it is selling *Car & Driver*, and perhaps one of its cycle magazines, to Penthouse International's Bob Guccione. "None of our magazines is for sale," says president Peter Diamandis. A Penthouse spokeswoman says that company is "negotiating to acquire a number of magazines."

January 30, 1986

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Advertising Age Thursday

Crain's Magazine of the Creative Process

SPECIAL REPORT

MARKETING TO THE ARAB WORLD

Success requires keen insight into the culture

SUSAN HARRIS

One of tv's best writers scores with 'Golden Girls'

JAMES BRADY

Dick and Jane return, but it's not the same

Thursday

Dealing with success

"Golden Girls," one of the hottest new shows of 1985, shows tv is finally ready for Susan Harris. Years ago she made a conscious decision to be more than just another pretty face—which she is—but to be a writer of "important" tv shows. Since co-writing her first script, a "...Then Came Bronson" episode in 1969, she's managed to offend and outrage people by writing tv stories about abortion and more. Her previous creations, "Soap" and the short-lived "Fay," caused an uproar in the 1970s. But they were tame compared to "Golden Girls." And she is not quite sure how to react to the newfound acclaim. *See Page 4.*

Cover photo by Wayne Williams

Another Super Bowl story

Super Bowl mania has crossed the Atlantic and settled in the U.K. and parts of continental Europe. In the U.K., an estimated 4 million to 5 million viewers were expected to watch the Chicago Bears take on the New England Patriots when the contest was televised live at 10 p.m. Jan. 26. Elsewhere, about 5.3 million subscribers to Sky Channel, Rupert Murdoch's pan-European cable tv service, had access to live coverage of the game in 13 European nations. *See Page 8.*

Special Report— Marketing to the Arab World

Arabian Peninsula oil states are suffering from a loss of oil revenues. But smart marketers still are tapping the resources of the Arab world, a region dependent on imports for many items. Special Report examines some of the importers, customs, native companies, successful products and advertising, starting on *Page 9.*

Presstime

Ford axes shuttle ads

DEARBORN, MICH.—Ford Motor Co.'s Ford division is pulling all Aerostar advertising related to the U.S. space shuttle program in the wake of the Jan. 28 in-flight explosion of shuttle Challenger. Tv ads were canceled effective immediately and print ad schedules still reachable were suspended. The campaign, comparing the new minivan's aerodynamic silhouette to that of the shuttle, would have been phased out soon anyway, a Ford spokesman said. The shuttle-related ads, via J. Walter Thompson USA, Detroit, broke late last year. JWT is scrambling to speed up development of a replacement campaign. Several are said to be on the drawing board.

Razors slice into market

NORCROSS, GA.—Wilkinson Sword is rolling national with the new Retractor Twin, the company's first twin-blade disposable razor. The brand will get network tv spots, couponing and print ads in major consumer magazines, via Burton-Campbell, Atlanta. Separately, Boston-based Gillette Co.'s safety razor division next month will break tv spots for its new MicroTrac twin-blade disposable razor, which is now rolling national. BBDO, New York, handles.

Vick rises at Ammirati

NEW YORK—Edward Vick has been named president of Ammirati & Puris, while continuing as chief operating officer. He succeeds Martin Puris, who remains chief executive officer but becomes co-chairman with creative director Ralph Ammirati. Mr. Vick joined the agency in 1983 from a senior vp post at Ogilvy & Mather.

Chase breaks image ads

NEW YORK—Chase Manhattan Bank next week will break an estimated $10 million consumer banking campaign promoting bank employes' talents in meeting individual customer needs. Theme is "Chase. The experience shows." The long-delayed multimedia effort is the first broad image campaign for Chase from Scali, McCabe, Sloves, which took over the account in late 1984 from Wells, Rich, Greene (AA, Dec. 31, '84).

Almond review advances

SACRAMENTO, CAL.—California Almond Growers Exchange has narrowed the review for its $8 million account to six agencies: Incumbent Busse & Cummins, Dancer Fitzgerald Sample, Marschalk Co., McCann-Erickson and Hal Riney & Partners, all San Francisco, and Needham Harper Worldwide, Los Angeles. A decision is expected March 1. CAGE also has assigned $450,000 in Blue Diamond almond butter business to Runyon Saltzman here, the first agency to handle. The product starts testing in April here and in Columbus, O., and Denver (AA, Jan. 9).

MicroAge arrives on tv

TEMPE, ARIZ.—MicroAge Computer Stores, a national chain of 170 franchised computer outlets, this weekend starts its first network tv advertising during CBS-TV's broadcast of the AT&T

(Continued on Page 23)

Street Talk

Other than your own clients, what were the most creative and effective commercials during the Super Bowl telecast? Here are the picks from agency execs in the Super Bowl cities, Chicago and Boston.

Lou Centlivre, executive vp-managing director creative, Foote, Cone & Belding, Chicago: "The John Hancock spots are immaculately cast. The dialogue is so real; it lives up to its theme, 'Real Life, Real Answers.' Northwestern Mutual, 'The Quiet Company' should shut up until it finds a decent agency. McDonald's (McD.L.T). spots have half the firepower that they once had. The account is in the wrong creative hands. The Herb spots are depressing; who'd want to be associated with that guy?"

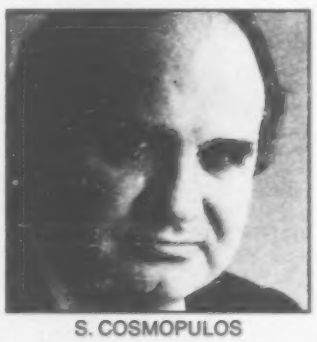
L. CENTLIVRE

D. PANTANO

Dick Pantano, creative director, Hill, Holliday, Connors, Cosmopulos, Boston: "Clearly McDonald's stuff did more to sell the McD.L.T. It was amusing, interesting and a clear demonstration of what the product was and what the packaging was all about. It will bury Herb and all that."

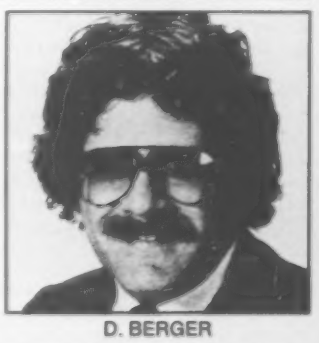
David Fairman, president and chief creative officer, Gray/Chicago: "I look for two things in advertising: Simplicity and drama that's relevant. Two Super Bowl spots that stood out were the underwater Timex spot and the Michelin ads with the kids sitting in the tire. Both touched an emotional nerve as opposed to being strictly factual and both had clear strategies that weren't cluttered with extraneous idea. McDonald's McD.L.T. spots, though, were the most expensive flaming nonsequiturs ever presented."

D. FAIRMAN


S. COSMOPULOS

Steve Cosmopulos, creative director and chairman, Cosmopulos, Crowley & Daly, Boston: "There were several that got their money's worth: New York Air, John Hancock, Budweiser's Dalmation, Lite Beer's Halley's Comet and Duroliner's the Hammer. But, the one I wish I'd done was the New York Air spot where the man has his feet around his neck. That was the most exciting, the best of the bunch. In general, though, there were no breakthrough ads. The one that came the closest was Hancock, but only time will tell."

Dennis Berger, exec vp-exec creative director, BBDO, Chicago: In general, I didn't think that much was exciting. It isn't quite like the big surge you get at Olympics time. I didn't see all that much new stuff. What stuck out was the silliness of those McDonald's spots; I don't know what the hell they were doing. They were loudly hooted by my 7, 8 and 13-year-olds. Also, those [Durakon] truck-bed liners. . .I didn't know such a product existed!"


D. BERGER

ADVERTISING AGE *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE *Thursday*, 220 E. 42nd St., New York 10017.

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MediaWorks

TV AVAILS

A weekly listing of tv programming that still has commercial availabilities open in the next few weeks.

"The People's Court," a half-hour strip, has general time available on a scatter basis for the second and third quarters. Telepictures, New York, is asking $30,000 per 30-second spot. The show has been cleared in 95% of the country and has a projected 9 rating. Already in are Kellogg Co., Quaker Oats and American Home Products.

"Boys' Town: A Miracle of the Heart" has an unspecified number of avails on its prime-time broadcast during the first week of April, when it will be barter-syndicated in 90% of the U.S. via LBS Communications, New York. Rates were not available at press time.

"Footsteps of Giants," also due from LBS as a documentary commemorating the 25th anniversary of the U.S. space program, has several avails. It will

Judge Joseph Wapner presides in "The People's Court."

be shown during June in fringe and early prime time slots in roughly 100 markets.

"My Friend Liberty," a half-hour special marking the Statue of Liberty's 100th birthday, will air between mid-June and July 4, in prime time access and early fringe time periods. The show, done in clay animation and featuring a doughy-looking Ed Koch as mayor of New York, should be bartered to 100 markets by air-date, according to an LBS representative.

"Strictly Business," a weekly half-hour business series produced and aired by the NBC-TV owned stations group, has avails in its first telecasts beginning in April. The magazine-format show will run in access and Sunday mornings.

"The SFM Holiday Network" has avails in several two-hour movies through early summer, barter-syndicated through SFM Entertainment, New York. "Ten Gentlemen from West Point," to air Jan. 1, Feb. 1 and 2, is sold out. "You're My Everything" has four 30-second units during the Feb. 28, March 1 and 2 showings, while "Springtime in the Rockies" has six 30s on the March 14, 15 and 16 broadcasts. "The First Texan" has seven 30s on the April 18, 19 and 20 play dates, while "A Ticket to Tomahawk" has six 30s on the June 20, 21 and 22 broadcasts. Prices were not available. The movies run primarily in the early afternoon on weekends in 80% of the country. ■

ON THE DIAL

Scheduled radio specials and new programs or syndicated services.

"Profile '86," a monthly series by NBC Radio Entertainment, New York, that features music and interviews with rock's million-selling performers. The show will spotlight The Thompson Twins the weekend of Feb. 21-23. Cleared by an estimated 135 stations.

"Best of Farm Aid: An American Event," an exclusive hourlong special by Westwood One Radio Networks, Los Angeles, and simulcast by Home Box Office, highlights the September, 1985, Farm Aid concert. Artists include Bob Dylan, Willie Nelson, Johnny Cash, Billy Joel and others. Westwood One affiliates will present a special 15-minute salute to the Farm Aid project following the show. Cleared by more than 75 stations.

"Hot Rocks," via United Stations Radio Networks, New York, goes weekly on April 1 after three years a. a 15-week special. The 90-minute show, designed for contemporary hit radio for-

THE THOMPSON TWINS

mat stations, features the nation's "hottest" hits and interviews. The April 1 launch will feature John Cougar Mellencamp, Starship Survivor and Tears for Fears. Cleared by an estimated 175 stations.

"Weekend Magazine," produced and sponsored by Hearst Magazines, New York, now is being offered over AP Network News to 1,000 stations nationwide. The weekly, 60-second radio broadcasts will feature lifestyle, science and human interest news from among Hearst's 13 top-selling magazines, such as *Cosmopolitan, Town & Country, Popular Mechanics* and *Good Housekeeping*. Co-sponsorship available at the local level. Premieres Friday, March 14.

"Legends of Rock," a two-hour program that spotlights the artists who influenced three generations of rock fans, will feature super rock star Paul McCartney on Feb. 14. Cleared by an estimated 135 stations, the ad closing date is Feb. 3. ■

NEWSSTAND

A listing of upcoming print advertising opportunities, such as special issues and special advertising sections.

Business Week, New York, fourth-quarter corporate profits issue, March 17; ad close: Feb. 10 (color), Feb. 17 (b&w). B&w page, $32,142; color page, $48,854.

Diario Las Americas, Miami, *Carnaval Miami* special section, Feb. 22 issue; ad close: Feb. 10 (space), Feb. 14 (materials). Four sizes of ads, from quarter page to full page, costing $21 per column inch.

USA Today, Rosslyn, Va., personal finance-special bonus section, March 3 issue; ad close: Feb. 14. B&w page, $33,314; color page, $41,642. NCAA basketball playoffs special bonus section, March 10 issue; ad close: Feb. 21.

Prevention, Emmaus, Pa., special section on fitness after 30, May issue; ad close: March 1. B&w page, $21,030; color page, $27,550.

New Shelter, Emmaus, Pa., second annual remodeling survey issue featuring special merchandising and reprint programs, May/June issue; ad close: Feb. 25. B&w page, $10,050; color page, $14,065.

Good Housekeeping, New York, special summer beauty guide section, June issue; ad close: Feb. 28 (regional), March 14 (national). B&w page, $63,775; color page, $80,025.

The New Yorker, New York, special advertising section, a literary excursion through the British Isles, April 28 issue; ad close: March 1 (special orders), March 31 (color). April 11 (b&w). B&w page, $13,020; color page, $20,765.

Forbes, New York, corporate finance advertising supplement, April 28 issue; ad close: March 3. B&w page, $27,810; color page, $17,960.

Closing next week: USA Today, Rosslyn, Va., corporate scoreboard special bonus section, Feb. 24 issue, Feb. 7. ■

MediaWorks also appears in Monday editions of Advertising Age.

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	1/23	1/16	1/9
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		25	33	31
2. "60 Minutes" (CBS)		24	16	18
3. "Family Ties" (NBC)		21	27	25
4. "Golden Girls" (NBC)		21	16	12
5. "Murder, She Wrote" (CBS)		19	16	6
6. "227" (NBC)		17	13	8
7. "Dynasty" (ABC)		14	5	3
8. "Dallas" (CBS)		14	12	11
9. "Hotel" (ABC)		10	6	2
GOOD WINNERS				
10. "Hunter" (NBC)		9	5	5
11. "NBC Sunday Night Movie: Mafia Princess"		9	-21	4
12. "Spenser for Hire" (ABC)		7	-11	-5
13. "Facts of Life" (NBC)		7	6	7
14. "Moonlighting" (ABC)		7	-6	-1
15. "Who's the Boss?" (ABC)		6	1	11
16. "Knots Landing" (CBS)		6	7	8
17. "Miami Vice" (NBC)		5	9	6
18. "George Burns' 90th Birthday" (NBC)		5	DNA	DNA
BORDERLINE WINNERS				
19. "Cheers" (NBC)		4	10	11
20. "Kate & Allie" (CBS)		4	9	5
21. "Newhart" (CBS)		4	9	3
22. "Growing Pains" (ABC)		4	0	6
23. "Cagney & Lacey" (CBS)		2	8	1
24. "Scarecrow & Mrs. King" (CBS)		2	3	2
25. "Gimme a Break" (NBC)		2	5	7
26. "Night Court" (NBC)		1	7	7
27. "MacGyver" (ABC)		1	—6	—17

BEHIND THE SHARES

ABC staging ratings revival?

Is there finally a break in the clouds for ABC, the also-ran network?

After a few heart-stopping weeks in which it appeared **Dynasty** actually might be heading for a time-period loss, the show surged back to a convincing win.

After it seemed **MacGyver** never would find a home on the schedule, the show pulled out a 1 share point victory. After **Moonlighting** and **Spenser** got drubbed by some stiff CBS competition over the past two weeks, both shows scored impressive victories. Even **Hotel**, which appears to be shrinking to motel status, had a dominant 10-share point win. For the first time in weeks—months?—ABC won both Tuesday and Wednesday evenings.

If you have a soft spot in your heart for underdogs, there's reason to be cheered: CBS cannot crack Tuesday, and NBC's once-vaunted Wednesday lineup has all the vigor of the New England Patriots on Super Bowl Day. **Blacke's Magic**, the new NBC entry, has no magic wand when it comes to generating audience. The show has lost share steadily since its inception.

CBS' prime-time planners had to have been a little crazy to move **Crazy Like a Fox**. Strong as the show was on the Sunday schedule, it simply can't anchor CBS on Wednesday. If this show keeps sliding, it'll be gone next season.

Don't expect ABC to sweep Wednesday next time around. **Highway to Heaven** is back on the schedule (it was preempted last week for the missing children special which got a respectable 25 share).

Tuesday night remains a puzzler for the folks at Black Rock. All those Bugs Bunny and Muppet specials can't build a regular audience at 8 p.m. (ET).

The 9 p.m. movie/special has been bittersweet so far. **Miss Teen USA**, for example, was demolished last week; but **Grand Ole Opry's 60th Anniversary** two weeks ago was a Nielsen barnstormer.

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Monday, February 3, 1986

Advertising Age

Crain's International ... of Marketing

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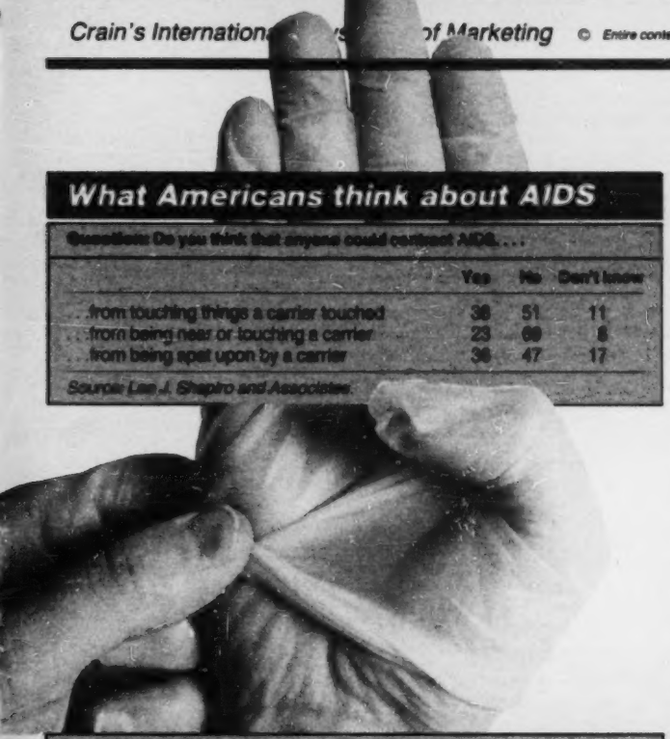

What Americans think about AIDS

Question: Do you think that anyone could contract AIDS...

	Yes	No	Don't know
...from touching things a carrier touched	38	51	11
...from being near or touching a carrier	23	69	8
...from being spat upon by a carrier	36	47	17

Source: Lee J. Shapiro and Associates

Fear of AIDS has led to increased sales of rubber gloves.

AIDS fear poses crisis for some, market for others

By PATRICIA WINTERS

In Alabama, a maker of rubber gloves steps up production to meet demand.

A Norwalk, Conn., company hopes to obtain government approval to tout the anti-Acquired Immune Deficiency Syndrome benefits of a spray disinfectant.

And in New York, a business consultant tells a major food company that it soon will have to deal with the AIDS question in the marketing of its products.

Fear of AIDS has hit the U.S. consumer marketplace. It already is spurring sales of "barrier" products such as rubber gloves and condoms and soon may change the marketing pitch for other products, such as disinfectants. It also has prompted questionable efforts to profit from the AIDS epidemic.

For the food industry, AIDS may pose a new and delicate problem: How to address unfounded consumer fears that consumption of commercial food products could increase the likelihood of contracting the disease.

In interviews last year, BrainReserve, a New York consulting company, found more than half of 2,000 consumers were concerned about the possibility of transmission of AIDS and other diseases in their daily lives.

"The advent of AIDS and other viral diseases will significantly change the American food marketplace over the next decade," said Faith Popcorn, BrainReserve president, who recently relayed her findings to less-than-delighted executives of

(Continued on Page 67)

Group buys bringing bigger bang to barter

By VERNE GAY

New York—As many as 10 major agencies are negotiating multi-client upfront barter-syndication deals for 1986-87 season worth as much as $500 million, an amount equal to the entire barter-syndication revenues for all of 1985.

Eberstadt Fleming, a Wall Street brokerage house, earlier projected that barter syndication this year will top $641.3 million, indicating that another $140 million could be available in the scatter syndication market.

That figure could be overstated if the network tv market is soft and prices fall, drawing some money now earmarked for syndication back into network tv.

The upfront deals, in which advertisers buy syndicated time for the broadcast year in advance, will be concluded during the next two months. Leo Burnett USA, Chicago, soon will open negotiations for a $100 million-plus package for eight clients. Burnett officials say no timetable has been set. BBDO also is planning to enter the market with its own multi-million-dollar "group" buy, although agency officials would not comment. D'Arcy Masius Benton & Bowles reportedly is putting together a package buy for General Foods, the Texize division of Morton-Thiokol and Richardson-Vicks.

This new buying trend has significant ramifications for syndicators as well as the three networks. Not only will barter syndication continue its growth in revenues, but the tv networks will begin their own upfront market this summer with at least $500 million already diverted from the network sphere. Even if ad budgets are up for 1986-87 (the networks generally are predicting 5% revenue growth), the networks could face a much tighter market than last year.

Further, the networks last year wrote more than $2 billion in upfront business, setting the stage for what appeared to be a brisk broadcast sales year. The network scatter market and network sports sales, however, were weak, and the networks suffered one of their

(Continued on Page 68)

Arledge predicts more sponsored sports

Budweiser Super Bowl?

By ROBERT RAISSMAN

New York—Ready to watch the "Budweiser Super Bowl" on tv? Will baseball's World Series become tv's "Lite Beer World Series"?

Roone Arledge, architect and master strategist of ABC Sports, predicts advertisers increasingly will be brought into network tv rights fee negotiations for major sporting events as investors, in exchange for getting brand names on the event's official title.

This trend, already prevalent in professional tennis and golf, last year broke the college football bowl game barrier with the renamed Sunkist Fiesta Bowl. It will probably take off in earnest as early as the 1986-87 broadcast year, according to Mr. Arledge.

In an interview with Advertising Age, the newly appointed group president of ABC Sports and News also said ABC will take a hard line to roll back National Football League rights fees in 1987-88, even if it means giving up "Monday Night Football."

He said ABC will take the same posture with Major League Baseball, adding that the network would give up "Monday Night Baseball" coverage if the rights package doesn't make economic sense.

Other sources close to ABC said that ABC's new parent company, the financially tight-fisted Capital Cities Communications, was "freaked" when it reviewed the current rights deal between ABC and MLB, which expires after the 1989 season.

"It looked [to Cap Cities] like baseball held a gun to ABC's head and ABC didn't really care," said one source close to the situation. "They'll take a hard line next time around."

Cap Cities' influence on ABC sports rights bidding was first felt late last year when the network, after

(Continued on Page 68)

Last Minute News

Lorillard eyes women smokers with Newport

New York—Lorillard next week will start testing Newport Slim Lights Box 100s in the Hartford, Conn., area. The product, designed to appeal to young adult female smokers, is packaged in a white box with pastel striping and has a white-tipped filter with the pastel-striped motif carried onto the filter barrel. Advertising uses the over-all Newport theme of "Alive with pleasure," via MCA Advertising. The introductory campaign will make "heavy" use of magazines, outdoor boards and Sunday magazines, Lorillard says.

Peugeot looks at HCM; Ogilvy resigns

Lyndhurst, N.J.—Peugeot Motors of America is talking to French agency HCM, which handles Peugeot in Europe, and several other, unidentified shops to replace Ogilvy & Mather, New York, on the $14 million account. O&M's resignation, described by the auto marketer as a "mutual decision," came three months after a top-level administrative shakeup at PMA. O&M is considering pitching for the larger accounts of Toyota and Nissan in the U.S. Dancer Fitzgerald Sample, Torrance, Cal., handles Toyota; William Esty Co., Los Angeles, has Nissan.

Nelson heads Lever division

New York—Wayne Nelson has been named president of Lever Bros.' personal products division. Mr. Nelson formerly was chairman and a member of the executive committee at Johnson & Johnson's Personal

(Continued on Page 8)

DDB picks Gage to fill Grace post

By STEWART ALTER

New York—Doyle Dane Bernbach, with the last of its three creative directors from the 1970s and '80s resigning within 18 months, has reached back to a leader from the 1960s to take charge.

DDB creative chief Roy Grace, convinced that his role at the agency had become too remote from the creative process, resigned Jan. 30 from his $285,000-plus job and formed his own ad agency with Diane Rothschild, another top DDB creative executive.

Within 2½ hours of Mr. Grace's

(Continued on Page 72)

NEWSREADER
use
gloves
CONGELL AA 0605699 99 VRA
CONGRESSIONAL INFO SERVICE
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4520 EAST-WEST HWY #800
WASHINGTON DC 20014

HIGHLIGHTS

Sponsors to put mark on sports? 1
Ready to watch the "Budweiser Super Bowl" on tv? Roone Arledge, architect and master strategist of ABC Sports, predicts advertisers will be brought into network tv rights fee negotiations for sporting events as investors, in exchange for getting brand names on the event's official title.

Barter's getting bigger 1
As many as 10 major agencies are negotiating multiclient upfront barter-syndication deals for the 1986-87 season worth as much as $500 million, an amount equal to the entire barter-syndication revenues for all of 1985.

Space commercials get pulled 3
Most marketers reacted to the tragic space shuttle accident by pulling tv spots with any hint of a space theme. But Rockwell International, a primary shuttle contractor, made no changes.

DMB&B: Greater than the sum 3
The merger of D'Arcy MacManus Masius and Benton & Bowles took the agencies one step backward for a chance at great leaps forward. "What we now have is one of the most powerful sets of communications capabilities of any company in the communications business," says DMB&B chairman John Bowen, whose agency is now the sixth or seventh-largest in the world.

Dipping into the Super Bowl 12
Even before their Super Bowl XX devastation of the New England Patriots, Chicago Bear players with commercial-endorsement potential already had deals galore. Still, there were winners and losers, according to an Advertising Age survey of agents and professional athletes.

'Times' gives 'em business 36
Responding to growing reader interest in business—not to mention the growing ranks of business publications—the *New York Times* is adding *Business World* to its lineup of *Part 2* supplements to its Sunday magazines.

TreeSweet plans juicy budget 58
TreeSweet plans to spend at least $19 million this year to advertise its Awake, Orange Plus and TreeSweet brand fruit juices and beverages, as well as to introduce new products. The campaigns will mark the year-old company's marketing and advertising debut, though the brands themselves are much older.

Is you is or is you ain't Bermuda? 61
Bermuda's "Bermuda now" campaign, by Foote, Cone & Belding, is giving way to an emotional sell themed "Bermuda is you. Isn't it?" The $9 million tourism pitch from FCB, aimed at younger audiences, is designed to counteract an image of Bermuda as a destination for middle-aged couples only.

CORPORATE CLOSEUP

Tonka keeps on truckin' 4
Tonka Corp. president-ceo Steve Shank likes to think of himself as a "transformer." Not only did he launch GoBots, which sparked the transformable robot craze with Hasbro Corp.'s Transformers, he has transformed a financially troubled, one-dimensional toy company into a major competitor. In the six years Mr. Shank has headed

Tonka, the company's sales have increased 155% —to $230 million in 1985. In two of those years, Tonka has had the top-selling new toy: GoBots in 1984 and Pound Puppies in 1985.

INTERNATIONAL

Miller ready for U.K. fight. . . 40
Miller Brewing Co. is preparing to meet its chief U.S. rival, Anheuser-Busch, in a head-to-head battle for market share among finicky British beer drinkers.

. . .While Bud goes Danish 40
Anheuser-Busch is turning to Denmark, where the giant U.S. brewer is negotiating with Denmark's United Breweries to produce and distribute Budweiser locally.

Swiss drug companies eye U.S. 42
Changes in the European pharmaceutical market are causing the three top chemical/pharmaceutical multinationals in Basel to concentrate more on their U.S. operations. It is expected by financial analysts that before the turn of the century, as much as 50% of the companies' business will be done in North America.

NEW PRODUCTS

Smokes, beers make news 56
Two product categories that have been making headlines in the area of possible legislative ad bans—cigarets and beer—are making new-product news, too.

OTHER NEWS

McDonald's didn't take any chances with its approximately $2.5 million Super Bowl investment. With five spots during NBC's broadcast of the Jan. 26 game, McDonald's was the largest single advertiser, not counting NBC itself. New creative was developed for all five spots, each of which promoted the new McD.L.T. sandwich. Page 12.

Since last February, when the $362.5 million acquisition of 12 consumer magazines from Ziff-Davis Publishing Co. was completed, Peter Diamandis, CBS Magazines president, has faced reorganizations, resignations and a lawsuit. But "the worst is over," he believes. Page 35.

Polaroid Corp. was the big winner as Business/Professional Advertising Assn. presented Pro-Comm (Professional Communications) Awards. The awards went to 109 advertisers and 77 agencies for business-to-business print and broadcast advertising and trade show exhibits. Page 36.

CAMPAIGNS BREAKING

Seven-Up Co., Clayton, Mo., on Feb. 5 breaks its first U.S. campaign from Leo Burnett USA, Chicago (AA, Jan. 20). Themed "Feels so good comin' down," the effort includes network and spot tv, radio and outdoor support. PepsiCo's intent to purchase the 7UP brands from Philip Morris Cos. apparently will not affect its immediate ad plans (AA, Jan. 27).

The National Dairy Promotion & Research Board, Rosslyn, Va., this week breaks its $12 million butter campaign (AA, Nov. 4), with the theme "What butter brings to everything is gold." The 30-second spot, via Tatham-Laird & Kudner, Chicago, positions butter against margarine.

COMING THURSDAY

"Everything we do is important because we don't do a lot of it," says Tony Angotti, co-creative director of Angotti Thomas Hedge. "If we do a clunker it could be really devastating." An emphasis on value and clients with luxury products is what ATH is all about. With just four employes, the three principals are trying to make it in a land bottle-fed on "Big is beautiful." Giving them the audacity to think they can is their unshakable belief that a gap exists between upmarket advertisers and creative talent that understands these markets.

Sales promotion, once considered to be on the fringes of the marketing mainstream, is taking its place among other marketing disciplines in large multimedia marketing programs. Special Report examines changes in trade promotions and looks at unusual consumer promotions, such as allowing runners to test a pair of shoes, and an interactive telephone program.

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ABP MPA RED TAG ABC ANPA

Stars to shine in Pepsi's ad push

By BRIAN LOWRY

San Francisco—Aiming to overwhelm arch-rival Coca-Cola on all flavor fronts, Pepsi-Cola USA showcased new tv commercials over the weekend here for all its soft-drink brands before 2,000 bottlers and guests.

In a star-studded sound and light, multimedia spectacular set for the Feb. 1 wrapup of a bottlers' meeting, screenings of finished spots were interspersed with live appearances by the company's 1986 lineup of product celebrity presenters.

The celebrities included "Miami Vice" star Don Johnson, Grammy-nominated singer Glenn Frey, and actor Michael J. Fox for brand Pepsi and comedian Billy Crystal

(Continued on Page 70)

NutraSweet image goes au naturel

By JULIE FRANZ

NutraSweet Co. today breaks a $30 million advertising campaign designed to eliminate confusion about the aspartame sweetener's natural beginnings (AA, Jan. 20).

Ads echo the theme of past print campaigns, explaining that NutraSweet is made from the same proteins found in fruits, vegetables and meats.

Research showed consumers were confused by the word "nutritive," said Ian Miller, management supervisor for NutraSweet's agency, Ogilvy & Mather, Chicago. Consumers also have negative attitudes toward the word "sweetener" after the banning of cyclamates

(Continued on Page 68)

West Coast news

T-L L.A. creatives jump ship

By CLEVELAND HORTON

Tracy-Locke's fledgling Los Angeles office suffered a major setback last week when the entire senior creative management team left, citing irreconcilable differences of creative philosophies.

Bolting from the 5-month-old agency are executive creative director Steve Hayden, creative director Yvonne Smith and associate creative director Laurie Brandelise. All three left Chiat/Day,

(Continued on Page 72)

AA's Reiss adds title

NEW YORK—Craig Reiss has added the new title of national media editor to his earlier designation as ADVERTISING AGE New York bureau chief, effective Feb. 3.

In a restructuring of the bureau necessitated by the departure of former bureau chief John J. O'Connor, new titles and responsibilities also have been assigned to Stuart J. Elliott, Paul L. Edwards, Nancy Giges and James P. Forkan (AA, Jan. 20). Mr. O'Connor, who ended a distinguished, 16-year career at AA on Jan. 31, will join BBDO on Feb. 10 as senior vp-director of public relations.

Separately, New York-based AA writer Ann Cooper was named senior editor-creative.

As national media editor, bureau chief Mr. Reiss will continue to direct AA's coverage of the broadcasting industry and the development of AA's new MediaWorks news pages in the Monday and Thursday editions.

AA editor Fred Danzig noted that a number of Mr. Reiss' responsibilities as bureau chief will be shared with four others: Mr. Elliott, who has been named to the new post of deputy bureau chief; Mr. Edwards, who succeeds Mr. Reiss as news editor; Ms. Giges, named senior editor-marketing, and Mr. Forkan, named senior editor-administration. The latter two titles are new.

"With John O'Connor's great help and encouragement, we're using this break to redesign the work flow in the bureau," Mr. Danzig said. "We're pleased to be able to promote into new roles some of the top-notch editorial talent that is in our 19-member New York office."

Mr. Reiss joined AA as a broadcasting industry reporter in November, 1982, after two years as an associate editor at *Marketing & Media Decisions*. He was named news editor in October, 1983, when Mr. O'Connor became bureau chief. A graduate of Oakland University, Rochester, Mich., Mr. Reiss earned a master's degree from Drew University, Madison, N.J., before embarking on his journalism career. In 1976, he won a reporting award at the *North Jersey Suburbanite*, Cresskill, N.J. He joined the *Bergen* (N.J.) *Record* in March, 1979 and *M&MD* in December, 1980.

C. Reiss

A. Cooper

P. Edwards

S. Elliott

J. Forkan

N. Giges

Mr. Elliott joined AA as a reporter covering the magazine industry in August, 1982, and was promoted to senior reporter in July, 1984. Before AA, he spent 3½ years at the *Detroit Free Press* and 4½ years at the *Rochester* (N.Y.) *Times Union*. He has bachelor's and master's degrees from Northwestern University's Medill School of Journalism.

Ms. Giges, who joined AA in February, 1970, has specialized in covering foods, proprietary and ethical drugs, soft drinks, household cleaning aids and consumer research. She was promoted to senior reporter in June, 1984. A 1968 graduate of the University of Missouri, Ms. Giges received a master's in business administration from Long Island University in 1980.

Before joining AA, she was associate editor with the Continental Insurance Co. publications staff.

Mr. Forkan joined AA in November, 1968 as a reporter, was named a senior editor in January, 1975, and senior editor-broadcast in July, 1977. He primarily covers broadcasting and entertainment-related news. He also reports on such tv-driven categories as toys and licensing and celebrity endorsements. His Sports Marketing column has appeared in AA since October, 1981.

Prior to AA, he was with United Press International, New York, for two years. He is a 1963 graduate of Fordham University. He served in the Army from 1964-66.

On joining AA as a senior editor in July, 1984, Mr. Edwards began broadening the publication's coverage of direct marketing, direct mail, telemarketing and direct response. Before joining AA, he was the founding editor of the monthly magazine *Computers in Banking*. Earlier, at Fairchild Publications, New York, he was the founding editor of the weekly computer newspaper *MIS Week* and managing editor of *Energy User News*. At McGraw-Hill, he was senior editor of *Chemical Week*. He received a bachelor's degree in history from New York University in 1972.

J. O'Connor

Mr. O'Connor, who succeeds David Williams at BBDO, joined AA as an associate editor in 1969. For more than a decade he reported on the tobacco, alcoholic beverages, foreign automobiles and shaving categories. He was promoted to New York bureau chief in 1983 after having been news editor for six years. Earlier, he was with the *Staten Island* (N.Y.) *Advance* and served with the Seventh Infantry Division in Korea. He received a bachelor's degree in English literature from St. Francis College, Brooklyn, N.Y., in 1960.

Ms. Cooper, who joined AA in November, 1984, has written in-depth profiles of key creative people for the Thursday edition and recently added responsibility for producing the twice-monthly section, The Page, which deals with creatives. She was previously based in AA's bureau in London, where she earlier served as an editor with *Marketing* and *Campaign* and as a free-lance writer. She has a bachelor's degree in publishing and journalism from Napier College, Edinburgh, Scotland.#

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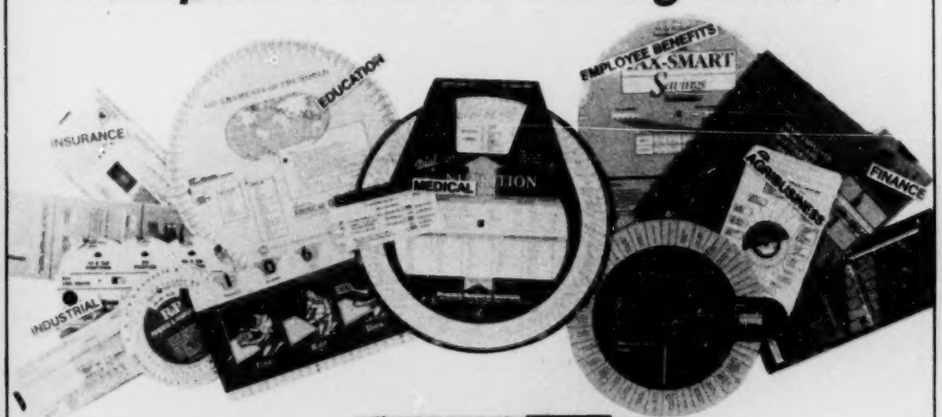

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CORRECTIONS & CLARIFICATIONS

- Incorrect figures were reported in the consumer magazine ad linage figures for *Us* (AA, Jan. 20, P. 55). Updated figures should read: Dec. 1985-97.8; Dec. 1984-41.3; year-to-date 1985-518.0; year-to-date 1984-448.9. Also, *Chicago Tribune's* yearend linage figures were omitted from the report. They are: Year-to-date 1985-1,518.9; year-to-date 1984-968.3.
- Robert Prentice is an independent advertising and marketing management consultant, based in Cos Cob, Conn. He was incorrectly identified in the AA Editorial Sounding Board roster (AA, Jan. 13, P. 32).
- *Forbes'* color page rate was misstated in MediaWorks' Newsstand column (AA, Jan. 23, P. 54; Jan. 30, P. 22). It is $42,290.
- Since the *Quad-City Times'* price increase in March, the paper's circulation has declined 0.7%. This decline was given incorrectly (AA, Jan. 23, P. 17).
- In an item about the ADVERTISING AGE Creative Workshop (AA, Jan. 27, P. 70), the advertising and promotion budget for Swatch watch should have read $14 million.#

Miller Lite set to take on U.K. beer market. . .

By LAUREL WENTZ

LONDON—Miller Brewing Co. is preparing to meet its chief U.S. rival, Anheuser-Busch, in a head to head battle for market share among finicky British beer-drinkers.

Miller is launching its Lite beer in the London area in early March, eight months after the national rollout of A-B's Budweiser.

British beer-drinkers are notorious for their dislike of ice-cold, light lagers and their preference for heavier, more bitter brews served at room temperature. Nonetheless, both U.S. brewers are investing heavily in ad campaigns designed to lure U.K. drinkers to their brands.

Unlike Budweiser, which is marketed and advertised as the quintessential American beer, Lite will be positioned as a light lager, with the slogan "It ain't heavy, it's Miller Lite," appearing in the tv, radio, outdoor and bus-side advertising campaign by Boase Massimi Pollitt breaking at the beginning of March.

"It's a light lager different from other lagers and happens to come from America," says Graham Stewart-Reed, pr manager of Courage Ltd., the U.K. brewer that is the first Miller licensee outside North America. "We're not trying to put the American theme down people's throats." Mr. Stewart-Reed declined to disclose the advertising budget for the London-area launch.

Courage chose to launch Lite rather than Miller High Life in Britain because "we didn't want a premium lager, as Miller High Life would be here," Mr. Stewart-Reed said. "We didn't want to do a Budweiser."

In the U.K., Budweiser is promoted as "the coolest beer in town" in two popular tv commercials featuring lively, young Americans and shot in Hoboken, N.J.

The campaign, via Abbott Mead Vickers SMS, will continue this year and new spots will be produced. Budweiser's 1986 ad budget is $9 million to $10 million.

Budweiser is served American-style in the U.K., i.e., four degrees colder than beer is usually served here. To keep the chill, special refrigeration units had to be installed in U.K. pubs and restaurants stocking Budweiser.

"While the consumer here likes cold beer, he doesn't like it very cold," said Courage's Mr. Stewart-Reed.

Meanwhile, Keith Holloway, commercial director of Watney Mann & Truman Brewers, the company that brews Budweiser in the U.K. under license from A-B, said he had been expecting the Miller launch.

"No one could convince me there is no connection between the success of Budweiser and the launch of Miller," he said. "We've been waiting for it."

Until now, light lagers have not been successful in Britain, and few remain on the market. Watney

(Continued on Page 42)

. . .While A-B gets ready to bring Bud to Denmark

By VALERIE NAVARRO

COPENHAGEN—Now that its U.K. marketing plans are firmly in place, Anheuser-Busch is turning to Denmark, where the giant U.S. brewer is negotiating to produce and distribute Budweiser locally.

If the negotiations with Denmark's United Breweries are successful, sources have speculated that Denmark could be the springboard for a pan-European launch of Budweiser.

While neither A-B nor United would comment on the possibility of a pan-European rollout, beer industry sources say United, Denmark's leading brewer, is poised to help A-B launch Bud in other nations, both in terms of distribution and sales.This is because the brewery's two largest brands, Tuborg and Carlsberg, are available in virtually every European capital.

A-B and United are expected to complete negotiations for the licensed production and distribution of Budweiser in Denmark by the end of February, according to Jonathan Regicci, European marketing director for A-B.

Although Denmark's population is only about 5 million, the country ranks eighth in the world in per capita beer consumption with an average of 130 liters per person consumed annually.

However, Danish beer drinkers are notoriously loyal to local brands and industry observers expect A-B to encounter even more market-penetration problems here than in the U.K. Critics also point out that, to date, no imports have succeeded in Denmark.

In addition, beer is not sold in six-packs in Denmark. Instead, it is usually sold in 30-bottle cases. The bottles must be returned because of local laws that prohibit disposable bottles or aluminum cans.

Nonetheless, both A-B and United, which dominates the market with 80% of total beer sales, contend that the time appears right to introduce a well known American beer into the market with a strategy that echoes the plans of many European brands seeking success in America's marketplace.

There is a growing enchantment here with things American, much as there is a growing fascination with European products in the U.S., according to Mr. Regicci. He said this is especially true among the so-called "pace-setting" younger generation that could become the primary target group for Budweiser.

Mr. Regicci stressed that United, not A-B, would devise the Danish marketing strategy for Budweiser. Sources at both A-B and United said that because negotiations are under way, no advertising plans have been made and no agency has been assigned to handle Budweiser.

One of the primary agencies for United is Partners, which is affiliated with Ted Bates Advertising, New York, and handles Tuborg. The other is a local shop called

(Continued on Page 42)

Europe's top camera advertisers

Canon is the top advertiser of photo equipment among the leading camera marketers in Europe, spending $6.8 million last year for ads in European publications. Minolta spent the least, $3.4 million.

Chinese workers peddle their bikes down a Shenyang street.

Bicycle market still growing in China

By LYNNE REAVES

BEIJING—A young clerk at a department store here adjusted the brakes of a new Phoenix brand bicycle and looked surprised when asked if one brand of Chinese bicycle is any different than another.

The question appeared reasonable to an American visitor staring at the 40 bicycles in the store. All were black, all were men's style bikes and all looked exactly alike. But, according to the Chinese, looks are deceiving.

"Of course, they are not the same," the clerk argued. "The Forever [brand] bicycle is much better for the city. It is lighter weight. The Flying Pigeon and the Phoenix are better for the countryside. You can haul more on them."

In China, riding a bike is not done for sport or recreation. It is a necessity. China moves on bicycles. Its 1 billion population rides bikes to work, uses them for hauling refrigerators and washing machines and even rents them out as taxis.

"When you buy a bicycle here, you aren't buying a bike—you're buying a tank," laughed a western magazine correspondent who recently bought a Chinese model. "The things weigh a ton. They are literally meant to last for 10 years."

Chinese bikes are made out of heavy steel, which is why few are exported. "We were working a possible bicycle deal a few years ago, and there also was talk Sears was going to import some Chinese bikes, but basically Americans require a lighter bike," said Neal Stender, manager here for Fuqua, a U.S. trading company. "There are problems with the alloy the Chinese use. For them to produce a lighter bike, at this point, would be a very complicated process."

But the lack of exports doesn't stop China from being the world's largest producer of bicycles.

In the first eight months of 1985 alone (the latest figure available) 21 million bikes were produced. That's a 14% increase from the same period in 1984.

Still, there are not enough to meet demand for the government-rationed bikes.

At the Xidan department store, there are two white stickers on each bike. One indicates the price while the other is the number of the special coupon a consumer must have to buy the bike. Coupons are issued by a "work unit" and must be obtained in order to purchase the bike.

Because this is a seller's market and because this is Communist China, there is little need for marketing and advertising.

But the Chinese do have strong preferences about the brand of bike they buy. Three brands are considered status symbols, the Rolls-Royces of China bikes. They are the Phoenix, the Forever and the Flying Pigeon.

The prices for the three brands are about the same, 90 2. That is about two month's salary to the average Chinese worker.

The country's current economic surge also has spurred a growing number of alternate brands, like the Flying Fish, Golden Lion, Five Rams and Red Flag.

Very recently, new styles have come on the market, including children's bikes, and "mini" bikes (bikes with small wheels). And as Chinese women are starting to shed their traditional Mao pants for Western skirts, women's bicycles are regaining popularity.

Some of the new bicycle companies use limited advertising to try to catch up with the "Big Three."

An ad recently appearing in a Beijing newspaper promoting the new Shanghai Red Flower children's bicycle claimed: "The aim of this factory is quality and customers first. We are facing the children and going into the world."

While price usually is no problem for the foreigner shopping for a bicycle in Beijing, there are other complications.

"You cannot buy this bicycle," said the department store clerk. "You are a foreigner. We can't sell bicycles to foreigners. There are not enough to go around. Foreigners must go to the Friendship Store to buy bicycles."

Beijing's Friendship Store is in a four-story building that caters to the hard currency of the city's foreign community and tourists.

At the Friendship Store last month there were five bicycles on the "display" floor. All were broken—missing brakes, wheel spokes and handle bars.

"Come back next month," said the female saleesclerk. "Perhaps we will have some then."

Newspaper Advertising MRCS/SAU Inches

November 1985 vs. November 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	113,172	40,940	126,708	23,842
Beacon Journal (S)	76,964	19,982	83,753	12,424
Grand Total	189,536	60,922	210,461	36,266

NOTE: Part run figures supplied by publisher to Media Records.

ATLANTA, GA

Constitution (M)	176,445	56,329	193,846	62,743
Journal (E)	203,198	73,523	216,675	66,145
Journal & Constitution (S)	123,315	68,311	128,419	69,904
Journal & Constitution (Sat)	51,286	——	34,817	——
Grand Total	554,244	198,163	573,757	198,792

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

News American (S)	35,796	9,457	44,888	8,526
News American (E)	48,017	5,466	58,566	9,057
Sun (M)	*50,486	10,215	154,975	12,774
Sun (E)	93,751	3,050	101,691	10,417
Sun (S)	147,987	35,743	130,613	35,840
Grand Total	476,039	63,931	490,733	81,614

BERGEN COUNTY, NJ

Record (E)	186,747	33,858	186,815	39,167
Record (S)	152,890	40,722	151,516	34,607
Grand Total	339,637	74,580	338,331	73,774

NOTE: Record Evening published five days a week only.

BOSTON, MA

Herald (M)	66,084	1,073	50,190	——
Herald (S)	22,915	39,602	20,150	28,129
Globe (M)	164,140	19,254	161,012	16,453
Globe (S)	179,954	39,043	175,431	30,804
Grand Total	333,093	98,972	406,783	75,386

BUFFALO, NY

News (AD)	132,424	23,724	130,621	27,400
News (S)	74,132	16,718	42,973	39,019
Grand Total	207,056	40,442	173,594	66,419

CAMDEN, NJ

Courier Post (E)	136,262	19,683	131,278	27,492
Courier Post (S)	69,476	15,420	50,946	11,024
Grand Total	205,178	35,603	182,224	38,516

CHARLOTTE, NC

News (E)	——	——	88,338	——
Observer (M)	141,255	——	138,573	——
Observer (S)	72,888	——	69,010	——
Grand Total	220,143	——	295,921	——

NOTE: News Evening ceased publication November 1, 1985. Part run figures not available.

CHICAGO, IL

Sun-Times (M)	136,041	99,503	149,501	70,654
Sun-Times (S)	71,880	42,037	60,814	40,221
Tribune (M)	150,733	271,003	155,295	226,173
Tribune (S)	142,390	99,068	136,127	110,402

NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 10/28/85 to 11/24/85. Tribune All Day changed to Morning publication effective August 19, 1985.

CINCINNATI, OH

Enquirer (M)	292,620	7,626	298,364	14,225
Enquirer (S)	145,705	13,603	129,101	10,516
Post (E)	103,684	22,835	100,095	38,960
Grand Total	452,009	44,064	437,560	63,701

CLEVELAND, OH

Plain Dealer (M)	164,272	35,167	172,812	26,436
Plain Dealer (S)	121,042	6,526	123,343	11,180
Grand Total	285,314	41,693	296,155	37,616

DALLAS, TX

News (M)	342,649	10,953	350,285	23,194
News (S)	185,102	23,165	170,154	12,285
Times Herald (AD)	289,576	21,461	306,230	31,047
Times Herald (S)	143,439	21,589	134,218	11,369
Grand Total	960,760	77,168	960,887	77,895

DENVER, CO

Rocky Mt. News (M)	305,013	854	324,562	818
Rocky Mt. News (S)	114,538	558	100,777	3,546
Post (M)	216,906	4,705	224,013	15,654
Post (S)	135,971	2,737	126,888	3,505
Grand Total	771,528	8,854	776,237	23,523

DETROIT, MI

Free Press (M)	107,557	54,199	111,594	54,482
Free Press (S)	59,957	30,164	43,876	29,032
News (AD)	161,231	55,734	165,257	53,165
News (S)	98,203	47,141	98,567	26,946
Grand Total	426,948	187,238	419,294	163,625

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	122,326	——	122,393	——
Sun-Sentinel (M)	317,854	——	336,067	——
Grand Total	440,180	——	458,460	——

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

Journal Gazette (M)	86,524	——	83,911	——
Journal Gazette (S)	69,337	——	59,994	——
News Sentinel (E)	98,850	——	102,841	——
Grand Total	254,711	——	246,746	——

NOTE: Part run figures not available.

*FORT WORTH, TX

Star Telegram (M)	304,976	79,810	326,591	87,470
Star Telegram (E)	195,241	72,077	222,939	76,124
Star Telegram (S)	154,769	55,109	153,846	63,222
Grand Total	654,986	206,996	703,376	226,816

NOTE: Figures supplied by publisher to Media Records.

GREENWICH/STAMFORD, CT

Time (E)	89,359	2,371	91,663	——
Time (S)	72,322	——	60,992	——
Advocate (E)	125,435	8,812	123,839	2,128
Advocate (S)	75,040	——	63,019	——
Grand Total	362,156	11,183	339,513	2,128

HARTFORD, CT

Courant (M)	181,688	33,345	174,752	44,686
Courant (S)	84,950	137,731	89,939	132,922
Grand Total	266,638	171,076	264,691	177,608

HONOLULU, HI

Advertiser (M)	140,856	——	142,875	——
Star Bulletin (E)	132,630	——	137,704	——
Star Bulletin & Advertiser (S)	80,403	——	81,035	——
Grand Total	353,889	——	361,614	——

HOUSTON, TX

Chronicle (AD)	287,952	53,421	329,072	47,256
Chronicle (S)	131,724	41,831	134,866	51,441
Post (M)	197,653	46,156	213,133	47,941
Post (S)	87,725	34,182	77,666	37,891
Grand Total	704,554	175,490	754,727	184,529

LONG BEACH, CA

Press Telegram (M)	126,706	——	125,909	——
Press Telegram (S)	59,706	——	56,707	——
Grand Total	186,412	——	182,616	——

NOTE: Part run figures not available.

LONG ISLAND, NY

Newsday (E)	192,775	77,683	188,330	72,304
Newsday (S)	110,019	107,710	106,149	101,640
Grand Total	302,794	185,393	294,479	173,944

LOS ANGELES, CA

Times (M)	331,937	342,782	348,921	332,525
Times (S)	178,624	108,827	171,781	102,849
Herald-Examiner (M)	86,137	12,906	63,599	17,618
Herald-Examiner (S)	14,448	6,971	12,993	6,465
Grand Total	611,146	471,486	597,294	459,457

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	237,809	35,143	209,721	39,475
News (S)	91,504	2,692	64,021	21,951
Grand Total	329,313	37,835	273,742	61,426

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	242,432	——	226,382	——
Grand Total	242,432	——	226,382	——

NOTE: Figures supplied by publisher to Media Records.

*LOUISVILLE, KY

Courier Journal (M)	122,961	78,989	123,805	68,925
Courier Journal (S)	74,581	68,863	67,306	60,986
Times (E)	97,960	68,681	101,185	60,012
Grand Total	295,502	216,533	292,296	189,923

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	205,308	——	227,750	——
Herald (S)	111,179	——	106,923	——
News (E)	73,096	——	76,918	——
Grand Total	389,583	——	411,591	——

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	136,975	22,153	138,154	29,971
Star & Tribune (S)	144,193	2,992	133,078	2,829
Star & Tribune (Sat)	26,449	——	22,185	——
Grand Total	301,617	25,145	293,417	32,800

*NASHVILLE, TN

Banner (E)	133,850	——	124,975	——
Tennessean (M)	136,395	——	128,953	——
Tennessean (S)	91,458	——	71,555	——
Grand Total	361,703	——	325,483	——

NOTE: 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	108,098	479	——	——
Home News (S)	87,782	1,714	——	——
Grand Total	195,880	2,193	——	——

NOTE: 1984 figures not available.

NEW YORK, NY

Times (M)	190,483	12,989	186,759	15,179
Times (S)	226,808	132,943	209,652	133,396
News (M)	69,135	111,265	77,206	130,906
News (S)	43,264	107,223	35,851	106,339
Post (AD)	62,440	1,198	64,928	1,032
Grand Total	592,130	365,618	574,396	386,852

NEWARK, NJ

Star Ledger (M)	235,300	6,858	237,383	6,995
Star Ledger (S)	190,786	36,746	172,232	43,039
Grand Total	426,086	43,604	409,615	50,034

OAKLAND, CA

Tribune (M)	103,358	82,862	112,440	64,821
Tribune (S)	56,426	36,686	54,006	30,541
Grand Total	159,784	119,548	166,446	95,362

OCEANSIDE, CA

Blade Tribune (E)	105,176	5,018	——	——
Blade Tribune (S)	45,999	——	——	——
Grand Total	151,175	5,018	——	——

NOTE: 1984 figures not available.

ORANGE COUNTY, CA

Register (AD)	347,794	86,682	331,989	85,542
Register (S)	139,118	4,478	118,580	9,321
Grand Total	486,912	91,160	450,569	94,863

PHILADELPHIA, PA

Inquirer (M)	197,246	50,048	210,978	73,199
Inquirer (S)	148,112	39,805	135,357	63,990
News (E)	102,689	1,243	99,762	9,430
Grand Total	448,047	91,096	446,097	146,619

*PHOENIX, AZ

Arizona Republic (M)	249,888	25,143	238,762	19,092
Arizona Republic (S)	159,542	——	158,769	——
Gazette (E)	234,854	25,355	230,901	19,151
Grand Total	644,284	50,498	628,432	38,153

NOTE: Figures supplied by publisher to Media Records.

ROCHESTER, NY

Democrat & Chronicle (M)	114,502	26,700	116,302	17,123
Democrat & Chronicle (S)	81,432	29,406	71,858	18,208
Times Union (E)	78,173	8,228	79,893	10,939
Grand Total	274,107	64,334	268,053	46,270

NOTE: Times Union Evening published five days a week only.

SACRAMENTO, CA

Bee (M)	256,352	30,128	259,243	22,997
Bee (S)	111,577	18,446	116,479	7,654
Grand Total	367,929	48,574	375,722	30,651

*ST. LOUIS, MO

Post Dispatch (M)	134,059	36,223	126,839	40,760
Post Dispatch (S)	134,441	——	137,033	——
Grand Total	268,500	36,223	263,872	40,760

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	113,724	——	88,877	——
Pioneer Press Dispatch (S)	107,844	——	100,118	——
Dispatch (E)	——	——	102,576	——
Grand Total	221,568	——	291,571	——

NOTE: Part run figures not available. Pioneer Press Morning and Dispatch Evening combined to one edition. Pioneer Press Dispatch All Day effective January 2, 1985. The Pioneer Press Morning activity is shown in the Pioneer Press Dispatch All Day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press Morning and Dispatch Evening had a combined Saturday edition with the activity shown only in the Dispatch Evening.

SAN ANTONIO, TX

Express-News (AD)	161,051	35,284	149,741	41,821
Express-News (S)	84,720	40,081	77,340	28,857
Express-News (Sat)	50,736	——	37,745	——
Light (AD)	152,201	42,649	134,647	53,296
Light (S)	86,594	31,906	77,965	34,615
Light (Sat)	42,990	627	31,136	——
Grand Total	578,292	150,547	508,574	158,589

NOTE: Light All Day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

Union (M)	253,687	34,696	266,495	18,735
Union (S)	129,272	——	124,838	——
Tribune (E)	258,711	34,846	269,491	19,305
Grand Total	641,670	69,542	660,824	38,040

SAN FRANCISCO, CA

Chronicle (M)	152,429	90,499	143,559	89,197
Examiner (E)	146,996	88,351	139,206	88,658
Examiner & Chronicle (S)	83,810	44,050	78,403	55,531
Grand Total	383,235	222,900	361,168	233,386

SAN JOSE, CA

Mercury News (AD)	327,455	32,696	327,078	31,402
Mercury News (S)	158,722	——	159,340	866
Grand Total	486,177	32,696	486,418	32,268

SHREVEPORT, LA

Journal (E)	93,518	9,400	94,184	12,192
Times (M)	127,243	18,229	124,522	24,702
Times (S)	72,324	10,633	74,806	14,066
Grand Total	293,085	38,262	293,512	50,960

*STATE COLLEGE, PA

Centre Times (E)	94,910	6,776	104,629	9,080
Centre Times (S)	33,178	3,575	37,153	——
Grand Total	128,088	10,351	141,782	9,080

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

Herald Journal (E)	100,068	37,667	113,496	35,104
Herald American (S)	53,916	44,368	56,354	28,023
Post-Standard (M)	93,336	37,910	97,052	34,607
Grand Total	247,320	119,945	266,902	97,734

*TAMPA, FL

Tribune (AD&S)	355,066	134,229	364,697	119,874
Grand Total	355,066	134,229	364,697	119,874

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	132,047	——	131,755	——
Blade (S)	103,987	——	100,818	——
Grand Total	236,034	——	232,573	——

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

Post (M)	304,352	55,756	311,305	45,093
Post (S)	155,781	52,912	163,630	31,894
Grand Total	460,133	108,668	474,935	76,987
Alexandria Journal (M)	75,436	648	76,385	341
Prince George's Journal (M)	65,768	227	65,601	341
Montgomery Journal (M)	68,806	1,164	69,004	——
Fairfax Journal (M)	76,889	1,421	77,286	665
Arlington Journal (M)	74,978	403	76,246	341

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	100,528	9,489	96,363	19,469
Reporter Dispatch (S)	96,392	14,397	80,061	22,243
Grand Total	196,920	23,886	176,424	41,712

WICHITA, KS

Eagle-Beacon (M)	154,629	——	152,362	——
Eagle-Beacon (S)	86,968	——	79,955	——
Grand Total	241,597	——	232,317	——

NOTE: Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in image but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches.
2. Determine Square Inches of Page
   Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

AIDS

(Continued from Page 1)

a large food marketer.

Here is a look at some of the marketplace ramifications, real and potential, of AIDS, the disease first identified in the U.S. in 1981 and now considered by many to be the country's most serious public health threat.

• **Rubber gloves.** "AIDS has reawakened the need to use proper aseptic tools," said Parker Lee, vp-medical products division of Ansell Inc., a Dothan, Ala., manufacturer of latex gloves whose sales were up 25% last year.

Industry followers say total sales grew by 7% to 8% last year, or double the pre-AIDS rate, to about 2 billion pairs of gloves. The biggest surge took place in the last six months.

The fastest-growing segment is in the dental profession: Many dentists have begun to wear rubber gloves for their own protection and peace of mind as well as that of their patients. Ansell's Mr. Lee predicts that sales to dentists could double within the next year to nearly 200 million pairs.

Ansell advertises its gloves in medical publications, via Medford Advertising, Atlanta, but hasn't made any AIDS claims in its advertising. "We don't have to say that," Mr. Lee said. "That part is understood."

• **Food.** Mr. Lee said "foodservice companies" are beginning to order rubber gloves, but this could not be confirmed by the companies—suppliers of food products to restaurants and other mass feeders.

It is difficult to confirm because food companies are reluctant to acknowledge publicly that they have considered the impact an irrational fear of AIDS might have on their business. Their worry is that talking about it might only heighten the fears.

Ms. Popcorn, BrainReserve president, said, "There has to be a trust bond. . .that the food is packaged in a sanitary way and that the people working with the food are sanitary." She suggests a subtle, homey approach. "It's almost like companies should give a super 'Good Housekeeping seal of approval' to their products."

"I think there is some credence" to her theory, says a food marketing executive, who asked that neither he nor his company be identified.

• **Disinfectants.** Many disinfectants kill AIDS and other viruses in the environment. But Alcide Corp., Norwalk, Conn., believes its new disinfectant, called Alcide, has an edge over competing products.

It so far is the only nontoxic solution successfully tested against the AIDS virus by the National Cancer Institute. The tests were conducted in November when the institute was searching for a general disinfectant to clean up areas where it conducts its own laboratory research on AIDS.

Its proven nontoxicity may render Alcide suitable for therapeutic use. It is being tested for the disinfection of blood at the Boston University School of Medicine, said Elliott Siff, Alcide vice-chairman-ceo.

Alcide is expected to seek Environmental Protection Agency approval to state its anti-AIDS properties on its label. Alcide already is registered with the EPA as a disinfectant, but it needs additional approval for its AIDS claims. So far, the EPA hasn't approved any disinfectants as AIDS virus killers.

Alcide, which went on the market in September, is sold now as a disinfectant for medical environments. That will change, however, if Alcide Corp., primarily a research and development company, can find a partner to market the product to consumers.

Now Alcide does limited institutional trade ads via Joseph M. Ferrazzo Inc., Shrub Oak, N.Y. But if the company can find a partner, it will advertise to the public that its solution kills the AIDS virus, Mr. Siff said.

• **Condoms.** Condom sales are increasing by about 10% annually now because of AIDS and other sex-related diseases, such as herpes. Growth rates were significantly lower than that in the 1960s and 1970s, when the birth-control pill became popular.

So far, none of the major marketers in the $100 million industry has specifically mentioned AIDS in advertising. There has been, however, increased reference to "sexually transmitted diseases," which apparently has become the accepted advertising euphemism for AIDS and herpes. In pre-AIDS times, ads spoke of "venereal disease."

Carter-Wallace, New York, which became market leader by virtue of its purchase last fall of Trojan maker Youngs Products, began referring specifically to "sexually transmitted diseases" in its print ads in 1984.

Condom sales have benefited from media reports on AIDS and its prevention, including a report in December by researchers at the University of California that showed condoms can prevent AIDS.

Condom sales to women also have increased significantly, in part because of fear of AIDS. In its January issue, *Glamour* reported on a survey indicating that nearly 70% of 800 women interviewed said they worried about "sexually transmitted diseases."

American Druggist, a New York-based trade publication, estimates that five years ago "fewer than 10% of condoms" were purchased by women. Today, it estimates that 25% to 30% of all condoms are purchased by women.

Condom print advertising already has spread from the men's magazines, where it used to appear almost exclusively.

Trojans current ads, for example, are running in *Health*, *Redbook* and *Working Mother*, as well as in *Penthouse*.

Carter-Wallace is conducting an "in-depth analysis" of its Trojan marketing, a company official says. The company also recently hired Ted Bates Advertising/New York

(Continued on Page 69)

Ayds will stay Ayds

By VALERIE MACKIE

Ayds will be called Ayds regardless of AIDS.

The company that markets Ayds diet supplement, a candy-like cube that is popular before the bathing-suit season, is not going to change the name of the product despite its possible association with Acquired Immune Deficiency Syndrome.

"Consumers are smart enough to tell the difference between a disease and a diet product," said Frank DiPrima, exec vp and chief operating officer of Jeffrey Martin Inc., the Union, N.J.-based company that markets Ayds.

"The product has been around for 45 years. Let the disease change its name," he said.

Initial spending on a new campaign, introduced in January, will be more than $5 million through D'Arcy Masius Benton & Bowles, New York.

The commercials, running primarily on daytime network tv with radio support, "stress the assistance Ayds will give in bolstering a dieter's willpower while satisfying the desire for goodies," Mr. DiPrima said.

The commercials will feature the tag line: "A lot of willpower in every little piece."#

AIDS misinformation rife

CHICAGO—A new survey done for ADVERTISING AGE shows much of the public believes, incorrectly, that Acquired Immune Deficiency Syndrome can be "caught" like a common cold.

"The potential for mass consumer boycotts triggered by a rumor or incident involving AIDS will be with us as long as tens of millions of Americans continue to think the disease can be spread by casual contact," says a report from Leo J. Shapiro & Associates, a consumer-research company.

Two national surveys of 300 people each found 23% of respondents believe they can get AIDS from "being near or touching" someone who has it, and 38% believe it can be contracted from touching things an AIDS carrier has touched. About 42% said they could get AIDS from touching dishes, towels and pillowcases at restaurants and hotels.

Percentages in the study may vary by 5 percentage points.

Only about one person in six (17%) reported taking any specific precautions, and these vary widely, from avoiding tableware that seems suspect in restaurants to "not having sex with anyone but mate."

The study concludes there is a lot of "free-floating anxiety" in the population about AIDS.#

NEW!
Protect Yourself!
from COLDS, FLU and OTHER SURFACE and AIRBORNE VIRUSES
Handy Purse/Pocket Size Anti-Virus Spray
• for work, school, restaurants, bars, public toilets, telephones and spas
• or wherever a virus may exist
Mild Enough for Hands
• dries in seconds, stainless & odorless
ORDER NOW and receive a FREE Pamphlet on virus infections, including herpes and A.I.D.S.
Don't Go Out Without It!
Yes!
$6.59

Chicago's *Reader* **ran this ad for an anti-AIDS spray last month.**

For the Record

LAURENCE, CHARLES, FREE & LAWSON **is the new name of New York agency Laurence, Charles & Free following Thomas Lawson's joining the shop as president. He succeeds Laurence Dunst, now chairman (AA, Nov. 11). Mr. Lawson, formerly president-ceo at Rosenfeld, Sirowitz & Lawson, brings with him the account of six McDonald's Corp. owner/operator associations. The agency claims this and the American Tobacco Co. Pall Mall and Tareyton work it recently added from SSC&B come to $50 million in new business.**

ANDREW STRENIO JR. **last week was nominated by President Reagan to fill the last vacancy at the five-member Federal Trade Commission. The nomination drew positive reactions from government and advertising circles. The 33-year-old Democrat is a former FTC staffer with a conservative reputation on regulatory matters.**

ARNOLD & CO.**, Boston, which was sold in November by owner-founder Arnold Rosoff to its employes, has formed an eight-member operating committee headed by president-ceo Gerald Broderick. The new committee also includes exec vp-creative services Wilson Seibert, senior vp-creative group head Joseph Frank, associate creative group head Cynthia Connelly, vp-director of pr Joseph Burnieika, senior vp-director of account services Dennis Bailen, senior vp-treasurer Joseph Teixeria and senior vp-media director Marie Kachinski.**

CHESEBROUGH-POND'S **$24 million national campaign slated to break in April for new Ragu Pasta Meals (AA, Dec. 2) is already under attack from the can industry. The Can Manufacturers Institute, Washington, has petitioned the Federal Trade Commission, saying ads for the Ragu product claim glass jars are inherently superior to cans as a packaging medium and make for better flavor. CMI, which also complained to the National Advertising Division of the Council of Better Business Bureaus, New York, says Chesebrough-Pond's can't back up its claims. Greenwich, Conn.-based C-P says the advertising is supported by scientific consumer research. Waring & LaRosa, New York, handles.**

MERCEDES-BENZ OF NORTH AMERICA**, Montvale, N.J., on Jan. 29 celebrated the 100th anniversary of the car with spreads in *Investors Daily*, *New York Times*, *Wall Street Journal* and newspapers in 11 markets. The headline, "Today the automobile and Mercedes-Benz both begin their second hundred years," appeared over a 1986 300E sedan and a three-wheel vehicle that Karl Benz invented in 1886 in Germany. McCaffrey & McCall, New York, handles.**

FIRESTONE TIRE & RUBBER CO.**, Akron, O., on Feb. 1 started running four network tv spots to promote the "quality" automotive services at its MasterCare retail outlets. The spots are themed "Firestone—America's home for car service." Saffer, Cravit & Freedman, Toronto, handles.**

ANHEUSER-BUSCH**, St. Louis, is introducing its Master Cellars line of keg wines in Arizona, Montana and New Mexico, increasing its marketing territory to 12 from nine states. Adamson Advertising handles.**

ISRAEL GOVERNMENT TOURIST OFFICE **on Feb. 1 broke two new 30-second tv spots in the New York market. The commercials are an extension of the 3-year-old "Come to Israel, come stay with friends" campaign via Biederman & Co., New York. The spots will run later this year in Chicago, Los Angeles and Miami.**

JOHN BLAIR & CO.**, New York, again is the subject of takeover speculation. This time potential buyers reportedly are the Belzberg brothers of Canada, whom Wall Street sources say have accumulated almost 5% of Blair's stock, and another, as-yet unnamed group. Sources add that a third group, Price Communications, was eyeing the marketing and broadcasting company, but talks broke off. All parties declined comment.**

HIGHLAND SUPERSTORES**, a Taylor, Mich.-based retailer of electronic systems and appliances, will open several stores in the Minneapolis-St. Paul area in early 1987. The company now operates 40 stores in four midwestern states and Texas. It plans to add 18 stores in existing and new markets this year. W.B. Doner & Co., Southfield, handles.**

ABC-TV**, New York, which so far has only referred to its "North & South II" miniseries as a spring entry, now is leaning to May airdates for that Civil War epic, says co-producer Warner Bros. Television, Burbank, Cal. At CBS, two other tv novels, "If Tomorrow Comes" and "Dream West," are due March 16 to 18 and April 13 to 15, respectively. Also, ABC has retitled its Feb. 9 "Disney Sunday Movie" to "Time Flyer." It ran earlier on the Disney Channel as "The Blue Yonder." At NBC, its pilot of "The Last Precinct" averaged a 35 share over-all from A.C. Nielsen Co., riding on Super Bowl XX's coattails Jan. 26.**

ACCOUNT ACTIVITY: **Atlantic, New York and Boston, to Ephron, Raboy, Tsao & Kurnit, New York, for trade advertising from Cipriani Inc., Boston.**

WORTH NOTING: **Richard Lynch to senior vp-general manager, a new post at Decker Decker & Freas, New York, from director of acquisitions and new-product development, Citicorp Publishing. . .Thomas Wolf to vp-general manager, a new post at Rodale Press, Emmaus, Pa., from group publisher, Gordon Publications, Randolph, N.J. . . .Columbus, O.-based Borden's carcare products group on April 7 breaks a cable tv campaign for its "No. 7" line. The 30-second spot will air 150 times that month on the Weather Channel. Grey Advertising, New York, handles . . .WTBS, Atlanta, on May 31 will carry the Bruce Jenner-Bud Light Track Classic. Its same-day delayed coverage starts at 10 p.m. (ET). The superstation noted that many of the entrants also will compete in its July event, the Goodwill Games. . .Pittsburgh Brewing Co. last week said it is reviewing an unsolicited $21.50-per-share acquisition offer from an arm of Swan Brewing Co., Sydney, Australia. It expects to announce its position by Feb. 7. . .Whirlpool Corp.'s acquisition of Dart & Kraft's KitchenAid unit, Troy, O., has been upheld by the U.S. appeals court in Cincinnati. Benton Harbor, Mich.-based Whirlpool's proposed purchase has been stalled in the courts for almost a year by several competitors' antitrust suits. . .New Postmaster General Albert Casey confirms reports (AA, Jan. 13) that his tenure may be a short one. He said he hopes to leave by mid-September to accept a teaching position at Southern Methodist University, Dallas. Mr. Casey said on arriving in Washington that his principal task was to find a successor and improve Postal Service management.**

C-E, Chevy

(Continued from Page 3)

contributions and sales promotions. As much as $50 million could be diverted to regional marketing programs this year. Chevrolet already has committed $25 million to 1986 special-project spending: $6 million in Texas, $4 million in the Northeast corridor, $2 million in Florida and $13 million in the three Pacific Coast states.

C-E last week formed a regional marketing group headed by senior vp-management supervisor Anthony Hopp, who previously was in charge of Chevy truck advertising and merchandising. Mr. Hopp's position parallels the one held within Chevrolet by former California marketing director Edward Roggenkamp III, who in November was named to the new post of marketing manager-field.

Under Mr. Roggenkamp are area marketing managers John Burrow, based in Santa Monica, Cal.; Robert Cenedella in Atlanta; Willard Gerard in Purchase, N.Y., and Colin Stewart Jr. in Detroit. Those regional managers have the authority to determine which products will be emphasized in a particular market and then develop marketing and advertising strategies.

C-E is expected to name area group directors who will parallel and work with the Chevy area marketing managers. Insiders expect account managers and possibly media buyers to be relocated to offices within the regions, though creative staff is likely to remain in Warren.

The agency missed out on one $10 million parcel of the account when Chevy chose Vic Olesen & Partners, Los Angeles, for its California marketing program (AA, Sept. 17, '84). Olesen's account since has expanded to Oregon and Washington with a $13 million budget.

The restructuring within C-E is an attempt to be more responsive to regional needs and reduce the chances of losing more chunks of the account to specialist retail shops.

In addition to advertising, Chevy area managers are responsible for promotions, merchandising, direct mail and public relations in their regions.

For example, Chevy's east area marketing team is sponsoring the Feb. 20 "Drive-Aid" rock concert at New York's Radio City Music Hall to benefit Live Aid's African famine-relief efforts (AA, Dec. 19). Chevy, via C-E, also is supporting an eight-city sweepstakes for an IROC Z28 Camaro autographed by performers at last July's Live Aid concert.#

Chevy spends big in Texas

By RAYMOND SERAFIN

HOUSTON—The marketing eyes of Chevrolet are upon Texas, where a $6 million effort represents one early test of the General Motors division's new regionalized strategy.

"Chevy is making a long-term commitment to bring marketing decisions closer to the market," said Robert Cenedella, Chevrolet area marketing manager-South, who met last week with area dealers here to explain the program that will break Feb. 24.

The Texas marketing project made its debut in Dallas-Fort Worth in December.

Texas differs even from the other states in Mr. Cenedella's 12-state region of 80 million residents.

For starters, about 40% of the 1 million vehicles of all makes bought last year in Texas were trucks, compared with a national average of 30%, and a proportion of only 25% in Florida.

Also, Chevy's truck group outsells the division's car line in Texas by about 3 to 2, a reverse of national averages.

Media spending in the Texas project is being weighted 60/40 in favor of trucks to reflect that reality.

New tv creative, via Campbell-Ewald, Warren, Mich., for Chevy truck shows Texans in favorite fishing spots. "Chevy's got just the truck for you to bring home the catch," the voiceover says.

Voiceover on national tv spots has been adapted to the state market.

The musical "Lean on me" spot, for instance, now says that "Over the years, more Texans have leaned on Chevy trucks than any other make."

Car spots have undergone similar retracking and reediting, with emphasis at first on the Camaro, Cavalier and Celebrity lines.

Tag lines have been adapted. "Nothing works like a Chevy truck" is preceded by "Hey Texas!" in all truck spots, while the car closing logo, "Today's Chevrolet," is followed by the tag "for today's Texans."

Network tv feeds will be changed to showcase the products Chevy wants to emphasize in Texas.

Spot tv will be the primary medium, but new creative will be used for spot radio and outdoor. Radio commercials take a humorous approach, such as in a series of spots described by Bill Ludwig, senior vp-creative director for the project, as "truck styles of the rich and famous."

Mr. Cenedella said the decentralized marketing makes Chevy more flexible in responding to local promotions, such as historical activities this year marking Texas' sesquicentennial.

Chevy also will put more emphasis on focus groups and other market research, he said.#

Gen. Mills

(Continued from Page 3)

nuts. The 12½-oz. boxes will sell for around $2.30.

General Mills would not comment on the product, but Campbell-Mithun, Minneapolis, is believed to handle the account. Its other major cereal agency, Dancer Fitzgerald Sample, New York, was assigned Raisin Nut Bran (targeted to adults).

Both new products add to the rivalry between No. 2 General Mills and Kellogg Co., Battle Creek, Mich., which analysts say now holds a 43.1% share of the $4.3 billion ready-to-eat cereal market.

General Mills, with 22%, is the only other cereal marketer whose efforts analysts credit with having any substantial effect on Kellogg's share, which recently has shown signs of slippage (AA, Jan. 27).

Until last year, General Mills' tendency had been to introduce only one new cereal a year. In 1985, however, the company added three brands—Bran Muffin Crisp, Fiber One and S'Mores Crunch—to its cereal lineup.

Heavy network tv, radio and couponing for Rocky Road begins March 31, retail grocery buyers reported.

General Mills is promising 42 weeks of tv spots during children's time slots, running in four-week flights for a total of 300 gross ratings points.

Prime time tv advertising, also pledged to run for 42 weeks, breaks March 31, too. Those spots will run in three-week flights for a total of 875 grps. An additional five weeks of spots breaking April 6 will be concentrated during "family" viewing hours for an average of 50 grps each week, retail sources said.

Radio spots aimed at teen agers will start April 6, followed by a 35¢-off coupon dropped via newspaper freestanding insert April 13. A 25¢-off fsi coupon is planned for June 8 and a 30¢-off coupon is planned for Sept. 7.#

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AIDS

(Continued from Page 67)

to handle consumer advertising "to strengthen the brand," a spokeswoman said. (Poppe Tyson, New York, continues to handle trade advertising.)

Condom marketers still are limited primarily to print advertising, but other barriers are breaking down, thanks in part to the AIDS epidemic, industry officials say.

One example they cite is Warner-Lambert's cable tv ads, via J. Walter Thompson USA, New York, for its Lifestyles brand condoms (using Dr. Ruth Westheimer).

Some condom marketers suggest they may try to use the AIDS issue as a lever to break the long-standing taboo against tv broadcasts of condom commercials.

Tv executives do not see condom advertising in the future. "We feel contraceptives are controversial and a significant amount of our audience finds it offensive on moral and religious grounds," said George Schweitzer, vp-communications, CBS Broadcast Group.

• **Other ventures.** A Los Angeles company that calls itself the National Assn. for AIDS Awareness wants to open a 7,000-sq.-ft. clinic that would test individuals for AIDS and advertise the service.

The service, which already does leafletting and pr, would issue an identification card saying the bearer had not been exposed to the virus if the tests are negative.

The Los Angeles city government so far has refused to issue a medical building permit for the center, citing zoning ordinances.

Elsewhere, other companies have placed ads for "viral sprays" that allegedly protect against AIDS. "There are companies making these claims and when you try to find them, they're out of business," said an EPA spokesman.#

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February 6, 1986

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SPECIAL REPORT
Sales Promotion

Advertising Age Thursday

Crain's Magazine of the Creative Process

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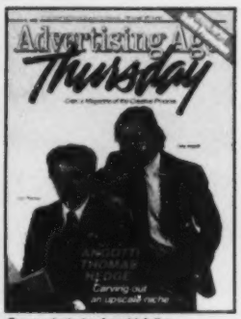
Thursday

Making it small

"Everything we do is important because we don't do a lot of it," says Tony Angotti, co-creative director of Angotti Thomas Hedge. "If we do a clunker it could be really devastating." An emphasis on value and clients with luxury products is what ATH is all about. With just four employes, the three principals are trying to make it in a land bottle-fed on "Big is beautiful." Giving them the audacity to think they can is their unshakable belief that a gap exists between upmarket advertisers and creative talent that understands these markets. *See Page 4.*



Cover photo by Arnold Adler

He wants his MTV

"A lot of it is public relations," is how Ed Libonati, the director of irreverent MTV: Music Television spots, describes his job. "You have to be a psychiatrist, a parent and a leader." He is referring to his role as a commercial director. But in Libonati's case, this is just the tip of the iceberg. Libonati learned the advertising business inside out by acting as copywriter, jingle composer, talent agent, cameraman, promotions man, president of his own company and, now, director of a 1986 network tv show. *See Page 40.*

Special Report—Sales Promotion

Sales promotion, once considered to be on the fringes of the marketing mainstream, is taking its place among other marketing disciplines in large multimedia marketing programs. Special Report examines changes in and dangers of trade promotions and looks at unusual consumer promotions, such as Converse allowing runners to test a pair of shoes and Frito-Lay's use of an interactive telephone program. Starting on *Page 13.*

Presstime

MCI agencies pitch

WASHINGTON—MCI Communications Corp. is reviewing speculative creative work from incumbent agencies Ally & Gargano and D'Arcy Masius Benton & Bowles in preparation for a planned consolidation of its $40 million long-distance ad business. A&G handles MCI's consumer ad account, which bills about 85% of the total. DMB&B handles the carrier's business-to-business advertising. MCI plans to shift the bulk of its spending to business customers next fall. Both New York agencies recently made presentations that included both consumer and business advertising, an MCI source said. A&G earlier made an unsuccessful bid to wrest the business-to-business account from B&B (AA, Nov. 26, '84).

Datago says no

VALHALLA, N.Y.—Nynex Corp.'s Datago 14-store computer retail chain has shelved all plans for corporate ads, via Angotti Thomas Hedge. The New York shop became Datago's agency of record last March. Rye-based Peter Plik & Associates continues handling Datago's retail ads.

Smokeless ad ban nears

WASHINGTON—Tv and radio advertising for smokeless tobacco seems to be heading for the history books after this week's House approval of legislation that bans such ads and mandates health warnings on print ads and packaging. Senate approval—which one aide called a "fait accompli"—was pending at press time (AA, Feb. 1).

Troubled waters

MIAMI—Costa Cruise Lines has quit the Cruise Lines International Assn., New York, in opposition to CLIA's proposed $1 million generic ad campaign scheduled to break March 1 (AA, Jan. 20). Princess, Royal Caribbean and Royal Cruise Lines also have pulled out of CLIA in protest. Doyle Dane Bernbach, New York, handles.

Mulcahy out of Time Inc.

NEW YORK—*People* assistant publisher Eileen Mulcahy has been identified as another top executive to be laid off under Time Inc.'s magazine group staffing cutbacks (AA, Feb. 3). Ms. Mulcahy is among the highest-ranking women on the business side of the company's magazines.

A-B makes nonbeer move

ST. LOUIS—Anheuser-Busch further has increased its nonbeer business by acquiring Sante Mineral Waters, Santa Rosa, Cal., three months after purchasing Saratoga Springs Co. (AA, Nov. 11). Bloom Agency, Dallas, becomes first agency for both acquisitions. Separately, A-B has moved responsibility for Michelob Classic Dark to Michelob Light agency Needham Harper Worldwide, Chicago, from Ted Bates Advertising/New York. Bates remains agency for Michelob.

ANA slams newspapers

NEW YORK—Assn. of National Advertisers' newspaper advertising committee is protesting

(Continued on Page 43)

Street Talk

Other than your own clients', what were the most creative and effective commercials during the Super Bowl? Last week, Chicago and Boston had their say; here are picks from elsewhere in the country.

Ross Van Dusen, senior vp-creative director, Chiat/Day, San Francisco: "The best work I saw in it, the campaign that strikes me as nifty, was the John Hancock spot. It was fresh tv, powerful advertising. That work was outstanding. I can't think of anything else. Everything else had the feeling of 'this is advertising.' The [Timex] watch commercial struck me as trying to be '1984' [Apple Computer's '1984' Super Bowl spot], but it didn't impress me that way; it didn't knock me out."

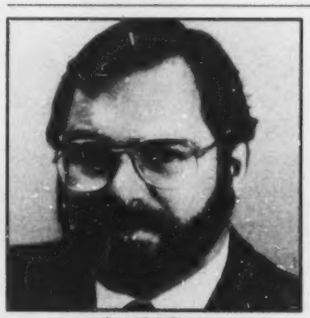
R. VAN DUSEN

S. SEGAL

Stephen Segal, senior vp-media director, Lowe Marschalk Inc., New York: "I liked the series of new McDonald's 'McD.L.T.' executions. What I liked most was the scheduling of one per quarter leading up to the final one congratulating the Bears immediately after the game ended. The series in total seemed to make McDonald's stand out as the sponsor of the game. It was probably the best way of using the Super Bowl as an advertising vehicle with the exception of Adidas, which got even more exposure at a lot lower cost."

Chuck Silverman, managing partner-creative director, Scali, McCabe, Sloves, Los Angeles: "Like most humane football fans, I tuned out after the first half. It was Timex and John Hancock running neck and neck, a distant third behind Chiat/Day's '1984' and 'Lemmings' spots for Apple. Those commercials made the Super Bowl the Super Bowl of Advertising at over a million bucks a minute. Over-all, I don't think the Super Bowl advertisers got their money's worth out of their creative."

C. SILVERMAN



S. KOPCHA

Steve Kopcha, exec vp-executive creative director, D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.: "Nobody broke new dramatic ground on the Super Bowl, but Sears and Gillette [Right Guard] scored with well produced commercials with good selling points in them. There was no '1984' in 1986."

Cliff Einstein, chairman-creative director, Dailey & Associates, Los Angeles: "McD.L.T. They took a very mundane subject —lettuce and tomato hamburgers, hot and cold--and found a way of expressing the idiosyncracies of that product. I thought it was fascinating and memorable. It was a series, and it stood out."

C. EINSTEIN

ADVERTISING AGE *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE *Thursday*, 220 E. 42nd St., New York 10017.

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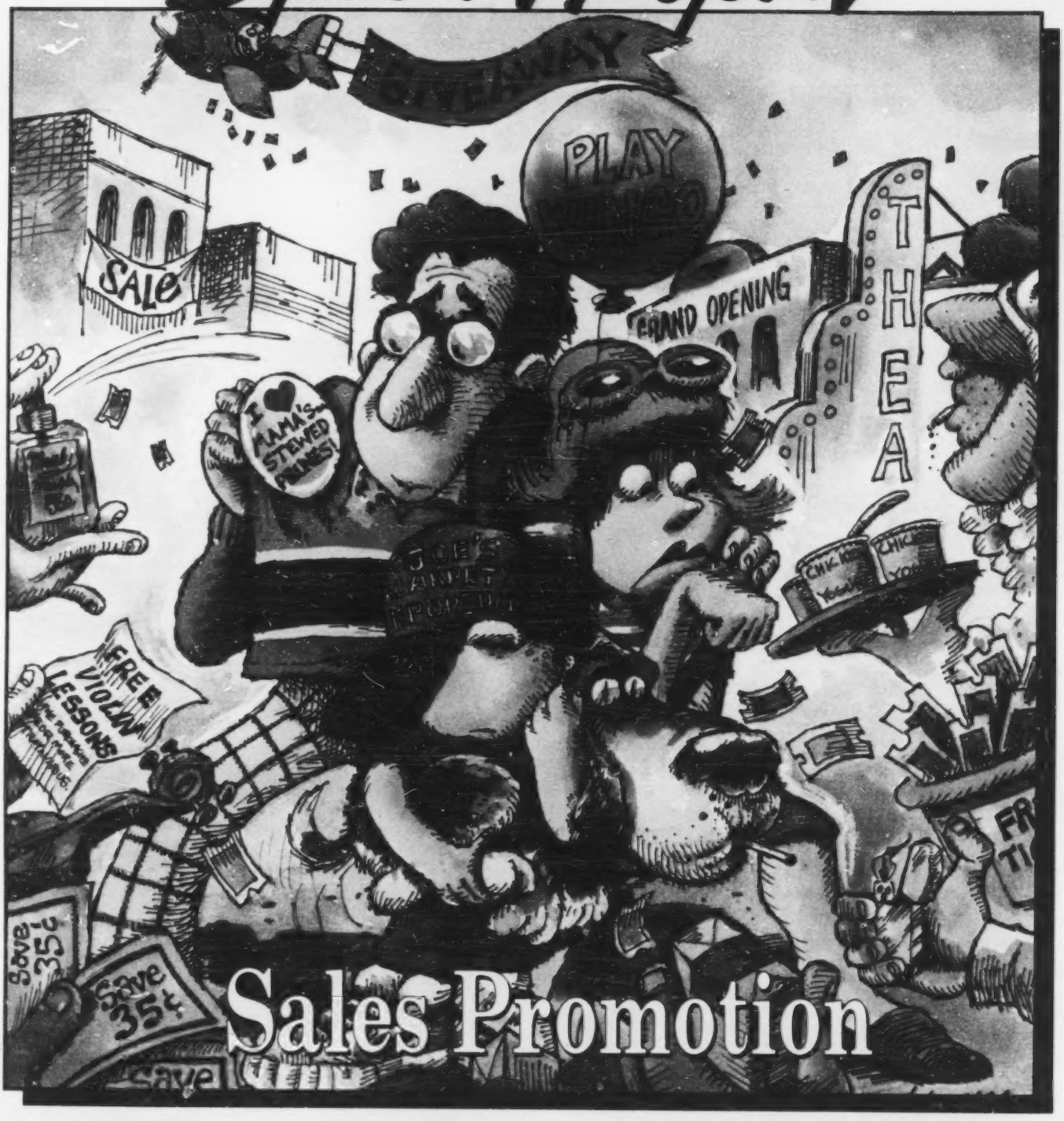
Special Report



Sales Promotion

Jostling for consumers', marketers' attention

By Len Strazewski

There's barely room to walk down the street. Sales promotion is everywhere: Popping out of displays, jumping from the hands of product samplers and fighting for consumer attention along with traditional advertising and direct response campaigns.

Yet sales promotion is almost as mysterious as it is pervasive, a marketing industry stepchild aggressively seeking recognition.

For years, many marketers considered sales promotion to be on the fringes of the mainstream, populated more by premium sellers working out of their automobiles than account execs working out of skyscrapers.

In 1986, however, sales promotion seems to be taking its place among other marketing disciplines in large multimedia marketing programs. Like pr agencies and direct marketing companies in previous years, sales promotion agencies are becoming hot targets for acquisition by general advertising agencies.

New York-based Saatchi & Saatchi Compton, for example, acquired the Howard Marlboro Group, New York, on June 24, 1985, and Burson-Marsteller, New York, acquired Rogers Merchandising, Downers Grove, Ill., on Nov. 1, 1984. Several general agencies, including Foote, Cone & Belding, Chicago, and BBDO, New York, have developed their own sales promotion subsidiaries.

But despite protests to the contrary from executives of the leading sales promotion agencies, some of the old stigmas and mysteries remain.

Sales promotion covers a variety of marketing techniques, ranging from sophisticated computer-driven sampling and testing programs to actors in chicken suits handing out coupons for fast food.

Privately held sales promotion agencies are reluctant to document their annual billings for comparison with their competitors, hindering

(Continued on Page 14)

Consumer promotions

Type	1984
1. Couponing (cons. direct)	95%
2. Premium offers	82
3. Money-back offer	81
4. Sweepstakes	73
5. Cents-off promotions	64
6. Sampling new products	62
7. Pre-priced shippers	48
8. Couponing in retailers' ads	40
9. Sampling products	36
10. Contests	29

Source: Donnelley Marketing annual survey of promotional practices for 1984.

Jostling for consumer attention

(Continued from Page 13)

accurate estimates of the size of the sales promotion business.

"We've all used estimates of $60 billion to $65 billion in speeches or the like, but we don't really know," says William Robinson, president of William A. Robinson Inc., Chicago. "And there's no real way to find out."

Robinson has about 50 employes in three offices, including New York and Los Angeles, and claims 1985 revenues between $5 million and $10 million, Mr. Robinson says.

"So many aspects of the sales promotion business are so different that no one really tracks the field in the way advertising billings are tracked, and agencies perform so many different functions, from pure consulting to printing and manufacturing, that trying to compare their revenues is like comparing apples and oranges."

Other industry sources estimate the size of the business as large as $85 billion, but just how much is spent on pure promotional development and how much is generated by ancillary media and direct marketing or printing and manufacturing of premiums is unknown.

Industry experts, however, do track the relative flow of dollars within the sales promotion industry.

Donnelley Marketing, a Stamford, Conn.-based couponing, sampling and saturation mailing company, annually surveys the industry on spending in various sales promotion techniques: Trade incentives, direct consumer couponing, premium offers, refund offers, sweepstakes, cents-off promotions, new product sampling, prepriced shipments, retailer coupons, established product sampling and other contests.

In Donnelley's seventh annual survey of promotional practices in 1984, the company reported that trade promotion spending still dominated promotional practices, but consumer promotions continued to grow in relation to total spending.

In 1984, 42% of all promotional dollars were spent on consumer promotions, up from 40% in 1983 and 36% in 1982.

Donnelley's report on 1985 promotional practices is not complete, according to director of media services Dick Vincent, but early analysis of 1985 data suggests consumer promotion is continuing to grow at trade incentives' expense.

"The early returns indicate two trends," Mr. Vincent says. "The share of promotion dollars spent on consumer promotions is still growing. However, our data indicates that the over-all amounts spent on promotion in 1985 is about the same; so it is pretty clear that the share of dollars spent on trade promotion must be shrinking."

Trade promotions, the manufacturers' or packagers' use of special volume pricing or discounts for retailers to persuade them to expand shelf space for products or offer sales to consumers are a thorny problem for sales promoters. Many promotion experts believe that strong trade promotion builds volume at the expense of profit margin and encourages consumers to buy on price rather than brand loyalty.

Trade promotions also tend to be too defensive, promoters say, designed to protect against the encroachment of new brands into retailers' shelves, but leading to head-to-head price competition among brands. A series of stories in this section examines these issues.

Consumer promotions, however, take their appeals directly to consumers and can involve coupons, free samples or trials, rebates or premiums.

Donnelley's study of 1984 promotion practices reveals that direct distribution of coupons to consumers was the most popular consumer promotion, used by 95% of responding marketing executives, slightly more than had used it the previous year.

About 82% said they used premium offers (about the same amount as in 1983), and 81% said they used refunds or rebates (slightly less than the previous year). Seventy-three per cent said they used sweepstakes promotions (down from 78% the previous year).

Industry sources say they expect these trends to continue, reflecting a move to more aggressive consumer promotions and greater use of direct mail to deliver coupons and other consumer offers.

"Consumer promotions are taking a strong tactical position these days," says Joseph Flanagan, president of Chicago-based Impact, the sales promotion subsidiary of Foote, Cone & Belding. "This is in contrast with trade promotions, which have always been rather defensive."

Impact, one of the largest sales promotion shops owned by a general advertising agency, has about 70 employes in Chicago, New York and San Francisco, and generated about $5.5 million in revenue in 1985. Industry consensus puts it solidly in the nation's top 10 sales promotion agencies.

"As recently as a couple of years ago, our industry was known more for developing one-shot, short-term promotions and special events," Mr. Flanagan says.

"Now sales promotion is looking for the long-term, fitting into broad marketing plans. There is a better environment now than ever for balanced marketing approaches combining advertising, public relations and sales promotion."

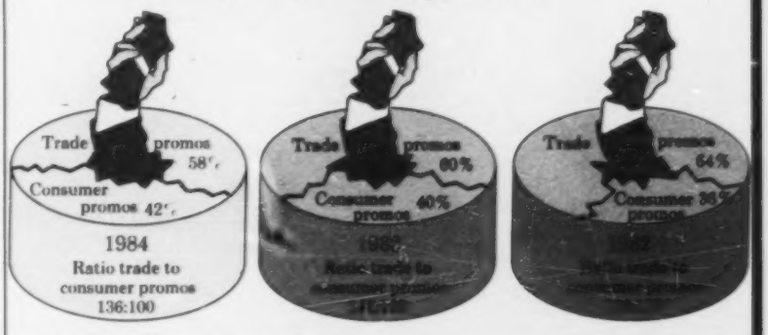
Different types of clients are trying sales promotion tactics, says Mr. Flanagan, who becomes president of the Council of Sales Promotion Agencies in June. The CSPA is a 32-member trade group representing sales promotion agencies that specialize in promotion consulting rather than premium or display manufacturing.

Member agencies, Mr. Flanagan says, report that high-technology marketers are becoming more aware of sales promotion. Such giants as International Business Machines and Zenith Data Systems

(Continued on Page 36)

Share of promotional dollars

Consumer vs. trade promotions



Source: Donnelley Marketing seventh annual survey of promotional practices

Early enrollment strives for high scores in brand loyalty

An audience is ripe for sales promotion as soon as it can read, says Steven M. Kaplan, marketing director for Sampling Corp. of America, Glenview, Ill.

Sampling manages sales promotions and product sampling programs in elementary schools for a variety of national clients, including Crest toothpaste, Kool-Aid, Citrus Hill orange juice, Duncan Hines, Jif peanut butter, Keebler cookies and several cereal companies.

"What we have discovered is that children are buyers, if not immediately, then eventually," Mr. Kaplan says. "People tend to buy what they are used to and the best time to build brand identification and brand loyalty is when consumers are young and developing their use habits."

School promotions also reach parents, Mr. Kaplan says, when students bring home promotional messages, coupons and samples. Couponing and sampling in schools is not unusual. School principals can get 10 to 15 calls a week from marketers, he says.

Product sampling and couponing is a standard technique used by most of the major sales promotion agencies, though most agencies target adult consumers with insert advertising or saturation mail delivery of samples and coupons. What separates Sampling from its competitors is its commitment to school-oriented promotion and its practice of linking promotions to holidays and social concerns such as safety, health and fitness.

Sampling tries to enhance its programs with a message—usually about safety.

"We never just give samples," says Mr. Kaplan. "Schools don't have to accept samples blindly and probably shouldn't."

The company's longest running promotion, begun four years ago for Crest toothpaste, focuses on Halloween safety and features a bright orange "Trick or Treat" bag decorated with sponsor logos, an orange reflector patch for Halloween costumes, safety posters for school and a flier of safety tips for parents.

As the regionalized programs expanded to include other clients, including General Mills cereals, several juice companies and Keebler cookies, the treat bag came filled with samples and coupons. The samples also became the nucleus for school parties, Mr. Kaplan says.

"Participating in the Halloween event and meeting safety needs gave the coupons lots of extra impact. The average coupon redemption from the 'Super Safety Trick or Treat' promotion was over 18%," he says, compared with less than 10% redemption rate for direct mail and 5% for newspapers and inserts.

In 1985, the Halloween promotion reached more than 9 million children in some 20,000 schools across the nation. Recent research from the Chicago office of Burke Marketing Services indicates the promotion creates about 20 million impressions for every 1 million children contacted.

"Part of the visibility of the promotion has to do with our commitment to issues such as safety," Mr. Kaplan says. "Local television stations have made holiday child safety a regular feature, and publicity kits on our promotions provide material. Last year, our Halloween bag and reflectors made the 6 p.m. news in a dozen cities around the country."

Kool-Aid Man quenches the thirsties and satisfies Sampling's criterion for a social message.

Sampling parlayed the success of the Halloween promotion into similar holiday and seasonal promotions for single clients and client groups.

A Thanksgiving promotion with posters, stickers and a do-it-yourself centerpiece featured Citrus Hill orange juice logos and coupons, and Kool-Aid sponsored a summer safety promotion featuring a safety tips poster and a comic book produced by Marvel Comics Group, New York, on the adventures of "Kool-Aid Man."

For Valentine's Day, the company produced a multiclient Valentine kit, which included samples of Crush soft drinks, Jif peanut butter and coupons, as well as Duncan Hines brownie and cookie mixes.

"Teachers received the mix samples in advance so they could bake cookies and brownies for the school parties and the children could report to their parents on how good they tasted. The kit also came in a decorated box that could be used as a drop for Valentine cards," Mr. Kaplan says.

Participating in the national multiclient promotions cost clients about 7 cents per student, Mr. Kaplan says, and a single client promotion costs about 15 to 16 cents per student.

"The return comes about in more than immediate sales. We've seen product sales increase as much as 100% in some markets, but we think the real advantage in promoting to children in schools is in the product loyalty we are building," Mr. Kaplan says. "These kids will be buying products for a long time." —*L.S.*

Trade price discounts holding hostages

By Richard Edel

Trade promotion fever has package goods manufacturers trapped in a prisoner's dilemma. They hate the system but can't escape without taking some big risks.

Staying with traditional price promotions means an increasing spiral of discounts, dragging consumers away from brand loyalty and toward the lowest prices.

The solution is to get back to the original concept of trade promotion—payment for performance, says Robert Brown, president of SPAR, a Tarrytown, N.Y.-based consultant. "Manufacturers and retailers recognize they're in a bad situation. They need to get some discipline," he says.

A continuing study by Needham Harper Worldwide, Chicago, confirms this dismal quandary. The percentage of consumers saying they try to stick with major brands fell from about 80% in 1975 to about 60% in 1985. At the same time, consumers say their use of coupons is up substantially, according to the study.

"We are training consumers to buy more on price than brand," says Graham Phillips, U.S. chairman of Ogilvy & Mather, New York.

The reason seems to be the traditional price-oriented trade promotion, the per case discounts manufacturers offer retailers to push products by allocating more shelf space and floor display area.

Brand advertising once was heavily favored over trade promotion, but for many product categories, including soft drinks, soap and health and beauty aids, the opposite is now true, retailers and advertising executives say *(see related stories)*.

Mr. Phillips points to grocery scanners and the long-standing trend toward retail consolidation as the major forces at work. Greater buying leverage for major chains coupled with fast updates of sales data from scanners reinforces an upward spiral of trade promotions. Scanners show that brand share can fluctuate from 4% to 55% because of various forms of promotion incentives, he says.

"What worries an advertising man today is the fact that price and coupon promotion have such an enormous impact on short-term sales. The scanner is akin to Eve with a basket full of red apples tempting manufacturers to forgo the world of branded marketing," he says.

Unless a balance is struck between short and long-term goals, brand marketing for some products will continue to erode, he says. "There is no gain for anybody if that happens," Mr. Phillips says.

Retailers have been the biggest winners so far. Scanner information, among other factors, is shifting the balance of power in the package goods market to retailers from manufacturers, experts say. With the shift in

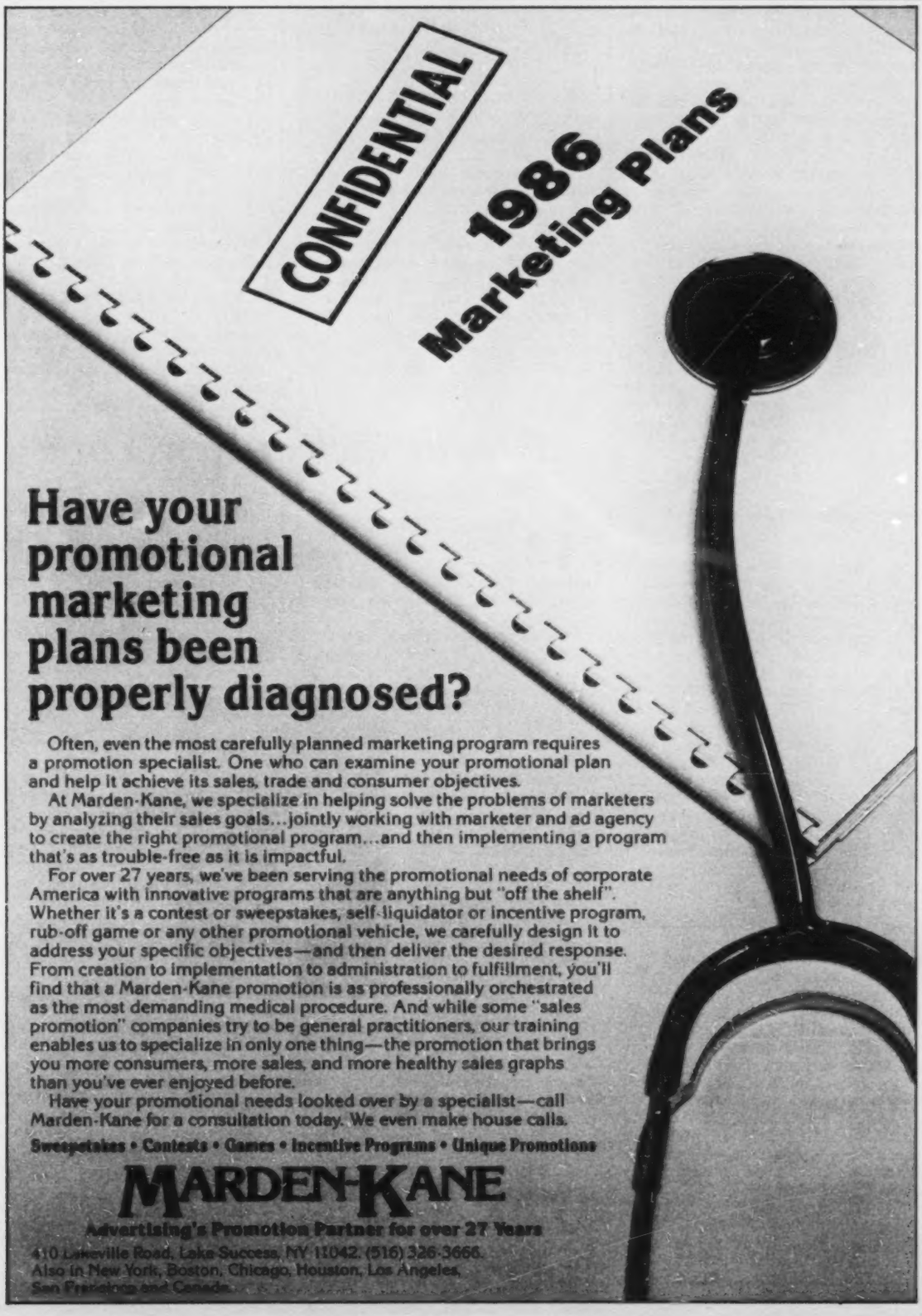
(Continued on Page 20)

Richard Edel wrote about the trade promotion business in last year's Sales Promotion Special Report.

Manufacturers emphasize promotion

Package goods
Advertising and promotion
(Primary retail channels)
$42 billion in 1984

Advertising growth rate: 9-10%
Promotion growth rate: 12-14%
Source: Majers Corp., 1985



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Discounts hold hostages

(Continued from Page 18)

power, some branded marketing efforts are crumbling as their makers focus on price promotion instead of building demand.

Several other key factors contribute to this effect, says Michael F. Carey, vp, Glendinning Associates, a Westport, Conn., consulting company. Slow revenue and unit growth for mature categories, such as paper products, soaps, detergents and beverages, is forcing manufacturers into greater dependence on price promotion as a means of selling more volume by gaining it from competitors.

Also, a low inflation rate makes it difficult for brand managers to increase profits year after year through price increases. The solution is to take a shortcut by temporarily buying volume with price cuts and other incentives to retailers, such as rollbacks, rebates and advertising allowances.

While such shortcuts work well in the short term, overuse can spell disaster for brand profitability in the long term, even while the product may appear to be gaining market share and sales volume, Mr. Carey says.

"In effect, some manufacturers are mortgaging their futures," he says. "Every dollar spent on trade promotions takes one dollar away from the advertising and marketing necessary to build a strong consumer franchise."

> ***There were 15,379 items in a supermarket in 1984 versus 9,000 in 1974.***
> **Food Marketing Institute**

Like an addiction, the more a brand relies on deals to move product, the more it is forced into more frequent deals to keep moving forward, Mr. Carey says.

How this situation plays out will depend to a large degree on how retailers interpret the data collected by grocery scanners.

Scanning technology permits them to gather and store tremendous amounts of data about brand share and product movement on a daily basis. In turn, retailers make decisions on how to display and advertise products to boost sales and profits.

The pressure is magnified by the low profit margin in the grocery industry, where net profit averages about 1 cent on $1 in sales, says Michael Rourke, vp for marketing and corporate affairs at the Great Atlantic & Pacific Tea Co., Montvale, N.J.

"There isn't much room for error," Mr. Rourke says.

Because trade allowances can add anywhere from 1% to 3% to a retailer's bottom line, they are extremely important in over-all profitability, he says.

For example, a chain like A&P, which has 1,100 stores and annual sales approaching $7 billion for 1985, could add $70 million to $210 million from trade promotions during a year.

"Trade allowances sometimes can be considered part of the basic buying apparatus. Some retailers say, 'Don't talk to me unless it's on deal,' " Mr. Rourke says. With so much at stake, the feeling is, " 'You'd better give us everything you're giving everybody else.' "

Another factor is intense competition for shelf space. There were 15,379 items in a typical supermarket in 1984 versus 9,000 in 1974, according to the Food Marketing Institute.

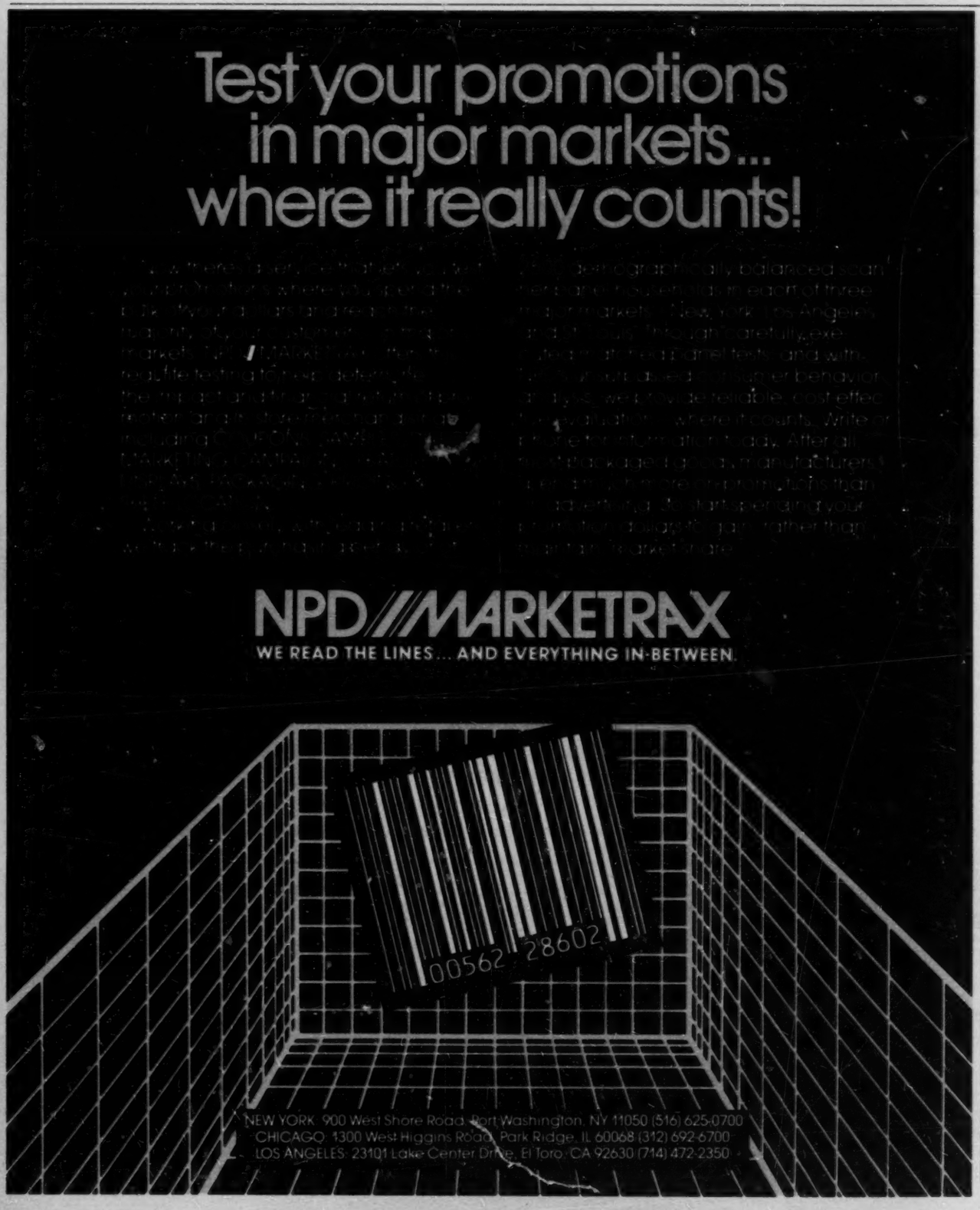
With so many items vying for attention, retailers could be swamped by an unorganized approach to sales promotion. So they are taking the initiative and offering promotional programs based on their own marketing objectives.

Super Valu Stores, Minneapolis, for example, has promoted full lines of products from General Foods, Procter & Gamble and General Mills, among others. In exchange for more retailer attention, manufacturers contribute advertising allowances for space in roto inserts or weekly newspaper ads, additional funds for tv and radio spots, and give discounts for special pricing and positioning with point-of-sale displays.

Just getting the best possible deal from a manufacturer would allow the retailer to remain price competitive, but price is only one element in the over-all marketing strategy, he says.

"Price is a very strong motiva-

(Continued on Page 22)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Discounts

(Continued from Page 20)

tor, but you can't base your entire strategy on price," Mr. Rourke says. "Most consumers are very interested in price, but it is not their primary motivator. Thay are looking for specials, variety, selection, service, atmosphere and speedy checkout."

A retailer's marketing strategy is the key to using trade allowances effectively, says Tom Morrison, corporate vp for advertising and sales promotion at Grand Union Corp., Elmwood Park, N.J.

Mr. Morrison, who has worked in sales management and promotion for both PepsiCo and Procter & Gamble, says the ability to target consumers and develop a strategic plan based on value, quality and price increasingly will determine the success of retailers.

The marketing strategy has to be based on information, however, which once again raises the issue of how retailers use scanner data. "Information, not data, is the key to power," he says.

To generate information, the retailer has to apply sophisticated computer programs to scanner databases and develop management techniques to measure the incremental profit and volume received from a host of sales promotions, he says.

Several consulting companies offer these services, including SPAR, which also tracks retail execution of promotions for manufacturers; Information Resources Inc., Chicago, and Dialogue Inc., New York.

Several companies also supply decision support systems, Metaphor, Mountain View, Cal.; A.C. Nielsen Co., Deerfield, Ill.; Market Science Associates, Pittsburgh. Management consultants include McKinsey & Co., New York, and Glendinning. Majers Corp., Omaha, Neb., collects data on retail advertising and sells scanner data.

Mr. Morrison uses three benchmarks in evaluating the effectiveness of sales promotion. First is direct product profitability, a financial measuring device that charges all costs in handling an item to the bottom line. For instance, the refrigeration costs of keeping frozen foods would be charged against that category when considering profitability.

The second benchmark is whether the item is a traffic builder, such as baked and frozen goods, that bring customers into the store. Retailers are willing to lose some profits on these items in exchange for building in-store traffic.

Finally, Mr. Morrison considers the effect of building market share by trading profits for volume. The idea is to select the promotion that offers the best value to the consumer, taking the targeted consumer's shopping habits into account.

For example, counter displays featuring discount candy bars could boost item sales to the point that the promotion results in a net profit increase, outweighing any reduction in profit margin.

But development of successful promotion strategies must take the manufacturer into account, Mr. Morrison says.

"It's a partnership through information," he says. "We want trade spending to be a win-win situation for the manufacturer and Grand Union. The message is that when you deal with us, you're getting bang for your buck. If we can't perform, I can't in good conscience take [a manufacturer's] money," he says.

"We've got all the data. So why not form a partnership where everybody wins."

Manufacturers create package of ads, incentives, promotions

By Richard Edel

Sometimes a trade promotion can seem to have it all—creative advertising, coupons, point-of-sale displays and big discounts—and it still flops.

That happens even though money spent on trade promotion continues to grow. Trade allowances for package goods to drug, grocery and discount stores has grown from about $9 billion in 1979 to $15 billion in 1984, according to Majers Corp., an Omaha, Neb.-based company that monitors trade promotions for manufacturers.

These dollars don't always reach their target—consumers.

New York-based consulting companies Booz Allen & Hamilton and McKinsey & Co. estimate that from one-third to two-thirds of all money spent on trade promotions is wasted. A 1976 study in Sloan Management Review, Massachusetts Institute of Technology, Cambridge, Mass., estimates 33% of the money spent on trade promotion is passed on to the consumer.

Gillette adds value to promotions by timing cash and prize giveaways to coincide with sporting events, such as the World Series.

Reacting to improve retailer response to trade promotion, manufacturers are designing a unified package containing advertising message, consumer incentives and trade promotions.

At the same time, they are focusing on local and regional

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market conditions to gain greater retailer support.

"Part of the problem is that many companies simply are not translating their advertising message down to retail where the purchase decision is made," says John Kawula, exec vp of the Point-of-Purchase Advertising Institute, Fort Lee, N.J.

Such mistakes can have a big impact on the success of a promotion, he says.

For example, consumers purchasing impulse items such as snack foods are 250% more likely to buy an item located on an offshelf display. They are 380% more likely to buy an item they remember seeing in an ad. But they are nearly 600% more likely to buy an item they have seen advertised when that item is located on an offshelf display, according to a 1978 POPAI study sponsored by Du Pont, Wilmington, Del.

Manufacturers also can be naive about how retailers use promotional funds and materials, says Janice G. Cohen, director of marketing at SPAR Marketing Services, Tarrytown, N.Y. Sometimes manufacturers attempt to generate excitement for trade promotions by turning them into theme events or tying them into sporting games such as the Super Bowl, Olympics and World Series, she says.

One manufacturer ran a high-visibility, all-brands promotion timed to peak a week before Super Bowl XIX in 1985.

Based on SMS audits of 2,000 supermarkets over the three weeks leading up to the event, 64% of the stores failed to use offshelf displays for even one of the nine brands on promotion, despite the fact that all brands tended to be first or second in the category.

Sixteen per cent of the stores displayed one brand, 14% displayed two or three brands, and 6% displayed four or more. Only 22% of the stores had a display and point-of-purchase materials, even though seven specially designed types of point-of-purchase material were available. Of the stores with displays, only 17% had three or more pieces, SMS found.

The manufacturer did not calculate the incremental volume and profit a retailer could expect from the promotion, Ms. Cohen says, so the company had no way of selling the program's benefits to retailers or of determining the payback they would gain from giving the products extra push. Consequently, the promotion was virtually ignored, she says.

"The company can't expect better retailer support because it doesn't know whether it actually is in the retailer's self-interest," Ms. Cohen says.

Another stumbling block for trade promotions is making its various elements work as a whole, says David Coward, vp-marketing with the safety razor division of Gillette Co., Boston.

Gillette, which times many promotions to coincide with sporting events such as the World Series, Olympics and baseball's All-Star game, focuses on an over-all strategy, making its advertising and incentives work in concert. And you can't ignore the price tag, he says.

(Continued on Page 24)

How ads, displays affect consumer health and beauty aid purchases*

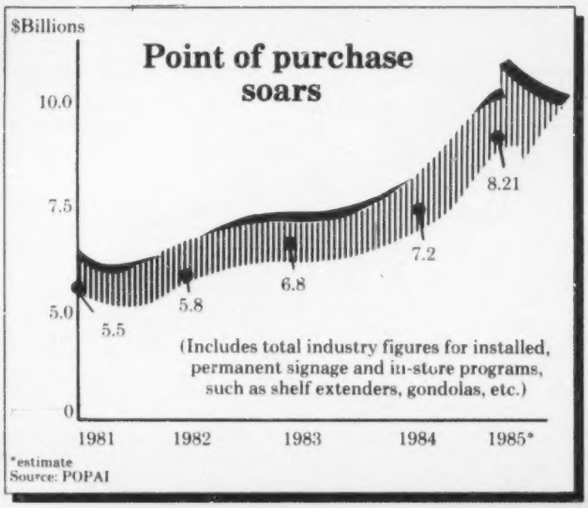
Brand average purchase	No ad No display	Display only	Ad only	Ad and display
0.45	0.38	0.86	0.83	1.68

*For every 100 shoppers.

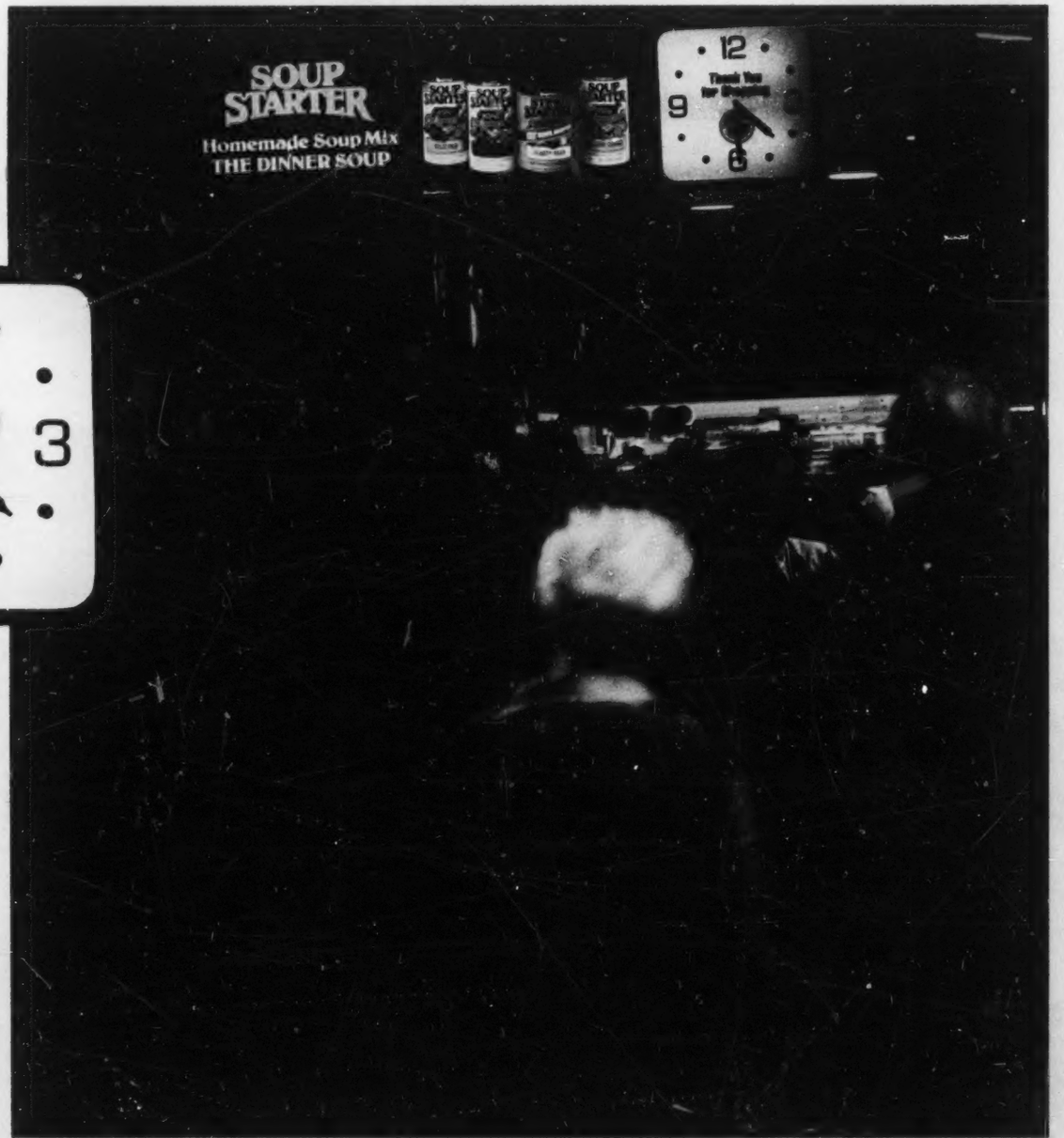
Consumer health and beauty aids purchasing habits

Specifically planned	Generally planned	+ Substitute	+ Unplanned	= In-store decision
27.9	8.6	2.3	61.1	72.0

Source: Point of Purchase Advertising Institute



> ***"A lot of promotions fail because they haven't got all the elements."***
>
> **David Coward**
> **Gillette Co.**



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Creating package

(Continued from Page 23)

"A lot of promotions fail because they're not agency packaged, they haven't got all the elements, and [the manufacturer] tries to do it on the cheap," Mr. Coward says. "Promotions are not cheap. Taking everything into account, the least expensive part is the prizes."

Gillette's promotions typically start with retail trade allowances on best-selling brands, adding sizzle in the form of a sweepstakes to attract consumer attention. Gillette's Super Bowl promotion offers a 1986 Ford Thunderbird and $25,000 cash as the grand prize, for example.

Next, free-standing newspaper inserts are used to encourage customer traffic in stores, Mr. Coward says. Store displays tie in the ad message and usually contain sweepstakes entry coupons, which also may include a rebate offer to stimulate in-store buying. The rebate offer or prize claim check is made redeemable at the store of purchase, which generates a second buying opportunity.

Gillette generates added excitement by offering prizes for a competition that relates to the event itself, such as picking the most valuable player in the World Series.

The benefit for Gillette in gaining additional retailer participation in its promotions has been significant short-term boosts in sales volume and market share, Mr. Coward says.

For retailers, the reward is incremental volume and profits, not extra cash on the bottom line in the form of discounts or rollbacks, he says. But to reap the benefits, they have to perform.

"A lot of promotions fail because the trade doesn't get behind them. If the store doesn't display, there is no payoff," Mr. Coward says.

Because retailers increasingly use scanner information to interpret the results of promotional strategies, they are more likely to participate in promotions designed by companies with good track records, says Michael Jeans, vp for marketing with the package foods division of Chesebrough-Pond's, Greenwich, Conn.

Manufacturers used to offer incentives such as free trips and merchandise as a means of gaining retailer cooperation, but the practice has tapered off considerably, he says.

"The trade is a lot more sophisticated today. A few years ago, some manufacturers used to get a lot of mileage out of trips. But now the trade is interested in a good economic proposition," Mr. Jeans says.

Chesebrough-Pond's, for example, now supplies on-line information about market share, factory orders and shipments by account to its regional managers. In the past, the company issued weekly reports.

"Our salespeople can know instantly what is happening in their regions. It's a big help when a sales representative sits across from a [retail] buyer

(Continued on Page 26)

How ads, displays affect consumer snack purchases*

Brand average purchase	No ad No display	Display only	Ad only	Ad and display
0.99	0.79	2.50	3.80	5.84

*For every 100 shoppers.

Consumer snack purchasing habits

Specifically planned	Generally planned	+ Substitute	+ Unplanned	= In-store decision
15.2	9.6	1.7	73.5	84.8

Source: Point of Purchase Advertising Institute

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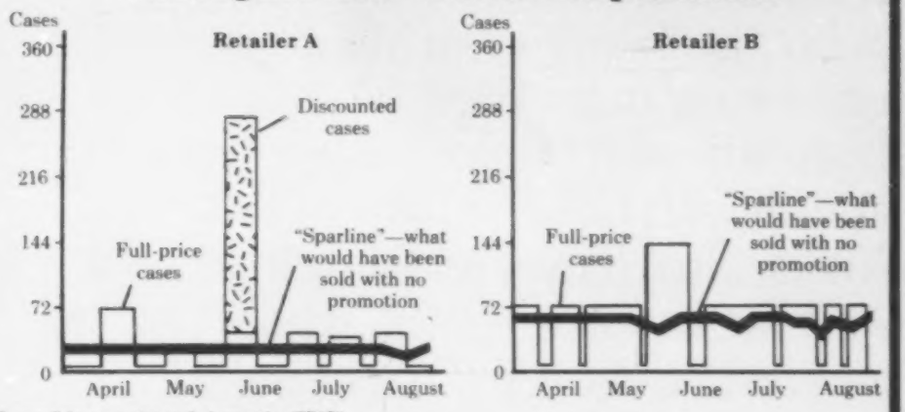

Source: Sales promotion analysis reporting (SPAR)

Marketers calculate return on promotion

It is difficult to tell if retailers use trade promotion funds properly.

Sometimes competing retailers use a trade allowance to give price breaks to consumers. Sometimes retailers just pocket the money. To find out how retailers use trade promotion dollars, manufacturers need to follow up on their deals by examining retailers' inventory depletions and buying patterns, says Robert Brown, president of SPAR, Tarrytown, N.Y.

If necessary, manufacturers should redesign promotions, keeping in mind the idea of "pay for performance," he says.

Mr. Brown is a master of trade promotion analysis and inventor of the Sales Promotion and Analysis Reporting system, a method of measuring promotions for profitability developed 20 years ago for Hershey Foods Corp. The SPAR system now is used by Procter & Gamble, PepsiCo, Del Monte Corp., R.T. French Co. and Allen Products Co., among other package goods giants.

To illustrate the concept of pay for performance, Mr. Brown provided data gained over two years from audits of the New Orleans stores of Jacksonville, Fla.-based Winn-Dixie Stores and New Orleans-based Schwegmann Brothers Giant Supermarket stores during annual promotions on a condiment brand *(see box)*.

In the first year, the manufacturer offered a straight discount —25% off invoice—which both retailers accepted. Analysis of followup buying indicates one chain used the discount to replace normal product turn business at a lower price. The other used it for forward buying,

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Magnavox
Hank Aaron 715 Sweepstakes
Kelloggs
Stick-up for Breakfast Contest

1975
Muscular Dystrophy Assn.
Jerry Lewis Labor Day Telethon
Marlboro
Country Store
Stokely-Van Camp
Hitch Your Wagon to a Star

1976
Consolidated Cigar
Miss Muriel Election Sweepstakes
7-Eleven/Muscular Dystrophy Assn.
Let Jerry Keep the Change for his Kids
Post Cereals
Box Tops for Fun 'n Fitness

1977
Cessna Aircraft
Discovery Flight
Thom McAn Shoe
Pitch, Hit & Run

1978
Waterford Crystal
The Incredible Waterford Contest Book
Helene Curtis
Grease
American Express
Winning Menu Sweepstakes

1979
United Airlines
Half-fare Coupons
Ford Parts & Service
Service 79 Sweepstakes
Jaguar Rover Triumph
MG Drive a Classic/Win a Classic Sweepstakes
Johnnie Walker Red
Hot Line Contest

1980
Cracker Jack
Instant Winner Super Toy Surprise

1981
Cap'n Crunch
Find LaFoote Sweepstakes
American Airlines
AAdvantage Club
Maxwell House
Lucky Cup Sweepstakes

1982
Brown & Williamson
Kool Jazz Festival
ABC-TV
Daytime Dilemma
MCI Telecommunications
Free Holiday Call

1983
G. D. Searle
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Toro
If It Doesn't Snow We'll Return Your Dough
Apple Computer
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Wheaties
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1984
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Package

(Continued from Page 24)

equipped with scanner data," Mr. Jeans says.

Chesebrough-Pond's also attempts to generate excitement by tying promotions into theme events. For example, Ragu brand sponsors an Italian Festival each fall that gives retailers an opportunity to group promotions on olives, spaghetti noodles, olive oil, meats and vegetables, he says.

"We try to approach the chains with a powerful idea from a leading brand in its category backed by a good level of trade support," Mr. Jeans says.

Chesebrough-Pond's also gathers and interprets data about incremental sales and profits from trade promotion to guide strategic thinking, he says.

stocking up on a two-months' supply of the condiment.

Neither store generated incremental volume or profits from the promotion.

In the second year, the manufacturer changed promotion strategy, offering a 28% discount per case only for retailers offering the product with specific monitored retail performance.

> ***While retailers have tremendous amounts of data, many lack the money, desire, manpower or commitment to analyze it.***

Retailer A participated, selling nearly 300 extra cases of product during the four-week promotion, generating increased profits of about $800.

Retailer B ignored the promotion, losing incremental volume of 480 cases and incremental profit of $1,234, SPAR calculates.

The example shows that while retailers have tremendous amounts of data, many lack the money, desire, manpower or commitment to analyze it, Mr. Brown says. But manufacturers have the ability to analyze promotions across a range of products and generate good programs based on what will generate incremental sales and profits for themselves and retailers, he says.

"The results are extremely effective because they allow and force both partners in the channel of distribution to focus on selling product and not trying to gain at the expense of one another," Mr. Brown says.

SPAR also is testing a new program, in cooperation with several retail chains, called "Team Marketing," which guarantees retailer performance verified through retail audits. Mr. Brown says the approach may be the answer to the prisoner's dilemma in trade promotion by fostering cooperation in selling more product and channeling the huge annual investment in trade promotions into productive use. —*R.E.*

"There's a lot less intuitive gut feel in trade promotion and a lot more trying to measure what you get for your promotional dollars," Mr. Jeans says.

The growing tendency to focus on local market conditions is a dramatic change from trade promotion strategies of recent years, says Michael Hartnett, manager of business analysis for Bristol-Myers Co., New York.

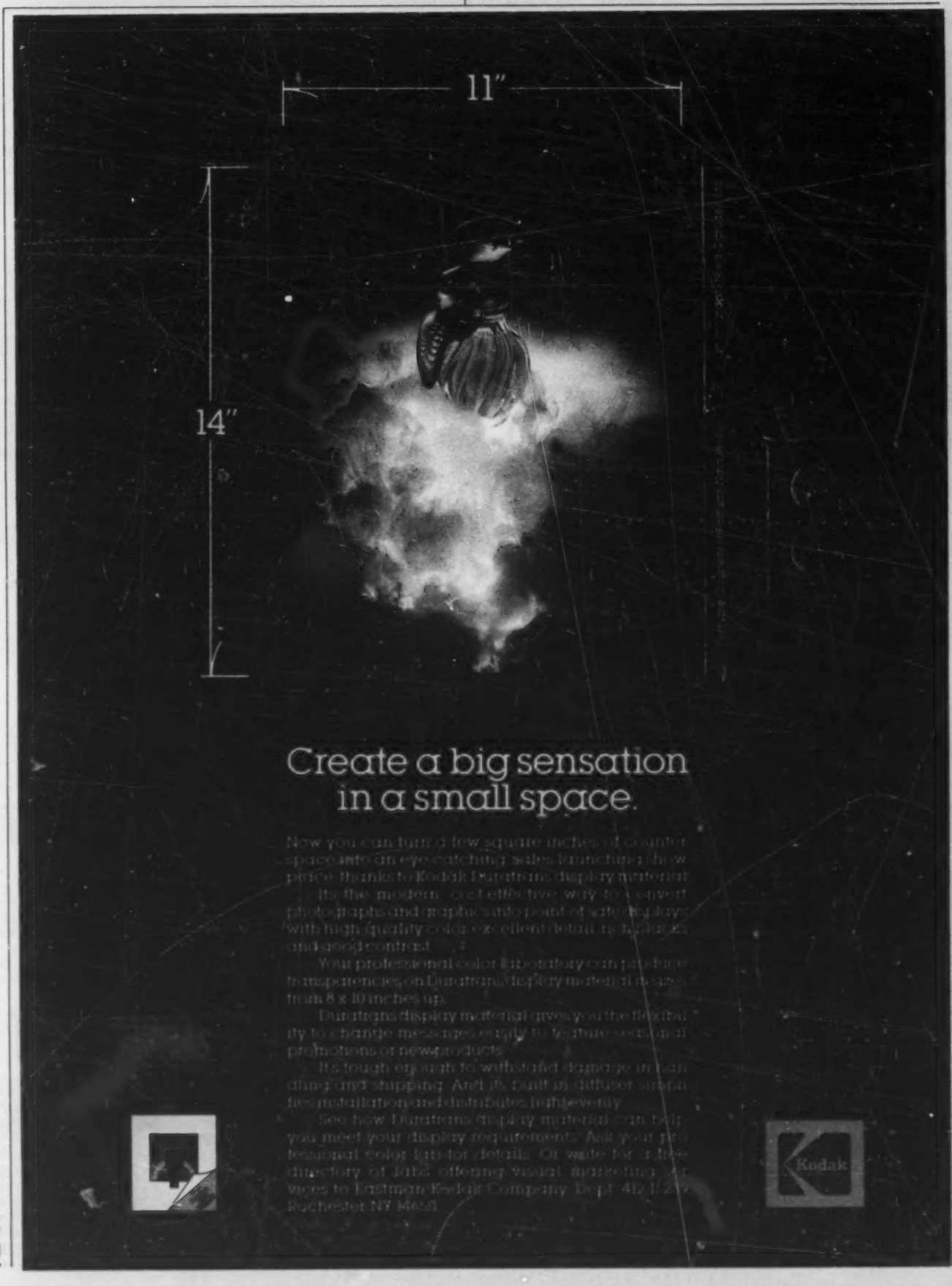
"The 'global marketing' concept has really turned 180 degrees over the past few years. There's a lot more local marketing going on today," he says.

One reason is scanner data, which has given retailers a better picture of buying patterns. For example, a retailer in a market with a high percentage of elderly residents might promote Bufferin as a headache remedy for primary users and as a product to treat the pain of arthritis for secondary users.

"The retailers really know their stores and we can learn a lot on how to market in the neighborhoods," he says. "With scanner data, all of a sudden, local marketing becomes doable."

Successful trade promotion isn't easy, but the key to making it work is that "everybody wins," says Pepe Charles, product manager-new products for S.C. Johnson & Son, Racine, Wis.

"It all comes back to the fact that you've got to put dollars in everybody's pocket, the consumer, the trade, your sales force and eventually yourself through increased profits."



Category, regional rivals determine strategy

By Richard Edel

Feature ad support, product positioning and brand share all influence trade promotion spending for branded products. But the nature of competition in each category and region ultimately determines the promotional strategy.

In categories with a single dominant brand, the top spot spends a smaller percentage of advertising dollars than secondary brands for retail ad support to keep the lion's share of consumer purchases, says Bob Schmitz, vp-research for Majers Corp., Omaha, Neb.

In categories with two brand leaders, called "brand confrontation categories," the link between market share and retail ad support is much closer, with the No. 3 brand having to spend more to get less, he says.

The more personalized the product, the less likely price will be a factor in buying decisions.

Dominant brands get and keep their positions through balanced marketing strategies using coupons, advertising, product development and feature price promotion. Secondary brands tend to lean much more heavily on price promotion, which means any slippage in retail ad support usually precedes a decline in brand share position, Mr. Schmitz says.

How do manufacturers get themselves into dominant or secondary positions?

"It's a chicken and egg proposition," Mr. Schmitz says.

Several factors can affect jockeying for position in each category, marketers say. One factor is brand differentiation. Coffee, for example, comes in a variety of grinds and flavors that build brand loyalty on taste.

Another factor is how much a person identifies with a product, such as a particular shade of lipstick or eye shadow. The more personalized the product, the less likely price will be a factor in buying decisions.

A third factor is substitutability. To a large degree, snack foods, soft drinks, paper towels, cookies and other products are easily substituted for one another depending on the degree of brand loyalty.

The factors that cause consumers to choose one product over another have predictable effects on the nature of promotion in all product categories, marketers say. But the effect also varies greatly by region, which is a fourth and sometimes critically important factor in promotional strategy.

How these factors affect retail promotion in the salty snack category, for example, is complicated because the category has a single dominant national brand: Fritos corn chips from the Dallas-based Frito-Lay division of PepsiCo.

Potato chips, however, are brand confrontational by region. Frito-Lay competes against Borden's Atlanta-based Wise Foods division in one market, Borden's Guy's Foods division, Liberty, Mo., in another, and a host of other regional companies.

Frito-Lay uses a balanced marketing attack in both categories, never discounting as deeply as the regionals, but remaining flexible, says James Hines, marketing director for Frito-Lay.

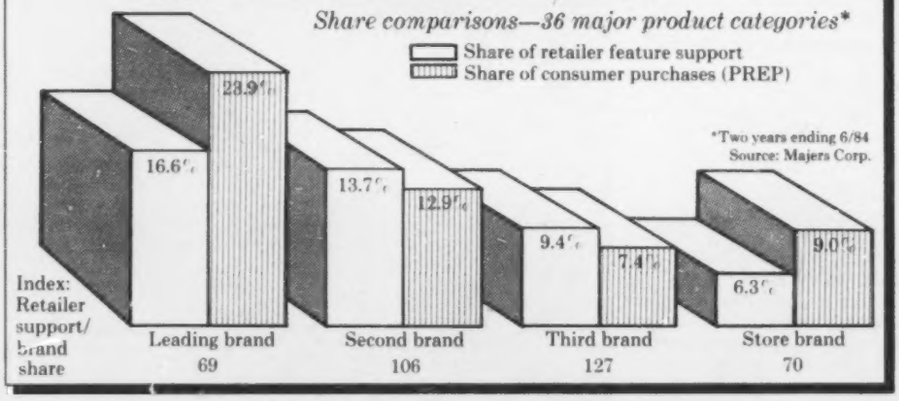
"What we would like to feel is that we use the strength of our branded franchise to offset more [trade promotion] spending by the regionals," Mr. Hines says. This places retailers in a position of using scanner data to evaluate full-price volume generated by a top brand against the lure of incremental volume and profits to be gained from discounts by regionals.

Frito-Lay also focuses on building its brand franchise through advertising and product development. This tends to differentiate the brand through development of new flavors and packaging. For example, Frito-Lay recently introduced new flavors in its O'Grady's, Fritos and Doritos lines.

Frito-Lay is reacting to growing retailer influence over promotional strategies by adopting a teamwork approach to building sales and profits, Mr. Hines says. It uses the clout of its 9,400-member direct sales force to conduct studies on floor space allocation, point-of-purchase materials, shelf set-

Relationship of retailer ad support to share of consumer purchases

*Share comparisons—36 major product categories**



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tings, promotional frequency and salty snack strategies.

Retailers welcome this advice, and they are keenly aware of changes that improve profits, he says.

The trend toward increasing use of price promotion by secondary brands in the product category, however, is well documented.

Competitors' marketing strategies usually involve creating "me-too" products and buying market share through price promotion, Majers Corp.'s Mr. Schmitz says.

This trend concerns Frito-Lay, but isn't stopping it from pushing ahead with its own brand objectives, Mr. Schmitz says.

"Any time one element of the marketing mix tends to grow [out of proportion], you have to take a look and make sure you've got the right dynamics," the Majers Corp. executive says. "But we prefer to do what's best for our brands."

Big regional snack makers, who have more to lose, are worried.

"Generally, more manufacturers have gone heavily into price promotion of one kind or another," says a spokesman for Jay's Foods in Chicago.

"Couponing is getting bigger all the time. It's unbelievable," he says.

Fortunately, many snack products have limited shelf life, which prevents retailers from stocking warehouses on promotions. This forces producers into promoting on a program.

"You have to budget properly, or you're all through promoting by June," the Jay's spokesman says.

Another brand confrontation category is the $1 billion market for yogurt where Dannon, Yoplait and Kellogg Co.'s Whitney's are the top three brands with 24% share, 19% and 10%, respectively.

Because the category is differentiated and tends to be personalized, price promotion has a minor effect on top brands.

But price promotion among regional and private-label brands is red hot, which could be a dangerous trend for retailers, says Dick Greenberg, director-marketing at Dannon Co., Long Island City, N.Y.

With yogurt's characteristics —light, healthful, ready to eat— there is a big opportunity to expand market penetration with new products and packaging, advertising and consumer promotion.

The worst approach is to focus on trade deals, Mr. Greenberg says.

"The grocery trade may be making a big mistake by promoting these sundry brands. They severely cannibalize the trade's own private-label brands," he says. "What we're taking strong steps to prevent is letting yogurt take a loss-leader posture."

Spokesmen for Yoplait and Whitney's agree there is plenty of room to grow, but each brand has to decide whether growth will result in the long-term from building brand franchise or from the short-term strategy of price promotion.

Phone offers action at push of button

By Eileen Norris

The come-on is hard to pass up—great new books at a fraction of the cost. But after a while, even that pales.

Then comes the sweepstakes and the excitement is back. Just call a toll-free telephone number, listen to the computer's instructions and use the Touch-Tone phone to punch out an identifying account number.

Then the unexpected: A computer voice pitches a hot new novel. Push button 1 to order, button 2 to decline.

Gotcha. Another book sold.

It's neat and gimmicky and instantly gratifying, says Jim Hertel, vp-marketing at San Francisco-based Dial Info, an interactive telephone/computer developer of telepromotions. He thinks it's a winner. So will an unidentified book publisher planning to use it sometime this year, he says.

"That's why people use the telephone—instant gratification," Mr. Hertel says. "But to us the phone is also a computer that can do many of the futuristic things, like at-home shopping and banking, that have been talked about for years."

Mr. Hertel estimates that about 60% of the public has at least one Touch-Tone phone at home, and Dial Info's research indicates about 85% of the public has access to a Touch-Tone phone—either at home or at work.

That statistic has built a fast track for a company that started out quietly in 1984 providing stock quotations and other market data through an interactive computer system capable of responding to each caller's stock needs.

Later that year, Dial Info added the Jeanne Dixon horoscope service, which asks for the day, month and year of birth and then provides a reading from a computer that holds 36,500 different horoscopes each

(Continued from Page 29)

Eileen Norris is a frequent contributor to Special Report.

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Jostling for attention

(Continued from Page 14)
are turning to sweepstakes and other promotions to stimulate the sluggish personal computer market, for example.

"The key is that marketers are beginning to realize the need for value-added promotions to build brand loyalty and identification, rather than just sales volume," says Jeffrey McElnea, president of Einson-Freeman in Paramus, N.J.

"Trade promotions have always been kind of value-subtracted things," the past president of the Council of Sales Promotion Agencies says.

Einson-Freeman has about 60 employes in four offices, including Chicago, San Francisco and Boston, and gross revenues of more than $20 million, according to Mr. McElnea.

"Sales promotion agencies are being called to the table more and more for strategic planning and are being called upon to develop promotions that last for one or more years, rather than one or two months."

The long-running Pepsi Challenge promotion is the example that several promotion executives point to when they discuss the value of long-term promotion.

"It was just a glorified sampling program, but it ran for nearly eight years and it became the nucleus of Pepsi's assault on Coke. It really shook up the competition," Mr. McElnea says.

Airline frequent flier campaigns are another example of long-term continuity-building promotions, and Mr. McElnea says consumers can expect more such programs applied to more services.

> ***"Marketers are beginning to realize the need for value-added promotions to build brand loyalty and identification . . . ."***
>
> **Jeffrey McElnea, Einson-Freeman**

Long-term consumer promotions have another strategic value, says Allyn Miller, president of Flair Communications, Chicago, generally believed to be the largest independent sales promotion agency with more than 140 employes in offices in Chicago, Detroit, Los Angeles, New York and San Francisco.

"Companies who can't compete with advertising dollars may be able to compete in some areas with promotion spending. Stroh's beer, for example, can't possibly compete with the advertising spending of Anheuser-Busch on television, but it can compete in sales promotion with a good creative campaign," Mr. Miller says.

"And marketers are beginning to realize that sales promotion can have that kind of effectiveness if it runs over a longer term," he says.

Flair is managing merchandising and collateral support for the "Stroh's is spoken here" advertising campaign created by Marschalk Co., Detroit. Specialty point-of-sale material will target black and Hispanic consumers as well as a general audience.

Marketers are beginning to realize the flexibility of sales promotion, Mr. Miller says.

For example, Beatrice Cos., based in Chicago, ordered 124 versions of a food products promotion to meet regional variations in sales and product identification.

"Consumer promotion is continuing to grow both in dollars and sophistication, and we see consumer promotion growing to 70% of the total dollars spent on sales promotion" by 1990, Mr. Miller says.

"As sales promotion agencies get more sophisticated and as consumer education grows, consumer promotions will get more sophisticated and the field can't help but grow."

Associate editor Len Strazewski coordinated this report on Sales Promotion.

Coming

Next week Advertising Age's Special Report will focus on **Test Marketing.**

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MediaWorks

SHOOTS

Introducing Shoots, a weekly listing of recently produced commercials, listing the products, agencies and production houses. Tv Anails returns next week.

WonderWhims, an upcoming line of fantasy dolls from Panosh Place, Cherry Hill, N.J., has completed a 60-second spot and two 30-second "lifts," via agency Towne, Silverstein & Rotter and production house Griner/Cuesta & Associates, both New York. The spots feature illusionist Doug Henning and wife, Debby (who created the line), plus live-action shots of baby animals, from goats to birds.

The spot will open with the birth of a butterfly—the most time-consuming element of the 11-day shoot. Senior copywriter: Valerie Nadler; director: Michael Schrom, Griner/Cuesta.

Fibber, a new board game due from Maruca Industries, Passaic, N.J., via agency Opus Group, Ridgewood, N.J., and production shop Corona Color, New York, will be promoted in a 30-second spot. It will depict family members playing the game and finding their noses growing in Pinocchio fashion each time they fib. A $2.5 million spot tv effort begins April 1. Creative director-copywriter: Joe Grasso, president, Opus Group; producer and director: George Corti and Yael Woll, Corona Color.

Magician Doug Henning and wife, Debby

Close-Up lip balm, a new product from Lever Bros., has finished a 15-second spot via J. Walter Thompson USA and George M. Cochran Film Productions, all New York. Borrowing somewhat from the Close-Up toothpaste commercials, the lip balm 15 shows a young couple kissing. Senior creative director: Mimi Emilita, JWT; producer: Michael LaGattuta, JWT; director: George Cochran. ■

ON THE DIAL

"Rock Connections" is a new 15-week series from CBS Radio, New York, that gives a contemporary perspective of album rock's first 20 years, starting in 1966. The one-hour weekly show, designed for 25-to-34-year-olds, bows over the May 24 to 26 weekend with Mike Harrison, disc jockey and president of Goodphone Communications as the host. Commercial avails and clearances now are being arranged.

"James Bacon in Hollywood" is the first program from All Star Radio Network, Los Angeles, a new network started by Rhonda Kramer and Kenny Green, owners of LA Network. The five-hour, daily interview/talk show, hosted by longtime columnist James Bacon, features celebrity guests from the tv, film and rock music worlds. Advertisers include Jeffrey Martin Inc. Clearances are now under way, with the show aiming for a Feb. 17 start.

"Star Trak Profiles," a one-hour show airing over the Westwood One Radio Networks, Culver City, Cal., will feature an exclusive interview with singer/actress/comedienne Bette Midler during the week of Feb. 17. Also featured during the show is a full catalog of Ms. Midler's recordings. Cleared by more than 200 stations, the show includes Dodge among its sponsors.

Bert Kleinman and Bette Midler

"Don Criqui on Sports" is a new 90-second weekday feature by NBC Radio Network. Broadcast live Monday through Friday at 4:30 p.m. (ET), Mr. Criqui discusses events in the sports field. Sponsors include Sears, Roebuck and State Farm Insurance, with station clearances just starting.

"The Best of Tellin' It Like It Was" is a special 20-part series airing on Westwood One Radio Networks through February to commemorate national Black History Month. Now being cleared, the show includes Hormel chili and Wendy's among its advertisers.

"Album Party," a one-hour, call-in show by NBC Radio Entertainment that offers listeners the opportunity to speak with their favorite stars via a toll-free number, will feature Paul Rodgers and Jimmy Page of The Firm on Feb. 13. Advertisers include Levi's 501 jeans and Agree shampoo. Now being cleared, the show's ad closing is Feb. 13. ■

NEWSSTAND

A listing of scheduled print advertising opportunities, such as special issues and special advertising sections.

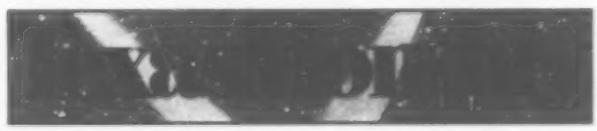
50 Plus, New York, April travel issue; ad close: Feb. 14. B&w page: $9,970; color page: $13,575.

New Woman, New York, summer beauty sampler, May issue; ad close: Feb. 26. B&w page: $11,900; color page: $15,870.

USA Today, Rosslyn, Va., European travel special bonus section, March 17 issue; ad close: Feb. 28. B&w page: $33,314; color page: $41,642. Real estate special bonus section, March 24 issue; ad close: March 7.

Ms., New York, "The beauty of health," May issue; ad close: Feb. 28. B&w page: $8,600; color page: $11,560.

Texas Monthly, Austin, Tex., "Saving face: A man's guide to skincare and good scents," May issue; ad close: March 5. B&w page: $8,050; color page: $12,340.



Beverage Industry, Cleveland, special 13th issue commemorating Coca-Cola Co.'s centennial, May issue; ad close: March 28. Tabloid b&w page: $3,760; color page: $4,900.

People, New York, "Dads' and [illegible]' gift guide," June 2 issue; ad [illegible]: March 31. Quarter-page units: $22,100; half-page units: $44,200.

New York, New York, summer fitness special advertising section, May 12 issue; ad close: April 14. B&w page: $11,810; color page: $18,600.

Better Homes & Gardens, Des Moines, "Personal Style '86" special section on furnishings, in 1.1 million-circulation high-income "Super Spot" edition, October issue; ad close: July 15. B&w page: $20,475; color page: $26,825.

Closing next week: The Atlantic, New York, summer travel planner, April issue, Feb. 10 . . .**Forbes**, New York, the Netherlands special advertising supplement, April 7 issue, Feb. 10 . . .**New York**, New York, "Voyages," special travel advertising section, March 10 issue, Feb. 10. . .**Signature**, New York, 1986 Caribbean forecast special advertising section, April issue, Feb. 10. . .**Diario Las Americas**, Miami, Carnaval Miami special section, Feb. 22 issue, Feb. 10 (space), Feb. 14 (materials) . . .**USA Today**, Rosslyn, Va., personal-finance, special bonus section, March 3 issue, Feb. 14. ■

MediaWorks also appears in Monday editions of Advertising Age.

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	1/30	1/23	1/16
DOMINANT WINNERS				
1. "Super Bowl XX" (NBC)		53	DNA	DNA
2. "The Cosby Show" (NBC)		29	25	33
3. "Family Ties" (NBC)		25	21	27
4. "Super Bowl XX Post Game" (NBC)		20	DNA	DNA
5. "Golden Girls" (NBC)		19	21	16
6. "227" (NBC)		16	17	13
7. "Dallas" (CBS)		14	14	12
8. "Highway to Heaven" (NBC)		11	DNA	6
9. "Dynasty" (ABC)		11	14	5
GOOD WINNERS				
10. "Miami Vice" (NBC)		9	5	6
11. "Cheers" (NBC)		9	4	10
12. "Who's the Boss?" (ABC)		9	6	1
13. "Growing Pains" (ABC)		8	4	0
14. "Night Court" (NBC)		6	1	7
15. "Bob Hope's All-Star Super Bowl Party" (NBC)		6	DNA	DNA
BORDERLINE WINNERS				
16. "Remington Steele" (NBC)		4	-9	1
17. "Hotel" (ABC)		4	10	6
18. "Knots Landing" (CBS)		4	6	7
19. "Moonlighting" (ABC)		3	7	-5
20. "American Music Awards" (ABC)		3	DNA	DNA
21. "Cagney & Lacey" (CBS)		1	2	8
22. "NBC Sunday Movie: The Last Precinct" (NBC)		1	9	-21
23. "Webster" (ABC)		1	-5	9

BEHIND THE SHARES

Bad timing for '60 Minutes'

CBS pushed **"60 Minutes"** up to a 9 p.m. (ET) berth to avert a bruising by NBC's **"Super Bowl XX"** broadcast. But the gamble didn't pay off. The show was crushed by 20 share points by the postgame show. Then NBC's heavily promoted **"The Last Precinct"** continued the humiliation by scoring a 6-share win over the CBS stalwart, the first defeat for "60 Minutes" this year. The Super Bowl was a headache for both ABC and CBS, but it was CBS that needed the strongest aspirin. NBC held the game's carryover audience so firmly that even CBS' usually reliable **"Murder, She Wrote"** was aced. On Saturday, NBC successfully fanned the Bowl hysteria with **"Bob Hope's All-Star Super Bowl Party,"** a clinker that shot down **"Airwolf"** and ABC's new **"Redd Foxx Show."** The most notable victories of the week: **"Golden Girls"** and **"227."** Both shows won by enormous margins over the **"CBS Reports"** special on the black family and ABC's **"Lady Blue."** Over all, NBC had a rousing week. Its solid shows kept building—**"Miami Vice"** got one of its largest victories of the season—while newcomers got good audience sampling. **"Disney's Living Seas,"** a one-time-only replacement for **"Misfits of Science,"** squeezed out a 1-share-point win over its competition. **"Remington Steele"** landed temporarily in **"Hunters's"** slot and picked up that show's audience. (Steele's normal Tuesday slot will be donated to **"American Almanac"** on March 4.) ABC had a good week despite NBC strength. The network took Monday with **"The American Music Awards,"** then went on to nearly sweep Tuesday and Wednesday. ■

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February 13, 1986

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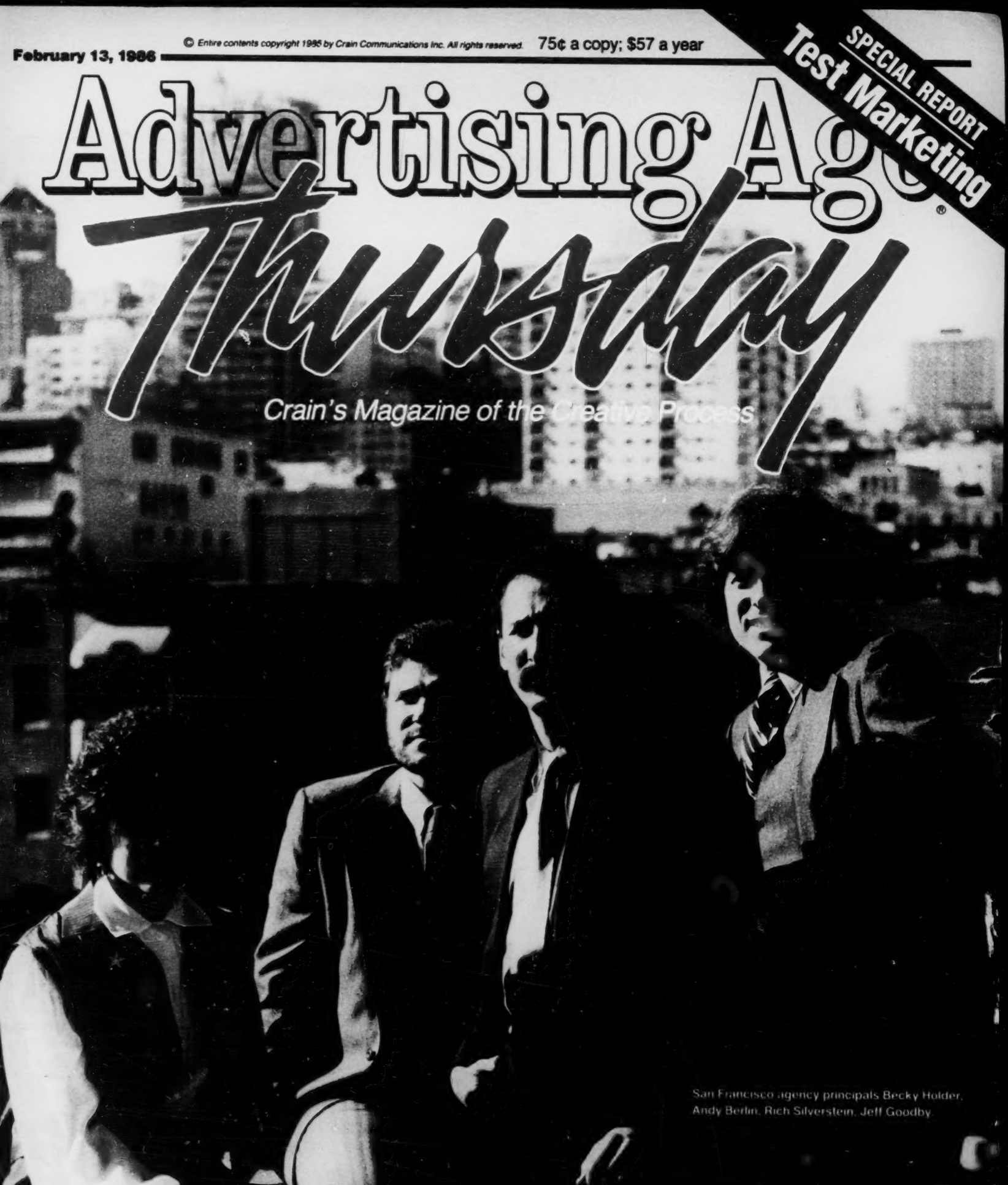
SPECIAL REPORT
Test Marketing

Advertising Age

Thursday

Crain's Magazine of the Creative Process



San Francisco agency principals Becky Holder, Andy Berlin, Rich Silverstein, Jeff Goodby

GOODBY, BERLIN & SILVERSTEIN

Creating an 'environment for magic'

CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
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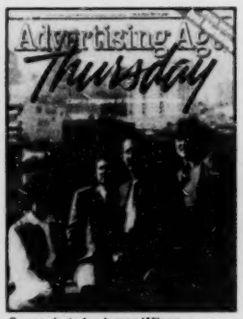
WASHINGTON DC 20014

Thursday

Hello, Goodby

The principals in Goodby, Berlin & Silverstein never met the late, legendary Howard Gossage, but the influence of the maverick San Francisco adman lingers on. For a recent pitch to Honda, GB&S stole a page from the master's book. They spruced up their simple offices in a former seed and plant warehouse with a rented $3,000 hallway carpet and marble tables. They mocked up empty rooms to look like offices and brought in friends to sit at desks and telephone each other. They spent more for flowers than they spend for a secretary's annual salary. What worked for Gossage, however, failed these young disciples. The Japanese didn't buy GB&S, but GB&S did learn a lesson: Be yourself. *See Page 4.*



Cover photo by James Wilson

Wexler cool to ad medium

Haskell Wexler, the celebrated feature film director of photography, spends one-third of his professional life filming 30-second and 60-second spots that fuel American consumerism, yet he holds the advertising industry, and business in general, in contempt. "There is an assumption in the world of advertising that if someone is willing to pay money, it's publicizable." *See Page 10.*

Special Report—Test-Marketing

Test-marketing has entered the world of high-tech, but it still lacks one system that can provide all the information marketers need, quickly and accurately. To try to answer the question "Will the product sell?" marketers are relying on their own research, experience and instincts, calling on test-market specialists for services and data specific to the marketers' businesses, and creating their own databases and markets. Starting on *Page 11.*

Presstime

MCI disconnects Ally

WASHINGTON—MCI Communications Corp. has dismissed longtime agency Ally & Gargano and has awarded its entire $40 million long-distance ad business to D'Arcy Masius Benton & Bowles. A&G this week let go about 20 employes, including several staffers who worked on MCI, but agency chairman Amil Gargano said the layoffs were "not directly related" to the MCI account loss. The MCI action is the latest in a series of blue-chip account losses for the agency. A&G, MCI's lead shop since 1979, has handled its consumer ads; DMB&B previously only handled MCI ads aimed at business customers (AA, Feb. 6).

Scali buys FMR

NEW YORK—Ogilvy Group's Scali, McCabe, Sloves unit has acquired for $6.25 million a "majority interest" in Fallon McElligott Rice, Minneapolis. FMR becomes an independent subsidiary of Scali, which billed an estimated $400 million in 1985. FMR's name won't change; Pat Fallon will remain president and Tom McElligott vp-creative director at the agency, which had '85 billings of $80 million. Ogilvy earlier made its San Francisco office, like FMR a strong creative shop, an independent unit named Hal Riney & Partners.

Warwick gets cooler

BROOKLYN, N.Y.—Joseph Victori Wines has assigned its $10 million Calvin Cooler account to Warwick Advertising, New York, from SBA, an affiliate of Shapiro, Bartolone, Budrow.

Cap Cities denies layoffs

NEW YORK—Capital Cities/ABC denies it is planning to lay off 1,250 to 2,000 employes Feb. 14 in the legal, entertainment and publicity departments as part of a companywide austerity move. "The Valentine's Day Massacre," as insiders are calling the reported move, could affect employes who have been with the company less than 10 years and are therefore ineligible for the ABC pension plan. Spokesmen said there will be gradual attrition of employes in various departments.

Fotomat picks Bohbot

NEW YORK—Fotomat Corp., St. Petersburg, Fla., has named Bohbot & Cohn here as agency of record for its $3.5 million in tv and radio buying, succeeding Botway/Libov. Bohbot & Cohn also has been named broadcast and print agency of record on Pressman Toy Corp.'s $4 million board and videocassette games account. Cohen & Marino, the previous agency, retains creative responsibilities for various Pressman games.

Polaroid unveils 7000

LAS VEGAS—Polaroid Corp., Cambridge, Mass., today will introduce its long-awaited 7000 instant photography system here at the Photo Marketing Assn. International convention. BBDO handles.

BBDO profits up 20%

NEW YORK—BBDO International reports fourth-quarter net income of $9 million, a gain of *(Continued on Page 43)*

Street Talk

If more major sports events are opened to sponsorships, a la a "Budweiser Super Bowl" (AA, Feb. 3 *et seq.*), would the potential marketing benefits be worth the probable cost?

Patrick Iorio, vp-manager of media operations, Geers Gross Advertising: "Full sponsorship provides benefits like high visibility and impact. It's very important for dealer merchandising. The only obstacle to full sponsorship is out-of-pocket. Many advertisers' entire budgets would be spent in one such event. Most advertisers don't want or need full sponsorship because there are so many sports events to pick and choose from today. Besides, do you remember who the major sponsor was in the Super Bowl or the World Series?"

P. IORIO

M. WHITE

Mike White, senior vp-director of media resources, Needham Harper Worldwide, Chicago: "There would have to be a fair amount of research on whether there would be a benefit. Is the 'Budweiser Super Bowl' something that's a positive for viewers or would it irritate or offend people? It might be a problem if the public feels its event has been usurped by a brand. I wouldn't want Mattel to own Christmas."

Thomas Winner, senior vp-director of broadcast media operations, William Esty Co., New York: "Getting a client's name on the event generates some value but you can also use it for internal merchandising, entertaining and setting up some type of dealer sales incentive promotions. There's just a lot of things a client could do as a corporate sponsor. They get the association, which is a plus, and can use it for internal reasons, whatever they may be. If the benefit is more than cost then it's an excellent deal."

T. WINNER

P. McKEON

Patrick McKeon, senior vp-director of media, Bozell, Jacobs, Kenyon & Eckhardt, Chicago: "Yes and no. If you're Budweiser and in a tough marketing battle, such sponsorships are worth it. You also need to be large enough to have the additional money to use elsewhere—for point-of-sale, sweepstakes, dealer incentives and such. But if you're the average advertiser, there's no way for the costs to be paid back in pure exposure."

John Meskil, exec vp-media and administration, Warwick Advertising, New York: "What you ask is do you buy it for merchandising or media benefits? Essentially, we buy it for media benefits. In some instances it's worth it if it's part of your major advertising thrust. In a sense, it's not a media buy but a marketing buy. You can't expect to buy [the event] most efficiently. [But] the main thing you're looking for today is impact so [this would allow the advertiser] to go for less reach but more impact against the target."

J. MESKIL

ADVERTISING AGE *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE *Thursday*, 220 E. 42nd St., New York 10017.

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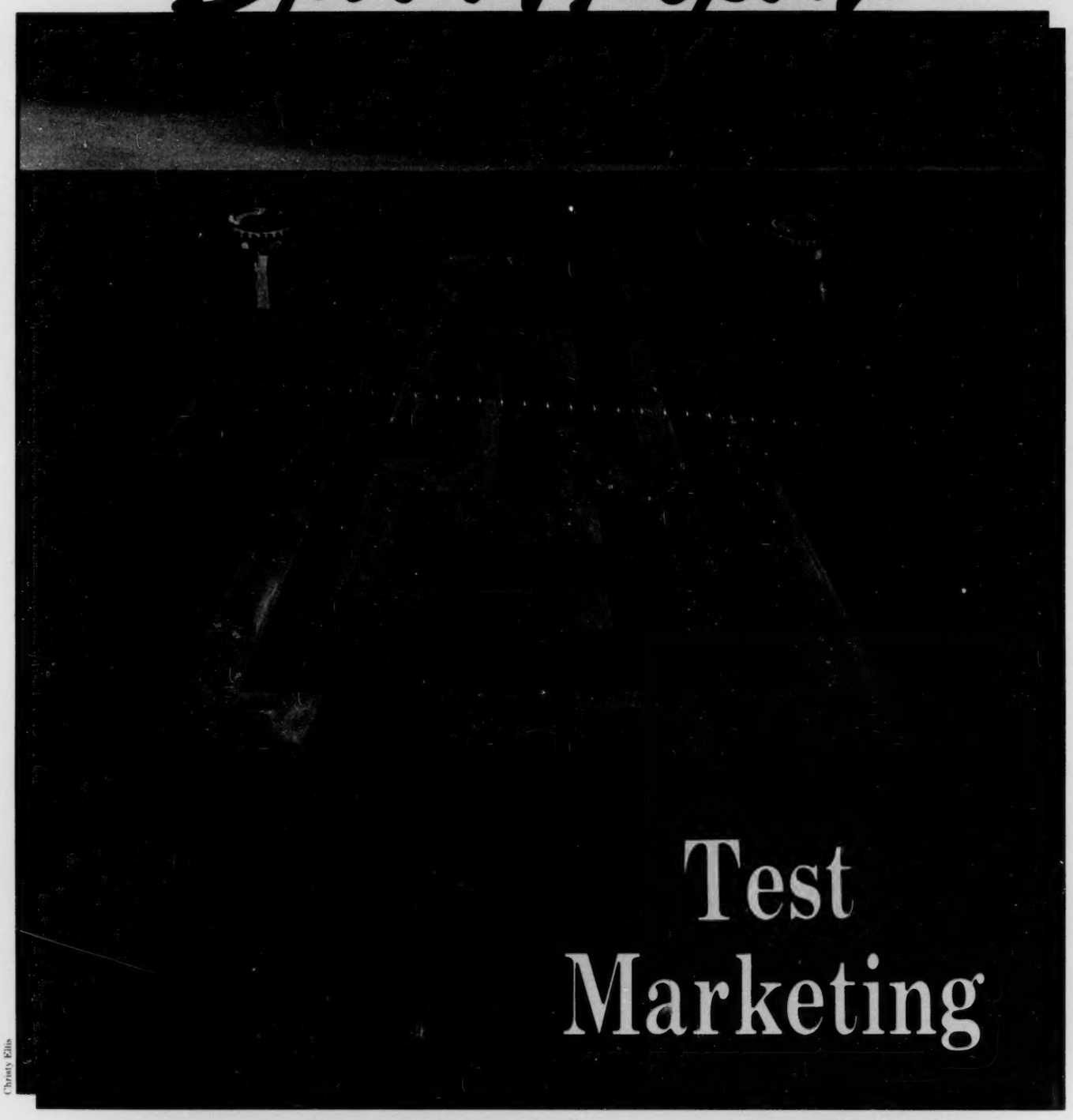
Special Report



Christy Ellis

Traveling through a maze of choices

By Julie Franz

Every time a consumer goods company decides to market a new product, it enters a maze of options.

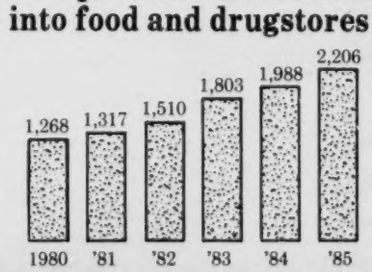
Should the item be test marketed or rolled out immediately? Is in-market, electronic or simulated testing the way to go? Which method will provide the best gauge of success—without sacrificing valuable time?

Despite the arrival of increasingly sophisticated testing methods promising to make those decisions easier, marketers remain frustrated. No one system can provide all the information they need, quickly and accurately, let alone answer the ultimate question: Will the product sell?

Despite all the promises, despite all the available data, not even state-of-the-art market research has been able to completely answer this question.

So although test marketing methods often help spot big winners and losers, many marketers have decided to skip the testing process and rely on their own research, experience and instincts to predict product success. Marketers also are asking test-market specialists for services and data that are more specific to their businesses—and if that proves unavailable, creating databases and markets of their own.

New products introduced into food and drugstores



Source: Dancer Fitzgerald Sample, "New Product News"

The failure rate of new products remains high, says Dick Lukey, associate research director-new product procedures for Leo Burnett USA, Chicago. Five of every ten products tested using simulated test markets are killed, he says. Of the products that make it into national distribution, 70% either are pulled off shelves or never reach their estimated sales potential.

This could be the result of a lack of innovation among new products, he says; most new products today take the form of line or flavor extensions of established brand names. Dancer Fitzgerald Sample's "New Product News" reports that although 2,206 new products were in-

(Continued on Page 31)

Picking panel members to pass judgment

By Julie Liesse Erickson

New products do not just show up on the shelves of your supermarket. Manufacturers need to know what consumers think of their creations. And soon many of you will have a say in which products make it and which don't."

Sounds irresistible—the chance to sound off to consumer product marketers.

"You will get a unique opportunity to . . . make sure manufacturers make those correct decisions and therefore hold down the cost of consumer products that will be entering the market."

Great—a chance to save money, too.

Your town has been selected because of its "all-American characteristics—it's a good barometer of consumer likes and dislikes.

"And it all starts in Boise."

This is part of the tv spot that introduced the citizens of Boise, Ida., to ViewScan, the grocery-scanning test marketing service of Burke Marketing Services. In July, Boise became the system's newest market, as 2,500 households joined 17,500 others in seven other cities as regular ViewScan panelists.

Every year, thousands of households around the U.S. get a chance to speak to product marketers through test marketing services such as ViewScan. In doing so, they act as spokesmen for the millions of Americans who also shop for and purchase groceries.

Burke Marketing Services introduces its ViewScan grocery-scanning test marketing service to the residents of Boise, Ida.

They also are making life-and-death decisions for the new consumer products being tested in their supermarkets and on their cable tv systems.

But who are these consumers?

Although each of the three leading test marketing companies, Burke, Information Resources Inc. and A.C. Nielsen Co., has its own system, recruitment techniques for Burke and IRI are almost identical.

Shoppers are approached in participating grocery stores and drugstores and given a brief description of the scanning service. If interested in becoming panel members, shopppers fill out applications.

The only absolute requirement of panel membership, usually, is being hooked up to the local cable tv system. The test marketing companies say they try for a sample of households with demographics that match those of the nation as a whole.

Panelists receive an ID card resembling a credit card. Their only obligation is to show the card to checkers as they pay for groceries, so their purchases can be identified and entered into the store's computer.

If they shop in a store that does not participate in the scanning system, panelists are asked to record those purchases in a written diary, using Universal Product Code numbers.

ViewScan entered the Boise market with a bang, says Reg Rhodes, president of the Cincinnati-based company. Before in-store recruitment began, Boise residents were exposed to ViewScan and its history through a press conference to announce the city as "the test market of the future," three weeks of cable tv spots and newspaper ads in the Idaho Statesman. "This was the first time in panel recruiting history that such a major pr effort was undertaken," Mr. Rhodes says. The program was coordinated by Burson-Marstellar, Chicago.

As part of the Boise campaign, Burke donated 25 cents to the local Special Olympics for each resident it interviewed. The total reached about $5,000, Mr. Rhodes says.

ViewScan and IRI's BehaviorScan panelists also receive incentives for regular participation, ranging from monthly prizes to computer printouts of their grocery purchases during the month.

A.C. Nielsen Co.'s Testsight service, which became fully operational in two cities July 1, offers similar incentives, but its recruitment procedures are different, says Larry Gold, vp-marketing for the Deerfield, Ill.-based company. "We call other types of recruitment 'convenience-type sampling,'" he says. "Good testing depends on a good probability sample. We think a convenience sample is not sub-

(Continued on Page 16)

Putting average cities on test marketing map

By Julie Skur Hill

Minneapolis and Buffalo, N.Y., are just a couple of average towns.

They are so average that, demographically speaking, they are among the hottest test markets in the U.S.

Minneapolis is probably the most popular test market, says Ira Weinblatt, senior vp at Dancer Fitzgerald Sample, New York, which every other year compiles the best-known list of top test markets. From 1983 to the third quarter of 1985, Minneapolis served as the laboratory for more than 110 product tests, according to DFS figures. The agency tracks market tests through its monthly publication, "New Product News."

But while Mr. Weinblatt dances to a Twin Cities tune, Barry Sinrod shuffles toward Buffalo. Mr. Sinrod is president of the Sinrod Marketing Group, Hicksville, N.Y., which puts out another frequently consulted ranking of test markets.

"Buffalo continues to be a good market," Mr. Sinrod says. "It's one of our favorites. It seems to be the right size," with a population of about 1 million.

Buffalo also is on the DFS list, which now numbers 42 preferred test markets, out of 200 U.S. Areas of Dominant Influence. Sinrod lists 21 cities.

Twelve cities in addition to Buffalo make both lists: Albany, N.Y.; Chattanooga, Tenn.; Des Moines, Ia.; Evansville, Ind.; Grand Rapids, Mich.; Green Bay, Wis.; Indianapolis; Oklahoma City; Omaha, Neb.; Orlando, Fla.; Peoria, Ill., and Rochester, N.Y.

The DFS standout, Minneapolis, didn't make the Sinrod roster. The beauty of a test market often lies in the eye of the beholder. DFS doesn't see its list as a popularity contest. "Our list is not built on what's hot, what's not," Mr. Weinblatt says.

Markets must meet rigid statistical standards on demographics, media isolation and media costs, no matter how popular a test market it is, he says. So it isn't Minneapolis' popularity as a test market that causes it to make the DFS list. Rather, its superb demographics and media characteristics cause it to be popular.

What makes a good test market? "We look for markets that are demographically close to the average, that reflect the real world," Mr. Weinblatt says.

He says DFS prefers markets with isolated, self-contained media environments. The ideal test market offers local media buys that replicate what the national buys would be, and local media coverage that delivers the

(Continued on Page 16)

Julie Skur Hill is an editorial assistant, writing for various Crain Communications Inc. publications.

New-product laboratories

Dancer Fitzgerald Sample's preferred test markets

Area	% U.S. households	TV households
1. Cleveland	1.64	1,395.1
2. Pittsburgh	1.44	1,299.0
3. Minneapolis-St. Paul	1.36	1,155.9
4. Seattle-Tacoma	1.33	1,133.7
5. St. Louis	1.22	1,041.0
6. Portland, Ore.	0.92	784.4
7. Indianapolis	0.92	782.9
8. Cincinnati	0.84	716.4
9. Kansas City, Mo.	0.82	698.6
10. Milwaukee	0.81	686.3
11. Orlando-Daytona Beach, Fla.	0.79	668.5
12. Nashville, Tenn.	0.76	644.5
13. Charlotte, N.C.	0.76	644.1
14. Columbus, O.	0.74	628.7
15. Buffalo, N.Y.	0.72	615.6
16. Oklahoma City	0.71	604.3
17. Grand Rapids-Kalamazoo-Battle Creek, Mich.	0.66	560.9
18. Salt Lake City	0.65	554.1
19. Louisville, Ky.	0.61	515.2
20. Dayton, O.	0.56	479.8
21. Greensboro-Winston-Salem-High Point, N.C.	0.56	478.6
22. Albany-Schenectady-Troy, N.Y.	0.56	477.1
23. Tulsa, Okla.	0.54	459.2
24. Wichita-Hutchinson, Kan.	0.50	421.8
25. Toledo, O.	0.48	409.3
26. Des Moines, Ia.	0.43	368.8
27. Syracuse, N.Y.	0.43	364.6
28. Green Bay, Wis.	0.42	353.1
29. Roanoke-Lynchburg, Va.	0.41	348.3
30. Springfield-Decatur-Champaign, Ill.	0.41	348.1
31. Rochester, N.Y.	0.41	346.0
32. Omaha, Neb.	0.41	345.5
33. Spokane, Wash.	0.38	326.7
34. Cedar Rapids-Waterloo, Ia.	0.37	316.6
35. Chattanooga, Tenn.	0.34	293.0
36. South Bend-Elkhart, Ind.	0.32	273.7
37. Evansville, Ind.	0.31	261.2
38. Fort Wayne, Ind.	0.27	229.2
39. Peoria, Ill.	0.25	216.7
40. Greenville-Spartanburg-Asheville, N.C.	0.25	216.1
41. Fargo, N.D.	0.25	211.4
42. Erie, Pa.	0.18	150.8

Tv households in thousands Source: Dancer Fitzgerald Sample

Picking panel members

(Continued from Page 12)
ject to statistical analysis."

When Nielsen entered its two Testsight markets—Sioux Falls, S.D., and Springfield, Mo.—in 1985, it used a random sample from the local telephone books to select panelists. If residents responded positively to the first phone call, they received a questionnaire through the mail.

After receiving a questionnaire from a household, Nielsen field representatives would make an appointment for a personal interview to sign up a household as a panel member. The company sought out 4,000 households in each market—about 12% of the Sioux Falls population and about 8% of Springfield—with an eventual 2,500-member size in mind.

But despite all this initial attention, panelists largely are unaware of their power, say the test marketing companies that use them.

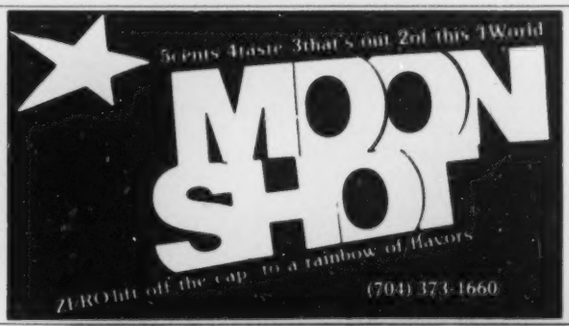
"For the most part, I think it just becomes a habit, a routine," says Jane Michaels, senior manager for Shoppers' Hotline, Chicago-based IRI's panel, which uses about 6,000 households in each of the company's eight test markets. "They're buying what they want, not what they think they should buy."

"What we think happens is that it takes a certain period of time for the panel to settle down, that the novelty of carrying a card, being part of the panel causes some extra attention to shopping habits," Mr. Rhodes says. "After the panel settles down, it falls into a normal routine of showing your card to the cashier. Our research shows the panelist's behavior is not materially affected by his participation on the panel."

But this is not necessarily the case with consumers who use paper diaries to record shopping habits, he says. "Now, with a paper diary, industry execs worried about panelists being much more attuned to prices, more price-sensitive and prone to look for specials than the normal consumer," he says.

Mr. Gold agrees. "When we used paper diaries, consumers became very aware of and sensitive to pricing and product differences. These [Testsight] households are relatively passive," he says, "and that's the way we want them to be."

ViewScan added 2,500 households in Boise, Ida.



Putting cities on map

(Continued from Page 12)
majority of households in the area. It's critical that the market in question have its own media and be free from tv spillover from other ADIs. The penetration of cable tv must be close to the U.S. average.

Finally, Mr. Weinblatt says, "We look for reasonably priced media markets. Markets that are suitable otherwise may be avoided if the media is overpriced."

Sinrod similarly uses demographics to develop its list, but it also considers the number of client requests for a given city and distributor cooperation in proposed markets, Mr. Sinrod says.

The DFS list has a high concentration of markets in the Midwest, while the Sinrod cities are fairly evenly spread across the U.S. Says Mr. Weinblatt of DFS: "It is hard to find [West] Coast markets. A lot are close together, involving large populations. We don't like to commit to markets that large. Demographics are more average in Middle America."

Mr. Sinrod disagrees. "There is no reason to have only the Midwest. There are good markets around the country." He says economic, product and weather considerations all "make it necessary to have markets scattered."

The Sinrod ranking includes two Vermont markets, Burlington and Bennington, that aren't on the DFS list. "Burlington is an up-and-coming market," Mr. Sinrod says.

Markets fall in and out of favor. Two Ohio markets, Toledo and Dayton, made it to the DFS list for the first time last year, while seven markets appearing on the previous list in 1983 didn't make the grade for 1985. Three were dropped for media efficiency problems: Boise, Ida.; Colorado Springs, Colo., and Phoenix, Ariz. Demographic imbalances eliminated four others: Knoxville, Tenn.; Lexington, Ky.; Little Rock, Ark., and Sacramento, Cal.

Peoria, long considered America's favorite guinea pig, was cut from the 1983 DFS list. The town's high cable tv penetration and high unemployment, a result of a strike and hard times at Caterpillar Tractor Co., made Peoria less than typical, Mr. Weinblatt says.

But because Caterpillar's problems have lessened somewhat, and the rest of America has caught up with Peoria's cable concentration, the downstate Illinois city has the distinction of being "average" again—and back among the preferred test markets of both DFS and Sinrod.

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Choices

(Continued from Page 11)
troduced in 1985, an additional 2,670 line extensions—of flavor, color or other characteristics—appeared on grocery store shelves.

Whatever the reason, the failure rate stirs debate among marketers and their ad agencies about the best way to ensure success with a new product.

The frequent loser in that debate is conventional in-market testing, which has battled unsuccessfully against electronic and simulated testing programs. Mr. Lukey says Burnett's client usage of simulated test markets has increased from an average of three a year during the 1970s to an average of 30 annually today.

In a classical test market, a company such as Quaker Oats Co., Chicago, gives a new product to sales staff in four or five markets, where it is sold into grocery stores. Advertising is placed, purchase information is tracked, and the probability of success on a larger scale is projected.

But classical test marketing such as this adds three months or more to the test market process—time that marketers, wor-

Information Resources Inc. estimates it costs $3.1 million to take a product from r&d through the test market process.

ried about the competition's response, don't want to spend.

"People aren't prepared to wait that long anymore, given the pace of new product activity in the market," says John Blair, Quaker vp-marketing research.

In addition, the cost of classical test marketing is substantially greater than that of electronic testing, he says. Electronic testing usually involves only two or three markets, constituting about 1% of the total U.S. population, while an in-market test is done in five or more markets that add up to about 3% to 5% of the nation. Media and sales force utilization costs multiply accordingly.

Information Resources Inc., a leading market researcher, estimates it costs $3.1 million, on the average, to take a product from r&d through the conventional test market process. But Hercules Segalas, an analyst with Drexel Burnham Lambert, New York, says Procter & Gamble spent $15 million developing Duncan Hines ready-to-eat cookies in test market.

In a simulated test market, in contrast, consumers view new product concept boards and ad-

(Continued on Page 32)

Paying for retail shelf space

By Laurie Freeman

Once a new product makes it over the test marketing hurdles, it faces another stumbling block. Rising entry fees, called slotting allowances, add to the cost of placing new products in grocery stores.

Slotting allowances flourish. There are no set rules; each store has its own policy, ranging from discounts on cases of goods to outright dollar payments. Many chains do not demand a slotting allowance, but most marketers now offer one.

"We have a minimum slotting allowance of $500 for each new item accepted," says a Green Bay, Wis.-based buyer. "The larger companies, like Procter & Gamble, refuse to pay it, but they make up for it in other ways. Others, like Church & Dwight, pay us to take their items."

Policies range from discounts on cases of goods to dollar payments.

In other cities, slotting allowances range from $200 to $300, the larger payments being demanded for slow-moving items such as condiments. "The stuff we don't need or want, we make the company pay to get it on the shelves," a Kansas City, Mo.-based buyer says.

But in many ways, slotting allowances present a Catch-22 situation. "We don't want to ever be in the position of having refused an item, then have customers come in with their coupons looking for it. That's the best way to lose customers to the store down the street," a midwestern buyer says.

For a marketer, not even big slotting allowances guarantee product placement. "We've turned down items with allowances because we don't think they'll sell," the Kansas City buyer says.

The (ME) test

- What mini-test market matches mainstream America demographics plus or minus 5%?
- What test market has the unique location that offers confidentiality and isolation to keep your new product hidden longer from competition?
- What market meets all the ADI media-mix requirements, minimal spillage, and low GRP costs (average 30 second TV spot reaches 19% @ $16.50 per point; the newspaper buy reaches 34% @ $16.54 a point)?
- What market offers tight monitoring and control with 80% reach of the All Commodity Volume through 14 supermarkets?
- What market has the most up-to-date auditing capabilities of Nielsen, Burgoyne, SAMI?
- What market is served by a dominant newspaper with over 86,000 daily circulation and 129,000 Sunday, 96% within the ADI?
- Check the (ME) market...The Portland Mainestream. Call Gary Gagne (Portland, ME) 207-775-5811; Jim McNeil (Landon-Portland) 207-871-0463; Frank Chicko (Landon-Boston) 617-266-2141.

Test marketers select the (ME) Market... the Portland Mainestream and the Portland (ME) Press Herald and Evening Express.

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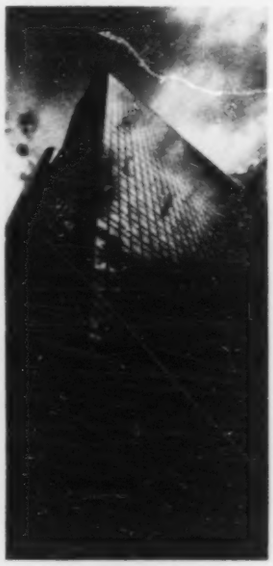

There is a rebirth today in downtown Toledo. One major project is SeaGate, a riverfront development dominated by the new 32-story world headquarters of Owens-Illinois, pictured at left.

Another is the exciting Portside Festival Marketplace. It features 76 shops and restaurants with food, merchandise and entertainment, all in a festival atmosphere.

Great things are happening in Toledo, with hardly a block left untouched in a massive revitalization of the riverfront and downtown.

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THE BLADE
One Of America's Great Newspapers

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Traveling through maze

(Continued from Page 31)

vertising mockups, receive a sales incentive (such as a coupon) and shop in a mock-up grocery or drug store. The consumers who actually buy the "product" are called at home and surveyed once they've had a chance to use it. The product's sales potential is modeled from that.

Using simulated test markets allows marketers to narrow the variables before entering actual test markets. In addition, the process also can stop marketers from putting disasters into in-market test and can eliminate the need for a test market by uncovering overnight successes.

But in using speeded-up testing systems, the package goods industry has to guard against reducing the time of a test market to dangerously low levels, says Jim Crimmins, director-marketing decision systems for Needham Harper Worldwide, Chicago.

Some products, such as condiments, have long purchase cycles; therefore, they require more time in test market. Other products, including soap, have a short purchase cycle. Likewise, if seasonal products aren't left in test long enough or at the right time, the data could be skewed.

Companies trying to shorten in-market tests, which can range from just months to years, also sometimes find the product doesn't fare as well as expected once national distribution is achieved. Cincinnati-based Procter & Gamble, for example, tested its encapsulated aspirin, Encaprin, for only three months before rolling it nationally in June, 1984. Although analysts say Encaprin did very well in its short-lived test, the brand is struggling to find a national niche. Supported in its first year by an estimated $35 million to $50 million campaign from Dancer Fitzgerald Sample, New York, Encaprin has managed less than a 1% share of the $1.2 billion U.S. pain reliever market.

Using simulated test markets allows marketers to narrow the variables before entering actual test markets.

Consumer products marketers also are becoming disillusioned with electronic, scanner-based technologies for providing data that looks scientific but often isn't, Needham's Mr. Crimmins says. To illustrate, he points to scanner tests that typically employ a database of 2,500 consumers, usually cut in half to test two variables. Each of those 1,250-consumer groups then are classified by demographics into subgroups.

In the worst case, the final test data might use a sample of only eight people to project behavior for all white males between the ages of 25 and 30, Mr. Crimmins says.

"This isn't a criticism of the

(Continued on Page 35)

Test Knoxville

True	False	
✔	☐	In 1985, Knoxville was ranked as a top test market by Sales & Marketing Management, Audits & Surveys and Market Audits.
✔	☐	Knoxville has a very good transportation network, including an excellent system of connecting interstate highways.
✔	☐	Knoxville is a relatively isolated, geographically independent city.
✔	☐	Knoxville has a representative population with a large sales volume. Knoxville's median household EBI approximates state and national averages, yet the area's total EBI ranks 86th nationally.
✔	☐	Knoxville's unique population is reflected in a well-diversified business and industry base.
✔	☐	Knoxville's newspapers are an easy buy. They require only one order and one bill.

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Traveling through maze

(Continued from Page 32)
testing techniques but of the design of the test," Mr. Crimmins says. Once the sample size has been whittled down, test marketing becomes "a random test with little good solid reason why option A is better than option B."

> ***"The cost of a failed national introduction is monumental compared with a failed in-market test."***
> **Dick Lukey**
> **Leo Burnett USA**

Some marketers remain fans of conventional in-market tests. "There's no real substitute for getting out and doing" an on-site test. The others are mainly formula driven, says Ira Weinblatt, senior vp-director of media planning, Dancer Fitzgerald Sample, New York.

The traditional sell-in test market still serves to minimize the risk of a bomb. Companies tend to eliminate conventional test marketing for me-too or line extensions, but for a truly new product, a test minimizes the risk of failure, Mr. Weinblatt says.

Still, leading consumer product companies increasingly are bypassing classic testing methods. In 1985, P&G placed Folgers instant decaffeinated coffee crystals into market without in-market testing, as did Pillsbury with Milk Break bars —the company's first snack-bar food. Likewise, Quaker rolled Chewy granola bars and its chocolate-covered Granola Dipps nationally with no conventional market testing.

"Some believe it's best to throw products in the pool and see if they swim. I think it's better to stick a toe in first to see if the product is ready for the pool," Mr. Weinblatt says.

Simulated test marketing won't replace in-market testing completely, Mr. Lukey says. "The cost of a failed national introduction is monumental compared with a failed in-market test," he says.

Test marketing creates a "funnel of expense," says Tina Seber, associate director of Pillsbury's new product technical resources unit, Minneapolis. "It's important to solve problems with a product earlier when expenses are lower," she says. "It's more expensive to generate alternatives [in packaging, media, pricing and other factors] further down in the testing process, when the money being spent has more leverage, and testing those alternatives reduces the risk of failure."

Researchers and marketers will continue searching for ways of further reducing that risk. According to Mr. Lukey, several Burnett clients are collecting data to build their own historical databases and simulated test market systems that will be specific to their product categories.

Product marketers may begin to use test marketing as a way to evaluate rejuvenating existing brands vs. testing new products, as companies begin looking at ways to stimulate sales of maturing brands, he says.

Advertisers say the research industry also still needs to develop systems to test alternative versions of marketing plans in controlled environments and viable, reasonably priced ways to test products in larger metropolitan markets, Pillsbury's Ms. Seber says.

Industry experts anticipate that within the next five years, marketers will be able to satisfy all their test marketing needs in a single place. Joint ventures such as the one between Time Inc.'s Selling Areas-Marketing Inc., Arbitron Ratings Co. and Burke Marketing Services (AA, Jan. 20) not only will foster competition among research companies but also will allow one-stop shopping for services, Quaker's Mr. Blair says.

Burke's joint venture with SAMI and Arbitron will provide both sizable databases and sophisticated predicting services, says John Brown, chairman and chief executive officer of Cincinnati-based Burke. His company will provide demographics; Arbitron will contribute media rating services, and SAMI, sales information from both food and drug stores.

The combination of the three companies also will help reduce the cost of research by allowing more test variables to be run simultaneously, says Reg Rhodes, president of Burke's test marketing group.

Mr. Rhodes agrees that product marketers have been intrigued by the recent flurry of technology. But he believes the focus will shift away from razzle-dazzle and back toward improved information handling for better decision making. "The technology has been in the limelight lately, but we will have to begin looking at how to effectively model the data so behavior is projectable," he says.

Chicago reporter Laurie Freeman also contributed to this story.

Associate editor Julie Liesse Erickson coordinated this report on Test Marketing.

Coming

Next week Advertising Age's Special Report will focus on **Toiletries & Beauty Aids.**

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Source: 1985 Simmons – Scarborough Study

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MediaWorks

ON THE DIAL

Scheduled radio specials and new programs or syndicated services.

Public Interest Affiliates has picked up the syndication rights to Major League Baseball Productions' "This Week in Baseball," a 15-minute recap of the previous week's action in baseball with Mel Allen. The feature was dropped by CBS Radio Network during the offseason. "This Week" will premiere April 11; since PIA signed the deal two weeks ago, more than 40 stations have been signed. Avails are wide open. A new feature, "Baseball Radio Newsatellite," will hit the airwaves on April 7, the day the baseball season officially opens. This feed offers player interviews and features about baseball twice daily to news and sports programers. The morning service offers access to material that can be dropped into local sports reports. The afternoon feed, called "Baseball Today," is a 15-minute feature package that can stand alone. Avails are also wide open. So far, a dozen stations reportedly have signed on.

PETE TOWNSHEND

Pete Townshend, the Who guitarist who's now doing nicely on his own, is the subject of NBC Radio Entertainment's "Legends of Rock" for the weekend of March 14 to 16. Participating advertisers include Anheuser-Busch for Budweiser, other avails open. Closing date is March 3.

David Sanborn's "The Jazz Show" on NBC Radio Entertainment Network has several openings for its March 2 show. Participating advertisers signed so far include Miles Laboratories' Alka-Seltzer Plus, and Levi's 501 Jeans. Closing is Feb. 17.

Paul Shaffer's "Live From the Hard Rock Cafe" has several avails for its March 2 run, with closing Feb. 17. Participating advertisers include Van Munching & Co. for Heineken. ■

TV AVAILS

A weekly listing of tv programming that still has commercial availabilities open in the next few weeks.

"The Real Ghostbusters" now is headed for barter-syndication via Columbia Pictures Television, Burbank, in September, 1987, a year later than planned before NATPE—where the distributor cleared the stripped, 65-episode cartoon series for the after-school daypart on 70 stations (for more than 70% coverage of U.S. tv households). Reason: Columbia, which plans to sell two national minutes on each daily, half-hour episode (leaving four for stations), sold ABC-TV on airing 13 episodes of "Ghostbusters" as a Saturday morning cartoon, as of September.

Access Syndication, Studio City, Cal., has no ad avails through the second quarter for three current weekly bartered series: "Lorne Greene's New Wilderness," now on 152 stations for 74% coverage of U.S. tv homes; "The Exciting World of Speed & Beauty," now on 31 stations (49%), and "Hollywood Close-Up," now on 41 stations (58%).

"Your Choice for the Film Awards," a two-hour special with a March 8 to 23 prime time telecast "window" as a preview of the Academy Awards (airing live on ABC-TV, March 24), is selling 10 national ad minutes via LBS Communications, New York. The show, to be produced March 1 by KHJ-TV, Los Angeles, will have more than 100 carrier stations cleared by March, for at least 74% coverage of U.S. tv homes. ■

NEWSSTAND

A listing of print advertising opportunities, such as special issues and special advertising sections.

Outside, Chicago, special feature, "The 25 best summer trips in America," May issue; ad close: Feb. 19. B&w page: $8,180; color page: $11,890.

Good Housekeeping, New York, summer beauty guide special advertising section, June issue; ad close: Feb. 28 (regional), March 14 (national). B&w page: $63,775; color page: $80,025.

Business Week, New York, bank scoreboard issue, April 7; ad close: March 3 (color), March 10 (b&w). B&w page: $32,142; color page: $48,854.

Los Angeles, Los Angeles, silver anniversary issue, April; ad close: March 5. B&w page: $4,935; color page: $7,350.

Forbes, New York, telemarketing technology and Kentucky special advertising sections, May 5 issue; ad close: March 10. B&w page: $27,810; color page: $42,290.

USA Today, Rosslyn, Va., "Golf 1986" special bonus section, March 31 issue; ad close: March 14. B&w page: $33,314; color page: $41,642.

FE: The magazine for financial executives, Morristown, N.J., technology's impact on business, May issue; ad close: April 4. B&w page: $2,520; color page: $4,000.

Southern Living, Birmingham, Ala., "summer suppers" special food section, July issue; ad close: April 25. B&w page: $30,560; color page: $43,100.

Us, New York, special "summer fun" issue, June 2; ad close: May 6. B&w page: $14,780; color page: $19,080.

Closing next week: Business Week, New York, fourth-quarter corporate profits issue, March 17, Feb. 17 (b&w)...**USA Today**, Rosslyn, Va., NCAA basketball playoff special bonus section, March 10 issue, Feb. 21. ■

Outside magazine plans a special on best summer trips; *Forbes'* specials key on telemarketing and Kentucky.

MediaWorks also appears in the Monday edition of Advertising Age.

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	2/7	1/30	1/23
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		31	29	25
2. "Family Ties" (NBC)		26	25	21
3. "60 Minutes" (CBS)		14	—20	24
4. "Highway to Heaven" (NBC)		12	11	DNA
5. "Golden Girls" (NBC)		11	19	21
6. "Cosby Show Special" (NBC)		11	DNA	DNA
7. "Cheers" (NBC)		10	9	4
GOOD WINNERS				
8. "Facts of Life" (NBC)		9	DNA	7
9. "Dallas" (CBS)		9	14	14
10. "Kate & Allie" (CBS)		9	—5	4
11. "Webster" (ABC)		9	1	—5
12. "Newhart" (CBS)		8	—3	4
13. "227" (NBC)		7	16	17
14. "Night Court" (NBC)		7	6	1
15. "Sins: Part 3" (CBS)		6	DNA	DNA
16. "Sins: Part 2" (CBS)		6	DNA	DNA
17. "Knots Landing" (CBS)		6	4	6
18. "Mr. Belvedere" (ABC)		6	—1	—9
BORDERLINE WINNERS				
19. "Gimme a Break" (NBC)		5	DNA	2
20. "Miami Vice" (NBC)		5	9	5
21. "Hotel" (ABC)		3	4	10
22. "Dynasty" (ABC)		3	11	14
23. "CBS Saturday Night at the Movies: Kung Fu"		1	DNA	—21
24. "Sins: Part 1" (CBS)		1	DNA	DNA

BEHIND THE SHARES

'60 Minutes' lead slips

"60 Minutes" has yet to recover from the fatal matchup with **"Super Bowl XX"** in which the show lost by more than 20 share points. The show is down several points from its unsual overwhelming dominance at 7 p.m. (ET).

An extremely tight ratings race ushered in the February sweeps on Feb. 2. Audiences were torn between James Bond (ABC's **"Octopussy"**), a Machiavellian Joan Collins (CBS' **"Sins"**) and a Czarist Maximillian Schell (NBC's **"Peter the Great"**). **"Sins"** finally conquered its competition, albeit by slim margins.

"Peter" lost its final two nights by six share points to **"Sins."** En route to victory, the CBS miniseries also swamped ABC's thus far stable **"Moonlighting."**

"Peter" also took valuable shares out of ABC's hide: When **"Sins"** went off, some of the audience went over to NBC to see what all the fuss was about. The NBC miniseries picked up an extra share point its last evening while nearly sending **"Dynasty"** to its first loss of the season.

ABC had other reasons to cheer. Both **"Webster"** and **"Mr. Belvedere"** scored convincing victories against **"Misfits of Science"** and **"Airwolf."** For the first time in weeks, neither CBS nor NBC threw one-time-only specials against the comedy duo. NBC also had good numbers for its premiere of **"Disney Sunday Movie."** The movie got a 23 share, which bettered NBC's early evening performance on Feb. 2. ■

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Monday, February 17, 1986

Advertising Age®

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Last week's Tylenol poisoning poses another threat to Johnson & Johnson's best-selling pain reliever and raises questions as to the effectiveness of another campaign similar to the coupon ads used after the 1982 poisonings.

2-time loser

Ibuprofen to gain from Tylenol plight

An Advertising Age roundup

Cyanide most likely will not be the death of Johnson & Johnson's $525 million Tylenol brand, but the latest tampering incident probably will have more serious marketing repercussions than the first episode in 1982, when seven Chicagoans died after ingesting tainted Tylenol capsules.

Drug-industry analysts question whether J&J, burned twice, will continue marketing Tylenol capsules.

The discovery of cyanide in two bottles of Extra Strength Tylenol in a New York City suburb could not have come at a worse time for J&J. American Home Products' Advil, which contains ibuprofen, last month became the second biggest-selling pain reliever in the U.S. Analysts believe that, if marketed properly, Advil and Bristol-Myers' Nuprin can make further inroads on Tylenol's 34% share of the over-the-counter pain remedy market.

Tylenol, with 1985 sales of $525 million, still holds a considerable

(Continued on Page 74)

Ad-cost tax deduction may face cut of 20%

By STEVEN W. COLFORD

WASHINGTON—A multi-billion-dollar change in the federal tax treatment of advertising expenditures is on a list of revenue-raising ideas sent to the Senate finance committee by the Treasury Department.

The department list includes making only 80% of ad costs deductible from federal corporate income tax as a "business expense," instead of the current 100%.

Treasury officials would not elaborate on the proposal last week, although the department estimated the tax change would raise $20.6 billion in new corporate income taxes from advertisers over a five-year period. A Treasury official characterized the list as "options" that don't necessarily represent Reagan administration policy.

U.S. ad spending in 1986 is projected to exceed $109 billion for the first time, according to Robert Coen, senior vp-director of forecasting at McCann-Erickson, New York (AA, Dec. 16).

Congress and President Reagan are trying to agree on a formula that would balance new tax breaks with selected revenue-raising measures elsewhere.

The proposal caught ad-industry leaders by surprise.

"Ronald Reagan says there'll be no tax increase, but another way to have one is to change the [tax] situation so companies pay more in taxes," said Howard Bell, president of the American Advertising Federation. "This is a tax increase in another name."

At the Assn. of National Advertisers, senior vp Dan Jaffe said reducing tax deductions for advertisers would be "counterproductive because it's then likely that advertisers would spend less and there would be less sales, less tax revenue, slower job creation and [so on] down the line."

"If it's a serious consideration," Mr. Jaffe said, "business would be very opposed."

The proposed $20.6 billion revenue gain over five years is surpassed by only a few other options on the Treasury Department's list, such as a 10% disallowance of business interest deductions, a 10% disallowance for corporate interest deductions and changes in the business transfer tax.

By comparison, a 20% disallowance on corporate ad expenses could bring in nearly half as much as the much-discussed oil-import fee, according to Treasury Department calculations.

John Hatab, a tax partner at Price Waterhouse, New York, who

(Continued on Page 72)

Chiat, BBDO in shootout for U.S. Apple account

By CLEVELAND HORTON

Apple Computer has set up a showdown between longtime agency Chiat/Day and BBDO for the $50 million U.S. Apple account.

BBDO handles most of Apple's overseas advertising and has been reported to be wooing the company for the plum U.S. assignment for quite some time (AA, Aug. 5).

Cupertino, Cal.-based Apple said it is reevaluating its entire domestic marketing strategy.

The No. 2 personal computer marketer in the U.S. has asked Chiat and BBDO to submit detailed market strategies for "the foreseeable future" within 60 days, according to Bruce Mowery, advertising and sales promotion manager. He added, "This is not an open review. We are not soliciting any other agencies."

Chiat chairman Jay Chiat said he plans to meet with Apple chairman-ceo John Sculley Feb. 18. Mr. Chiat said Mr. Sculley expressed a "need to make sure he has [agency] people he can have confidence in" as Apple gears up for a new generation of product introductions. The outcome of that meeting may determine whether C/D will compete with BBDO for the account.

Apple will celebrate its 10th anniversary in 1987, and Mr. Sculley wants to position the company as being on "the crest of another revolution" in its advertising next year, Mr. Chiat said. Apple endured a wrenching reorganization in 1985 and has devoted

(Continued on Page 76)

Magazines cut rates, get multiyear deals

GM's '14 points' jab books

By JESSE SNYDER and EDWARD LAPHAM

General Motors' Media Council is wringing bigger ad discounts from many magazines while locking itself into multiyear contracts and promising more pages over the long haul.

But the GM media juggernaut, designed to pare costs for the auto maker, is meeting resistance from some quarters—most notably the *Wall Street Journal*.

"GM just wants control of the media," complained *Journal* vp-marketing Bernard Flanagan. "If GM succeeds in making print buying a commodity, it just cheapens editorial content of a medium and leads to its ultimate death for lack of content. It's counterproductive in the long run."

With relatively light GM business, the *Journal* has so far spurned the company's efforts to write new ground rules for media buying.

Not all publications are balking, however.

And GM's desire to entertain "multiyear proposals," one of its highly publicized "14 points" (AA, July 8), may be the balm that soothes the pain of rate cuts for some magazines.

Publishing "is a cyclical busi-

(Continued on Page 66)

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Last Minute News

Air battle for Northwest's account

ST. PAUL, MINN.—Northwest Orient Airlines next month will stage a creative shootout between Grey Advertising, Minneapolis, and Dancer Fitzgerald Sample, New York. The winner gets "all or part of" the combined U.S. account for Northwest and Minneapolis-based Republic Airlines, pending approval of their merger (AA, Jan. 27). DFS now has Republic's $25 million account. Grey handles an estimated $35 million in Northwest business, a figure that the carrier expects will "increase significantly" this year. Colle & McVoy, Minneapolis, which handles Northwest's convention business and smaller accounts, wasn't invited to pitch.

Mysterious $35M account afloat on West Coast

LOS ANGELES—Several agencies here have received requests for proposals to take on an unspecified, $35 million retail account. Keye/Donna/Pearlstein, Needham Harper Worldwide and J. Walter Thompson USA are among those who have been contacted by consultant Jeff Rogers. The current agency will be notified this week that it is on probation, Mr. Rogers said, and will be allowed to pitch the account.

Claiborne Cosmetics talks to 12 agencies

NEW YORK—Liz Claiborne Cosmetics, the joint venture between Avon and sportswear marketer Liz Claiborne, is reviewing more than 12 agen-

(Continued on Page 8)

HIGHLIGHTS

Tax men eye ad deduction 1

A multi-billion-dollar change in the federal tax treatment of advertising expenditures is on a list of revenue-raising ideas sent to the Senate finance committee by the Treasury Department. The proposal would make only 80% of ad costs deductible from federal corporate income tax as a "business expense," instead of the current 100%.

GM council gets mixed reviews 1

General Motors' Media Council is wringing bigger ad discounts from many magazines while locking itself into multiyear contracts and promising more pages over the long haul. But the GM media juggernaut, designed to pare costs for the auto maker, is meeting resistance from some publishing quarters—most notably the *Wall Street Journal*.

Blowup in Baltimore 3

The stormy breakup of partners in Smith Burke & Azzam in Baltimore has spawned a lawsuit in which ousted exec vp Gene Azzam charges the agency with inflating client bills and using media money to improve cash flow. His former partners, in turn, accuse Mr. Azzam of trying to sully the agency's reputation and squeeze more severance pay from them

Humana-izing advertising 3

Humana Inc. next month becomes the first investor-owned multihospital system to launch a tv campaign designed to create a national brand image. But Humana's two closest competitors, Hospital Corp. of America and American Medical International, are preparing to embrace similar strategies as healthcare providers square off in an ever more competitive market.

Stroh tries 'value packs' 4

Stroh Brewery Co. is challenging traditional beer industry discount practices with 15-can and 30-can "value packs" for its Stroh's and Stroh Light brands. The move to value-added discounting will bow in a special March promotion tied to the brewer's participation in the Statue of Liberty-Ellis Island restoration project.

MCI loss prompts Ally questions 6

The loss of the MCI Communications account prompted widespread questioning about Ally & Gargano last week. Wall Street wondered why A&G was caught so much by surprise, while Madison Avenue asked whether the agency would be more open to being acquired.

'House Beautiful' redecorates 32

House Beautiful, the Hearst Magazines home and decorating monthly, targeted to the upper-middle of the market between, roughly, *Better Homes & Gardens* and *Architectural Digest*, is making more changes following a year of major shifts that included a new publisher, a new promotion campaign and a series of changes among the business staff.

Toys are plush 53

It was raining cats and dogs and bears last week at the Toy Fair in New York, where about 20% of

the toys introduced were plush animals. In the past, most stuffed animals have been generic. Now they are getting names, personalities and pedigrees.

CATEGORY REVIEW

Bear down, granola bars 4

The $438 million granola-bar market is in a crunch. Developed as a "healthy" alternative to candy a decade ago, granola bars showed enough early potential to interest General Mills, Quaker Oats, Ralston Purina, Hershey, Pillsbury and other major marketers. Yearly growth rates as high as 56% (in 1982) helped boost the category. But those days are gone.

INTERNATIONAL

Production scramble abroad 42

Increasingly, ad agencies are scouring the world for inexpensive locations and other ways to save money shooting commercials. According to one agency executive, the pressure is coming from marketers who are unhappy with soaring production costs. Two different views on this subject: By Jack Hafferkamp and John O'Toole.

Agency exchange in Hong Kong 44

J. Walter Thompson Co. has hired the 10 ex-BBDO employes who staged a dramatic walkout from BBDO Hong Kong last year during a battle for local control of that agency.

Quebec to limit drinking ads? 44

The Canadian Radio-Television & Telecommunications Commission will decide this month whether to ban the use of celebrities in alcoholic-beverage commercials airing in Quebec. The proposed ban would include all celebrities, including sports figures.

OTHER NEWS

The partners of Fallon McElligott Rice in Minneapolis realized they were in a bind: They felt they had to expand internationally, but they were concerned about the risk even of expanding to New York or Los Angeles. The result was the sale of about 75% ownership of their 4½-year-old agency to Scali, McCabe, Sloves. Page 3.

Granola bars still have their champions, but some marketers are looking instead to the $194 million dried-fruit snack category. Fruit snacks are made from processed dried fruit pressed into bars or flattened on sheets of wax paper for tearing and eating. Dollar sales of fruit snacks hit $194 million in the first 10 months of 1985, up 28.5% compared with the previous year. Page 4.

The persistence of health-conscious consumers is beginning to pay off—both for them and for the marketers of lighter foods and beverages, sporting goods, self-diagnostic tests and a host of other products and services. A study by Langer Associates, New York, suggests the health trend is entering a second phase in which consumers have integrated new health habits and awareness into their life styles. Page 58.

Waterproof quality—in footwear and marinewear—is the umbrella theme behind Timberland Co.'s advertising from its new agency, SSC&B:Lintas Worldwide, New York. The U.S. campaign, themed "All the quality you may ever need," breaks in March issues of national consumer magazines, and will feature the company's footwear. Page 62.

The media-buying practices of major agencies came under attack last week from black media owners who contend that predominantly white advertisers and agencies shy away, sometimes intentionally, from advertising in black media. Page 71.

COMING THURSDAY

In 1971, a Yale University dropout, a Peace Corps volunteer bitten by the filmmaking bug, Tony Vanderwarker, poured himself into his first feature film: "Gross National Product," a black comedy about the Vietnam War. It was "an abysmally bad film," says Vanderwarker, who turns 43 years old March 6 and can look back at his brief filmmaking "career" from a different perspective. But it also was "a fantastic experience" and a "learning" one, he adds. A step on the way to exec vp-director of creative services at Needham Harper Worldwide's New York division, a post to which he was named last fall.

Skincare and treatment products to avoid signs of aging are hot spots in the toiletries & beauty aids industry. There's a product for virtually every wrinkle and every price point. Special Report will examine how packaging is affecting the industry, the popularity of knockoff fragrances, some leading marketers and the men's skincare category.

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Coke hoists flag for Classic

By NANCY GIGES

As Coca-Cola USA resumes the flag-waving for its old Coca-Cola Classic favorite, thereby positioning the brand above the Pepsi battle, its troubled new Coke has clearly inherited Classic's "slow down Pepsi" marketplace mission.

To further delineate the separate paths these brands are taking, the newest new Coke campaign—created by McCann-Erickson—has tv spots that pit the newer brand against rival Pepsi-Cola with leading-edge, stylized ads and the Pepsi-generation-type theme "Catch the wave." For Classic, once again settling into its flagship-brand role for the company, SSC&B:Lintas has created a patriotic, old-fashion creative platform

(Continued on Page 76)

Iacocca flap may slow drive

By JUDANN DAGNOLI

The ouster of Lee Iacocca from the chairmanship of the Statue of Liberty-Ellis Island Centennial Commission—just four months and $32 million away from a fund-raising goal of $265 million for the restoration of both symbols of American freedom—is expected to have a negative impact on that marketing effort.

Mr. Iacocca was removed by Donald Hodel, Secretary of the U.S. Department of Interior, from his post on the federal advisory commission because of a "perceived conflict of interest" with his chairmanship of the Statue of Liberty-Ellis Island Foundation, according to a

(Continued on Page 72)

West Coast news

Actor cops star role for PSA

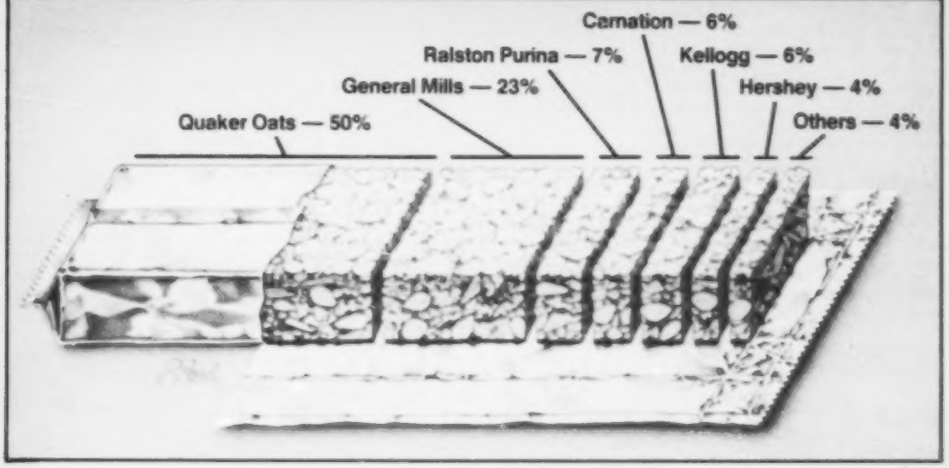
Pacific Southwest Airlines, San Diego, will use actor Ned Beatty as the central character in a series of commercials breaking Feb. 28 in 18 markets, primarily on the West Coast. Cast as a motorcycle policeman intent on catching speeders, Mr. Beatty eventually will pursue a PSA jet. Subsequent commercials will follow the humorous story line. The campaign is the first comprehensive campaign from Della Femina, Travisano & Partners, Los Angeles, which suc-

(Continued on Page 72)

CATEGORY REVIEW: WHOLESOME SNACKS

Granola bar market shares

General Mills and Quaker Oats Co. continue to dominate as other companies battle for their slivers of the $438 million granola bar market. Source: Selling Areas-Marketing Inc. Illustration by Paul Bond.



Dried-fruit snacks new hot market

MINNEAPOLIS—Granola bars still have their champions, but some marketers are looking instead to the $194 million dried-fruit snack category. Fruit snacks are made from processed dried fruit pressed into bars or flattened on sheets of wax paper.

General Mills, the granola-market pioneer, is one marketer that appears to be shifting its focus. Its 1985 granola-bar ad spending totaled only $7 million, compared with $15 million for fruit snacks. The company had no comment on its plans.

General Mills' Fruit Corners line already leads the fruit-snack category with an estimated 75% share, followed by Thomas J. Lipton Inc's Sunkist brand with 22% of the market. Private-label brands make up the remainder of the market.

Dollar sales of fruit snacks hit $194 million in the first 10 months of 1985, up 28.5% compared with the previous year, with yearend sales expected to be up more than 38%, according to Time Inc.'s Selling Areas-Marketing Inc. Sales climbed 33.6% to $151 million in 1984 compared with 1983, the segment's first year.

General Mills is testing new creative for its Fruit Corners Fruit

(Continued on Page 52)

Survivors fight for granola-bar market

By JULIE FRANZ

The $438 million granola-bar market is in a crunch.

Developed as a "healthy" alternative to candy a decade ago, granola bars showed enough early potential to interest General Mills, Quaker Oats, Ralston Purina, Hershey, Pillsbury and other major marketers. Yearly growth rates as high as 56% (in 1982) helped boost the category.

But those days are gone. The granola-bar category grew only 3.5% in dollar sales last year, compared with 1984, and many marketers who leaped into this category are now investing in the smaller but faster-growing dried-fruit snack category *(see related story above)*.

As the dust begins settling in a market that has been so volatile, analysts expect the days of jockeying for position are over. Quaker Oats and General Mills have found success and are expected to hold share. Carnation has flopped on two occasions, Pillsbury is expected to fold its hand by yearend and Ralston Purina is holding its own. Kellogg, which entered the market last year, shows promise, while candy makers Hershey Foods and M&M/Mars are hoping the magic returns.

The same factors that made the granola category explode a few years back have brought growth to a virtual halt, one agency source said. Granola is a grain-based mixture, most often made from wheat and oats, that may contain nuts, fruit, honey or brown sugar. But as granola-bar makers added sweet things for taste, the line between *granola* bars and *candy* bars began blurring.

Candy-bar marketers now are touting the wholesome aspects of their products ("Snickers satisfies you"), making it even harder to distinguish between the two product categories.

The market leader, Quaker Oats Co., Chicago, with a 50% share, wrested the leadership from General Mills, Minneapolis, in mid-'84. With its start in the market, Quaker added a new dimension to granola-bar advertising by emphasizing its product's taste ("Unexpectedly moist, chewy and delicious," ads said), leaving the "health food" moniker to General Mills' Nature Valley with its "100% natural" theme line.

Quaker followed its $20 million Chewy Granola Bar introduction in 1981 with flavor line extensions, such as peanut butter & chocolate chip and chunky nuts & raisins. Adding chocolate coating for its $24 million, late 1983, introduction of Granola Dipps and peanut butter coating for its $20 million June introduction of Peanut Butter Whipps helped keep the Quaker brand on top.

Backer & Spielvogel Chicago, formerly Quaker's in-house agency, AdCom, handles Chewy Granola Bars while J. Walter Thompson USA, Chicago, handles Whipps and Dipps.

General Mills' market share continues to drop, falling to a 23% share of the market, down from 28% in 1984, as the company shifts ad dollars to the faster growing fruit-snacks segment.

General Mills is keeping itself alive in granola bars with its recent introduction of Nature Valley Boppers. Much of the $25 million introductory ad budget is going to coupon redemption while the remainder is slated for network tv and print, themed "gone Boppers," via Needham Harper Worldwide, Chicago.

The company introduced its chocolate entry, the Dandy bar, early last year. Campbell-Mithun, Minneapolis, handles.

To solidify its lead, Quaker has moved to heavy price discounting and more advertising. On Jan. 26 Quaker Oats dropped a couponed freestanding newspaper insert for its Whipps and Dipps brands offering a free box of either with a purchase of two boxes. The company also is promising retailers strong national tv support, retail grocery buyers say.

Quaker's over-all ad spending hit $20 million in 1985, up from $19 million in 1984, industry sources say.

But candy-bar marketers have made inroads into the granola-bar

(Continued on Page 52)

Stroh challenges usual discounts

By RAYMOND SERAFIN

DETROIT—Stroh Brewery Co. is challenging traditional beer industry discount practices with 15-can and 30-can "value packs" for its Stroh's and Stroh Light brands.

The move to value-added discounting, rather than cents-off promotions, will bow in a special March promotion tied to the brewer's participation in the Statue of Liberty-Ellis Island restoration project.

The 15-pack will be distributed in place of the 12-pack in western markets, while a 30-pack will be offered in place of a 24-can case in the rest of the country.

The offer is scheduled only for March but is likely to return before the end of 1986, said Ray Gross, director-marketing development.

Point-of-purchase displays for the promotion, via Flair Communications, Chicago, will announce that Stroh will make a contribution to the Statue of Liberty-Ellis Island Foundation for every pack sold. Stroh's contribution will be 10¢ per pack.

Meanwhile, Stroh's third annual Run for Liberty—held during October the first two years—has been moved up to June 28 to take advantage of the hoopla expected to surround the July 4 dedication of the refurbished statue.

Last year's run, with 120,000 entries, raised $300,000 for the restoration fund. Mr. Gross said this year's run will be held in 110 cities (down from 127), but he expects a better over-all turnout because of better weather and publicity accompanying the July 4 festivities.

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The production scramble

Shops making spots abroad

By JACK HAFFERKAMP

Last year, producers at J. Walter Thompson Co. shot a tv spot for Kraft Miracle Whip salad dressing in which a farmer, coming home for lunch after a hot morning in the field, discovered his wife was out of Miracle Whip.

The key scene in the spot is the farmer searching across acres of lush farmland for a neighbor who will lend him his favorite sandwich spread.

But the agency's problem was the lack of production facilities near most U.S. farmland, and the prohibitive expense involved in shipping a production crew and equipment long distances.

As a solution, the spot's director, David Ashwell, an Englishman, suggested London as a location, and JWT discovered it could save 15% to 20% of costs by producing the spot in the U.K.

Increasingly, advertising agencies are scouring the world for inexpensive locations and other ways to save money shooting commercials. According to one agency executive, the pressure is coming from marketers who are unhappy with soaring production costs.

A recent Assn. of National Advertisers study of 15 major companies, four ad agencies and three consultants found that from 1979 to 1984 production costs rose twice as fast as the consumer price index. Among the reasons were increased costs for special effects, preparation costs (up 113%), set construction costs (up 185%), talent costs (up 132%) and props and wardrobe (up 232%).

"The over-all economic difference [of overseas production] is certainly worthwhile, particularly on a really big job," said Barney Melsky, president of New York's Melsky Zander Films.

Although agency execs were reluctant to cite specific figures, they all agreed that shooting overseas can result in substantial savings on crew costs, special effects, sets, props and talent.

Agencies are shooting spots in Canada, France and Spain, but London appears to be the favorite. That's partly because of British directors with a reputation for superior work, such as Ridley Scott, who directed Apple Computer's acclaimed "1984" spot for Chiat/Day.

John Cigarini, president of BFCS, one of Britain's top film production houses, said British directors are held in high esteem because many of them also do feature film work.

He said directors and other members of the film community turned to commercials during the 1970s when the British feature film industry was suffering a decline and fewer films were being produced.

"Consequently, the studios and the construction people and the art departments in England are more geared toward commercials than they are in America," he said.

He also said British directors are different from U.S. directors because the former have more input on commercial projects.

According to Mr. Cigarini, directors in the U.K. have "total involvement in a project, from location scouting, to the casting, to the editing. It's seeing a film all the way through. From all reports I [have] heard, this is something the American agencies had not been receiving from the American directors."

Strength of dollar plays major role

In recent years, the strength of the U.S. dollar versus foreign currencies has also played a major part in making foreign production more attractive.

Even now, as the dollar declines, a comfortable edge remains, according to Martin Levin, a producer at JWT in Chicago who has worked in the U.K. He speculates that the advantage will remain as long as the dollar stays under $2 per pound sterling. In early February, the exchange rate was $1.39 for one pound sterling.

However, it appears that even if the dollar-to-pound exchange rate differential were to evaporate completely, the awareness of foreign production as a creative and economic consideration is not likely to disappear. It is now a basic part of the production formula at top agencies. And while it may not be the primary factor in their considerations, it is certainly on clients' minds, too.

For example, Dennis Byron, director of marketing communications for Data General, describes his thinking this way:

"The determining factor is what you want the ad to accomplish. You can't say, 'I'm going to shoot in central Europe or the Far East,' and then see what they have to offer. You do it the other way around."

According to one source, a client last year asked one of its agencies to look into shooting a commercial outside the U.S., and the agency found that hundreds of thousands of dollars could be saved if the spot were shot overseas. The commercial was shot in the U.S., however, when the client put the agency under a rigid time limit, the source said.

What was astonishing, according to the source, is that production houses outside the U.S. quoted a significantly lower figure for the job even though the director and other elements of the shoot remained unchanged.

According to Mr. Melsky, agencies now must "take a global look at buying, and buy the best, most efficient production wherever they can find it."

Tv spot costs

Minimum cost of a three-day shoot for a 30-second commercial for a nationally-advertised brand, using 3 actors, a well-known director, indoor shots and no special effects. Source: Advertising Age.

Country	Cost (US$)
United States	100,000
Netherlands	90,000
United Kingdom	70,000
Canada	50,000
Spain	50,000

U.S. production crews are becoming a common sight in London.

U.K. has best value for dollar

By JOHN O'TOOLE

What does an Organization of Petroleum Exporting Countries ministers' meeting have to do with where a New York agency shoots a commercial?

Well, try to follow this: OPEC decisions in December effectively lowered the world price of oil; this reduced the U.K.'s expected income from its North Sea wells; that caused the British pound, which had been reviving since September, to lag again; that made a production job bid in pounds even more attractive than it was the previous week.

Such considerations increasingly occupy the minds of agency producers whose previous concerns about currency fluctuations ended at the price of Gucci loafers. But with clients no longer concealing their outrage at $250,000 bids for 30-second commercials, and with megamergers threatening in-house consolidation of production as well as media buying, agency producers are turning to overseas shooting to convince clients that they are, after all, budget-conscious. And last year they found some real bargains, thanks to the continued strength of the dollar.

It would, they point out, be false economy if the talent were not there to insure a quality product. But if the popularity of British directors such as Barry Meyers and Howard Guard is any indication of foreign proficiency behind the camera, it's there in abundance.

Phil Dusenberry of BBDO, in fact, claims that the genius of certain directors and not the feebleness of the pound attracts him to London studios. He even shot a Pepsi commercial there with director Ridley Scott that had to do with an American space ship launch.

While they can get the quality they seek on film working elsewhere, most producers opt to finish back home. The sophisticated equipment and technical talent required for computerized editing on videotape is, for the moment, in America.

This, however, is where the savings from shooting overseas can be wiped out. Some sophisticated technical equipment commands rental charges of up to $800 an hour.

But for the alert producer, overseas filming can bring many commercials in substantially below what they would cost in the U.S. One obvious area of saving is on-camera talent costs, a topic that sends blood pressures soaring at the headquarters of the Screen Actors Guild.

The union now has reciprocity with its counterpart in the U.K. and insists there be a "legitimate reason" for using non-SAG performers in other foreign productions. Nevertheless, one can honor their rules and still save plenty by "buying out" the talent with a single payment in lieu of residuals and by avoiding the overscale rates that are becoming all too common in the U.S.

British crews eliminate 'golden time'

Several American producers claim that a more cooperative attitude about the clock on the part of European crews also results in savings. Stretching the normal working day a bit under abnormal circumstances can obviate "golden time" or an additional day of shooting.

Another potential saving is in director's fees. These have soared in recent years, particularly among the "name" directors who charge $10,000 to $15,000 per shooting day and half that for a day of preparation.

Will they work for less in the U.K. and Europe? "Of course they will," says Barry Day of McCann-Erickson. American directors want to establish themselves in the growing centers of commercial production outside the U.S. and British directors enjoy the London tradition whereby they run the show with little interference from the agency producer.

But the most substantial saving results from the powerful U.S. dollar. Just as it makes clothing and shoes less expensive than they were three years ago in Europe, it makes raw film stock and stage rentals and wardrobes less expensive. Wages for electricians and cameramen and grips are calculated in currencies that translate into fewer dollars.

And despite the moderate success leading Western governments achieved in taming the dollar recently, smart shoppers can find a bargain, whether it's in Burberry raincoats or 30-second tv commercials. One New York producer told me she could bring a London production in well under the bid from a U.S. production house for the same commercial even after adding $20,000 in travel and living expenses for agency and client personnel.

The most popular countries for bargain filming just happen to be among the most popular for bargain vacationing. There's England, offering a variety of the "hot" directors. There's France with the scenic Paris locations. There's Italy where the superb facilities of Cinecitta Studios are located and there's Spain where the technicians who produced Sergio Leone's "spaghetti westerns" work along the Mediterranean coast.

And therein lies the problem. As Ogilvy & Mather's Jay Schulberg points out, no matter how much the agency is saving the client by filming overseas, there's no way to recommend a trip to London, Paris, Rome or the Costa del Sol without being accused of boondoggling.

Mr. O'Toole, former chairman of Foote, Cone & Belding Communications, New York, writes a monthly column on creativity for the International section of Advertising Age.

Granola

(Continued from Page 4)

market—a market they consider a natural extension of candy—with products of their own.

Hershey, Pa.-based Hershey Foods was the first traditional candy maker to get into the granola action with its 1983 introduction of New Trail bars. Hershey New Trail bars have made little headway, despite the product's acclaimed campaign via Ogilvy & Mather, New York, which features children doo-wopping to '50s and '60s music that describes the product's taste.

To bolster sales, Hershey added chocolate-covered granola to its New Trail line of granola bars in January. It will be offered in three flavors: Honey graham, peanut butter and cocoa creme.

Hackettstown, N.J.-based candy giant M&M/Mars in April will introduce Kudos, a milk-chocolate covered granola bar, in Northeast markets after denying rumors of such a move for more than a year. The product comes in three flavors: Nutty fudge, peanut butter and chocolate chip.

Ad support, probably breaking this summer, calls for tv and magazines, via Ted Bates Advertising/-New York.

Rather than going head-to-head with granola-bar makers, M&M/-Mars said Kudos should broaden its interest in the snack category since research shows growing interest among consumers for high-quality snacks. Chocolate lovers eat both chocolate and chocolate-covered granola, Mars has found. "They eat both, and a lot of it," said a company spokesman.

Rounding out the granola-bar segment, Ralston Purina, St. Louis, holds the No. 3 spot with a 7% share, followed by Los Angeles-based Carnation's Breakfast Bars with 6%, Kellogg Co.'s Rice Krispies Bars with 5% and Hershey's New Trail with 4% (down from 7% in 1984).

Ralston has been leaning heavily on its S'Mores Granola Bars' campfire tradition in $5 million in print ads via MCA Advertising, New York. The impact of the mid-'84 introduction was diluted when Quaker quickly introduced a S'mores flavor of its Chewy granola bars. The Quaker product received newspaper couponing and tv spots separate from the brand's over-all campaign.

Carnation Breakfast Bars, on the market since 1975, are a vitamin-fortified product that, combined with a glass of milk, offer a well balanced meal, the company says. SSC&B, New York, handles the estimated $2 million account.

Carnation had made two other ill-fated forays into the category, first with Good & Chewy Bars, which tested in 1984 but "never got off the ground," the company said. Carnation Trail Mix Bars bowed in 1982 but were discontinued in 1983 after a reformulation failed to revive sales.

Battle Creek, Mich.-based Kellogg entered the fray with its Rice Krispies Bars in April. Kellogg has forged inroads in its initial eastern and southern introductory markets as the product moves national, sources say. Rice Krispies Bars has grabbed as high as a 20% share in some of its markets with an average of a 13% among all its markets, Kellogg says.

Network tv and couponing, via Leo Burnett USA, Chicago, which broke nationally in mid-September, stress the unique taste and texture of the three-flavor line of bars made with Kellogg's Rice Krispies cereal. The product's theme line, "Kellogg's Rice Krispies cereal provides the crispy and the oats and honey provide the chewy," leans heavily on reputation of its No. 4-selling cereal.

Minneapolis-based Pillsbury's Milk Break Bars, introduced in April, 1984, aren't selling enough to register on data tracked by Time Inc.'s Selling Areas-Marketing Inc. The company has dropped advertising support and dumped two of its four flavors, Pillsbury said. Ketchum Advertising/San Francisco, handled.#

Also contributing to this story was AA New York reporter Patricia Winters.

Dried fruit

(Continued from Page 4)

Roll-Ups in West Coast markets, looking to head off possible encroachment by Lipton or any new entries. A new spot from Needham Harper Worldwide, Chicago, sticks to the product's "fun" theme, featuring a school bus full of monkeys dressed as children. It shows the monkeys ripping apart packages of Fruit Roll-Ups, playing with them and, of course, eating them. Sources say General Mills plans to begin running the spot nationally during the first quarter. Previous spots for the product featured children in similar situations.

Creative for General Mills' Fruit Corners Fruit Bars exploits the fact the product is both "good and ugly." Needham also handles.

General Mills' share in this segment has been growing at the expense of Lipton. But that trend was halted by Lipton's introduction last summer of Sunkist Fun Fruits, a pellet-shape fruit product that has helped expand the company's franchise and the category without taking share from General Mills, industry analysts say.

The four-flavor Fun Fruits line is targeted more toward children—the market's high-growth segment—than Lipton's first product, Sunkist Fruit Rolls. Fun Fruits' theme line, "Every chewy one is real fruit fun," echoes General Mills' Fruit Corners Fruit Roll-Ups theme, "Real fruit and fun rolled up in one." Foote, Cone & Belding, New York, handles Sunkist.

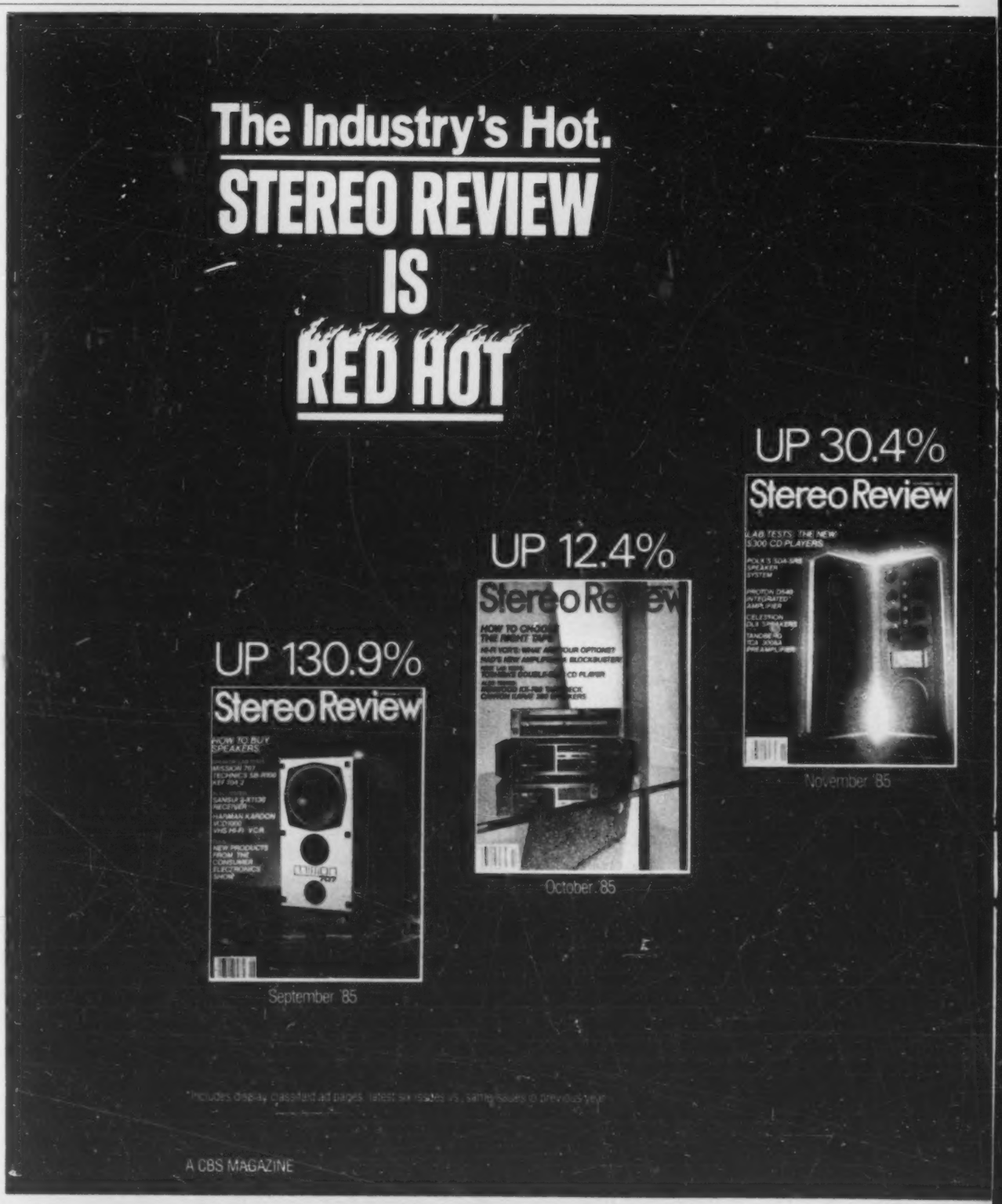
Englewood Cliffs, N.J.-based Lipton entered the market in 1980 by acquiring Chicago-based Flavor Tree Inc. Lipton still sells Flavor Tree's single-serving fruit snacks through grocery stores. Rumrill-Hoyt, New York, handles.

Lipton's first entry under its Sunkist label was Fruit Rolls, introduced in 1983. Tv and print, themed "Have you heard your fruit today?" features noises made when the fruit is ripped from its paper wrapper.

Rapid sales growth in the fruit-snack segment should attract new entries to the market, sparking yet another spurt of sales, one source said. The high cost of entry may hold back new brands, however. Other snack makers (such as Quaker Oats) or other fruit-product marketers (such as General Food's Jell-O or Castle & Cooke's Dole) are most likely to take a stab at the market, the source added.

Experts question the long-term growth potential of fruit snacks. Because the product is targeted primarily to children, its market size is smaller than that for granola bars, aimed at all ages.

Sales volume will begin slowing at $200 million and will peak at $250 million, said Alan Miller, SAMI vp-sales service. Growth is potentially greater, but rests on the popularity of dried fruit sold in grocery and health-food stores. Raisins, the most popular dried fruit, have had three good drying seasons. A crop failure would "shove fruit-bar sales through the roof," Mr. Miller said.#



Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

January

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
— Art & antiques —				
Art in America	—	—	—	—
Southwest Art	59.5	74.3	115.7	143.8
Total Group	59.5	74.3	115.7	143.8
% change	-20%		-19.5%	
— Auto/cycle/rec. vehicles —				
AutoWeek (52X)	—	—	—	—
Car & Driver	80.4	82.4	198.2	193.0
Car Collector & Car Classics	14.4	22.0	28.0	43.0
Car Craft	59.6	50.7	106.6	97.6
Circle Track	62.8	40.1	102.5	73.3
Cycle	36.6	35.4	65.3	67.7
Cycle Guide (11X)	21.4	21.2	21.4	21.2
Cycle World	39.9	34.2	77.6	73.3
Dirt Rider	22.7	19.7	57.7	56.5
Dune Buggies & Hot VWs	83.9	79.7	163.6	155.8
Family Motor Coaching	136.3	135.1	314.0	311.8
4 Wheel & Off-Road	71.9	65.2	138.1	119.4
Four Wheeler	76.2	81.1	150.7	151.4
Hot Rod	57.3	49.1	95.0	80.9
Motorcyclist	40.9	24.4	66.0	41.3
Motor Trend	69.5	61.5	123.7	113.4
Motorhome Life	91.6	81.9	176.5	176.6
Rider	43.3	32.3	72.5	65.6
Road & Track	80.8	86.6	159.2	182.9
3 Wheeling	56.7	49.0	105.7	95.6
Trailer Life	113.0	111.8	214.5	219.6
Total Group	1,259.3	1,162.4	2,436.8	2,339.9
% change	+8.3%		+4.1%	
— Boating & yachting —				
Boating	166.8	163.2	328.8	309.0
Chesapeake Bay	39.5	30.0	69.5	56.1
Lakeland Boating (10X)	64.5	65.5	124.0	126.2
Motor Boating & Sailing	233.5	233.7	466.4	448.7
Sail	118.7	157.9	222.5	276.5
Small Boat Journal (6X)	53.1	42.0	—	—
Trailer Boats (11X)	46.9	36.0	87.6	65.5
Western Boatman (6X)	—	—	54.7	54.1
Yachting	135.5	173.1	326.4	389.5
Total Group	858.5	901.4	1,679.9	1,725.6
% change	-4.0%		-2.8%	
— Canadian —				
L'Actualite	89.0	38.8	104.3	66.0
Chatelaine:				
English Edition A.	97.9	92.1	159.3	152.9
French Edition	85.0	81.0	136.1	124.5
Financial Post A.	39.9	26.8	71.0	56.8
Flare A.	43.4	50.5	70.9	87.9
Homemaker's (10X)	—	—	—	—
Madam Au Foyer (10X)	—	—	—	—
Maclean's (52X) A.	103.8	128.4	202.0	202.7
Reader's Digest:				
Canadian-English A.	72.2	64.3	139.6	121.0
Canadian-French A.	53.5	53.0	108.5	94.0
Toronto Life	79.1	52.5	140.5	107.4
Vancouver	51.2	53.0	94.2	97.7
Total Group	715.0	640.4	1,226.4	1,110.9
% change	+11.6%		+10.4%	
— Civic/fraternal —				
American Legion	30.4	36.3	59.2	65.0
Elks (10X)	22.0	25.8	42.1	51.3
Kiwanis	23.1	14.5	40.0	28.1
Lion (10X)	6.0	4.8	13.3	11.5
Rotarian	10.5	13.5	21.5	27.1
V.F.W. (11X)	31.8	29.0	61.9	52.9
Total Group	123.8	123.9	238.0	235.9
% change	-0.1%		+0.9%	
— Comics —				
DC Comics	5.0	6.5	12.0	15.5
Marvel Comics Group	6.0	6.0	13.0	10.5
Total Group	11.0	12.5	25.0	26.0
% change	-12.0%		-3.8%	
— General —				
The Atlantic A.	25.9	36.6	65.2	73.3
Bon Appetit A.	89.5	90.3	146.5	146.5
Changing Times	49.2	33.4	99.4	68.8
Connoisseur	41.1	37.7	86.4	79.8
Consumer's Digest (8X)	25.2	45.6	25.2	45.6
Ebony	107.1	93.3	177.6	157.2
Fifty Plus	37.5	35.2	78.4	69.5
Food & Wine	45.7	40.4	78.9	74.3
Gamut	18.3	18.9	40.8	35.8
Gourmet	—	—	—	—
Harper's Magazine A.	22.2	23.6	45.7	50.0
Life	36.7	38.5	105.3	116.3
Modern Maturity (6X)	41.5	50.1	41.5	50.0
Money	106.7	109.2	204.9	204.6
Moneysworth (4X)	10.0	13.8	10.0	13.8
Mother Earth News (6X)	53.3	53.0	53.3	53.0
Mother Jones (9X)	19.7	16.7	41.9	29.0
National Geographic	16.9	22.5	36.1	37.3
Natural History	47.6	39.1	98.6	82.3
Prevention	67.8	66.8	127.4	131.4
Psychology Today	22.6	27.7	42.0	54.5
Saturday Evening Post (9X)	37.7	30.7	—	—
Signature	53.2	59.2	105.1	98.3
Smithsonian	64.8	87.6	150.6	155.6
Success	60.2	53.1	—	—
Sylvia Porter's Personal Finance (10X)	55.0	—	55.0	—
Town & Country	103.7	115.1	190.1	202.0
Travel-Holiday	42.8	46.0	77.3	83.3
Travel & Leisure	108.7	124.6	195.4	183.9
Vanity Fair	39.8	27.3	76.8	55.5
Writers Digest	22.2	21.2	41.8	44.7
Total Group	1,435.1	1,422.0	2,562.1	2,423.6
% change	+0.1%		+5.0%	
— Home —				
Americana (6X)	32.9	40.3	32.9	40.3
Architectural Digest A.	81.2	107.8	184.6	183.5
Better Homes & Gardens	106.2	105.5	169.5	170.9
Colonial Homes (6X)	—	—	52.4	46.1
Country Home (6X)	38.5	30.6	—	—
Country Journal	30.9	30.3	50.7	67.2
Country Living	66.8	63.1	128.7	120.4
Dallas/Ft. Worth Home & Garden	59.9	53.7	142.2	108.4
Family Handyman (10X) A.	58.1	54.0	115.9	115.6
Flower & Garden (6X)	53.6	47.3	—	—
Home	60.0	55.0	92.7	97.8
The Homeowner (10X)	35.2	32.5	35.2	32.5
Horticulture	35.5	30.4	89.0	74.3
House Beautiful	54.0	58.4	109.2	116.8
House & Garden	84.8	83.0	145.9	150.9
Houston Home/Garden	82.3	82.3	136.3	155.3
Metropolitan Home	50.8	80.6	83.1	119.0
New Shelter (9X)	73.3	74.3	116.8	126.0
1,001 Home Ideas	44.9	44.0	78.7	69.8
Phoenix Home/Garden	88.0	67.5	144.0	130.0
Rodale's Organic Gardening	76.6	70.5	153.3	140.2
Rx Being Well	24.0	20.0	46.0	—
San Diego Home/Garden	57.5	63.7	130.5	120.7
South Florida Home/Garden	30.3	32.8	59.5	66.0
Southern Accents (6X)	—	—	107.8	74.4
Southern Living	109.4	110.0	204.8	190.0
Sunset Magazine A.	125.5	124.4	221.5	208.6
Texas Homes	57.9	59.3	140.9	153.5
Workbench (6X)	—	—	51.2	56.8
Total Group	1,582.9	1,568.8	3,061.8	3,035.2
% change	+1.0%		+1.0%	
— In-flight & other passenger —				
Aboard Group (6X)	—	—	—	—
Alaska Airlines	43.6	45.3	101.8	83.9
American Way (26X)	87.3	110.2	179.4	195.2
East/West Network:				
Eastern Review	109.7	106.5	199.5	190.7
Frontier	38.0	27.2	77.5	53.5
Northwest Orient	46.2	35.2	91.4	69.3
Ozark	42.7	30.2	89.2	64.5
PSA Magazine	96.8	68.3	185.3	134.3
Pan Am Clipper	52.7	48.7	102.9	103.7
Republic Scene	43.5	36.0	90.1	79.2
Spirit	93.2	70.7	178.7	162.2
United	81.5	75.7	167.1	154.4
Western's World	66.5	46.7	130.3	91.0
Halsey Publications:				
Air Cal	—	—	—	—
Delta Sky	—	—	—	—
Frontier	—	—	—	—
Skylite	—	—	—	—
Hawaii (6X)	20.8	23.8	41.7	47.5
Pace	91.6	29.8	151.3	82.8
Presidential Airways (24X)	11.2	—	11.2	—
Southwest Airlines	—	—	—	—
Spirit of Aloha (6X)	20.3	23.7	40.7	47.3
TWA Ambassador	37.5	40.0	78.8	79.0
Total Group	983.1	818.0	1,916.6	1,638.5
% change	+20.2%		+17.0%	
— Men's —				
Esquire	—	—	—	—
Firehouse Magazine (13X)	30.4	32.6	72.7	75.5
Gentlemen's Quarterly A.	124.0	107.8	180.8	166.3
M	55.8	52.8	82.0	80.8
Penthouse A.	30.3	30.5	76.6	82.4
Playboy A.	42.0	51.5	114.5	145.4
Total Group	282.5	275.2	526.6	550.4
% change	+2.7%		-4.3%	
— Metropolitan —				
Aloha (6X)	—	—	—	—
Atlanta	43.0	35.6	89.9	86.2
Baltimore	70.1	82.2	126.5	140.7
Boston	—	—	—	—
California	43.7	67.9	143.4	123.7
Charlotte (10X)	—	—	—	—
Chicago	110.3	101.6	193.1	198.9
Chicago's North Shore	58.5	68.4	136.3	149.5
Cincinnati	56.2	55.7	109.1	112.1
Cleveland	57.2	100.4	117.5	174.6
Coast (38X)	—	—	—	—
Columbus Monthly	48.1	47.4	98.3	123.0
Commonwealth	—	—	—	—
Connecticut	86.4	70.6	169.8	143.5
Mid Atlantic Country	30.3	37.5	54.8	66.3
D/Magazine, Dallas/Ft. Worth	111.5	98.4	223.5	214.4
Denver	45.0	34.7	77.2	32.2
Grand Rapids	26.3	33.3	92.5	69.3
Gulfshore Life (10X)	—	—	—	—
Honolulu	49.9	58.5	108.4	137.6
Houston City	50.0	48.6	90.7	120.6
Indianapolis	33.8	29.5	83.1	74.8
Kansas City	—	—	—	—
Los Angeles	139.7	141.5	266.0	285.0
Louisiana Life (6X)	—	—	39.0	55.6
Madison	66.0	44.0	126.0	124.0
Metropolitan Detroit	67.0	51.0	194.5	127.5
Miami Mensual	46.3	40.8	98.1	84.3
Miami/South Florida	63.1	85.5	152.1	185.1
Milwaukee	53.3	64.9	100.5	119.3
Minneapolis/St. Paul	—	—	—	—
Monthly Detroit	59.8	35.8	204.4	86.8
Nashville	36.0	27.0	87.0	55.0
New England Monthly	24.9	13.3	68.1	53.1
New Jersey Monthly	81.6	56.0	144.5	110.8
New Mexico	14.5	35.2	57.4	93.7
Ohio	38.7	52.5	99.3	105.3
Oregon	20.5	30.4	35.0	48.5
Orlando	102.7	90.3	200.2	188.3
Palm Beach Life	101.5	122.3	195.5	240.4
Palm Springs Life	143.8	132.2	300.3	305.7
Philadelphia	114.2	128.2	227.5	230.2
Phoenix	86.1	118.9	189.6	236.1
Pittsburgh	55.6	49.2	93.7	97.9
St. Louis	—	—	—	—
San Diego	135.8	124.8	261.8	288.6
San Francisco (6X)	—	—	—	—
San Francisco Focus	77.2	70.7	143.5	145.4
Texas Monthly	84.0	86.0	278.5	177.7
Twin Cities	36.4	38.6	76.3	94.9
Ultra	49.8	63.2	93.0	116.9
The Virginian (6X)	—	—	58.5	58.0
Washington	—	—	62.0	24.0
Washington Dossier (11X)	36.0	41.7	82.5	107.8
The Washingtonian	141.8	145.0	253.0	292.0
Total Group	2,796.6	2,731.1	6,101.9	6,102.3
% change	+2.4%		-0%	
— Movie/romance/radio/tv —				
Macfadden's Women's Group:				
Modern Romances	25.3	20.5	37.0	37.1
Secrets	25.3	20.5	37.0	37.1
True Confessions	25.3	20.5	37.0	37.1
True Experience	25.3	20.5	37.0	37.1
True Love	25.3	20.5	37.0	37.1
True Romance	25.3	20.5	37.0	37.1
Sterling Women's Group:				
Daytime TV	25.8	28.5	49.6	57.0
Modern Screen	15.5	12.0	15.5	12.0
Movie Mirror (6X)	15.5	20.5	15.5	20.5
Soap Opera Stars	15.8	17.5	16.8	17.5
TV Movie Screen (6X)	8.3	6.0	8.3	6.0
TV Picture Life (6X)	4.3	6.0	4.3	6.0
Total Group	238.0	213.5	332.0	341.6
% change	+11.5%		-3.0%	
— Music/entertainment —				
American Film (10X)	—	—	—	—
Audio	59.6	68.9	154.7	173.9
Circus Magazine	28.3	47.3	62.6	92.3
Dance Magazine	54.6	57.6	108.5	113.7
Musician	—	—	—	—
Playbill	51.0	48.8	89.5	92.4
Record	—	—	—	—
Stereo Review	97.3	34.9	155.9	82.1
Video	73.9	78.0	160.3	156.2
Video Review	57.0	52.0	121.0	116.0
Total Group	421.7	387.5	852.5	826.6
% change	+8.9%		+3.1%	
— National Sunday magazines —				
USA Weekend (52X)	—	—	—	—
Parade (52X)	49.6	45.8	96.4	92.9
Total Group	125.6	135.4	244.9	287.2
% change	-7.2%		-14.7%	
— Outdoor & sport —				
Alaska	55.4	54.6	91.3	95.5
The American Handgunner (6X)	35.0	33.0	35.0	33.0
American Hunter	16.6	19.9	38.6	35.1
American Rifleman	16.0	24.3	44.2	51.0
Backpacker (6X)	—	—	23.1	25.3
Bass Master (9X) A.	91.6	80.1	142.0	127.5
Bicycling (9X)	48.4	—	108.5	80.7
Ducks Unlimited	—	—	20.5	28.8
Equus	40.2	48.9	94.0	101.3
Field & Stream	94.3	90.6	156.7	146.4
Fins & Feathers A.	—	—	—	—
Fishing World	—	—	—	—
Florida Sportsman	155.1	152.5	265.1	242.3
Flying	36.5	38.7	70.7	78.6
Fur-Fish-Game	—	—	—	—
Golf Digest	131.3	129.7	228.9	237.1
Golf Magazine	130.6	117.0	265.9	254.5
Gun Dog	—	—	25.9	21.7
Guns	28.0	22.0	57.0	43.0
Guns & Ammo	36.7	39.5	95.3	75.3
In-Fisherman (6X)	63.0	48.0	63.0	48.0
Muscle & Fitness	110.3	110.0	217.6	214.3
Outdoor Life	86.7	90.0	149.2	133.2
Outside Magazine	35.9	29.6	66.3	58.2
Petersen's Hunting	31.7	32.9	90.1	62.1
The Runner	24.7	26.5	50.5	53.5
Runner's World (13X)	25.4	31.1	53.6	64.1

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

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January

	Current month 1986	1985	Year-to-date 1986	1985
Salt Water Sportsman	119.0	90.9	280.4	167.0
Shooting Times	42.0	33.5	95.5	61.4
Sierra	—	—	—	—
Ski (8X) A.	50.8	60.4	166.5	135.9
Skiing (7X)	54.9	70.3	139.6	158.1
Skin Diver	90.9	87.0	183.2	160.5
Southern Outdoors (8X)	45.3	—	84.3	38.1
Sport	—	—	—	—
Sports Afield	75.8	101.4	149.0	162.4
Tennis	65.0	55.8	105.4	106.9
World Tennis	32.0	26.0	51.1	46.0
Western Outdoors (10X)	64.8	43.1	100.1	73.4
Wildfowl	9.5	—	9.5	—
Total Group	**1,943.4**	**1,787.3**	**3,817.6**	**3,387.7**
% change		**+8.7%**		**+13.0%**

— Photography —

American Photographer	36.7	27.0	71.0	65.7
Petersen's Photographic	23.4	25.7	43.3	49.6
Popular Photography	65.5	82.7	130.6	171.9
Total Group	**125.6**	**135.4**	**244.9**	**287.2**
% change		**-7.2%**		**-14.7%**

— Religious —

Christian Herald (11X)	33.8	36.0	63.7	69.3
Christian Life	19.3	21.3	40.6	46.2
Christianity Today (18X)	71.3	91.0	121.3	138.2
Inside (4X)	—	—	—	—
Moody Monthly (11X)	50.0	52.8	97.7	103.50
Today's Christian Woman (6X)	31.0	36.6	—	—
Christian Herald (11X)	33.8	36.0	63.7	69.3
Christian Life	19.3	21.3	40.6	46.2
Christianity Today (18X)	71.3	91.0	121.3	138.2
Inside (4X)	—	—	—	—
Moody Monthly (11X)	50.0	52.8	97.7	103.50
Today's Christian Woman (6X)	31.0	36.6	—	—
Total Group	**205.4**	**237.7**	**354.3**	**393.8**
% change		**-13.6%**		**-10%**

— Science/electronic/mechanic —

Compute	—	—	—	—
Computers & Electronics	—	—	—	—
Discover	27.4	37.2	60.5	67.9
Family Computing	29.6	49.9	83.9	112.4
Home Mechanix	66.5	57.7	124.6	116.7
Info World (52X)	111.0	122.0	—	—
Omni	58.2	54.9	103.3	101.4
Personal Computing	94.5	133.8	205.9	288.2
Popular Mechanics	90.6	86.7	172.1	168.5
Popular Science	75.9	67.9	114.1	117.6
Science Digest	13.4	25.5	29.8	57.3
Science 86 (10X)	28.2	36.9	—	—
Scientific American	32.2	40.0	65.6	86.4
Spectrum	77.3	93.5	183.5	207.4
Total Group	**704.8**	**806.0**	**1,143.3**	**1,321.8**
% change		**-13.0%**		**-14.0%**

— Women/fashion/service —

Bride's Magazine (6X) A.	517.5	497.7	—	—
Cosmopolitan A.	182.8	166.9	337.4	304.7
Essence	80.4	64.9	147.6	142.9
Family Circle (24X) A.	125.1	189.5	226.6	287.4
Family Magazine	46.0	44.2	76.0	74.2
Glamour	145.7	131.5	249.3	229.1
Good Housekeeping A.	—	—	—	—
Harper's Bazaar	128.3	127.6	186.1	211.7
Health	40.6	39.8	82.1	71.8
Ladies' Home Journal	116.4	111.8	201.8	186
Lady's Circle	—	—	—	—
Mademoiselle	97.7	112.0	149.5	168
McCall's	98.3	95.6	158.3	168
Military Lifestyle (10X)	56.5	42.3	114.0	68
Modern Bride (6X)	—	—	504.7	488
Ms.	31.4	36.3	71.1	85
New Woman	60.1	49.0	108.0	82
Parents Magazine A.	80.1	91.3	144.6	158
Playgirl	—	—	—	—
Redbook	91.4	101.6	162.7	170
Self	96.1	82.7	153.1	138
Seventeen	79.7	97.8	141.6	152
Shape	65.4	65.5	125.3	110
Soap Opera Digest (26X)	15.4	25.0	38.3	48
'Teen Magazine	38.0	34.8	63.8	64
True Story A.	60.0	56.2	94.6	85
Vogue	273.4	269.9	400.1	404
W Magazine	161.5	155.0	224.6	222
Weight Watchers	30.9	28.7	61.6	48
Woman's Day (16X) A.	82.1	102.5	181.0	166
The Workbasket (10X)	46.8	51.0	88.6	88
Working Mother	67.8	73.1	120.4	133
Working Woman	—	—	—	—
Total Group	**2,821.9**	**2,967.4**	**4,635.7**	**4,585**
% change		**-5.0%**		**+1.0%**

— Youth —

Boys' Life	—	—	—	—
Campus Life (10X)	31.6	38.5	88.4	107
Total Group	**31.6**	**38.5**	**88.4**	**107**
% change		**-17.9%**		**-17.5%**

December

— Business —

	Pages Jan 1986	Jan 1985
Advantage	46.0	51.0
Arizona Business Gazette (52X)	—	—
Atlanta Business Chronicle (52X)	57.0	42.2
Austin Business Journal (52X)	33.3	41.5
Baltimore Business Journal	59.5	54.5
Barron's (52X)	149.2	168.1
Boston Business Journal (52X)	111.0	112.5
Business Atlanta	50.0	50.9
Business First of Buffalo	45.0	47.6
Business First of Columbus	65.3	63.8
Business Week (52X) A.	199.0	242.0
Business West	42.0	41.0
California Business	33.7	57.0
Capital District Business Review (25X)	—	—
Cincinnati Business Courier	50.1	43.0
Corporate Report/Kansas City	38.5	58.7
Corporate Report/Minnesota	70.8	74.9
Crain's Chicago Bus. (52X)	114.5	117.3
Crain's Cleveland Bus. (52X)	42.8	61.8
Dallas/Ft. Worth Bus. (52X)	57.4	41.5
Dun's Business Month	42.3	40.1
Financial World (24X)	38.9	22.8
Florida Trend (13X)	80.5	102.6
Forbes (29X)	208.5	202.7
Fortune (26X)	128.3	147.2
Frequent Flyer	50.3	44.7
Futures (13X)	43.5	49.5
Georgia Trend	72.0	72.0
Grand Rapids Business Journal (52X)	22.9	8.2
Hawaii Business	45.8	46.1
High Technology	19.7	33.2
Houston Bus. Journal (52X)	132.0	176.0
Inc. Magazine A.	—	—
Income Opportunities	—	—
Industry Week (25X) A.	58.1	64.9
Indianapolis Bus. Journal (52X)	117.6	102.4
Kansas City Bus. Journal	86.2	126.7
Manhattan, inc.	57.7	15.9
Milwaukee Bus. Journal (52X)	65.0	80.5
Minnesota Business Journal	36.2	43.3
New England Bus. (20X) B.	47.9	47.0
Pacific Business News (52X)	93.6	79.1
Philadelphia Bus. Journal (52X)	99.1	79.6
Pittsburgh Bus. Times (52X)	52.3	51.3
Regardie's	135.0	134.5
Savvy	—	—
South Florida Business Journal	96.9	78.2
St. Louis Bus. Journal (52X)	99.5	98.2
Texas Business	—	—
Venture	49.4	46.5
Total Group	**3,075.7**	**3,225.9**
% change		**-5.0%**

— Newspaper Sunday magazines* —

Boston Globe	153.0	137.5
Chicago Tribune	44.5	56.5
Cincinnati Inquirer	—	—
Cleveland Plain Dealer	16.5	26.3
Columbus Dispatch	20.6	20.4
Denver Post	—	—
Detroit News	96.0	96.0
L.A. Times Magazine	50.7	57.7
Louisville Courier-Journal	50.4	56.3
Miami Herald	35.5	34.5
New York News	—	—
New York Times Magazine	—	—
Philadelphia Inquirer	36.9	33.4
Toledo Blade Magazine	26.1	22.8
Washington Post	61.9	55.4
Total Group	**592.1**	**540.5**
% change		**+10.0%**

— Weeklies/bi-weeklies —

	Pages Jan 1986	Jan 1985
The Advocate (26X)	121.2	80.2
Army Times Military Group:		
Air Force Times (52X)	116.3	125.4
Army Times (52X)	125.2	130.3
Navy Times (52X)	136.5	139.0
The Blood-Horse (52X)	436.5	517.8
Capper's Weekly (26X)	31.5	41.0
Commonweal (22X)	10.0	9.4
Grit (52X) A.	24.3	28.7
Image	42.3	21.4
National Journal (50X)	42.8	44.0
National Review (25X)	18.4	13.8
New Republic (48X)	24.6	15.0
New York Magazine (50X)	127.1	152.0
New Yorker (52X)	132.8	163.7
Newsweek (52X) A.	147.1	147.2
People (52X)	194.7	201.6
Rolling Stone (25X)	51.5	54.8
Sporting News (52X)	33.7	25.4
Sports Illustrated (52X) A.	155.3	172.6
Time (52X) A.	166.9	169.2
Travelhost (52X) C.	—	—
TV Guide (52X) A.	315.0	328.1
TV Update	2,814.0	2,096.0
Us Magazine (26X)	42.4	18.4
U.S. News & World Report (52X) A.	87.5	88.9
Total Group	**5,397.6**	**4,694.1**
% change		**-15.0%**

— Foreign —

Good Housekeeping Foreign Editions:		
Australia	25.5	16.0
Japan	36.3	25.0
Great Britain	86.7	67.3
Buenhogar:		
Central America	2.0	—
Chile	1.0	2.0
Colombia	15.2	14.0
Ecuador	6.0	9.0
Mexico	9.8	20.3
Peru	5.0	5.0
Puerto Rico	8.5	3.5
Venezuela	13.3	15.0
Geomundo:		
Central America	2.0	2.0
Chile	2.0	2.0
Colombia	5.0	4.0
Ecuador	2.0	—
Mexico	3.5	9.5
Peru	1.0	7.0
Puerto Rico	1.0	8.5
Venezuela	6.0	18.0
Hombre De Mundo:		
Central America	4.0	3.0
Chile	2.0	2.0
Colombia	7.5	2.0
Ecuador	4.0	3.0
Mexico	1.0	4.0
Peru	2.0	2.0
Puerto Rico	2.0	1.0
Venezuela	9.0	9.0
Ideas Para Su Hogar:		
Central America	—	—
Chile	—	—
Colombia	6.7	5.0
Ecuador	—	2.0
Mexico	1.0	5.5
Peru	1.0	—
Puerto Rico	—	—
Venezuela	5.5	6.0
Mecanica Popular:		
Argentina	1.0	2.5
Central America	6.5	7.3
Chile	2.3	3.8
Colombia	13.8	9.7
Mexico	4.8	7.8
Peru	4.8	9.3
Puerto Rico	5.5	10.2
Venezuela	7.8	10.7
Vanidades Continental:		
Central America	3.2	2.8
Chile	0.3	3.3
Colombia	14.0	17.7
Ecuador	5.0	9.7
Mexico	18.0	26.2
Peru	8.3	7.7
Puerto Rico	13.2	16.3
U.S.	23.8	28.7
Venezuela	16.3	21.7
Business Week Int'l (52X)	70.3	78.3
Cosmopolitan Foreign Editions:		
Australia	52.5	44.0
Brazil	51.3	36.3
China	30.3	—
France	37.5	68.3
Germany	54.2	45.2
Great Britain	51.0	50.0
Greece	43.0	35.0
Holland	24.0	17.8
Italy	18.3	13.0
Japan	90.5	23.0
Cosmopolitan en Espanol:		
Central America	0.3	0.7
Colombia	3.3	2.7
Ecuador	—	—
Mexico	4.5	17.2
Peru	—	—
Puerto Rico	4.5	6.7
Venezuela	4.3	9.7
International Communications:		
African Business	13.4	15.3
New African	14.9	19.3
The Middle East	12.2	8.4
International Management:		
Europe	24.8	26.5
Middle East	8.3	13.
Johnston International:		
Alam Attijarat	21.3	49.
Modern Africa (6X)	13.3	12.
Modern Asia (11X)	36.5	52.
Newsweek International A.		
Atlantic (52X)	48.9	49.
Latin America (52X)	20.9	11.
Pacific (52X)	42.1	40.
Progreso (9X)	—	—
Reader's Digest:		
Arabic	3.0	9.
Asian	377.0	206.
Australian	34.0	40.
Belgian-Flemish	33.5	23.
Belgian-French	27.5	27.
British	37.0	43.
Chinese B	130.5	131.
Danish	22.5	23.
Dutch	28.0	44.
Finnish	6.0	11.
French	14.0	42.
German	45.3	60.
Greek	4.0	8.
Iberian	—	5.
Indian-English	74.5	79.
Indian-Hindi	6.0	10.
Italian	24.0	21.
Japanese	12.7	48.
Korean	28.8	25.
Latin American:		
Argentina	8.0	16.
Brazil	6.0	2.
Central American	3.0	8.
Chile	12.0	5.
Colombia	20.0	15.
Ecuador	5.0	8.
Mexico	18.1	13.
Peru	7.0	10.
Puerto Rico	3.0	4.
U.P.B.	5.0	6.
U.S. Spanish	3.5	3.
Venezuela	6.5	6.
New Zealand	73.0	34.
Norwegian	2.5	8.
Portugal	27.3	14.
South African	58.5	40.
Swedish	13.0	8.
Swiss-French	11.0	12.
Swiss-German	22.0	29.
Time International:		
Time-Asia	40.9	42.
Time-Atlantic	35.7	41.
Time-Canada	119.2	91.
Time-Latin America	26.9	23.
Time-South Pacific	25.1	79.
Visao (52X)	146.3	100.
Vision/Latin America (26X) A.	7.9	12.
Total Group	**2,181.6**	**2,484.**
% change		**-12.0%**

Timberland campaign leakproof

HAMPTON, N.H.—Waterproof quality—in footwear and marinewear—is the umbrella theme behind Timberland Co.'s advertising from its new agency, SSC&B:Lintas Worldwide, New York.

The U.S. campaign, themed "All the quality you may ever need," breaks in March issues of national consumer magazines (AA, Feb. 10), and will feature the company's footwear. Later, said Timberland marketing vp John Thorbeck, the theme will cover Timberland's marine apparel from its Sag Harbor, N.Y., subsidiary, Atlantis.

The theme may travel well, too: SSC&B:Lintas exec vp Robert Wadsworth said other SSC&B offices in Europe were impressed with the campaign, and may use its American wording in European ads to lend a high-quality tone to the goods.

Not that Europeans will have to be educated about the Timberland name. Of the company's $70 million in sales last year, nearly 25% came from overseas, particularly in Italy, where Timberland is considered trendy, Mr. Thorbeck said. This year, Timberland is aiming for $100 million—or "Point-one billion," as Mr. Thorbeck insists—in sales, while increasing foreign sales to 30% of that total.

Ad spending this year also has taken off. From $1.7 million media spending while the account was at Ally & Gargano, New York, last year, the budget grew to $4 million domestically, and from $750,000 in Europe to $2 million this year.

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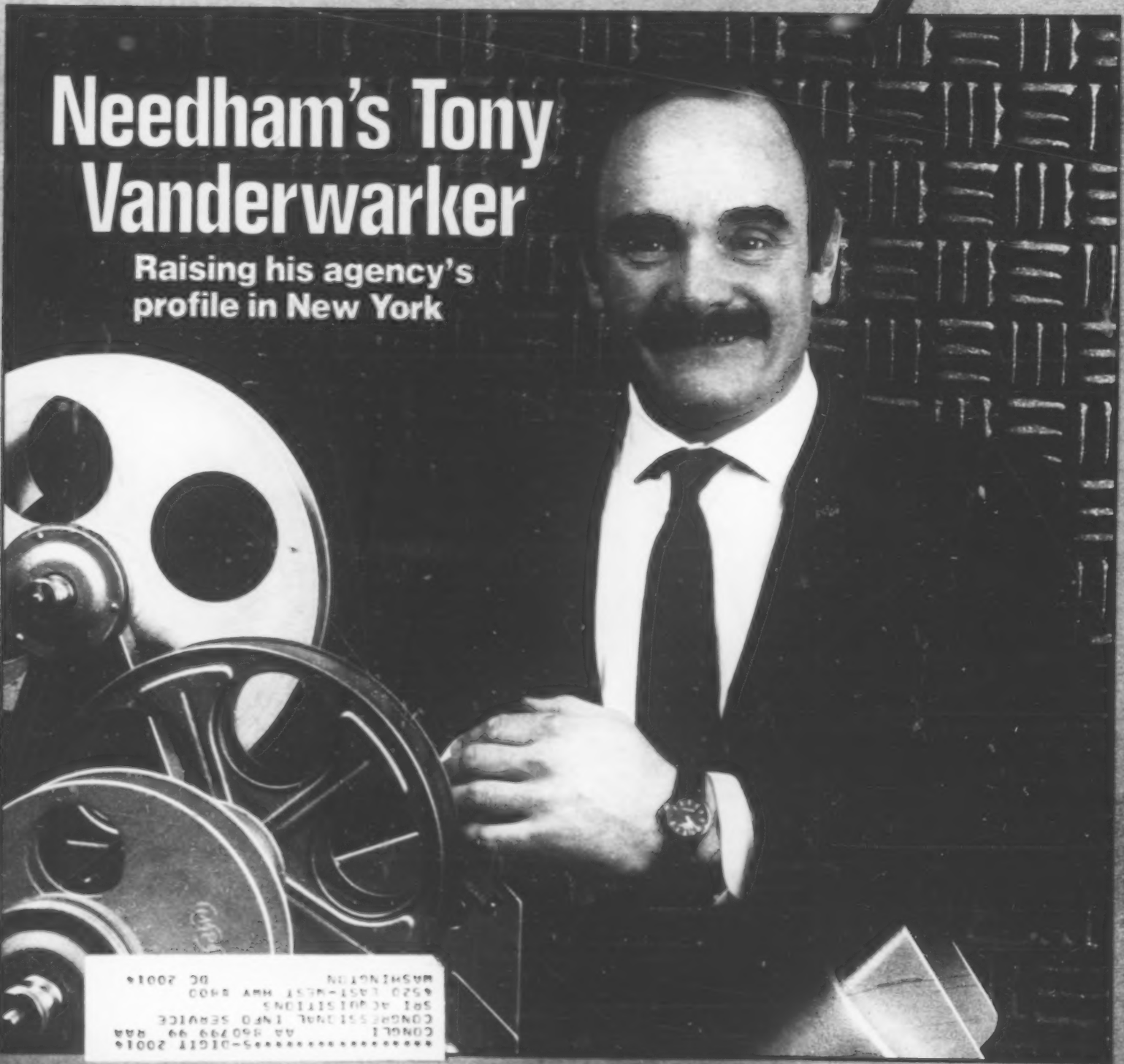
SPECIAL REPORT
Toiletries & Beauty Aids

Advertising Age Tuesday

Crain's Magazine of the Creative Process



Needham's Tony Vanderwarker

Raising his agency's profile in New York

WASHINGTON DC 20016
6520 LAST-WEST HWY #400
SPI ACQUISITIONS
CONGRESSIONAL INFO SERVICE
CONGRESS AA 860799 99 #AA
*********5-DIGIT 20016

Thursday

Needham's Vanderwarker

In 1971, a Yale University dropout, a Peace Corps volunteer bitten by the filmmaking bug, Tony Vanderwarker, poured himself into his first feature film: "Gross National Product," a black comedy about the Vietnam War. It was "an abysmally bad film," says Vanderwarker, who turns 43 years old March 6 and can look back at his brief filmmaking "career" from a different perspective. But it also was "a fantastic experience" and a "learning" one, he adds. More than that, it was a step on the way to exec vp-director of creative services at Needham Harper Worldwide's New York division, a position to which he was named by the agency last fall. *See Page 4.*

Cover photo by Arnold Adler

Disney days

Tinkerbell was just a twinkle in Walt Disney's eye when he handed the project to Marc Davis. With a stroke of the pen he used to sketch life into Cinderella, Snow White and the rest of Disney's female animated characters, Mr. Davis gave the fairy the qualities to endear her to countless Disney fans. Tinkerbell became famous. Marc Davis didn't. But his impact on the childhoods of countless Americans is certain. *See Page 32.*

Special Report—Toiletries, Beauty Aids

Skincare and treatment products to avoid signs of aging are hot spots in the toiletries and beauty aids industry. There's a product for virtually every wrinkle and every price point. Special Report stories examine how convenience packaging is affecting the industry, the popularity of knockoff fragrances, some leading beauty aids marketers and the struggle for success in the men's skincare category. Starting on *Page 13.*

Presstime

Sony taps McCann

Park Ridge, N.J.—Sony Corp. of America has consolidated its entire $20 million-plus consumer products account at McCann-Erickson, New York. McCann picks up from Lowe Marschalk an estimated $10 million in billings for Sony videocassette recorders, 8mm video cameras and videocassettes. The gain follows McCann's loss last week of an estimated $40 million worth of Eastman Kodak Co. billings, including Kodak's consumer electronics business (AA, Feb. 17).

Ritz may go national

Tampa, Fla.—R.J. Reynolds Tobacco Co. will likely move its Ritz cigaret brand into national distribution this year, J. Tylee Wilson, chairman-ceo of parent R.J. Reynolds Industries, Winston-Salem, N.C., said here this week at a meeting of stock market analysts. Ritz, billed as the nation's first designer cigaret, carries the Yves St. Laurent signature on packaging and the cigaret. It has been in test in Atlanta, Oklahoma City, Memphis, St. Louis and the state of Washington since early last year, with the cigaret selling at a premium price in two of those markets. Leber Katz Partners, New York, handles.

Brynner spot hits smoking

New York—The American Cancer Society on Feb. 19 released a new antismoking tv public service spot featuring videoclips of the late Yul Brynner commenting on cigaret smoking. Mr. Brynner says in it: "I really wanted to make a commercial when I discovered that I was that sick and my time was so limited—and to make a commercial that says simply, 'Now that I'm gone, I tell you: Don't smoke, whatever you do, just don't smoke.'" Mr. Brynner died of lung cancer last October. The psa is taken from an interview on ABC's "Good Morning America." McCaffrey & McCall created the spot.

Interpublic profits pop

New York—Interpublic Group of Cos. reported a net income gain of 41% to $14.2 million in the fourth quarter as revenues rose 13% to $206.4 million. For the full year, net income climbed 12% to $36.6 million while revenues rose 7% to $691.5 million.

Ewing, Mac team up

New York—Knicks rookie center Patrick Ewing today signs a multiyear contract to represent McDonald's Corp., Oak Brook, Ill.

MasterCard repositions

New York—MasterCard International on Feb. 23 will break an estimated $30 million network tv, radio and print repositioning effort. It reportedly abandons the credit-card marketer's status-oriented "So worldly, so welcome" theme. William Esty Co. handles.

Coke buys Griffin

Atlanta—Coca-Cola Co. this week purchased Merv Griffin Enterprises, Hollywood, Cal., for an

(Continued on Page 35)

Street Talk

Disc jockeys such as New York's Howard Stern have used outrageous, often tasteless humor to win audience. Is insult humor still a strong radio format? Do you worry about clients being in a show that holds nothing sacred?

Bill Hansell, vp-associate director of local broadcast, BBDO, New York: "Yes, I do believe 'insult radio' is still viable and will continue to be at least in the near-term. It's popular among a certain younger 'yuppie' audience. If the audience is involved, as I believe Howard Stern's audience is, then that can carry over to the advertiser in a positive sense. At the same time, I'd be selective in my choice of clients, and most particularly the choice of copy that I would run in that kind or type of program. I'd be careful."

B. HANSELL

D. COVER-LEWIS

Deborah Cover-Lewis, vp-media director, Needham Harper Worldwide, Washington: "We're always concerned about the environment in which our clients' commercials run. However, we don't have a blanket policy on not using certain station formats. It depends on the clients' needs. Some clients don't shy away from controversy. Insult humor is not the only format that we monitor closely. I think that insult humor will run its cycle and fade from the forefront just as other radio formats have in the past."

Joel Kushins, senior vp-media director, Bozell, Jacobs, Kenyon & Eckhardt, New York: "It's kind of a lot of fun to listen to some of these shows and a great deal of worry when your advertising is attached to them. In the end, it's much the same situation as with the purchase of a tv program or magazine. You're purchasing an environment. You have to appreciate the separation of church and state. But when it goes one step over the line, it's within our purview not to participate."

J. KUSHINS

J. MENDELSOHN

Jordin Mendelsohn, principal-creative director, Mendelsohn/Zien, Los Angeles: "Your product has to fit that format. I wouldn't do it if I was advertising the Vatican. The key is listeners understand that [the deejay] is kidding. They don't think it's tasteless; they think it's funny. If all radio personalities used that kind of humor, it wouldn't work. [But] because it's unique, it's breaking through the clutter. When you're on the edge, you're always going to upset some people, but it sells a lot of product."

Fred Wray, senior vp-media director, Foote, Cone & Belding, Chicago: "Based on what I've heard, it's becoming more popular. From my personal standpoint, to a degree it's funny, but there's a line of taste that's often exceeded. It can be a scary thing to put a commercial message next to a disc jockey who might say anything. Many times when I've listened to those programs I've shuddered to think what it would be like if one of my client's messages was right up next to some of those things they say."

F. WRAY

Advertising Age *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, Advertising Age *Thursday*, 220 E. 42nd St., New York 10017.

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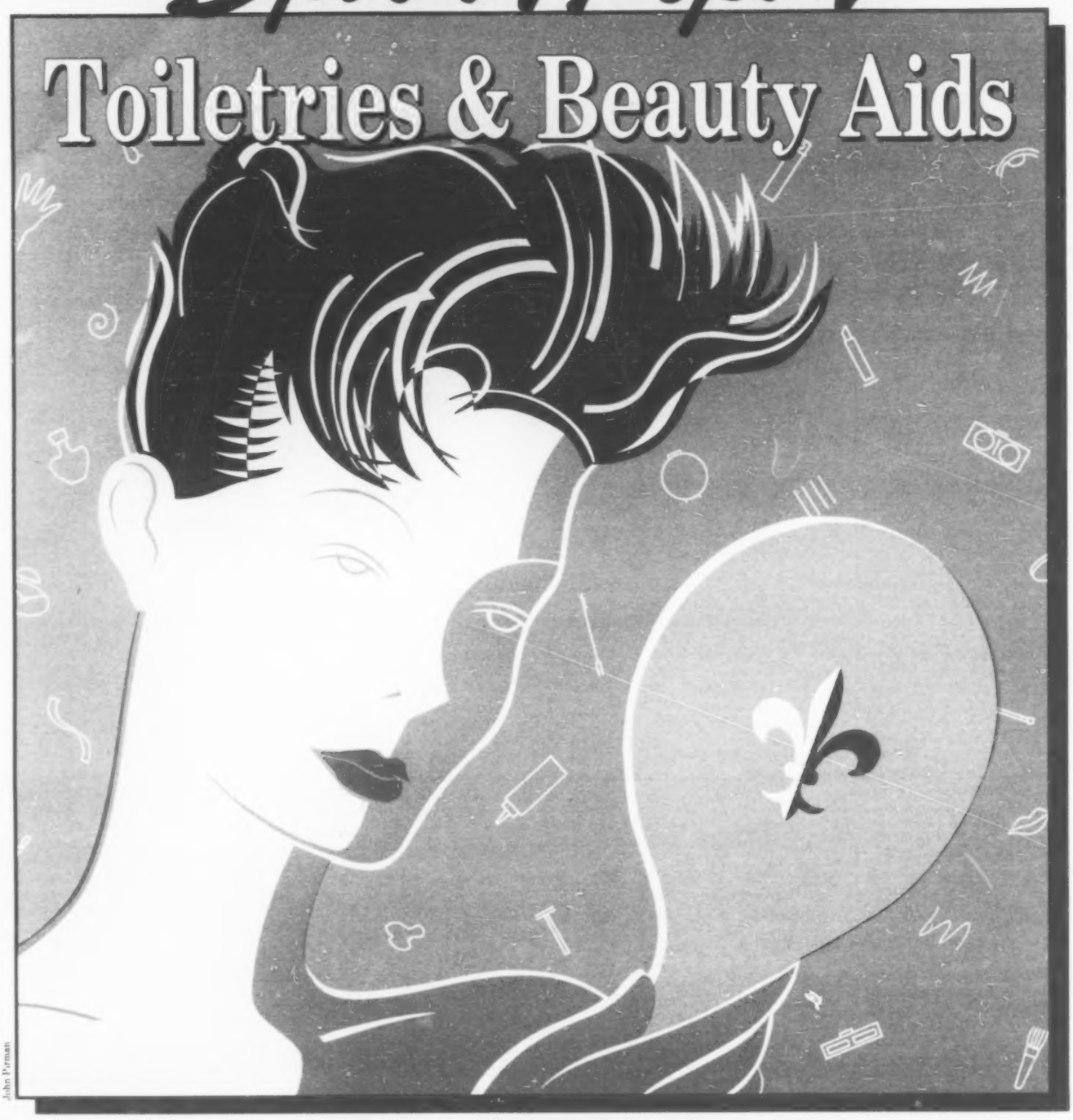
ABP MPA ABC

Special Report

Toiletries & Beauty Aids



John Parman

Marketers treat consumers to new products

By Laurie Freeman

A search for the Fountain of Youth today might take 16th century explorer Ponce de Leon to the corner drugstore instead of Florida.

Skincare and treatment to maintain a youthful complexion is where the action is in the cosmetics and toiletries industry, observers say.

"The industry is moving toward producing more therapeutic products, particularly those products that address individual facial areas, like the undereye," says Allan Mottus, president of Mottus & Associates, New York, a cosmetics industry consultancy.

In 1984, the total skincare preparation market, which includes facial creams, powders and suncare lotions, was $2.3 billion, a 9.5% increase from the previous year, says Susan Babinsky, consultant with Charles Kline & Co., Fairfield, N.J.

Sales of treatment products, such as toners, fade creams and astringents, for women in 1984 increased to $1.1 billion, up 7.3% from 1983, she says. The men's segment of the treatment category showed the largest increase, climbing 15% to $16.7 million in 1984.

Fragrances for women kept pace with the interest in skincare, up 9.3% to $1.53 billion from 1984, according to Kline. Men's fragrances also showed growth, rising 9% to $665 million from the previous year.

In addition to increased sales, fragrances in 1984 took a decidedly patriotic twist. "For the first time in recent memory, the best-selling fragrances in department stores are all American," Mr. Mottus says. Giorgio, Calvin Klein's Obsession and Estee Lauder's Beautiful and White Linen are all home-grown, Mr. Mottus says.

In the mass-merchandise segment, Vanderbilt and Charles of the Ritz' Forever Krystal remain the leading fragrances, while men prefer Stetson by Coty and Ralph Lauren's Chaps, "the western, yet not macho, scents," he says.

(Continued on Page 14)

Beauty and the manufacturers' dollars

Skincare preparations
1984: $2.3 bil. 1983: $2.1 bil.

Treatment products
1984: $1.1 bil. 1983: $1.02 bil.

Fragrance
1984: $2.2 bil. 1983: $2.01 bil.

Cosmetics
1984: $1.8 bil. 1983: $1.7 bil.

Nailcare
1984: $360 mil. 1983: $330 mil.

Toiletries
1984: $2.2 bil. 1983: $1.6 bil.

Haircare
1984: $2.6 bil. 1983: $2.4 bil.

All manufacturers' dollars.
Source: Charles Kline & Co., Fairfield, N.J.

Marketers treat consumers

(Continued from Page 13)

Despite the sweet smell of increased sales in the fragrance category, the skincare segment of the industry remains the focal point. Hundreds of anti-aging skincare products, ranging from moisturizers to eye creams, crowd store counters. There's a product for virtually every wrinkle and every price point.

At the high-end, there's Glycel, a $75-per-ounce skin cream formulated by noted heart surgeon Christiaan Barnard and marketed by New York-based Alfin Fragrances, while at the low end, Richardson-Vicks' best-selling Oil of Olay lotion remains priced at less than $5 for a 3.5-oz. bottle.

Complex, multistep skincare regimens are a fixture at department store cosmetics counters. But some marketers believe these regimens can intimidate the average consumer. Estee Lauder's Prescriptives subsidiary has developed a simpler system, with single, stand-alone treatment and makeup products. "The products can work as a regimen, but we don't push that aspect," says Marianne Diorio, Prescriptives spokeswoman.

"Contemporary working women don't want to commit the time or money it takes to use a regimen," she says. "By the time they're in their 30s, they're ready for serious skincare, they're not satisfied with what they used in college, yet they want a single product that will solve a particular problem."

Prescriptives newest stand-alone product, Flight Cream, was introduced earlier this month through print ads in United Airlines' in-flight magazines. The product is a sky-blue, lightweight, facial cream, designed to counteract temporary conditions of low humidity, stale air and lack of adequate rest, resulting from air travel or working all night, Ms. Diorio says.

To keep pace with increased new product activity such as this, beauty aids marketers have stepped up advertising, leading to conflicting ads and product claims of reaching perfection, industry analysts say.

"They'd like to believe a lot of what's said. They're looking for streamlined regimens that are problem and solution oriented."

To resolve the confusion, women turn to cosmetic counter consultants to recommend the best routine and products for their skin.

This use of consultants, combined with the increased new beauty aids product activity in department stores, has raised industry speculation that the market is splitting into distinct halves, with skincare purchases made at department stores and makeup purchased at drugstores and mass retail outlets.

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cathy
HOW MUCH IS THIS ?
$40.
$40 FOR THIS ??
OH, NO. IT'S $40 FOR THE LARGE SIZE. THAT'S THE JUMBO SIZE.
OH, I NEED SOME MOISTURIZER.
FINE. YOU ARE WITH THE REST OF OUR PROGRAM, AREN'T YOU ?
NO, NO, I JUST WANT THE MOISTURIZER.
IMPOSSIBLE. THE MOISTURIZER IS STEP 9.
YOUR FACE ISN'T READY FOR STEP 9 UNTIL IT'S HAD STEPS 1-8.
YOU NEED CLEANSERS! CLARIFIERS! EXFOLIATERS! EXFOLIATERS??
CELL REGENERATORS! SKIN RESURFACERS! COLLAGEN RETARDANTS! HUMECTANT CREMES!
DESSICATORS, AMO. OR NOT. WE MAY BE OUT OF THE PORE MINIMIZERS!
CALL THE OTHER STORES." I MUST HAVE THE PORE MINIMIZERS!!
HOW COULD YOU SPEND $500 ON STUFF FOR YOUR FACE, CATHY ?!
IT'S THE ONE PART OF MY BODY I CAN'T BUY CLOTHES FOR.

"The feeling is, if you start when you're young, you'll look better, with less wrinkling. Women aren't taking this as gospel, most don't read the scientific claims. However, they're in love with the idea that anti-aging properties have been proven," an industry source says.

"Women are confused by the claims being made," says Lee MacCallum, senior beauty editor for *Glamour* magazine.

Cosmetic purchases are rising in mass market outlets because young women now are more comfortable with makeup and they experiment more with it, says analyst Suzanne Grayson, Grayson Associates, Santa Barbara, Cal. In 1984, cosmetics sales were $1.8 billion, a 9.1% increase from the previous year, according to Kline.

"Women who once used 'the no-makeup look' are now in their mid-30s. They're career women, and they're using makeup," she says. "These career women don't have time for department stores, [instead] they're buying their makeup where they buy other personal needs."

Most marketers of prestige label and mass-merchandise brands disagree with analysts' assessment of the market.

"There have always been three groups of consumers. At the top are women who will spend any amount of money to try everything. At the bottom are those who believe it's all the same and go on using Vaseline Intensive Care," one marketer says.

"Most women are in the middle category. They won't pay $50 for a jar of skin cream, but they will pay for Oil of Olay or [Revlon's] European Collegen Complex."

Although figures are not available, many in the industry agree that drugstores and other mass merchandise outlets are playing an increasing role in sales. As their makeup counters attract more business, some drugstores have undergone extensive face-lifts, adding cosmeticians, in-store demonstrations and an upgraded product mix—all traditional department store tactics.

Marketers also are targeting new audiences for rejuvenated business. At its core, the cosmetics industry remains a fashion-oriented, youth-centered business, and the majority of its customers are women.

But because of shifting demographics, primarily slower population growth and an aging population, marketers are reaching out toward potentially lucrative new markets, men and older adults.

The drive for new customers makes economic sense in what is essentially a mature business, reflected in the relatively stable market positions of the major cosmetic companies. In department store sales of skincare and cosmetics, Estee Lauder and its Clinique subsidiary combined are No. 1. Tied for the No. 2 spot are Elizabeth Arden and Revlon's Ultima II line, with Cosmair's Lancome at No. 3.

At the mass market level, for skincare only, Richardson-Vicks' Oil of Olay is on top, followed by Noxell and Revlon.

Revlon's strong showing at the department store and mass market levels is partly because of its segmentation marketing strategy.

The company has divided the market into four categories. Its inexpensive Natural Wonder line is aimed at younger women; the medium-price Revlon line is for their older sisters; Ultima II is Revlon's department store line, including skincare and cosmetics, while the Princess Marcella Borghese skincare and cosmetics line is intended for affluent customers.

But regardless of income level, women want quality products and services, according to *Glamour* magazine. In its January issue, the magazine offered "The best bargains, treats & bonuses for a beautiful '86," which included dollars-off coupons for cosmetics, body products, fragrance and exercise values from stores and boutiques nationwide.

"No matter if it's skincare or makeup, women are looking for value, quality at the best price," *Glamour's* Ms. MacCallum says.

In this quest, consumers are presented with skincare and makeup marketers who seek to make their products stand out. As one industry source says, "We're all trying hard to become something special, not just another pretty face."

Sales jump in black and ethnic category

It's a well-kept industry secret, but black and ethnic toiletries and beauty aids has become the one of the faster growing categories in the industry.

In 1984, sales of ethnic toiletries and beauty aids totaled $2.3 billion at the retail level, up about 15% from 1983, according to Chicago-based American Health & Beauty Aids Institute. More than $230 million was spent on ethnic cosmetics, while $299 million went toward ethnic fragrance purchases. Haircare, the largest category, accounted for 41%, or $943 million, of the market.

"The category itself is growing 10% to 15% annually due to better education and understanding on the part of retailers when it comes to stocking ethnic products," says Lafayette Jones, president of AHBAI.

"The black consumer will buy more ethnic beauty care products than any other product," he says. "But if a retailer doesn't carry an adequate inventory—and the competition down the street does—he'll lose that customer because she'll take all her business there."

Retailers should not confine their ethnic toiletries and beauty aids departments solely to black neighborhoods. Stores located in high-traffic business areas could benefit from carrying beauty aids products targeting black women, because as little as 5% of black consumer foot traffic will more than pay its own way, Mr. Jones says.

Several challenges face companies marketing products to the black and ethnic communities.

For example, many retailers still believe the myth that blacks have all the same color shading, Mr. Jones says. "There are more than 33 shades, ranging from ivory white to blue-black. Part of the problem was pure ignorance, but now retailers appear to be willing to learn."

Haircare products, such as Color Play from Clairol, accounted for $943 million in 1984 ethnic toiletries and beauty aids sales.

Fifty-five per cent of all ethnic beauty purchases are made in department stores, slightly higher than the industry average of 40%, according to an industry analyst. Consumers may rely more on the advice of a druggist, because many black hair preparations generally perform a different function than those for whites. Blacks tend to rely more on cosmeticians in department stores or chain drugstores when buying cosmetics or fragrances, primarily to ensure proper skin and color matching, Mr. Jones says.

Given the choice, black women prefer to buy ethnic products over standard makeup offerings, but can't find them in the limited product lines stocked by most retailers, according to Business Trend Analysts, a New York-based research company.

"Most black women want to come into a store and find a large selection of cosmetic shades to choose from. Most times, that isn't the case," says one midwestern chain drugstore buyer.

Retailers will have to change their inventories to meet the growing demand for these products, a BTA spokesperson says. By 1993, the ethnic cosmetics market alone is expected to top the $799.7 million mark. —*Laurie Freeman*

MediaWorks

ON THE DIAL

Scheduled radio specials and new programs or syndicated services.

Satellite Music Network has big plans for the weekend of March 22 with four of its networks pumping out 48-hour specials into the homes of demographically diffuse Americans. All have ad slots open. The Country Coast to Coast Network features a Country Super Gold Weekend, a frolic through the biggest country hits of all time, separated by interviews with a host of country music stars. Cleared by 206 stations. The Star Station Network features a Motown Weekend, with the best from the heyday of Berry Gordy and Motor City music. Cleared by 200 stations. The Stardust Network will run a weekendlong "Stardust Goes to War" special featuring the music of World War II. Cleared by 100 stations. And the Heart & Soul Network features a 48-hour tribute to Marvin Gaye. Cleared by 20 stations.

NBC Radio Entertainment's "Live Album Party" for Feb. 27 will feature Peter Frampton, the former lead guitarist for the rock group Humble Pie whose "Frampton Comes Alive" album of the late '70s made him a solo superstar. Frampton will introduce cuts from his new effort, "Premonition," his first album in several years. Closing is today (Feb. 20). Participating advertisers include Levi's 501 Jeans, Agree shampoo, and Schoenling Little Kings beer.

ABC Radio Networks kicks off a new series, "Music of America," with a concert featuring the Oak Ridge Boys and The Judds to be taped live at Radio City Music Hall March 21. Produced by Kaminsky & Company, the first MOA is set to air in early April on more than 200 stations. Frito-Lay is the first advertiser.

Westwood One network teams up with Showtime March 14 for a simulcast of John Lennon's 1972 concert at New York's Madison Square Garden. Entitled "John Lennon: Live in New York City," a 15-minute interview with Yoko Ono precedes the special. More than 150 stations have cleared the special; sponsors include Sony Corp. and Stroh Brewery Co. ■

TV AVAILS

A weekly listing of tv programming with commercial availabilities open in the next few weeks.

"Home Sweet Home," a half-hour tv special that will air during American Home Week (April 13 to 20), has five avails left for $15,000 to $25,000. Cost depends on the commercial's placement within the show and whether the advertiser wants a national or regional buy. Sarkett Productions, Chicago, handles sales for the show, which is going into its third year. Narrated by *Money's* Marshall Loeb and Kathie Lee Johnson, "Home Sweet Home" gives advice on home finance and repairs. Sarkett expects to clear the show in prime time access in 100 markets by airdate. The National Assn. of Realtors and Clorox Co. have bought a total of seven units.

"The Best of You," a new beauty "makeover" show from All American TV that lets advertisers demonstrate their products on the air, has started clearing stations for a fall, 1986 start. The series has been running on Canadian tv since 1984 as "The New You." Unit costs will range from $3,500 to $5,000 per 30-second unit on the show, which is projected to get a 2.0 rating in 70% of all U.S. tv households. The half-hour daytime strip is designed for a morning time period.

"Fridays," also from All American, is seeking a 60% clearance level for its April start-date and $10,000 per 30-second unit. All American is projecting a 3.0 national rating for the half-hour program, which originally ran late-night on ABC-TV in 1982. All American's **"America's Top Ten"** is sold out until September but has September avails for $10,000 to $15,000. The show averages a 3.0 to a 3.5 rating on 112 U.S. tv stations. ■

NEWSSTAND

A listing of upcoming print advertising opportunities, such as special issues and special advertising sections.

Video, New York, vcr buyer's guide special issue, May; ad close: March 2. B&w page: $4,000; color page: $5,000.

Working Woman, New York, "The year of the high-tech woman" special editorial section, May issue; ad close: March 3. B&w page: $15,250; color page: $20,900.

Signature, New York, "Discovery '86" May issue, with Hawaii special advertising section; ad close: March 10. B&w page: $12,260; color page: $15,000.

Good Housekeeping, "Special days gift gallery" advertising section, June issue; ad close: March 14. ¼-page color: $20,900; ½-page color: $37,000.

Business Week, New York, top 1,000 issue, April 18; ad close: March 14 (color), March 21 (b&w). B&w page: $32,142; color page: $48,854.

USA Today, Rosslyn, Va., "Baseball 1986" special bonus section, April 7 issue; ad close: March 21. B&w page: $33,314; color page: $41,642.

Home Mechanix, New York, "Rebuild America" special issue, July; ad close: April 25. B&w page: $18,540; color page: $26,290.

Closing next week: New Shelter, Emmaus, Pa., second annual remodeling survey issue, May/June issue, Feb. 25...**New Woman**, New York, summer beauty sampler, May issue, Feb. 26...**USA Today**, Rosslyn, Va., European travel special bonus section, March 17 issue, Feb. 28...**Ms.**, New York, "The beauty of health" May issue, Feb. 28...**Prevention**, Emmaus, Pa., special section on fitness after 30, May issue, March 1...**The New Yorker**, New York, special advertising section, a literary excursion through the British Isles, April 28 issue, March 1 (special orders). ■

MediaWorks also appears in the Monday edition of Advertising Age.

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	2/16	2/9	2/2
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		28	31	29
2. "Family Ties" (NBC)		20	26	25
3. "Murder, She Wrote" (CBS)		15	11	DNA
4. "60 Minutes" (CBS)		14	16	14
5. "Cheers" (NBC)		13	10	9
6. "Dynasty" (ABC)		10	3	11
7. "Highway to Heaven" (NBC)		10	12	11
GOOD WINNERS				
8. "Miami Vice" (NBC)		7	3	5
9. "Who's the Boss?" (ABC)		7	DNA	9
10. "ABC Sunday Movie: Mr. Mom"		7	—8	1
11. "Dallas" (CBS)		6	13	9
12. "Hotel" (ABC)		6	3	4
BORDERLINE WINNERS				
13. "Golden Girls" (NBC)		4	10	11
14. "Moonlighting" (ABC)		3	—13	5
15. "CBS Tuesday Night Movie: Vital Signs"		3	6	DNA
16. "CBS Movie Special: The Wizard of Oz"		1	DNA	DNA
17. "227" (NBC)		1	7	7
18. "Knots Landing" (CBS)		1	6	4
19. "NBC Monday Night at the Movies: An Officer and a Gentleman"		1	—6	—5
20. "Cagney & Lacey" (CBS)		DNA	1	1
21. "Webster" (ABC)		1	8	9
22. "Disney Valentine's Special" (NBC)		1	DNA	DNA
23. "Love Boat" (ABC)		1	—1	—4
24. "Hunter" (NBC)		1	1	—1

BEHIND THE SHARES

ABC, NBC Oz-tracized

Saturday Night at the Fights, network style, had an interesting round last week as little Dorothy from Kansas (**"The Wizard of Oz"**) demolished just about everything in her golden-brick path. Even **"Golden Girls"** and **"227"** were sent to the canvas.

In the end, NBC prevailed by the skin of its teeth. "Wizard" has aired on CBS umpteen times, but the staying power of the classic is awesome. ABC must have been stunned because the premiere of **"Fortune Dane,"** its midseason replacement, could find no audience.

ABC is looking for a teen audience to counterpunch the "Golden Girls/227" bloc. Good luck. Teen agers and their parents spent Saturday night with CBS.

More good news for CBS: Tuesday night, long a treacherous and lonely path for the network, has been effective during the February sweeps. **"Sins"** won the night last week, and **"Vital Signs"** got vital ratings.

ABC is still the boss on Tuesdays, though. **"Moonlighting"** came back strong after a "Sins" thrashing to garner a 3-share-point win. **"Who's the Boss"** zapped the CBS **"Bugs Bunny"** special.

(Why does CBS continue to follow up Reagan press briefings with a Bugs cartoon? At what price political commentary?)

NBC finally found a winner with **"An Officer and a Gentleman."** Until this movie came up roses, the net just hadn't been able to do anything right on Mondays.

Are those flashy ultra-slick promos doing the trick for **Hill Street Blues**? Suddenly, the dreariest cop show on the air waves has reversed a ratings slide. It got 31 share last week, proving that **Knots Landing** may still be vulnerable this season. ■

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2/24/86 C2710-1

$1.25 a copy; $57 a year

Monday, February 24, 1986

Advertising Age

Crain's International Newspaper of Marketing

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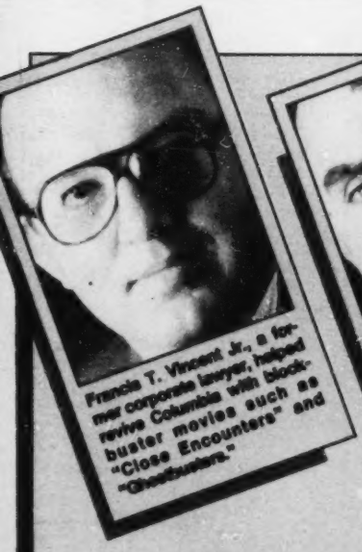
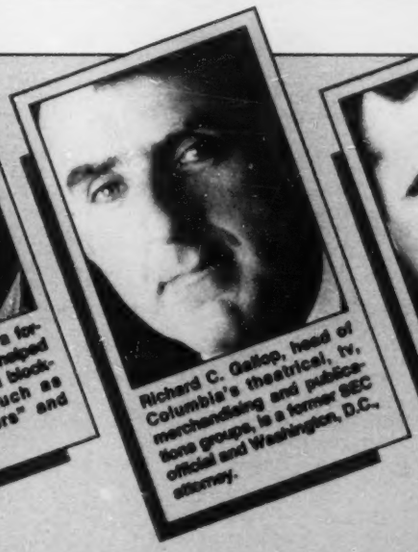


Francis T. Vincent Jr., a former corporate lawyer, helped revive Columbia with blockbuster movies such as "Close Encounters" and "Ghostbusters."



Richard C. Gallop, head of Columbia's theatrical, tv, merchandising and publications groups, is a former SEC official and Washington, D.C., attorney.

Frank Biondi Jr. formerly ran Time Inc.'s Home Box Office and was connected with New York's Children's Television Workshop, producer of "Sesame Street."

The reel thing

Coke maps entertainment future

By VERNE GAY and CRAIG REISS

The French have a euphemism for American tv programing. Looking for a way to describe its sweetness and lack of cultural nutrients, they call it "Coca-Cola tv."

The French may not have known just how right they were.

Coca-Cola Co.'s entertainment interests, which did not exist before 1982, already are so vast that the Atlanta-based company could emerge this year as the fifth-largest U.S. media company.

And there is nothing to prevent Coca-Cola, through its Coca-Cola Entertainment Business Sector, from eventually becoming the single biggest media concern.

Coca-Cola has the money to purchase just about any media or programing property it desires. According to Coca-Cola figures, the company has a remarkable cash flow of $9 per share. And Coca-Cola says it is willing to debt-finance further growth.

But the sheer size of Coca-Cola's media holdings is only one of the impressive aspects of its entertainment push. The structure of interrelated media companies it is assembling may be the blueprint for the giant and successful media company of the future.

At every turn in the programing distribution chain, Coca-Cola is the supplier, the purchaser, the manufacturer and, in some cases, the go-between. Coca-Cola's entertainment com-

(Continued on Page 72)

Net tv drops $242M in '85; first since '71

By VERNE GAY

New York—Network tv advertising revenues plummeted by $241.8 million in 1985, the largest single-year drop in the history of television. It is also the first time since 1971, when cigarets were banned from tv, that network tv ad revenues were lower than the previous year.

While the tv networks all year had been saying that revenues could be down because 1984 was an Olympics and election year, an analysis of full-year 1985 network spending compiled by Broadcast Advertiser Reports shows that the biggest spending cutbacks came from non-Olympics advertisers and nonsports advertiser categories, including women's products, headache remedies and coffee.

In addition, several top spenders cut back last year or remained even. AT&T, Johnson & Johnson, Colgate-Palmolive, Coca-Cola and IBM were among the leaders that sliced budgets in 1985.

Total network revenues in 1985 were $8.3 billion, a 3% decline from 1984's $8.5 billion, which was a 21% increase over 1983, BAR reported.

By contrast, national spot tv expenditures last year increased 8% to $4.5 billion, BAR said.

The 1984 network total included

(Continued on Page 86)

Three principals exit Yankelovich

New York—Yankelovich, Skelly and White are no longer at Yankelovich, Skelly & White.

Parent Saatchi & Saatchi Co. lost the three well known names in the research business as Daniel Yankelovich, Florence Skelly and Arthur White resigned from the company they founded. They plan to start a new company, the nature of which is not known.

Only Ms. Skelly, as president, has been fully active with the research company lately.

It is believed the three signed a no-compete agreement when they sold YS&W to the Reliance Group in 1969. Reliance sold the YS&W Group, which included both Yankelovich and the McBer & Co. market research outfit, to the Saatchis in 1984 for $13.5 million.

There was no comment on the departures from the three or from Saatchi & Saatchi.

YS&W is to be merged with Clancy, Shulman & Associates, a company with $4 million in revenues, founded by two ex-YS&W executives and acquired by Saatchi & Saatchi later in 1984. S&S last

(Continued on Page 8)

Last Minute News

Philips account may light on new agency

New York—North American Philips Lighting Corp., Bloomfield, N.J., is reviewing agencies for its $10 million-to-$15 million account. Gianettino & Meredith, Mountainside, handles the account now.

Ross Roy does Sundance with Stroh

Detroit—Stroh Brewery Co. has assigned the multi-million-dollar account for its new nonalcoholic "refreshment" drink to Ross Roy Inc. The national rollout of Sundance 100% Natural Juice Sparkler starts this spring; it will compete with soft drinks, natural sodas and bottled waters. It represents another effort by Stroh's special products division to diversify outside the beer industry, said senior group vp John Bissell, adding that Sundance will get "extremely competitive levels of ad support."

Michelob finalists craft creative pitches

St. Louis—Anheuser-Busch is hearing presentations from the three finalists in its review of the $40 million Michelob account (AA, Nov. 25, *et seq.*). Creative from incumbent Ted Bates Advertising/New York reportedly is themed "Smooth." Needham Harper Worldwide, Chicago, is said to be presenting an effort themed "The night belongs to Michelob." D'Arcy Masius Benton & Bowles here, still considered the front-runner, is be-

(Continued on Page 8)

Morning is hot for fast-food chains

Mac stacks breakfast ads

By SCOTT HUME and BRIAN MORAN

Having spent more than three months and better than $75 million promoting its McD.L.T. sandwich, McDonald's Corp. next month shifts its formidable marketing resources to bolstering its breakfast sales, which now account for nearly 20% of per-unit sales.

In so doing, Big Mac will be targeting a daypart that has proved weak or been neglected for its chief rivals. Burger King Corp.'s focus during the past six months has been its hamburger menu, first with its "reformulated" Whopper campaign last summer and then with the controversial but much-discussed "Find Herb" effort.

Wendy's International only moved its breakfast program systemwide last July and still is struggling to make it efficient and profitable.

To strengthen its morning menu,

(Continued on Page 88)

NEWSPAPER

HIGHLIGHTS

McDonald's gets breakfast ready 1
Having spent more than three months and better than $75 million promoting its McD.L.T. sandwich, McDonald's Corp. next month shifts its formidable marketing resources to bolstering its breakfast sales, which now account for nearly 20% of per-unit sales.

Coke entertains growth ideas 1
The French have a euphemism for American tv programing—"Coca-Cola tv." They may not have known how right they were. Coca-Cola Co.'s entertainment interests, which did not exist before 1982, are so vast Coke could emerge this year as the fifth-largest U.S. media company.

Food marketers look ahead 3
After the Year of the Megamerger, major food and beverage marketers see 1986 as a year to: Streamline marketing operations to pave the way for major new-product pushes; divest units that don't fit the master plan, and seek new acquisitions, particularly fill-in businesses.

A taxing proposition 3
The ad industry hopes successes in fighting state ad taxes will convince Congress and the White House not to change the way advertising expenditures are treated as tax deductible.

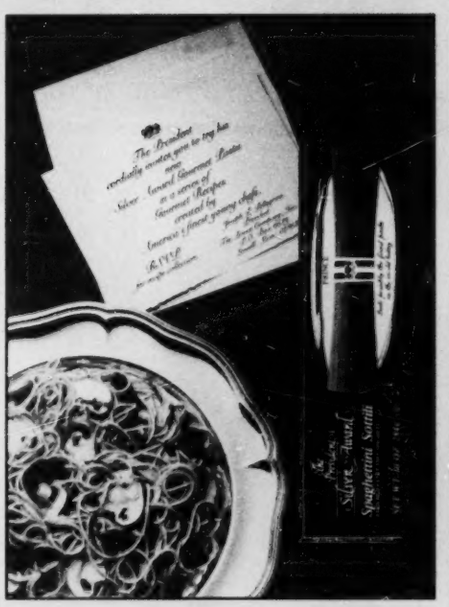
RJR ready to put on Ritz 4
R.J. Reynolds Tobacco Co. will roll national with Ritz cigarets, a female-skewed brand billed as the nation's first designer cigaret, beginning April 14. Ritz has been testing in Atlanta, Oklahoma City, Memphis, and Washington state since March, 1985; St. Louis was added later last year. RJR's decision to take Ritz national surprised competitors who believed it had turned in a less-than-spectacular performance.

Fresh ideas spur cookie market 12
Marketers of soft-and-chewy cookies are adding new ingredients to their product mix even though the $558 million category has not matched early expectations. By most accounts, Nabisco Brands is winning the battle of "dual texture" (crispy outside, soft inside) cookies, with Procter & Gamble, Frito-Lay and Keebler lagging behind.

Little 'Journal' cuts big swath 43
The *National Journal* has a drab-brown cover, a bright-green price tag ($546 for 52 issues), a total readership of only 5,000 and the most powerful audience in the nation's capital.

Honey, melon ad budgets grow 59
Beekeepers soon may be buzzing for an agency to sweeten stagnant honey sales with an estimated $2 million ad campaign. And watermelon producers are seeding their own generic promotion program with congressionally approved legislation that may lead to a multi-million-dollar program in two years.

'Beetle' buoys VW 77
Marketers at Volkswagen United States and agency Doyle Dane Bernbach are chortling at the prospect of having a "Beetle-like," entry-level car again in less than a year.



Prince goes for gourmets 80
Prince Co., whose ad campaign in the 1960s urged the average American family to make Wednesday "Prince spaghetti day," is moving upscale with the introduction of President's Silver Award pasta, being called the first mass-market, gourmet dry pasta.

CATEGORY REVIEW

Big cold remedies get bigger 6
The big winners in this year's battle in the $800 million cold-remedy market continue to be established brands, such as Richardson-Vicks' Ny-Quil, and former prescription drugs now sold over the counter.

INTERNATIONAL

U.K. tobacco ads under strain 52
The U.K. tobacco industry is bracing itself for a new set of voluntary cigaret advertising regulations that sources expect to be more restrictive than current guidelines.

'86 foreign ad growth trails U.S. 52
Ad spending growth outside the U.S. will lag behind the growth in ad spending domestically this year, according to an Advertising Age survey of major foreign markets. Foreign ad growth is crucial to many global agencies because overseas business often accounts for a substantial portion of their over-all billings.

Former Reaganites help Marcos 53
Ferdinand Marcos called on a sophisticated, U.S.-style political marketing strategy, with help from President Reagan's former political advisers and heavy tv advertising, in his battle to stay in power in the Philippines.

OTHER NEWS

Kentucky Fried Chicken Corp. says it is looking at the possibility of testing Nabisco's Oreo Big Stuff cookies at its restaurants. Page 4.

Benetton, the Italian sportswear marketer with boutiques worldwide, is branching out. Already in children's clothing with the 012 apparel line and stores, Benetton last year began selling a line of adult clothes called Sicely in the U.S. It also opened its first U.S. "super store" in New York, with a mix of Benetton, 012 and Sicely labels. Page 36.

Bojangles' Corp. is revamping its menu as it prepares an ad push to attract more women and families to the country's fourth-largest chicken chain. Page 43.

With an advertising campaign whose tone echoes Calvin Klein, Jacqueline Cochran Inc. will try to master the musk fragrance market in May with Pierre Cardin Man's Musk. Page 44.

The days of soft sell in the 35mm point-and-shoot camera category are over, as seen at the Photo Marketing Assn. show in Las Vegas last week. Page 54.

The National Potato Board has canceled its national magazine schedule through July so it can plow that part of its $1.4 million budget into a first-ever radio campaign. Page 58.

Toy-inspired half-hour syndicated tv series have been getting a bum rap, says the president of the Toy Manufacturers of America. Page 62.

The U.S. automobile market, already bracing for a flood of new foreign cars, may face the most unusual entry yet: The Soviet-made Lada. Page 63.

COMING THURSDAY

Stan Richards wants an airline account. His Dallas-based The Richards Group used to have an airline, Muse Air. But in June last year it was absorbed by Southwest Airlines. Just before the buyout, Muse founder and chairman Lamar Muse paid Richards a great compliment: If it hadn't been for the work his agency did, Muse said, Southwest would have picked up the near-bankrupt Muse for next to nothing. As it was, the agency's campaign, touting money-back guarantees and free flights to smokers who would not smoke on the plane, increased load factors and operational profits enough that Southwest had to shell out $60 million for Muse.

Business is picking up for the Hispanic market, but ad agency and media executives say it still lacks the recognition it deserves. Advertisers spent $333.5 million to reach the Hispanic market in 1985, up 17.2% from 1984, a slower growth rate than for the previous two years. From 1980 to 1985, the Hispanic market rose 16%, to 16.9 million people, according to the Census Bureau. Special Report examines the market's successes and struggles.

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Coke Peppers 7UP and Pepsi

New York—Coca-Cola Co.'s $470 million decision to be a Pepper, too, moves the noncola soft-drink battle into a more competitive phase at a time when the cola wars couldn't be hotter.

The announcement Feb. 20 that Atlanta-based Coca-Cola reached preliminary agreement to acquire Dr Pepper Co., Dallas, from members of its senior management and Forstmann Little & Co., follows arch-rival PepsiCo's proposed $380 million acquisition of Seven-Up Co. (AA, Jan. 27). If both deals pass Federal Trade Commission muster —a turn of events competitor Royal Crown Cola Co. has blasted —it would mean colas No. 1 and 2 would own the two brands that, with about 7% of the market each, have been jockeying for the title of

(Continued on Page 86)

Tylenol, rivals hike ad activity

By PAUL L. EDWARDS

New York—Competitors of Johnson & Johnson's Tylenol are wasting no time boosting their advertising and promotional spending in the wake of the market leader's woes over its second tampering incident.

Major headache-remedy marketers are stepping up their ad schedules and pumping up their budgets to the tune of several million dollars, the tv networks said last week.

The competitive push is in stark contrast to the promotional hush that followed the first Tylenol poisoning deaths in September, 1982. Although competitors' advertising did not grind to a halt then, it was lim-

(Continued on Page 88)

West Coast news

Cal. tax threatens production

California's commercial-production houses could be slapped with a 6.5% sales tax by late April, and producers are in an uproar. The proposed amendment to the state's tax regulations, which must be approved by California's board of equalization, would reclassify producers of commercials, industrial and educational films as retailers subject to sales tax. The added cost would be passed on to advertisers, a move that could cripple the state's commercial-production

(Continued on Page 88)

ADWATCH

Herb tries hard, but Mac still leads pack

BK ads gaining in consumer recall

By JULIE FRANZ

Burger King's controversial "Herb" campaign continued last month to boost its ad awareness, but there's just no way the McDonald's juggernaut can be kept down for long.

In January, 45.3% of the consumers polled for Advertising Age's adWatch survey named McDonald's advertising first when asked "Of all the fast-food advertising you've seen, heard or read in the past 30 days, which ad first comes to mind?" That represented an increase of 4.4 percentage points from McDonald's December score of 40.9% first mentions, and almost returned it to the 49% garnered in November, before Herb's arrival.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name ads in a variety of product categories that first come to mind from all seen, heard or read in the previous 30 days.

In January, 1,000 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

Burger King last month added 3.1 percentage points to its share of first mentions, putting its January score at 14.9%.

Burger King's contest to find Herb, the unfortunate nerd who's never tried the chain's Whopper, broke during the Super Bowl, after the January adWatch survey had been taken.

That means BK's unlikely spokesman could continue to build awareness for the chain. However, McDonald's still hasn't stopped the media blitz for its McD.L.T. sandwich that it began in November. Big Mac itself unleashed a half dozen new spots for the item during the Super Bowl.

The competition between Herb and the McD.L.T. has hurt No. 3 Wendy's, whose share of first mentions dropped 4.6 percentage points in January to 7.8% of first mentions, or less than half BK's first-mentions share.

Wendy's had been within three percentage points of Burger King in December.

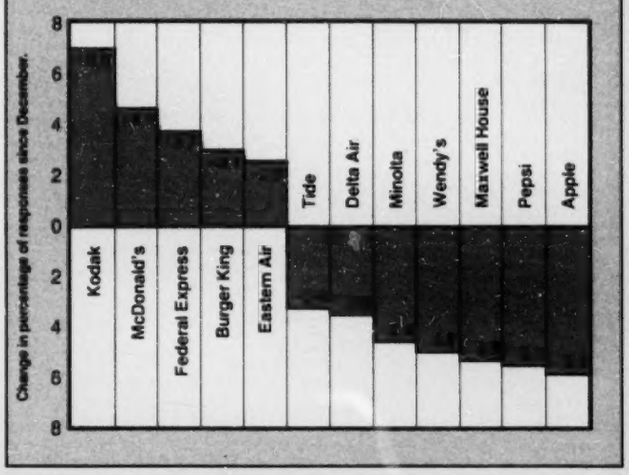
Ad awareness shares remained relatively stable in the soft-drink category, except for one surprise: Pepsi's share of first mentions dropped 5.1 percentage points to 23.5% from 28.6%. The brand's ads remain in second place behind Coke (34.6%).

That drop widens the gap in ad awareness between the No. 1 and No. 2 soft-drink marketers to nearly 10 percentage points. Pepsi had been closing in on Coke's share of first mentions, coming to within five percentage points in December. Coke's share of first mentions had been dropping for several months as the residual

(Continued on Page 77)

January winners & losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.



RJR stumps tobacco industry with Ritz plan

Brand goes national in flat market

By WILLIAM F. GLOEDE

R.J. Reynolds Tobacco Co. will roll national with Ritz cigarets, a female-skewed brand billed as the nation's first designer cigaret, beginning April 14.

Ritz, designed in conjunction with French fashion designer Yves Saint Laurent, carries his YSL logo on packaging and on its filter barrels.

Ritz has been testing in Atlanta, Oklahoma City, Memphis and Washington state since March, 1985 (AA, Jan. 21, '85, *et seq.*); St. Louis was added later last year. It is available in both regular and menthol styles in 100mm length.

Winston-Salem, N.C.-based RJR's decision to take Ritz national surprised several competitors, who believed it had turned in a less-than-spectacular peformance since tests began.

According to competitive estimates, Ritz had a 0.25% share of market, vs. the 0.4% to 0.5% thought necessary for success. Sources close to Reynolds believe the share attained in test was closer to 0.6%. Reynolds apparently covered the brand's tracks in test in an attempt to throw competitors off.

"We would never go national with a product with a share that low," said a Reynolds spokesman of the competitive estimates.

John C. Maxwell Jr., tobacco industry analyst for Furman Selz Mager Dietz & Birney, New York, said he believes Ritz had to attain at least a 0.4% market share before the decision to take it national.

"We are very encouraged by our test results," said Martin Orlowsky, RJR's exec vp-sales and marketing. "In each of the test markets, smokers told us Ritz is a high-quality product with a superior taste. And smokers from other parts of the country who tried Ritz in the test markets wrote us asking when the brand would be available in their areas."

Despite its jump from test to the national market, Ritz has not had an easy time of it during its year of testing. The owners of the Ritz Hotel in Paris filed a federal trademark infringment suit in February, 1985, that was later settled out of court; terms were not disclosed.

And Ritz was RJR's entry into the upscale, up-price cigaret category, which has become virtually moribund. In two test markets, Memphis and Oklahoma City, Ritz cost roughly 10¢ more a pack than other brands; the premium price was dropped last fall.

Ritz' female-skewed positioning follows an industry trend. Philip Morris late last year took Virginia Slims 120s national, and Lorillard early this year began testing Newport Slim Lights in Hartford, Conn. The activity in the female market reflects the rise in the share of the smoking market attributed to women to about 50%, from 40%.

But women are not the smoke's only target. Mr. Saint Laurent says he is a devoted Ritz smoker; RJR has been shipping the smokes to him in France since the brand was created. Mr. Saint Laurent said, through Reynolds, "Of all my creations, Ritz cigarets occupy a special place, because I live with them."

Leber Katz Partners, New York, handles Ritz; test ads touted Ritz as "The first luxury class cigaret. Created by Yves Saint Laurent." The new advertising, scheduled to break in April and May editions of national magazines, carries a new theme line "Ritz, a celebration of style and taste by Yves Saint Laurent." In both the test and national ads, models are seen in opulent settings, clad in YSL fashions.#

RJR name change

Winston-Salem, N.C.—R.J. Reynolds Industries will change its corporate name to RJR Nabisco under a proposal approved by its board last week.

KFC mulling Oreos as menu addition

Louisville—Kentucky Fried Chicken Corp. says it is looking at the possibility of testing Nabisco's Oreo Big Stuff cookies at its restaurants.

If, as expected, KFC initiates limited in-store testing for the cookies, it would be the first cross-company venture following last year's merger of KFC parent RJR Industries, Winston-Salem, N.C., and Parsippany, N.J.-based Nabisco Brands (AA, June 3, *et seq.*).

While Oreos could provide an attractive brand-name addition to the KFC menu, it is unlikely they would generate significant additional sales.

Fast-food leader McDonald's Corp.'s McDonaldland cookie line, for example, is estimated to account for perhaps 1% of per-store sales (although with the company's high per-unit sales average, even 1% translates to better than $10,000).

The success of cookie chains such as Mrs. Fields', David's and Famous Amos has not gone unnoticed by the fast-food chains. McDonald's quietly has been testing fresh-baked chocolate chip cookies in an undisclosed location (AA, Nov. 18), using the ovens it added for its breakfast biscuit rollout.

Chains such as Wendy's International, which added ovens for its baked potato line, easily could follow suit.

Under an agreement between Minneapolis-based chains International Dairy Queen and Grandma Gebhard's Cookies, a joint-venture store has opened that sells IDQ's ice cream and Grandma Gebhard's cookies and muffins.

But the most important aspect of the KFC/Oreo test could be RJR's decision to consider the 9,000 KFC restaurants' potential for giving added visibility to the many established brands it controls. Using those stores as sampling sites for new products could be a possibility.#

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CATEGORY REVIEW: COLD REMEDIES

Cold remedies score second year running

Tried-and-true efficacy remains as ad route

By PATRICIA WINTERS

New York—The big winners in this year's battle in the $800 million cold-remedy market continue to be established brands, such as Richardson-Vicks' NyQuil, and former prescription drugs now sold over the counter.

NyQuil continues to lead the cold category with an estimated 12% share, followed closely by Burroughs Wellcome's Actifed and Sudafed brands, which together have nearly 20% of the market. Both Actifed and Sudafed are former prescription medications.

The generally flat $1.1 billion category that includes both cold and cough remedies, which for years faced a growth rate of about 1% to 2% due to low incidence of colds and flu, now is seeing unit sales increase by about 7%. Last year, unit sales in the cough-cold category grew by about 8%.

Analysts attribute the growth to more colds, flu and other respiratory diseases, paired with a continuing trend toward self-medication.

"We're not seeing double-digit growth, but we are seeing positive unit growth, which is not the case in other categories," said Beth Culligan, director-established brands, Bristol-Myers, which makes Comtrex cold remedy.

R-V executives attribute NyQuil's continued success to its constant selling message that it is *the* product for "nighttime colds relief." D'Arcy Masius Benton & Bowles handles.

American Home Products' Dristan, which has been slipping in sales, has dropped to an estimated 7% share. The product was the category leader in the 1960s and '70s, but steady decline in market share has prompted the company to take a different ad approach, emphasizing in tv spots the formula's lack of alcohol, caffeine or aspirin. William Esty Co. handles. Dristan's 1985 ad spending is estimated at $20 million.

In the $300 million cough segment, Robitussin, marketed by A.H. Robins Co., Richmond, Va., and Vicks Formula 44, marketed by Richardson-Vicks, remain leaders with a combined 50% market share. Formula 44, which traditionally targeted children, successfully changed its strategy last year to attract baby-boomer adults via a new ad campaign and a repositioning of its line. Tv spots now airing feature soap opera star Peter Bergman with the theme "The adult formulas. From Vicks, of course." Young & Rubicam is the agency.

Of the four new cold remedies introduced so far this season, Robins' Dimetapp and Warner-Lambert's Benadryl, which are transfers from the prescription-only side, showed the most substantial gains, analysts say.

Warner-Lambert, Morris Plains, N.J., is calling Benadryl its "most successful launch of any otc product," with 1986 sales approaching $50 million. The product made its otc debut in mid-'85 after 40 years as a prescription drug.

"They captured a large share—more than any other brand could hope for," said Oleh Denysyk, pharmaceutical specialist for Charles Kline & Co., Fairfield, N.J., of the two brands.

Benadryl is running network and spot tv, trade and consumer print ads via Sudler & Hennessey. Benadryl ad spending through September was $2.5 million, according to Leading National Advertisers. Dimetapp had $2.2 million in ad spending through September of last year, LNA reported. Scali, McCabe, Sloves handles.

Whether W-L fared as well with another new cough/cold entry, Mediquell cough squares, remains to be seen. While the brand was successful in terms of sales and share, competitors question whether it was wise to invest close to $10 million to introduce the new form of cough remedy, a chewable solid. Ted Bates Advertising has the assignment.

One competitor commented, "It may very well be that W-L wants a solid-form entry as a matter of strategy and is willing to overlook the financial criteria to do that."

Another emerging trend is segmenting. While children's medicines once were lesser dosages of adult formulas, new products offer separate medications for the two groups.

McNeil Consumer Products Co., Fort Washington, Pa., a division of Johnson & Johnson, launched Pedia Care, which it claims is the only symptom-specific medicine for children. The line was supported by $2.6 million during the first nine months of last year, according to LNA.

For the most part, cough-cold advertising remains uninspired, with most marketers sticking to tried-and-true efficacy spots. Procter & Gamble's struggling Head & Chest brand, with a 2% share, is airing spots that show plastic, inflatable dummies to dramatize how a cold "deflates."

"It's a magnificent dramatization of the benefits of better breathing," said Peter Husting, the P&G vp-account person at Leo Burnett USA, Chicago, which created the spot.

The spots claim that Head & Chest relieves a stuffy head and note that the product contains the active ingredient "guaifenesin," a decongestant-expectorant for "better breathing from head to chest."

Bristol-Myers' straightforward "Comtrex. That's all. Nothing else" has enabled the well established brand to retain a respectable 7% share. Laurence, Charles, Free & Lawson handles.

Miles Laboratories' Alka-Seltzer Plus has followed its winning 1984-85 campaign, which sampled a whole town in Maine, with more testimonials by "real users." Sources say Alka-Seltzer Plus is seeing gains because of its advertising and patented formula. The campaign, estimated at $12 million, is handled by Wells, Rich, Greene.

With strong recommendations from pharmacists, Drixoral, a former prescription product marketed by Schering-Plough Corp., saw its share grow from 5% to 8% without consumer advertising. Sources say Schering is considering consumer advertising, but the company said it has no plans for a campaign. So far, the company has run some limited coupon ads via Ketchum Advertising/San Francisco.

Philadelphia-based Menley & James Labs' Contac, which continues to decline in share (from 10% last season to 8% this season), has returned to an efficacy story in advertising after trying an upbeat but unsuccessful effort via BBDO last year themed "Contac keeps you on your feet."

The creative strategy developed by BBDO this year uses a tongue-in-cheek approach. In the spots, comedian Steve Landesberg notes that Contac beats all the competition, even Mom's chicken soup.

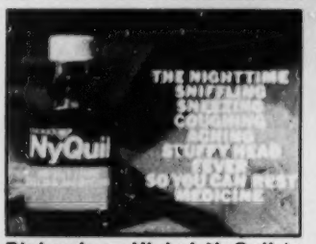
While last year's spots failed to register strong enough emotional appeal to improve the brand's market share, the jury is still out on the new spots. Some question whether any kind of lighthearted approach can produce sales in a serious category. "A cold is nothing to sneeze at," said one source.#

Also contributing to this story were senior editor-marketing Nancy Giges in New York and reporter Laurie Freeman in Chicago.

Shares of the cold-remedy market

With the flu nearing epidemic proportions, the 1985-86 season is proving to be a banner year for the $1.1 billion cough-cold category. Analysts estimate sales are up 7%, and marketers are quickly responding with heavy ad schedules. Source: *Advertising Age* and [1]Charles Kline & Co., Fairfield, N.J.

Brand	Manufacturer	Share[1]	Agency	Ad spending
Nyquil	Richardson-Vicks	12%	Benton & Bowles	$18 million
Actifed	Burroughs Wellcome	10%	Rumrill-Hoyt	13 million
Sudafed	Burroughs Wellcome	9%	Rumrill-Hoyt	7 million
Contac	SmithKline Beckman	8%	BBDO	12 million
Drixoral	Schering-Plough	8%	Ketchum	(couponing only)
Dristan	American Home Products	7%	William Esty	20 million
Comtrex	Bristol-Myers	7%	Laurence, Charles, Free & Lawson	10 million
Alka-Seltzer Plus	Miles Laboratories	6%	Wells, Rich, Greene	12 million
Co-Tylenol	Johnson & Johnson	4%	Saatchi & Saatchi Compton	10 million
Head & Chest	Procter & Gamble	2%	Leo Burnett USA	3 million



Richardson-Vicks' NyQuil is fighting former prescription products to hold its lead in the over-the-counter cold-remedy market.

CORRECTIONS & CLARIFICATIONS

- VegiSnax, a snack product that will be introduced by Dart & Kraft's Kraft subsidiary, Northbrook, Ill., in June, was developed through cell culture (a process that induces plant variations more quickly than traditional cross-breeding of seeds) instead of being chemically treated, as was previously reported (AA, Jan. 27, P. 42).
- *Houston Post* single-copy sales on Jan. 29, when it included a 16-page special first section on the Jan. 28 space shuttle disaster, was a record 100,000 copies, 35,000 more than the *Post's* normal single-copy sales. The sales increase had been incorrectly reported (AA, Feb. 10, P. 74).
- Comments in a trade promotion story about how Frito-Lay competes with companies that make "me-too" products and gain brand share through use of price promotion were made by James Hines, marketing director for Frito-Lay. They were attributed incorrectly (AA, Feb. 6, P. 29).#

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New rules for cigaret ads set for U.K.

By LAUREL WENTZ

LONDON—The U.K. tobacco industry is bracing itself for a new set of voluntary cigaret advertising regulations that sources expect to be more restrictive than current guidelines.

The new regulations are being negotiated by the industry and the U.K. government and are expected to be announced before the current agreement expires in March.

While cigaret ads are banned outright from tv and radio, regulations and restrictions pertaining to print, cinema and outdoor board advertising are voluntary. However, they are strictly followed by tobacco marketers.

Neither the government's Department of Health & Social Services nor the Tobacco Advisory Council, negotiating on behalf of cigaret companies, will reveal details of the new pact. Clive Turner, director of public affairs for the tobacco council, said only that he expects "a few changes, some fine-tuning" in the new guidelines.

But other sources said they expect the new rules to be more restrictive than current regulations.

"There's never been such a time of intense pressure on the government for meaningful legislation," said David Simpson, director of the government-funded antismoking group ASH. "I'd find it amazing if the government were to announce an agreement with no changes."

He said the government is under pressure to require stiffer health warnings on cigarets and to abolish sponsorship of sports events by the cigaret companies.

The government may be negotiating a shorter, more emphatic health warning that would be attributed to the British equivalent of the U.S. Surgeon General, according to sources. The current statement, "Danger—Government Health Warning: Cigarets can seriously damage your health," is almost unchanged since 1971.

Sources said the government and the tobacco industry are also discussing a ban on cigaret ads in magazines with large numbers of teen age readers. A number of U.K. magazines aimed at teen age girls already refuse to carry cigaret ads.

Under the current code, print, outdoor board and cinema ads are permitted for cigarets with a tar count lower than 19mg, but expenditure is limited by a formula that allows cigaret companies to spend 60% or less of the amount they spent on ads in 1980, with adjustments for inflation. Also, the health warning must fill 15% of print ads and outdoor boards.

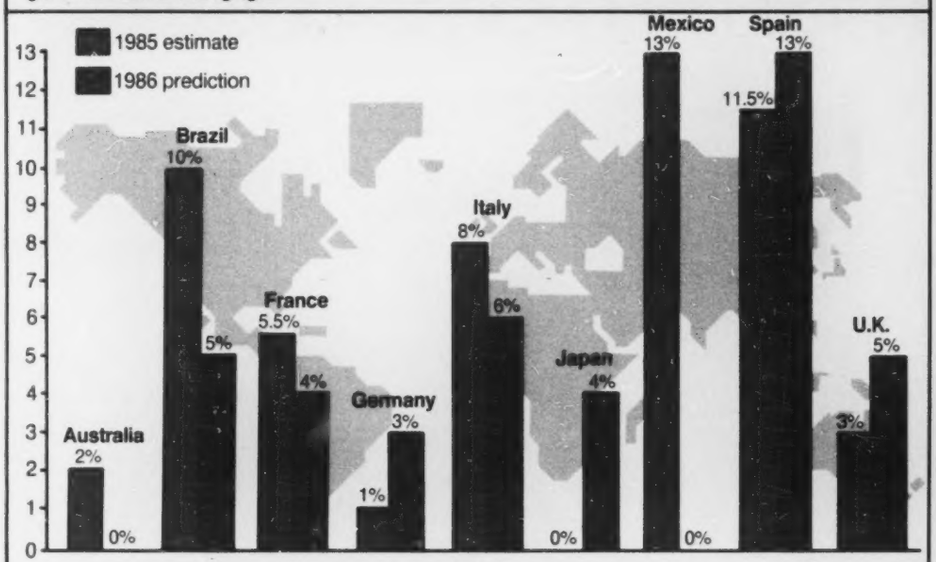
A separate agreement between the government and the tobacco industry covering sports sponsorship expired at the end of 1985, but is not expected to be replaced until the cigaret advertising pact is finished. However, the U.K.'s new sports minister, Richard Tracey, is considered to be more sympathetic to the health lobby than previous sports ministers.

In a recent speech, Mr. Tracey said, "One potential conflict of objectives is sports sponsorship. We want to encourage sponsorship money in sports, but we want to save lives through reducing the consumption of tobacco."

A spokesman for the opposition Labor party recently announced that if Labor wins the national elections to be held in 1987 the new government will ban all cigaret ads and sports sponsorship by tobacco companies.

Worldwide ad spending growth

A survey of industry experts around the world indicates that ad spending will be up in Germany, Japan, Spain and the U.K. in 1986, while down in the other surveyed countries. Currency devaluations not included. No bar means zero growth. *Source: Advertising Age.*



Foreign ad growth lower than U.S. rate

An Advertising Age roundup

Ad spending growth outside the U.S. will lag behind the growth in ad spending domestically this year, according to the latest ADVERTISING AGE survey of major foreign markets.

Foreign ad growth is crucial to many global agencies that derive, in some cases, more than 50% of their billings outside the U.S.

The forecast shows real growth, with inflation factored out, at 5% in the U.K., 4% in France and 3% in Germany. Together these countries account for the lion's share of European ad spending. The other major advertising market in the world, Japan, is expected to grow 4%. These forecasts are based on interviews with advertisers and agencies worldwide, and are expressed in local currencies without accounting for possible currency devaluations.

Ad spending in the U.S. in 1986 is expected to grow about 8%, without inflation factored out, according to Robert Coen, senior vp-director of forecasting, McCann-Erickson.

Many advertisers and agencies in the U.S. believe foreign ad spending will be surprisingly strong in 1986, as European economies recover.

"Europe looks pretty good, particularly Germany relative to its past when spending has been the same or up a shade," Mr. Coen said. "Now there is some possibility it will grow faster than inflation."

Mr. Coen bullishly predicted that foreign ad spending will jump 9% in 1986, compared with 8.5% in 1985. But he acknowledged he has been overly optimistic in the past, and often revises his figures downward as the year progresses.

Many sources agreed that if the dollar stays where it is or continues to fall relative to foreign currencies, U.S.-based companies will show strong gains in their foreign earnings, which have been battered over the years by the strong dollar.

Rarely have international ad executives noticed as much uncertainty in foreign markets.

"There is a lot going on in Europe right now, what with the weakening dollar and weakening oil prices," said Bill Tragos, TBWA Advertising's chief executive officer. "But consumers are starting to spend and we expect them to spend more in 1986. You can only hang black crepe for so long."

"The big question is England," said Willi Schalk, president of BBDO International Group. Some sources believe U.K. ad expenditures will grow only 2% in real terms, and are much more bearish than AD AGE or Mr. Coen.

Mr. Schalk said he is taking a second look at the U.K. because of the decline in oil prices, which directly affects the U.K. as an oil-producing nation, and because the pound sterling is not rising as expected with the dollar's decline.

Other admen said the shaky state of Prime Minister Margaret Thatcher's government could also influence U.K. ad spending.

"The economic situation [in the U.K.] just doesn't look as promising as we had hoped," Mr. Schalk said. But he added that, conversely, the outlook in Germany, France and Spain appears promising.

In Germany, Europe's largest ad market at $6.2 billion, ad spending may jump between 2% and 4% in 1986 after years of relatively flat growth—up only 1% last year. Increased budgets are most likely to come from car marketers, the service industries, airlines and pharmaceuticals.

Other sources predict that, as in past years, mar-

(Continued on Page 53)

World News Roundup

(Continued from Page 3)

pated large number of advertisers and audience. U.S. tv series "Dynasty," the highest rated show in morning tv, is only drawing a 10.5% rating (percentage of households viewing tv), according to a McCann-Erickson study. Despite the ratings, morning tv ad rates remain as high as those in the afternoon, when the audiences size is double.

NEW YORK—Toy Manufacturers of America and the Japanese Toy Assn. signed an agreement this month guaranteeing U.S. toy marketers $8.8 million in retail shelf space in Japan in 1986, $11.6 million in 1987 and $14.4 million in 1988. In 1985, U.S. companies sold $6 million worth of toys in Japan, while Japan sold $140 million in the U.S.

MELBOURNE—D'Arcy Masius Benton & Bowles lost its national creative director, Noel Delbridge, who resigned earlier this month after 26 years with the agency to join Mojo Advertising. DMB&B also lost the Queensland Liberal party account, which it handled for 11 years. Norris Brown & Associates picked up the account.

TOKYO—All Nippon Airways, Japan's largest domestic airline, will make its first international flight in March to Guam. ANA also is awaiting government approval in Japan to fly to Los Angeles and Washington. Dentsu, Hakuhodo and Asahi Advertising share the account.

TOKYO—Takara, Japan's largest producer of Shochu, a popular vodka-like traditional liquor, has purchased Scotland's bankrupt Tomatin Distillery Co. for an undisclosed price.

LONDON—Saatchi & Saatchi has appointed John Makinson, a former column editor of the *Financial Times*, to assist chairman Andrew Wood with U.S. acquisitions. Mr. Makinson either has no job title yet, or the agency refuses to divulge it.

PM blocks anti-smoking slogans

By JACK BURTON

STOCKHOLM—Philip Morris Cos. has temporarily blocked the Swedish government from placing new anti-smoking messages on cigaret packs.

Sweden's Social Welfare Board recently proposed placing slogans on cigaret packs urging smokers to either refrain from smoking at their jobs or to quit altogether.

The slogans included, "Do you want to stop smoking? Many have done it. Pick a day and just stop." Another proposed slogan says, "Don't bother your fellow workers with tobacco smoke. It is damaging and irritating."

But PM argued that the new slogans are illegal because they violate a 1975 law requiring health warnings on cigaret packs. PM claimed the law only requires notification of possible health risks, not slogans urging smokers to change their habits.

A variety of health warnings appears on Swedish packs. They include, "Increased cancer risks: Smoking increases the risk of cancer in the lungs, mouth, stomach, throat and bladder" and "For those pregnant, smoking during pregnancy can harm your child."

The government is considering PM's objections and will issue a final ruling on the matter, although no timetable has been set.

Marcos marketed like U.S. politician

Opponent heavy on radio ads

By KATHLEEN BARNES

MANILA—Ferdinand Marcos called on a sophisticated, U.S.-style political marketing strategy, with help from President Reagan's former advisers and heavy tv advertising, in his battle to stay in power in the Philippines.

By contrast, Corazon Aquino used radio and newspaper ads, as well as posters and buttons, in a campaign thrown together by a handful of volunteers from an assortment of ad agencies.

Results of the Feb. 7 presidential election are still being contested, with both sides claiming victory amid charges of vote fraud and intimidation by the Marcos forces.

On Feb. 10, the Philippine National Assembly convened to certify the vote and declare a winner, but arguments over procedure delayed any action. Five days later, the assembly declared Mr. Marcos the winner.

Matthew Freedman, vp at the Washington lobbying company of Black, Manafort, Stone & Kelly, was hired to work on improving Mr. Marcos' image both at home and in the U.S. In 1984, three of the BMS&K's senior partners worked on President Reagan's reelection campaign.

BMS&K, which reportedly is being paid $950,000 for the first year, was hired by an organization called the Chamber of Philippine Manufacturers, Exports & Tourist Assns.

On the local level, Mr. Marcos has his regular "backroom boys," former newspapermen turned presidential staff members, on the government payroll at the National Media Production Center here. The staff was responsible for the Marcos press mill, which spewed out releases, backgrounders and commentaries.

CORAZON AQUINO

The staff also produced all of Mr. Marcos' tv commercials without the help of any professional ad agencies.

Mrs. Aquino's campaign centered on radio ads created by volunteers from at least nine agencies, including J. Walter Thompson Co., Hemisphere Leo Burnett and Bates Alcantara.

One radio spot featured the popular song "Tie a Yellow Ribbon 'round the Old Oak Tree," which is sentimentally attached to Mrs. Aquino's assassinated husband, Benigno, who was killed on his return to the Philippines from self-imposed exile.

Although the spot became a focal point of the radio campaign, one adman said using so many volunteers from different shops caused problems.

Nat Caluag of Hemisphere Leo Burnett said the agencies were not being paid and, as a result, each shop worked individually, despite efforts to coordinate by Reli German, Mrs. Aquino's advertising supervisor.

Mrs. Aquino tried early in the campaign to place some tv ads, but she was denied airtime by two government-owned tv stations, Channels 4 and 13.

Representatives of the tv stations said they were not obliged to accept Mrs. Aquino's spots.

The issue was challenged before the Commission on Elections, but Mrs. Aquino's representatives failed to appear at the Jan. 30 hearing, so the matter was dismissed.#

Ad growth

(Continued from Page 52)

keters may reduce their budgets in selected categories.

In France, ad agencies and marketers are cautious. Legislative elections in March may pit an opposition party against President Francois Mitterrand, who doesn't face reelection until 1988. That could wreak havoc in France, where economic life is closely tied to politics.

Another issue is media. No one is certain how much two new private, advertiser-supported tv networks, which come on line in 1986, will affect ad spending. Some predict that the consensus forecast of 4% ad expenditure growth could turn out to be conservative.

In Spain, ad spending is expected to rise about 13% in 1986. "We expect to see a bigger increase in ad investment this year as a consequence of Spain's entry into the European Economic Community in January," said Francisco Gonzalez, president of Grey Espana.

But some admen point out that 1986 may not be as good a year as it looks in Spain.

"With public attention centered on four sets of elections scheduled for this year, advertisers may decide to cut spending significantly," said Manolo Ramiro, president of Lintas S.A.

Meanwhile, Japan appears headed for minimal ad spending growth.

"It's a flat market," said Jerry Roberts, chief executive officer of DYR Inc., a joint Dentsu-Young & Rubicam-owned agency.

Ad industry watchers think the Japanese ad industry hit bottom last year with no growth, when top advertisers like Suntory International and Japan Airlines drastically cut back their ad spending.

But the 4% forecast for 1986 is based on the expectation that key advertisers will resume earlier spending patterns.

Australia also had a slow 1985 with only 2% growth in ad spending. No growth is expected this year.

"The figures reflect the state of the Australian economy," said Robert Koltai, director-corporate marketing of Colgate-Palmolive.

In Brazil, the biggest advertising market in Latin America, ad spending jumped 10% in 1985 after suffering an 18% decline in 1984. But the industry fears 1986 will bring another bout of high inflation, which will probably result in a 5% growth in ad spending.

Mexico also had a relatively good year in 1985, with ad spending increasing 13%, but the peso devaluation diluted the impact of that growth on U.S. balance sheets. This year Mexican admen are expecting more peso devaluations, and no growth in ad spending.#

Contributing to this story were Valerie Mackie, Chicago; Sean Milmo, London; Dagmar Mussey, Duesseldorf; Tony Shugaar, Milan; Marina Specht, Madrid; Claire Wilson, Paris; Geoffrey Lee Martin, Sydney; Nabuko Hara, Tokyo; Julia Michaels, Sao Paulo, and Stephen Downer, Mexico City.

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VW trying to shake its 'one-car image'

Brazilian-built model to target new buyers, second-car sales

By JESSE SNYDER

TROY, MICH.—Marketers at Volkswagen United States and agency Doyle Dane Bernbach are chortling at the prospect of having a "Beetle-like" entry-level car again in less than a year.

A Brazilian-built, small Volkswagen due next January will be aimed at both the entry-level 18-to 30-year-old market of first new-car buyers and as a second or third car for older families who remember owning or riding in Beetles, said James Fuller, vp in charge of VWUS, the VW sales arm for Volkswagen of America.

"It's not only an ideal second car for 2 million former or current VW owners, it's an 'appetizer course' for first-time buyers who will buy an average of 16 new cars in their lives," Mr. Fuller said in an interview.

But first VW must shake a lingering image that the auto maker is a "one-car company."

The creative solution is 15-second commercials (AA, Jan. 23) that will be VW's primary tv format through at least next fall, said Richard Marcy, director of marketing.

VW is using 15s on news and sports breaks to ensure daily prime time exposure.

"The 15s give us a chance to show off a wide variety of new product this spring and build awareness that Volkswagen is not a one-car company," Mr. Marcy said.

The Beetle so much became the symbol of Volkswagen between 1949 and 1975 that VW still is struggling to shed that single-car image despite marketing two compacts, a sporty two-door, midsize sedan and a minivan.

Broadening awareness is important with a variety of new models this spring.

But the new car imported by Volkswagen from Brazil makes the image-freshening essential. It is still code-named Project 99, "because our first choice for a name flopped when we tested it," Mr. Fuller said.

The Brazilian car will come in four-door sedan and two-door station wagon versions and be priced under $6,000 to compete with the Yugo and Hyundai Excel and others in the emerging under-$7,000 segment.

The strategic reposition and spring introductions gave VW more interest in investigating 15s than other auto marketers, who largely have spurned the format as too short to transmit product information.

VW will introduce a face-lifted Quantum midsize series, a 16-valve Scirocco, four-wheel-drive Synchro versions of the Quantum and Vanagon and Wolfsburg limited-edition packages on the Jetta, Golf and GTI by May.

All but the Golf and GTI are imported from West Germany and VW's traditional uncertainty of delivery also affected the creative approach.

Research showed 15s tested 75% as effective as 30s in building awareness at 60% to 70% of the cost, Mr. Marcy said.

The VW 15-second spots use a no-background beauty shot of a car with a voiceover that can be changed quickly to "keep us topical," said William Gelgotta, ad manager.

Tying 15s to a news break or sports break avoids clutter, gives VW a de facto auto exclusivity and gives viewers a "sense of getting something valuable," Mr. Marcy said.

"Tv is still very important to us," he said. "It still is the prime medium for image building. Of course, it puts even more pressure on our print ads to convey product information."

adWatch

(Continued from Page 4)

effect of its reformulation began wearing off. Coke's score rose only slightly in January.

The also-rans among soft-drink advertisers include 7UP, which remains No. 3 in soft-drink ad awareness with 4.0% first mentions, and two Coca-Cola brands, Diet Coke and Sprite, tied for fourth with 2% of first mentions.

The category probably will begin heating up in the next few months as Pepsi and Coke both break campaigns loaded with celebrities and 7UP's "Feels so good comin' down," its first campaign from Leo Burnett USA, Chicago, has a chance to take hold.

Consumers were able to come up with fast-food ads off the tops of their heads more than any other category. The 10 unaided, best recalled advertisers in January were, in descending order, McDonald's, Burger King, Coca-Cola, Wendy's, Budweiser/Bud Light, Ford, Miller/Miller Lite, Pepsi, AT&T and Chrysler.

The following are last month's top three advertisers in other product categories:

- **Airlines:** United (12% of first mentions); American (11.6%); Eastern (10.8%). Eastern's score is up 2.8 percentage points over December with its ads for winter fares to Florida. Delta's score dropped 3.5 percentage points because its January media schedule dropped.
- **Apparel:** Levi Strauss (8.5%); J.C. Penney (2.9%); Sears (2.7%).
- **Beer:** Budweiser (13.7%); Coors (11.6%); Miller (7.7%).
- **Breakfast foods:** Wheaties (8.1%); Cheerios (6.3%); Kellogg (5.0%).
- **Bread:** Wonder (14.2%); Sunbeam (2.5%); Rainbo (2.1%).
- **Cameras:** Kodak (25.0%); Canon (11.6%); Polaroid (6.7%). Kodak's score jumped 6.8 percentage points over last month after a strong pre and post-Christmas blitz.
- **Cars & trucks:** Ford (20.8%); Chevrolet (13.1%); Toyota (6.6%).
- **Coffee:** Folgers (22.3%); Maxwell House (17.1%); Hills Brothers (5.9%).
- **Computers:** Apple (24.6%); IBM (17.7%); Commodore (5.7%). Apple's share of first mentions dropped 5.6 points because the company has shifted its media mix from tv to print and radio.
- **Cosmetics:** Maybelline (3.9%); Cover Girl (3.0%); Revlon (2.8%).
- **Home electronics:** General Electric (5.1%); Sony (3.6%); RCA (2.7%).
- **Financial institutions:** Merrill Lynch (3.8%); E.F. Hutton (2.9%); Dean Witter (3.1%).
- **Frozen food:** Bird's Eye (9.6%); Swanson (5.0%); Stouffer (3.7%).
- **Laundry products:** Tide (22.7%); Cheer (4.5%); All (4.2%). Tide's share of first mentions fell 3.4 percentage points after a light media schedule in January.
- **Liquor:** Jack Daniels (2.4%); Seagram's (2.3%); Bacardi (1.4%).
- **Medicine & drugs:** Tylenol (21.6%); Advil (5.8%); Bayer (5.7%).
- **Overnight mail:** Federal Express (28.8%); UPS (9.6%); U.S. Express Mail (5.8%).
- **Pet foods:** Purina (11.9%); Alpo (8.9%); Kibbles'N Bits (3.6%).
- **Soap & shampoo:** Ivory (8.8%); Head & Shoulders (6.5%); Prell (6.3%).
- **Tea:** Lipton (34.7%); Nestea (2.7%); Tetley (2.6%).
- **Tires:** Goodyear (15.9%); Michelin (11.7%); Firestone (7.8%).
- **Tobacco:** Marlboro (7.2%); Skoal (3.6%); Winston (3.1%).
- **Wine:** Riunite (9.8%); Gallo (8.2%); Paul Masson (2.3%).

For additional information or data, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

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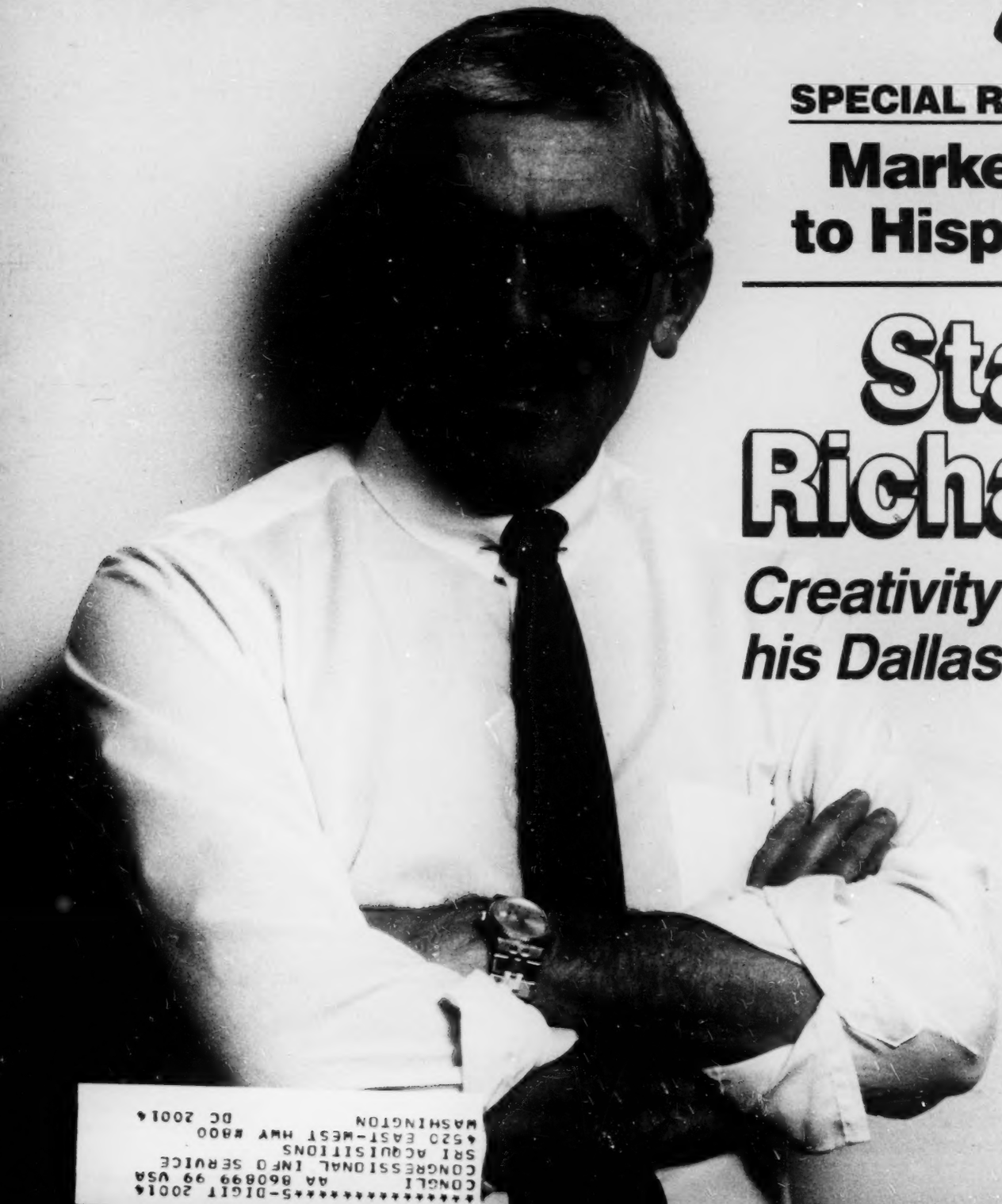
February 27, 1986

Advertising Age Thursday

Crain's Magazine of the Creative Process



SPECIAL REPORT

Marketing to Hispanics

Stan Richards

Creativity powers his Dallas agency

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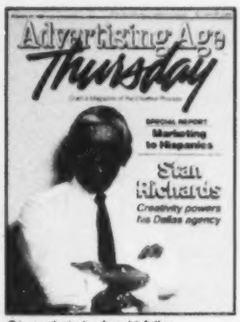
Thursday

King Richards

Stan Richards wants an airline account. His Dallas-based Richards Group used to have an airline, Muse Air. But in June last year it was absorbed by Southwest Airlines. Just before the buyout, Muse founder and chairman Lamar Muse paid Richards a great compliment: If it hadn't been for the work his agency did, Muse said, Southwest would have picked up the near-bankrupt Muse for next to nothing. As it was, the agency's campaign, touting money-back guarantees and free flights to smokers who would not smoke on the plane, increased load factors and operational profits enough that Southwest had to shell out $60 million for Muse. *See Page 4.*



Cover photo by Arnold Adler

Patch pair

Maybe you don't own a Cabbage Patch calendar. If not, you're missing a real tour de force. From January's sled ride to October's pumpkin carving, each scene transforms the pudgy stuffed dolls into modern icons. How that's done is a secret shared by husband and wife, Bruce Morozko and Deborah Lombardi. He designs sets; she, costumes for Cabbage Patch Kid calendars, notebooks and magazines. *See Page 56.*

Special Report—Hispanic Marketing

Business is picking up for the Hispanic market, but advertising agency and media executives say it still lacks the recognition it deserves. Advertisers spent $333.5 million to reach the Hispanic market in 1985, up 17.2% from 1984. From 1980 to 1985, the Hispanic market rose 16%, to 16.9 million people, according to the U.S. Census Bureau. Special Report examines the Hispanic market's successes and struggles, beginning on *Page 11.*

Pressime

DFS, Dorland forge deal

NEW YORK—Dancer Fitzgerald Sample and Saatchi & Saatchi Co.'s Dorland Advertising subsidiary, reported earlier to have begun merger conversations (AA, Sept. 23), have completed a deal creating DFS Dorland Worldwide, with $1.2 billion in billings. DFS' billings in 1985 were $876 million; London-based Dorland's topped $200 million. The deal is not actually a sale at this time—Dorland will lend $75 million (with interest) to DFS' top five executives, who in turn will create a new company, DFS Management, to buy all existing shares from DFS stockholders. Simultaneously, Dorland has been granted an option to buy 100% of DFS. There will be another payment in 1991 to DFS Management. DFS' pretax profits were $17.6 million in the year ended last Aug. 31.

BankAmerica picks A&D

SAN FRANCISCO—BankAmerica Corp. has selected Allen & Dorward to handle its new $4 million-to-$5 million corporate image account. A&D beat out Ketchum Advertising for the account (AA, Oct. 7). It joins Ketchum and Grey Advertising as BankAmerica agencies.

Federal expresses interest

MEMPHIS—Federal Express Corp. will be a sponsor of the 1988 Winter and Summer Olympics via a marketing agreement announced Feb. 26 with the International Olympic Committee, the USOC and local organizers of the Seoul and Calgary games. Ally & Gargano, New York, handles. Separately, Federal Express has selected the Cherenson Group, Livingston, N.J., for a new eastern regional ad effort.

DHL touts overseas service

SAN BRUNO, CAL.—DHL Worldwide Express on March 9 will kick off a $4.5 million tv and print campaign in 13 major markets, pitching its overseas document delivery services. A new tag line—"Why fool around with an air express service that delivers less of the world?"—plays off rival Federal Express Corp.'s "Why fool around with anyone else?" theme. Ted Bates Advertising/New York handles.

Lysol aims at bleach

NEW YORK—Sterling Drug's Lysol disinfectant this week breaks two 30-second tv commercials, positioning itself against liquid bleach as a household disinfectant. Lysol is marketed by Sterling Drug's Lehn & Fink Consumer Products division, Montvale, N.J. The campaign, via SSC&B:Lintas Worldwide, will be tested in Kansas City and other markets.

More ads blast Sandinistas

WASHINGTON—A $2 million spot tv campaign breaks here today lashing Nicaragua's Sandinista government. Other markets will be added later. The conservative National Endowment for the Preservation of Liberty is sponsoring the campaign, via the Robert Goodman Agency, Baltimore. Another group, the National Conservative Political Action Committee, also is running anti-

(Continued on Page 59)

Street Talk

It seems like every other tv commercial uses a down-home, folksy character to push products. Is the Hokey Joe version of Americana the image for the '80s, or will the Bartles & Jaymes clones vanish before the year is out?

Larry Stillman, senior partner-group creative director, Tatham-Laird & Kudner, Chicago: "I think that sort of thing has been around long before Bartles & Jaymes, but it took Bartles & Jaymes to really make it a popular and widely imitated style. That campaign is done so well and everything else that uses old characters is so imitative, I think it will diminish. While I think the 'old coots' kind of Americana is going to drop off, I think Americana in the sense of a celebration of America will continue strong."

L. STILLMAN

E. LITTLEFORD

Edward Littleford, executive creative director, Foote, Cone & Belding, New York: "No. The down-home imagery is as old as the hills and will endure. The Bartles & James Ma and Pa Kettle-type ads are the third wave, and will continue to spawn a host of imitators. These imitators, however, may miss the point—the campaign is not only some people rocking on a porch, there is a sound marketing idea behind it. The imitators will pick up on the cosmetics of it, but it will be devoid of a marketing idea."

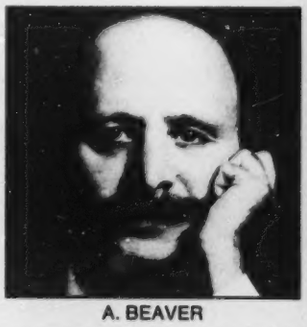
Bob Matsumoto, president, Matsumoto-Herzog, Los Angeles: "It won't last. The Bartles & Jaymes stuff is good, but a lot of the copies aren't executed as well and aren't effective. Most of it won't stand out in the clutter. So the trend will pass. That's the history of advertising, isn't it?"

B. MATSUMOTO

M. GOLDSTEIN

Mark Goldstein, exec vp-corporate creative director, Earle Palmer Brown Cos., Bethesda, Md.: "The advertising business, like music, film and the theater, loves to jump on bandwagons. In the mid-'70s it was disco. In the late '70s it was 'Star Wars.' In the early '80s it was new wave, and in the mid-'80s it's Ronald Reagan and real-people Americans. What's next beats the hell out of me. One trend I like is the tendency to use people who look like they're neighbors and not out of Central Casting. I find that refreshing."

Allan Beaver, executive vp-creative director, Levine Huntley Schmidt & Beaver, New York: "I don't think it's the direction for the '80s, I think it's a technique of the moment. . .a simple technique and a refreshing alternative to the big-budget, slick campaigns currently in vogue. I have always believed the best and most effective campaign is one based on a good idea, executed simply and directly. And basically that's what these executions are—ordinary people talking directly to the viewer."



A. BEAVER

ADVERTISING AGE *Thursday* asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE *Thursday*, 220 E. 42nd St., New York 10017.

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Special Report

Tom Herzberg

Hispanic Marketing

Prime space available at low rates

By Ed Fitch

If the Hispanic market were an outdoor board, it probably would read: "Prime space, cheap rates. Call Hispanic advertising agencies and media for further details."

It promises a good return on investment, yet the Hispanic market is taking a pasting. Hispanic segment ad agency and media professionals, while agreeing business is getting hotter, would be the first to admit if it were *salsa picante* (hot sauce), it would hardly make anyone's tongue curl.

"The business community has not recognized the magnitude of the market," says Enrique Loza, president, Americas Inc., a Chicago-based Hispanic market agency. "The percentage of dollars going into the Hispanic market is still ridiculous."

Also contributing to this story were Candace Campbell and Marcy Gray Rubin, who covered the soft drink industry and Spanish-language tv, respectively, in this Special Report.

The market's amigos
1985 ad budgets
($000,000)

	Hispanic	General
1. Philip Morris	$7.0	$570.4
2. Procter & Gamble	6.5	872.0
Anheuser-Busch	6.5	364.4
4. McDonald's Corp.	6.3	480.0
5. Ford Motor Co.	4.2	559.4
6. Johnson & Johnson	3.5	300.0
7. AT&T	3.2	563.2
8. Colgate-Palmolive	3.0	258.7
Sears, Roebuck & Co.	3.0	746.9
10. R.J. Reynolds Ind.	2.5	678.2
Adolph Coors Co.	2.5	138.7

Source: *Hispanic Business*, Advertising Age

Although expenditures to the U.S. Hispanic market have increased, those involved in the market say expenditures still fall far short of the segment's contribution to many company's profits. In fact, as the Hispanic market has gained demographic clout and media attention, advertisers' commitments to the market have slowed.

Total ad dollars devoted to the Hispanic market stood at $333.5 million in 1985, according to *Hispanic Business*, Santa Barbara, Cal. While this represented a 17.2% increase over 1984 expenditures, the 1983 to 1984 increase stood at 26.8%, and 1983 budgets rose 35.2% over 1982. The rate of companies' dollar investments in the market is lagging.

"I cannot recall any major breakthroughs in new categories of advertisers," says Jorge Caballero, president of Jorge Caballero & Associates, a Chicago-based agency. "Not one new major com-

(Continued on Page 12)

Space available at low rates

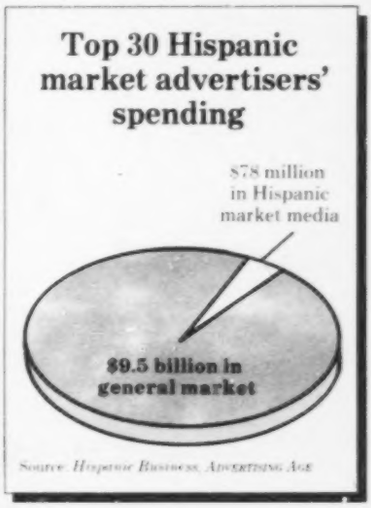
(Continued from Page 11)

pany has come in."

The same names seem to appear year after year on *Hispanic Business*' listing of top Hispanic market advertisers. "For the most part, it's package goods companies and more package goods companies," says Jesus Chavarria, editor-publisher, *Hispanic Business*.

"You may see some new action in a few categories. But a lot of areas—particularly service providers—have yet to do much," he says.

In 1983, 1984 and 1985, the top 25 Hispanic market advertisers' Hispanic budgets were less than 1% of their general market ad expenditures. The best Hispanic-market-to-total-ad-budget ratio occurred in 1984 when the top 25 advertisers' committed 0.99% of their budgets to the Hispanic market. That figure fell to 0.84% in 1985.


Top 30 Hispanic market advertisers' spending
$78 million in Hispanic market media
$9.5 billion in general market
Source: Hispanic Business, Advertising Age

Put simply, the top 25 Hispanic market advertisers are allocating less than 1% of the amount they spend on the general population to reach 7.2% of America's residents, according to a U.S Bureau of Census December report. To paint the over-all picture, consider that these companies are the segment's 25 biggest supporters.

According to *Hispanic Business*, in 1985 the top 30 Hispanic market advertisers spent $78 million. This is $1.2 million less than Hershey Foods' total ad budget. Hershey was the 88th largest national advertiser, according to Advertising Age.

"The amount of money corporate America spends to address the Hispanic market is a pittance when compared to total advertising expenditures," says Tony Bonilla, chairman, National Hispanic Leadership Conference, a Washington-based think tank.

Many of the companies that direct some dollars to the Hispanic market have curtailed those investments, Mr. Caballero says.

"And companies that are spending a substantial amount of money are not spending in relation to the size of the Hispanic market."

According to the Census Bureau, from 1980 to 1985 the over-all population increased 3.3%. During the same time the Hispanic market rose 16%, to 16.9 million people.

Not only did the raw numbers rise, but the quality of the segment also improved, says Lennart Ringquist, president of New York-based BlairSpan, a John Blair & Co. subsidiary that produces and syndicates Spanish-language programing. "The market is constantly being fed by immigrants," he says, "and the quality of that immigrant is accelerating."

Previous waves of immigrants may have been primarily unskilled laborers, Mr. Ringquist says, while new arrivals today possess more marketable and professional skills—and therefore greater disposable income.

Hispanics' 1984 median family income hit $18,833, according to the Census Bureau's recent report. Although this fell well below the total population's figure of $26,433, it represents a significant improvement over the segment's 1982 median family income of $16,228.

The market's improving demographics and spending patterns demand more response from advertisers, Hispanic ad executives say.

"There seems to be the attitude, 'Give them $100,000 to keep them happy,'" says one executive. "How do you expect to reach 20 million people today with such a small budget? There are a lot more social issues here than meet the eye—a lot of tokenism."

Some people simply will not approach the market. "A great deal of attitude goes to 'Why should we cater to Latinos?' and 'Why don't they speak English?'" Mr. Loza says.

This posture, he says, has nothing to do with a business analysis.

"I believe there is a bit of prejudice and ignorance of who Hispanics are and what they buy," Mr. Caballero says. He illustrates the point with a story about a marketing executive at a shampoo manufacturer who said they didn't target Hispanics because they don't have an ethnic product.

"My thought was, 'What is a Hispanic shampoo?' It's the same one everyone else is using. They also say there aren't numbers, but the numbers have been there for years."

The more information a Hispanic ad agency or media company can present, the faster companies will come around, says Castor Fernandez, president, Castor Spanish International, a New York-based Hispanic marketing agency. "I've been doing this for 18 years and God knows I want to spark businesses into doing more, but advertising agencies aren't the answers."

Many times agencies are the catalyst, he says, "but what's needed is more market information."

If Hispanic ad agencies pursue business, their actions are viewed as self-serving, says Hector Elizalde, director-Hispanic marketing, Purchase, N.Y.-based PepsiCo. The lack of documentation also is a problem.

"You know what MBA types are like," he says. "They aren't going to move unless it's well documented."

Another reason the Hispanic market hasn't been sought effectively is companies must commit to approaching it from the top down, Mr. Elizalde says, a commitment some companies do not make.

"That's what makes the difference between companies—how much they do and how well they do it," he says.

Strangely, some companies pour millions of dollars into multinational operations in Latin America, yet do not invest in the U.S. Hispanic market, says Jacqueline Da Costa, senior vp-media director, Ted Bates Advertising/New York. The immigrant factor makes this situation more astounding, Mr. Loza says.

"No matter where we come from, we all grow up with Kraft and Quaker; we know Goodyear, Ford, Chevrolet," he says. "We grow up dreaming of owning American cars, American televisions. We struggle through forests and jungles to get to America to buy those things. It is a lot nicer and easier if someone puts them right in our path through a radio or tv spot."

Ms. Da Costa says the multinational companies are missing a sure bet. "They let strong franchises slip through their fingers because they are unwilling to make the same commitments they have overseas."

Although the home-grown Hispanic market is large, corporate America may not consider it sizable enough to justify the manpower and investments needed to target it professionally. "It's like reaching out to any segment," Mr. Caballero says. Companies must commit to performing research and developing a total marketing program to sell their products, he says.

A spokesman for White Plains, N.Y.-based General Foods affirms Mr. Caballero's suppositions.

Any marketing segmentation diverts funds and involves twice as much research and effort to launch as a national campaign, he says, adding that national campaigns typically yield 10 times to 20 times more revenue for the same amount of effort.

Yet General Foods is a big Hispanic market supporter. In 1985 it spent $2 million advertising to Hispanics, enough to make it the No. 13 advertiser on the *Hispanic Business* list.

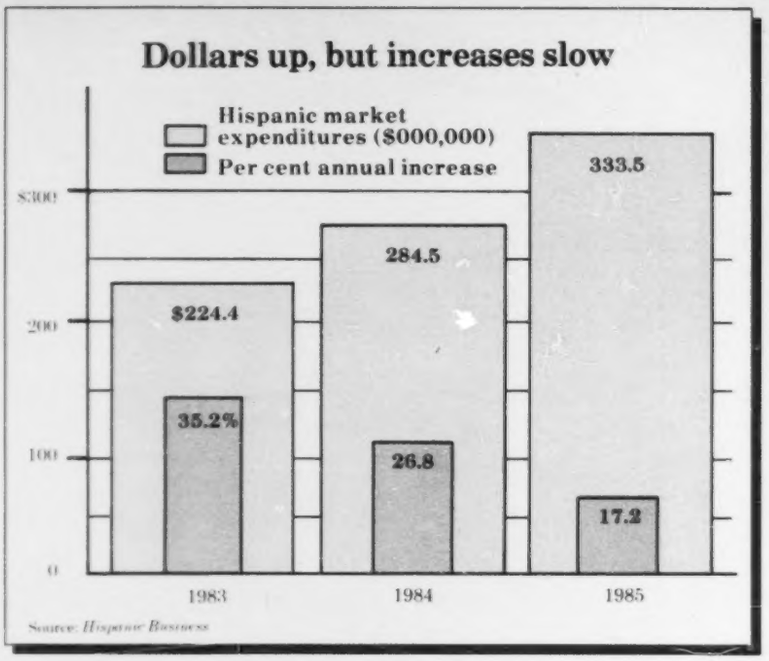
The company's active role, the spokeman says, is "a matter of upfront faith." It also does not hurt that General Foods has the internal research capabilities "to identify and invest in product opportunities here and in Latin America. If our estimates turn out to be right, we don't need as many hard numbers."

The company initially overspends to attract consumers and then tightens up, he says, rather than underspend and not reach the target.

General Foods' approach may become the preferred method of investigating the Hispanic market: Dangle some toes, test the water and then jump in—or at least wade in to shin depth. Even halfhearted attempts would be welcomed by those who are certain the results would encourage more activity.

"My only hope is companies will see the fruits of the little they are doing and be encouraged to continue and expand those efforts," Mr. Loza says. "The business community needs to review its marketing efforts, and when it does it will find this is a good segment to increase the bottom line."

Hispanic media and advertising professionals would like to see that outdoor board read: "Prime space, reasonable—not cheap—rates."



The Hispanic market at a glance
The market consists of 16.9 million people.
10.3 million are of Mexican descent.
1 million are of Cuban descent, and 2.6 million are Puerto Rican.
1.7 million are Central/South American, and 1.4 million are of other Spanish origin.
7.2%
Hispanics comprise 7.2% of total U.S. population.
From 1980 to 1985, the Hispanic population grew 16%, compared to 3.3% of the general population.
In 1984 Hispanic median household income was $18,833.
Sources: U.S. Dept. of Commerce, Bureau of Census

Network vs. independents spices up programing

By Marcy Gray Rubin

Caramba, there's someone else out there. Imagine living in a town that had only one tv station. One day, you turn on the set and suddenly find two channels.

Your reaction most likely would be similar to those of Hispanics in cities finally served by two fulltime Spanish-language tv stations—they seem to be watching both.

Spanish-language tv broadcasting has been dominated by New York-based SIN Television Network and its host of 364 satellite affiliates. But that stronghold is being challenged by a string of independents struggling to win recognition in their markets.

This changing competitive picture perhaps is best illustrated by activity in New York, Los Angeles and Chicago. In Los Angeles, independent newcomer KVEA-TV is challenging powerhouse SIN affiliate KMEX-TV. After the launch of SIN's newest brainchild, WSNS-TV, independent WBBS-TV bowed out of the Chicago market, leaving only WCIU-TV to battle WSNS for viewers. And in New York, the 19-year battle between SIN's WXTV and independent WNJU-TV continues to heat up.

New York

By SIN executives' own admission, New York remains their toughest market. While independent WNJU typically has maintained a slight edge, that may be changing.

According to Eileen Martinez Holmes, vp-general sales manager, WXTV, New York, studies done by Miami-based Strategy Research Corp. gave WXTV 50% to 55% of all prime-time Hispanic audiences from October to November.

Ms. Holmes credits the boost to Rosita Peru, SIN's vp-programing, who has concentrated on cultivating larger youth audiences through contemporary-style *novelas* and variety programs.

The growing numbers of New York's South and Central Americans also are not being reached by her competitor's programing, she says.

Although Ms. Holmes says that "sometimes being a network affiliate can be restrictive," she stresses the over-all advantage. "Belonging to SIN forces us to maintain their high standards. It gives WXTV our professional polish, our sophisticated on-air look."

Ms. Holmes illustrates this statement with a reference to WXTV's locally produced 6 p.m. newscast, which she says is seen in 383,000 Hispanic households —representing a 100% increase over last year.

Marcy Gray Rubin is a New York-based free-lance writer and former reporter for Back Stage.

> ***"Belonging to SIN forces us to maintain their high standards. It gives WXTV our professional polish, our sophisticated on-air look."***
>
> **Eileen Martinez Holmes, WXTV**

Generally, WXTV's format typifies SIN's reliance on foreign, particularly Mexican-oriented programing, a policy SIN's opponents criticize. "We buy the best Spanish-language programing available—regardless of origin—that appeals to our affiliate audiences," says William Stiles, SIN's exec vp. This programing includes musicals, morning and late-night talk shows, live sports events, Spanish-language films, children's and comedy shows, and, of course, the *novelas* that are the backbone of Hispanic programing, he says.

Like all SIN affiliates, WXTV carries a number of network-produced programs, the most impressive of which is "Noticiero SIN." This half-hour, Miami-based 6:30 p.m. newscast follows the affiliate news and provides in-depth international coverage. According to John Pero, SIN's exec vp-sales, the newscast costs the network more than $4 million annually to produce.

A new network entry "Mundo Latino," the first U.S.-produced Spanish-language morning talk show, kicked off in late January. The show's style suggests it could have been named "Buenos Dias America" because its format—interviews, current events, news, sports and weather—is similar to "Good Morning America." The show is broadcast live from Los Angeles and Miami with special reports filed from New York and Washing-

(Continued on Page 38)

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Network vs. independent stations

(Continued from Page 37)
ton. WXTV supplements the national program with a weekday talk show called "New York Ahora."

Like many independents, WNJU's programing targets its specific market, carrying a heavier share of "Caribbean" programing aimed at New York's predominantly Puerto Rican and Dominican Republic Hispanic population.

Carlos Barba, the station's president-general manager, says when he first came to WNJU in 1970, the oldest existing Spanish-language station was in severe disarray. "Sales were at $1.2 million, expenses were at $3.5 million and they were giving airtime away to advertisers," he says.

Mr. Barba quickly organized focus groups to learn more about his market and audience composition. Discovering that women made up 72% of his daytime audience, he created a horizontal approach to programing centering on *novelas*, variety shows and more *novelas*. Action shows were added to the mix at night to attract male viewers. To increase his revenues, Mr. Barba also leases WNJU to other minorities during light Hispanic viewing slots.

Like most of his colleagues, he says his station's primary objective is to provide public service. WNJU pulled in more than $1 million for victims of the recent mudslide in Puerto Rico. During the volcanic eruption in Colombia, Mr. Barba took to the streets for a mobile marathon that resulted in 400 tons of emergency supplies.

Public efforts like these help increase the station's presence in the local community, where local programing may fall short. Although executives at both Spanish-language stations say they would like to increase their local programing, New York production costs limit larger efforts, they say. "I employ seven unions that receive payments and benefits equal to any other station in New York," Mr. Barba says.

A mix of 65% national and 35% local coverage would be ideal, he says. For now Mr. Barba must be content with WNJU's 11 p.m. newscast, public service updates and coverage of Hispanic parades and festivals.

Despite SIN's clout and WNJU's jockeying for position, these two stations may be destined to continue running a never-ending race. Jacqueline Da Costa, senior vp, Ted Bates Advertising/New York, says she incorporates both stations in her media mix, depending on the client's specific needs.

If her target audience is demographically broader, Ms. Da Costa says she selects WXTV. If a narrower audience is desired, she opts for WNJU. When the budget is too small to cover both stations, Ms. Da Costa alternates placements between the two stations each quarter.

Los Angeles

If any station were to be called the Goliath of Spanish-language tv, it would be Los Angeles-based KMEX-TV, SIN's oldest affiliate. KMEX claims to reach 87% of Southern California's Hispanics.

Small wonder then that since the station made its debut in 1962, Daniel Villanueva, president-general manager, has seen a long line of contenders disappear, turn their attention to other minority groups or take what is perhaps an easier competitive route and become English-language stations.

Explaining his station's success, Mr. Villanueva says, "We have a relationship with our viewers that isn't found anywhere else. People refer to KMEX as 'Our Channel 34.' We're filling an incredible communications gap."

According to Strategy Research, last October and November, KMEX captured 45% of the Hispanic prime-time audience as compared to 43% during the same time in 1984.

But the specter of KMEX's domination didn't stop KVEA from entering the ring last November as a fulltime, Spanish-language station. With the exception of KSCI-TV, which broadcasts in Spanish 35% of the time, KMEX was the only game in town.

"We felt the community was underrepresented, having just one fulltime station that also was tied to a network," says Joseph Wallach, KVEA's president-chief executive officer. "We believe both economically and in terms of programing that another station could be supported, giving Latino viewers a choice."

Mario Lazo, media director, Mendoza, Dillon & Asociados, Newport Beach, Cal., agrees. "I certainly think Los Angeles can support two fulltime stations if New York can."

Viewers' choices, according to KVEA executives, are between KMEX's imported programing and KVEA's more locally oriented slant. "You don't see a lot of local coverage on any Spanish-language station except during a catastrophe," Mr. Lazo says. Although the bulk of KMEX's schedule consists of SIN programing, the station does produce its own news, public affairs and sports shows, as well as "Mundo Latino," which is syndicated in 30 markets.

Mr. Villanueva stresses community service to his staff, members of which serve on 29 boards. The station conducts voter registration and citizenship drives, holds annual charity telethons and is credited with doing more public service spots than any other Los Angeles station. During the recent disasters in Puerto Rico, Mexico and Colombia, KMEX raised $11.9 million while providing 24-hour coverage.

Unlike many of its predecessors, Estrella Communications, KVEA's investors, has committed itself to Spanish-language broadcasting in a big way. Station executives say total startup expenditures hit $40 million, including a $500,000 promotional kickoff and an undisclosed local production budget.

In addition to the usual mix of imported programing, KVEA is emphasizing local and community service programing. As of now, efforts include daily 11 p.m. newscasts; minidocumentaries focusing on subjects like employe and Social Security benefits, how to get a driver's license or insurance, and a half-hour magazine show, covering

(Continued on Page 41)

Top 3 markets garner media dollars

Hispanic media expenditures

($000,000)

	Total	Tv	Radio	Print
1. Los Angeles	$59.2	$30.0	$22.0	$ 7.2
2. Miami	55.7	24.5	18.0	13.2
3. New York	51.5	21.5	20.0	10.0
4. San Antonio	15.0	7.5	7.5	—
5. San Francisco/San Jose	14.0	8.0	6.0	—
6. Chicago	11.5	5.5	6.0	—
7. San Diego	8.0	5.0	3.0	—
8. El Paso	6.8	1.8	5.0	—
9. Phoenix	5.7	3.5	2.2	—
10. Fresno	4.5	3.0	1.5	—

Source: *Hispanic Business*

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graming and promotions. "A lot of people had been locked out," she says.

"Before only Bud, Miller and Coke were sponsors. Now you're starting to see Coors, Ford, Libby and some cigaret companies come in and use the other outlets."

One caveat before radio gurus cave in to sudden urges to *hablan Espanol*: The market is not going to be served up on a platter with guacamole on the side. "It won't be easy for them," says Jorge Caballero, president, Jorge Caballero & Associates, a Chicago-based ad agency. "Advertisers are not necessarily increasing the money they spend in the market in relation to the increase in media."

Ms. Stoll puts it simply: "Survival depends on how many advertisers come into the market, and more advertisers need to come into the market."

If WOJO's business had been divided among the market's major stations it would not support all three radio stations, WTAQ's Mr. Newman says. "But now three sales forces are out on the streets."

> ***"Advertisers are not necessarily increasing the money they spend in the market . . . ."***
>
> **Jorge Caballero**
> **Caballero & Associates**

Advertisers were bypassing Chicago because WOJO's noncompetitive situation did not force them to present hard-hitting sales presentations about the Chicago market, he says. Now all the stations have to be more hard nosed about their business.

Mr. Brooks says Chicago has enough business to keep even more radio stations in the money.

"We have advertisers coming to us who have never gone into the Hispanic market before. We're making the pie bigger," he says.

Although that pie may be bigger, establishing a solid core of listeners may not be a piece of cake.

"The key element in Spanish language media is loyalty," Ms. Sofios says. "The others will have to create a larger audience."

The stations have embarked on aggressive promotional efforts to accomplish this task, and Mr. Newman says the market will expand.

"There is no animosity here, just clean, pure competition. Our main concern is uplifting the market."

As goes the market, so go revenues.

—Ed Fitch

Network vs. independents

(Continued from Page 38)

health, education and employment opportunities. A woman's show also is being developed.

Estrella also purchased the rights to syndicate Spanish-dubbed series like "Daktari," and "Medical Center," as well as feature films "Doctor Zhivago" and "Coma." Additionally the station has joined New York-based NetSpan's consortium and will carry its "Espectacular" specials.

Although KVEA executives remain confident about the future, they are realistic about their Herculean task. "KMEX is a powerhouse, a household staple," says Paul Niedermeyer, KVEA general manager. "To try and topple their superiority we have to achieve close to 40% share of the ratings."

According to Arbitron, the station's share grew from 32% the first week to 41% in five weeks. A more recent sampling, however, puts the split 85% in favor of KMEX, SIN's Mr. Stiles says. This mirrors the national picture, he says, where in any given market independents draw 20% to 30% of the viewers compared with SIN affiliates' typical 70% to 85%.

Mr. Wallach remains confident. "We are fighting aggressively to find our niche. We have brought our influence into what was a sleepy, one station market," he says. "KMEX is reacting with a healthy competitiveness, which enables more choices for the viewer and the advertiser."

Mr. Villanueva says he is interested in seeing what Mr. Wallach will do in the market. "I welcome KVEA and look forward to having someone else share the load," he says, "because ultimately the biggest beneficiaries will be the Hispanic community."

Los Angeles' Hispanic community currently stands at 4.5 million, he says, and is expected to reach 6.2 million by 1990.

"I'm sure we can absorb KVEA as we would another Spanish-language radio or newspaper." KMEX's track record, seems to justify Mr. Villanueva's apparent lack of concern.

Chicago

While Los Angeles may be able to support two fulltime tv stations, industry observers say the same may not be true for Chicago. Until recently Chicago was the home of two parttime Spanish-language stations, WCIU-TV and WBBS-TV.

On July 1, SIN established its first fulltime Chicago affiliate, WSNS-TV. The station's entrance led WBBS to bow out of the market and has put a strain on WCIU's ratings picture. According to fall, 1985, Strategy Research findings, WSNS already had garnered 28% of the prime-time total audience.

(Continued on Page 42)

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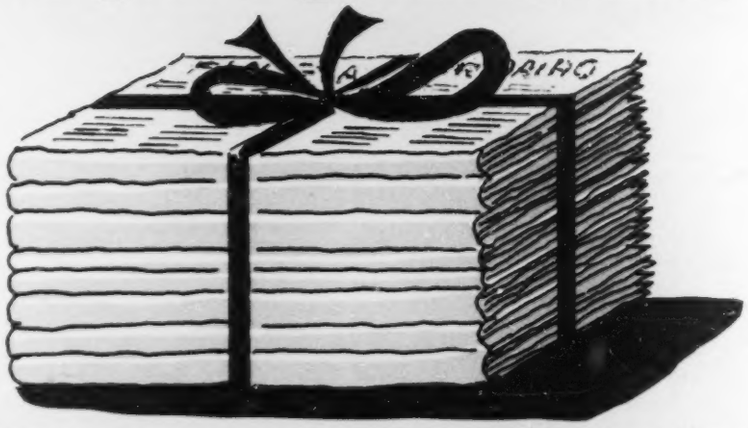

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Network vs. independents

(Continued from Page 41)

While WSNS is banking on SIN's programing and reputation to power it into the lead, Howard Shapiro, WCIU's president-general manager, is counting on audience loyalty and his station's 20-year history.

Like most independent station managers, Mr. Shapiro credits WCIU's longevity to local programing.

Seventy-two per cent of the station's local coverage is live, including 6 p.m. and 10 p.m. newscasts; a children's show; a self-help, call-in show that receives 80 calls a day, and a bilingual game show that receives an average 6,000 to 10,000 cards each week.

Reacting to his newest competitor, Mr. Shapiro says, "I don't think you can make money out of a fulltime Spanish station. If I thought you could I would've done it myself." WCIU brokers airtime to other minority programing as well as the Financial News Network.

According to Wayne Casa, president-general manager of WSNS, WCIU's checkered programing convinced SIN that Chicago was ripe for a fulltime Spanish station. "We always wanted to be in the Chicago market," SIN's John Pero says. "Although WCIU carried our programing, they were never considered part of the SIN network."

SIN has brought more quality programing to Chicago, increasing the number of Hispanics who are selecting Spanish-language tv over English-language fare, says Jorge Caballero, president, Jorge Caballero & Associates, a Chicago-based agency.

He also says advertisers were not paying attention to Chicago as a Hispanic market. "Maybe with SIN in the market they will," he says.

Unlike New York and Los Angeles, which at times compete with the primary Anglo stations, Mr. Casa says Chicago Hispanic tv always will be a secondary buy.

This allows the stations greater opportunity to do aggressive, local programing than in New York or Los Angeles, "where there's less preempting and more reliance on network fare."

Because Chicago is still in its infancy as a media center, he says, it will grow at a greater rate than the other markets.

Seventy-two per cent of Chicago station WCIU's local coverage is live.

Mr. Casa says SIN provides the financial leverage to purchase the best Spanish programing. He stresses the importance of screening shows to ensure his audience has a real alternative to English-language fare.

Although the network-to-local programing ratio stands at 85% to 15%, Mr. Casa says he hopes to achieve a 75% to 25% mix. Local production plans include a monthly health-oriented show, a public affairs program, musical variety show and a 10 p.m. newscast.

WSNS is committed to producing shows that reflect the life styles of American Hispanics, he says. "Whether they immigrated or were born here, the lives of Hispanics have changed and we must keep pace with these changes."

At this point Chicago's ability to support two Spanish-language stations remains in question. Mr. Shapiro says inadequate advertising revenue will result in "two losers and no winners."

Others, like Mr. Caballero, predict competition will focus greater visibility on the local Hispanic market, bringing more dollars to it.

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FCC flags foreign ownership

SIN Television Network, usually highlighted for its stunning ability to command Hispanic media markets, is in the media spotlight for a reason network executives probably wish would remain in the shadows.

A matter of legalities has thrust SIN and seven of its affiliates, including New York's WXTV and Los Angeles' KMEX, into conflict with the Federal Communications Commission. Five of the affiliate stations are controlled by Spanish International Communications Corp. William Stiles, SIN's exec vp, says the seven stations' combined value is $100 million—"and that's a conservative estimate."

Rene Anselmo, SIN's president-chief executive officer, and the Azcarraga family, which controls Televisa, Mexico's major broadcasting company and a 75% shareholder in SIN, are SICC shareholders. The issue revolves around the long-standing relationship of Mr. Anselmo and the Azcarragas.

An FCC judge basically has ruled that Mr. Anselmo represents alien interests, despite his American citizenship, and that the combined Anselmo-Azcarraga shares in SICC violate the 20% alien ownership limit set by federal regulations. Two stations in Phoenix and San Francisco—ones in which Mr. Anselmo is a substantial shareholder but are not controlled by SICC or connected to the Azcarragas—have been made parties to the ruling.

SICC lawyers say the company will continue to operate its five stations and the ruling will be appealed. At press time, SICC was investigating some structural changes. Whether they will be enough for the FCC is undetermined. "But it is a problem SICC has to resolve," Mr. Stiles says. "SIN cannot resolve it."

Although the charges may have major implications for SIN's affiliates and their competitors, the Hispanic media and advertising community has rallied behind the network.

Referring to Televisa as "a monster," Jorge Caballero, president of Jorge Caballero & Associates, a Chicago-based Hispanic ad agency, stands behind SIN, saying it has opened up many employment opportunities and heightened recognition of Spanish-language media.

Jacqueline Da Costa, senior vp-media director, Ted Bates Advertising/New York, agrees wholeheartedly. "SIN has done a great service regardless of what is being charged," she says. "Their sales staff and station managers are real pioneers who have gotten to where they are by being tough. I think SIN's efforts should be supported in reaching a solution that doesn't hamper the network's progress."

"I think SIN's efforts should be supported in reaching a solution that doesn't hamper . . . progress."
Jacqueline Da Costa
Ted Bates Advertising

Even competitors, who would benefit most by SIN being tripped by legal hamstrings, are standing by their rivals. "I don't think SIN was out to do anything intentionally wrong," says Carlos Barba, president, WNJU-TV, New York. "Unfortunately they thought they could run a broadcasting operation in the United States like they do in Mexico, where there is less government regulation."

He says he hopes the problem is resolved in SIN's favor, "because I would hate to wake up and not have any competition to drive me on to do better."

One of the general managers affected by the ruling has found a silver lining in the decision. The front-page coverage and concern generated by the FCC decision is proof of KMEX's crucial importance to the California community, says Daniel Villanueva, KMEX's president-general manager.

—Marcy Gray Rubin

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MediaWorks

ON THE DIAL

Scheduled radio specials and new programs or syndicated services.

NBC Radio Networks' "Profile 86" series, a 90-minute monthly series that focuses on a particular group or artist's life and music, features Canadian rocker Bryan Adams the weekend of March 28 to 30. Closing date for advertising is March 10. Among participating advertisers at press time was Anheuser-Busch.

Westwood One Radio Networks' Mutual Broadcasting System will add a two-hour lead-in to its all-night "Larry King Show" April 14 as Toni Grant, a popular Los Angeles radio psychologist, begins airing nightly. Grant was heard on KABC in Los Angeles from 1975 until December, 1985, with the later years also carried over the ABC

BRYAN ADAMS

Talkradio Network. The Monday through Friday program will originate in Los Angeles and air from 9 p.m. to 11 p.m. eastern time. The "Larry King Show" begins at 11 p.m. and runs through 5 a.m.

Global Satellite Network begins offering a three-hour weekly radio program featuring rock 'n' roll classics April 5. The new show, called "Reelin' In the Years," will be hosted by George Taylor Morris. The program will consist exclusively of '60s-era music.

Transtar Radio Networks adds a fourth, 24-hour live network to its present three nets May 1 with the introduction of "The Oldies Channel," a turnkey service that will concentrate on the mid and late '60s but will also feature some '50s and early '70s music. All the music, says the net, will be "carefully tested" so as not to cause tune-out among the primary target audience, men 25 to 54 and women in the same age range. ■

TV AVAILS

A weekly listing of tv programming that still has commercial availabilities open in the next few weeks.

"Throb," a weekly half-hour sitcom about a divorced mother in her 30s (Diana Canova) working in today's teen-oriented rock-music business, has been cleared in 19 of the top 20 markets, with syndicator Worldvision Enterprises, New York, projecting at least 100 markets by its fall start in barter syndication, in prime time or prime time access slots. Among outlets booked are three NBC-owned outlets (WNBC-TV, New York; KNBC, Los Angeles, and WMAQ, Chicago). Thirty-second ad units are going for $50,000. Co-produced by Procter & Gamble Productions and Taft Entertainment Group, "Throb" will have one national ad minute per week taken by Procter & Gamble,

Diana Canova stars in "Throb," a weekly sitcom about a young divorced mother who works in the rock-music business.

Cincinnati; the two remaining national minutes are being sold by Worldvision.

"The Jetsons," a weekly half-hour animated series from Worldvision Enterprises, New York, has about three units per week through the second quarter for $8,500 each. The show is cleared in 94 markets and gets a 6.5 to 6.8 rating for children ages 2 to 11. "Jetsons," which mostly airs in early fringe, has double runs in about 20% of its markets. Due to lower viewing levels, the show's ratings are expected to decline to 6 by the second quarter.

"The Funtastic World of Hanna-Barbera," also from Worldvision, has a few avails left in the second quarter for $9,500 each. The 1½-hour animated block will be expanded to two hours in mid-September. "Funtastic" is cleared in 75% of the country, or 96 markets, and airs Sunday mornings. The show has been delivering 9 to 10 ratings for children 2 to 11, a figure expected to drop to 7 to 8 by the second quarter. ■

NEWSSTAND

A listing of scheduled print advertising opportunities, such as special issues and special advertising sections.

The Wall Street Journal, New York, "The corporate woman" tabloid special report, March 24 issue; ad close: March 3. B&w page: $57,330.

Texas Monthly, Austin, Tex., "Islands in the sun," special Caribbean advertising section, May issue; ad close: March 5 (space), March 10 (materials). B&w page: $8,050; color page: $12,340.

Consumers Digest, Chicago, 1986 buyers guide issues in May and November; May issue ad close March 10. B&w page: $14,365; color page: $21,545.

Signature, New York, special gift-guide section, May issue; ad close: March 10. ¼-page: $4,000; two ¼-page ads: $6,000.

Venture, New York, office equipment special advertising section, May issue; ad close: March 17. B&w page: $12,995; color page: $19,995.

Automobile International, New York, May special fleets issue; ad close: March 20. B&w page: $2,945 (English edition), $2,185 (Spanish), $4,615 (both); color page: $3,845 (English), $3,045 (Spanish), $5,515 (both).

Forbes, New York, focusing on Israel, special advertising section, May 19 issue; ad close: March 24. B&w page: $27,810; color page: $42,290.

Chicago Tribune, "Technology in the workplace" tabloid, April 6. Ad close March 26; page general b&w rate is $18,713; color page: $21,663.

USA Today, Rosslyn, Va., "The new office" special bonus section, April 14 issue; ad close: March 28. B&w page: $33,314; color page: $41,642.

American Health and **Working Woman**, New York, "Fit & fabulous: The beauty rights of summer," special advertising supplement, June issues; ad close: April 1. B&w page: $26,250; color page: $36,100.

Computer Retail News, Manhasset, N.Y., *Micro-Product Review* supplement on modems and communications, April 28 issue; ad close: April 7. B&w page: $4,305; color page: $5,205.

Chicago Tribune, special tabloid dining guide sections, May 18, Oct. 5 and Dec. 7. Ad closings May 7, Sept. 24 and Dec. 3, respectively. Zoned six ways, a full-run b&w restaurant page is $4,883.

Scientific American, seventh annual "Japanese technology today" special advertising section, November issue; ad close: Sept. 1. B&w page: $20,950; color page: $31,450.

Closing next week: Video, New York, vcr buyer's guide special issue, May, March 2...**Working Woman**, New York, "The year of the high-tech woman" special editorial section, May issue, March 3...**Forbes**, New York, corporate finance and New Jersey special advertising sections, April 21 issue, March 3...**Texas Monthly**, Austin, Tex., "Saving face: A man's guide to skincare and good scents," May issue, March 5...**Los Angeles**, Los Angeles, April silver anniversary issue, March 5...**USA Today**, Rosslyn, Va., real estate special bonus section, March 24 issue, March 7. ■

MediaWorks also appears in the Monday edition of Advertising Age.

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	2/20	2/13	1/6
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		31	28	28
2. "Family Ties" (NBC)		24	20	26
3. "Murder, She Wrote" (CBS)		15	11	DNA
4. "60 Minutes" (CBS)		14	16	14
5. "Dynasty" (ABC)		11	10	3
6. "Cheers" (NBC)		11	13	10
7. "Highway to Heaven" (NBC)		10	10	12
GOOD WINNERS				
8. "Hotel" (ABC)		9	6	3
9. "Miami Vice" (NBC)		7	3	5
10. "Who's the Boss?" (ABC)		7	DNA	9
11. "Night Court" (NBC)		7	-6	7
12. "ABC Sunday Movie: Mr. Mom"		7	-8	1
13. "Growing Pains" (ABC)		6	DNA	DNA
14. "Dallas" (CBS)		6	13	9
BORDERLINE WINNERS				
15. "Golden Girls" (NBC)		4	10	11
16. "CBS Tuesday Night Movie: One Terrific Guy"		2	3	6
17. "Knots Landing" (CBS)		2	1	6
18. "Kate & Allie" (CBS)		1	-1	9
19. "Newhart" (CBS)		1	-2	8
20. "CBS Movie Special: Wizard of Oz"		1	DNA	DNA
21. "ABC Monday Night Movie: Choices"		1	—7	—6
22. "NBC Monday Night at the Movies: Flashdance"		1	1	-6
23. "TV Bloopers and Practical Jokes" (NBC)		1	-1	-11
24. "Scarecrow and Mrs. King" (CBS)		1	1	DNA
25. "Disney Valentine's Special" (NBC)		1	DNA	DNA
26. "Webster" (ABC)		1	8	9

BEHIND THE SHARES

ABC climbs the chart

ABC finally has something to write home about: **"Dynasty"** is picking up steam; **"The Colbys"** is building, and **"The Monday Night Movie"** finally won an outing. There's more, but the simple fact is ABC's vital signs are definitely improving. For a while, "Dynasty" seemed to exemplify the network's ailments this season. Now the worst appears to be behind. "Colbys" also had appeared destined for early failure. But suddenly that show has taken the No. 2 position on Thursdays at 9 p.m. (ET). A year ago, critics were assailing the network's plans to clone the show, but Lew Erlicht, the bounced programing boss, kept saying, "Just give us a 25 share and we'll be satisfied." The show may hit a 24 share next week.

CBS just pulled a hat trick with its Tuesday night movie. **"One Terrific Guy"** did not get a terrific number, but its 30 share was good enough. CBS has won Tuesday for the third straight critical week. ■

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Monday, March 3, 1986

Advertising Age®

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Plaque fighters amass ad artillery

Big Four jockeying for share

By LAURIE FREEMAN

The $1 billion dentifrice industry is in a lather, as most of its companies scramble to counter Procter & Gamble's heavy introductory spending for Crest Tartar-Control Formula paste and gel in pumps and tubes.

P&G apparently has managed to stop Colgate's surge and reestablish a more comfortable market-share lead.

And, although vastly outspent by competitors and losing share, Minnetonka is hoping to "out-innovate" them once again with an entirely new product form, a plaque-fighting chewing gum.

The new entry is slated for test-marketing under Minnetonka's Check-Up brand name.

At the same time, the big four toothpaste marketers have stepped up marketing efforts for their brands:

- P&G has launched a new tv campaign for its market-leading Crest brand, while continuing heavy promotion for the Crest Tartar-Control Formula line extension. P&G also introduced a gel version of Tartar-Control Formula (AA, Feb. 24).
- Colgate-Palmolive Co. is buying a heavy schedule for an innovative new tv spot, "WMFP," for its Colgate brand.
- Lever Bros. has broken a new campaign for Aim toothpaste, themed "We're aiming for zero cavities."
- Beecham Products has introduced a new "economy-size" pump dispenser, while positioning Aquafresh as the "triple-protection" plaque fighter.

Minnetonka shook up the market by introducing Check-Up, the first plaque-fighting toothpaste in a pump dispenser, three years ago (AA, May 9, '83). It took the four big toothpaste marketers two years to catch up and bring their own products to market—Beecham Products with Aqua-fresh, Colgate-Palmolive with Dentagard, Lever Bros. with Aim and P&G with Crest Tartar-Control Formula (AA, March 18). They have outgunned Minnetonka in advertising and promotion with combined ad spending of more than $100 million last year.

P&G alone spent an estimated

(Continued on Page 70)

Minnetonka this month opens up a new frontier in oral care, testing Check-Up plaque-fighting chewing gum in three cities. A tv campaign, themed, "When you can't brush, chew," is handled by Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis.

Creative toothpaste ads? From Ted Bates? Bob Garfield calls them "seductive." P. 64.

Johnston paved way for O'Donnell

Why JWT nursed ceo pick

By STEWART ALTER

The way J. Walter Thompson Co. tried manufacturing suspense in the search for client Burger King Corp.'s Herb is nothing compared with the buildup the agency is giving its own Joe.

The agency's process to disclose its new top executive—in which the losers are, oddly enough, paraded out one by one before the victor is proclaimed—is a shrewd strategy, agency sources say, to gain the agency the maximum amount of attention and publicity for the winner: Joseph O'Donnell, now exec vp-general manager of J. Walter Thompson USA, Chicago.

The resignation last week of Walter O'Brien, 50, vice-chairman/director, multinational client services, passed over for the top spot, was not the surprise it seemed. "It has not been appropriate to announce his decision until now," said Don Johnston, chairman-ceo of both the parent JWT Group and the Thompson agency, the man whom Mr. O'Donnell is to succeed as ceo at the Thompson agency this week. "And Wally has handled this in a very manly and gracious fashion. He's been a real professional."

Sources say the back-to-front way in which the high drama is unfolding to its climax reflects not only a desire for maximum exposure for Mr. O'Donnell in the important New York ad community, but also Mr. Johnston's resolve that this succession be handled better than his own ascension to power.

Mr. O'Brien's departure follows by a week the nomination of Burt Manning, chairman-ceo of JWT/-USA, to the board of JWT Group, a move that tipped the fact he would not be Mr. Johnston's successor (AA, Feb. 24).

And while the actual events themselves are unexpected, they contrast greatly with those of 1974, when Mr. Johnston, a compromise candidate in a power struggle, was named to head an agency plagued by client departures, personnel unrest, money-losing subsidiaries and eroding profits.

"Don does remember what it was like and he has very carefully

(Continued on Page 72)

Last Minute News

Canada goes 'next door' with $14M campaign

New York—Canadian tourism gets a boost from a $14 million campaign breaking today in 36 U.S. markets. Three 60-second and three 30-second tv spots will run through June. Color spreads will run in national consumer magazines through August. The effort is themed "Come to the world next door." Camp Advertising, Toronto, created the campaign for Tourism Canada, a government agency.

Quaker oatmeal spots take health angle

Chicago—Quaker Oats Co. is testing a series of four health-related tv spots for its Quaker Instant Oats in Marion, Ind.; Midland, Tex., and Williamsport, Pa. The commercials claim Quaker oatmeal helps reduce blood cholesterol levels and note high cholesterol levels' link with heart disease. Backer & Spielvogel handles.

(Continued on Page 8)

Marcos exit plays havoc with Filipino newspaper, tv ads

By LYNNE REAVES

Manila—The revolution that drove Ferdinand Marcos from his 20-year rule and put Corazon Aquino into power has left the Philippines advertising industry in shambles.

Tv stations have been knocked off the air indefinitely, newspapers still are being effectively boycotted by readers and advertisers and some advertising agencies may suffer long-term effects from their connections with the Marcos regime.

As Coca-Cola, with its Marcos links, kept a low profile, the first tv spot to air following Mrs. Aquino's ascension to power was a Pepsi-Cola call to its "New generation."

Observing recent events, Teddy Jurado, president, Assn. of Accredited Advertising Agencies, said, "The advertising industry is in disarray. Media placement on tv is especially a problem. We will be having emergency meetings to decide what to do."

"We estimate that during the four days of the actual revolution, from Saturday through Tuesday, advertising dropped by 75% nationwide," said Don Dillon, president of McCann-Erickson here.

"Advertisers did not want to be seen this time. They thought it was inappropriate. Just about the only ads left running were movie ads," he added.

Advertisers who did not voluntarily withdraw from the five tv channels quickly had it done for them as rebel troops took over studios and knocked out transmitters.

Government-owned Channel 4 went off the air, but resumed broadcasting four hours later with a skeleton staff of Mrs. Aquino's backers at the anchor desk.

Channel 4 programing remained chaotic, but 22 hours after Mr. Marcos left the country the "new Channel 4" aired its first commercial. With great fanfare, the announcers introduced the commercial—appropriately, the Pepsi-Cola "New generation" spot.

"We met with the Pepsi people the night before and decided to

(Continued on Page 72)

NEWSPAPER

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HIGHLIGHTS

Dentifrices brace for fight 1
The $1 billion dentifrice industry is in a lather, as most of its companies scramble to counter Procter & Gamble's heavy introductory spending for Crest Tartar-Control Formula.

JWT's O'Donnell intro 'shrewd' 1
The way J. Walter Thompson Co. tried manufacturing suspense for client Burger King Corp.'s Herb is nothing compared with what the agency is giving Joseph O'Donnell. The agency's process to disclose its new top executive—in which the losers are paraded out one by one before the victor is proclaimed—is a shrewd strategy to gain the agency maximum publicity for the winner.

Minis aside, NBC strong 3
CBS may have won both clashes of the miniseries titans during the February sweeps but NBC still will win the seasonlong Nielsen ratings war. Only a total prime time ratings collapse between now and April 20 could prevent the "peacock network" from snaring its first seasonlong household ratings win in years.

Seven-Up lines up juice 4
Seven-Up Co. finally has an answer to the juice-based soft-drink segment, which for nearly two years has been slicing away at its dominant share of the lemon-lime market.

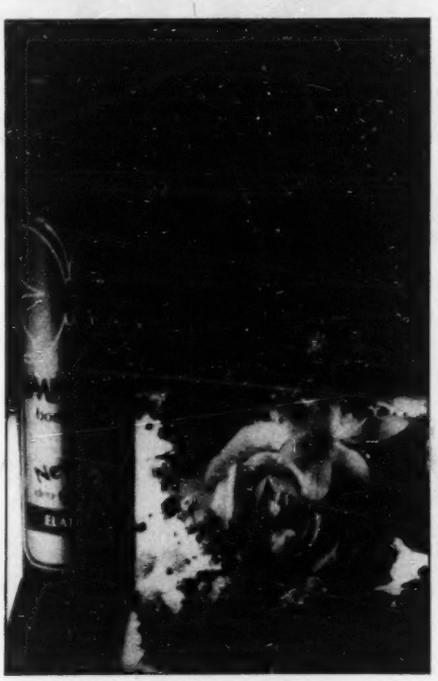
DFS, Dorland find a way 6
The agreement by Dancer Fitzgerald Sample and Dorland Advertising to create DFS Dorland Worldwide, a $1.2 billion agency, meets the needs of both agencies with a novel approach to questions that haunt agency mergers the world over.

Within the Reagan line 12
Daniel Oliver, the conservative Republican slated by the White House to be the next chairman of the Federal Trade Commission, cruised through a Senate confirmation hearing last week without straying from Reagan policy on key advertising issues.

Pen makers get ball rolling 35
The nation's leading pen companies are writing a new chapter in their marketing battles as they introduce a new generation of rolling-ball pens. In the latest moves to dominate the $907 million, 3.5 billion-unit category, four companies in spring will bring out products in the hottest segment of the field.

C-E shows overseas losses 43
Interpublic Group of Cos. lost more than $6 million on Campbell-Ewald International's overseas operations from 1981 to 1984, according to a public filing on the formation of Lowe Marschalk Worldwide in the U.K.

War toys spark conflict 44
They are known as action figures, superheroes or war toys, depending on one's point of view. But whatever they're called, they are generating record sales for the toy industry. Those numbers have attracted the attention of some who question the morality of producing such toys for and marketing them to the very young.



Lever Bros. 'Elated' 46
Trying to revive body sprays and expand its beauty-aids business, Lever Bros. is introducing a new deodorant/fragrance, Elation. Elation will be part of the Impulse body spray line launched in 1982, when body sprays were a promising new category.

Jim Beam ads off beaten path 67
From the looks of its new campaign, James B. Beam Distilling Co. would rather change while it's ahead than hang on to a traditional image whose appeal is fading. While other leading bourbon marketers continue to wrap their brands in down-home Americana, new Beam ads, themed "Now you've got everything but the Jim Beam," stress the product's versatility by prominently displaying mixing options, such as tonic and orange juice.

INTERNATIONAL

Frenzy on Fleet Street 40
In a special report, Advertising Age examines the newspaper industry in the U.K., where a new tabloid called *Today* is scheduled to be launched this week. The newspaper is causing a sensation in London publishing circles, where executives are speculating that *Today* could change the way Fleet Street operates. And while newspaper moguls and print union officials ponder the long-term effects of *Today* on the newspaper industry, advertising and marketing executives are wondering about changes in newspaper advertising rates. Since news of *Today* hit the streets, a handful of imitators has declared plans to inaugurate its own *Today*-style national newspapers. *See Page 41.*

OTHER NEWS

The feud between the chiefs of the country's two largest low-cost airlines could explode as a result of Texas Air Corp.'s planned $600 million buyout of Eastern Air Lines. Page 3.

Stroh Brewery Co. is entering the juice-based soft-drink category in a familiar competitive position: Taking on two corporate giants that dominate the market, in this case Coca-Cola Co. and PepsiCo. Its entry is Sundance 100% Natural Juice Sparkler. Page 4.

Audit Bureau of Circulations' FAS-FAX report for the six months ending Dec. 31 shows many titles registering newsstand sales gains from year-ago figures. Page 36.

Stearns & Foster, anticipating a boom in mattress sales tied to the spring moving season, this week kicks off a $7 million campaign designed to increase awareness for the 140-year-old bedding brand. Page 64.

Ex-football player Franco Harris' celebrated "immaculate reception" will be used in the April broadcast and print media launch of Barbican, Stroh Brewery Co.'s imported nonalcoholic malt beverage. Page 67.

Eighteen months ago, Urban General's unit volume was three times what it is today. But today, the direct marketer's dollar sales are greater than ever. The explanation lies in a stunning revamp of the 8-year-old company that is still best known for its direct-response tv advertising and marketing of products such as the Bamboo Steamer, Steam-a-way, Belly Burner and Parachute Luggage. In Direct Marketing. Page 56.

Sears, Roebuck & Co. will use its newly incorporated Allstate direct-marketing unit to solicit new business from non-Sears clients. In Direct Marketing. Page 56.

COMING THURSDAY

While Keye/Donna/Pearlstein has yet to achieve the national prominence enjoyed by a handful of West Coast agencies such as Chiat/Day, Los Angeles, and Hal Riney & Partners, San Francisco (formerly an Ogilvy & Mather office), it has been steadily gaining momentum by delivering excellent (and sometimes brilliant) creative work. It also has a reputation for sound, intelligent management.

Many view the direct mail that fills their mailboxes and the telemarketing calls that ring at all hours as an invasion of their privacy. As many states respond to these beliefs, direct marketers work to maintain their right to pursue business in an unrestricted environment, a business that generates about $40 million in sales of goods and services, according to the Direct Marketing Assn. Special Report looks at the privacy issue and some companies' direct-marketing tactics.

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Beauty market delays scents

By PAT SLOAN

Boca Raton, Fla.—After a year of little industry growth, at least five major beauty marketers are considering delaying 1986 fragrance introductions until 1987 and focusing efforts instead on existing fragrances and other new-product areas.

Executives at the annual Cosmetic, Toiletry & Fragrance Assn. meeting here also expressed concern about the growth of counterfeit goods and discussed how to improve both the public's and government's perception of the value of personal-care products.

A glut of new fragrances, accompanied by constant dollar annual growth of only 2% to 3% in the category for the past few years, may

(Continued on Page 68)

Rivals back GM's heat on media

By JESSE SNYDER

General Motors' print media rate-busting now has other auto makers talking tough.

They expect any concessions or volume discount rates won by GM to be offered to them as well. They predict the rate assault will spread to tv, radio, outdoor and other media. And they aren't above taking a poke at GM for joining the game late.

"We've been tough on magazine rates for a couple of years and it'll get worse before it gets better," said Louis Lataif, vp-sales operations for Ford Motor Co. Ford has cut several magazines from its buy list for refusing its demands and has increased buys in books that coop-

(Continued on Page 70)

West Coast news

DFS wins almond account

California Almond Growers Exchange, Sacramento, Cal., has hired Dancer Fitzgerald Sample, San Francisco, to replace its agency of 28 years, Busse & Cummins, San Francisco, on its $8 million account. The marketer of Blue Diamond brand almonds chose DFS in a review involving the incumbent, Lowe Marschalk, McCann-Erickson, Hal Riney & Partners, all San Francisco, and Needham Harper Worldwide, Los Angeles. The account represented

(Continued on Page 68)

DFS, Dorland find creative solution

Unique $75 million deal tries to avoid conflicts

By STEWART ALTER and LAUREL WENTZ

The agreement by Dancer Fitzgerald Sample and Dorland Advertising to create DFS Dorland Worldwide, a $1.2 billion agency, solves the needs of both agencies with a novel approach to questions that haunt agency mergers the world over.

Among those questions: How can agency principals sell substantial ownership positions without losing control? And how can agencies own more than one network and still avoid client conflict problems?

Last week's agreement allows New York-based DFS and London-based Dorland to go international. It provides Dorland's parent, Saatchi & Saatchi Co., with a second worldwide agency network to complement its Saatchi & Saatchi Compton Worldwide. And it does so through a binding financial arrangement that hedges ownership of the new agency—thus avoiding client-conflict problems with other Saatchi agencies.

Dorland, through Saatchi, will lend $75 million to a new company, DFS Management, which in turn will buy all shares held by DFS' 210 stockholders, including those held by the five top DFS executives.

These executives will retain control of DFS by controlling DFS Management. But while they will pay interest on the loan, they will not repay the principal.

The interest is Dorland's only financial gain. It's also a tax-deductible business expense for DFS—which is, in effect, on permanent loan to its own management.

Like something out of "Alice in Wonderland," these executives own the company but they don't, since they can never repay the loan. The only possible owner is Dorland, which can claim the agency at any time, but which says it won't.

"It is not a phased acquisition," said Jack Rubins, 54, Dorland's ceo and deputy chairman of the new network. "It is exactly what we are describing. We do have an option to acquire, but it is not our intention to exercise that option."

Mr. Rubins described this as "a legal and worldwide way of ensuring separateness." The agencies considered but rejected an autonomy agreement as not being "bulletproof" enough, he said. "This is far more binding than any other form we could find."

The agreement is subject to approval from the U.S., U.K. and DFS' shareholders.

Dorland's option to buy is necessary, the partners believe, because it creates the interlocking financial link that DFS and Dorland believe is required to make the network successful. Observers see no reason why that option wouldn't be executed if client conflicts were no longer a concern.

The conflict issue reportedly was compounded by the fact that all of Saatchi's agencies have auto accounts and by the strict conflict policies of Procter & Gamble, both a DFS and Saatchi client.

P&G also was said to be concerned about having too much of its billings concentrated in one agency company.

The board of directors of the newly formed DFS Dorland Worldwide (appearing clockwise, beginning at lower left): Chairman Stuart Upson, Robert Kennedy, Gary Susnjara, Michael Bungey, William Vickery, Michael Geraghty, Peter McSpadden and Jack Rubins.

"Procter & Gamble is very sticky about conflicts," said analyst Jim Dougherty of Ebertstadt Fleming, New York, a onetime P&G employe who has followed both P&G and agency stocks. "If you want their business, you play by their rules."

But whether Dorland and DFS have danced effectively around the client-conflict issue remains to be seen.

One agency observer likened the deal to saying, "Don't raise the bridge, lower the river."

Emma Hill, an analyst at Wertheim & Co., New York, compared it to following "the letter of the law but not the intent of the law." Mr. Rubins commented, "If there was concern, there can't be now. They [DFS] are not owned by us [Dorland]. We haven't gone to these lengths for the fun of it."

Peter McSpadden, 55, president of DFS Dorland as he has been of DFS, said, "There have been discussions with each of our clients. They've been kept up-to-date, and as far as we know, they're all accepting."

The fact that client conflicts aren't as cut-and-dried as they once were lends strength to DFS Dorland's efforts. A wave of client-side mergers has for now left intact client-agency relationships that might have been vetoed before. And arrangements such as The Interpublic Group of Cos. with its agencies, and The Ogilvy Group, with Scali, McCabe, Sloves, have demonstrated success in this area.

London analysts have given the deal high marks. "Saatchi will have the ability to avoid potential conflicts internationally in the same way as they do in the U.K. now, where Saatchi handles Nissan and Dorland handles Austin Rover," said Richard Dale of the James Capel brokerage house.

DFS Dorland's main offices are DFS ($876 million in 1985 billings), Dorland ($210 million) and Fortune Communication Holdings in Australia ($87 million).

DFS was not able to succeed internationally by itself, Mr. McSpadden said: "We started too late. As a private company, our pockets were not deep enough to make the investments required when we became involved. And there were no major clients to take us around the world."

Besides making DFS international, the deal also resolves questions about the agency's future. Those had revolved around the reportedly large block of stock owned by Stuart Upson, 60, DFS' chairman who is now also chairman of DFS Dorland.

While he and the other four top DFS officers will be tied into five-year employment contracts, he, like everyone else, will be able to sell his DFS Dorland stock upon completion of the deal.

Besides Messrs. Upson and McSpadden, the five top DFS officers include William Vickery, 50, international director; Robert Kennedy, 44, chief financial officer, and Gary Susnjara, 44, director of North American operations. The eight-member DFS Dorland board also includes, from Dorland, Mr. Rubins; Michael Bungey, 45, director-European operations, and Michael Geraghty, 51, director-corporate development.

Saatchi, a public company, will provide the $75 million from its own existing funds.

That price is figured on results from DFS' fiscal year, ended Aug. 31, 1985, in which its billings were $868 million, its pretax profits $17.6 million and net tangible assets $34.7 million.

While that makes the price about two times book value, it will be higher after Dorland makes a further payment in 1991. That payment to shareholders will be the positive difference between what DFS earns in the next five years and $41 million, an $8.2 million per year average that is actually lower than what the agency earns now.

Under general accounting principles both in the U.S. and the U.K., Saatchi can consolidate DFS' assets and earnings into its own financial statements, but it may not exercise that option, sources indicate.#

CORRECTIONS & CLARIFICATIONS

- Billings figures for Young & Rubicam France in the story about Jean-Claude Boulet (AA, Feb. 17, P. 3) should have read $20.5 million for 1970 and $103.8 million for 1982.
- Selling Areas-Marketing Inc. was incorrectly listed as the source of granola bar market shares in a chart (AA, Feb. 17, P. 4). SAMI does not make public brand share data.
- David Tattle, vp-general manager of the Media Research Group, Nielsen-Canada, was incorrectly identified in a Research Beat column (AA, Feb. 17, P. 54).
- Timberland Co.'s new advertising slogan for its footwear line is "More quality than you may ever need." It was stated incorrectly (AA, Feb. 17, P. 62).
- Burger King's share of first mentions in the January adWatch survey was 18%, rather than the 14.9% share (its December score) inadvertently reported (AA, Feb. 24, P. 4).#

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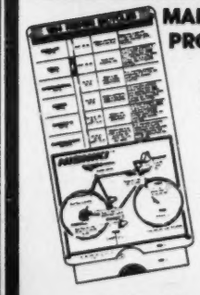

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Fleet Street frenzy

Eddy Shah's 'Today' shakes up U.K.

Tabloid could spell new era for industry

Maverick publisher Eddy Shah plans to shake up U.K. newspapers this month with the debut of *Today*. A recent prototype of the new tabloid featured the Super Bowl.

By LAUREL WENTZ

LONDON—Fleet Street, headquarters of the U.K. newspaper industry, will never be the same after this week.

On March 4, upstart publisher Eddy Shah will launch the much-anticipated first edition of his new daily tabloid, *Today* (AA, Oct. 15).

The newspaper uses color lavishly and offers ad rates that are 75% less than most of its competitors. *Today* is also the first U.K. daily to be produced with computerized printing technology and is free of the powerful unions that have stymied other newspapers.

If Mr. Shah's newspaper succeeds—and U.S. international agency heads are betting that it will—it could spell the beginning of a new era for Fleet Street. Some observers believe U.K. newspapers will become profitable enterprises that are as attractive to investors as U.S. newspapers.

New investors

In the past, investors like Atlantic Richfield Co., which owned the *Observer* until the early 1980s, have had to pull out of Fleet Street after mounting losses. But now, global media magnate Rupert Murdoch and Canadian industrialist Conrad Black have reversed the process and are investing heavily.

"Inevitably, the so-called new technology finally caught up with us," said Roy Langridge, assistant chief executive at Ted Bates Holdings. "Rupert Murdoch said the other day that it had been around for 35 years in the U.S. It had to come sometime, and Shah is the catalyst. He's the man who forced the pace."

Until now, there has been little competition on Fleet Street—a five-block stretch in the center of London where most of the U.K.'s national newspapers are published. This is so even though London has nine national morning papers with circulations ranging from 230,000 for the *Financial Times* to more than 4 million for the downmarket *Sun* tabloid.

But most of the papers either lose money or struggle to break even because of huge operating costs, bloated payrolls and labor-union strife.

Sources say Mr. Shah is uniquely qualified to break with tradition. As the publisher of a thriving group of free weeklies—newspapers given away to readers and supported solely by advertising—he is an outsider, unaffected by decades of union bullying.

He is also the only person to successfully fight the printers' unions, emerging victorious two years ago from a bitter and sometimes violent strike at his weeklies. As a result, he has attained a rare credibility in the newspaper industry that has allowed him to raise $24 million to finance *Today* from investors who might otherwise be wary of tangling with the unions.

As a result of *Today*, other U.K. newspaper groups are going ahead with plans to cut their staffs and update their printing facilities, plans that have been delayed by inflexible trade unions. Also, several ailing newspapers have recently been taken over by bottom-line minded entrepreneurs who are anxious to follow Mr. Shah's lead.

Among those leading the way to sweeping change is Mr. Murdoch, owner of the U.K.'s largest national newspaper group, News International.

Mr. Murdoch has already built a $140 million plant equipped with modern printing technology three miles from Fleet Street in Wapping, ostensibly to publish new titles he has yet to launch. The move angered print unions, whose members refused to consider a nonstrike agreement and other concessions Mr. Murdoch wanted for the new plant.

Union calls strike

When he insisted, the 5,500 print union members at Mr. Murdoch's *Times*, *Sunday Times*, *Sun* and *News of the World* went on strike in late January.

To the industry's surprise, Mr. Murdoch fired all 5,500 workers and moved the four titles into the Wapping plant, which has elaborate security systems.

The four newspapers resumed publication at Wapping, where they were produced by members of the single union not opposed to introduction of modern technology, the Electrical, Electronics, Telecommunications & Plumbing Union, the same group that puts out *Today*.

The strike continued, but it failed to halt publication of the newspapers. After the first week, Mr. Murdoch's erratic, makeshift distribution system improved.

"The union hasn't scored many points," said Derek Terrington, an analyst at London stockbroker Grieveson Grant. "So far, Murdoch is leading about 50 points to 2."

Elsewhere on Fleet Street, Czech-born publisher Robert Maxwell, who bought the Mirror Group newspapers in 1984, has frequently threatened to shut down

(Continued on Page 41)

New paper expected to spark ad competition

LONDON—While newspaper moguls and print union officials ponder what long-term effects Eddy Shah's new tabloid *Today* will have on the U.K. newspaper industry, marketing and ad agency executives are wondering about newspaper ad rates.

Because *Today* is produced with computerized printing equipment by substantially fewer staffers than other Fleet Street newspapers, it can offer ad rates that are 75% lower than its competitors.

A b&w page in *Today* costs $6,670, compared with about $25,375 for the same ad in the *Daily Express* or other tabloids, said Ron Brown, *Today's* advertising sales manager.

The price gap is even wider for a color page. Such an ad costs $13,900 in *Today*, while the other tabs charge as much as $63,800, he said. However, agency media directors pointed out that most advertisers are able to negotiate sizable discounts on the older newspapers' rate cards.

"Fleet Street is a very volatile commodity market," said Stewart Butterfield, media director for McCann-Erickson. "The rate card is irrelevant to most buyers." Even so, he added, "There will be more competition [because of *Today*]."

Rumors abound of price wars on Fleet Street, but so far no newspapers have announced they will slash prices.

"You can only get so much advertising into his paper," said Ray Morgan, director of Ray Morgan & Partners, an independent media buyer. "If papers start cutting rates madly, they will only be cutting each others' throats. But there will be more competition between the major titles."

Mr. Morgan and other industry experts agreed that the inexpensive and colorful ads offered by *Today* could lure some major advertisers, such as retailers, back to newspapers.

"It will give newspapers a chance to fight back for the ground lost to television," Mr. Morgan said.

Newspaper advertising in the U.K. totals about $1 billion a year and is increasing by about 9% annually, according to the U.K. Advertising Assn.

Mr. Shah, for his part, appeared confident that he will come out on top.

He claimed that in a market where most of the U.K.'s nine national dailies and eight Sunday newspapers lose money year after year, *Today* will turn a profit in its first year.

He also said his newspaper could make a profit of $30 million a year with a circulation of 1.5 million and a maximum of 37.5% of the paper devoted to ads.

For weekday issues, the newspaper will print 44 pages, including 16 in color, and on Sunday *Today* will run 98 pages.

Today's ad pages already are sold out for the first week of publication and a total of $13 million in advertising already has been sold for the first nine months, Mr. Brown said.

To promote *Today*, Mr. Shah is launching a $9 million ad campaign this week via Wight Collins Rutherford Scott.

The tv campaign features commercials starring dancer Rudolf Nureyev and famine fund-raiser Bob Geldof, a rock musician and member of the U.K. rock group the Boomtown Rats. Mr. Geldof organized last year's Live Aid concert in the U.S. and the U.K. to raise money for Ethiopian famine relief.

To meet the threat of *Today*, the U.K.'s five major newspaper groups are expected to start their own multi-million-dollar advertising campaigns, possibly in early April.

Jim Smith, group account director at WCRS, estimated that Mr. Shah's rivals will spend a total of up to $19 million in advertising to combat *Today*.

He said he expected Mr. Murdoch's News International to spend $4.5 million via Saatchi and Saatchi and that equal amounts will be spent by Robert Maxwell's Mirror Group and by the Express Group.

The remainder will be spent by the *Guardian* and the *Daily Telegraph*, he said.■—*L.W.*

Fleet Street at a glance

First four newspapers are broadsheets, remainder are tabloids. Source: *Audit Bureau of Circulations.*

Title	Owner	Acquired	1985 circ.	1984 circ.
The Daily Telegraph[1]	Canadian entrepreneur Conrad Black	1985	1,211,691	1,247,489
The Guardian	Administered by a trust	1936	487,032	472,438
The Times[1]	News International (Rupert Murdoch)	1980	478,907	418,816
Financial Times	Pearson	1957	231,513	217,430
Sun	News International	1969	4,095,563	4,135,240
Mirror[1]	Mirror Group Newspapers (Robert Maxwell)	1984	3,152,566	3,429,537
Daily Express[1]	United Newspapers (provincial press group)	1985	1,888,856	1,991,801
Daily Mail[1]	Associated Newspapers	1896	1,821,562	1,832,627
Star	United Newspapers	1985	1,444,644	1,502,102
London Standard[2]	Associated Newspapers	1985	495,209	493,955

[1]*Also publish Sunday paper.* [2]*Evening paper.*

Imitation newspapers gear up for launch in wake of 'Today'

By LAUREL WENTZ

LONDON—If imitation is the sincerest form of flattery, Eddy Shah should be blushing.

Since Mr. Shah announced plans to launch *Today*, a handful of would-be imitators, including Rupert Murdoch, have declared plans to start their own Shah-style national newspapers during the next year.

To compete with Mr. Shah, both Mr. Murdoch and Robert Maxwell, owner of the Mirror Group of newspapers, have announced new dailies for this spring, even though Mr. Murdoch already has four newspapers in the U.K. and Mr. Maxwell has three.

Both publishers initially said they would start evening papers in March, but those plans have changed. London has only one evening paper, the *London Standard*.

Instead, Mr. Maxwell announced he will introduce another new morning daily, to be called *Good Day*, and Mr. Murdoch has put his *London Post* on the back burner.

Observers speculated that both publishers changed their plans because research indicates the afternoon newspaper market is dwindling significantly.

"Gross circulation [of afternoon papers] has dropped by about 2 million [in the 1960s] to 500,000 to 600,000 now," said Stewart Butterfield, McCann-Erickson's media director here. "Whether there is enough advertising for two or three competitors, I doubt."

Also, the U.K.'s evening press tends to be regional. The London morning dailies are transported during the night, enabling them to cover the 600-mile area needed for national distribution.

Mr. Murdoch's evening paper project may have been a ploy to enable him to gear up his new printing plant to print existing titles, media insiders said.

"The *Post* always seemed slightly on the wrong side of reality," said a newspaper analyst. "It seemed to be part of a strategy [to move production] rather than part of a publishing plan."

Although still seven months off, another newspaper project that is intriguing U.K. publishing and advertising circles is a new upmarket daily conceived by two Fleet Street veterans with guidance from Saatchi & Saatchi.

Andreas Whittam Smith, former city editor of the *Daily Telegraph*, and Douglas Long, chief executive officer of the Mirror Group until Mr. Maxwell bought it last year, retained Saatchi to research readership and ad potential for the as-yet-unnamed daily and help set up a rate card. Saatchi also will handle the $6 million ad budget for the early October launch.

Like Mr. Shah, Mr. Whittam Smith has been influenced by *USA Today*.

"One thing *USA Today* has absorbed is that readers get their primary news from tv, and newspapers have to complement it," Mr. Whittam Smith said. "In Fleet Street, papers are put together by people who don't watch tv."

He said telephone interviews are being done to research six possible newspaper names: *Arena, Chronicle, Examiner, Independent, Nation* and *24 Hours*.

The upmarket readership Mr. Whittam Smith is targeting with the six-day-a-week, 24-page newspaper (17 pages of editorial and four color pages) is the only growing segment of the British newspaper industry, sources contended.

"The *Times* is up 64% in circulation since 1981 and the *Guardian* by 25%," said Adrian O'Neill, advertising and marketing director of the newspaper Mr. Whittam Smith is planning.

The launch would be the first for an upscale national daily since 1900, Mr. O'Neill said.

"This market has been frozen in time by the unions," said Mr. Whittam Smith. "And Fleet Street management is largely concerned with marshaling 3,000 to 4,000 printers, an industrial relations nightmare. They don't take any notice of the product or marketing or financial control."

Mr. Whittam Smith's paper, like *Today*, will skirt that problem by using computerized production methods.

Other newspaper projects are springing up, but few have found solid financial backing.

Former Fleet Street editor Clive Thornton periodically announces plans for a new Sunday newspaper, and an editor of the Irish independent newspaper group is testing reactions from financial backers to an entertainment-oriented Sunday tabloid tentatively called the *Sunday Globe*.#

New era

(Continued from Page 40)

the *Mirror*, the *Sunday Mirror* and *Sunday People* newspapers in the face of union intransigence.

Analysts estimate the Mirror Group lost $30 million to $42 million in 1985, including $9 million in August alone when publication was suspended for 12 days while Mr. Maxwell battled the unions.

The circulation of the Mirror Group's three papers has dropped steadily since Mr. Maxwell took over and now hovers around 3 million each for the *Mirror*, the *Sunday Mirror* and *Sunday People*.

To slash costs, Mr. Maxwell in December won an unprecedented union agreement allowing him to cut 2,000 of the heavily overstaffed Mirror Group's 6,000 jobs in 1986.

Elsewhere on Fleet Street, the Express Group, whose publications include the *Express* and the *Daily Express*, succumbed in October to a $475 million takeover bid by United Newspapers, which owns provincial newspapers here and trade publications in the U.K. and the U.S.

UN reportedly discovered $22.5 million worth of new equipment in the Express Bldg. that had not even been unwrapped due to union opposition to its use. David Stevens, UN's chairman, has announced plans to cut 2,500 of the Express Group's 6,800 jobs during the next year and up to 1,000 more in the future.

Mr. Terrington said job cuts on Fleet Street are expected to save the U.K.'s newspaper groups millions and put them on the road to financial health in 1986.

"Labor costs of $150 million to $180 million per year will be taken out of Fleet Street starting the second half of 1986," he said. "And hopefully new management will make all the difference, especially at the *Daily Telegraph*."

The conservative *Daily Telegraph*, the last family-owned newspaper on Fleet Street and once one of the most profitable, raised $157 million in June to buy modern equipment and make layoff payments of up to $65,000 per worker to eliminate hundreds of superfluous jobs. But with advertising revenue and circulation falling throughout 1985, the 130-year-old *Daily Telegraph* could not generate enough cash to pay its debts.

In December, the paper announced a $23.7 million pretax loss for the half year, and Canadian industrialist Conrad Black quickly acquired majority ownership of the daily and *Sunday Telegraph* in a $43 million refinancing package.

Mr. Black had acquired a 15% share in the paper in June for $14 million. Although he has been portrayed in the U.K. press as a journalist-hating invader, he is expected to give the *Daily Telegraph's* septuagenarian management a much-needed shakeup.#

What they say about Shah's new venture

Can Eddy Shah succeed? Will the launch of his new morning tabloid Today *be the catalyst that turns around the U.K.'s ailing newspaper industry?* ADVERTISING AGE *asked the experts. Here are their responses:*

Derek Terrington, newspaper and publishing analyst, Grieveson, Grant & Co.:

"He's got a hard job on hand. This market has got some very strong established brands that have been around since the turn of the century. People are very conservative about their newspapers. People will sample it at the beginning, then possibly the circulation will go down. He's got a very hard marketing job ahead.

CAROLINE MARLAND

DEREK TERRINGTON

"He's not exactly asking a lot [for ads]. On a continuing basis, the question is, will there be more checks [from advertisers]?"

Ray Morgan, director of Ray Morgan & Partners, media buyers:

"The relatively small circulation—1.5 million—won't in itself take Fleet Street apart at the seams. It's the dramatic impact Shah's had on people like Rupert Murdoch and Robert Maxwell, who are now busily reorganizing their labor relations. I think Shah has been quite a catalyst. He's made Murdoch confident enough to make a fairly preemptive move [firing 5,500 print workers].

"Shah is able to produce a viable newspaper at a fraction—maybe 20%—of the cost of producing traditional newspapers. I think as a marketing exercise we've yet to see how it looks, but as a piece of factory planning it looks extraordinarily successful."

Caroline Marland, advertising director of the *Guardian*:

"Shah is an amazing catalyst on Fleet Street. At least another six papers are on the tracks, ready to go. Some won't survive. I think Shah will.

He has terrific good will from the advertising agencies. It will be interesting to see how far that good will extends if everything is not right from the very beginning—there are some rumors that his computer setup isn't all it should be.

"Shah has escalated what I think would have taken another 10 years on Fleet Street. We've all had to react to that. He's like the emperor who had no clothes. Shah has no product yet, but everyone is scared as hell of him."

Roy Langridge, assistant chief executive of Ted Bates Holdings:

"Shah's is an extremely bold and very imaginative venture. I think it will do a hell of a lot to revitalize the market—newspapers have been uninteresting as media. He'll have to fight very hard when the initial euphoria wears off, but I think he'll be a fixture in the marketplace. He won't have an easy ride, but I think there is no question he'll succeed."#

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Newspaper Advertising MRCS/SAU Inches

December 1985 vs. December 1984

AKRON, OH

	1985 Full Run	1985 Part Run	1984 Full Run	1984 Part Run
Beacon Journal (E)	103,160	37,230	112,137	25,620
Beacon Journal (S)	95,684	21,495	89,514	8,559
Grand Total	198,844	58,725	201,651	34,179

NOTE: Part run figures supplied by publisher to Media Records.

ATLANTA, GA

Constitution (M)	178,923	75,299	176,223	45,289
Journal (E)	187,129	75,185	188,173	51,042
Journal & Constitution (S)	123,609	96,347	126,762	84,565
Journal & Constitution (Sat)	40,011	——	41,001	——
Grand Total	529,672	246,831	532,159	180,896

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

News-American (S)	39,533	13,778	42,835	6,892
News-American (E)	43,507	7,994	48,964	9,072
Sun (M)	129,735	7,512	124,844	20,477
Sun (E)	100,843	7,502	97,787	18,460
Sun (S)	172,457	53,723	144,748	41,815
Grand Total	486,075	90,509	459,178	98,716

BERGEN COUNTY, NJ

Record (E)	166,961	31,604	157,687	25,778
Record (S)	168,571	47,114	148,873	37,325
Grand Total	335,532	78,718	306,560	63,103

NOTE: Record Evening published five days a week only.

BOSTON, MA

Herald (M)	53,538	——	42,650	——
Herald (S)	24,979	43,373	18,874	28,786
Globe (M)	148,063	14,926	145,659	12,576
Globe (S)	180,644	42,927	167,904	25,709
Grand Total	407,224	101,226	375,087	67,071

BUFFALO, NY

News (AD)	121,341	23,644	112,920	32,545
News (S)	82,137	24,065	46,243	37,371
Grand Total	203,478	47,709	159,163	69,916

CAMDEN, NJ

Courier-Post (E)	117,060	24,079	104,195	25,150
Courier-Post (S)	66,181	25,592	43,109	12,165
Grand Total	183,241	49,671	147,304	37,315

CHARLOTTE, NC

News (E)	——	——	73,755	——
Observer (M)	135,368	——	132,066	——
Observer (S)	74,149	——	75,767	——
Grand Total	209,517	——	281,588	——

NOTE: News Evening ceased publication November 1, 1985. Part run figures not available.

CHICAGO, IL

Sun-Times (M)	126,939	89,545	127,126	52,932
Sun-Times (S)	78,577	46,419	71,522	35,099
*Tribune (M)	210,846	320,092	247,966	321,355
*Tribune (S)	140,231	132,064	166,015	111,361

NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 11/25/85 to 12/29/85. Tribune All Day changed to Morning publication effective August 19, 1985.

CINCINNATI, OH

Enquirer (M)	191,193	10,221	189,175	14,196
Enquirer (S)	164,941	20,585	135,093	18,662
Post (E)	94,641	21,102	96,074	45,902
Grand Total	450,775	51,908	420,342	78,760

CLEVELAND, OH

Plain Dealer (M)	154,095	31,421	153,409	20,455
Plain Dealer (S)	139,720	8,423	118,522	5,936
Grand Total	293,815	39,844	271,931	26,391

DALLAS, TX

News (M)	329,670	9,090	345,168	15,682
News (S)	197,381	31,907	180,353	11,123
Times-Herald (AD)	269,246	34,909	304,036	23,959
Times-Herald (S)	153,787	32,428	149,756	11,317
Grand Total	950,084	108,334	979,313	62,081

DENVER, CO

Rocky Mt. News (M)	282,033	2,535	302,894	861
Rocky Mt. News (S)	126,616	1,899	112,203	3,155
Post (M)	205,002	1,949	209,497	9,681
Post (S)	154,390	1,919	133,797	3,908
Grand Total	768,041	8,302	758,391	17,606

DETROIT, MI

Free Press (M)	106,529	44,420	105,154	37,980
Free Press (S)	66,624	38,387	50,101	29,827
News (AD)	148,090	58,403	155,770	48,589
News (S)	93,663	59,957	95,211	24,610
Grand Total	414,906	197,167	406,245	138,706

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	139,718	——	139,298	——
Sun-Sentinel (M)	291,978	——	329,584	——
Grand Total	431,696	——	468,882	——

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

Journal Gazette (M)	95,514	——	82,986	——
Journal Gazette (S)	90,239	——	72,942	——
News Sentinel (E)	104,991	——	95,583	——
Grand Total	290,744	——	251,511	——

NOTE: Part run figures not available.

*FORT WORTH, TX

Star Telegram (M)	316,100	83,159	312,064	57,765
Star Telegram (E)	239,279	77,511	221,046	57,492
Star Telegram (S)	192,704	56,121	152,632	58,245
Grand Total	748,083	216,791	685,742	173,502

NOTE: Figures supplied by publisher to Media Records.

GREENWICH/STAMFORD, CT

Time (E)	80,110	853	81,729	——
Time (S)	76,255	——	58,306	——
Advocate (E)	115,302	3,039	111,973	1,544
Advocate (S)	80,626	——	60,586	——
Grand Total	352,293	3,892	312,594	1,544

HARTFORD, CT

Courant (M)	157,940	35,334	150,779	36,267
Courant (S)	92,228	144,263	89,691	123,856
Grand Total	250,168	179,597	240,470	160,123

HONOLULU, HI

Advertiser (M)	144,988	——	151,889	——
Star-Bulletin (E)	142,653	——	146,312	——
Star-Bulletin & Advertiser (S)	105,002	——	88,422	——
Grand Total	392,643	——	386,603	——

HOUSTON, TX

Chronicle (AD)	261,181	46,292	321,932	41,738
Chronicle (S)	146,322	53,120	156,527	39,682
Post (M)	182,814	39,173	214,053	49,364
Post (S)	106,416	37,197	93,561	42,826
Grand Total	696,733	175,782	786,073	173,610

LONG BEACH, CA

Press Telegram (M)	120,563	——	114,623	——
Press Telegram (S)	77,500	——	66,063	——
Grand Total	198,063	——	180,665	——

NOTE: Part run figures not available.

LONG ISLAND, NY

Newsday (E)	169,673	65,844	154,697	54,742
Newsday (S)	120,199	104,869	100,521	104,960
Grand Total	289,872	170,713	255,218	159,702

LOS ANGELES, CA

Times (M)	358,346	251,058	357,100	257,766
Times (S)	191,400	128,071	184,221	96,138
Herald-Examiner (M)	73,663	12,450	54,947	22,281
Herald Examiner (S)	18,571	12,811	13,310	8,238
Grand Total	641,980	404,390	609,578	384,423

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	218,457	33,763	194,993	49,264
News (S)	113,493	3,457	73,137	28,320
Grand Total	331,950	37,220	268,130	77,584

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	264,135	——	235,166	——
Grand Total	264,135	——	235,166	——

NOTE: Figures supplied by publisher to Media Records.

*LOUISVILLE, KY

Courier Journal (M)	108,634	63,206	107,408	46,143
Courier Journal (S)	85,347	85,995	76,236	71,369
Times (E)	94,244	69,884	100,599	60,455
Grand Total	288,225	219,085	284,243	177,967

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	195,355	——	216,396	——
Herald (S)	123,348	——	115,940	——
News (E)	59,906	——	66,302	——
Grand Total	378,609	——	398,638	——

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	136,949	22,385	132,011	24,947
Star & Tribune (S)	158,045	2,066	140,921	3,147
Star & Tribune (Sat)	21,815	——	24,342	——
Grand Total	316,809	24,451	297,274	27,994

*NASHVILLE, TN

Banner (E)	121,891	——	111,874	——
Tennessean (M)	121,485	——	113,797	——
Tennessean (S)	110,020	——	87,007	——
Grand Total	353,396	——	312,678	——

NOTE: 1985 figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	100,859	891	——	——
Home News (S)	96,017	5,058	——	——
Grand Total	196,676	5,949	——	——

NOTE: 1984 figures not available.

NEW YORK, NY

Times (M)	182,844	15,172	174,065	16,127
Times (S)	192,372	119,098	182,311	112,061
News (M)	70,422	101,339	63,368	120,740
News (S)	40,715	133,742	33,453	165,468
Post (AD)	59,733	1,439	60,586	934
Grand Total	546,086	370,781	513,883	355,330

NEWARK, NJ

Star Ledger (M)	212,719	7,703	196,319	6,302
Star Ledger (S)	193,588	47,935	159,407	48,856
Grand Total	406,287	55,638	355,726	55,158

OAKLAND, CA

Tribune (M)	103,790	74,612	101,412	55,627
Tribune (S)	57,158	52,009	50,804	27,336
Grand Total	160,948	126,621	152,216	82,963

OCEANSIDE, CA

Blade-Tribune (E)	105,613	2,185	——	——
Blade-Tribune (S)	63,583	——	——	——
Grand Total	169,196	2,185	——	——

NOTE: 1984 figures not available.

ORANGE COUNTY, CA

Register (AD)	307,457	96,817	309,376	71,681
Register (S)	158,229	9,980	131,345	8,895
Grand Total	465,686	106,797	440,721	80,576

PHILADELPHIA, PA

Inquirer (M)	188,861	43,475	179,722	55,904
Inquirer (S)	146,754	59,798	135,365	48,685
News (E)	98,367	10,909	79,673	13,431
Grand Total	433,982	114,182	394,760	118,020

*PHOENIX, AZ

Arizona Republic (M)	353,711	20,431	400,916	35,412
Arizona Republic (S)	190,054	——	221,298	——
Gazette (E)	338,389	20,623	434,421	35,748
Grand Total	882,154	41,054	1,056,635	71,160

NOTE: Figures supplied by publisher to Media Records.

ROCHESTER, NY

Democrat & Chronicle (M)	88,997	29,994	96,311	20,051
Democrat & Chronicle (S)	90,245	37,811	78,048	22,777
Times Union (E)	72,165	22,457	74,230	18,461
Grand Total	251,407	81,262	246,589	61,289

NOTE: Times Union Evening published five days a week only.

SACRAMENTO, CA

Bee (M)	244,289	23,962	240,314	21,376
Bee (S)	126,944	22,554	114,343	8,881
Grand Total	371,233	46,416	354,657	30,257

*ST. LOUIS, MO

Post Dispatch (M)	127,827	39,743	114,442	39,212
Post Dispatch (S)	152,135	——	148,234	——
Grand Total	279,962	39,743	262,676	39,212

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	112,501	——	88,437	——
Pioneer Press Dispatch (S)	124,243	——	105,857	——
Dispatch (E)	——	——	95,691	——
Grand Total	236,744	——	289,985	——

NOTE: Part run figures not available. Pioneer Press Morning and Dispatch Evening combined to one edition, Pioneer Press Dispatch All Day effective January 2, 1985. The Pioneer Press Morning activity is shown in the Pioneer Press Dispatch All Day listing. Pioneer Press Sunday changed to Pioneer Press Dispatch Sunday effective January 5, 1985. Prior to January 2, 1985, Pioneer Press Morning and Dispatch Evening had a combined Saturday edition with the activity shown only in the Dispatch Evening.

SAN ANTONIO, TX

Express-News (AD)	160,459	36,405	142,597	27,505
Express-News (S)	98,648	51,072	96,268	38,957
Express-News (Sat)	39,283	——	45,560	——
Light (AD)	143,003	40,533	128,452	42,472
Light (S)	106,393	31,994	97,735	26,837
Light (Sat)	33,589	——	43,138	——
Grand Total	581,365	160,004	553,750	135,771

NOTE: Light All Day published five days a week only. Light Evening changed to Light All Day effective January 1985.

SAN DIEGO, CA

Union (M)	247,576	38,290	255,235	18,115
Union (S)	149,230	——	135,933	——
Tribune (E)	255,509	37,195	253,954	17,656
Grand Total	652,315	75,485	645,122	35,771

SAN FRANCISCO, CA

Chronicle (M)	145,297	90,037	138,934	74,323
Examiner (E)	141,121	88,371	134,582	73,734
Examiner & Chronicle (S)	81,620	85,302	74,293	63,180
Grand Total	368,038	241,710	347,809	211,237

SAN JOSE, CA

Mercury News (AD)	306,430	32,416	365,367	34,762
Mercury News (S)	178,950	——	160,716	1,274
Grand Total	485,380	32,416	466,083	36,036

SHREVEPORT, LA

Journal (E)	96,903	6,705	93,779	7,731
Times (M)	129,944	18,350	130,499	18,519
Times (S)	81,998	12,756	81,281	14,482
Grand Total	308,845	37,811	305,559	40,732

*STATE COLLEGE, PA

Centre Times (E)	93,385	1,355	94,726	1,084
Centre Times (S)	43,599	254	35,751	——
Grand Total	136,984	1,609	130,477	1,084

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

Herald Journal (E)	102,614	32,114	98,585	40,384
Herald American (S)	80,100	52,516	57,814	27,277
Post-Standard (M)	88,703	36,024	80,186	41,590
Grand Total	251,417	120,654	236,585	109,251

*TAMPA, FL

Tribune (AD&S)	362,073	129,079	624,943	161,151
Grand Total	362,073	129,079	624,943	161,151

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	136,554	——	120,580	——
Blade (S)	126,739	——	106,783	——
Grand Total	263,293	——	227,363	——

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

Post (M)	269,117	48,135	266,868	51,210
Post (S)	153,396	73,527	156,606	41,818
Grand Total	422,513	121,662	423,474	93,028
Alexandria Journal (M)	65,846	——	55,881	510
Prince George's Journal (M)	56,511	626	49,874	1,129
Montgomery Journal (M)	59,451	294	51,369	1,129
Fairfax Journal (M)	66,951	1,602	58,685	510
Arlington Journal (M)	66,214	——	56,212	510

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	95,034	15,588	90,937	16,722
Reporter Dispatch (S)	115,052	17,821	65,326	35,063
Grand Total	210,086	33,409	156,263	51,785

WICHITA, KS

Eagle-Beacon (M)	134,584	——	146,755	——
Eagle-Beacon (S)	109,238	——	93,155	——
Grand Total	243,822	——	239,910	——

NOTE: Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS/SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page.....
   Width and Depth in Inches.
2. Determine Square Inches of Page.....
   Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page.....
   Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page.....
   Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches.....
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

Adv... Thursday

Crain's Magazine of the Creative Process

REPORT
ct Marketing

(From left) Paul Keye, Mario Donna, Leonard Pearlstein

KEYE/DONNA/ PEARLSTEIN

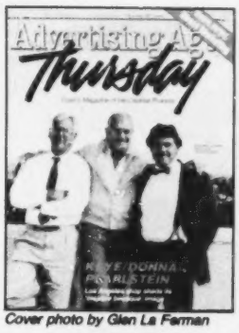
Los Angeles shop sheds its 'creative boutique' image

CONGLI AA 860999 99 KRA
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014
*********5-DIGIT 20014

Thursday

Riding high at Keye

While Keye/Donna/Pearlstein has yet to achieve the national prominence enjoyed by a handful of West Coast agencies such as Chiat/Day, Los Angeles, and Hal Riney & Partners, it has been steadily gaining momentum by delivering excellent (and sometimes brilliant) creative work. These qualities, and K/D/P's independent status, have made the agency a prime acquisition target. *See Page 4.*



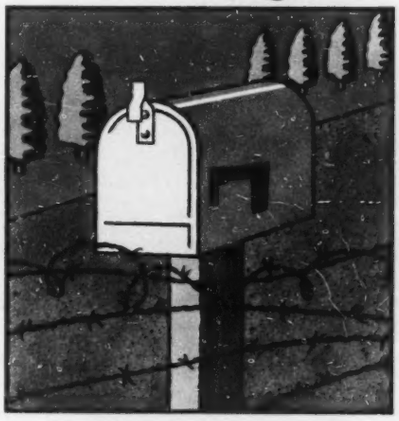
Cover photo by Glen La Ferman

Under it all in London

Travelers on London's subway system are seeing a remarkable transformation in the bowels of the earth. London Underground Ltd. is spending about $120 million on revamping 140 stations in a network that opened in 1863.

Dark, dingy and soulless stations are being given more than just a dab of paint, as the aim of this modernization program is to make the daily journeys of 2 million passengers more pleasant by giving stations character and identity.

The London Underground is following a well trodden path. In the 1930s, the London subway system set new standards both in poster advertising and in subway station design. *See Page 52.*



Special Report—Direct Marketing

Many view the direct mail that fills their mailboxes and the telemarketing calls that ring at all hours as an invasion of their privacy. As many states respond to these beliefs, direct marketers work to maintain their right to pursue business in an unrestricted environment, a business that generates about $40 million in sales of goods and services, according to the Direct Marketing Assn. This issue and others are examined, beginning on *Page 15.*

Presstime

Bozell wins Merrill

NEW YORK—Merrill Lynch & Co. has moved its $45 million general advertising and direct-response account to Bozell, Jacobs, Kenyon & Eckhardt from Young & Rubicam. BJK&E last year picked up Merrill's $5 million Unit Trust investment group from Y&R. The switch is tinged with controversy, because William Appelman, the senior vp-group creative director at Y&R heading up the creative attempts to save the business, announced he was leaving to join BJK&E in the new post of exec vp-executive creative director on the same day Merrill announced the switch. N W Ayer, Dancer Fitzgerald Sample and Grey Advertising also vied for the account.

B&S gets Magnavox

KNOXVILLE, TENN.—N.A.P. Consumer Electronics Corp. has chosen Backer & Spielvogel, New York, for its estimated $10 million Magnavox account. Doyle Dane Bernbach previously handled (AA, March 3). The company continues a review for its Sylvania and Philco brands. DDB is the incumbent on Sylvania; Davis-Newman-Payne here and Infantino Corea & Enterprises, Rochester, N.Y., handle Philco.

Burnett drops Fisher Nut

CHICAGO—Leo Burnett USA this week resigned Beatrice Cos.' approximately $4 million Fisher Nut account due to "business philosophy differences." Separately, Burnett exec vp Bob Barocci has resigned to pursue other opportunities. Last fall, Mr. Barocci was moved from president of Leo Burnett International to exec vp at the parent company, overseeing new-business development and corporate relations (AA, Sept. 30).

Healthy chicken pitch

MIAMI—Burger King Corp.'s introductory network tv ad thrust for Chicken Tenders will feature a quality and health-oriented pitch themed "Ain't nothing like the real thing." BK will stress the 100% breast meat content of its finger-food product and pitch its frying of Chicken Tenders in vegetable oil. BK delayed the national rollout (AA, Nov. 18, *et seq.*) until April to ensure adequate supplies, said vp-marketing Tom Sawyer. J. Walter Thompson USA, New York, handles.

New life for AD/SAT

NEW YORK—British Printing & Communication Corp., a unit of Robert Maxwell's Pergamon Press Ltd., has acquired the assets and the name of AD/SAT Inc. from a joint venture of Robert Wold Co., Los Angeles, and Mitsui & Co. USA, the U.S. unit of Mitsui, Tokyo. The acquisition brightens prospects that the satellite transmission service for newspaper ad materials will finally get off the ground after more than a year of planning and efforts to get financing. N.S. (Buddy) Hayden remains AD/SAT president, but the company will move here from Los Angeles.

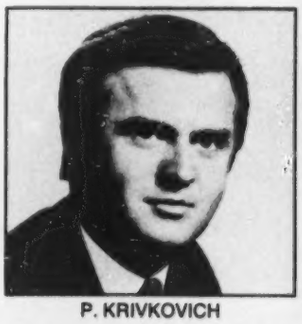
Weiss to quit Ingalls

BOSTON—David Weiss, the Ingalls Associates president recruited two years ago from a senior

(Continued on Page 55)

Street Talk

Whatever happened to the commercial "zapping" uproar? General Foods and others were ready to spend millions researching implications for viewership in the remote-control age. Are you still concerned about zapping?



P. KRIVKOVICH

Peter Krivkovich, president, Cramer-Krasselt, Chicago: "Zapping isn't a major problem. It seems that vcr owners want the security of having taped a program, more than actually wanting to watch it. It tends to be more of enjoying the mechanics of a new gadget. The vcr itself presents a larger problem by offering a strong alternative to commercial television. Viewing of any program, no matter how it was acquired, may diminish the chance of exposing consumers to an advertising message."

A. SYLVESTER

Alice Sylvester, associate director-media research, J. Walter Thompson USA, Chicago: "We continue to be completely involved in the issue in that it brought our attention back to the broader question of commercial inattentiveness. Maybe we got a little soft. What we have to do as an industry is raise the CDI [category development index] for people to watch commercials. Better commercials and public awareness of better commercials will raise the general interest in watching them."

G. WILLHOFT

Gene Willhoft, vp-director of media services, Ally & Gargano, New York: "Yes, we're concerned, even though our recent analysis of Nielsen information suggests for now the problem is not as severe as many may think. . .Our answer has been to pressure the networks and local stations for first positions within commercial pods. And with our creative product, we feel if we can catch viewers' attention for a few seconds, we're likely to hold them for the duration of the spot."

M. FLATLIE

Mary Flatlie, senior vp-media director, J. Walter Thompson/West, Los Angeles: "We're all still concerned about zapping, but it has taken on some new turns. When someone is sitting in front of the television set and is switching channels, chances are that person is going to switch to another commercial. The thing that has us all concerned is what we call 'zipping' these days. That's when the person is in front of the vcr and can fast-forward through the commercials. In many instances, that potential commercial exposure is lost."

S. SEGAL

Stephen Segal, senior vp-media director, Lowe Marschalk, New York: "Zapping may only be a real problem in the future. The great number of tv homes have no remote control and cannot easily zap. In fact, less than 10% of program audiences switch channels during programs. Zapping will probably, however, increase, and networks may eventually have to discourage this by varying lengths of commercial pods, or make programs more interesting."

ADVERTISING AGE asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE, 220 E. 42nd St., New York 10017.

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MediaWorks

ON THE DIAL

Scheduled radio specials and new programs or syndicated services.

ABC Radio Networks, New York, will begin offering affiliates of all six of its networks a new feed of historic audio cuts that are bound to jog the memories and tweak the hearts of baby-boomers everywhere. Called "Audio Datebook," the new feed has drawn extensively on the archives of ABC News to come up with classic actualities from events such as Ed Sullivan introducing the Beatles, men landing on the moon and Woodstock.

United Stations Networks, New York, takes its formerly summer-only "Hot Rocks" series to weekly frequency starting April 5 with a show featuring the music and the thoughts of John Cougar Mellencamp. At present, United plans to offer the series weekly to affiliates through the end of the year. At press time, the first offering had cleared US affiliates in 80% of the top 173 Arbitron-defined markets.

Westwood One Radio Networks, Los Angeles, will kick off a new series called "BBC Classic Concerts" on April 14 with a concert taped live at the BBC's Paris Theater in London in April, 1971, featuring Led Zeppelin. After the debut show, the series will air every fourth week as an addition to Westwood's "In Concert" show, and will feature classic performances by such supergroups as Pink Floyd, the Faces, Deep Purple, Traffic, the Kinks, Rod Stewart, Jeff Beck and the Police. Clearance numbers were not available at press time.

Ed Salamon (l.), exec vp of programing for United Stations Networks, talks with John Cougar Mellencamp.

United Stations Networks, New York, will provide volunteer coverage of the Hands Across America hunger relief project, scheduled for May 25. USN will provide daily, 60-second news updates narrated by various celebrities connected with the project beginning April 1. The coverage will culminate with a three-hour special, produced with Coca Cola USA, that will cover the event itself on May 25. Proceeds from the sale of advertising time will be forwarded to Hands Across America and the USA for Africa Foundation. ■

TV AVAILS

A weekly listing of tv programing that still has commercial availabilities open in the next few weeks.

"Star Games," produced by Viacom Enterprises, has "some avails" through the rest of this quarter at $25,000 per :30. For advertisers with 52-week commitments, the per-unit cost is $20,000. Long-term advertisers include Bristol-Myers, Warner-Lambert, Mars, Keebler and Ralston Purina. The show, which premiered in September, is described by Viacom as a celebrity sports competition in which the "sexiest and hottest stars go head-to-head for big bucks." Bruce Jenner and Pamela Sue Martin—to be replaced later this season by Morgan Brittany—are the host and hostess. Caroline Raskin is executive producer and Don Ohlmeyer is creative consultant. The show has been averaging an 8 rating and reaches 88% of U.S. tv households. The 52-week advertisers are guaranteed a 7 rating and a $4 cost-per-thousand.

"The Rock 'n' Roll Evening News" has now been barter-syndicated to 85 markets for a fall series start; 90% of those stations are network affiliates, led by WNBC-TV, New York; WMAQ, Chicago, and KCBS, Los Angeles. King World, New York, is handling station clearances for the weekly hour, with its Camelot Entertainment Sales division selling the commercial time.

Bruce Jenner (l.) and Morgan Brittany co-host "Star Games." Dick Butkus is commissioner of the athletic contests.

"Gidget" has now been cleared by 57 stations for 70% coverage of U.S. tv homes by Colex Enterprises, New York, the joint venture of Columbia Pictures TV, Burbank, and LBS Communications, New York. That count is up from 58% coverage after NATPE, with the latest stations including WOR-TV, New York; KTLA, Los Angeles, and WBGO, Chicago. Colex promises a minimum of 44 half hours or two years of weekly barter for the sitcom, through 1987-88. For fall '88, the carrier stations will strip this series with the original 32 offnet episodes starring Sally Field. Amount of commercial avails unavailable at press time.

"Open Season with George Steinbrenner," a half-hour, springtime series in which the Yankees owner will moderate a weekly debate on current sports issues, has been cleared by 85 stations so far, for 72% coverage of U.S. tv households. SFM Entertainment, New York, is selling 2½ minutes of national commercial time on the barter-syndicated series, to consist of 18 original episodes plus eight repeats. ■

NEWSSTAND

A list of upcoming print advertising opportunities, such as special issues and ad sections.

Sporting News, New York, baseball season opener special issue, April 1; ad close: March 13. B&w page: $13,282; color page: $16,728.

The Economist, New York, special editorial report on the U.S. Navy, April 12 issue; ad close: March 14. B&w page: $5,390; color page: $5,990 (U.S. edition).

Yachting, Cos Cob, Conn., three special America's Cup issues, May, 1986; February, 1987, and April, 1987; ad close for special combination rate for display advertisers ordering space in all three: March 15. B&w page (per issue): $6,610; color page (per issue): $9,940.

PARADE

New York Times Magazine, New York, Part 2, "The World of New York," focusing on the Statue of Liberty, May 18 issue; ad close: March 17 (color), April 8 (b&w). B&w page: $19,830; color page: $30,445.

American Health, New York, "The book & video library" advertising section, June issue; ad close: March 20. 1/9-page unit: $1,400.

Newsweek International, New York, computers and communications ad supplement, May 12 issue; ad close: March 31. B&w page: $3,630 to $14,930; color page: $6,175 to $25,380 (depending on editions used).

Rolling Stone, New York, "The hot issue," special issue on "hot" people, places and trends, May 22; ad close: March 31 (color), April 3 (b&w). B&w page: $19,425; color page: $28,430.

Parade, New York, "Gifts on *Parade*" Father's Day gift guide, June 1 issue; ad close: April 11. ¼-page unit: $75,000; ½-page: $140,000. ■

MediaWorks also appears in the Monday edition of Advertising Age.

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	2/27	2/20	2/13
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		38	31	28
2. "You Again?" (NBC preview)		33	DNA	DNA
3. "Golden Girls" (NBC)		20	4	10
4. "60 Minutes" (CBS)		17	14	16
5. "227" (NBC)		16	1	10
6. "Murder, She Wrote" (CBS)		15	15	11
7. "Cheers" (NBC)		12	11	13
8. "Miami Vice" (NBC)		11	7	3
9. "Facts of Life" (NBC)		1	—1	7
10. "Dallas" (CBS)		11	6	13
11. "Highway to Heaven" (NBC)		11	10	10
12. "Blood & Orchids" Part II (CBS)		10	DNA	DNA
GOOD WINNERS				
13. "Night Court" (NBC)		8	7	-6
14. "Gimme a Break" (NBC)		8	-4	4
15. "Blood & Orchids" Part I (CBS)		8	DNA	DNA
16. "Dynasty" (ABC)		8	11	10
17. "Hotel" (ABC)		6	9	6
BORDERLINE WINNERS				
18. "Grammy Awards" (CBS)		5	DNA	DNA
19. "Webster" (ABC)		4	1	8
20. "Remington Steele" (NBC)		4	-1	1
21. "Hill Street Blues" (NBC)		3	DNA	-1
22. "Mr. Belvedere" (ABC)		3	-1	4
23. "Newhart" (CBS)		1	DNA	-2
24. "Kate & Allie" (CBS)		1	2	1
25. "ABC News Analysis" on Reagan speech		1	DNA	DNA

BEHIND THE SHARES

A scheduling coup

Clever scheduling by NBC gave big preview numbers to new shows **"Valerie"** and **"You Again?"** "Valerie," a half-hour sitcom starring Valerie Harper, about to go weekly, appeared headed for a 16-share victory over **"Airwolf"** (CBS) and **"Benson"** (ABC) last Saturday, based on its overnight performance in 12 markets. "You Again?" picked up **"Family Ties' "** audience and more during its premiere episode: "Ties" has not yet achieved a 51 share, as "You Again?" did. The real test comes this month when both shows begin their "second season" run back-to-back at 8 p.m. (ET).

More good news for NBC: **"The Cosby Show"** scored its highest share ever (56) and the highest share for a sitcom since the Jan. 15, 1972, episode of CBS' **"All in the Family"** (58). **"Miami Vice"** crushed a softening **"Falcon Crest."** ■

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Monday, March 10, 1986

Advertising Age

Crain's International Newspaper of Marketing
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Mennen will use a spaceship setting to tout Real roll-on as an "advanced" antiperspirant with a water-free formula and patented applicators allowing women to adjust the amount of deodorant needed, as in this test spot from Campbell-Ewald.

Change in ad-tax plan won't ease opposition

By STEVEN W. COLFORD

WASHINGTON—New details of a Reagan administration proposal to reduce the tax deductibility of ad expenditures may soften the blow for advertisers but won't affect the ad industry's stiff opposition.

A Red Alert from the Assn. of National Advertisers and a Legislative Alert issued by the American Advertising Federation are intended to derail congressional tinkering with advertisers' deductions.

The American Assn. of Advertising Agencies made a special mailing to its 1,100 members and offices and hired Arthur Andersen & Co. to analyze the idea, calculate its financial impact and amass counterarguments.

Industry opposition was unflagging, even after more details of the proposal were disclosed late last week, revealing a formula for an 80% deduction in the year of the advertising expenditure, with the remaining 20% deducted in equal increments of 4% in each of the five succeeding years.

That option would produce less revenue for the federal government than the initially disclosed flat 20% disallowance, but also would substantially soften the bottom-line impact on advertisers.

A Senate finance committee aide said the latest deductibility option would "provide an initial, significant gain to the Treasury."

Government figures on how much revenue the option would generate—and cost advertisers—are expected this week from the finance committee. Aides emphasize that individual elements of the current tax-reform package might be revised or eliminated once the committee begins formal consideration of the bill, planned for March 19.

But Price Waterhouse advertising expert John Hatab said a calculation of the 80/20 plan with a five-year amortization schedule shows a net gain to the Treasury over five years of $21.6 billion, assuming annual advertising expenditure of $100 billion.

That $21.6 billion is identical to the savings originally projected by

(Continued on Page 104)

Mennen plots a Real return to innovation

By PAT SLOAN

NEW YORK—Mennen Co. will make a grand return to the new-product scene this spring after an absence of five years, spending $14 million on media alone to introduce Real antiperspirant.

Mennen also is considering bringing out Baby Magic laundry detergent and Compete Skin Fitness for Men nationally by fall. If Baby Magic rolls national, it would pit Mennen against Procter & Gamble, marketer of Ivory Snow and Dreft.

Mennen has indicated to retailers that Real—with a water-free formula and patented applicators—could almost double the company's market share in the $1.2 billion deodorant/antiperspirant category. That category has grown 64% in dollar sales during the last five years.

The marketer has been seemingly gunshy of new-product introductions since it introduced Millionaire men's cologne in 1979 and Hawk men's fragrance in 1980, both of which performed poorly.

Observed Salomon Brothers vp Diana Temple, "Disappointments have a way of chastising companies. But, after some more recent success, Mennen's became a little more aggressive."

Mennen chairman Donald Horne described the company's new-products' drive as part of a more aggressive marketing program focusing on internal product development and acquisitions to help increase its current revenue base of about $162 million.

Last year, in its first foray outside health & beauty aids, Mennen acquired Indianapolis-based Paper Art, a marketer of decorative paper goods. Also during 1985, there were indications that Baby Magic Liquid would be introduced nationally (AA, Nov. 14). But instead, in November, it was merely put into a four-city test in Minneapolis, Fargo, N.D., Milwaukee and Grand Rapids, Mich.

Ms. Temple's reference to a recent success was based on Men-

(Continued on Page 104)

"After some success, Mennen's

NEWSPAPER

Ratings change could cost cable net $7 million

MTV, Nielsen out of sync

By JUDANN DAGNOLI

NEW YORK—Depending on who you believe, MTV: Music Television's ratings either did or didn't take a disastrous tumble in the fourth quarter of 1985. As much as $7 million in potential make-goods from the cable network is riding on who's right—MTV or the Nielsen Television Index.

The dispute with Nielsen concerns a change in the number of households in the NTI sample that were capable of receiving MTV's programing.

MTV executives claim NTI is underreporting the cable network's ratings, because the fourth-quarter audience sample size included 25% fewer households that receive MTV than were covered in the third quarter last year. But Nielsen officials say its current household sample is more accurate than previous samples, which had overstated MTV viewing and inflated its ratings. In the third quarter of 1985, MTV averaged a 0.9 household rating. In the following quarter, sources said, household ratings dropped to 0.6.

Neither Nielsen nor MTV would reveal what the ratings were for MTV's key demographic category, men aged 18 to 24. MTV's refusal to release the ratings to advertisers, however, suggests the decline was as severe in that category as it was over-all.

A.C. Nielsen Co. officials declined to discuss the issue. However, in a letter to Robert Pittman, president-ceo of MTV parent MTV Networks, William Hamill, an exec vp at Nielsen, wrote, "Our findings to date have revealed that there have been major changes in the demographic composition of Nielsen's MTV installed and in-tab metered sample in the last six months. . .While fluctuations do occur in our MTV sample, we have not seen declines in any individual

(Continued on Page 104)

Eastern's fare cuts vex Delta

By BRIAN MORAN

Delta Air Lines is scrambling to protect itself from one of the swiftest, most aggressive promotion campaigns ever staged by rival Eastern.

Atlanta-based Delta, after expecting to feast on Eastern's much-publicized labor and financial crises and its pending takeover by Texas Air (AA, March 3), is instead weighing a crucial decision on whether to match Eastern's short-term, system-wide fare cuts and its elimination of most fare restrictions.

Miami-based Eastern last week

(Continued on Page 102)

Last Minute News

Needham named as Hasbro's second agency

PAWTUCKET, R.I.—Hasbro has chosen Needham Harper Worldwide as its second agency, handling $15 million to $20 million in billings. Needham will treat this as "a corporate account," using teams in Chicago and New York, says Al Carosi, Hasbro vp-marketing. Griffin Bacal, New York, remains Hasbro's primary agency, with $100 million-plus in billings.

Canfield's squeezes into juice-added field

CHICAGO—A.J. Canfield Co. is rolling out reformulated versions of its seven fruit-flavor soft drinks. They now contain 10% juice. Tv spots break here this month and elsewhere as the products are expanded. Canfield is more than doubling its ad budget, spending $6 million to $7 million on tv this year. Hal Dickens Advertising, Northfield, Ill., handles.

DDB's profits dive in fourth quarter

NEW YORK—Doyle Dane Bernbach reports a 59% drop in net income to $1.7 million for fourth-quarter, 1985. Revenue dropped 1% to $61.2 million. For the full year, net income fell 31% to $6.1 million, though revenues rose 2% to $220.9 million.

Wunderman still No. 1 in direct marketing

NEW YORK—Wunderman, Ricotta & Kline again tops the field among direct-marketing agencies, reporting $175.7 million in 1985 U.S. gross bill-

(Continued on Page 8)

HIGHLIGHTS

Mennen finds Real-ity 1
Mennen Co. will make a grand return to the new-product scene this spring, spending $14 million on media alone to introduce Real antiperspirant. Mennen also is considering bringing out Baby Magic laundry detergent and Compete Skin Fitness for Men by fall. If Baby Magic rolls national, it would pit Mennen against Procter & Gamble, marketer of Ivory Snow and Dreft.

Delta, Eastern in dogfight 1
Atlanta-based Delta Air Lines is scrambling to protect itself from one of the swiftest, most aggressive promotion campaigns ever staged by rival Eastern.

The Appelman Affair 3
Bozell, Jacobs, Kenyon & Eckhardt hired William Appelman away from Young & Rubicam early this year, at the same time the two agencies were fighting for the $45 million Merrill Lynch account. The ethics of Mr. Appelman's involvment in Y&R's attempt to hold onto the account, which Bozell won, and the timing of his resignation, have some admen wondering.

Is the family way dying? 3
Most newspaper families are committed to maintaining control of their journalistic legacies. And most feel secure. But the value of newspaper companies, federal tax policy and simple human greed have put the newspaper family on the endangered species list.

Rolaids toughens for Tums 4
Warner-Lambert is taking steps with a new comparative ad effort to defend its Rolaids against a tough challenger, Norcliff-Thayer's Tums, in the stomach-tablet category.

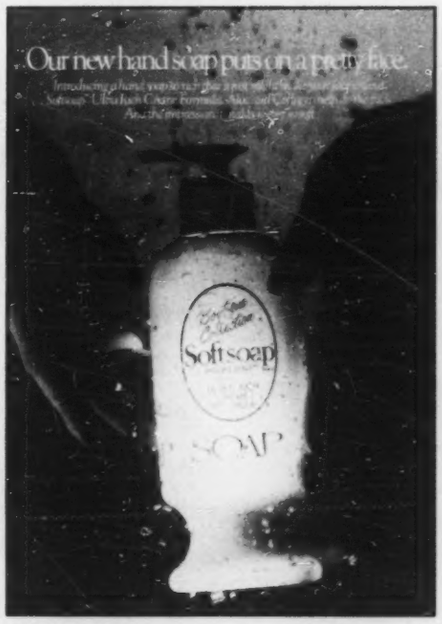
JWT Chicago execs ascend 6
JWT Group's long-awaited management reorganization has thrust the heads of its Chicago advertising and public relations operations into the ceo roles at its J. Walter Thompson Co. and Hill & Knowlton subsidiaries.

C-P to hold what it's got 12
The ascendancy of Robert Phillips to president-chief operating officer of Chesebrough-Pond's should short-circuit recent rumors that the Greenwich, Conn.-based company is looking to sell Stauffer Chemical Co.

Slim 'n Trim broadens reach 28
Slim 'n Trim is quadrupling its ad budget this year to $4 million and taking major steps toward becoming a national brand name. The formerly regional company has struck an agreement with Quality Chekd Dairies Assn. that will cover 36 states and four Canadian provinces.

Looking for stamp of approval 32
American Discount Stamps has yet to sign an advertiser or a distributor for an idea that has caught the national news media's fancy: Selling ad-supported and discounted 22¢ postage stamps.

Focus on corporate image 42
Corporate image advertising chases the spirit of a company, and that spirit-hunting has increased. One estimate places corporate image advertising spending at between $1.5 billion and $2 billion in 1984. That spending has been accelerated by name changes, divestitures and mergers, which require companies to publicize their identities.



More Minnetonka soft-peddling 49
Minnetonka may be the only marketer in the $100 million liquid-soap category that still believes it can squeeze out more sales, and it is readying additional line extensions in the category it created in 1980.

INTERNATIONAL

French tv faces crisis 56
When the votes from France's March 16 parliamentary elections are tallied, it could spell vast changes in the tv revolution started by President Francois Mitterrand. If his Socialist party loses its majority power, the future of several new private, ad-supported tv stations granted licenses by Mr. Mitterrand could be in trouble.

Bayer hands aspirins to McCann 58
Bayer AG, the German healthcare and chemical company, has picked McCann-Erickson to handle global advertising for the company's top-selling Bayer aspirin. The account, estimated at $10 million, will cover 10 countries both within and outside Europe, excluding the U.S.

Spain NATO role shaky 60
The Spanish government has mounted a massive, U.S.-style political advertising campaign to persuade voters that Spain should stay in the North Atlantic Treaty Organization. Taking the other side of the issue, which will be decided on in a referendum March 12, is a group of anti-U.S. pacifists, ecologists, communists and intellectuals.

OTHER NEWS

Johnson & Johnson's Ortho Pharmaceutical division claims it has toppled Warner-Lambert's longtime leadership position in the home-pregnancy-test category, a claim W-L disputes as it introduces a new improved product in its e.p.t. line. Page 4.

Johnson & Johnson may have a harder time controlling the damage to its Tylenol brand overseas than it is having in the U.S., following the latest cases of product tampering. Page 26.

Market leader Jose Cuervo tequila and fast-growing competitor Sauza tequila are locking horns in upscale ad campaigns that try to reposition their brand images from macho to Mexican chic. Page 50.

Public relations agencies experienced a boom in 1985 as in-house corporate communications posts became casualties of the recent merger and acquisition fever. Page 70.

Airwick Industries plans to breathe new life into the stale $200 million air-freshener category with the introduction this month of a time-release product disguised in a decorative knickknack. Page 76.

Having conceded the 1985-86 season prime time ratings race to NBC, CBS-TV is trying to slash the victory margin and keep the peacock network's strutting to a minimum. Page 90.

Two major players, armed with new products, are planning to creep up this spring on S.C. Johnson & Son's commanding lead of the $637 million household insecticide market. Page 96.

The U.S. Postal Service board of governors, sustaining a recommendation by the Postal Rate Commission, last week decided to rewrite some postal rules that had allowed newspapers to squeeze an extra weekly edition, packed with ads, through the second-class postage requirements and straight into competition with direct mailers of ads. Page 103.

COMING THURSDAY

An Italian designer who blends sheet metal with poetics is a key element in Cadillac's hopes to refashion its image as North America's No. 1 luxury-car division. Sergio Pininfarina is chairman, president and chief executive officer of Italy's Industrie Pininfarina, S.p.A., charged with styling, developing and manufacturing bodies for the Cadillac Allante, an ultra-luxury, two-seat sports convertible coming to market this fall with a price tag near $50,000.

Increasing fragmentation in buying motivations and styles among the affluent has retailers scrambling to target the category. American Demographics places 4% of all households in the $75,000 annual household income category. Special Report looks at this group and how retailers are reaching its members.

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FCB not yet prime takeover target

By GARY LEVIN

Shamrock Holdings' increased stake in Foote, Cone & Belding Communications doesn't yet make the agency a prime takeover target. But analysts now concede the possibility that a takeover bid could succeed under "ideal" conditions.

Shamrock, a Burbank, Cal.-based investment company controlled by Roy Disney, last week disclosed it holds 7.4% of FCB's common stock, up from the 5.2% it owned as of Feb. 3 (AA, Feb. 17). The move is part of a larger trend involving private-investor interest in both public and privately held agency stocks (*see related story, Page 101*).

The increased stake "for the first

(Continued on Page 100)

K&B, Bates set date, spurn JWT

By PAUL L. EDWARDS

New York—Ted Bates and Kobs & Brady, Chicago, last week set their marriage for April 1 after a 3½-year courtship that nearly broke up at the last minute when J. Walter Thompson Co. came in with an unexpected offer for K&B.

Although terms were not disclosed, the purchase by Bates is considered to be the largest direct-marketing acquisition ever, worth between $10 million and $15 million.

K&B, the last of the large independent direct-marketing agencies, with $70.2 million in billings in 1985, this year received takeover bids from at least three ardent suitors. So hot

(Continued on Page 100)

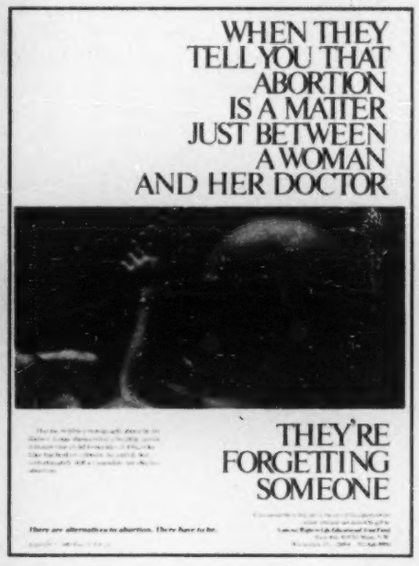
West Coast news

CCL wins Fidelity account

Fidelity Federal Savings & Loan Assn., Glendale, Cal., shifted its $2 million account to Cochrane Chase, Livingston & Co., Los Angeles, the agency formed last year with CCL's acquisition of Cunningham & Associates. CCL-Los Angeles manager Don Cunningham has previous ties to the s&l, which used his former agency, Cunningham, Root & Craig; from 1979 to 1985. Fidelity Federal was most recently with Kresser, Craig/D.I.K., Los Angeles, where

(Continued on Page 8)

First, a caveat. We're New Yorkers, and our loyalties lie with the Giants and the Jets. However, we had to like these ads because they capitalized on the hoopla surrounding the Super Bowl and on the now ubiquitous Bears—before they won the game. The "Refrigerator" ad from Drexel Burnham Lambert, via Chiat/Day and featuring William Perry, was running before Super Sunday. The art's contrast with the headline provides the punch here; Mr. Perry is many things, but he isn't small. Creative director: Jay Chiat; art directors: Bob Dion, Marv Rich; copywriters: Bob Sundland, Amelia Rosner; photographer: Jean Moss. The Young & Rubicam, New York, Jim McMahon ad, sans Jim, ran the day after the Super Bowl. After Mr. McMahon's headband antics, there was no way to miss the point. Creative director: L. DiJoseph; art director: J. Polachek; copywriter: K. O'Donoghue; photographer: J. Endress.



This ad from the National Right to Life Committee in Washington uses an arresting headline and photograph that grab a reader's attention, regardless of one's position on the abortion issue. It also serves to present a powerful case to the unconvinced and also to act as a fund-raiser. The ad was created for the committee by Peter D. Erhard; the photo was taken by Dr. Rainer Jonas.

This ad for RC Cola, via Dancer Fitzgerald Sample, used newspaper space extremely well by running two pages back-to-back, so that the reader is prompted to look for the reason for the ad. It also represents a good marriage of image advertising and promotion, as it carried a coupon. Creative group head: Fred Massin; art director: Amy Bronstein; copywriter: Rex Wilder; illustrator: Elwyn Mehlman.

FLASH REPORT: Newspaper advertising investment for November

November 1985	IN 100 THOUSANDS IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR	1985	1984	ACTUAL $ G OR L	% G OR L
Amusements	1985	$29,246,276	$26,147,352	+3,098,924	+11.9
	1984				
Computer stores & supplies	1985	6,580,208	6,291,103	+289,105	+4.6
	1984				
Department stores	1985	114,132,382	115,426,917	-1,294,535	-1.1
	1984				
Food stores	1985	27,739,543	26,903,248	+466,295	+1.7
	1984				
Radio, tv, phonographs, records	1985	27,270,956	23,292,276	+3,978,680	+17.1
	1984				
General merchandise stores	1985	56,336,988	52,496,663	+3,900,325	+7.4
	1984				
Alcoholic beverages	1985	4,199,989	4,151,639	+48,350	+1.2
	1984				
Cameras, photo supplies & services	1985	775,603	860,605	-85,002	-9.9
	1984				
Computers, equipment & services	1985	5,562,361	9,290,428	-3,728,067	-40.1
	1984				
Public service utilities & communications	1985	8,304,973	8,961,262	-656,289	-7.3
	1984				
Publishing & media	1985	18,911,549	17,853,203	+1,058,346	+5.9
	1984				
Cigarets	1985	9,178,813	7,976,612	+1,202,201	+15.1
	1984				
Airlines	1985	14,316,008	12,978,286	+1,337,722	+10.3
	1984				
Passenger cars-new	1985	18,527,774	15,167,651	+3,360,123	+22.2
	1984				
Banks & trust companies	1985	7,885,116	5,676,172	+2,208,944	+38.9
	1984				
Stock, bond & investment houses	1985	2,308,729	2,021,415	+287,314	+14.2
	1984				

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

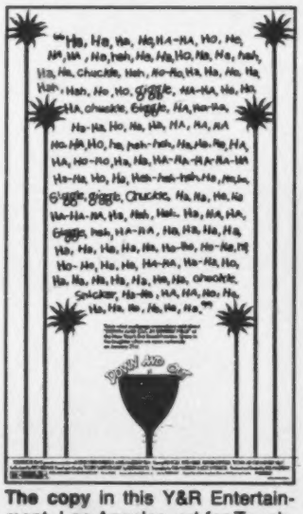
November slow for dailies

By WILLIAM F. GLOEDE

New York—Although major-market newspaper advertising for 16 categories rose an average 4.6% in November from year-ago, it was a mediocre month for most dailies. The increase in spending failed to keep pace with the average increase in ad rates, partly because the late Thanksgiving holiday in 1985 shaved a week off the Christmas selling season. Advertisers in the 16 major categories—12 of which posted increases—spent $351 million in November, about $15.5 million more than the $335.5 million spent in November, 1984, according to the FLASH REPORT of Newspaper Advertising Investments prepared for Ad Age by Media Records.

Department stores, the largest category measured, posted a 1.1% decline to $114.1 million. Among other retailers, general merchandise stores hiked spending 7.4% to $56.4 million; food stores spending rose 1.7% to $27.4 million; computer and supplies retailers raised spending 4.6% to $6.6 million, and radio-tv-phonograph-records dealers hiked spending 17.1% to $27.3 million.

Among other categories posting gains were amusements, up 11.9% to $29.2 million; alcoholic beverages, up 1.2% to $4.2 million; publishing and media, up 5.9% to $18.9 million; cigarets, up 15.1% to $9.2 million; airlines, up 10.3% to $14.3 million; passenger cars-new, up 22.2% to $18.5 million; banks and trust companies, up 38.9% to $7.9 million, and stock, bond and investment houses, up 14.2% to $2.3 million. The FLASH REPORT is based on MRI measurement of 29 daily and 23 Sunday newspapers in 15 major markets.#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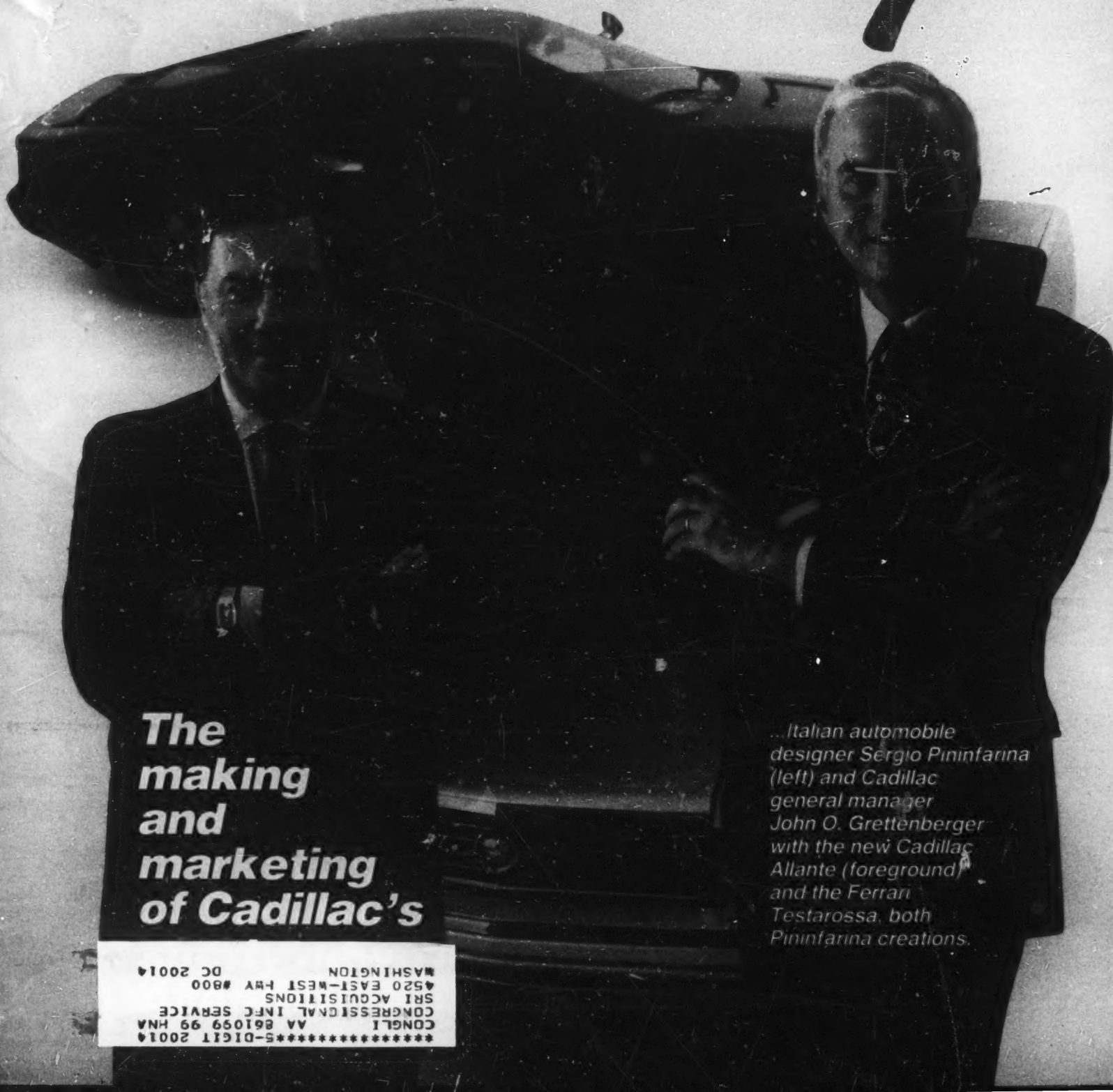
C2710

March 13, 1986

SPECIAL REPORT
Marketing to the Affluent

Advertising Age Thursday

Crain's Magazine of the Creative Process



The making and marketing of Cadillac's

...Italian automobile designer Sergio Pininfarina (left) and Cadillac general manager John O. Grettenberger with the new Cadillac Allante (foreground) and the Ferrari Testarossa, both Pininfarina creations.

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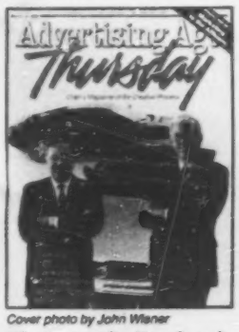
WASHINGTON DC 20014

Thursday

Sergio in the fast lane

An Italian designer who blends sheet metal with poetics is a key element in Cadillac's hopes to refashion its image as North America's No. 1 luxury-car division. Sergio Pininfarina's name may not be widely known on this side of the Atlantic, but anyone who has watched Tom Selleck jump into a Ferrari Testarossa on "Magnum, P.I." is familiar with at least one of the cars for which he is responsible. He is chairman, president and chief executive officer of Italy's Industrie Pininfarina, S.p.A., charged with styling, developing and manufacturing bodies for the Cadillac Allante, an ultra-luxury, two-seat sports convertible with a price tag near $50,000. *See Page 4.*



Cover photo by John Wisner

Pail fellows well met

If youngsters think ugly is in this year, the credit—or blame—should probably go to Topps Chewing Gum's Garbage Pail Kids. The Kids, a collection of grotesque trading card characters resembling Cabbage Patch Kids gone awry, caught on among grade-school children late last fall—demand has been so great that many storeowners have had to keep reordering the bubble gum cards. *See Page 25.*

Special Report—Affluent Marketing

Increasing fragmentation in buying motivations and styles among the affluent has retailers scrambling to target the category, which researchers find difficult to define and analyze. American Demographics places 4% of all U.S. households in the $75,000 annual household income category. Special Report looks at this group and how retailers in the U.S., the U.K., Japan and Canada are reaching the rich, starting on *Page 11.*

Presstime

Jaguar unseats BJK&E

LEONIA, N.J.—Jaguar Cars is seeking a new agency for its $16 million-to-$20 million account after ending a 24-year relationship with Bozell, Jacobs, Kenyon & Eckhardt, New York. Jaguar had been concerned that the merger of B&J and K&E would create a conflict with K&E client Chrysler Corp., but it held off until Chrysler's plans to import a $20,000-plus Maserati model became public. B&J handled Jaguar at the time of the merger.

Simpson to McCann post

NEW YORK—Clare Simpson has been named to the new post of director of Coca-Cola National Broadcast at McCann-Erickson. Mr. Simpson most recently was vp-programing at U.S. Satellite Broadcasting Co., a direct broadcast satellite company. He was at Young & Rubicam from 1959 to 1971 as senior vp-director of tv.

Merger cuts off accounts

BOSTON—Ingalls, Quinn & Johnson, formed by BBDO International's acquisition of Ingalls Associates and merger with Quinn & Johnson/BBDO, has resigned two of the three accounts that had loomed as conflicts (AA, March 6). One is Ingalls client Ground Round, West Quincy, Mass., which will delay its agency search for several months. The other loose account is Q&J's Sears Boston Group, which is talking to agencies interested in its "very small" local media placement account.

Losses at Mickelberry

NEW YORK—Mickelberry Corp. has reported a fourth-quarter net loss of $2.6 million, versus its $518,000 loss in the year-ago quarter, following a $3.3 million write-off related to intangible assets in subsidiary operations that were restructured during the year. Revenues fell 8.7% to $31.6 million. For the year, there was a net loss of $1.8 million, versus net income of $1.3 million in '84, as revenues were up 6% to $131.6 million.

Miller is back in race

MILWAUKEE—Miller Brewing Co. this spring will break new tv advertising saluting the racing teams it sponsors, but will not feature Danny Sullivan, Bobby Allison or other drivers. The federal Bureau of Alcohol, Tobacco & Firearms objected to Miller High Life tv spots featuring Mr. Sulli-

(Continued on Page 31)

Ad Age Classic!

Come Monday, ADVERTISING AGE readers taste a new treat: The zip of AD AGE *Thursday* blended with the once-a-week convenience of our 55-year-old classic, Monday AD AGE.

Though we bid adieu to AD AGE *Thursday* per se, Currents, Global Gallery, James Brady, Ad Whirl, Street Talk and T.N.T.-The Next Trend are among the features to come on board starting Monday, March 17. By Monday, March 31, the move will be completed, when Special Report returns with a look at TV Production. Readership, ahoy! See you Monday.

Street Talk

What do you think of the new advertising campaign created by Leo Burnett USA for 7UP?

Peter Burkhard, senior vp-creative director, Needham Harper Worldwide, Washington: "Weather prediction: 7UP's downpour will play better in summer than winter. Sales to follow the thermometer [c.f. Fresca 'blizzard']. Expect Carson and 'SNL' spoofs. Pray the customers don't catch cold."

P. BURKHARD

S. LAUGHLIN

Steve Laughlin, partner-creative director, Frankenberry, Laughlin & Constable, Milwaukee: "I think they're in a tough category because both Pepsi and Coke are doing better ads. They have a difficult task trying to outshine Coke and Pepsi. The [7UP] theme line I don't really care for. But I think the execution is fantastic. It's very consistent. The production values are superb. If I were an agency producer walking into a presentation with those tapes under my arm, I'd feel pretty good."

Joan McArthur, acting creative director, Doyle Dane Bernbach, San Francisco: "They're so smart. Once again, they've taken what makes them different from colas and turned it into a virtue. So instead of just tossing us a few laughs, this advertising might even make you want to drink the stuff."

J. MCARTHUR

M. NOVETT

Marleen Novett, creative supervisor, N W Ayer, New York: "From what I've seen, I think its delightful. It's nice and fresh. I thought to myself when I saw it, 'I hope you don't have to wait for rain to drink 7UP', but I still think it's funny and charming."

John Wagner, president-ceo, Wagner & Associates Advertising, Chicago: "I think it's pretty good advertising. The rain is a very refreshing, cooling mnemonic device. 'Feels so good coming down.' That's a nice line. I think they have a very good feeling. It's reminiscent of a campaign I did while at Burnett in the early '70s. It's a little bit like 'Take the Nestea plunge' revisited 15 years later."

J. WAGNER

ADVERTISING AGE asks those who serve agency creative and/or media departments to share views on major advertising-related issues. While we're out there making calls for this feature, why wait for the phone to ring? Send pithy comments and a recent photo to: Street Talk, ADVERTISING AGE, 220 E. 42nd St., New York 10017.

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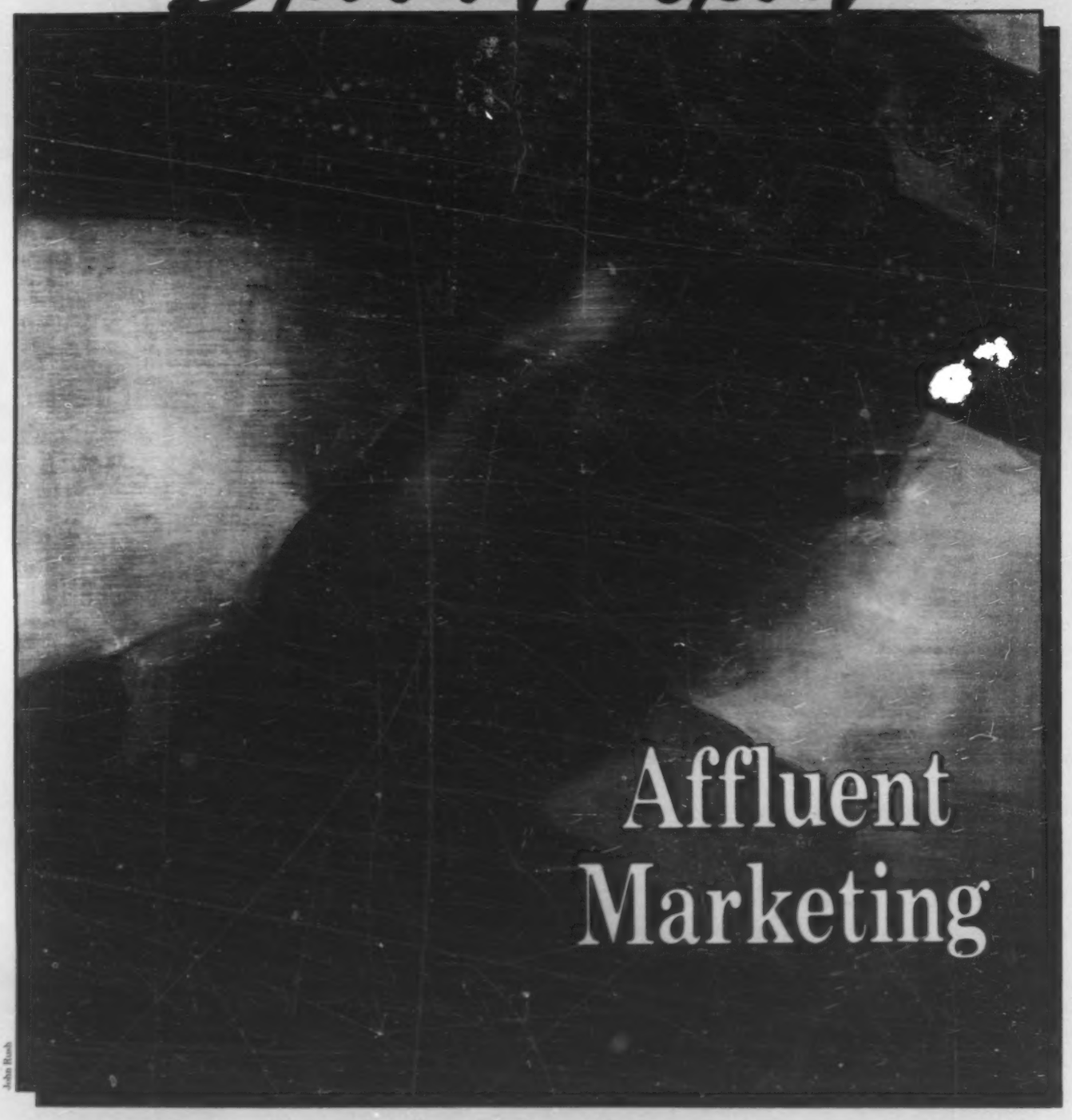
Special Report



John Rush

Affluent Marketing

Fragmentation enriches problems in reaching group

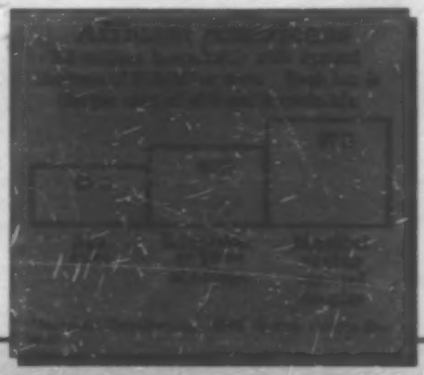
By Joanne Cleaver

They don't think of themselves as rich, but they spend like the rich. "The old rich have their net worth in jewels, furniture, houses. The new rich say, 'I have earned it and I'm going to spend it,'" says Judith Price, publisher of *Avenue*, the heavy, glossy magazine hand delivered to residents of New York's tony Upper East Side.

Many others who watch the affluent market agree with Ms. Price's assessment. The segment is growing, but it's still small. *American Demographics* places 4% of all households—3.3 million—in the $75,000 or more category.

But more important than the market's size is the category's attractiveness to nearly everyone—marketers, retailers and consumers.

The amount of money earned by these households says very little about the amount they have to spend, how they can be persuaded to spend it, and how it's finally spent.



Consultants, retailers and researchers say they perceive an increasing fragmentation of buying motivations and styles among the affluent. While conspicuous consumption is popular, many consumers will buy only certain items to impress others or themselves. Some affluent consumers value service and time savings over money; others are determined to stretch their dollars as far as possible.

The only thing that marketers can take for granted is that because they're more aware of their purchasing power, the affluent are determined to get their money's worth. With "everybody and his grandmother," in the words of one researcher, pursuing this market, the ones who will succeed are those who correctly analyze the needs and wants of the affluent consumers and are able to provide the right price-value balance.

The actual number of affluent people and

(Continued on Page 12)

Joanne Cleaver contributes frequently to Crain Communications Inc. publications.

Creativity in print atuned to affluent taste

The rich are different. Something about them makes the advertising industry reach for particularly creative ways to appeal to the discriminating tastes of the affluent market.

Attracting this market is as complex as defining its demographics or its spending patterns and is accomplished primarily through print advertising.

To further expand the presentation of marketing to the affluent, Special Report scanned several of the most recent upscale publications for what we consider to be outstanding creative work being done for marketers targeting this small but growing sector.

The following portfolio of ads illustrates how when you want to get the best, you have to try and give the best.

Client: *NM*, Dallas
Agency: Neiman-Marcus in-house
Creative art director: Michael Matthews
Photographer: Kent Barker

Client: Charles Jourdan
Agency: NCK/FCB S.A., Neuilly Cedex, France
Creative directors: Serge LaRue, Philippe Rouby
Photographer: F. Giacobetti

Client: Maxim's de Paris, Palm Springs, Cal.
Pratt Hotel Corp., Dallas
Agency: Weekley-Champney Advertising, Dallas
Photographer: Elle Schuster
Copywriter: Dave Alvey
Creative: Steve Cochran

Client: Tiffany & Co., New York
Agency: Tiffany in-house
Creative and art director: Bert Abbott
Copywriter: Sharon O'Shea

Fragmentation enriches

(Continued from Page 11)
households is a matter of debate. According to a report by Grey Advertising, New York, it takes about $75,000 today to equal the spending power of $40,000 in 1975. The Grey researchers estimate that in 1983 about 2.4 million households had annual incomes of $75,000 or more—only 200,000 more than there were in the equivalent category in 1975.

However, other researchers detect greater growth. Because many upper-income households include two wage earners, they have been undercounted by traditional door-to-door survey takers. Consequently, many researchers are switching to mail surveys to obtain more accurate results.

In its 1985-86 report on affluence, Mendelsohn Media Research, New York, categorizes annual household income of $50,000 or more as affluent, totaling 28.5 million, or 17% of all adults and 13% of all households, and claiming 36% of all income. That category exploded in this decade, nearly doubling between 1979 and 1985. Between 1984 and 1985 alone, it grew 22.7%. Most of those households, however, don't make the $60,000 or more income cut, leaving only 13.6 million adults in the upper deck.

The demographic profile of upper-income households reveals 65.7% of adults earning $60,000 and more had at least some college and live in a household made up of 2.7 adults or 3.2 people, according to Mendelsohn data.

But statistics don't tell the whole story.

Thomas Stanley, professor of marketing at Georgia State University, Atlanta, says affluent income and net worth often are quite different, especially for those in the "lower" end (those with $75,000 to $100,000 annual income) of the market—almost half of those households earning $75,000-plus earn less than $100,000. "The typical millionaire in America realizes less than 10% of his income in a year," he says.

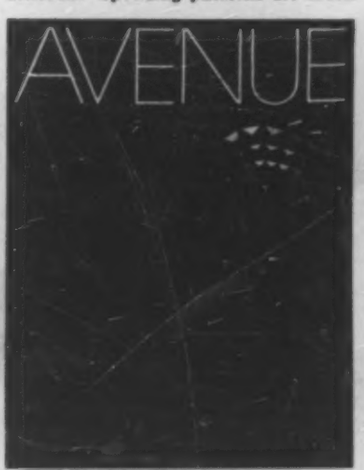
(Estimates of the number of millionaires—in terms of net worth—in America range from 500,000 to 1 million. Much of that worth probably is tied up in real estate. In 1982, the last year for which such figures were released, the Internal Revenue Service reported that only 8,408 taxpayers reported $1 million in adjusted gross income.)

The newly affluent are eager to prove their status with symbols of "having arrived," be it a Mercedes-Benz, an Italian leather couch or a pantry stuffed with exotic imported foods, Mr. Stanley says.

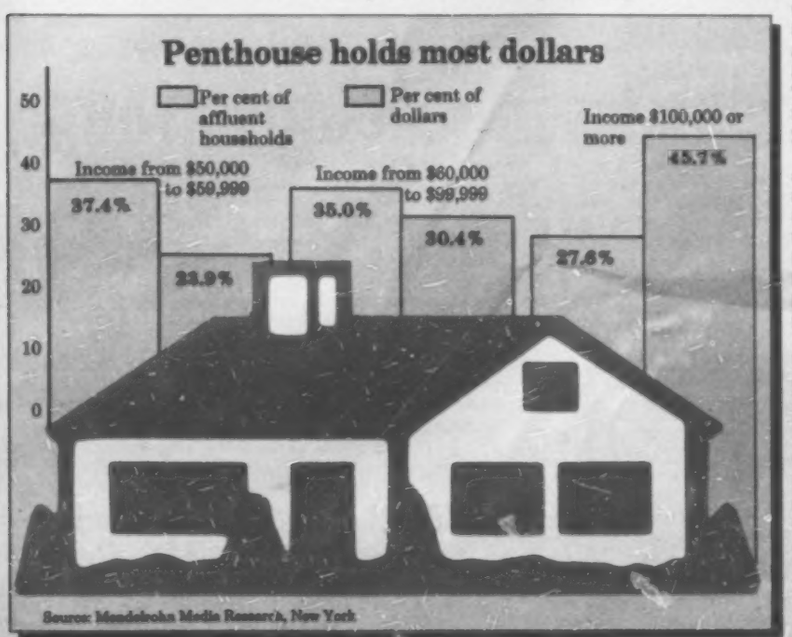
Mendelsohn research seems to support these perceptions of a materialistic outlook. In many categories—those that require really big expenditures such as real estate, securities, air travel, cruises, art, antiques and jewelry—people in the $60,000 and more income category spend far more than those who make up to $10,000 less. But spending was nearly equal for all the survey respondents making $50,000 and more for certain status items—videocassette recorders, photographic and sports equipment, personal computers, and cosmetics and fragrances.

Not all affluent consumers share that attitude. "Spending patterns are much more varied than people realize. There is a segment into conspicuous consumption and another that's quite the opposite. Whatever the latest status symbol is, they'll want the opposite," says Judith Langer of Langer Associates, New York, a qualitative research company.

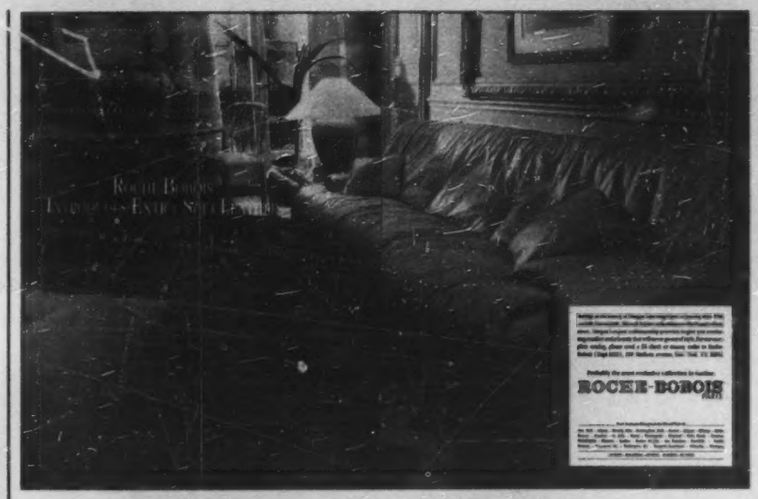
Ms. Langer and other researchers emphasize that life stage affects an affluent household's disposable income. A $100,000 annual income family with three



***Avenue* is a heavy, glossy-stocked magazine that is hand delivered to the affluent residents of New York's tony Upper East Side.**



Client: Roche-Bobois, Paris
Agency: Joint effort of Eldorado, Paris, and mission USA, New York



Client: Beverly Center, Los Angeles
Agency: Snyder, Longino Advertising, Los Angeles
Creative director and copywriter: Keith Longino
Artist: Rich Mahon
Photographer: Dominick

Client: Trump Tower Atrium, New York
Agency: Keeble, Cavaco & Duka, New York
Creative directors: John Duka, Kezia Keeble, Paul Cavaco
Art director: Tina Blumenthal
Artist: Tim Sheaffer
Copywriter: John Duka

Client: Susan Bennis Warren Edwards
Agency: Eisenman & Enock, New York
Creative director: Stanley Eisenman
Photographer: John Pilgreen
Copywriter: Curvin O'Rielly

children in college at the same time has far less discretionary income than a young professional couple with no house and no children making the same.

"They [most households with $100,000 incomes] are affluent, not rich. They're making choices; they spend freely in one area and not in others. They may have to choose between clothes and a vacation," Ms. Langer says.

Thomas Murnane, group vp for Management Horizons, the Columbus, O., division of Price Waterhouse that specializes in consulting to retailers, says the affluent are at least as value-conscious as other consumers. "They shop in a variety of retail outlets. They'll shop the lower-end stores for low ego involvement purchases—a branded set of casserole dishes, for example. Yet when it comes to a high-involvement purchase, where there's a lot of financial or social risk, they'll go to a high-end store."

Faced with the increasing fragmentation of their most desirable market, retailers are experimenting with the price-value balance, trying to determine what added services and merchandising philosophies are attractive to the well-heeled.

A key element of that formula is a renewed emphasis on service. Specialty and department stores are both recognizing the need for informed sales personnel and regular personalized customer contact, be it via direct mail or through a salesperson's list of customer preferences.

"Service is more important today than the merchandise," says Larry Gore, president of Brittany Enterprises, a year-old Chicago holding company for several men's and women's upper-end clothing stores. "The key thing is to develop a relationship. Assess the customer, and be sure you sell the customer what's appropriate. Don't oversell them."

Appropriately, many big city department stores are reviving or creating small services that cultivate customer loyalty. Free downtown delivery services, free alterations, personal shopping services and higher paid (and presumably more attentive) sales staffs are some.

Bloomingdale's recently announced an expanded registry service: Children can register for their birthdays, young people for graduation, parents for their newborns, and singles for the fun of it, says Gordon Cooke, exec vp-sales promotion.

Of course, even the widest array of retail services is worthless unless consumers know about them. Reaching the affluent is as complex as defining the market.

Tv, except for public tv, generally is considered an inefficient way to reach the affluent. Direct mail, especially catalogs, is used by traditional retailers as well as mail order houses.

A plethora of new magazines aimed at the upper end have been appearing in the past couple of years, many controlling their circulations. For example, *Best*, an advertiser-supported expansion of the newsletter-like "Best Report," will be introduced in May as a monthly newspaper insert delivered to 250,000 homes in selected suburban New York Zip codes. Participating newspapers include: the Long Island, N.Y., *Newsday*; Stamford/Greenwich, Conn., *Advocate/Times*; Westchester County, N.Y., Gannett papers; Bergen, N.J., *Record*, and New Brunswick, N.J., *Home News*.

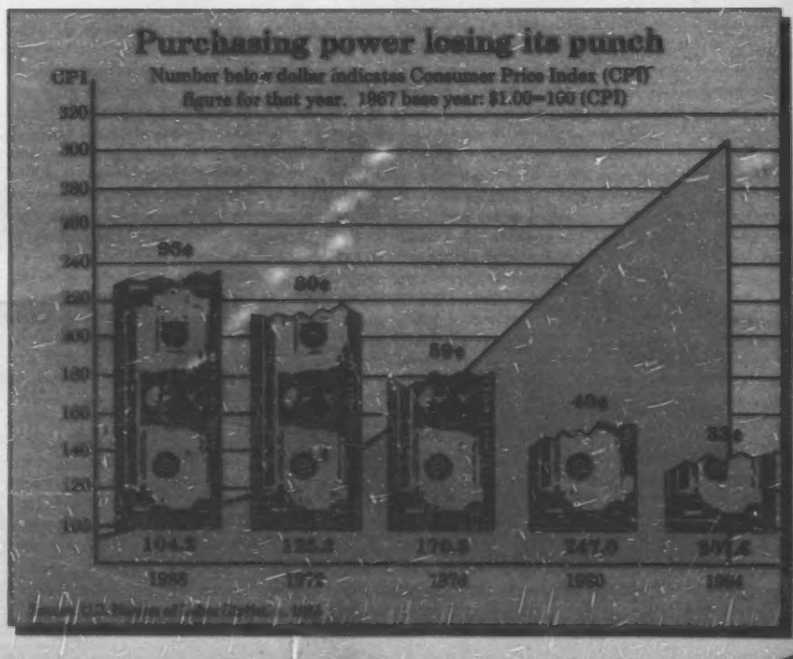
The philosophy behind Best publications, founder and publisher Norman Aronson says, is to provide readers with a compendium of top-quality goods from around the world. While purchasing information is included, it is not a catalog.

Mr. Aronson persuaded various pharmaceutical companies to sponsor many of the issues of the newsletter, which were sent to 150,000 physicians, compliments of the sponsors. Twenty thousand subscribers—an unaudited figure—pay $48 annually for the newsletter.

Even publications that already are well established with affluent readers are changing their image. *Metropolitan Home* recently discovered the median household income of its readers is $81,900. To make the magazine a "more luxury product," publisher Steve Burzon says, it is undergoing a $5 million face lift. While the editorial focus won't change, starting with the September issue, the magazine will use heavier stock and higher quality inks and be 17% bigger, measuring 9-by-10¼-ins.

According to Thomas Black, associate publisher for *Smithsonian*, in the next few years the affluent market's desire for quality will be a primary factor in shaping both the media's presentation of themselves and marketers' messages through the media.

Mr. Black and others involved in analyzing the affluent segment say marketers must be especially sensitive to the self-consciousness of the affluent. Reaching them requires a careful blend of image and price, in both the ads and the products. "This is a market of the mind, with quality the ultimate goal," says Mr. Black.



MediaWorks

ON THE DIAL

Scheduled radio specials and new programs or syndicated services.

NBC Radio Networks will test the rock 'n' roll IQs of listeners nationwide March 25 with the "National Rock Test," a 90-minute live special hosted by comedian Joe Piscopo and John DeBella from WMMR (fm) in Philadelphia. Listeners will be quizzed on all manner of rock trivia and brain teasers; Messrs. Piscopo and DeBella will man the toll-free telephone lines that listeners may use to answer the questions. Joining the hosts in Studio 8B will be Brian Setzer of the Stray Cats and Pete Townshend of the late Who, among other "mystery guests." And so listeners can track their rock acumen, NBC will run a special scorecard in the March 25 edition of *USA Today*. At press time, participating advertisers included Lee Jeans. Closing is today.

CBS RadioRadio Network's Top 30 USA with M.G. Kelly has two theme programs on tap for April. The weekend of April 4 to 6,

JULIAN LENNON

the three-hour adult contemporary countdown show will ring in spring with an "April Fools" special, featuring songs that bespeak the foolishness that often accompanies amorousness. The following weekend, April 11 to 13, the foolishness of love yields to the desire for dampness as the theme shifts to "April Showers," featuring songs of rain and the absence thereof. The show clears more than 300 stations nationwide. Spots are available for both of these shows.

Creative Broadcast Programs radio network this month begins airing the internationally syndicated "Rock Over London" series on 40 Canadian radio stations, including affiliates in the country's top 12 markets. The Canadian premiere, slated for March 24, features an interview with the Electric Light Orchestra and the debut of a new song from Howard Jones. Next month, a French-language version of the show will bow in Quebec. Spots are available.

Westwood One has teamed up with CBS/Sony Songs in Japan to form Westwood One/Japan, which will offer Westwood One fare to radio stations in Japan. One of the new venture's first efforts will be the production of an hourlong, magazine-style program that will feature both concerts and interviews. No start date has been announced.

NBC Entertainment Network's Live Album Party features Julian Lennon March 20. Participating advertisers include Schoenling's Little Kings beer. ■

TV AVAILS

A weekly listing of tv programming that still has commercial availabilities open in the next few weeks.

"The New Gidget," a first-run series from Colex, New York, is packaging units for upfront barter advertisers for about $50,000 per 30-second unit and a $5 cost-per-thousand. Colex is projecting an 8.0 to 8.5 national rating for the show, which will have double runs mostly in weekend access. Colex, the joint venture between Columbia TV and LBS Communications, will produce 22 half-hour episodes for 1986-87 and 22 for 1987-88. After the show's initial two-year barter run, it will revert to a cash-only basis. "Gidget" has been cleared in 70% of the U.S. and expects to clear more than 85% by its September airdate. "The New Gidget" is a temporary name for the show to distinguish it from the original offnetwork "Gidget," which Colex also syndicates.

Also bartered by Colex, **"Hollywood Squares"** (an Orion TV production) will be sold for an average $40,000 per 30-second unit. Colex is projecting a 9 rating for its September start date. Several top ABC-TV stations have picked up the show, including

A fire-breathing Godzilla evacuates the city in "Godzilla 1985."

WLS in Chicago, WABC in New York and KGO in San Francisco. Colex's **"National Geographic Specials"** will be priced at $50,000 per :30. Genesis Entertainment is the distributor. Colex is guaranteeing a 10 household rating. Some of the specials that originally aired on PBS got 13 ratings. The hourlong specials will be run as two-hour blocks. Colex is scheduling 12 plays a year.

"Godzilla 1985," produced by New World Pictures and distributed by All American Television, New York, has 28 avails in its May 16 telecast at $40,000 per 30-second unit. The two-hour movie has been cleared in 85% of the U.S. Except for WTTG, Washington, the Fox TV stations will carry the movie from 8 p.m. to 10 p.m. (ET). All American is guaranteeing an 8.5 household rating and expects a heavy teen and young-adult skew for the movie. All American plans to barter individual, monthly first-run movies starting in September.

Children's tv update: LBS Communications and Lorimar-Telepictures dominated most of the sales action in the recent upfront children's barter tv market. LBS' top shows included **"Care Bears"** and **"Heathcliff."** L-T's big draw was **"Thundercats,"** the top-rated barter show for kids aged 2 to 11. The new **"Silverhawks"** also sold well. Both syndicators have each sold between $25 million and $30 million in inventory. Group W (**"He-Man"** and **"She-Ra"**) reaped more than $20 million in sales. Tribune Entertainment handled media sales for the Group W production **"Ghostbusters."** Worldvision (**"Rambo"** and **"Centurions"**) and TPE (**"Challenge of the Gobots"** and **"Smurfs"**) also were major players. National ad rates were not immediately available. ■

NEWSSTAND

A listing of scheduled print advertising opportunities, such as special issues and special advertising sections.

Better Homes & Gardens, Des Moines, "Washington, D.C., family vacation guide," June issue; ad close: March 14. B&w page: $78,870; color page: $95,400.

Art & Antiques, New York, "The new patrons," special issue on corporate art collections, May; ad close: March 20. B&w page: $5,620; color page: $6,500.

The Economist, New York, special editorial report on Berlin, April 26 issue; ad close: March 28. B&w page: $5,390; color page: $5,990 (U.S. edition).

USA Today, Rosslyn, Va., "Careers 1986" special bonus section, April 21 issue; ad close: April 4. B&w page: $33,314; color page: $41,642.

Rodale's Organic Gardening, Emmaus, Pa., special food processing and preservation issues, June, July and August; ad closes: April 7, May 7 and June 6, respectively. B&w page: $12,120; color page: $18,075.

Signature, New York, special section on Bermuda, June issue; ad close: April 9. B&w page: $12,160; color page: $15,000.

Inc., Boston and New York, special section, "Insurance alternatives for growing corporations," June issue, with reprints to be sent to readers of *Independent Agent*; ad close: April 10. B&w page: $25,470; color page: $39,122.

Closing next week: New York Times Magazine, New York, Part 2, "The World of New York," focusing on the Statue of Liberty, May 18 issue, March 17 (color)...**Business Week**, New York, Top 1,000 issue, April 18, March 21 (b&w)...**USA Today**, Rosslyn, Va., "Baseball 1986" special bonus section, April 7 issue, March 21. ■

MediaWorks also appears in the Monday edition of Advertising Age.

ART&ANTIQUES

TV POWER SHARES

The following chart lists network tv shows that won their time periods, ranked by audience share dominance. It is a reflection of how decidedly a particular show defeated its immediate competition and reflects the program's dominance of available audience. The numbers following the program name are the amount of share points by which the program defeated the second-place show during each week shown. An indicator of 10 or more is considered "dominant," while 5 to 10 is considered "good." Anything less than 5 is a "borderline" victory. *Source: Nielsen Overnight Ratings.*

Show	Week ending	3/6	2/27	2/20
DOMINANT WINNERS				
1. "The Cosby Show" (NBC)		37	38	31
2. "Family Ties" (NBC)		31	DNA	24
3. "Golden Girls" (NBC)		22	20	4
4. "60 Minutes" (CBS)		21	17	14
5. "Valerie"—premiere episode (NBC)		15	DNA	DNA
6. "Dallas" (CBS)		14	11	6
7. "Highway to Heaven" (NBC)		13	11	10
8. "Murder, She Wrote" (CBS)		12	15	15
9. "Dynasty" (ABC)		10	8	11
10. "Alfred Hitchcock Presents" (NBC)		10	DNA	DNA
11. "Facts of Life" (NBC)		10	1	-1
GOOD WINNERS				
12. "Who's the Boss?" (ABC)		9	-3	7
13. "Cheers" (NBC)		9	12	11
14. "Moonlighting" (ABC)		8	DNA	-2
15. "Webster" (ABC)		8	4	1
16. "Growing Pains" (ABC)		7	-5	6
17. "Hotel" (ABC)		7	6	9
18. "Mr. Belvedere" (ABC)		7	3	-1
19. "Valerie"—regular time period (NBC)		6	DNA	DNA
20. "Night Court" (NBC)		6	8	7
21. "You Again?" (NBC)		5	33	DNA
BORDERLINE WINNERS				
22. "Miami Vice" (NBC)		4	11	7
23. "Remington Steele" (NBC)		4	4	-1
24. "CBS Sunday Movie: Outrage"		3	8	-7
25. NBC Monday movie: "Diary of a Perfect Murder"		3	-1	1
26. "Spenser for Hire" (ABC)		3	DNA	-7
27. "Knots Landing" (CBS)		2	DNA	2

BEHIND THE SHARES

New NBC series win

All things being equal, NBC did a much better job of introducing its second season series, **"Valerie"** and **"You Again?"** than CBS did with **"Fast Times"** and **"Tough Cookies."** The numbers prove it. NBC used two potent time periods, usually occupied by **"Facts of Life"** and **"Family Ties,"** to display its new entries. Audiences approved, and followed them to their new spots on Monday. But CBS threw its new shows into the soup without adding any spice. No big premieres. No hoopla. The initial numbers were disappointing. The fact is, CBS had no strong youth-oriented barnburner—like "Family Ties"—to preempt.

But what CBS lacks in youth is more than compensated for by older adult hits. Numbers for **"60 Minutes"** and **"Dallas"** were among their best outings this season. And CBS just keeps racking up those wins with its Sunday night movies (and miniseries).

Even ABC has much to be happy about, despite its also-ran status. Its top shows continue to trend up, even when burdened by repeats. **"Moonlighting"** may do to the ABC schedule in 1986-87 what **"Miami Vice"** did for NBC's this season: Bring it a certifiable trendy megahit. As a repeat, the show had an 8-share romp this past week after a one-week hiatus. **"The Colbys"** is also proving a late bloomer for ABC. It's now hitting 25-share levels with regularity and will almost certainly approach 30 next season, as **"Cheers"** starts to slip.

NBC displayed more of the same programing acumen by sliding **"Alfred Hitchcock"** into the berth regularly occupied by **"227."** By picking up **"227's"** audience, **NBC** hopes to pad Hitchcock's performance on Sunday, March 16, when it will run 10 p.m. to 11 p.m. (ET).

"Remington Steele" also has been rejuvenated in its new Saturday slot. Only time will tell whether the show is dying as it appeared to be doing on Tuesday or simply needed to find a new audience on a new night. ■

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Monday, March 17, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Slick Schick ads play for laughs

Warner-Lambert's Schick disposable razor saves this college student from the humiliation of a hideous case of "the exaggerated beard" in an upbeat, humorous new ad campaign, targeting males 16 to 34. J. Walter Thompson USA handles. *(See story on Page 3.)*

U.S. scraps $20 billion ad-tax threat

By STEVEN W. COLFORD

WASHINGTON—The Reagan administration last week scrapped a plan that would have squeezed billions in tax dollars from corporate advertising expenditures.

The tax proposal, which would have ended advertising's status as a fully deductible business expense, was put to rest at a private briefing for ad industry leaders by the Treasury Department. Roger Mentz, deputy assistant treasury secretary for tax policy, acknowledged that reshaping the tax code to the detriment of large and small advertisers imposed more adverse effects than the administration was prepared to bear.

Until then, the proposal was considered part of the tax-reform package being shaped by Senate finance committee chairman Robert Packwood (R., Ore.).

Though no longer part of the Packwood plan, ad industry officials said they would maintain their anti-tax vigil. "We won't quit until the stake is in Dracula's heart and we know it won't come back to life," said Dan Jaffe, senior vp, Assn. of National Advertisers.

First put forward as a revenue-raising option by the Treasury Department (AA, Feb. 17, *et seq.*), the proposal would have reduced the deductibility of advertising expenses from 100% to 80%. A subsequent version, opposed by the ad industry with equal vigor, would have allowed an 80% deduction in the year the advertising expenditure was made, and allow the remaining 20% to be deducted in 4% increments in each of the next five years (AA, March 10).

Both plans would have raised approximately $21.6 billion over five years, according to Treasury and outside estimates.

Industry officials said Mr. Mentz contended the deductibility option was the brainchild of the Senate finance committee staff and was rejected by the administration as bad fiscal policy.

"Everything he said about the proposal was negative," said Mr. Jaffe. "It was like what he was saying had been scripted by us—its impact on the economy, its arbitrariness and all. We couldn't have said it any better."

Others at the briefing were ANA president DeWitt Helm; Howard Bell, president of the American Advertising Federation; Wally Snyder, AAF senior vp; Bill Gorog, president, Magazine Publishers Assn., and Bernie Ryan, vp, American Assn. of Advertising Agencies.

Opposition to the proposal was mounted by business as well as by the ad industry, which launched what Mr. Helm called an unprecedented lobbying effort against it.

Bill Diefenderfer, chief counsel

(Continued on Page 102)

New high-yield Folgers battles coffee price rise

By PATRICIA WINTERS

Procter & Gamble, responding to skyrocketing wholesale coffee prices due to a six-month drought in Brazil, is rolling national with an 11.5-oz. Folgers brand that yields the same amount of brewed coffee as a 1-lb. can, but costs about $1 less.

Folgers Special Roast Flaked coffee uses an improved fast-roasting technology and fewer raw coffee beans to produce what Cincinnati-based P&G believes is the same taste as regular coffee. A three-month national print and tv campaign for the product, via Cunningham & Walsh, New York, breaks March 25.

High-yield coffee is not new. Following the Brazilian freeze in the mid-'70s, when retail prices peaked at $3.47 per pound, most coffee marketers came out with high-yield brands in 13-oz. cans. General Foods initiated the segment with its Maxwell House Master's Blend, which was then followed closely by Folgers' Flaked. But Folgers' new entry is the first 11.5-oz. high-yield variety that produces the same liquid as a pound.

The 11.5-oz. product, which was tested in Oklahoma and Texas, carries a suggested retail price of $2.77 a can. The average national price of a 1-lb. can of coffee in late February was $3.15, with some leading brands topping $3.75. New Special Roast Flaked will also be sold in 23-oz. cans, yielding a 2-lb. equivalent, and 33-oz. cans, yielding a 3-lb. equivalent.

With the Brazilian drought forcing up coffee prices, and predictions that prices could average $4.50 a pound by yearend, Folgers new high-yield brand gives P&G

(Continued on Page 104)

Last Minute News

Jonathan Logan fashions agency review

NEW YORK—Jonathan Logan is reviewing agencies—including Chiat/-Day, Grey, Peter Rogers and Warwick—to handle a new $7 million-to-$10 million campaign for all its divisions, including Villager and Misty Harbor. There is no immediate past agency of record, sources say. Rogers had handled Batem Enterprises' Brooke Shields clothing line, which has not been advertised since last year (AA, April 8, *et seq.*). Amid reports of disappointing sales, rumors have surfaced that Batem may discontinue the line. Batem executives could not be reached for comment.

Sprint venture drops Ally from review

BURLINGAME, CAL.—US Sprint Communications [illegible] Ally & Gargano, New York, from its $70 million review (AA, M[illegible] seq.). The move follows appointment of Edward Carter to the ne[illegible], of senior vp-sales and marketing at the telecommunications joint venture. Mr. Carter, most recently a consultant, was senior vp-marketing at MCI Communications from 1983 to 1985. MCI dropped A&G last month when it consolidated its account at D'Arcy Masius Benton & Bowles (AA, Feb. 13).

(Continued on Page 8)

Soft market nags daytime tv sales

By VERNE GAY

NEW YORK—The most profitable daypart in network tv is now one of the most troubled.

Network executives at ABC-TV and CBS-TV have been puzzled by a prolonged sales drought in daytime tv. Prices have weakened so dramatically that some buyers entering the market on a weekly basis have cut deals 30% to 40% cheaper than upfront inventory costs.

ABC reportedly has more unsold inventory than CBS, while NBC has very little. The lowest-rated network in daytime, NBC has been artificially tight in first-quarter daytime because of make-goods to advertisers.

The problem is so pronounced that this year's daytime upfront market could be adversely affected. The networks sold more than $880 million in daytime upfront for 1985-86, a 10% decline from the year before. They had held the line on upfront prices in anticipation of another strong scatter market in 1986. But as one agency executive said, "It was a false marketplace last year."

Despite daytime's woes, other network dayparts, especially late night, were believed to be more firm. Sports, however, is still soft.

CBS Inc. chairman Thomas Wyman last week surprised analysts by predicting his company would post first-quarter net profit of between 25¢ and 50¢ a share, in part due to recent strength in ad sales. That performance would not equal the 56¢ a share profit CBS reported in the 1985 first quarter. Analysts, however, had predicted a

(Continued on Page 102)

ARF
50th YEAR

ARF's 50th

To note the 50th anniversary of the Advertising Research Foundation, Advertising Age presents in this issue:

- Research Roundtable: A discussion on the role of research among five distinguished marketing researchers. Page 3.
- A look back at 50 years of the ARF. Page 48.

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The Reagan administration last week scrapped a plan that would have squeezed billions in tax dollars from corporate advertising expenditures. The proposal was put to rest at a briefing for ad industry leaders by the treasury department.

P&G tries new high-yield coffee 1
Procter & Gamble, responding to skyrocketing wholesale coffee prices, is rolling national with an 11.5-oz. Folgers brand that yields the same amount of brewed coffee as a 1-lb. can, but costs about $1 less.

Schick thinks young 3
Schick is going after the young shavers with a new hair-raising campaign that takes a fast-paced, rock 'n' roll approach.

Liquid dishwasher soap fight on 3
Economics Laboratories is winning the race to introduce a liquid automatic dishwasher detergent by rolling out Electrasol liquid, but entries and advertising from at least two of the Big 3 soap companies aren't far behind. At stake is the leadership position in a category analysts expect could grab as much as 20% of the $550 million automatic dishwasher detergent market.

De Laurentiis teams with Bozell 3
De Laurentiis Entertainment Group, a new challenger to the Hollywood movie establishment, has put the pieces in place to launch an ambitious 12-film slate with last week's hiring of Bozell, Jacobs, Kenyon & Eckhardt/Pacific.

Shops shy away from drug tests 3
Many ad agency executives are rejecting a drug-testing recommendation from the President's Commission on Organized Crime, but some shops may have to go along if the plan takes effect. An Advertising Age roundup.

DYR in German deal 6
DYR, the joint-venture agency owned by Dentsu and Young & Rubicam, will announce this week it has acquired 40% of R.W. Eggert, Duesseldorf. Eggert is the largest independent agency and the eighth-largest over-all in Germany.

Financial marketing gets tough 26
Deregulation in banking has created "the most competitive market ever," and the trend toward consolidation will lead to more "winner take all" situations for advertising agencies. That point was made repeatedly at the Financial Institutions Marketing Assn. conference this month.

Big Mac: Research ignores kids 28
The head of McDonald's Corp.'s media department last week sharply criticized both major media-research organizations for failing to provide adequate research on preteen tv viewership and chastised agencies for not demanding such data.

Signature tunes out tv 92
Stroh Brewery Co. is swearing off tv for its mid-May national media launch of Signature super-premium beer in favor of an eight-page advertorial in 15 to 20 magazines.

'Working Woman' to celebrate 99
Working Woman is working on a 10th anniversary celebration that includes two new annual awards and the largest issue in its history. The HAL Publications monthly, which made its debut in November, 1976, straddles two magazine categories: Women's interests and business.

FEATURES

Inside the MCI campaign 56
Focus-group research provided Ally & Gargano with useful tools for marketing MCI Communications Corp. An excerpt from "On the Line: The

Men of MCI—Who Took on AT&T, Risked Everything and Won!" by Larry Kahaner relates the discovery of consumer beliefs about phone charges and big business that were incorporated into the ad campaign.

INTERNATIONAL

London papers go color 74
Newspapers in London have suddenly taken on a new, more colorful look since the introduction earlier this month of Eddy Shah's new tabloid, Today. The new paper uses 16 pages of color ads and photographs daily, and Mr. Shah's competitors are struggling to match his efforts. So far, the results have been lackluster, but not for lack of trying.

Burnett arms for assault abroad 74
Chicago-based Leo Burnett Co.'s international division faced a tough 1985 after Nestle moved $40 million in overseas billings from the agency. The result, partially due to poor exchange rates, was that Burnett's gross income overseas dropped 0.7% to $90 million while overseas billings fell 0.5% to $599 million. Most of the other top 10 agencies with offices overseas saw their billings jump at least 10% last year.

OTHER NEWS

The impending acquisition of White Consolidated Industries by Swedish appliance giant AB Electrolux will make Electrolux the largest appliance marketer in the world and give it a No. 3 position in U.S. market share. But the takeover is not expected to have a disruptive impact on the domestic appliance market. Page 4.

Crain Communications Inc., publisher of Advertising Age and 25 other titles in the U.S., has purchased *Media World*, a London-based monthly covering the U.K. media scene, from Media World Publications Inc. Page 6.

Election year 1986 will come and go without the American Assn. of Advertising Agencies pointing a finger at what it believes are unfair and negative political ads. Despite what the Four A's considers a successful political ad monitoring program in 1984, the association has decided to lie low this year and "keep its powder dry" for 1988. Page 26.

BBDO International and CBS-TV are at odds over a report the agency released last month that claimed the Big 3 networks' total share would decline 11% by 1990 and that household costs-per-thousand would increase by 80%. Page 28.

Catalog marketers are optimistic that they are out of the slump that overtook them early last year. After meeting last month, most members of the Direct Marketing Assn.'s Catalog Leaders said they see continued improvement ahead. *In Direct Marketing*. Page 32.

Popeyes Famous Fried Chicken and Biscuits, fresh from its split with Doyle Dane Bernbach, is hiking 1986 advertising expenditures 25% to almost $13 million while striking different approaches for new and mature markets. Page 55.

Last year was a disappointment in total ad spending and in the financial results of most of the public advertising agencies. "Essentially, total spending was below where anybody thought it would be at the beginning of the year," said one analyst. Page 101.

Panasonic has shifted $10 million to $15 million worth of billings for its electronic typewriters and copiers to Cunningham & Walsh from Ted Bates Advertising, in a move that consolidates the company's office-products advertising with one agency. Page 101.

CAMPAIGNS BREAKING

General Mills, Minneapolis, today breaks the second Bugs Bunny/Trix Rabbit tv spot for Trix cereal (AA, Jan. 6). DFS, New York, handles.

Schoenling Brewing, Cincinnati, today breaks its first national campaign via network radio for its Little Kings Cream Ale (AA, Feb. 17). Spots, from Jerry Mahb & Co., are themed "The most fun you can have drinking a beer."

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Noble to creative top spot at DDB

By STEWART ALTER

John Noble has been promoted to the key post of executive creative director at Doyle Dane Bernbach/New York, one of the largest agency offices in the city with $469 million in 1985 billings.

In that role, Mr. Noble, 46, succeeds Roy Grace, the former chairman-executive creative director of DDB-U.S.

Mr. Grace recently left with Diane Rothschild to start Grace & Rothschild (AA, Feb. 3, *et seq.*). Ms. Rothschild and Mr. Noble were among the agency's five exec vps-creative directors who had reported to Mr. Grace.

Following Mr. Grace's departure, Robert Gage, creative director of the agency from 1967 to 1970,

(Continued on Page 106)

Gen. Mills pours out 3rd cereal

By JULIE FRANZ

General Mills next month continues its rapid fire of new-product introductions in the $4.3 billion ready-to-eat cereal market with a $24 million launch of Circus Fun children's presweetened cereal.

Circus Fun will be General Mills' third new cereal introduction this year, behind the January bow of Raisin Nut Bran for adults (AA, Jan. 6) and the $24 million introduction in February of Rocky Road, another children's presweetened entry (AA, Feb. 3).

This third cereal introduction puts General Mills ahead of its earlier stated goal of introducing two new cereal brands by

(Continued on Page 104)

West Coast news

T-L/L. A. shakes up creatives

Tracy-Locke Advertising, Los Angeles, has reorganized its creative management along the lines of T-L headquarters in Dallas. Replacing its former organization, in which the creative director oversaw all creative teams, the agency has named separate creative directors to supervise specific creative assignments. In the reorganization, associate creative director Jack Raymond becomes vp-creative director on the Princess Cruises and Vuarnet accounts. Jay Wilson,

(Continued on Page 104)

WCI buy makes Electrolux world leader

By PAT McGEEHAN

The impending acquisition of White Consolidated Industries by Swedish appliance giant AB Electrolux will make Electrolux the largest appliance marketer in the world and give it a No. 3 position in U.S. market share.

But the takeover is not expected to have a disruptive impact on the domestic appliance market.

Months before executives of Cleveland-based WCI were unpleasantly surprised by Electrolux's initial offer of $711 million or $43 a share, they had begun revamping the company's marketing operations and upgrading its facilities to make it more competitive with U.S. market leaders General Electric and Whirlpool Corp.

This newfound aggressiveness was one of the things that attracted Electrolux to WCI in the first place. Electrolux itself has a reputation for being aggressive, having gobbled up dozens of companies around the globe in the last 20 years, while keeping a close eye on the bottom line. When the Stockholm-based company upped the ante to $743 million, or $47 a share, WCI's new ceo Ward Smith acquiesced.

"I'd say it's very likely they will gain share through the synergy of adding strong brand names, but not necessarily at the expense of GE and Whirlpool," said James Magid, an analyst with L.F. Rothschild Unterberg Towbin, New York.

Electrolux had 1985 sales of $5.5 billion, about $1 billion of which came from the U.S., the company's largest market. (Electrolux is not affiliated with Electrolux Corp., a Stamford, Conn.-based division of Sara Lee Corp. that markets Electrolux vacuum cleaners and floor polishers.)

WCI's 1985 sales totaled about $1.95 billion, 85% of which came from appliances. WCI supplies home appliances to national retailers Sears, Roebuck & Co. and Montgomery Ward & Co., as well as marketing four brands of its own: White-Westinghouse, Frigidaire, Gibson and Kelvinator.

The combination of WCI's brands and Electrolux's U.S. subsidiaries—Tappan Co. and Eureka Co.—solidifies the company's No. 3 position in the U.S., where it holds an estimated 15% share of the total appliance market.

Industry observers see the deal as good for both parties. Electrolux will get a full line of U.S.-made "white goods," which it believes will strengthen its already-dominant position in Europe. Electrolux is concerned that its European market share is vulnerable to expansion-minded U.S. appliance companies and may market selected WCI brands overseas.

WCI gains a solid foothold in the booming microwave oven segment. Mansfield, O.-based Tappan Co. owns 8% of the microwave market and 17% of the growing gas range segment. The merged entity would rank second in both electric and gas ranges, with 22% and 24%, respectively.

The deal is expected to have little effect on WCI's ongoing program to consolidate marketing for its four brands under one roof in Columbus, O., or its current five-year, $500 million upgrading of facilities. The aggressiveness the company has shown in recent months under Mr. Smith, who succeeded Roy Holdt after several years as president, is seen as a key factor in attracting Electrolux.

Electrolux has established a policy of allowing its subsidiaries to operate in relative autonomy, pursuing their own marketing and advertising strategies, after the new parent has done some initial streamlining. The company is expected to extend the same freedom to WCI after selling off its non-appliance businesses, particularly its machine tools division.

"Our basic philosophy is to leave each company to make its own advertising and marketing decisions," said an Electrolux spokesman, who added that Tappan is allowed "complete freedom" to make advertising and marketing plans.

"We try to broadly coordinate marketing among the group of companies, but it isn't any ring of steel in terms of dictating policy," the spokesman said. "Companies are very free in making their own decisions."

Any changes in WCI's advertising assignments in the near future will more likely be a result of the marketing consolidation than the merger. The company has been criticized over the years for its uncoordinated marketing operations.

Frigidaire, the only WCI brand name that carries any real weight with consumers, is the only brand handled by a major ad agency: Needham Harper Worldwide, Chicago. Gibson Appliance Co., Greenville, Mich., has been handled by William R. Biggs/Gilmore Associates, a small agency in Grand Rapids, Mich. Advertising for the other brands has been handled in-house.

Placing more emphasis on its strongest asset, the Frigidaire name, may already be in the cards, said one industry analyst. "White under Roy Holdt was more interested in diversification than intensification," said Mr. Magid. "They didn't pursue the advantage of one of the best quality brand names in the appliance industry."

Mr. Magid described Frigidaire's long-running ad campaign that has stressed the durability of its products as "the second-best appliance campaign ever," second only to the "Ol' Lonely" Maytag Co. ads created by Leo Burnett USA. "I think [Frigidaire's is] one of the most imitated ad campaigns in America. It promotes the durability of one product versus the durability of others, and it has shamelessly been ripped off by dozens of companies."

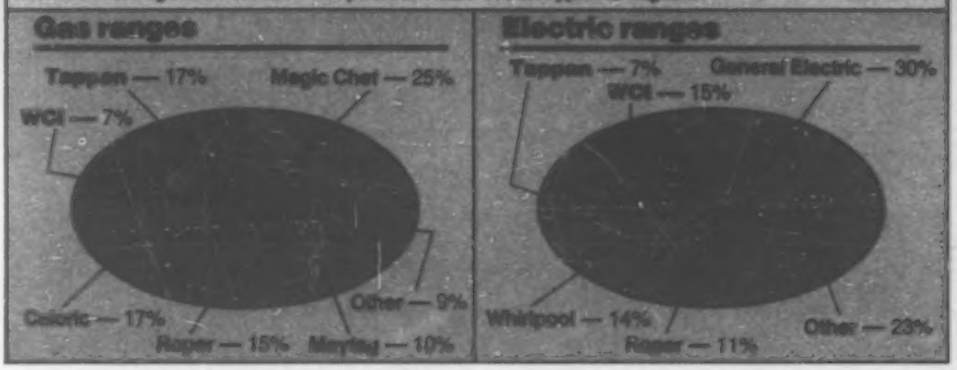
The promotion of Richard Zoellner, former president of Frigidaire Co., to head WCI's marketing operations signals Mr. Smith's recognition that the Frigidaire unit was the company's strongest link with consumers, Mr. Magid said. "Electrolux comes in at a time when White is moving in the right direction. They've got many of the right people in the right jobs and a favorable framework to combine the companies.

"It's as though the Kentucky Derby is fixed and you're the jockey who drew the right horse—you're going to be famous."

Jack Burton in Stockholm contributed to this story.

The strength of Electrolux and Tappan combined

AB Electrolux's acquisition of White Consolidated Industries would create a strong competitor in ranges, both gas and electric. The combination of brands would rank second with 24% of the growing gas range segment and 22% of electrics. These figures are based on 1984 production totals. *Source: Appliance Magazine.*



SGMA expands study

North Palm Beach, Fla.—Sporting Goods Manufacturers Assn. has begun an expanded quarterly study of sporting goods sales, covering 150 products, more than triple the 45 covered last year.

Data will be compiled by NPD Research, Port Washington, N.Y., from a mail panel of 50,000 consumer households per quarter, for a total of 200,000 for all of 1986.

Subscribers may opt for full product coverage or specify either sports equipment or sports apparel/footwear sales reports, SGMA said.

An introductory subscription program has yet to be set.

Information is available from SGMA at 200 Castlewood Dr., 33408.

HISTORY

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Ad Age picks jingle finalists

NEW YORK—ADVERTISING AGE's editors have narrowed their list of contenders for the annual Best Commercial Music of the Year Award to six pieces of music in the "original" category and another six in the "adaptation" category.

The winners in each category will be announced and presented their awards at ADVERTISING AGE's gala awards banquet April 22, at Chicago's Hyatt Regency Hotel.

At that dinner, other AA awards also will be presented, including Agency of the Year, Star Presenter, Best Director and 16 categories of Best Television Commercials.

The finalists in the "original" jingle category (music created specifically for commercials), in alphabetical order by advertiser, are: American Dairy Assn.'s "Get on a Health Kick. . .Milk's Got More"; Kimberly-Clark Corp.'s "Kleenex Says, 'Bless You' "; Montgomery Ward & Co.'s "Things Are Changing at Montgomery Ward"; Nestle Co.'s "Please Don't Eat All the Morsels" for its Nestle tollhouse cookie chocolate morsels; Plymouth division of Chrysler Corp., for "The Pride is Back, Born in America Again," and Stroh Brewery's "Now You're Talking Good Times, and Stroh's is Spoken Here."

AA staffers in all its bureaus also chose the nominees for music adapted from popular songs for use in commercial jingles.

Those contenders, again alphabetically by client, are:

American Greetings' "Why Do Fools Fall in Love?" (based on Frankie Lymon & the Teenagers' '50s hit); Chevrolet trucks' "Lean on Me" (based on Bill Withers' hit); E. & J. Gallo Winery for its Gallo synthesizer theme (adapted from "Hymne," from the "Operasauvage" album by Vangelis of "Chariots of Fire" fame); Procter & Gamble's "Jump" for its Bounce fabric softener (based on the Pointer Sisters' hit "Jump [for My Love]"); Volkswagen GTI's "No Particular Place to Go" (adapted from Chuck Berry's recording), and Wendy's International's "Only Wendy's" (adapted from the Platters' hit "Only You").

More than 20 jingles under each of those two broad headings had been considered.

The price of tickets to the AA banquet (black-tie optional), which are tax-deductible, is $150 per person or $1,500 for a table seating 10 people.

Proceeds of the dinner will go to the Museum of Broadcast Communications in Chicago, a not-for-profit organization designed to preserve, examine, explain and celebrate the history of broadcast advertising. A.C. Nielsen Jr. is chairman of the museum's board. David Ofner, director of corporate development, Foote, Cone & Belding, Chicago, is general chairman of the awards dinner.

Seats can be reserved by filling out the adjoining coupon and mailing it to the museum at 233 N. Michigan Ave., Suite 1800, Chicago 60601.#

Advertising Age Awards Dinner
Tuesday, April 22 • Hyatt Regency Chicago
Benefit for the Museum of Broadcast Communications

Name _____

Title _____

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Please reserve ____ tables (10 people per table) at $1500 per table or ____ seats at $150 per person.

Enclosed is my check for $ _____
(Please make checks payable to: **Museum of Broadcast Communications.**)

Charge my: ☐ VISA ☐ Mastercard

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Mail to: **Museum of Broadcast Communications, 233 North Michigan Avenue, Suite 1800, Chicago, IL 60601**

Reservations deadline: April 14th.

Tickets will be held at the door. Your cancelled check is your confirmation.

Contributions are tax-deductible to the extent allowed by law.

Popeyes boosts ad budget by 25%

By SHARON DONOVAN

NEW ORLEANS—Popeyes Famous Fried Chicken and Biscuits, fresh from its split with New York-based Doyle Dane Bernbach, is hiking 1986 advertising expenditures 25% to almost $13 million while striking different approaches for new and mature markets.

The chain, which has nearly 600 units, broke a new straightforward campaign this month in 15 of Popeyes' "mature" markets nationwide and in 15 new markets. The look is different but the message is the same—"Love that chicken from Popeyes."

The ads are the first created and produced by Popeyes' in-house following the dismissal of DDB (AA, Feb. 10). Vitt Media, New York, continues to handle media buys.

Popeyes also announced the creation of five regions, with regional marketing managers responsible for helping franchisees customize their marketing strategies.

"No longer will we force the national marketing program, but now we will build each market from the ground up," said Chuck Coffman, advertising manager.

If a market is new, Mr. Coffman said, advertising will focus on chicken. If mature, the advertising will highlight Popeyes' side dishes—red beans and rice, onion rings and biscuits. A spot emphasizing biscuits, for example, shows a biscuit-cutter piercing the dough, pans of piping-hot biscuits emerging from the oven and finally a buttery brush grazing the top of a biscuit.

Spots for new markets show chicken steaming in open boxes interspersed with short closeups of customers' testimonials. The spots are tagged "There's just one place for that famous taste."

A total of seven basic tv spots, in 60 and 30-second versions, can be edited into 20 versions for different marketing strategies.

In radio, Popeyes has seven different 60 and 30-second jingles. The "Love that chicken" message is backed by various forms of music, including a slow rag, a crossover black version and a boogie tempo. For the first time, Popeyes is producing a Hispanic radio spot for use throughout the Southwest.

Lamar Berry, Popeyes vp-advertising and marketing, expects the new campaign to push the chain's sales to $400 million this year, compared with $348 million in 1985.

With a sales boost, No. 3 Popeyes hopes to gain on No. 1 Kentucky Fried Chicken, Louisville, which has about 4,000 units worldwide, and No. 2 Church's Fried Chicken, San Antonio, which has about 1,000 units.

Over-all, fast-food restaurants have outpaced consumer demand in unit expansion, said Mr. Berry. The segment's unit growth increased by 6% in 1985, compared with only a 2% growth in consumer traffic and a 2% decrease in consumers' disposable income, he said.

Popeyes' previous "hair-raising" tv spots, via DDB, were effective to a point, Mr. Berry said. In the spots, consumers' hair would stand up in response to the spicy taste of Popeyes' chicken.

"In the hair-raising campaign, we set out to show the spicy difference, and that was accomplished," Mr. Berry said. "But now our image has to go beyond that."#

Fast-food chains' tv spending

Restaurant and fast-food marketers last year spent nearly $1.1 billion on network and spot tv, the first time the category has moved past the $1 billion mark. The restaurant category joins food/food products, automotive and toiletries in the billion-dollar club. Network tv expenditures rose 10.3% for the year; spot tv spending was up 10.3%. *Source: Television Bureau of Advertising from Broadcast Advertisers Reports data.*

Rank/Chain	1984 ($ millions) Network	Local	Total	1985 ($ millions) Network	Local	Total	Per cent change '84-'85
1. McDonald's	182.5	91.5	253.9	184.9	117.9	302.8	+19
2. Burger King	51.3	78.1	129.4	71.1	83.9	155.0	+20
3. Wendy's	34.7	38.8	73.5	44.3	39.4	83.7	+14
4. KFC	39.2	23.7	62.8	44.6	30.7	75.3	+20
5. Pizza Hut	18.2	40.0	58.2	18.4	44.9	63.3	+ 9
6. Taco Bell	–	28.5	28.5	–	38.7	38.7	+36
7. Hardee's	7.0	18.5	25.5	8.9	23.3	32.2	+26
8. Red Lobster	13.8	16.2	29.7	12.9	14.8	27.7	– 7
9. Long John Silver's	–	18.7	18.7	–	26.3	26.3	+34
10. Denny's	15.3	3.6	18.9	10.5	12.5	23.0	+22
11. Domino's Pizza	2.0	3.8	5.8	6.3	8.1	17.4	+202
12. Arby's	4.4	8.2	12.6	5.8	10.1	15.9	+26
13. Sizzler	–	11.2	11.2	–	14.1	14.1	+27
14. Jack in the Box	–	13.3	13.3	–	12.8	12.8	– 5
15. Dairy Queen	–	11.0	11.0	–	11.9	11.9	+ 8
Total	352.2	91.6	929.8	415.8	672.0	1,087.8	+17

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Advertising Age is available in Microform

University Microfilms International

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300 North Zeeb Road, Dept. P.R., Ann Arbor, Mi. 48106

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

March

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
— Art & antiques —				
American Artist	—	—	—	—
Antiques	—	—	—	—
Art in America	—	—	—	—
Southwest Art	75.2	85.2	190.8	229.0
Total Group	75.2	85.2	190.8	229.0
% change		-11.7%		-16.7%
— Auto/cycle/rec. vehicles —				
AutoWeek (52X)	—	—	—	—
Car & Driver	—	—	—	—
Car Collector & Car Classics	15.4	16.1	43.4	59.1
Car Craft	72.3	75.3	180.9	172.8
Circle Track	81.4	74.3	183.8	147.5
Cycle	—	—	—	—
Cycle Guide (11X)	—	—	—	—
Cycle World	—	—	—	—
Dirt Rider	58.9	35.5	116.6	92.0
Dune Buggies & Hot VW's	84.9	84.2	248.5	240.0
Family Motor Coaching	161.3	169.5	475.3	481.3
4 Wheel & Off-Road	94.3	65.2	232.4	185.6
Four Wheeler	87.5	80.9	238.2	232.3
Hot Rod	66.4	63.2	161.4	144.1
Motorcyclist	65.4	44.9	131.7	86.2
Motor Trend	75.4	78.2	197.1	191.5
Motorhome Life	—	—	—	—
Pick-Ups & Minitrucks	—	—	—	—
Rider	—	—	—	—
Road & Track	—	—	—	—
3 Wheeling	56.7	49.2	162.4	144.8
Trailer Life	—	—	—	—
Total Group	919.9	836.5	2,371.7	2,177.2
% change		+10.0%		+8.9%
— Boating & yachting —				
Boating	—	—	—	—
Chesapeake Bay	32.8	26.0	102.3	82.0
Cruising World	125.6	146.3	351.4	394.5
Lakeland Boating (10X)	73.2	75.5	197.5	201.7
Motor Boating & Sailing	180.6	161.3	647.0	610.0
Sail	128.2	161.2	350.7	438.2
Small Boat Journal (6X)	—	—	53.1	42.0
Trailer Boats (11X)	54.6	46.2	142.2	111.7
Western Boatman (6X)	40.0	49.5	94.7	103.6
Yachting	—	—	—	—
Total Group	635.0	666.0	1,938.9	1,983.7
% change		-4.7%		-2.3%
— Canadian —				
L'Actualite	83.7	58.3	224.0	124.3
Chatelaine:				
English Edition A.	103.9	123.1	263.2	276.0
French Edition	87.2	95.2	223.3	219.7
City & Country Home (8X)	80.7	51.6	80.7	51.6
City Woman (5X)	—	—	—	—
Equinox (6X)	40.0	29.0	65.0	48.9
Financial Post A.	46.4	31.0	117.4	87.8
Flare A.	93.7	81.7	164.6	169.6
Macleans (52X) A.	129.5	110.9	365.0	313.5
Montreal Magazine (10X)	37.0	46.8	59.0	85.0
Montreal Ce Mois Ci	42.2	50.5	65.2	89.0
Reader's Digest:				
Canadian-English A.	115.4	96.6	217.7	237.8
Canadian-French A.	94.8	82.0	176.0	206.3
Toronto Life	—	—	—	—
Vancouver	100.4	87.6	194.6	185.3
Total Group	1,054.9	944.0	2,215.7	2,094.8
% change		+11.7%		+5.8%
— Civic/fraternal —				
American Legion	24.8	30.5	84.0	95.5
Elks (10X)	16.6	18.4	58.7	69.7
Kiwanis	19.3	16.6	59.5	44.7
Lion (10X)	2.3	4.7	15.6	16.2
Rotarian	11.3	11.6	32.8	38.7
V.F.W. (11X)	26.7	28.5	88.6	81.4
Total Group	101.1	110.3	339.2	346.2
% change		-8.4%		-2.0%
— Comics —				
DC Comics	7.0	6.0	19.0	21.5
Marvel Comics Group	5.0	9.0	18.0	19.5
Total Group	12.0	15.0	37.0	41.0
% change		-20.0%		-9.8%
— General —				
American Health (10X)	—	—	—	—
American West (6X)	42.3	52.6	92.6	77.3
The Atlantic A.	42.5	57.6	107.6	130.8
Audubon Magazine (6X)	28.6	30.4	58.9	61.3
Bon Appetit A.	91.2	86.1	237.6	232.6
Changing Times	53.6	40.3	153.0	109.2
Connoisseur	—	—	—	—
Consumer's Digest (8X)	19.3	37.3	44.3	85.5
Ebony	93.8	87.2	271.4	244.4
Fifty Plus	—	—	—	—
Food & Wine	45.3	39.0	124.3	113.3
Games	18.1	13.1	58.9	48.9
Gourmet	92.8	100.5	222.2	254.2
Home Entertainment (8X)	—	—	36.3	29.0
Harper's Magazine A.	26.2	27.2	71.9	77.2
Life	44.5	50.6	149.7	166.9
Modern Maturity (6X)	49.9	53.9	49.9	53.9
Money	—	—	—	—
Moneysworth (4X)	—	11.0	10.0	24.8
Mother Earth News (6X)	54.2	41.5	108.3	94.5
Mother Jones (9X)	—	—	—	—
National Geographic	30.4	20.6	66.5	58.0
Natural History	—	—	—	—
Prevention	61.4	55.4	188.8	186.8
Psychology Today	36.1	29.0	78.1	83.5
Reader's Digest A.	95.4	83.8	235.3	190.6
Saturday Evening Post (9X)	37.7	34.8	75.5	65.5
Signature	76.7	56.4	180.8	154.7
Smithsonian	97.4	100.9	247.9	264.9
Success	41.5	32.5	101.7	85.6
Sylvia Porter's Personal Finance (10X)	55.0	35.0	55.0	35.0
Town & Country	—	—	—	—
Travel-Holiday	58.6	65.1	135.8	148.4
Travel & Leisure	130.6	128.2	325.9	312.2
Vanity Fair	51.3	36.7	128.1	92.2
Writers Digest	25.6	20.4	67.4	65.1
Yankee	71.5	61.8	212.3	203.5
Total Group	1,571.5	1,488.9	3,896.0	3,749.8
% change		+5.5%		+3.9%
— Home —				
Americana (6X)	—	—	—	—
Architectural Digest A.	115.4	140.6	300.1	324.1
Better Homes & Gardens	128.1	136.5	297.6	307.4
Colonial Homes (6X)	64.0	62.0	116.4	108.1
Country Home (6X)	53.6	36.6	92.1	67.2
Country Journal	—	—	—	—
Country Living	88.6	63.1	217.3	183.4
Dallas/Ft. Worth Home & Garden	94.0	58.6	236.2	167.0
Family Handyman (10X) A.	70.2	60.1	186.2	175.7
Flower & Garden (6X)	—	—	53.6	47.3
Home	41.4	48.6	138.1	147.2
The Homeowner (10X)	39.3	31.2	74.5	63.7
Horticulture	—	—	—	—
House Beautiful	88.5	82.8	197.7	199.6
House & Garden	91.2	110.7	237.1	261.5
Houston Home/Garden	—	—	—	—
Metropolitan Home	55.4	52.2	138.5	171.1
New Shelter (9X)	46.0	48.3	162.8	174.3
1,001 Home Ideas	44.1	44.3	122.8	114.0
Rodale's Organic Gardening	71.6	59.1	224.9	199.3
Phoenix Home/Garden	69.3	70.2	213.3	200.1
Rx Being Well	—	—	—	—
San Diego Home/Garden	65.3	62.0	195.8	182.7
South Florida Home/Garden	33.8	33.8	93.3	99.7
Southern Accents (6X)	97.9	93.3	205.7	167.7
Southern Living	169.5	145.8	374.3	335.8
Sunset Magazine A.	160.4	151.7	381.9	360.3
Texas Homes	57.4	71.3	198.3	224.8
Workbench (6X)	67.5	59.0	118.7	115.8
Total Group	1,812.5	1,721.8	4,577.2	4,397.8
% change		+5.3%		+4.1%
— In-flight & other passenger —				
Aboard Group (6X)	—	—	—	—
Alaska Airlines	49.3	41.9	151.2	125.8
American Way (26X)	90.4	127.1	276.8	323.3
East/West Network:				
Eastern Review	99.3	99.5	298.8	312.0
Frontier	34.5	23.1	112.0	76.6
Northwest Orient	45.7	37.5	137.1	106.8
Ozark	48.2	38.0	137.4	102.5
PSA Magazine	83.0	80.8	268.3	215.1
Pan Am Clipper	42.2	57.5	145.1	161.2
Republic Scene	51.3	43.7	141.4	122.9
Spirit	91.3	94.5	270.0	256.7
United	100.1	93.7	267.1	248.1
Western's World	58.7	51.5	189.0	142.5
Halsey Publications:				
Air Cal	47.5	43.3	130.8	137.1
Delta Sky	70.0	76.3	119.7	204.1
People's Expressions	32.2	—	93.5	—
US Air	43.5	59.5	120.0	138.9
Hawaii (6X)	28.3	26.0	69.9	73.5
Pace	105.5	68.2	256.8	151.0
Presidential Airways (6X)	—	—	11.2	—
Southwest Airlines	—	—	—	—
Spirit of Aloha (6X)	28.1	35.7	68.7	73.0
TWA Ambassador	47.0	48.0	125.8	127.0
Total Group	1,196.1	1,135.8	3,392.4	3,098.1
% change		+5.3%		+9.5%
— Men's —				
Esquire A.	122.5	150.2	219.5	252.6
Firehouse Magazine (13X)	52.7	44.6	125.6	119.4
Gentlemen's Quarterly A.	239.7	214.5	420.5	381.1
M	66.0	62.5	156.3	143.5
Penthouse A.	32.4	28.6	109.0	111.0
Playboy A.	53.6	55.0	168.1	200.4
Total Group	566.9	555.4	1,199.0	1,207.6
% change		+2.0%		-0.7%
— Metropolitan —				
Aloha (6X)	36.7	38.1	61.8	76.0
Atlanta	54.6	49.8	144.5	135.9
Baltimore	74.0	70.0	200.5	210.7
Boston	136.6	129.0	409.8	416.1
California	78.9	68.9	222.3	192.6
Charlotte (10X)	17.0	11.3	43.3	29.6
Chicago	117.8	108.6	310.8	307.5
Chicago's North Shore	75.4	74.1	211.7	223.6
Cincinnati	63.3	53.9	172.4	166.0
Cleveland	74.4	61.3	191.9	219.9
Coast (38X)	—	—	—	—
Columbus Monthly	52.5	53.4	150.9	176.4
Commonwealth	—	—	—	—
Connecticut	93.1	86.5	262.9	246.1
Country Magazine	45.3	51.0	100.1	117.3
D/Magazine, Dallas/Ft. Worth	124.3	107.0	347.8	324.4
Denver	19.0	25.2	96.2	78.3
Detroit Monthly	69.8	50.7	274.2	137.6
Grand Rapids	45.7	68.0	138.2	137.3
Gulfshore Life (10X)	97.8	76.3	318.3	225.9
Honolulu	55.1	52.1	162.8	175.3
Houston City	51.4	78.3	142.1	198.9
Indianapolis	—	—	—	—
Kansas City	36.1	25.3	86.8	91.8
Los Angeles	173.4	172.0	439.4	457.0
Louisiana Life (6X)	38.7	61.9	77.7	117.5
Madison	65.0	65.0	191.0	254.0
Metropolitan Detroit	67.0	51.0	194.5	127.5
Miami/South Florida	67.3	66.5	219.4	251.6
Milwaukee	78.0	63.5	178.5	196.1
Minneapolis/St. Paul	93.2	106.0	259.5	301.4
Nashville	32.0	37.0	119.0	92.0
New England Monthly	31.8	25.2	99.9	78.3
New Jersey Monthly	78.5	51.5	223.0	162.3
New Mexico	13.7	16.8	71.1	110.5
Ohio	60.5	76.0	159.8	183.3
Oregon	—	—	—	—
Orlando	85.3	95.5	285.5	283.8
Palm Beach Life	94.2	112.5	289.5	352.8
Palm Springs Life	134.6	129.6	437.9	435.3
Philadelphia	130.3	142.3	357.8	372.5
Phoenix	111.8	90.7	305.4	326.8
Pittsburgh	66.0	43.8	159.7	141.5
St. Louis	54.3	52.0	120.5	160.5
San Diego	149.7	160.0	411.5	448.6
San Francisco (6X)	—	—	—	—
San Francisco Focus	91.3	81.3	234.8	226.7
Texas Monthly	122.7	110.1	401.2	287.8
Twin Cities	57.2	45.3	133.5	140.2
Ultra	67.5	78.3	160.5	193.5
The Virginian (6X)	58.5	58.0	117.0	116.0
Washington (6X)	78.1	29.5	—	—
Washington Dossier (11X)	86.7	44.2	169.2	152.0
The Washingtonian	163.0	156.0	420.0	448.0
Total Group	3,768.1	3,560.3	10,286.1	10,201.7
% change		+5.8%		+0.8%
— Movie/romance/radio/tv —				
Macfadden's Women's Group:				
Modern Romances	24.5	15.9	61.6	53.0
Secrets	24.5	15.9	61.6	53.0
True Confessions	24.5	15.9	61.6	53.0
True Experience	24.5	15.9	61.6	53.0
True Love	24.5	15.9	61.6	53.0
True Romance	24.5	15.9	61.6	53.0
Sterling Women's Group:				
Daytime TV	23.8	28.5	73.4	85.5
Modern Screen	—	—	15.5	12.0
Movie Mirror (6X)	—	—	15.5	20.5
Soap Opera Stars	—	—	16.8	17.5
TV Movie Screen (6X)	—	—	8.3	6.0
TV Picture Life (6X)	—	—	4.3	6.0
Total Group	170.8	123.9	503.4	465.5
% change		+37.9%		+8.1%
— Music/entertainment —				
American Film (10X)	—	—	—	—
Audio	—	—	—	—
Circus Magazine	—	—	—	—
Dance Magazine	61.5	57.6	169.9	171.3
Musician	50.1	55.2	174.6	168.4
Playbill	40.6	49.1	130.1	141.5
Record	—	—	—	—
Stereo Review	—	—	—	—
Video	62.0	81.7	222.3	237.9
Video Review	54.5	59.3	176.2	171.5
Total Group	268.7	302.9	873.1	890.6
% change		-11.3%		-2.0%
— National Sunday magazines —				
USA Weekend (52X)	—	—	—	—
Parade (52X)	66.2	69.6	162.5	162.4
Total Group	66.2	69.6	162.5	162.4
% change		-4.9%		+0.1%
— Outdoor & sport —				
Alaska	63.9	40.9	155.3	136.5
American Handgunner (6X)	24.0	17.0	81.0	60.0
American Hunter	13.1	15.8	51.8	50.9
American Rifleman	21.5	21.1	65.6	72.1
Backpacker (6X)	—	—	—	—
Bass Master (9X) A.	—	—	—	—
Bicycling (9X)	68.0	110.1	176.5	190.8
Ducks Unlimited (6X)	29.5	25.5	58.3	46.0
Equus	—	—	—	—
Field & Stream	—	—	—	—
Fins & Feathers A.	40.0	57.5	128.0	114.3
Fishing World	79.6	84.2	112.7	114.2
Florida Sportsman	152.6	132.6	417.7	374.9
Flying	—	—	—	—

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net. except Los Angeles Times Home Magazine and New York Times Magazine.

(Continued on Page 98)

(Continued from Page 97)

March

	Current month 1986	1985	Year-to-date 1986	1985
Golf Digest	77.9	76.2	306.8	313.2
Golf Magazine	55.4	63.6	321.2	318.1
Gun Dog (6X)	32.9	24.7	58.8	46.4
Guns	30.0	35.0	65.0	68.0
Guns & Ammo	46.8	41.7	142.1	116.9
In-Fisherman (6X)	102.0	97.0	165.0	165.0
Muscle & Fitness	117.0	112.0	319.7	325.0
Outdoor Life	95.0	105.4	244.2	238.6
Outside Magazine	45.3	55.0	111.5	113.2
Petersen's Hunting	30.0	32.8	120.1	94.9
The Runner	—	—	—	—
Runner's World (13X)	30.2	31.0	83.8	95.1
Salt Water Sportsman	111.7	111.5	392.1	278.5
Shooting Times	32.8	30.6	128.3	91.9
Sierra	40.5	38.5	76.5	69.4
Ski (8X) A.	42.6	50.2	209.1	186.1
Skiing (7X)	31.0	45.2	170.6	203.3
Skin Diver	82.4	70.6	265.6	231.0
Southern Outdoors (8X)	49.1	49.4	133.4	87.5
Sport	42.7	43.5	117.3	116.2
Sports Afield	79.8	94.7	226.8	257.1
Tennis	61.1	78.2	166.5	185.0
Women's Sports & Fitness	20.8	16.7	47.3	31.8
Western Outdoors (10X)	78.1	61.2	178.2	134.6
Wildfowl (6X)	—	—	9.5	—
Total Group	1,827.8	1,123.5	5,308.0	4,926.5
% change		+62.7%		+7.7%
— Photography —				
American Photographer	—	—	—	—
Petersen's Photographic	24.1	27.2	67.4	76.8
Popular Photography	—	—	—	—
Total Group	24.1	27.2	67.4	76.8
% change		-11.4%		-12.2%
— Religious —				
BBI Jewish Monthly (10X)	—	—	—	—
Christian Herald (11X)	29.2	31.6	92.9	100.9
Christian Life	29.1	28.2	71.0	74.4
Christianity Today (18X)	—	—	—	—
Inside (4X)	—	—	—	—
Moody Monthly (11X)	58.2	61.0	155.9	164.5
Today's Christian Woman (5X)	21.1	41.0	52.1	77.6
Total Group	137.6	161.8	371.9	417.4
% change		-15.0%		-10.9%
— Science/electronic/mechanic —				
Compute	—	—	—	—
Computers & Electronics	—	—	—	—
Discover	37.4	34.0	99.6	101.9
Family Computing	41.7	44.1	125.6	156.5
Home Mechanix	—	—	—	—
Info World (52X)	142.0	160.0	253.0	282.0
Omni	55.3	59.6	158.6	161.0
Popular Mechanics	94.2	98.8	266.3	267.3
Popular Science	65.3	60.0	209.4	177.6
Science Digest	12.4	25.8	42.2	83.1
Science 86 (10X)	22.1	36.9	50.3	73.8
Scientific American	28.7	44.2	94.2	130.6
Spectrum	102.8	122.0	286.4	329.4
Total Group	601.9	685.4	1,585.6	1,763.5
% change		-12.2%		-10.1%
— Women/fashion/service —				
Bride's Magazine (6X) A.	280.4	215.9	798.7	713.6
Cosmopolitan A.	212.6	208.5	549.9	513.1
Essence	62.6	84.4	210.2	227.3
Family Circle (17X)	198.6	112.2	425.2	399.6
Family Magazine	42.0	32.8	118.0	107.0
Glamour	217.4	221.4	466.7	450.5
Good Housekeeping A.	180.2	192.2	448.5	434.4
Harper's Bazaar	211.3	213.2	397.3	424.9
Health	35.6	40.3	118.0	112.1
Ladies' Home Journal	130.8	117.5	332.7	304.3
Ladies Circle	—	—	—	—
Mademoiselle	146.1	137.6	295.5	306.4
McCall's	103.2	95.1	261.5	263.9
Military Lifestyle (10X)	69.5	31.7	183.5	100.5
Modern Bride (6X)	—	—	—	—
Ms.	38.7	51.3	109.8	136.7
New Woman	84.4	67.6	192.4	150.2
Parents Magazine A.	103.1	69.1	247.7	254.2
Playgirl	39.5	28.7	113.9	103.3
Redbook	116.5	101.5	279.2	272.2
Self	106.1	128.9	259.3	267.8
Seventeen	156.9	174.3	298.5	327.0
Shape	77.4	61.1	202.7	171.2
Soap Opera Digest (26X)	17.8	16.4	56.1	64.6
'Teen Magazine	43.9	51.1	107.7	116.1
True Story A.	52.0	45.2	146.6	130.2
Vogue	400.3	416.5	800.4	820.4
W Magazine	173.0	169.0	402.6	391.5
Weight Watchers	43.6	27.9	105.2	76.2
Woman's Day (16X) A.	178.1	97.2	364.9	256.2
The Workbasket (10X)	33.7	42.2	122.3	130.5
Working Mother	73.0	75.2	193.4	208.7
Working Woman	111.9	122.0	276.3	279.6
Total Group	3,745.2	3,448.0	8,884.7	8,544.2
% change		+8.8%		+4.4%
— Youth —				
Boys' Life	24.1	16.6	54.2	50.7
Campus Life (10X)	67.5	68.6	155.9	175.7
Total Group	91.6	85.2	210.1	226.4
% change		+7.5%		-7.2%

February

	Current month 1986	1985	Year-to-date 1986	1985
— Business —				
Advantage	45.0	34.0	91.0	85.0
Arizona Bus. Gazette (52X)	36.2	23.8	58.1	50.9
Atlanta Bus. Chronicle (52X)	76.5	42.4	133.5	84.6
Austin Business Journal (52X)	52.5	68.2	85.8	64.9
Barron's (52X)	167.8	177.3	317.0	345.4
Boston Business Journal (52X)	124.4	125.6	236.9	236.6
Business Atlanta	46.1	43.4	96.1	94.3
Business First of Buffalo	52.9	50.4	97.9	97.9
Business First of Columbus	71.5	63.6	136.8	127.3
Business Journal	47.1	34.0	47.1	34.0
Business North Carolina	32.8	30.2	102.5	86.5
Business Week (52X) A.	247.0	306.1	445.9	548.1
California Business	—	—	—	—
Capital District Business Review (25X)	29.3	40.8	49.7	70.2
Cincinnati Business Courier	63.3	47.8	113.4	90.7
Corporate Report/Kansas City	26.3	39.4	64.3	98.1
Corporate Report/Minnesota	68.6	78.5	139.4	153.4
Crain's Chicago Bus. (52X)	149.5	139.0	264.0	256.0
Crain's Cleveland Bus. (52X)	56.9	70.3	99.7	132.1
Dallas/Ft. Worth Bus. (52X)	58.6	55.1	58.6	55.1
Dun's Business Month	—	—	—	—
Financial World (24X)	46.5	38.8	85.4	61.6
Florida Trend (13X)	58.8	74.6	139.2	177.1
Forbes (26X)	—	—	—	—
Fortune (26X) A.	158.7	188.0	287.4	335.2
Frequent Flyer	54.7	49.2	103.3	93.9
Futures (13X)	41.7	48.1	85.2	95.6
Georgia Trend	27.5	—	99.5	—
Grand Rapids Bus. Journal	27.2	11.9	50.1	20.1
Hawaii Business	39.8	36.4	74.8	77.3
High Technology	9.0	29.8	28.7	63.0
Houston Bus. Journal (52X)	—	—	—	—
Inc. Magazine A.	63.8	84.6	132.8	150.8
Income Opportunities	78.9	69.1	78.9	69.1
Industry Week (25X) A.	—	—	—	—
Indianapolis Bus. Journal (52X)	119.0	129.0	236.6	231.4
Kansas City Bus. Journal	109.7	126.7	195.9	250.6
Manhattan, Inc.	52.5	34.0	110.1	49.9
Minnesota Bus. Journal	36.2	43.3	78.1	97.0
Nation's Business A.	24.1	16.5	46.6	35.7
New England Bus. (20X) B.	70.8	84.4	118.8	131.4
Pacific Business News (52X)	97.9	103.6	191.5	182.7
Philadelphia Business Journal (52X)	85.3	86.9	184.4	166.5
Pittsburgh Bus. Times (52X)	74.9	60.8	131.2	112.8
Regardie's	116.0	86.5	338.5	302.5
San Jose Business Journal	—	—	—	—
Savvy	—	—	—	—
South Florida Business Journal	115.9	68.9	212.8	147.1
St. Louis Bus. Journal (52X)	133.3	123.6	232.8	221.8
Texas Business	—	—	—	—
Venture	56.2	54.8	103.6	101.3
Total Group	2,990.2	2,980.4	5,717.6	5,629.5
% change		+0.3%		+1.6%
— Newspaper Sunday magazines* —				
Chicago Tribune	78.7	58.2	123.2	114.7
Cleveland Plain Dealer	28.2	35.1	44.7	61.4
Columbus Dispatch	22.2	34.2	42.8	54.6
Detroit News	116.0	116.0	212.0	212.0
L.A. Times Magazine	56.3	58.0	107.0	115.7
Louisville Courier-Journal	53.5	44.3	103.9	100.8
Miami Herald	32.2	41.0	67.7	75.5
New York Times Magazine	222.2	236.9	396.4	433.1
San Francisco Image	49.8	27.4	92.1	48.8
Toledo Blade Magazine	39.1	32.1	65.2	54.9
Washington Post	171.6	85.2	233.5	140.6
Total Group	869.8	768.4	1,488.5	1,412.1
% change		+13.2%		+5.4%
— Weeklies/bi-weeklies —				
The Advocate (26X)	114.9	76.5	236.0	156.7
Army Times Military Group:				
Air Force Times (52X)	170.9	137.3	297.9	267.6
Army Times (52X)	159.6	133.4	277.6	258.8
Navy Times (52X)	182.8	151.8	321.2	290.4
The Blood-Horse (52X)	427.5	449.8	863.9	967.1
Copper's Weekly (26X)	28.9	25.0	60.4	66.0
Commonweal (22X)	8.8	5.3	18.8	14.7
Golf World (43X)	79.7	90.4	160.5	174.9
Grit (52X) A.	24.3	19.5	48.6	48.1
National Journal (50X)	45.3	31.0	88.2	75.0
National Review (25X)	35.7	19.0	54.1	32.8
New Republic (48X)	34.6	23.7	59.1	38.7
New York Magazine (50X)	203.3	185.9	330.4	337.9
New Yorker (52X)	177.3	210.1	310.1	373.8
Newsweek (52X) A.	176.0	198.3	323.1	345.4
People (52X)	238.3	235.0	433.0	436.6
Rolling Stone (25X)	103.3	75.7	154.8	130.5
Sporting News (52X)	84.5	28.8	118.2	54.3
Sports Illustrated (52X) A.	279.3	215.2	436.0	387.8
Time (52X) A.	178.0	222.2	345.2	391.4
Travelhost (52X) C.	—	—	—	—
TV Guide (52X) A.	369.4	382.4	684.4	710.5
TV Update (52X) C.	2,130.0	2,171.0	4,944.0	4,267.0
Us Magazine (26X)	44.5	22.5	87.8	41.0
U.S. News & World Report (52X) A.	118.6	135.9	206.1	224.8
Total Group	5,415.5	5,245.7	10,889.4	10,091.8
% change		+3.2%		+7.8%
— Foreign —				
Business Week Int'l. (52X)	86.2	84.3	156.5	162.6
Cosmopolitan Foreign Editions:				
Australia	41.8	31.0	94.3	75.0
Brazil	45.0	38.3	96.3	73.6
France	51.0	59.6	87.5	111.6
Germany	67.0	61.8	121.2	107.2
Great Britain	63.5	62.0	114.5	128.0
Greece	22.0	32.0	65.0	78.0
Holland	33.0	58.8	57.0	76.6
Italy	34.2	31.0	58.2	44.0
Japan	35.6	29.0	126.1	51.0
Cosmopolitan en Espanol:				
Central America	4.0	1.3	4.3	2.0
Colombia	9.2	5.3	12.5	8.0
Mexico	14.8	16.0	21.7	33.2
Peru	—	2.0	—	2.0
Puerto Rico	6.7	25.3	11.2	32.0
U.S. (Spanish language)	16.5	22.2	29.7	38.7
Venezuela	15.0	15.8	19.3	25.5
Good Housekeeping Foreign Editions:				
Australia	52.5	15.7	52.5	31.7
Great Britain	82.5	116.1	169.2	183.3
Japan	58.5	56.8	94.8	138.2
Buenhogar:				
Central America	—	2.0	2.0	2.0
Chile	1.0	—	2.0	2.0
Colombia	16.0	18.0	31.2	32.0
Ecuador	12.0	8.0	18.0	17.0
Mexico	18.8	20.8	28.7	41.2
Peru	1.0	4.5	6.0	9.5
Puerto Rico	6.5	7.0	14.0	10.5
Venezuela	17.3	19.5	30.7	34.5
Geomundo:				
Central America	3.0	7.0	5.0	9.0
Chile	3.0	5.0	5.0	7.0
Colombia	7.3	8.5	12.3	12.5
Ecuador	2.0	5.0	4.0	5.0
Mexico	1.5	2.0	5.0	11.5
Peru	2.0	4.0	3.0	11.0
Puerto Rico	2.0	1.0	3.0	9.5
Venezuela	7.0	3.0	13.0	21.0
Hombre De Mundo:				
Central America	7.0	6.0	11.0	9.0
Chile	7.0	4.0	9.0	6.0
Colombia	11.8	7.0	19.3	9.0
Ecuador	5.0	5.0	9.0	8.0
Mexico	6.5	8.0	8.0	12.0
Peru	4.0	3.0	6.0	5.0
Puerto Rico	4.0	3.0	6.0	4.0
Venezuela	14.0	13.0	23.0	22.0
Ideas Para Su Hogar:				
Colombia	9.0	8.0	15.7	13.0
Ecuador	1.0	4.0	1.0	6.0
Mexico	1.0	3.2	2.0	8.7
Peru	1.0	2.0	2.0	2.0
Puerto Rico	—	1.0	—	1.0
Venezuela	8.5	12.0	14.0	18.0
Mecanica Popular:				
Argentina	2.7	3.8	3.7	6.3
Central America	9.2	14.8	15.7	22.2
Chile	7.0	4.8	9.3	8.7
Colombia	16.8	12.3	30.7	22.0
Mexico	8.0	12.5	14.2	20.3
Peru	10.5	16.3	15.3	25.7
Puerto Rico	6.7	13.8	12.2	24.0
Venezuela	9.5	12.2	17.3	22.8
Vanidades Continental:				
Central America	11.8	8.5	15.0	11.3
Chile	4.3	2.3	4.7	5.7
Colombia	37.2	37.0	51.2	54.7
Ecuador	21.0	15.7	26.0	25.3
Mexico	31.2	35.3	55.5	61.5
Peru	4.0	9.7	12.3	17.3
Puerto Rico	25.2	40.5	38.3	56.8
U.S.	34.8	34.7	58.7	63.3
Venezuela	28.5	35.3	44.8	60.0
International Communications:				
African Business	18.8	16.6	32.3	31.8
New African	14.8	15.2	29.7	34.5
The Middle East	6.3	15.6	18.5	22.0
International Management:				
Europe	34.5	43.2	59.3	69.7
Middle East	6.2	30.3	14.5	44.0
Johnston International:				
Alam Attijarat	27.7	41.2	49.0	90.3
Modern Africa (6X)	13.3	12.3	13.3	12.3
Modern Asia (11X)	36.5	52.0	36.5	52.0
Progreso (9X)	7.0	15.3	7.0	15.3
Reader's Digest:				
Arabic	3.0	13.0	6.0	22.0
Asian	220.0	153.0	597.3	359.0
Australian	46.3	48.5	80.3	88.8
Belgian-Flemish	41.0	59.5	74.5	83.0
Belgian-French	27.5	41.0	55.0	68.0
British	44.6	38.0	81.6	81.8
Chinese B.	108.0	132.5	238.5	263.5
Danish	28.0	28.3	50.5	51.8
Dutch	18.3	22.5	46.3	67.0
Finnish	54.0	24.8	60.0	35.8
French	18.0	39.7	32.0	81.7
German	62.6	57.8	107.9	117.9
Iberian	0.5	14.0	0.5	19.0
Indian-English	101.0	122.0	175.5	201.5
Indian-Hindi	14.0	10.5	20.0	21.0
Italian	39.0	31.5	63.0	52.5
Japanese	15.8	43.5	30.5	91.8
Korean	24.8	21.5	52.8	46.5
Latin American:				
Argentina	7.5	21.5	15.5	38.0
Brazil	6.0	3.0	12.0	5.5
Central American	4.0	5.0	7.0	13.0
Chile	9.5	16.5	21.5	22.0
Colombia	20.0	20.0	40.0	35.0
Ecuador	5.0	6.0	10.0	14.0
Mexico	34.1	23.4	52.2	37.0
Peru	6.0	8.0	13.0	18.0
Puerto Rico	6.0	4.0	9.0	8.0
U.P.B.	6.0	7.0	11.0	13.0
U.S. Spanish	5.0	10.5	8.5	14.0
Venezuela	6.5	8.0	13.0	14.5
New Zealand	52.0	48.0	125.0	82.5
Norwegian	4.0	14.5	6.5	22.5
South African	75.0	107.5	133.5	148.0
Swedish	9.5	13.5	22.5	21.5
Swiss-French	24.0	14.0	35.0	26.0
Swiss-German	27.0	21.0	49.0	50.0
Time International:				
Time-Asia	58.5	47.2	99.4	90.5
Time-Atlantic	54.8	59.9	93.3	106.3
Time-Canada	151.6	150.0	270.0	241.8
Time-Latin America	34.9	28.7	62.1	52.2
Time-South Pacific	62.4	71.8	109.8	157.7
Visao (52X)	123.0	97.0	269.3	197.2
Vision/Latin America (26X) A.	23.7	18.1	31.6	30.3
Total Group	3,038.8	3,248.9	5,687.9	5,870.0
% change		-6.5%		-3.1%

Agency results show effect of ad slowdown

By STEWART ALTER

Last year was a disappointment in total ad spending and in the financial results of most of the public advertising agencies.

And some agencies had particular trouble spots to deal with. Most notably, Mickelberry Corp. took a $3.3 million writeoff of intangible assets in U.S. subsidiary operations that were restructured during the year. Others had problems overseas, with BBDO International and JWT Group taking writeoffs on discontinued operations, while Foote, Cone & Belding Communications struggled with absorbing its NCK and Siboney foreign acquisitions.

"Essentially, total spending was below where anybody thought it would be at the beginning of the year," said James Dougherty, an analyst at Eberstadt Fleming Inc., New York, who noted that McCann-Erickson director of forecasting Robert Coen had revised his estimates downward twice in 1985. Mr. Coen, who had started the year predicting a 9.7% increase in ad spending, ended the year with an 8.3% estimate.

Basically, the fast-growth ad categories dried up. Mr. Dougherty noted that some "typical" fast-growth advertisers were down in spending compared with 1984.

"Spending for computers, office equipment and supplies and air-freight forwarding actually declined during the first half of 1985, and only spending on entertainment recorded an increase that was at all consistent with spending growth between 1979 and 1984," said Mr. Dougherty.

In the first six months of 1985, for example, Mr. Dougherty noted that AT&T was down 13.3%, IBM Corp. was down 3%, American Express was down 19.1%, Citicorp was up 7.9%, Warner Communications was up 1.8% and Apple Computer was up 9.5%. These are the kinds of companies that had shown major increases in ad spending in the period between 1979 and 1984.

"The slower growth rate in 1985 is a result of a number of factors," said Emma Hill of Wertheim & Co., New York. "First, spending growth tends to moderate coming off an Olympics/election year," she said, noting also that the "important categories" of business and consumer services and retail were flat, and that office equipment "declined slightly, after growing at a rate close to 50% over the last few years." Cigarets and apparel also showed cutbacks, she said.

Agency financial results

Except for the Ogilvy Group and the Interpublic Group of Cos., which turned in respectable years, 1985 was not too terrific for the public ad agencies, reflecting a disappointing year in total ad spending. NM means not meaningful. Source: *Advertising Age*.

Agency	Income ($000) 1984	1985	(%)	Revenues ($000) 1984	1985	(%)
Fourth quarter						
Ally	885	1,071	21	7,300	8,000	9.6
BBDO	7,486	8,983	20	82,173	99,579	21.2
DDB	4,017	1,654	–59	62,106	61,243	–1
FCB	5,786	7,219	24.8	74,128	80,452	8.5
Grey	3,037	2,703	–11	58,421	66,034	13
Interpublic	10,045	14,182	41.2	183,509	206,427	12.5
JWT	5,783	8,124	40.5	143,247	163,965	14.5
Mickelberry	(518)	(2,598)	NM	34,550	31,647	–8.4
Ogilvy	11,729	14,279	21.7	127,566	150,184	17.7
Full year						
Ally[1]	1,135[2]	2,353	107.3	23,358	26,636	14.0
BBDO	22,64[illegible]	19,615	–13.4	305,269	335,604	9.9
DDB	8,769	6,057	–31	215,574	220,854	2
FCB	17,122	16,377	–4.4	275,537	287,020	4.2
Grey	10,220	10,061	–1.6	204,077	227,026	11.2
Interpublic	32,794	36,557	11.5	644,393	691,491	7.3
JWT	20,478	18,461	–9.8	518,924	569,190	9.7
Mickelberry	1,271	(1,759)	NM	121,240	131,628	5.9
Ogilvy	25,838	30,247	17.1	423,604	490,486	14.4

[1]A&G's fiscal year actually ended June 30, 1985.
[2]Inclusive of the after-tax effect of $405,000 or 18 cents per share related to a bad debt write-off.

But noting that "in the industry's two largest categories, foods and autos, expenditures are up significantly," she noted that "in general, in analyzing the data, the industry appears healthy."

Mr. Dougherty's 1986 estimates call for a 9.5% increase in revenue to $2.86 billion for the major domestic ad agencies. "We expect their domestic revenue from commissions and fees to increase 9.4%, approximating the estimated domestic gains in 1985. These gains are sharply lower than the 18.1% compound annual growth in domestic revenue recorded between 1979 and 1984, reflecting what appears to be a shrinking spread between nominal GNP and total advertising and between total advertising and domestic revenue of the agencies that we follow."

"On the other hand," he said, "we believe that the agencies should produce their sharpest gain in foreign revenues in several years. Contributing to this forecast is a general weakening of the U.S. dollar relative to most of the world's important currencies beginning in the third quarter of 1985."

The big question hanging over the public ad agencies in 1986, however, will be the fate of Foote, Cone & Belding Communications. Long-time ad agency stock analyst Alan Gottesman of L.F. Rothschild, Unterberg, Towbin, noted of the FCB situation, in which Shamrock Holdings continues to increase its shares (AA, March 10): "Are we seeing the first round of takeover fever hit this industry? Probably. Is it a communicable disease caught from the media stocks? Probably. Can an ad agency actually be taken over? The answer is yes, in our view."

But while takeovers have now emerged as a possibility, Mr. Gottesman considered it "only modestly" to be likely. "There are rarely hidden assets, special tax benefits, synergistic promise or other buried treasure" in an ad agency, he said. "Land mines, maybe, but not treasure. The economics are straightforward, but their projection unreliable. And while the staff may stay, the clients may not. A whole-hog investor from outside has less certainty for earning a return in excess of capital costs and risk premiums—considering these stocks' present levels—in the ad agency business than in many other fields."#

Panasonic shifts account to C&W

By BRIAN MORAN

Panasonic has shifted $10 million to $15 million worth of billings for its electronic typewriters and copiers to Cunningham & Walsh from Ted Bates Advertising, in a move that consolidates the company's office-products advertising with one agency.

For New York-based C&W, the move, effective June 1, will more than double the agency's billings from Secaucus, N.J.-based Panasonic.

C&W last summer picked up Panasonic's $5 million-to-$10 million computer products from Grey Advertising due to a potential conflict at that agency.

Bates, New York, continues to handle Panasonic's $25 million-plus consumer electronics account. Bates had held responsibility for typewriters and copiers since three years ago, when the client formed a separate division, Panasonic Industrial Co., to market those products, said Frank Novak, general manager-advertising.

Mr. Novak said Bates' handling of home computer marketer Commodore International Ltd. kept the agency out of the running for Panasonic's computer business and that C&W's recent work on that account helped trigger the present switch.

Panasonic has been expanding its typewriter and copier business and plans several new-product introductions this summer which will receive major ad support via C&W, Mr. Novak said. At the Consumer Electronics Show in January, Panasonic introduced a $229 thermal transfer typewriter that lets users type vertically as well as horizontally.

Grey resigned the Panasonic computer account last August because of a potential product conflict from another client, Lake Success, N.Y.-based Canon USA. Grey continues to handle Panasonic's line of batteries and some industrial video products.#

For the Record

CASTLE & COOKE, San Francisco, has narrowed the review for its $25 million account to incumbents Allen & Dorward and J. Walter Thompson USA; New York shops Della Femina, Travisano & Partners, William Esty Co. and Scali, McCabe, Sloves, and the Los Angeles office of Ogilvy & Mather. Also, C&C has formed Dole Food Co. as a separate subsidiary in a restructuring that puts new emphasis on international marketing.

HASBRO, Pawtucket, R.I., will not make specific toy-line assignments to newly chosen second agency Needham Harper Worldwide (AA, March 10) for about three weeks. More than $15 million in billings is involved. "The bulk" of Needham's work will appear in 1987, though the agency may handle "some" '86 advertising, said Al Carosi, Hasbro vp-marketing. Griffin Bacal, New York, remains Hasbro's primary agency.

TENNECO AUTOMOTIVE RETAIL, Houston, today breaks the first campaign created by SSC&B:Lintas Worldwide, New York, for Tenneco's two North American chains, Speedy Muffler King and Car-X. Four 30-second tv spots, emphasizing the chains' friendliness and fast service, will run in the Midwest and northeastern U.S. and nationally in Canada. SSC&B took over the account from Bozell, Jacobs, Kenyon & Eckhardt.

HAWORTH INC., a Holland, Mich.-based office products company, last week kicked off its first network and cable tv campaign. The $1.7 million effort, touting the strength of Haworth's office furniture, also includes print ads in major architectural and interior design magazines. Korey Kay & Partners, New York, handles.

CORNING GLASS WORKS' consumer products division, Corning, N.Y., is unveiling a $6 million campaign for its Corelle dinnerware. The print effort, breaking in April magazines, highlights the new design of Corelle. D'Arcy Masius Benton & Bowles, New York, handles.

KMG MAIN HURDMAN, New York, the country's No. 9 accounting firm, in a new $1 million print campaign pitches its worldwide presence in 71 countries. Ads will appear in *Business Week*, *Forbes*, *Fortune* and in European business magazines. Saatchi & Saatchi Compton handles.

ED BIANCHI last week was named best commercials director of 1985 by the Directors Guild of America, Los Angeles. The director, who owns Bianchi Films, New York, was cited for "Foward pass," the Diet Pepsi spot with Joe Montana and Dan Marino (via BBDO); American Express Co.'s "Young lawyer" (Ogilvy & Mather), and "Jump" for Procter & Gamble's Bounce (D'Arcy Masius Benton & Bowles).

COCA-COLA USA, Atlanta, has chosen Salt Lake City and New York as the test markets for the April introduction of diet Cherry Coke. National rollout will occur later this year. McCann-Erickson, New York, will support with a multimedia campaign.

TYSON FOODS, Springdale, Ark., has moved its premium frozen chicken dinners into national distribution. The line was in 25% of the U.S. last summer (AA, Sept. 9). Noble & Associates, Springfield, Mo., backs with network tv, couponing and point-of-purchase. Also, Tyson is testing three more chicken entrees expected to join the national line this fall.

DART & KRAFT'S Kraft subsidiary, Glenview, Ill., this month goes national with its six-item Sauceworks line. It has been testing in 10 markets since last fall (AA, Sept. 26). Magazine ads and couponed freestanding newspaper inserts support, via J. Walter Thompson USA, Chicago.

KELLOGG CO., Battle Creek, Mich., has added a peanut butter and jelly flavor to its Pop-Tarts toaster pastry line. Leo Burnett USA, Chicago, handles. Also, Kellogg has replaced Dig 'Em, the bouncy, talking frog who's been hawking its Honey Smacks cereal, with Wally Bear. Network tv, via Burnett, broke March 3.

PROCTER & GAMBLE, Cincinnati, is introducing nationally "Carry and Dispose Pouches" for its Always Maxi and Thin Maxi feminine napkins. Print ads running in April women's magazines are themed "Now it's easier than ever to take Always with you." D'Arcy Masius Benton & Bowles, New York, handles.

A.C. NIELSEN CO., Northbrook, Ill., shows NBC-TV dominating most major age/sex breakouts in prime time in the ratings company's demographic data from Sept. 23 through Feb. 9. NBC also is the only network improving from a year ago in the regularly scheduled prime time programing data. CBS held even with its year-ago adult, teen and children viewers, as ABC declined in all categories but children. Separately, preliminary data for 22 Nielsen and 17 Arbitron Co. markets in the February sweeps books show NBC leading CBS.

ACCOUNT ACTIVITY: **L.A. Helicopter**, Los Angeles, to **Grey Advertising**, Chicago, first agency for the $1 million account launching service from Los Angeles International Airport to nearby locations. . .**Chrysler Credit Corp.**, Troy, Mich., to **Ross Roy Inc.**, Detroit, its first agency. Chrysler Corp.'s automotive financing arm will use trade advertising only this year, with consumer ads starting in 1987. . .**AMF's** American Athletic Equipment division, Jefferson, Ia., to **Lessing-Flynn**, Des Moines, from Fallon McElligott Rice, Minneapolis. . .**Recreation Vehicle Industry Assn.**, Reston, Va., to **Burson-Marsteller**, New York, for a $500,000 pr campaign to boost the image of the rv industry among younger prospects.

WORTH NOTING: **William Hattaway** to chairman-ceo, a vacant post at Red Lobster Inns of America, Orlando, Fla., from president. Succeeding Mr. Hattaway is **Jeffrey O'Hara**, previously exec vp-marketing and development, General Mills Restaurant Group, Red Lobster's parent. . .**Weibel Vineyards**, Mission San Jose, Cal., is starting a nationwide promotion featuring a Napa Valley trip giveaway. Weibel moved its $500,000 account in-house late last year from Flying A Advertising, San Francisco. . .**Carnation Co.**, Los Angeles, is testing Contadina Extra Thick 'n Zesty and Italian-style tomato sauces in Denver and Kansas City, Mo. SSC&B, New York, backs with a tv campaign. . .**Hartmarx**, Chicago, this fall will introduce a new line of Briar contemporary-traditional neckwear under the Racquet Club label. In-house agency Hart Services handles. . .**Home Box Office**, New York, is offering "Comic Relief," a special March 29 benefit program for the homeless, to its affiliates for basic cable carriage. The live show will offer a toll-free phone number for contributions from the nation's 39 million basic cable subscribers. . .**Esquire**, New York, will devote its June issue to "The American man: 1946-1986."

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Monday, March 24, 1986

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

O-t-c capsule terrorism escalates

Is product security realistic?

An Advertising Age roundup

Last week's tampering with three SmithKline Beckman Corp. over-the-counter capsule products confirmed the worst fears of package-goods marketers and retailers —that product terrorism was not limited to Johnson & Johnson's Tylenol.

The sabotaging of some packages of Philadelphia-based SmithKline's Contac, Teldrin allergy-relief medicine and Dietac appetite suppressants—followed by the company's decision March 21 to recall capsule forms of all three brands after traces of rat poison were discovered in two Contac capsules—differed notably from last month's Tylenol poisoning episode that left one person dead in New York. Since the SmithKline episode appeared to have been inspired by the Tylenol case, fears that a "copy cat" epidemic could occur haunted marketers as never before.

Analysts said public reaction will play a large part in determining the future of over-the-counter capsule sales.

Oleh Denysyk, a drug analyst with Charles H. Kline & Co., Fairfield, N.J., said, "I think it's the end of capsules without any seals on them.

"It'll definitely help the caplet dosage form," Mr. Denysyk said. "The major manufacturers will change some of their product formulations. There are some companies that have to be concerned." A time-release product such as Contac, however, can only be made in capsule form.

Other than SmithKline, the companies that rely most on capsules are Thompson Medical Co., New York, and Chattem Inc., Chattanooga, Tenn., although most major analgesics and some cold remedies also are available in capsule form as well as tablets. More than 70% of Thompson's sales come from diet capsules that are not now sold as tablets. Officials from Thompson and Chattem could not be reached for comment.

Product terrorism took two new turns last week. First, the purported tampering was a calculated

(Continued on Page 122)

Herb helped BK visibility, but little else

By BRIAN MORAN

Burger King Corp.'s $40 million Herb campaign failed to build sales, win significant numbers of new customers or clearly position the No. 2 hamburger chain's image, according to BK president Jay Darling.

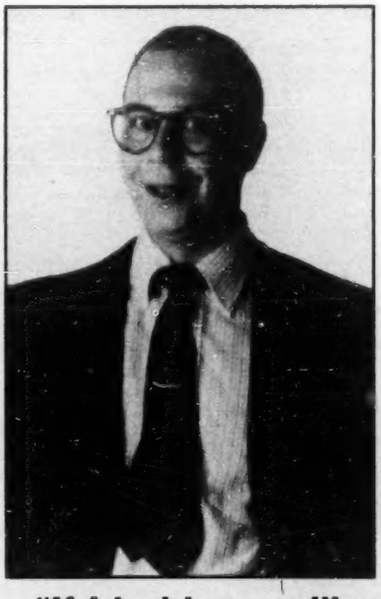
But Mr. Darling and BK agency J. Walter Thompson USA say the four-month campaign succeeded in one goal—increasing Burger King's visibility.

In an interview following the March 13 windup of the campaign, Mr. Darling confirmed sales in January rose a scant 1% compared with January, 1985. Originally, BK executives hoped Herb would boost January sales by up to 10%.

Mr. Darling declined to quantify February sales during the height of the $1-million "Search for Herb" sweepstakes created by JWT, except to say they were "disappointing." But Wall Street analysts estimate sales were flat or up perhaps 1% at most.

Miami-based BK isn't alone in encountering tough going in the fast-food market. According to Prudential-Bache Securities estimates, average per-store sales for Dublin, O.-based Wendy's International, the No. 3 chain, were down 10.5% (year-to-year) in December, off 9% for the fourth quarter as a whole and

(Continued on Page 120)



"If I had been selling 'Herbs,' I'd probably be a multimillionaire right now."

—Jay Darling, president, Burger King

Network sitcoms make comeback in fall schedules

By JAMES P. FORKAN and VERNE GAY

Comedy is back as king.

The situation comedy, a format declared passe only two years ago, before "The Cosby Show" started racking up 50-plus shares, will dominate the network airwaves next fall, especially on NBC and CBS.

All three networks last week hosted advertising and agency executives in Los Angeles to screen clips or hear descriptions of the 80 pilots now in production for fall, when the networks are expected to replace about 20 hours of prime time programing. ABC is expected to replace eight hours, CBS (which needs considerable help in its 8 p.m. [ET] time slot) should replace seven hours and NBC will change between four and six hours.

The networks' rekindled love affair with the sitcom has significant ramifications for many advertisers, especially marketers targeting a male audience. Sitcoms traditionally score much better with women and children than with men. In recent seasons, action dramas such as "Miami Vice" and "Hill Street Blues" have succeeded in luring the male viewer into prime time in record numbers.

The trend was so strong that several traditional sports advertisers started shifting budgets away from sports and into prime time, a daypart that was emerging as a more cost-efficient way to advertise to men. Those advertisers, which include big-spending categories such as beer, automotive, financial services, computers and even fast-food restaurants, once again could find sports to be a better buy.

That should be welcome news to the networks, which have been suffering under an exceptionally soft sports market, but it could restrict the media options open to male-

(Continued on Page 118)

Last Minute News

Y&R wins $30M Ford of Germany account

COLOGNE—Ford of Germany has shifted its $30 million account to Young & Rubicam from J. Walter Thompson Co. Y&R also gets $10 million in direct-marketing and sales-promotion business *(see story on Page 8)*.

Ricoh looks at agencies for $11M in advertising

WEST CALDWELL, N.J.—Ricoh Corp. is seeking a new agency, sources say, since Cunningham & Walsh, New York, resigned its $11 million copier account. C&W quit to take on an estimated $10 million to $15 million in typewriter and copier business from Panasonic (AA, March 17).

(Continued on Page 8)

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A-B agencies wary; Chi shops eye Heileman

Riney brews agency beer blast

By SCOTT HUME

Hal Riney & Partners' abrupt resignation last week of $20 million in G. Heileman Brewing Co. business had Anheuser-Busch agencies looking over their shoulders and Chicago agencies lining up for the loose business.

The A-B shops got nervous after Heileman director of brand management Jim Legat said Riney had departed "to take on various unnamed Anheuser-Busch brands."

Don Ashley, senior vp-general manager at Riney & Partners' San Francisco home office, preferred to ascribe the split to "philosophical differences" (a reason echoed by Mr. Legat).

Although confirming that the agency "is exploring a relationship with another brewery," Mr. Ashley would not confirm A-B as its "intended."

The initial response from spokesmen at St. Louis-based A-B was "Heileman said what?" They had no further comment.

The No. 1 brewer's current agency stable includes D'Arcy Masius Benton & Bowles, St. Louis (corporate, Budweiser, LA, Natural Light); Needham Harper Worldwide, Chicago (Bud Light, Busch, Michelob Classic Dark, Michelob Light); Ted Bates Advertising/New York (Michelob); Bloom Agency, Dallas (Baybry's cooler, Saratoga and Sante mineral waters); TBWA, St. Louis (Eagle snacks, Carlsberg import); JP Martin Associates, New York (King Cobra malt liquor), and Adamson Advertising, St. Louis (Master Cellars wine).

The question is: Who would lose what at A-B to make room for Riney?

The only major brand officially in limbo is Michelob,

(Continued on Page 118)

HIGHLIGHTS

Herb helped a little, BK says 1
Burger King Corp.'s $40 million Herb campaign failed to build sales, win significant numbers of new customers or clearly position the No. 2 hamburger chain's image, according to BK president Jay Darling. But Mr. Darling and BK agency J. Walter Thompson USA say the four-month campaign increased Burger King's visibility.

King Comedy returns 1
The situation comedy, a format declared passe only two years ago, before "The Cosby Show" started racking up 50-plus shares, will dominate the network airwaves next fall, especially on NBC and CBS.

Camera makers face off 3
Eastman Kodak fires the first salvo today in a rapidly developing camera war with the opening tv spots for its new VR-35 cameras. But Kodak's $25 million campaign will be overshadowed by arch-rival Polaroid Corp. when it breaks a $40 million effort April 2 for its highly touted new Spectra system.

A lip-smackin' market 3
Attracted by the recent successes of DoveBars and Carnation Co.'s BonBons, marketers of frozen novelty foods are about to dispatch a new wave of products aimed at adult tastes and budgets.

Videotex reception fuzzes 4
A few years ago, information experts championed videotex as a wondrous new marketing vehicle that would charge headlong into more than 1 million U.S. homes and businesses by the mid-'80s. It hasn't happened—yet.

A knock against knockoffs 6
Cosmair Inc., charging trademark infringement and unfair competition, has won a court order blocking S.C. Johnson & Son from shipping a new line of shampoos and conditioners using Cosmair's Vanderbilt fragrance name on the packaging.

No holiday from hotel battle 12
Holiday Inns, fighting an industrywide oversupply of hotel rooms, has resorted to discounting programs rivaling those offered by major airlines while hoping to avoid airline-style price wars.

Borden adds more calcium 28
Borden Dairy Group, Houston, has begun a test campaign to promote what it claims is the "first calcium-fortified milk in the U.S." It marks Borden's return to tv after an 8-year absence.

CATEGORY REVIEW

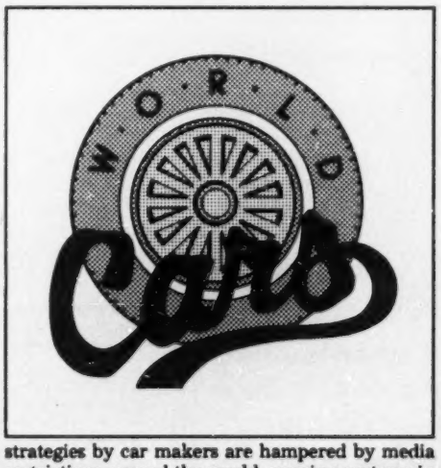
Faucet sales gush 34
After years of slow sales, the $900 million plumbing faucet market is in a flood. Faucet sales topped 25 million units last year, up 4% from 1984, according to industry sources, and are heading for a 20% increase to 30 million this year.

FEATURES

Picking your spots 48
It was a year that produced some top-notch tv commercials, but excellence in 1985 was a matter of execution rather than innovation. That was the conclusion of a panel of editors that looked at a record 1,600 commercials and selected Advertising Age's Best Tv Commercials of 1985.

WORLD CARS

Auto marketing worldwide 80
An overview of global automobile marketing presents case studies from Australia, Brazil, Canada and China and a portfolio of international auto ads, critiqued by John O'Toole, former chairman and ceo of Foote, Cone & Belding. Global strategies by car makers are hampered by media restrictions around the world, varying customs in naming cars and the fact that car buyers express their personalities in their purchases. Marketers face an array of sales methods, and must satisfy people who buy cars for many reasons, and those reasons vary from country to country.



OTHER NEWS

Cosmetic color strips, the cosmetics industry's answer to the fragrance industry's scent strips, may be barred from magazine subscription copies due to a U.S. Postal Service rate ruling. Page 6.

Hilton Hotels is opening "America's business address" to the over-65 set. Trying to fight the trend of diminishing occupancy in the overbuilt hotel industry, Hilton is offering older, frequent travelers a special discount package. Page 12.

Chattem has left the fragrance business by selling Love's Baby Soft and Love's Musky Jasmin teen fragrances to MEM Co. With the proceeds, Chattanooga, Tenn.-based Chattem acquired three toiletry products—Ultra-Swim, Algemarin and Nullo—from separate manufacturers. Page 24.

Nike is taking a punch at Reebok's dominance in aerobic and casual athletic shoes with a low-price line tentatively named Street Socks. Page 28.

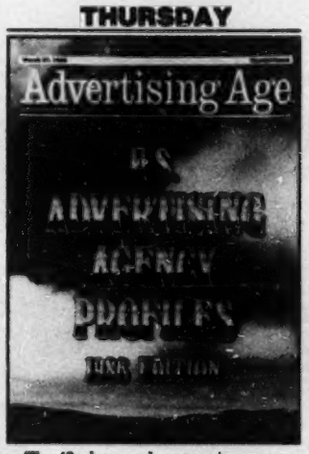
Panosh Place, still a relatively small toy marketer, intends to move closer to the big time this year with some magical help from Doug Henning and the WonderWhims doll line. Page 38.

BREAKING CAMPAIGNS

McDonald's Corp. this week launches a tv, radio and print campaign for its breakfast menu (AA, Feb. 24). Themed "Portable breakfast," ads stress the "hand-held convenience" of McDonald's breakfast sandwiches. Leo Burnett USA and Burrell Advertising, both Chicago, handle.

General Mills today begins its $24 million ad support for Rocky Road, a children's presweetened cereal. Network tv, radio and couponing, mostly aimed at school-age children, support General Mills' second new cereal this year. Campbell-Mithun, Minneapolis, handles (AA, Feb. 3).

COMING THURSDAY



The 42nd annual agency income issue will be published March 27, including, for the first time, the Ad Age 500 leading agencies and a review of the top 500 agencies in each of the past 10 years.

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Grey locks up to block buyouts

By STEWART ALTER

New York—Grey Advertising has become the second publicly owned ad agency in a month to strengthen itself against takeover attempts.

Grey stockholders were summoned to a special meeting March 21 in Minneapolis to establish a new class of voting shares, making any takeover more difficult.

Foote, Cone & Belding Communications earlier took anti-takeover steps by distributing a preferred-stock purchase right on each outstanding share of the company's common stock (AA, March 10).

The moves reflect a major change in agency attitudes about unfriendly takeovers.

Conventional wisdom, as re-

(Continued on Page 122)

B&W sees a cigaret ad plunge

By WILLIAM F. GLOEDE

New York—The importance of tobacco ad spending, which now runs about $881 million annually, could be effectively cut in half by 1990 as promotional spending increases, according to the president of the nation's third-largest smoke marketer.

"The days of national brand marketing may be coming rapidly to a close," said Thomas Sandefur, president of Brown & Williamson Tobacco Co., Louisville.

"In today's environment, your advertising or marketing dollars have to be far more focused, far more targeted," Mr. Sandefur told a briefing for the trade press.

He predicted that the ratio

(Continued on Page 118)

West Coast news

Chrysler ads lash auto foes

Chrysler Corp. will start a $10 million comparative magazine and outdoor ad campaign in California March 31 in which it blasts competitors by name. In a four-page insert, the Detroit auto maker will urge readers to "Drop Mazda RX7 and Nissan 300ZX. They didn't hold the road like Chrysler Laser XT." Subsequent pages will make similar recommendations relating to BMW, Mercedes-Benz, Chevrolet and Ford for other Chrysler domestic models. Chrysler also will

(Continued on Page 122)

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New 'Angel Love' gives comic book twist to real-life situations

Her boyfriend abuses cocaine. Her best friend has an unplanned pregnancy. Her mother is dying of cancer, and only her long-lost sister can help her.

A new afternoon soap opera? Your next-door neighbor's best kept secrets?

No, it's "Angel Love," a new comic by Barbara Slate, the New York-based creator of the feminist comic strip "Ms. Liz," which has appeared in animated form on NBC-TV's "Today."

"Angel Love," Slate's first full-length comic book, is the story of an aspiring New York artist who works three days a week as a waitress in the Balloon, a trendy restaurant. Angel lives with Wendy, a spoiled, naive woman from a wealthy Long Island family. Angel's closest friends are Everett, a black musician, and Cindy, another waitress at the restaurant.

Life isn't easy for Angel, but she's strong, stubborn and funny, and even her disastrous dating life doesn't stop her from falling in love on a rather regular basis.

Despite its adult situations, Slate says the comic is written for young people, 11 to 18 years old. It's the "after-Archie crowd," she says. "I write to 11-year-olds the way I would write to adults. Anything else would be talking down to them. These problems are part of real life."

Slate also came to New York as an aspiring artist almost 20 years ago and did her share of struggling, but "Angel Love" is not autobiographical. If anything, it is a case of life imitating art rather than vice versa.

"Gosh, I hope it isn't autobiographical. Angel has her share of problems," Slate says. "Actually, I imitate the way she dresses—as much as I can get away with, considering the age difference."

DC Comics, New York, begins monthly publication of the eight-issue "Angel Love" series at the end of April.

Len Strazewski

Videocassettes woo teens away from theaters

Throw in a tape, pass the popcorn and curl up on the couch: The living room is fast becoming the teen hot spot for that Saturday night date at the movies.

According to a recent study by Market Facts, Chicago, 40% of feature film viewing is done with videocassette recorders, mostly by the 10-to-19-year-old segment that was, until recently, movie theaters' biggest draw.

"There must be a rapid increase in vcr dates among America's teen agers," says Mike Freehill, vp, Market Facts. "Faced with the rising costs of attending a theater movie, teens are renting movies, gathering with friends and saving their money. This represents a dramatic social change for teen agers and will have an even bigger impact on the industry once these youngsters reach their 20s."

The study reports movie theater attendance in the U.S. has peaked and predicts box office receipts will continue to decline. Receipts could be down 20% by 1988 unless Hollywood releases a significant number of blockbuster films and finds an innovative movie theater marketing approach.

"If the teens are gone, the movie industry will need to produce pictures attractive to the neglected markets, such as the 50-year and over age group," Freehill says.

One area that hasn't been hurt by the vcr is the pay-tv market. Subscribers are using vcrs to record pay-tv movies for later viewing.

In April, the Movie Channel pay-tv subscriber service will launch "VCR Theatre" aimed directly at vcr owners. Every day at 3 a.m. the service will repeat its best film of the day for taping. The movies will be changed weekly instead of monthly so films will not repeat as often.

To make matters worse for movie theaters, it's inevitable that theatrical releases in the future will hit the theaters at the same time their vcr versions will hit the stores, Freehill says.

It may be time for a remake of "The Last Picture Show."

Christopher Colletti

Box office busts, video blockbusters

Film title, dist.	Est. box office earnings (millions)	Cassettes dist.	Est. cassettes sold (r)	Est. cassettes sales
Certain Fury, New World	$3.0	New World	over 150,000	over $12,000,000
Fraternity Vacation, New World	$5.0	New World	over 150,000	over $12,000,000
The Mean Season, Orion	$4.0*	Thorn	over 100,000	over $8,000,000
Stick, Universal	$4.0*	MCA	over 100,000	over $8,000,000
Into the Night, Universal	$5.0*	MCA	over 100,000	over $8,000,000
Ghoulies, Empire	$5.0*	Vestron	over 100,000	over $8,000,000
Coca-Cola Kid, Film Gallery	$2.0*	Vestron	over 75,000	over $6,000,000
The Company of Wolves, Cannon	$3.0*	Vestron	over 75,000	over $6,000,000
Gotcha!, Universal	$5.0*	MCA	over 75,000	over $6,000,000
Blood Simple, Circle	$3.0*	MCA	over 50,000	over $4,000,000

Unless listed manufacturer suggested list price for videocassette is $79.95.
* Figure includes *Variety* sample numbers plus estimated second run figures.
(r) Figure includes Recording Industry Assn. of America (RIAA) certification.

Source: *Variety*, *Billboard* and film distributors

Luxurious look fits, feels like your own skin

"I grew up in a world of affluence," says Jeffie Pike. "I saw people who were able to buy a dress that cost $1,000 and was covered with little seed pearls and designed by Dior that they'd never wear again—and this is my answer to that."

Pike's "answer" is J'Attoos, skin decals designed to look like sumptuous jewelry. A sixth-generation Californian with a string of fashion connections as long (and showy) as the rub-on necklaces she's designed, Pike insists, "Throwaway glamor on the budget of a schoolgirl is the most luxurious feeling in the world!"

To apply the decal, one selects the desired bauble from a small sheet and places it on the neck, ankle, wrist or face. A dab from a wet sponge transfers it to the skin where it glitters in gold and turquoise squares, or scatters in a daisy petal design, or rocks as '60s yellow, red and black love beads. J'Attoos come in 18 designs, so far. They can be removed with the aid of baby oil or cellophane tape.

Jewelry designers and makeup artists create the J'Attoo patterns, and it is somewhere between jewelry and makeup that J'Attoos must be defined. Bloomingdale's, for instance, is introducing the line in its cosmetics department. But, says Pike, of Los Angeles, "I think they're jewelry." Macy's, Bullock's, Jordan Marsh and other upscale department stores also will be carrying them, she says.

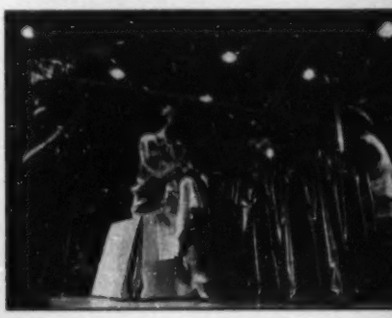
Each packet costs $3.50, with more elaborate designs, such as reproductions of actual crown jewels, planned for $5 packets later. No ads are planned because, says Pike, "I don't think that fads get started by advertising."

Lenore Skenazy

Interior designers create showcases for apparel

Fashion thought for the day: Your "where" may exert influence on your "wear"—and vice versa.

Today, individual style doesn't necessarily begin and end with "ready-to-wear fashion and jewelry. What you wear can give an indication of what's in your environment," says Sandy Kagan, l. Magnin's Midwest fashion director in Chicago. The fashion retailer is giving expression to this idea in "Lifestyles: A salute to Chicago Is" in its Michigan Ave. store.



Vignette by Marilyn Rose; fashion by Mark Heister. It depicts one woman's fashion attitudes and sense of self.

Located on various floors in the store are "environmental life-style vignettes" designed by 10 of Chicago's top interior designers, all members of the American Society of Interior Designers. The small but striking spaces showcase new looks in apparel and jewelry from the city's fashion designers. The monthlong event ties in with the annual "Chicago Is" fashion show held last week at the Apparel Mart.

The wedding of interior and fashion design was conceived by Marilyn Rose, president of Rose Interiors Ltd., Lincolnwood, Ill., who also created the vignette atop l. Magnin's first-floor jewlery display case. The art deco set features two vanities. Peering into the double mirror are two mannequins in gowns by Mark Heister.

The vignettes' moods range from the fashion-forward and contemporary to the elegant and romantic: A delicately etched acrylic screen by Lori Lennon forms a backdrop for a Becky Bisoulis bridal gown. Ethel Samuels' Oriental setting, highlighted by a wood and metal Empress chair, provides the exotic touch for a Kanae dress.

"This concept in visual merchandising operates on several levels," Rose says. "It showcases the city's talent and shows the public the growing relationship between interior design and fashion. And people can see what can be done in small spaces.

"Today, you have high-tech clothes, clothes with lines reflected in architecture, furnishings," Rose says. "Look at gold and silver accessories, for example, and high-gloss, lacquered furniture so popular today. One sets off the other."

Rose approached Kagan in December

Links with general shops boost DM agency billings

By PAUL L. EDWARDS

NEW YORK—Direct-marketing agencies continued to benefit from their general-agency affiliations last year, according to the annual survey of billings released by the Direct Marketing Assn.'s research department.

With only one exception—Direct Inc., the direct-marketing subsidiary of D'Arcy Masius Benton & Bowles—affiliated direct agencies continued to post strong results.

Wunderman, Ricotta & Kline, a Young & Rubicam subsidiary, continues to lead the pack, but not by much. Ogilvy & Mather Direct closed to within less than $3 million of taking the lead.

Of the major agency direct-marketing subsidiaries, DFS Direct made the best gain, jumping 116.8% from 1984 to $25.8 million in 1985.

Two of the top ten in 1985 were independent, privately held agencies, one more than the previous year. Neither will have that distinction this year. While Barry Blau & Partners, Fairfield, Conn., remains independent of a general agency, it went public at the end of last year. And Kobs & Brady Advertising, Chicago, becomes a subsidiary of Ted Bates April 1.

When he announced his decision to join with Bates (AA, March 10), Mr. Kobs said one of the reasons was that direct-marketing agencies need to be affiliated with a general agency in order to sustain growth.

DMA continued this year to distinguish between agencies reporting fees and commission only and those reporting internal production revenues as well. Some of the latter include Direct Marketing Group, which counts revenue attributable to its print shop, and Direct Marketing Agency, Westport, Conn., which counts revenue from its computer facility.#

Specialty DM Agencies[1]

This list represents only those agencies that responded to a request made in 1986 for full year U.S. 1984 and 1985 billings. All figures were supplied by the individual agencies, which were asked to include capitalized media commissions, material and services fees and agency fees plus revenue derived from direct mail internal production activities where the agency provided the creative services. *Source: DMA Research Department.*

Rank/Agency	Billings ($ millions) 1985	1984	Per cent Change
1. The Direct Marketing Group	101.6	82.1	23.8
2. The Direct Marketing Agency	80.4	67.3	19.5
3. Krupp/Taylor	53.2	42.3	25.8
4. Direct Mail Corporation of America	39.8	20.0	99.0
5. Epsilon	35.8	33.9	5.6
6. Customer Development Corp.	35.4	—	—
7. Hub Mail Advertising	34.1	28.0	21.8
8. Computer Marketing Services	29.5	21.7	35.9
9. GSP Marketing Services	27.7	—	—
10. Marketing Communications	13.0	13.2	-1.5
11. Frank;James Direct marketing	9.8	8.2	19.5
12. Grizzard Advertising	9.3	8.1	14.8
13. Manus Services	8.6	10.0	-14.0
14. Walter Latham	7.0	3.1	125.8
15. Bruce W. Eberle & Assoc.	6.2	5.5	12.7
16. Webb & Co.	5.1	—	—
17. Communique	4.8	2.7	77.8
18. Creative Direct Marketing Group	1.2	—	—

[1]Agencies that report fees and commissions plus internal production revenue.

General DM Agencies[1]

This list represents only those agencies that responded to a request made in 1986 for full year U.S. 1984 and 1985 billings. All figures were supplied by the individual agencies, which were asked to include capitalized media commissions, material and services fees and agency fees plus revenue derived from direct mail internal production activities where the agency provided the creative services. *Source: DMA Research Department.*

Rank/Agency	Billings ($ millions) 1985	1984	Per cent Change
1. Wunderman, Ricotta & Kline	175.7	149.7	17.4
2. Ogilvy & Mather Direct	173.0	133.0	30.1
3. Stone & Adler[2]	96.0	72.0	33.3
4. Rapp & Collins Direct Response[3]	83.5	57.6	45.0
5. Grey Direct International	81.8	56.8	44.0
6. Kobs & Brady Advertising	70.3	52.0	35.2
7. FCB Direct[3]	60.6	47.7	27.0
8. Barry Blau & Partners	42.5	37.7	12.7
9. BBDO Direct	37.9	33.0	14.8
10. Marcoa Direct Advertising	36.1	35.1	2.8
11. McCaffrey & McCall Direct Marketing	35.0	25.0	40.0
12. Leber Katz Partners Direct Marketing	33.7	20.0	68.5
13. JWT Direct	30.6	21.6	41.7
14. Scali, McCabe, Sloves Direct	30.5	20.7	47.3
15. Flair Direct	28.7	18.0	59.4
16. Bozell, Jacobs, Kenyon & Eckhardt	26.5	20.1	31.8
17. DFS Direct	25.8	11.9	116.8
18. SSC&B:Vos Direct	25.5	24.5	4.1
19. Ayer Direct	25.0	21.4	16.8
20. The DR Group	24.4	22.2	9.9
21. Fairfax Advertising	24.2	23.0	5.2
22. McCann Direct	24.1	20.0	20.5
23. Karl Rove & Co.	21.3	17.6	21.0
24. Ketchum Direct	20.3	14.0	45.0
25. Lawrence Butner Advertising	20.1	15.2	32.2
26. Direct Inc.	20.0	32.0	-37.5
27. More Direct	17.5	16.0	9.4
28. Brown Direct	17.0	15.3	11.1
29. AC&R Direct	12.5	7.8	60.3
30. Grant/Jacoby	12.0	8.6	39.5
31. Clark Direct Marketing	11.8	—	—
32. KKB	10.5	9.5	10.5
33. MacDantz Direct	10.1	7.4	36.5
34. Bloom & Gelb	9.2	9.2	0.0
35. Taurus Marketing	9.0	8.0	12.5
36. Cramer-Krasselt/Direct	8.8	6.6	33.3
37. Evergreen Advertising & Marketing	8.4	4.9	71.4
38. WOL Direct[4]	7.6	7.6	0.0
39. Muldoon Direct	7.3	5.2	44.2
40. Nelson Panullo Jutkins Direct Mktg	7.1	4.2	69.0
41. The Townsend Agency	6.8	5.7	19.3
42. Response Communications	6.6	4.7	40.4
43. Kaye Advertising	6.3	6.1	3.3
44. Herring/Newman Direct Advertising	6.1	1.9	221.1
45. Hemmings, Birkholm & Grizzard	5.8	—	—
46. Peter Vane Advertising	5.7	4.9	16.3
47. Tracy-Locke Direct	5.3	3.1	71.0
48. J.W. Prendergast & Associates	5.2	5.2	0.0
49. Marketing Group	5.1	—	—
50. Hal Langerman	4.7	5.6	-16.1
51. JLA Direct	3.8	—	—
52. Lefton Direct	3.7	—	—
53. Martin A. Lave Marketing	3.6	2.1	71.4
54. Parsons & Kern Advertising	3.6	3.4	5.9
55. Ronald A. Bernstein & Assoc.	3.3	2.5	32.0
56. Lortz Direct Marketing	3.3	2.6	26.9
57. Jacobs & Clevenger	2.7	2.0	35.0
58. Egan Advertising	2.3	1.5	53.3
59. Gerald Patlis Advertising	2.1	2.9	-27.6
60. Carmichael-Lynch	2.1	0.5	320.0
61. Malmo Direct	2.0	—	—
62. Cargill, Wilson & Acree Direct	1.7	0.2	750.0
63. Russ Lapeo & Assoc.	1.5	0.1	1400.0
64. SawyerDirect	1.3	—	—
65. Henderson Direct	1.3	1.2	8.3
66. Central Advertising Agency	0.2	1.1	-81.8

[1]Agencies that report fees and commissions only.
[2]The 1984 figure represents Stone & Adler offices in New York City and Chicago, but does not include Chapman Direct's billings, which were reported at $41.5 million. The 1985 figure represents the Stone & Adler office in Chicago and Chapman Direct's billings in New York.
[3]Does not include internal production revenue.
[4]The 1984 figure includes internal production revenue but the 1985 figure does not.

Marketing by Mail

Junk the 'junk mail' stigma

By JOHN FRANCIS TIGHE

In my last column, the vice-chairman of Ogilvy & Mather International implied that people don't like junk mail.

Drayton Bird's exact words and intonations were: "People actually tend to be more affected by advertising they *like*." To which I riposted: "The public votes with its dollars."

My point was that as long as we can split-test print and direct-mail response with keyed coupons and reply cards, we don't need expensive research to tell us which advertising the public likes. I am waiting for this gleaming insight to be rediscovered with hosannas by corporate and agency yuppies.

Meanwhile, I am not opposed to research—in fact, I welcome it—except to tell me which ad will work best. This is not its proper function.

J. Tighe

Research has helped me enormously in business-to-business mail marketing. One of these columns, I will show you how to use it to create breakthroughs.

But getting back to this question of which advertising the public likes, what we are really talking about is which advertising the Big Bucks clients and their agencies like. Or more accurately, *dislike*. Particularly in direct mail.

The fact is, they don't like mail at all. It makes them nervous. They don't understand it. It's not "media," like tv. They're embarrassed by it. And they're even more embarrassed because people keep calling it junk mail.

This despite the Direct Marketing Assn.'s findings that " 'junk mail' is used [by the public] as a descriptive rather than critical term for mass mailings. . .often an affectionate term."

Recently, I was talking to Tom Collins, the co-founder of Rapp & Collins, about the abhorrence exhibited by most direct-marketing agencies for the "*Reader's Digest* school" of direct mail.

As an agency principal, Tom was sympathetic. But, as he pointed out, "They have not established that they can do a more successful sweepstakes promotion without all that gingerbread. . .*Reader's Digest* said 'Hey! What if we put a little red seal there—what'll that do? Oh look—that works!

" 'What if we use shadow lettering? What does that do? Oh, that works, too!'

"And because they never give up the old mailing until the new mailing has beaten it, much of the stuff that you see is the product of 30 years' evolution."

Don't get me wrong. I don't hate good design. I just love good results. I've said before that one of the most gifted and innovative graphic designers in direct marketing is Heikki Ratalahti, whose partner is copywriter Bill Jayme.

But Bill and Heikki specialize in a very specific type of mail. I'm not sure they could do a successful sweepstakes mailing. And they would tell you that they wouldn't be caught dead trying.

As Tom Collins remarked in our conversation (on which I'll report at greater length in a future column), "Different problems require different solutions."#

Copywriter/consultant Mr. Tighe is known in direct-marketing circles as one of the most successful free lancers. Based in New York, he serves clients throughout the U.S. and Canada.

Business shops get DMA group

COLORADO SPRINGS, COLO.—The Direct Marketing Assn. has created its fourth special-interest group, this one serving the needs of business-to-business direct marketers.

Business-to-Business Leaders was born at the DMA's spring conference here, the third such group created since Jonah Gitlitz took office as president. Catalog Leaders was formed three years ago. List Leaders and the Television Direct Response group were added last year.

Each group is intended to increase participation of senior-level executives in the association's ac-

(Continued on Page 101)

Bacal leaves own shop to join Bruno/Mease agency

PHILADELPHIA—Bruno/Mease has added Harvey Bacal as a partner and changed its name to Bruno Mease Bacal. Mr. Bacal comes in with 15 years' agency experience, most of it in direct marketing. Most recently, he founded and ran Harvey Bacal Direct Marketing.

This issue $3.00. $57 a year

March 27, 1986

Special Issue

Advertising Age

Crain's International Newspaper of Marketing

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Agency income surges 15.3%

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By R. CRAIG ENDICOTT

Worldwide gross income of U.S. agencies rose 15.3% to $8.17 billion in 1985 and billings climbed 15.9% to $55.8 billion for the ADVERTISING AGE 500 leading agencies. But even with such improvements, the year-to-year swing was down from growth recorded from 1983 to 1984 primarily because of a stagnation in agency activity in foreign markets.

Growth in non-U.S. gross income dropped from the 13.7% reached in 1984 over the prior year to 3.2% in 1985, rubbing out the 19.6% gain in U.S. gross income, the largest such gain in the past 10 years. The growth rate recorded in 1984 was a 17.1% increase in both worldwide gross income and billings over the prior year.

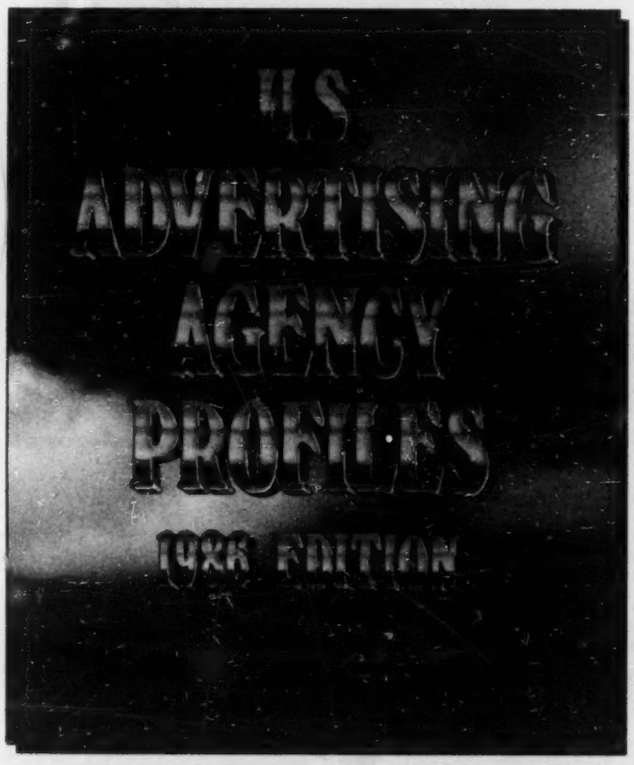
Again leading all agencies in world gross income in this 42nd annual Agency Income Report was Young & Rubicam with $536 million on billings of $3.58 billion, both 11.7% increases over 1984. However, Ogilvy Group's $481.1 million in world income passed Ted Bates Worldwide for the No. 2 spot in that category. Ogilvy had passed Bates in worldwide billings in 1984 and maintained that lead with its $3.32 billion contribution compared with $3.11 billion for Bates.

This issue is the first in which editors established an AD AGE 500 barometer. This 500 agency index accounted for 43.2% of the $95.84 billion in total U.S. advertising in 1985 as measured by Robert J. Coen, senior vp-director of forecasting at McCann-Erickson. The 500 also were responsible for an estimated 70% of all advertising placed advertiser by agencies, media buying houses and in-house buying units.

This year, 690 agencies' figures were accepted for publication. While profiles were published for each agency, only the figures for the top 500 were included in composites. Cutoff for the 500 in 1985 was $1.05 million in gross income, which is equivalent to about $7.8 million in billings.

Among the top 10 agencies, Saatchi & Saatchi Compton Worldwide continued to climb the charts, rising a notch to No. 4 in world billings and No. 5 in world income on the basis of a 31.8% increase in billings and 30.6% increase in gross income—growth credited to major acquisitions abroad.

Saatchi dropped two places from 1984 to No. 10 in U.S. gross income. One reason for the slip was the invasion of the top 10 charts by D'Arcy Masius Benton & Bowles on the basis of the mid-1985 merger between D'Arcy MacManus Masius and Benton & Bowles. Separately, the two agencies ranked 12th and 14th in 1984 in world gross income. But the DMB&B combine in 1985 ranked seventh among U.S. agencies in U.S. income and eighth in world income, world billings and non-U.S. billings.



The Ad Age 500 has grown from $11.9 billion to $41.4 billion in U.S advertising in 10 years and accounts for 70% of all U.S. media billings placed through a second party.

Hot shops

Growth in worldwide gross income at Griffin-Bacal exploded behind one of its clients, toy monolith Hasbro Inc., clocking in at 150.3% over 1984. This sent the New York-based agency from No. 119 in 1984 to No. 59 in worldwide gross income in 1985, firmly establishing the agency as the fastest growing shop in the country. However, there may be some erosion in that business in 1986 because Hasbro, has assigned Needham Harper Worldwide part of its account.

Within striking distance of Transformer-conscious Griffin-Bacal was Fallon McElligott Rice with a 148.1% increase in worldwide gross income, which elevated the Minneapolis shop from No. 165 in 1984 to No. 79.

Other sizable gainers in the top 10 performers in worldwide income on a year-to-year basis were Rumrill-Hoyt, New York, up 59.5%; Chiat/Day, Los Angeles, up 58.8%; Ammirati & Puris, New York, up 44.4%; Richards Group, Dallas, up 39.1%; Towne, Silverstein Rotter, New York, up 37.3%; DBG&H Unlimited, Dallas, up 35.8%; Kobs & Brady Advertising, Chicago, up 32.2%, and Saatchi, up 30.6%.

Such performances by Kobs & Brady and FMR did not go unnoticed. Meteoric growth at Kobs & Brady was not lost on Bates, its new parent as of March, 1986, a month after FMR was bought by Scali, McCabe, Sloves. Peripatetic clients and big bucks, however, have a tendency to reduce fast-track agencies one year to slow-boat takers the next. Growth leader in 1984—Lord, Geller, Federico, Einstein—suffered a drop of 10.4% in worldwide billings in 1985, which LGFE execs

(Continued on Page 2)

Top 10 agencies by world income

Rank '85	Rank '84	Agency	World income 1985	1984	% chng
1	1	Young & Rubicam	$536.0	$480.1	11.7
2	3	Ogilvy Group	481.1	421.0	14.3
3	2	Ted Bates Worldwide	466.0	424.4	9.8
4	4	J. Walter Thompson Co.*	450.9	414.4	8.8
5	6	Saatchi & Saatchi Compton Worldwide	440.9	337.5	30.6
6	5	BBDO International	377.0	340.0	10.9
7	7	McCann-Erickson Worldwide*	345.2	292.2	18.1
8	—	D'Arcy Masius Benton & Bowles	319.5	335.4	(4.7)
9	8	Foote, Cone & Belding Communications	284.2	268.5	5.8
10	9	Leo Burnett Co.	269.4	253.5	6.3

Top 10 agencies by world billings

Rank '85	Rank '84	Agency	World billings 1985	1984	% chng
1	1	Young & Rubicam	$3,575.3	$3,202.1	11.7
2	2	Ogilvy Group	3,318.7	2,887.9	14.9
3	3	Ted Bates Worldwide	3,106.9	2,829.2	9.8
4	5	Saatchi & Saatchi Compton Worldwide	3,033.1	2,301.7	31.8
5	4	J. Walter Thompson Co.*	3,009.2	2,765.3	8.8
6	6	BBDO International	2,516.0	2,275.0	10.6
7	7	McCann-Erickson Worldwide*	2,302.8	1,949.3	18.1
8	—	D'Arcy Masius Benton & Bowles	2,181.3	2,314.4	(5.8)
9	8	Foote, Cone & Belding Communications	1,901.0	1,802.3	5.5
10	9	Leo Burnett Co.	1,868.5	1,734.8	7.7

Top 10 agencies by U.S. income

Rank '85	Rank '84	Agency	U.S. income 1985	1984	% chng
1	1	Young & Rubicam	$340.6	$323.1	5.4
2	2	Ogilvy Group	307.2	270.5	13.6
3	3	Ted Bates Worldwide	287.5	263.2	9.2
4	4	BBDO International	274.0	235.0	16.6
5	5	J. Walter Thompson Co.*	251.2	216.9	15.8
6	6	Foote, Cone & Belding Communications	213.7	196.9	8.6
7	—	D'Arcy Masius Benton & Bowles	197.5	217.9	(9.4)
8	9	Grey Advertising	183.2	155.1	18.1
9	7	Leo Burnett Co.	179.7	163.2	10.1
10	8	Saatchi & Saatchi Compton Worldwide	169.7	157.4	7.8

NOTE: Dollars in millions *1984 figures are restated

Top 10 agencies by non-U.S. billings

Rank '85	Rank '84	Agency	Non-U.S. billings 1985	1984	% chng
1	3	Saatchi & Saatchi Compton Worldwide	$1,799.7	$1,208.4	48.9
2	1	McCann-Erickson Worldwide*	1,468.9	1,158.8	26.8
3	2	J. Walter Thompson Co.*	1,333.7	1,318.6	1.1
4	6	Young & Rubicam	1,303.3	1,047.0	24.5
5	5	Ogilvy Group	1,269.7	1,083.6	17.2
6	4	Ted Bates Worldwide	1,190.4	1,074.4	10.8
7	7	SSC&B:Lintas Worldwide	851.0	709.0	20.0
8	—	D'Arcy Masius Benton & Bowles	848.2	834.2	1.7
9	8	BBDO International	688.0	694.0	(0.9)
10	10	Leo Burnett Co.	598.6	601.9	(0.5)

NOTE: Dollars in millions *1984 figures are restated

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An FCB Chicago spot for Levi's 501 jeans is suggestive of music videos.

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Agency income surges 15.3%

(Continued from Page 1)

credit to "a natural course correct following explosive growth."

Ohlmeyer Advertising, fast becoming solely an in-house agency for R.J. Reynolds Industries, continued to lead all agencies in productivity with 0.52 people per $1 million in 1985 billings, improving on its 0.56 performance in 1984.

U.S. media growth

U.S. media billings rose 19.4% to $35.44 billion in 1985 among the 500. Total U.S. billings among the 500 actually came in at $41.37 billion. The $5.93 million difference is attributed to agencies that did not break out total advertising volume into the various media. The smaller media billings figure is used to arrive at percentages of its 14 contributing media components. Agencies in the Interpublic Group of Cos. and Saatchi were among those not providing media breakouts.

The $35.44 billion volume was paced by network tv's $9.96 billion, a 10.4% increase from the year earlier. Spot tv was a notch behind at $7.7 billion in total dollar volume, up 22.4%.

Very little network tv buying trickled down to agencies below the top 100, which accounted for 95.3% of the network tv spending. The top 100 agencies also bought 80.5% of spot tv, 86.6% of cable, and 80.1% of outdoor. They also accounted for 74.7% of all media purchased by the 500.

Among the top 10 agencies, which as a unit claimed more than half the network tv billings of the 500, three agencies spent less on network tv in 1985 than in 1984.

Ogilvy Group, the biggest network tv spender, and Young & Rubicam, the No. 2 tv spender, each spent 13% less in the medium than they did the previous year. These two agencies together accounted for 16% of the 500's network tv billings, down from 20% in 1984. The only other top 10 agency to register a decline in spending in the medium was DMB&B, whose network tv billings suffered an 8.7% erosion. Network tv spending in 1985 did not have the luxury of a summer Olympics or presidential election year as it did in 1984.

Y&R grabbed the top spot in spot tv, followed by Foote, Cone & Belding, which was the leading newspaper spender. Ogilvy came in at No. 6 in spot tv, spending less in that medium than it spent in magazines, a medium it led with a 33% increase in billings. Over-all, the 500 increased newspaper spending 14.8% to $3.45 billion and magazine spending 18.8% to $5.8 billion.

Direct response advertising had the largest increase among the media monitored—57.5% to $2.08 billion—figures representing a composite of Yellow Pages, direct mail, catalogs, direct response tv, radio, newspapers and magazines, telemarketing and free-standing inserts. Of the direct response total, direct mail took 53.2% and Yellow Pages 23.4% of the composite pie.

Cable tv, the newest of the media reported, showed the second biggest year-to-year increase in spending, up 56.4% to $414.8 million in 1985.

Point of sale, accounting for a relatively small $181.5 million among the 500 agencies, increased 34.8%. Outdoor had the smallest increase—4.9% to $894.8 million—among the 14 media monitored. *(See composite media chart on Page 94.)*

Mergers

The agency business replicated the buyout madness affecting U.S. industry as a whole in 1985, accelerating the rush toward dominance of the industry by a select few. The top 10 agencies, for example, account for 49% of the advertising bought by the Ad Age 500.

Lorimar Group, which purchased Bozell & Jacobs in 1985, merged it in January, 1986, with its Kenyon & Eckhardt unit bought in 1984. Together, they ranked 14th in world gross income.

Candidate for the Advertising Age Agency of the Year, No. 72 Levine, Huntley, Schmidt & Beaver, became part of Grey Advertising. In addition to its creative excellence, LHS&B had a prosperous year, rising from No. 85 in 1984. Ross Roy in Detroit bought No. 150 Griswold Inc. of Cleveland. Backer & Spielvogel got AdCom Inc., the one-time in-house agency for Quaker Oats Co. in Chicago. AdCom ranked 117th in worldwide gross income in 1984. HBM/Creamer purchased Albert Jay Rosenthal, Chicago.

Agency concentration continued in full force in early 1986. Already Sieber & McIntyre, the Chicago-based healthcare shop ranked No. 77, has been bought by No. 7 McCann of the Interpublic Group of Cos. Interpublic's Marschalk Co. has merged with Lowe Howard-Spinks in the U.K., and added some of the Campbell-Ewald worldwide offices to the new Lowe Marschalk network with estimated billings of $550 million.

Fallon McElligott Rice, No. 79, was purchased by No. 28 Scali, McCabe, Sloves, a subsidiary of No. 2 Ogilvy Group. Boston-based No. 75 Ingalls Associates was grabbed up by No. 6 BBDO International and merged with BBDO's Boston shop, Quinn & Johnson. Bates, No. 3, went on a buying binge this March, taking No. 93 Kobs & Brady, and is seeking to close a buyout deal with Conill Advertising, a leading New York Hispanic agency.

The biggest merger in 1986 so far has been the DFS Dorland Worldwide linkup in which Saatchi's U.K. subsidiary, Dorland Advertising, merged with Dancer Fitzgerald Sample, New York. The DFS Dorland network will account for billings of $1.5 billion.

Ad specialty shops

Specialty shops, especially Hispanic and direct marketing units, continued to attract attention of general agencies, whether mutations from within or by acquisition.

Hispanic advertising, estimated at $333.5 million in 1985 for a 17.2% increase from the previous year, has been gathering steam as advertisers get more solid numbers on the market. Bates' courtship of Conill Advertising is expected to reach the altar in early 1986. Davis, Johnson, Mogul & Colombatto's in Los Angeles formed Ad Latina from within and Kornhauser & Calene affiliated with Garrido Group.

Direct response agencies are flourishing, reflecting the growth in that ad medium. Direct mail advertising, the largest sector in direct response, was expected to increase 11% in 1985 to $15.3 billion, according to Mr. Coen at McCann. The big agencies are going after direct response business like vultures on a carcass. Kobs & Brady is the big buy, going to Bates in 1986. Doyle Dane Bernbach grabbed Direct Response Group, Dallas. Hicks & Greist has built up its direct marketing staff to 20 from half that a year ago; Al Paul Lefton says its 18-month-old direct response group is its fastest growth area along with pr; JWT formed J. Walter Thompson Direct in 1985, a composite of five direct response agencies. Ross Roy purchased direct response agency Lerner Scott Corp. in Chicago.

Other "specialty" brides were Sieber-McIntyre, bought by McCann, York/Alpern, Los Angeles, bought by DDB. No. 16 Needham Harper Worldwide bought Lane & Huff Advertising, a San Diego-based financial shop. N W Ayer, No. 18, entered the new year announcing to all its intention of expanding through specialty shop acquisition.

Non-U.S. influence

London proved the "in" place for U.S. agency activity in 1985. No. 46 Doremus moved into the English capital to service 11 U.S.-based clients and seek new business. No. 58 Direct Marketing Group formed D.M. Group Ltd., No. 55 Medicus Intercon purchased ADA Group, and No. 38 Hill Holliday, Connors, Cosmopulos merged with Aspect Ltd., London.

Saatchi's acquisition of Grandfield, Rork, Collins; Marschalk's merger with Lowe Howard-Spinks, and WRG/London's merger with Holmes, Knight, Ritchie to form HKR/WRG completes the invasion.

Over-all, the 500's activity in foreign markets was off, their non-U.S. gross income slipping from 26% of the worldwide total in 1984 to 23% in 1985. This flattening was attributed to a strong dollar and depressed economies in the Pacific basin, Latin America and select European markets.

Regional ad power

Regional concentration of advertising is not a question of what markets comprise that concentration, but just how big the business is in New York, which is also headquarters of 28 of Advertising Age's top 100 media companies. New York claimed 35% of the Ad Age 500's U.S. billings. New York totals of $19.44 billion in billings were from 209 shops. The agencies in that city accounted for 91.4% of total non-U.S. billings reported by U.S. agencies.

A parent agency's billings were broken out by cities in this issue to arrive at an accurate estimation of billings' concentration per market. Most of the carving, of course, was done on New York-based agencies. New York is even more dominant than the numbers show because many central offices pull media strings for certain clients serviced elsewhere.

Chicago remained the Second City with $4.26 billion in U.S. billings from 67 shops and accounted for most of the remaining 8.6% in non-U.S. billings not claimed by New York. Los Angeles came in third with $2.20 billion from 53 shops; followed by No. 4 Detroit, $1.75 billion from 20 shops; No. 5 Dallas, $893.3 million from 18 shops; No. 6 Minneapolis, $866.5 million from 23 shops; No. 7 San Francisco, $862.9 million from 31 shops; No. 8 Boston, $834.2 million from 27 shops; No. 9 Philadelphia, $603.9 million from 32 shops, and No. 10 Cleveland, $537.2 million from 17 shops. *(See city chart on Page 75 for the top 25 ad markets.)*

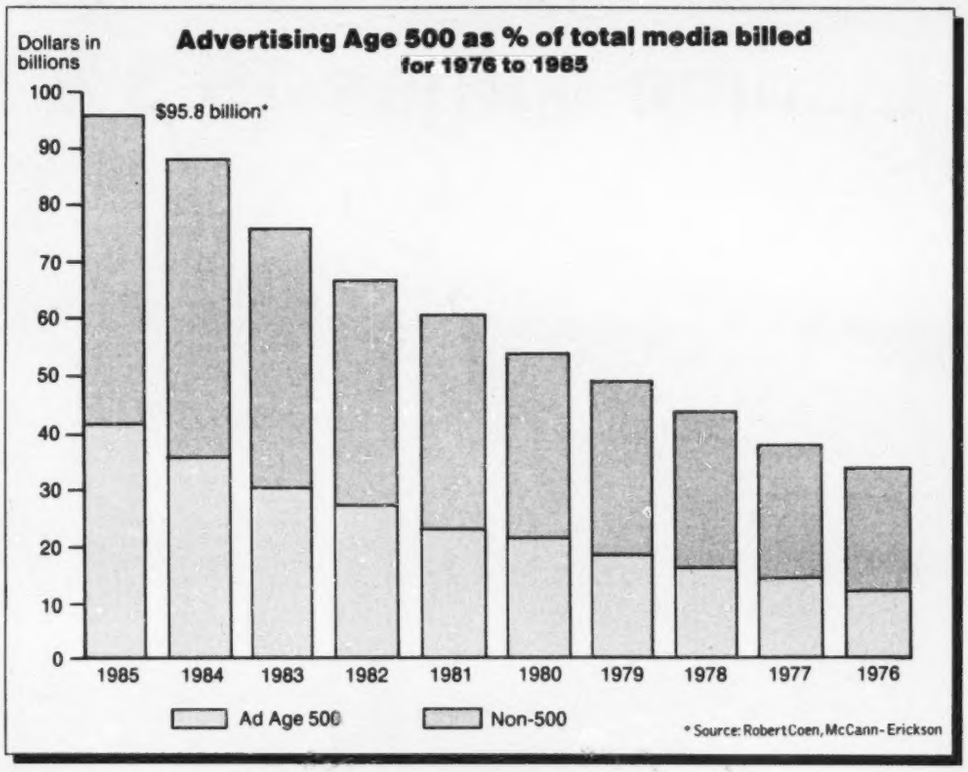
New York helped give the East 60% of total advertising reported by the Ad Age 500. The Midwest trailed with 24%, followed by 10% for the West Coast and 6% from the South. *(See map on Page 109 for regional divisions.)*

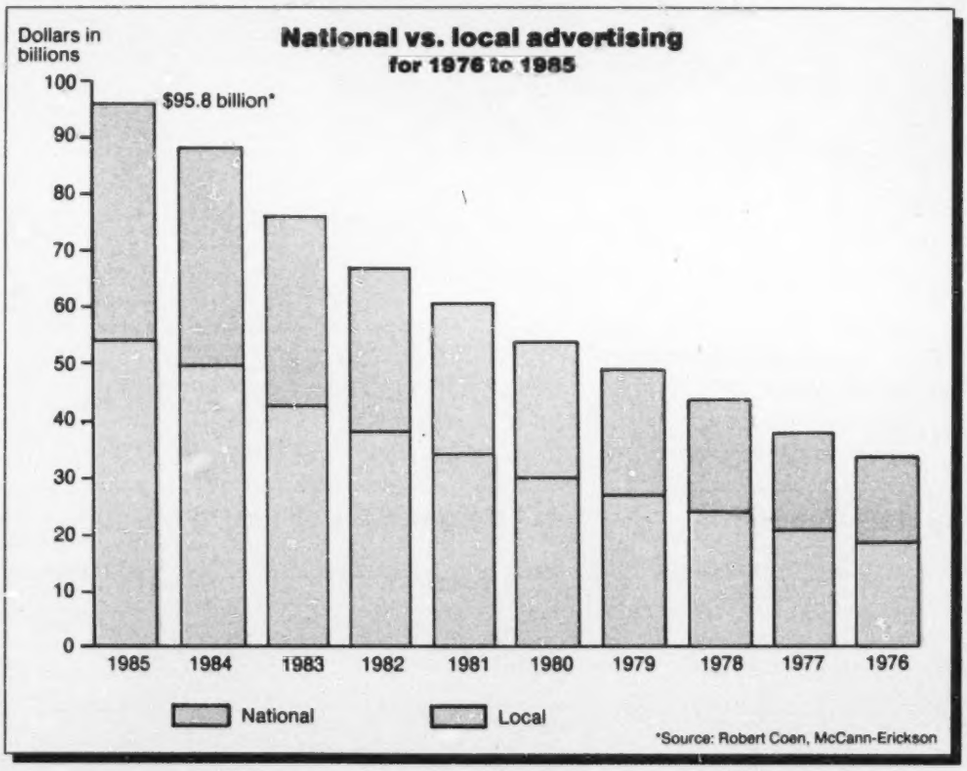
Power & trends among 500

As an index, the Ad Age 500 dominates total advertising placed by agencies in the U.S.

Total ad spending in 1985 estimated at $95.84 billion was broken down into $53.83 billion national advertising and $42.01 billion local advertising, estimates McCann's Mr. Coen. The 500's total ad billings of $41.4 billion, which is virtually all national advertising, accounts for 43% of the total, but in reality it amounts to a lot more because about $36 billion of those local ad dollars are not placed by agencies. This amount is attributed to local newspa-

(Continued on Page 6)





Three finalists vie for Ad Age

The editors and staff of Advertising Age have selected three finalists for 1985 Agency of the Year.

They are Foote, Cone & Belding, Chicago; Hill Holliday Connors Cosmopulos, Boston, and Levine, Huntley, Schmidt & Beaver, New York.

The winner will be announced April 22 at Advertising Age's Best Advertising Awards dinner at the Hyatt Regency Chicago hotel. At the dinner, a benefit for the Museum of Broadcast Communications, awards also will be announced for Best Television Commercials, Best Commercial Music, Best Director and Best Presenter.

Ad Age's annual selection of Agency of the Year is based on evaluation, by a committee of the publication's editors, of the creative product of the nominated agencies.

The creative product, rather than business success or accounts gained, is given primary attention to allow consideration of agencies of all sizes and types for the annual award.

The creative product can include copy, creative strategies, merchandising, media planning, research and related factors. An agency's growth and financial success is considered only to the extent that they reflect creative ex-

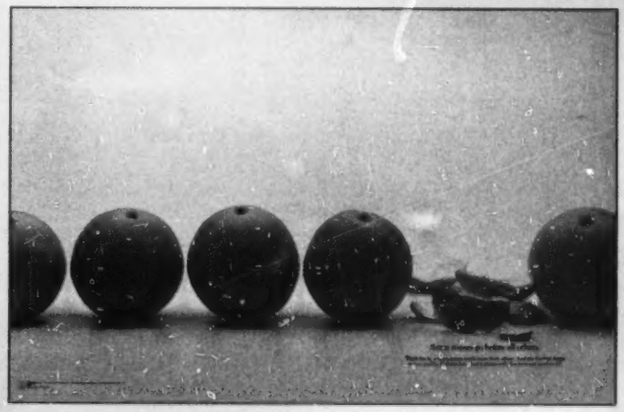
Levi's ads in both print and tv avoid the formula approach, using kicky, trendy formats to reach the younger audiences.

FCB Chicago breaks

Foote, Cone & Belding, Chicago, was nominated for a variety of creative advertising, including the much-talked-about spots for Coors beer featuring actor Mark Harmon. The "serial" concept has Mr. Harmon talking about various aspects of the Coors quality story. The spots break away from the usual "jocks in a bar" beer stereotype.

The second most popular FCB campaign among Ad Age staffers was Levi's 501 jeans tv spots, suggestive of music videos, featuring music with a strong beat and young men and women in city scenes. A similar type of commercial was used by FCB to introduce Coors in Canada—cool music and young adults.

The agency did not abandon the tug-at-the-heartstrings school, however,



Sunkist is the choice, suggests this eye-catching color spread for Sunkist Growers Inc. Its quality theme: "You have our word on it."

HHCC creates right answers

Hill, Holliday, Connors, Cosmopulos, Boston, has been winning its share of creative awards, and its latest series for new client John Hancock Mutual Life Insurance Co. is in line for more. The "Real life, real answers" campaign, which broke in late December and got maximum exposure on postseason football telecasts, features compelling vignettes of people in various stages of life with varying financial needs.

The campaign carries over into print, providing more information on the people featured in the tv spots.

Other creative efforts that drew attention from the Ad Age staff included the agency's trendy efforts for Jordan Marsh stores, the big-production Wang spots, Lotus software tv with a "You Made Me Love You" theme and innovative, lighthearted comparison ads for Ford dealer groups.

The Wang "Power & Glory" spot, set in an English cathedral, won a first-place award for HHCC in the Hatch awards competition of the Advertising Club of Greater Boston. It was one of 23 Hatch awards the agency won last year.

Agency president Jack Connors Jr. says the 18-year-old agency has blossomed into a full-service communications company, adding marketing research, pr, design and direct marketing to the creative attack. And in 18 months the agency's operation in New York has built a $26 million shop there, led by Malcolm MacDougall, formerly president of SSC&B:Lintas.

The agency last year also signed a merger agreement with Aspect Advertising in London and started a joint venture with an agency in Sydney.

People at various stages of their careers are highlighted in the agency's first tv campaign for John Hancock insurance services.

Stylish couple is featured in the continuing "This is the place" bouncy tv campaign for Boston's Jordan Marsh department store.

For the Ritz-Carlton, one of a number of the agency's Boston clients, print ads mix elegance with cool jazz and a hot fire in The Bar.

An organist trying out for a job in a vast cathedral is central in this Wang computer spot, which stresses the importance of people.

To break into the frozen bagel market, Sara Lee and the agency used tv spots of men and women getting positively sensuous over devouring a Bagel Time bagel.

Agency of the Year Award

cellence.

Nominations for Agency of the Year are submitted by staff members in all Ad Age bureaus. Staff nominations result from the monitoring of the advertising agency business throughout the year in the course of covering the news.

While primary emphasis is placed on nominations from staff members, careful consideration is given to candidacies advanced by the agencies themselves.

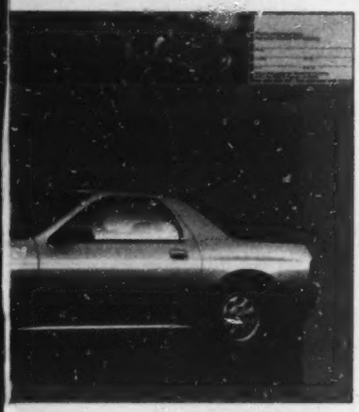
On these pages are brief summaries and portfolios of the three finalists, appearing in alphabetical order.

Past winners

Previous winners of the Advertising Age Agency of the Year award:

1984—BBDO Inc.
1983—Fallon McElligott Rice
1982—Ogilvy & Mather
1981—Ally & Gargano
1980—Chiat/Day
1979—Henderson Advertising
1978—N W Ayer, Young & Rubicam
1977—Needham Harper Worldwide
1976—DKG Advertising
1975—Leo Burnett Co.
1974—Scali-McCabe, Sloves

out the brainpower



FCB mixes an elegant depiction of the car with boxes showing technical details to introduce the 1986 Madza RX-7 in this color spread. Headline suggests the price is right, too.

with emotional spots for Kleenex and Pacific Bell reminiscent of FCB's much-lauded work for former client Hallmark Cards.

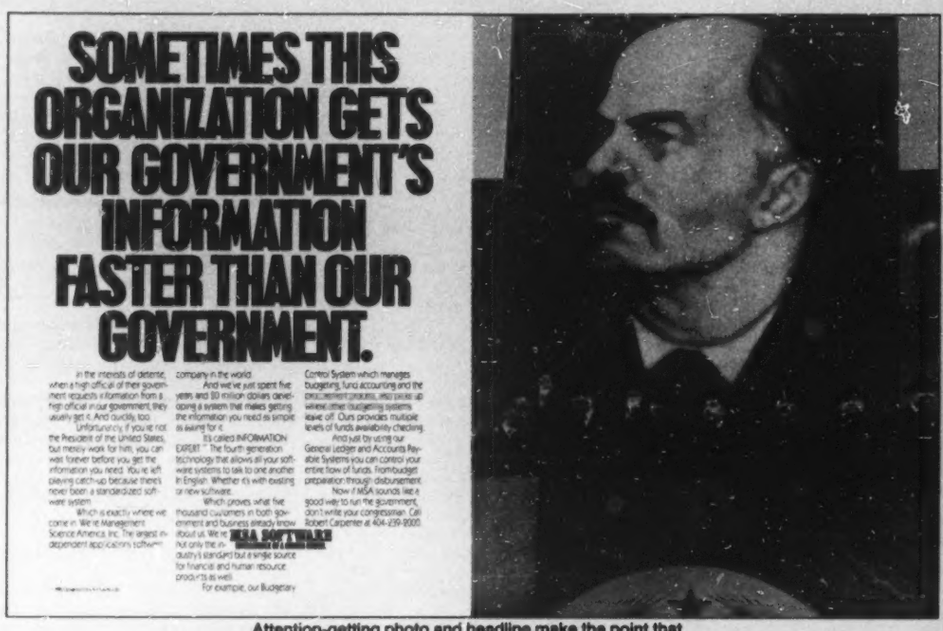
Other notable ads: Mazda using actor Jim Garner, Celestial Seasonings with Mariette Hartley for herbal teas, Long John Silver's ("Sounds good to me") and well-photographed food work for Denny's, California Raisin Board and Sara Lee's new Bagel Time bagels.

The work comes in the fifth year of Norman Brown's regime as chief executive officer of the agency. He has pushed the idea that agency management's job is to bring together the agency's "right-brain" (emotional, intuitive) and "left-brain" (analytical, reasoned) talents.

The very visible John O'Toole retired as chairman at the end of 1985, and Mr. Brown shuffled his management team, naming Abbott Jones as president-chief operating officer. Later this year the agency will move its Chicago headquarters into its own new building on the city's near north side.

"Serial" tv spots for Coors feature popular actor Mark Harmon telling the beer's quality story. Here, he's near the company's Golden, Colo., plant.

Hill Holliday created this uptempo color spread for Lotus Development Corp.'s Jazz software for the Macintosh computer.



Attention-getting photo and headline make the point that MSA software systems can get information fast.

LHSB dependably humorous

Many of the campaigns that attracted Ad Age editors to Levine, Huntley, Schmidt & Beaver were variations on themes that were big award winners in 1984. The new executions haven't lost their winning form, AA's staffers believed.

Subaru tv includes humorous testimonials (top frame), and one highlighting durability that survives its users' rough treatment.

The campaign for Subaru in 1984 kept its "Inexpensive. And built to stay that way" dependability theme while stressing styling and appointments. In 1985 the campaign tilted back toward dependability, but with a humorous air and the underlying notion that "Americans love their cars, but hate to take care of them."

Examples of the campaign for Subaru: A driver backing out of his driveway and blissfully wiping out his and his neighbors garbage cans, a vacationer overstuffing the trunk and a bickering couple slamming car doors to punctuate their argument.

Among other LHSB ads that drew plaudits:

- The continuing radio campaign for Kronenbourg beer in which actor John Cleese carries on a running battle with "the No. 1 advertising disaster"—the beer's slogan, "Better, not bitter."
- The campaign for New York Air, which competes with Eastern Airlines for the New York to Washington shuttle business. One tv spot features a contortionist claiming the competition gives him plenty of seat room while he wraps his legs around the back of his neck.

When Grey Advertising acquired majority interest in the agency last July, Grey chairman Edward Meyer, paying tribute to Levine, Huntley's creativity, stated: "This sends a message to our world that this is where our money should go, that our heroes are creative people and those who do outstanding advertising."

New York Air's campaign goes head-to-head with Eastern for the lucrative Washington-N.Y. shuttle business.

Yoko Ono is among the leading lights who have appeared in this long-running image-changing print series for McCall's.

On tv, the agency touts New York Air's roominess by showing a contortionist who claims there is plenty of leg room on the competitor's aircraft.

Agency income surges 15.3%

(Continued from Page 2)

pers, local radio and other miscellaneous advertising. There are some 3,000 ad agencies in the U.S.

Thus, of the $59.8 billion in advertising bought by an agent of some kind, the AD AGE 500 accounted for 70%. The rest can be largely credited to big in-house media buying units, independent media buyers and agencies not big enough to make the 500.

A 10-year tracking of the 500, drawn from the Agency Income Reports in each of the past 10 years, demonstrates a slow but steady concentration of the U.S. agency business.

U.S. billings among the top 25 agencies as ranked in 1985 have gone from 55.7% of total billings of the 500 in 1976 to 62.2% in 1985. Buying continues at a fevered pace in 1986, and informal merger discussions between ad industry giants are taking place. While there is little indication this trend toward concentration will abate the 1985 figures show a slight resistance among the midsized to smaller agencies for domination by the 25.

In 1985, the 62.2% share for the 25 was actually down from the 10-year high of 64.2% in 1984. These percentages folded into the buying power of the top 100 agencies also wash out to 79.5% of the 500 in U.S. billings, down from 83.6% in 1984. The dip indicates growth is shifting to the mass of midsized shops from $20 million to $60 million, many of which are in the emerging regional markets of the South and West.

Overlaying the annual increase in billings the past 10 years with the cost of prime time tv for the same period indicates how tied the agency business is to that medium. This is hardly a revelation. The chart on Page 107 illustrates how annual increases in tv unit prices have been a major component in increased billings over the past 10 years, and how that relationship has propelled industry growth well beyond the annual gross national product.

10-year averages

A 10-year review of the top 25 agencies of 1985 demonstrates the surge of Saatchi & Saatchi Compton Worldwide both domestically and outside the U.S. The 10-year retrospective of Saatchi begins in the U.S. under the name of Compton Inc. before its merger with the London Saatchi agency in 1982. Saatchi gross income has risen from $59 million in 1976 to $393.5 million in 1986 as billings increased from $393.5 million to $3.03 billion.

Such growth placed Saatchi at the head of the 25 in average annual worldwide and U.S. gross income growth with 26.2% and 29.9%, respectively. In average annual dollar volume growth, Saatchi led the charts in non-U.S. gross income and billings with $25.7 million and $170.1 million, respectively.

Not far behind Saatchi in average annual per cent change in worldwide gross income and billings was Backer & Spielvogel, with 25.8% for both. Scali, McCabe, Sloves was third in both categories with 23.9% and 24%, respectively. Scali had the biggest positive growth in gross income of 12.7% for a year-to-year period during the span of the decade. HCM suffered the biggest loss in a single year in gross income of 27.5%, which came in 1983 when Y&R sold the agency side of Marsteller to Eurocom while keeping the pr unit.

The 10-year review of average annual per cent change in U.S. gross income and billings reads much the same as those worldwide categories, except Bates moved ahead of Backer on the gross income chart with 26.0%, still distant to Saatchi's 29.9%. Bates ranked consistently high in most growth charts, helped along by active acquisition activity. Its purchase of William Esty in 1982, added to a strong performance that year at Bates, put the agency a notch behind Saatchi in the largest single-year growth in gross income of 80.8% to 80.9% for Saatchi.

The Ogilvy Group, which ranked fourth among the 25 agencies in average annual per cent change in U.S. gross income, had the largest minimum growth year with 12.3%.

The most volatile area of the agency business was in non-U.S. income and billings. Only the Ogilvy Group escaped the 10-year period without a drop in its overseas contribution in both billings and gross income for any year-to-year period. BJK&E was the lone agency to wind up with a negative growth rate in non-U.S. gross income and billings, turning in a negative for both annual per cent and annual volume change.

Scali, McCabe, Sloves led the 25 in average annual per cent change in non-U.S. gross income and billings with 73.4% and 70.2%, respectively, which was about 30 percentage points ahead of the runners-up in both categories. Scali's strength for the most part is a factor of smaller billings that helped produce maximum growth ranges to propel the 10-year average to the orbital sphere. Taking volume into account, Scali dropped to 16th among the 25 in non-U.S. average annual dollar volume change in gross income and billings, categories in which Saatchi far outdistanced its runner-up, Y&R. Saatchi averaged an annual volume growth in income of $25.7 million compared with $15.7 million by Y&R, and on the billings side, led with a $170.1 million average compared with Y&R's $104.7 million.

Only five of the 25 agencies had average annual growth rates for non-U.S. gross income above 10%—Saatchi, Y&R, McCann-Erickson, Bates and JWT—while only three had average volume growth in billings over $100 million—Saatchi, Y&R and Ogilvy—and three others registered annual volume rates in the $90 millions—McCann, Bates and JWT.

In average annual volume change in worldwide gross income and billings, Y&R paced the lists with $44 million and $293.6 million, respectively. Following No. 2 Saatchi in those categories were Ogilvy and Bates in that order. An agency needed an average income growth of at least $41.4 million to make the top four.

Ogilvy led in average annual volume change in U.S. gross income with $28.4 million for the 10-year period, nudging out Y&R with $28.3 million. Y&R slipped by Ogilvy on the U.S. billings side, however, with $188.9 million to Ogilvy's $187.1 million.

HCM remained at the bottom in average annual volume change in U.S. income and billings as a result of its carving up by Y&R and Eurocom.#

Staff for this issue

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- Kevin Brown, *assistant editor.*
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- Karen Brodsky, *production director.*
- Christopher Colletti, *graphic designer.*
- Denise O'Neal, *editorial assistant, research*
- Virginia Hunsche, *reporter/copy reader.*
- Thomas Harney, *reporter/intern.*

Cover photo: Andy Caulfield, ©The Image Bank. **Lettering** by Jeffrey Toth.

Key to profile information

Data in agency profiles was obtained from agencies which received and completed a questionnaire prepared by ADVERTISING AGE.

Agencies were asked to provide gross income and total volume, the latter identified as the sum of media billings, billings to the client for materials and services and capitalized fees—a method of equating fees to billings by treating the raw fee as if it were the 15% commission the agency earned by billing an amount 6.67 times the raw fee.

Gross income in the traditional agency structure is the sum of the 15% commission earned from the media billings, the markup (usually 17.65%) for materials and services billed the client, and the raw fee. Where the profile states gross income as an estimate, it was provided by ADVERTISING AGE.

This year marked the first attempt to obtain a geographic breakout of agency billings. When agencies did not comply with this request made in the questionnaire, their regional billings were estimated whenever possible.

Also new to the 1985 reporting was a further break out of an agency's U.S. billings into the many forms of direct response advertising.

The questionnaire sought figures for both 1985 and 1984 to obtain a year-to-year reading of this growing media activity.

This year also marked the second year in which agencies provided voluntary verification from an independent accountant for the figures they reported. Those agencies providing a signature were noted in this issue by a check mark within a box in the profile of the agency. About one-third of the agencies signed this statement:

The undersigned, acting as outside accountant for the agency, confirms that the U.S. income figure indicated above for the year 1985 reflects totals as entered on the books of the company for the period reported.

Several variations of this statement were accepted including a more formal letter authored in 1984 by the New York State Society of CPAs under the direction of Gene F. Gaughan, chairman of the society *(See statement below).*

N.Y. cpa statement accepted

To agency board of directors:

We *(the accounting firm)* have applied certain agreed-upon procedures, as discussed below, to the accounting records of *(give name of agency)* for the year ended Dec. 31, 1985, solely to assist you in preparing your report to appear in the "1985 Agency Income Report" to be published by ADVERTISING AGE on March 27.

It is understood that our report on your accounting records is solely for your information and is not to be referred to or distributed for any purpose to anyone who is not a member of management of your agency without our consent. You may attach a copy of this letter to your agency's report to ADVERTISING AGE.

Our procedure was to confirm total 1985 "U.S. Income" of *(the amount is given)* shown on Line 1 of the agency income questionnaire agreed with the balances in general ledgers or other financial records maintained by your agency and its U.S. affiliates.

Because the above procedure does not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion on any of the accounts or items referred to above.

In connection with the procedure referred to above, no matters came to our attention that caused us to believe that "U.S. Income" should be adjusted. Had we performed additional procedures or had we completed or made an examination of the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you.

This report relates only to the accounts and items specified here and does not extend to any financial statements of your agency taken as a whole.

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Top 100 agencies by gross income

Rank 1985	Rank 1984	Agency	Headquarters	World gross income 1985	World gross income 1984	U.S. gross income 1985	U.S. gross income 1984	World billings 1985	World billings 1984	U.S. billings 1985	U.S. billings 1984	Capitalized fees 1985	Capitalized fees 1984	Employees World	Employees U.S.
1	1	Young & Rubicam	New York	$536.0	$480.1	$340.6	$323.1	$3,575.3	$3,202.1	$2,272.0	$2,155.1	—	—	9,030	4,611
2	3	Ogilvy Group	New York	481.1	421.0	307.2	270.5	3,318.7	2,887.9	2,048.9	1,804.3	—	—	8,759	3,841
3	2	Ted Bates Worldwide	New York	466.0	424.4	287.5	283.2	3,106.9	2,829.2	1,916.5	1,754.7	$328.0	$239.7	5,996	2,684
4	4	J. Walter Thompson Co.	New York	450.9	414.4	251.2	216.9	3,009.2	2,765.3	1,675.5	1,446.7	—	—	9,101	3,444
5	6	Saatchi & Saatchi Compton Worldwide	New York	440.9	337.5	169.7	137.4	3,033.1	2,301.7	1,233.4	1,053.3	—	—	—	—
6	5	BBDO International	New York	377.0	340.0	274.0	235.0	2,516.0	2,275.0	1,828.0	1,581.0	300.0	242.0	4,343	3,229
7	7	McCann-Erickson Worldwide	New York	345.2	292.2	125.0	118.5	2,302.8	1,949.3	833.9	790.5	—	—	6,943	5,374
8	—	D'Arcy Masius Benton & Bowles	New York	319.5	335.4	197.5	217.9	2,181.3	2,314.4	1,333.1	1,480.1	—	—	6,044	2,774
9	8	Foote, Cone & Belding Communications	Chicago	284.2	268.5	213.7	196.9	1,901.0	1,802.3	1,431.0	1,324.4	—	—	5,833	2,968
10	9	Leo Burnett Co.	Chicago	269.4	253.5	179.7	163.2	1,868.5	1,734.8	1,269.9	1,132.9	47.6	42.0	3,997	1,657
11	10	Grey Advertising	New York	259.3	224.2	163.2	135.1	1,729.3	1,495.2	1,221.9	1,034.6	192.1	127.4	4,614	2,234
12	11	Doyle Dane Bernbach Group	New York	231.8	213.6	168.6	154.0	1,669.3	1,478.3	1,211.3	1,085.1	180.8	146.9	5,456	2,125
13	13	SSC&B:Lintas Worldwide	New York	190.9	168.5	67.4	62.2	1,300.5	1,123.6	449.6	414.6	—	—	4,120	731
14	—	Bozell, Jacobs, Kenyon & Eckhardt	New York	173.7	150.6	155.7	133.8	1,220.0	1,047.2	1,100.0	935.2	199.4	181.1	2,600	2,200
15	15	Marschalk Campbell-Ewald Worldwide*	New York	150.1	135.4	127.2	112.1	1,001.3	903.4	848.1	747.9	—	—	1,749	1,386
16	16	Needham Harper Worldwide	New York	127.1	115.9	107.9	97.6	847.3	781.7	719.5	659.4	233.3	206.5	2,422	1,385
17	17	Dancer Fitzgerald Sample	New York	121.5	110.4	118.9	109.2	879.3	758.0	861.9	750.2	—	—	4,258	1,601
18	18	N W Ayer	New York	114.5	104.7	87.7	91.2	826.4	740.9	652.0	652.5	—	—	2,458	1,184
19	19	Wells, Rich, Greene	New York	97.2	96.3	95.1	94.2	648.1	632.0	633.8	618.0	—	—	888	888
20	21	William Esty Advertising Co. ◑	New York	76.5	78.0	76.5	78.0	510.0	520.0	510.0	520.0	—	—	560	560
21	22	HCM ○	New York	75.8	72.2	24.8	30.6	500.3	451.3	165.4	204.0	47.7	59.5	1,430	341
22	23	Ketchum Communications	Pittsburgh	62.9	60.9	56.9	53.1	417.5	406.1	377.5	354.1	104.5	83.6	1,050	864
23	24	Backer & Spielvogel	New York	57.8	59.3	57.8	59.3	385.1	395.7	385.1	395.7	12.2	4.1	625	625
24	26	C&W Group	New York	51.0	53.3	51.0	53.3	339.9	370.0	339.9	370.0	21.2	18.8	560	560
25	28	Scali, McCabe, Sloves ◇	New York	50.2	44.6	36.6	30.8	334.7	307.8	243.9	209.5	—	—	841	498
26	27	Campbell-Mithun ◑	Minneapolis	49.8	45.0	49.8	45.0	331.8	300.3	331.8	300.3	—	—	696	696
27	30	TBWA Advertising	New York	49.6	40.5	13.2	10.9	330.9	270.0	87.9	72.8	—	—	600	97
28	29	HBM/Creamer	New York	47.4	44.4	47.4	44.4	318.0	296.0	318.0	296.0	—	—	716	716
29	31	Ross Roy Inc.	Detroit	46.5	37.8	46.5	37.8	310.0	252.0	310.0	252.0	133.0	99.0	707	632
30	40	Chiat/Day	Los Angeles	44.1	27.8	44.1	27.8	294.3	226.6	294.3	226.6	90.0	42.8	332	332
31	32	DYR Worldwide ○	New York	41.5	36.6	20.8	21.7	286.7	250.1	143.2	136.3	—	—	693	231
32	35	Tracy-Locke ▽	Dallas	40.0	32.2	40.0	32.2	272.3	239.8	272.3	239.8	22.3	15.9	587	587
33	—	Geers Gross Advertising	New York	38.1	37.3	24.0	23.8	257.0	253.6	170.0	168.0	12.0	10.0	280	180
34	33	Della Femina, Travisano & Partners	New York	36.7	33.0	36.7	33.0	245.0	220.0	245.0	220.0	26.0	23.1	381	381
35	37	Wunderman, Ricotta & Kline ○	New York	35.3	29.8	26.3	22.4	235.6	198.7	175.7	149.7	—	—	543	355
36	34	Leber Katz Partners Advertising	New York	33.7	32.4	33.7	32.4	290.6	279.3	290.6	279.3	39.0	36.1	304	304
37	36	Laurence, Charles, Free & Lawson	New York	33.3	32.3	33.3	32.3	235.0	215.0	235.0	215.0	15.0	12.0	279	279
38	44	Hill Holliday Connors Cosmopulos	Boston	32.7	26.3	28.8	22.7	218.1	175.4	192.0	151.5	149.4	93.3	524	395
39	39	Admarketing	Los Angeles	30.5	28.1	30.5	28.1	170.5	160.5	170.5	160.5	1.5	1.5	138	138
40	41	McCaffrey & McCall □	New York	29.7	27.5	29.7	27.5	198.0	183.4	198.0	183.4	—	—	375	375
41	45	Jordan, Case, Taylor & McGrath	New York	29.4	24.2	29.4	24.2	210.0	165.1	210.0	165.1	28.0	25.3	276	276
42	42	Tatham-Laird & Kudner	Chicago	28.2	27.1	28.2	27.1	235.0	226.0	235.0	226.0	70.2	84.2	357	357
43	43	W.B. Doner & Co.	Southfield, Mich.	27.8	26.9	27.8	26.9	185.2	179.0	185.2	179.0	28.7	27.7	427	403
44	38	Lord, Geller, Federico, Einstein	New York	26.8	29.8	26.8	29.8	185.7	207.2	185.7	207.2	20.3	12.7	285	285
45	48	Ally & Gargano	New York	26.6	23.4	26.6	23.4	203.0	182.9	203.0	182.9	14.0	31.1	222	222
46	47	Doremus & Co. ▽	New York	26.5	23.1	26.3	23.1	174.7	152.7	173.2	152.7	47.5	51.7	319	316
47	52	Sudler & Hennessey ○	New York	23.0	20.5	18.2	16.4	153.4	136.7	121.4	109.4	—	—	285	206
48	50	Keller-Crescent Co.	Evansville, Ind.	22.0	22.5	22.0	22.5	117.5	114.0	117.5	114.0	55.7	50.7	585	585
49	49	Bloom Cos.	Dallas	21.7	21.2	21.7	21.2	170.0	142.0	170.0	142.0	—	—	310	310
50	55	MCA Advertising	New York	21.6	17.6	21.6	17.6	170.0	148.7	170.0	148.7	11.3	9.5	110	110
51	51	Dailey & Associates	Los Angeles	21.1	22.2	21.1	22.2	140.9	147.9	140.9	147.9	—	—	261	261
52	54	Rumrill-Hoyt □	New York	21.1	13.2	21.1	13.2	121.6	149.5	121.6	149.5	—	—	256	256
53	53	Warwick Advertising	New York	21.0	20.3	21.0	20.3	140.0	135.0	140.0	135.0	40.0	38.5	202	202
54	64	Ammirati & Puris	New York	19.5	13.5	19.5	13.5	130.0	90.0	130.0	90.0	—	—	167	167
55	57	Medicus Intercon International ☆	New York	19.3	14.8	8.0	6.7	140.3	133.6	65.2	60.2	49.0	42.7	369	100
56	58	Rosenfeld, Sirowitz & Humphrey	New York	18.4	15.6	18.4	15.6	139.0	121.5	139.0	121.5	28.6	28.6	165	165
57	59	Evans Communications	Salt Lake City	18.3	15.6	18.3	15.6	122.0	104.0	122.0	104.0	37.0	29.5	295	295
58	—	Direct Marketing Group	New York	17.6	14.1	17.6	14.1	101.6	82.1	101.6	82.1	—	—	355	350
59	119	Griffin-Bacal	New York	17.6	7.0	17.6	7.0	117.0	46.8	117.0	46.8	—	—	152	152
60	63	Ohlmeyer Advertising	New York	17.0	13.6	17.0	13.6	115.4	91.0	115.4	91.0	—	—	60	60
61	67	Cole & Weber ◇	Seattle	17.0	13.4	15.3	13.4	121.6	96.9	110.5	96.9	38.5	30.4	245	223
62	61	Davis, Johnson, Mogul & Colombatto	Los Angeles	16.9	14.1	16.9	14.1	116.4	101.4	116.4	101.4	9.8	8.9	220	220
63	56	AC & R Advertising ◑	New York	16.3	16.4	15.8	15.9	110.0	98.7	106.4	94.7	0.8	2.5	220	220
64	62	Lewis, Gilman & Kynett ◇	Philadelphia	16.2	16.5	16.2	16.5	108.0	110.2	108.0	110.2	46.5	47.9	285	285
65	65	Goer, Dallois	New York	15.8	13.5	15.8	13.5	105.0	90.0	105.0	90.0	—	—	165	165
66	66	William Douglas McAdams Inc.	New York	15.4	13.5	15.4	13.5	102.3	90.0	102.3	90.0	36.2	29.6	185	185
67	72	Telephone Marketing Programs	New York	15.3	12.3	15.0	12.0	103.3	83.0	99.7	80.0	—	—	582	528
68	60	Nationwide Advertising	Cleveland	15.0	15.0	14.3	14.3	100.0	100.0	100.0	100.0	—	—	293	293
69	74	Earle Palmer Brown Cos.	Bethesda, Md.	14.3	12.1	14.3	12.1	103.6	84.4	103.6	84.4	—	—	265	265
70	73	Waring & LaRosa ▽	New York	13.5	12.3	13.0	11.8	90.0	82.0	86.4	78.8	8.6	7.5	140	140
71	80	Stone & Adler ○	Chicago	13.4	11.1	12.2	9.8	106.7	82.2	96.8	72.7	77.7	61.3	165	145
72	85	Levine, Huntley, Schmidt, & Beaver	New York	13.1	10.6	13.1	10.6	87.4	71.3	87.4	71.3	17.7	11.6	156	156
73	70	Fahlgren & Swink	Parkersburg, W. Va.	12.9	12.5	12.9	12.5	86.1	84.6	86.1	84.6	50.6	47.7	252	252
74	75	Eisaman, Johns & Laws	Los Angeles	12.8	12.1	12.8	12.1	85.1	80.4	85.1	80.4	4.2	4.1	142	142
75	69	Ingalls Associates	Boston	12.7	12.7	12.7	12.7	84.3	85.0	84.3	85.0	25.3	23.0	229	229
76	83	McKinney, Silver & Rockett	Raleigh, N.C.	12.5	10.9	12.5	10.9	83.1	72.3	83.1	72.3	8.0	7.0	126	126
77	71	Sieber & McIntyre	Chicago	12.3	12.5	11.9	11.9	82.3	83.5	79.3	79.2	54.6	51.1	158	147
78	76	Hicks & Greist	New York	12.3	12.0	12.3	12.0	94.0	92.5	94.0	92.5	3.8	4.3	125	125
79	165	Fallon McElligott Rice	Minneapolis	12.0	4.8	12.0	4.8	80.0	32.3	80.0	32.3	40.0	16.3	102	102
80	78	Henderson Advertising	Greenville, S.C.	11.7	11.3	11.7	11.3	78.3	75.4	78.3	75.4	8.0	9.8	136	136
81	84	Kallir, Phillips, Ross ◇	New York	11.6	10.7	11.4	10.6	112.9	103.8	111.8	103.4	76.2	70.7	185	130
82	86	Group 3hree Advertising Corp.	Pompano Beach, Fla.	11.5	10.6	11.5	10.6	38.3	35.3	38.3	35.3	1.2	1.1	36	36
83	90	Meldrum & Fewsmith	Cleveland	11.4	9.9	10.3	9.1	76.3	66.3	69.0	60.5	—	—	157	157
84	79	Kornhauser & Calene	New York	11.2	11.3	11.2	11.3	121.3	120.4	121.3	120.4	3.5	0.8	131	131
85	77	Diener/Hauser/Bates ◑	New York	11.2	11.4	11.2	11.4	112.9	112.4	112.9	112.4	—	—	166	166
86	108	Richards Group	Dallas	10.9	7.8	10.9	7.8	72.3	53.2	72.3	53.2	52.6	40.0	165	165
87	93	Brouillard Communications ◇	New York	10.7	8.9	10.7	8.9	71.3	59.5	71.3	59.5	—	—	110	110
88	89	Avrett, Free & Ginsberg	New York	10.7	10.1	10.7	10.1	89.0	87.0	89.0	87.0	7.7	6.4	51	51
89	96	Tucker Wayne & Co.	Atlanta	10.6	8.6	10.6	8.6	71.6	59.1	71.5	59.1	10.2	7.1	121	121
90	81	Wyse Advertising	Cleveland	10.5	11.1	10.6	11.1	87.4	86.8	87.4	86.8	28.8	26.7	185	185
91	101	Sawdon & Bess Advertising ◑	New York	10.5	8.1	10.5	8.1	70.3	54.6	70.3	54.6	2.7	3.0	83	83
92	112	Towne, Silverstein Rotter	New York	10.5	7.7	10.5	7.7	70.0	51.0	70.0	51.0	—	—	50	50
93	110	Kobs & Brady Advertising	Chicago	10.2	7.7	10.2	7.7	70.3	52.0	70.3	52.0	55.3	44.5	133	133
94	94	Creswell, Munsell, Fultz & Zirbel ○	Cedar Rapids	10.1	8.9	10.1	8.9	67.5	59.3	67.5	59.3	—	—	172	172
95	91	Al Paul Lefton Co.	New York	9.8	9.4	9.8	9.2	65.0	62.4	64.0	61.4	—	—	185	185
96	116	DBG&H Unlimited	Dallas	9.7	7.2	9.7	7.2	64.9	50.5	64.9	50.5	—	—	235	235
97	82	Direct Marketing Agency ▽	Stamford, Conn.	9.6	7.5	9.6	7.5	63.4	49.5	63.4	49.5	59.4	46.0	100	100
98	95	GSD&M	Austin, Tex.	9.5	8.9	9.5	8.9	76.0	61.2	76.0	61.2	26.7	13.1	177	177
99	68	Muir Cornelius Moore	New York	9.5	13.0	9.5	13.0	63.2	86.6	63.2	86.6	—	—	125	125
100	106	Allen & Dorward	San Francisco	9.5	8.0	9.5	8.0	65.9	52.6	65.9	52.6	—	—	150	150

NOTE: Dollars in millions

* Now separate entities Campbell-Ewald and Lowe Marschalk

See Page 18 for footnotes

Second 100 agencies by gross income

1985 Rank	Agency	Headquarters	Gross income 1985	Gross income 1984	Billings 1985	Billings 1984	Capitalized fees 1985	Capitalized fees 1984	Total Employees
101	Venet Advertising	New York	$9,456.0	$8,124.3	$63,040.0	$54,162.0	$16,390.4	$13,843.5	203
102	Beber Silverstein & Partners	Miami	9,400.0	7,800.0	62,000.0	51,200.0	6,000.0	5,000.0	116
103	Eric Mower & Associates	Syracuse, N.Y.	9,308.5	8,042.9	54,372.1	50,167.9	23,481.9	23,175.4	150
104	Richard & Edward's	New York	9,200.0	7,000.0	61,000.0	46,000.0	—	—	27
105	Kenrick Advertising	St. Louis	9,173.0	6,271.0	49,848.0	43,283.0	23,172.0	26,246.0	205
106	Lally, McFarland & Pantello	New York	8,930.2	5,749.8	34,535.6	13,577.4	30,121.3	9,208.1	50
107	Cochrane Chase, Livingston □	Newport Beach, Cal.	8,884.0	6,650.0	69,480.0	51,800.0	—	—	144
108	Harold Cabot & Co.	Boston	8,840.3	9,241.0	62,299.9	60,152.6	10,582.9	8,974.7	107
109	Cramer-Krasselt Co.	Milwaukee	8,742.0	7,659.0	59,130.0	51,240.0	6,846.0	5,708.0	127
110	Lavey/Wolff/Swift ♡	New York	8,540.0	7,843.0	56,962.0	52,300.0	56,962.0	52,300.0	110
111	Valentine-Radford	Kansas City, Mo.	8,519.0	6,954.7	59,659.1	50,657.0	24,360.2	17,314.3	163
112	Rolf Werner Rosenthal ♤	New York	8,415.0	8,400.0	56,000.0	55,900.0	37,850.0	35,500.0	104
113	Deutsch, Shea & Evans ◇	New York	8,227.1	8,146.0	55,514.7	54,334.4	—	—	153
114	Richardson, Myers & Donofrio	Baltimore	8,295.0	7,420.2	53,500.0	49,468.4	7,050.0	5,104.8	115
115	Keye/Donna/Pearlstein	Los Angeles	8,184.2	6,308.3	54,588.6	42,056.8	4,208.2	2,476.4	110
116	Geisz International	Los Angeles	8,100.0	7,650.0	54,000.0	51,000.0	—	—	
117	Carmichael-Lynch Advertising	Minneapolis	8,031.0	7,050.0	53,551.0	47,024.0	27,134.0	20,954.0	130
118	Faller, Klenk & Quinlan	Buffalo	8,027.5	6,147.3	51,456.4	35,437.2	12,435.0	4,700.4	175
119	Colle & McVoy Advertising	Minneapolis	8,003.0	8,092.0	49,020.8	50,170.4	9,202.6	9,606.9	139
120	Albert Frank-Guenther Law ♢	New York	8,000.0	6,155.0	55,000.0	41,040.0	8,000.0	6,990.0	90
121	Calet, Hirsch & Spector	New York	8,000.0	8,000.0	64,000.0	64,000.0	4,000.0	4,000.0	93
122	Miller Advertising	New York	8,000.0	6,000.0	48,700.0	39,200.0	5,000.0	4,700.0	120
123	Lois Pitts Gershon Pon/GGK	New York	7,950.0	6,780.0	63,000.0	54,672.0	8,671.0	10,672.0	78
124	Burrell Advertising	Chicago	7,890.8	6,453.5	52,605.0	43,023.0	33,201.6	32,306.0	118
125	Burton-Campbell	Atlanta	7,864.8	6,916.3	57,343.7	46,975.5	11,718.2	16,791.2	137
126	Mandabach & Simms	Chicago	7,860.0	8,500.0	52,400.0	56,900.0	—	—	136
127	Martin Agency	Richmond, Va.	7,813.7	6,700.0	52,104.5	44,700.0	26,248.5	16,500.0	124
128	Phillips-Ramsey Co.	San Diego, Cal.	7,584.8	5,581.2	50,590.6	37,226.6	25,529.0	21,541.6	122
129	Krupp/Taylor	Los Angeles	7,560.0	6,001.5	50,400.0	40,010.0	2,000.0	600.0	312
130	Lawler Ballard Advertising	Norfolk, Va.	7,503.0	6,368.0	50,045.0	42,474.0	—	—	143
131	Luckie & Forney	Birmingham, Ala.	7,400.0	5,724.0	47,961.2	37,150.0	9,979.9	7,291.9	98
132	Quinn & Johnson/BBDO ♡	Boston	7,396.9	7,172.5	49,312.8	47,817.1	6,020.5	2,829.2	110
133	Keyes Martin	Springfield, N.J.	7,350.0	6,401.5	45,900.0	39,988.5	30,000.0	26,090.0	95
134	Robert A. Becker Inc.	New York	7,000.0	7,379.0	47,100.0	49,751.2	40,000.0	41,901.6	84
135	Calvillo, Shevak & Partners*	New York	6,886.0	10,500.0	52,000.0	70,000.0	8,000.0	NA	75
136	Arnold & Co.	Boston	6,852.2	8,618.1	58,248.0	64,710.4	10,475.1	14,695.8	130
137	North Castle Partners ◇	Greenwich, Conn.	6,850.0	6,059.2	43,602.0	43,509.0	16,852.0	18,009.0	45
138	Altschiller Reitzfeld Solin Associates	New York	6,820.0	5,628.0	57,000.0	47,058.0	9,350.0	8,131.0	64
139	William Cook Advertising	Jacksonville, Fla.	6,814.6	6,607.7	46,206.7	44,073.8	—	—	127
140	Barnum Communications	New York	6,761.0	6,857.0	45,072.0	45,123.0	22,085.0	27,113.0	70
141	Muller Jordan Weiss	New York	6,750.0	6,717.9	44,982.5	43,644.8	7,420.0	7,360.4	107
142	Carrafiello-Diehl & Associates	Irvington, N.Y.	6,690.0	6,600.0	44,600.0	44,000.0	34,360.0	34,050.0	92
143	Weightman Inc. Advertising	Philadelphia	6,650.0	6,188.0	50,825.0	41,255.0	—	—	125
144	Bader Rutter & Associates	Brookfield, Wis.	6,524.5	5,335.9	43,503.9	35,573.2	13,221.8	6,953.0	101
145	Spiro & Associates	Philadelphia	6,470.0	6,301.0	52,516.0	51,270.0	30,186.0	30,094.0	104
146	Ephron, Raboy, Tsao & Kurnit Advertising	New York	6,429.6	4,680.5	42,864.6	31.2	741.0	445.6	59
147	MARCOA Direct Advertising ♡	Chicago	6,372.0	6,195.0	36,100.0	35,100.0	—	—	70
148	Barry Blau & Partners	Fairfield, Conn.	6,365.6	5,655.0	44,450.9	30,840.3	25,624.1	16,119.3	87
149	Ruhr/Paragon	Minneapolis	6,341.0	—	46,977.1	—	21,184.5	—	90
150	Griswold Advertising △	Cleveland	6,329.1	6,098.8	42,194.0	38,600.4	7,299.5	6,004.4	100
151	Long, Haymes & Carr	Winston-Salem	6,311.6	6,159.3	42,600.0	41,300.0	8,875.0	6,800.0	120
152	M.E.D. Communications	Woodbridge, N.J.	6,300.0	5,865.0	54,821.0	50,119.0	42,021.0	39,119.0	93
153	Smith/Greenland	New York	6,190.0	6,050.0	41,020.0	40,099.0	6,736.7	6,269.0	100
154	Martin-Williams	Minneapolis	6,125.0	5,266.0	56,666.0	45,103.0	30,755.0	24,312.0	84
155	Epsilon Data Management	Burlington, Mass.	5,930.0	5,620.0	35,772.0	33,910.0	14,544.0	13,787.0	730
156	David Deutsch Associates	New York	5,848.6	5,002.3	38,992.0	33,350.0	2,803.0	2,397.0	61
157	Slater Hanft Martin	New York	5,847.0	5,414.0	38,981.0	36,093.3	2,744.5	2,848.6	56
158	Bernstein-Rein Advertising	Kansas City, Mo.	5,625.0	5,102.0	52,911.0	46,325.0	2,927.0	3,048.0	112
159	Elkman Advertising	Bala Cynwyd, Pa.	5,553.0	4,565.0	45,174.0	37,857.5	14,674.0	11,672.5	110
160	Sacks & Rosen Advertising	New York	5,470.0	4,942.0	31,000.0	28,000.0	—	—	48
161	Bentley, Barnes & Lynn	Chicago	5,449.3	5,097.2	36,329.2	33,981.9	2,420.9	2,395.0	104
162	Goodwin, Dannenbaum, Littman & Wingfield	Houston	5,400.0	5,625.0	38,000.0	36,000.0	12,736.0	10,500.0	70
163	Vicom Associates	San Francisco	5,350.0	5,370.9	50,326.7	50,248.3	35,684.5	35,824.2	60
164	Thomas G. Ferguson Associates	Parsippany, N.J.	5,345.0	4,492.0	44,780.4	34,958.3	34,937.4	27,316.3	68
165	Gray Strayton Intl.	Waltham, Mass.	5,334.0	4,377.0	39,140.0	29,010.0	33,020.0	23,910.0	70
166	Lorsch Group	Los Angeles	5,300.0	6,300.0	34,400.0	39,000.0	—	—	26
167	Noble & Associates	Springfield, Mo.	5,246.4	3,652.7	36,400.7	25,604.1	18,754.2	13,360.0	115
168	Dugan/Farley Communications Associates	Upper Saddle River, N.J.	5,238.2	4,568.6	34,291.9	29,854.1	25,756.5	22,203.9	40
169	Edwin Bird Wilson	New York	5,231.5	4,820.0	40,138.7	35,273.5	13,722.2	8,934.5	80
170	Grant/Jacoby	Chicago	5,200.0	4,400.0	50,200.0	45,556.0	27,787.0	18,676.0	90
171	Lord, Sullivan & Yoder	Marion, O.	5,107.2	5,070.4	36,476.4	36,105.1	19,358.4	18,253.8	103
172	Austin Kelley Advertising	Atlanta	5,100.0	3,600.0	34,000.0	24,000.0	—	—	76
173	W.R. Biggs/Gilmore Associates	Kalamazoo, Mich.	5,055.0	4,410.0	41,147.0	40,276.0	28,157.0	27,554.0	106
174	Frankenberry Laughlin & Constable	Milwaukee	5,025.0	4,350.0	33,500.0	29,000.0	—	—	60
175	Malone Advertising	Akron, O.	5,000.0	4,200.0	33,350.0	28,014.0	—	—	110
176	Batz Hodgson Neuwoehner	St. Louis	4,985.1	4,693.7	34,377.6	32,602.2	14,279.7	12,584.3	110
177	Frank J. Corbett ♡	Chicago	4,957.0	4,200.0	66,063.1	28,014.0	33,063.1	28,014.0	55
178	Barkley & Evergreen of Kansas City	Shawnee Mission, Kan.	4,800.0	4,350.0	32,000.0	29,000.0	—	—	64
179	Miller-Reid	Chattanooga, Tenn.	4,800.0	3,900.0	32,000.0	26,000.0	—	—	67
180	Yellow Pages Marketing Services	Mequon, Wis.	4,767.0	3,752.0	31,211.0	25,025.0	—	—	84
181	Doyle Graf Mabley	New York	4,747.3	3,978.4	31,650.0	28,875.9	3,121.5	2,353.1	63
182	Margeotes Fertitta & Weiss	New York	4,712.0	3,465.0	27,488.0	19,467.0	3,449.0	3,427.0	48
183	Smith Burke & Azzam	Baltimore	4,700.0	4,500.0	37,100.0	33,500.0	18,420.0	18,600.0	51
184	Carr Liggett	Cleveland	4,696.7	4,368.5	34,307.1	35,277.7	24,975.2	20,081.7	72
185	Shaller Rubin & Winer	New York	4,630.0	4,570.0	30,400.0	29,900.0	6,200.0	6,000.0	43
186	MARC & Co.	Pittsburgh	4,600.0	4,100.0	30,800.0	27,000.0	9,300.0	11,300.0	80
187	Stern/Monroe Advertising	Dallas	4,600.0	4,243.0	30,700.0	28,300.0	—	—	52
188	VanSant, Dugdale & Co.	Baltimore	4,559.4	4,148.0	30,396.3	27,653.3	3,551.1	3,308.5	65
189	Mintz & Hoke	Avon, Conn.	4,425.0	4,104.3	29,500.0	27,362.5	28,426.0	26,597.5	90
190	Ackerman & McQueen	Oklahoma City	4,404.6	3,850.7	30,382.9	26,449.2	13,120.7	13,109.6	82
191	Hood, Hope & Associates	Tulsa, Okla.	4,397.6	4,376.2	31,013.8	30,250.0	23,523.6	23,031.8	89
192	Eric Ericson & Associates	Nashville, Tenn.	4,372.0	3,496.0	31,179.9	26,159.1	14,425.1	12,224.3	93
193	ClarkeGowardFitts	Boston	4,320.0	—	21,600.0	—	3,177.2	—	60
194	Eisner & Associates	Baltimore	4,314.0	3,795.9	30,097.8	25,229.6	8,397.0	6,973.6	72
195	Dawson, Johns & Black	Chicago	4,303.5	2,850.0	28,700.0	19,000.0	8,450.0	5,000.0	52
196	Caraway Kemp Communications	Jacksonville, Fla.	4,300.0	3,150.0	28,600.0	21,000.0	—	—	71
197	Jordan/Tamraz/Caruso Advertising	Chicago	4,300.0	3,780.0	28,680.0	25,200.0	2,600.0	2,640.0	66
198	Louis & Saul Intl.	Santa Monica, Cal.	4,300.0	3,200.0	30,688.0	21,450.0	1,531.0	—	36
199	Jack Levy & Associates	Chicago	4,284.5	3,052.8	28,563.9	20,352.0	10,971.1	8,240.1	66
200	MRI Advertising Agency	Bala Cynwyd, Pa.	4,250.0	3,750.0	28,500.0	25,000.0	10,000.0	8,000.0	70

NOTE: Dollars in thousands
* Formerly Nadler & Larimer
See Page 18 for footnotes

Third 100 agencies by gross income

1985 Rank	Agency	Headquarters	Gross income 1985	Gross income 1984	Billings 1985	Billings 1984	Capitalized fees 1985	Capitalized fees 1984	Total Employes
201	Grizzard Advertising	Atlanta	$4,200.0	$3,600.0	$12,734.3	$10,981.2	—	—	125
202	Leslie Advertising	Greenville, S.C.	4,176.3	4,366.5	28,266.1	29,892.7	$8,122.3	$9,502.8	80
203	Fox & Associates	Cleveland	4,145.0	3,900.0	27,538.0	26,045.6	4,669.0	4,535.6	41
204	Lang, Fisher & Stashower	Cleveland	4,100.0	3,680.0	27,500.0	24,500.0	9,000.0	—	70
205	Levy, King & White Cos.	Buffalo	4,100.0	3,850.0	29,501.0	25,700.0	8,671.0	4,200.0	120
206	Healy-Schutte & Co.	Buffalo	4,065.0	3,432.0	29,120.0	24,093.0	21,024.0	16,441.0	96
207	A&M Associates	Phoenix, Ariz.	4,060.6	3,703.0	29,849.4	26,782.8	180.1	186.8	33
208	MacNamara, Clapp & Klein	New York	4,055.0	2,850.0	27,046.9	19,009.5	27,046.9	19,009.5	27
209	Daniel Glassman Advertising	Fairfield, N.J.	4,049.7	3,966.4	27,133.6	26,575.2	26,908.6	26,355.2	100
210	Stone & Simons Advertising	Southfield, Mich.	4,036.5	2,438.1	24,390.0	16,080.0	4,390.7	3,237.3	54
211	Girvin Conrad & Girvin	Rancho Cordova, Cal.	3,987.0	2,550.0	26,580.0	21,250.0	—	—	43
212	McKinney Inc.	Philadelphia	3,977.0	5,547.7	26,389.0	38,769.0	18,056.0	25,012.0	76
213	Robinson, Yesawich & Pepperdine	Orlando, Fla.	3,944.0	2,754.7	23,304.0	18,372.5	21,115.3	15,011.3	61
214	Doe-Anderson Advertising Agency	Louisville	3,919.0	3,672.9	26,452.9	26,176.1	10,268.8	10,003.2	80
215	McFarland & Drier	Miami, Fla.	3,915.0	3,000.0	26,100.0	20,000.0	—	—	33
216	MSSM	New York	3,900.0	3,300.0	26,000.0	22,000.0	—	—	35
217	Biederman & Co.	New York	3,838.5	2,487.0	29,015.5	17,967.6	4,425.5	1,947.6	40
218	Stern Walters/Earle Ludgen ▷	Chicago	3,834.9	4,184.1	30,709.1	32,387.6	12,552.8	12,427.7	66
219	Maher/Hartford	Hartford, Conn.	3,800.0	3,400.0	25,000.0	22,600.0	—	—	30
220	Schaefer Advertising	Valley Forge, Pa.	3,800.0	3,300.0	25,350.0	20,300.0	11,640.0	9,850.0	65
221	UniWorld Group	New York	3,767.4	2,739.8	35,542.2	27,082.6	19,952.6	16,073.3	55
222	Dorritie & Lyons	New York	3,760.0	5,000.0	36,750.0	32,500.0	5,950.0	4,600.0	38
223	Stern Advertising	Pepper Pike, O.	3,750.0	3,450.0	25,000.0	23,000.0	—	—	55
224	S.R. Leon Co.	Great Neck, N.Y.	3,720.0	2,770.0	22,780.0	16,796.6	3,530.0	3,101.0	25
225	Trahan, Burdan & Charles	Baltimore	3,717.0	3,035.7	24,780.1	20,238.1	7,277.0	6,210.4	55
226	Tycer Fultz Bellack	Palo Alto, Cal.	3,699.2	5,177.7	31,614.6	44,278.9	24,662.5	31,520.0	45
227	Gray & Rogers	Philadelphia	3,670.0	3,530.0	26,050.0	25,100.0	8,702.0	8,828.0	72
228	Crume & Associates	Dallas	3,600.0	3,600.0	18,000.0	18,000.0	—	—	44
229	Juhl Agency	Elkhart, Ind.	3,600.0	3,300.0	23,570.0	21,534.3	15,760.0	13,667.6	83
230	Benito Advertising	Tampa	3,580.0	3,100.0	24,930.0	20,800.0	5,980.0	3,300.0	74
231	Sherwood & Schneider	New York	3,570.0	3,470.0	23,800.0	23,100.0	—	—	40
232	Don Tennant Co.	Chicago	3,550.0	3,500.0	34,500.0	32,133.0	3,188.0	2,351.0	30
233	McCaffery & Ratner	New York	3,540.0	2,517.0	23,400.0	18,168.0	5,002.5	3,668.0	36
234	DR Group	Boston	3,535.0	3,308.0	31,958.0	27,394.0	23,178.0	21,711.0	60
235	Levenson, Levenson & Hill	Irving, Tex.	3,534.8	—	29,418.6	—	—	—	58
236	Bowes/Hanlon Advertising	Atlanta	3,533.8	2,145.2	23,689.1	14,489.1	12,647.3	8,718.0	60
237	Milici Valenti Smith Park	Honolulu	3,526.6	2,509.7	23,511.9	16,732.5	1,705.0	944.5	73
238	Buntin Advertising	Nashville, Tenn.	3,511.7	2,873.4	23,209.0	18,560.0	—	—	72
239	Price/McNabb Advertising	Asheville, N.C.	3,502.1	2,513.3	19,993.2	15,185.0	—	—	78
240	Gross Townsend Frank	New York	3,500.0	3,000.0	23,300.0	20,000.0	23,300.0	20,000.0	65
241	Davis-Newman-Payne	Knoxville, Tenn.	3,450.0	2,850.0	23,000.0	19,000.0	—	—	42
242	Schey Advertising	Houston	3,450.0	—	23,000.0	—	—	—	38
243	Barnhart & Co.	Denver	3,445.0	2,800.0	22,458.0	17,989.0	14,593.0	11,675.0	50
244	Jayme Organization	Cleveland	3,420.0	2,510.0	27,283.1	19,863.8	22,584.6	16,241.5	75
245	Newmark Posner Mitchell	New York	3,384.0	2,587.0	21,986.9	17,283.4	366.9	133.4	56
246	Marketing Support	Chicago	3,383.2	3,382.4	30,397.9	21,577.9	25,194.3	15,404.9	48
247	Advertising Inc.	Tulsa, Okla.	3,377.0	3,382.0	22,513.0	22,547.0	9,519.9	8,684.0	60
248	Simons Michelson Zieve	Troy, Mich.	3,300.0	2,950.0	18,450.0	16,557.0	4,566.2	3,910.0	50
249	Ted Thomas Associates	Philadelphia	3,300.0	2,550.0	22,000.0	17,000.0	—	—	38
250	Warren/Kremer Advertising	New York	3,285.0	2,465.0	23,985.0	15,900.0	—	—	51
251	Blair/BBDO ▽	Rochester, N.Y.	3,277.3	2,856.8	21,849.0	19,005.3	11,678.3	9,362.1	47
252	Berk & Co.	Boston	3,200.0	4,500.0	23,800.0	33,750.0	—	—	35
253	Haddon Advertising	Chicago	3,200.0	2,965.0	27,077.0	24,015.0	20,677.0	16,715.0	50
254	Broyles, Allebaugh & Davis	Englewood, Colo.	3,182.0	2,757.2	21,218.7	18,191.5	9,272.1	10,852.3	43
255	S.J. Weinstein Associates	New York	3,140.0	2,437.0	15,029.0	10,280.8	12,673.0	8,250.8	27
256	Stolz Advertising Co.	St. Louis, Mo.	3,121.1	2,786.6	19,471.5	16,303.7	2,537.6	3,010.8	59
257	Frank C. Nahser Inc.	Chicago	3,117.9	3,176.6	20,492.4	20,811.5	8,437.7	8,866.5	41
258	Karsh & Hagan	Denver	3,108.7	2,463.0	20,729.9	16,423.8	10,984.3	8,165.6	50
259	Livingston & Co.	Seattle	3,100.0	3,000.0	23,000.0	18,500.0	—	—	50
260	Penchina, Selkowitz	New York	3,100.0	2,900.0	23,009.1	20,101.3	2,668.0	2,201.1	22
261	Kerker & Associates	Minneapolis	3,072.3	2,934.5	20,575.2	19,919.5	8,500.8	9,431.5	45
262	Berenter Greenhouse & Webster	New York	3,065.0	1,850.0	25,301.0	15,201.5	3,481.0	481.5	38
263	Franklin Spier Inc.	New York	3,030.0	3,014.0	20,210.0	20,094.0	4,549.0	4,836.0	41
264	Van Brunt & Co. Advertising	New York	3,026.0	2,900.0	27,643.0	26,695.0	7,003.5	5,670.0	38
265	Lawrence Butner Advertising	New York	3,015.8	2,279.9	20,115.0	15,200.0	2,201.1	1,667.5	30
266	Mullen Advertising	Prides Crossing, Mass.	3,015.2	2,250.1	20,101.0	15,000.7	4,800.0	4,120.7	40
267	Cranford Johnson Robinson Associates	Little Rock, Ark.	2,972.8	2,617.9	19,828.9	17,461.7	13,185.0	10,195.6	53
268	Harland & Tine & White	Hartford, Conn.	2,966.4	2,791.8	20,252.4	18,617.8	12,563.1	12,134.4	41
269	Kelly Michener Inc.	Valley Forge, Pa.	2,955.9	2,923.7	24,581.2	24,018.4	14,625.2	15,224.8	55
270	Gilbert, Whitney & Johns	Whippany, N.J.	2,950.0	2,700.0	19,675.0	18,000.0	—	—	42
271	Kresser, Craig/D.I.K.	Los Angeles	2,925.0	—	19,500.0	—	1,600.0	—	55
272	Borders, Perrin & Norrander	Portland, Ore.	2,920.0	2,263.8	19,471.0	16,230.0	7,670.5	6,879.0	63
273	J. Richard Smith Ltd.	Old Bethpage, N.Y.	2,900.0	2,150.0	19,200.0	14,196.0	5,789.6	5,396.0	29
274	Cosmopulos, Crowley & Daly	Boston	2,880.0	2,557.0	19,200.0	16,392.0	6,928.0	9,184.0	40
275	Busse & Cummins	San Francisco	2,862.0	2,221.0	19,328.0	15,000.0	1,756.0	1,363.0	28
276	Marcus Advertising	Cleveland	2,857.1	2,358.8	20,020.0	15,726.7	4,648.3	2,694.4	40
277	Leonard Monahan Saabye	Providence, R.I.	2,850.0	2,770.6	19,000.0	18,480.0	11,972.0	11,990.7	48
278	Warner, Bicking & Fenwick	New York	2,845.9	2,346.0	18,640.0	15,517.2	10,828.1	9,444.7	26
279	Korey, Kay & Partners	New York	2,800.0	1,725.0	18,500.0	11,500.0	—	—	30
280	Firestone & Associates	New York	2,785.3	2,652.6	18,545.4	17,662.5	5,830.9	5,553.4	28
281	Hammond Farrell	New York	2,760.0	2,697.0	18,400.0	17,980.0	14,589.0	14,331.1	26
282	Starmark	Chicago	2,750.3	1,818.8	16,407.6	10,914.0	9,600.1	6,403.2	30
283	Yaffe & Co.	Southfield, Mich.	2,748.5	1,502.6	16,511.1	10,002.8	4,645.0	3,523.6	38
284	Gregory & Thomas	Cleveland	2,729.7	2,735.5	20,160.6	19.6	11,449.2	12,261.7	57
285	Levy, Flaxman & Associates	New York	2,722.1	1,847.2	18,147.8	12,316.8	4,704.4	4,248.1	30
286	Jarman, Spitzer & Felix	New York	2,719.4	2,359.8	16,610.0	14,454.8	3,353.5	2,941.5	50
287	Gordon Bailey & Associates	Stone Mountain, Ga.	2,716.1	1,995.2	17,871.6	1,330.2	16,406.7	11,733.1	36
288	Siddall, Matus & Coughter	Richmond, Va.	2,710.6	1,821.3	15,221.3	13,849.5	3,438.2	5,368.6	43
289	Stone, August & Co.	Birmingham, Mich.	2,710.0	1,841.0	17,800.1	14,930.8	6,709.4	6,023.3	40
290	Homer & Durham Advertising	New York	2,708.0	2,580.7	20,376.4	18,710.5	12,854.0	11,076.1	40
291	Witherspoon & Associates	Fort Worth, Tex.	2,701.2	1,953.0	15,632.8	11,102.8	9,703.3	6,891.5	49
292	Alexander Marketing Services	Grand Rapids, Mich.	2,700.2	2,315.4	18,010.3	15,443.7	18,010.3	15,433.7	43
293	Kolesar & Hartwell	Minneapolis	2,681.0	2,371.8	17,789.3	15,818.0	15,250.0	12,462.2	45
294	Lauerer Markin Gibbs	Maumee, O.	2,669.9	2,309.3	16,760.1	15,146.2	13,181.7	11,904.2	73
295	Kort Advertising	Ft. Lauderdale, Fla.	2,641.0	2,068.0	18,200.0	16,225.3	290.1	200.1	46
296	Gillespie Advertising	Princeton, N.J.	2,627.0	2,272.0	17,515.0	15,116.0	—	—	41
297	More Direct	Minneapolis	2,620.0	2,400.0	17,500.0	16,000.0	—	—	40
298	Sefton Associates	Grand Rapids, Mich.	2,600.0	2,400.0	17,540.0	16,206.0	1,340.0	12,006.0	41
299	AMS Advertising	New York	2,597.3	2,885.8	14,282.3	15,770.8	271.0	310.5	18
300	Ehrig & Associates	Seattle	2,550.6	2,099.9	17,004.2	14,108.1	5,832.9	4,718.6	40

NOTE: Dollars in thousands

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Fourth 100 agencies by gross income

1985 Rank	Agency	Headquarters	Gross income 1985	Gross income 1984	Billings 1985	Billings 1984	Capitalized fees 1985	Capitalized fees 1984	Total Employees
301	Point Communications	Dallas	$2,545.0	$2,476.1	$17,567.9	$17,202.8	$9,377.0	$9,221.1	43
302	Cline, Davis & Mann	New York	2,543.6	1,725.0	18,126.1	7,842.6	14,758.1	5,122.6	17
303	McKone & Co.	Fort Worth, Tex.	2,540.0	—	16,934.0	—	—	—	62
304	Paolin & Sweeney	Cherry Hill, N.J.	2,516.0	1,822.4	11,236.8	8,511.6	7,606.4	5,486.7	30
305	Kolon, Bittker & Desmond	Troy, Mich.	2,500.0	2,300.0	17,035.0	15,000.0	335.0	3,000.0	45
306	Posey & Quest	Greenwich, Conn.	2,500.0	2,050.0	21,700.0	16,500.0	14,200.0	11,000.0	30
307	Tromson Monroe Advertising	New York	2,500.0	2,000.0	17,000.0	14,000.0	17,000.0	14,000.0	26
308	Cummings Advertising	Rockford, Ill.	2,469.5	2,233.1	5,669.3	4,712.3	374.1	2,916.5	20
309	DBK&O Inc.	Minneapolis	2,468.0	1,954.0	16,454.0	13,029.0	5,589.0	5,122.0	30
310	Pinne, Garvin, Herbers & Hock	San Francisco	2,459.6	3,420.5	17,715.7	19,026.3	9,294.0	6,987.2	36
311	Reimel Carter Advertising	Philadelphia	2,450.0	2,200.0	16,100.0	14,525.0	5,663.0	4,262.0	35
312	Spencer Bennett Nowak	Seekonk, Mass.	2,450.0	1,557.0	16,543.0	10,441.0	10,625.0	5,890.0	55
313	Huntsinger, Jeffer, VanGroesbeck	Richmond, Va.	2,438.5	1,772.0	15,199.0	11,094.8	5,146.1	4,755.4	75
314	Marquardt & Roche	Stamford, Conn.	2,431.3	2,307.8	17,760.9	16,830.8	13,696.6	12,304.0	45
315	Zechman & Associates	Chicago	2,429.1	1,904.3	16,621.2	6,179.9	—	—	27
316	Winius-Brandon Advertising	Bellaire, Tex.	2,421.4	1,518.9	24,496.9	19,174.8	10,652.3	8,628.1	52
317	Berger Stone & Partners	New York	2,421.0	—	16,140.0	—	—	—	28
318	Baron & Zaretsky Advertising	New York	2,400.0	1,695.0	13,250.0	11,300.0	—	—	23
319	Sullivan Higdon & Sink	Wichita, Kan.	2,398.0	1,923.7	18,992.1	14,747.0	12,814.5	9,628.9	48
320	Group Two Advertising	Philadelphia	2,360.0	2,130.0	15,750.0	14,250.0	—	—	51
321	Fogarty & Klein	Houston	2,351.7	1,434.8	16,158.1	11,499.5	2,444.6	2,403.8	16
322	Stogel Cos.	New York	2,350.0	2,300.0	15,097.4	14,711.2	1,850.0	1,670.0	40
323	Steve Walker & Associates	Ft. Lauderdale, Fla.	2,343.0	2,102.0	15,150.0	13,590.0	5,680.0	5,220.0	34
324	Isidore & Paulson	New York	2,307.5	1,400.0	24,036.5	14,563.1	6,231.2	4,351.1	21
325	Finnegan & Agee	Richmond, Va.	2,302.9	1,789.4	15,502.9	11,929.1	343.4	431.9	45
326	Cole Henderson Drake	Atlanta	2,300.4	1,552.6	14,200.0	10,918.8	833.8	567.0	45
327	Siesel Co.	New York	2,300.0	2,100.0	15,007.1	13,750.6	8,667.1	7,870.6	35
328	Gerber Advertising Agency	Portland, Ore.	2,296.0	2,101.0	15,500.0	14,537.0	2,400.0	2,100.0	42
329	Gumpertz/Bentley/Fried	Los Angeles	2,294.6	2,102.2	18,184.3	16,500.0	4,006.9	3,678.7	32
330	Brady Co.	Menomonee Falls, Wis.	2,279.6	1,918.6	16,724.7	13,453.7	10,071.0	7,769.2	53
331	Arnold/Foster/Sherrill/Carrithers	Dallas	2,277.8	2,606.8	15,185.2	17,379.0	—	—	30
332	Launey, Hachmann & Harris	New York	2,268.0	2,109.0	15,124.0	14,063.0	5,523.0	5,670.0	15
333	Wardrop Murtaugh Temple & Frank	Chicago	2,266.0	1,728.9	13,400.0	12,800.0	1,400.0	1,274.0	20
334	Needham & Grohmann	New York	2,254.0	2,435.7	16,492.9	17,064.0	4,285.8	4,146.4	32
335	Goodby, Berlin & Silverstein	San Francisco	2,250.0	1,050.0	15,000.0	7,000.0	—	—	18
336	Popejoy & Fischel Advertising	Dallas	2,250.0	2,100.0	15,000.0	14,000.0	—	—	40
337	Keroff & Rosenberg Advertising	Chicago	2,245.0	1,559.9	14,973.9	10,404.5	5,897.5	5,202.3	40
338	Potter Hazlehurst	East Greenwich, R.I.	2,235.6	2,053.9	16,503.9	15,599.8	9,391.4	7,994.6	49
339	Fredericks Kullberg Amata Pisacane	New York	2,235.0	1,850.0	15,167.0	12,000.0	667.0	—	18
340	Bauerlein Inc.	New Orleans	2,211.4	2,110.7	14,575.0	14,151.3	6,605.7	6,701.1	37
341	Stephan & Brady	Madison, Wis.	2,161.1	2,114.5	16,628.5	15,471.6	10,861.5	9,808.5	40
342	Pinas, Schmidt, Westerdahl Co.	Portland, Ore.	2,143.6	1,743.3	15,047.8	12,842.2	6,513.5	6,678.5	50
343	Duffy & Shanley	Providence, R.I.	2,124.0	1,716.6	14,233.9	11,449.7	9,604.7	8,218.6	30
344	John Emmerling Inc.	New York	2,104.0	1,986.0	14,027.0	13,240.0	1,071.9	2,048.0	18
345	Christopher Thomas Associates	Garden City, N.Y.	2,100.0	1,325.0	14,633.5	8,300.3	333.5	500.3	22
346	Kamstra Communications	St. Paul, Minn.	2,100.0	1,935.0	13,900.0	12,900.0	11,400.0	10,200.0	35
347	Lempert Co.	Belleville, N.J.	2,100.0	1,800.0	16,500.0	12,577.1	3,200.0	4,102.1	34
348	Ted Chin & Co.	New York	2,100.0	1,975.0	13,570.0	13,140.0	6,637.0	6,603.0	22
349	Knudsen Moore Schropfer	Stamford, Conn.	2,050.0	1,936.0	14,800.0	13,000.0	2,200.0	2,200.0	35
350	Adams Group	Rockville, Md.	2,026.4	1,045.7	13,870.1	6,241.3	8,131.5	4,377.3	52
351	Dudreck DePaul Ficco & Morgan	Pittsburgh, Pa.	2,020.0	2,100.0	15,900.0	14,500.0	7,300.0	5,871.0	43
352	Dilorio, Wergeles	New York	2,000.0	1,500.0	13,300.0	10,000.0	—	—	20
353	David K. Burnap Advertising	Dayton, O.	1,992.5	1,849.3	13,729.6	12,028.5	—	—	28
354	Craig, Lamm, Hensley & Alderman	Houston	1,990.9	2,165.1	13,279.2	14,341.1	5,964.3	6,281.4	36
355	Black Gillock & Langberg	Houston	1,986.0	1,863.0	14,500.0	11,996.0	—	—	41
356	Detrow & Underwood	Ashland, O.	1,956.8	1,712.0	5,017.9	4,896.8	3,600.9	3,746.6	17
357	Fern/Hanaway	Providence, R.I.	1,950.0	1,643.9	13,006.5	10,964.8	2,939.5	2,478.6	38
358	William Eisner & Associates	Milwaukee	1,947.2	1,401.0	13,225.6	9,217.5	7,928.2	5,808.1	48
359	Battenberg, Fillhardt & Wright	San Jose, Cal.	1,947.2	2,078.9	13,047.6	13,103.6	5,398.1	5,569.9	24
360	CS&A Advertising	Normal, Ill.	1,943.1	1,311.4	6,832.2	5,487.3	5,751.3	4,912.4	28
361	Lyons Inc.	Wilmington, Del.	1,923.0	1,867.0	18,379.0	13,550.0	12,992.0	10,758.0	47
362	Waldbillig & Besteman	Madison, Wis.	1,922.0	1,730.9	15,118.2	13,906.5	10,301.0	9,501.5	33
363	Hallmark Advertising	Pittsburgh	1,915.2	1,512.0	12,768.0	10,201.0	2,668.0	2,001.0	42
364	Penny/Ohlmann/Neiman	Dayton, O.	1,909.5	—	14,858.9	13,154.0	9,448.4	7,597.0	46
365	Baxter, Gurian & Mazzei	Los Angeles	1,900.0	1,750.0	13,300.0	12,270.0	4,669.0	6,670.0	20
366	Sharp Hartwig	Seattle	1,895.6	1,342.1	13,347.2	7,278.9	4,137.3	2,051.4	35
367	Silberman Whitebrow Dolan	Philadelphia	1,890.0	1,530.0	12,600.0	10,200.0	3,900.0	2,600.0	22
368	Stiegler, Wells & Brunswick	Bethlehem, Pa.	1,880.0	1,420.0	9,646.9	8,394.3	6,850.8	5,841.4	36
369	Penny & Speier	Houston	1,873.7	1,918.8	15,061.3	16,014.3	10,159.8	10,148.3	32
370	Associated Advertising Agency	Wichita, Kan.	1,865.3	1,894.2	13,441.3	12,634.6	5,721.4	4,713.8	37
371	Image Dynamics	Baltimore	1,856.0	1,494.0	12,374.9	9,958.7	9,317.8	—	27
372	Greengage Associates	New York	1,847.3	1,812.0	30,868.0	10,668.0	2,668.0	2,668.0	25
373	Mason & Madison	New Haven, Conn.	1,830.0	1,665.0	12,200.0	11,100.0	—	—	33
374	Emerson Lane Fortuna	Boston	1,827.0	1,508.0	15,123.0	12,478.0	8,798.0	7,257.0	35
375	Ackerman Advertising Communications	Greenvale, N.Y.	1,819.0	1,425.0	13,042.1	10,896.5	5,169.3	4,558.3	31
376	Red Barron Inc.	Minnetonka, Minn.	1,811.6	—	16,144.3	—	6,363.6	—	34
377	Weiser Group	Chicago	1,809.0	1,885.3	12,192.1	12,880.6	8,411.5	8,652.2	24
378	Schenkein & Associates	Englewood, Colo.	1,802.0	1,406.0	12,195.0	9,575.0	11,206.0	8,184.0	33
379	Maris, West & Baker	Jackson, Miss.	1,800.8	1,975.0	12,011.6	13,173.0	9,388.5	1,009.2	32
380	Buckheim & Rowland	Ann Arbor, Mich.	1,800.0	1,650.0	12,000.0	11,000.0	—	—	30
381	Rollheiser Holland Kahler Associate	Omaha, Neb.	1,800.0	1,458.8	12,800.0	11,000.0	—	—	31
382	Fry/Hammond/Barr	Orlando, Fla.	1,792.2	2,208.7	11,155.6	13,956.0	3,112.9	4,049.2	29
383	Simms & McIvor	Round Brook, N.J.	1,767.0	1,642.0	12,787.0	11,350.0	9,438.0	9,005.0	36
384	Drossman Lehmann Marino	New York	1,765.0	2,132.4	17,332.0	14,221.8	3,769.0	10,678.5	22
385	Wyble Advertising	Millville, N.J.	1,764.7	1,712.8	7,567.4	7,401.1	4,987.3	4,371.7	23
386	Impact Marketing & Communications	Boston	1,750.0	950.0	8,102.0	4,834.5	4,002.0	2,334.5	30
387	Scharfberg & Associates	Jenkintown, Pa.	1,750.0	1,475.0	11,527.7	9,809.7	1,967.7	1,400.7	27
388	Shaffer/MacGill & Associates	Chicago	1,742.3	1,572.3	11,787.0	9,777.3	4,517.2	3,709.5	41
389	Bermudez & Associates	Beverly Hills, Cal.	1,733.6	1,318.4	11,563.1	8,793.4	10,552.1	7,032.8	30
390	Franznick & Cusatis	New York	1,733.3	1,405.3	10,497.1	8,144.9	3,991.4	2,719.9	20
391	Hughes Advertising	St. Louis	1,722.4	1,723.1	14,028.9	13,514.7	7,738.8	7,274.6	34
392	M.L. Grant Inc.	New York	1,710.0	1,380.0	11,400.0	9,200.0	—	—	32
393	Cronin & Co.	Glastonbury, Conn.	1,700.0	1,300.0	11,000.0	9,400.0	5,736.0	4,802.0	37
394	Davidoff & Partners	Fairfield, Conn.	1,700.0	1,400.0	15,020.0	10,930.0	8,670.0	6,090.0	34
395	Intermarco Advertising	New York	1,700.0	1,649.0	15,175.6	12,170.0	4,183.3	4,173.0	16
396	Sutton Communications	New York	1,700.0	1,600.0	14,000.0	11,000.0	10,000.0	8,000.0	28
397	Fitzgerald Advertising	New Orleans	1,675.5	2,031.9	12,083.4	14,501.7	4,209.0	5,808.5	27
398	Barker Campbell & Farley	Virginia Beach, Va.	1,666.1	1,297.5	11,107.5	8,650.1	5,521.8	3,389.6	35
399	Tal Inc.	Erie, Pa.	1,653.0	1,280.6	11,019.8	8,535.5	6,169.8	4,335.0	36
400	Lockhart & Pettus	New York	1,650.0	1,285.0	11,000.0	8,570.0	—	—	25

NOTE: Dollars in thousands

See Page 18 for footnotes

Fifth 100 agencies by gross income

1985 Rank	Agency	Headquarters	Gross income 1985	Gross income 1984	Billings 1985	Billings 1984	Capitalized fees 1985	Capitalized fees 1984	Total Employees
401	Marketing Resources	Lenexa, Kan.	$1,650.0	$1,095.0	$11,000.0	$7,300.0	$3,669.5	$4,335.5	63
402	Rick Johnson & Co.	Albuquerque, N.M.	1,650.0	1,477.0	11,005.5	9,851.6	NA	NA	44
403	Lieberman-Appalucci	Allentown, Pa.	1,649.2	1,369.5	11,673.8	10,227.7	6,565.7	5,298.8	35
404	Zylke & Associates	Northbrook, Ill.	1,640.3	1,611.1	11,732.3	10,745.9	6,721.1	5,820.6	27
405	Sawyer Riley Compton	Gainesville, Ga.	1,637.9	1,262.7	18,558.5	15,802.0	11,185.2	9,321.0	36
406	InterCommunications	Newport Beach, Cal.	1,626.7	1,062.8	11,349.8	7,489.1	10,849.8	7,089.1	
407	Kaprielian O'Leary Advertising	New York	1,625.0	1,500.0	10,700.0	9,100.0	NA	NA	20
408	Gardner Communications	San Francisco	1,617.2	1,537.8	9,924.4	9,454.7	387.7	NA	17
409	Unger Associates	Atlanta	1,605.0	1,436.5	10,700.3	8,980.2	500.3	480.2	35
410	Sommer Inc.	Paramus, N.J.	1,600.0	1,473.8	10,663.7	9,827.7	3,301.7	3,135.7	22
411	Schein/Blattstein Advertising	New York	1,590.0	1,510.0	14,943.4	14,351.2	5,496.4	4,969.2	14
412	Soghigian & Macuga	Washington	1,582.6	844.6	10,058.0	6,968.6	473.6	253.5	22
413	KKB Inc.	Atlanta	1,575.0	1,425.0	10,506.0	9,504.0	1,668.0	1,334.0	38
414	Contemporary Marketing	Bala Cynwyd, Pa.	1,560.0	1,400.0	10,405.0	9,300.0	NA	NA	32
415	Rogers, French & Co.	Irvine, Cal.	1,559.0	1,322.3	10,400.0	8,762.7	2,668.0	2,061.0	28
416	Bailey Lewis & Associates	Lincoln, Neb.	1,558.3	1,537.3	10,391.3	10,251.3	5,218.5	5,316.3	41
417	QLM Associates	Princeton, N.J.	1,551.6	1,165.3	22,945.6	17,341.0	22,493.7	—	31
418	Food Group	New York	1,545.5	1,160.0	10,129.5	7,347.0	5,669.5	4,200.0	20
419	Andrews/Mautner	Milwaukee	1,538.0	1,187.1	11,153.6	8,614.3	5,481.0	3,960.8	29
420	Umphenour & Martin	Atlanta	1,536.0	1,270.0	10,818.5	8,745.1	4,821.9	2,953.1	18
421	Fortis Fortis Advertising	Chicago	1,520.0	1,629.0	11,643.0	12,382.0	4,776.0	4,503.0	25
422	J.P. Hogan & Co.	Knoxville, Tenn.	1,512.9	1,215.8	10,252.4	8,105.6	6,303.1	4,872.6	28
423	PR Associates	Akron, O.	1,512.0	1,800.0	10,352.0	9,850.0	7,237.0	7,000.0	35
424	Decker Guertin Cheyne	Hartford, Conn.	1,502.3	1,479.6	10,986.2	10,099.2	8,373.4	8,451.2	27
425	McLean-Stewart Advertising	San Mateo, Cal.	1,500.0	1,335.0	10,000.0	8,900.0	400.0	NA	19
426	Salvati Montgomery Sakoda	Santa Ana, Cal.	1,486.3	1,097.7	9,913.5	7,321.7	6,632.5	4,606.8	21
427	Wray/Ward Advertising	Charlotte, N.C.	1,485.7	1,288.1	9,723.1	8,716.5	NA	NA	21
428	Dickinson & Rakaseder	Westport, Conn.	1,477.0	NA	10,049.8	NA	4,237.0	NA	17
429	Frank/James Direct Marketing Co.	St. Louis	1,470.0	1,230.0	9,800.0	8,200.0	NA	NA	19
430	S. Gunnar Myrbeck & Co.	Norwell, Mass.	1,470.0	1,210.0	9,400.0	7,787.7	6,000.0	4,775.7	25
431	Vance-Mathews	Beaumont, Tex.	1,465.7	1,714.8	12,996.8	14,419.1	6,035.3	6,697.5	32
432	Scharer Associates	Great Neck, N.Y.	1,444.0	1,327.0	9,627.5	8,849.6	2,414.5	1,907.6	17
433	Wimmershoff & Associates	Westwood, N.J.	1,442.9	1,010.4	9,619.1	6,758.4	5,199.9	4,234.6	20
434	Ken Schmidt Co.	Milwaukee	1,425.0	1,415.0	8,995.0	8,031.0	2,351.8	2,266.5	28
435	Rice & Woolward	San Francisco	1,410.0	672.8	9,233.3	3,192.5	3,580.8	2,651.3	15
436	Adams, Rickard & Mason	Glastonbury, Conn.	1,407.7	1,279.7	9,389.0	8,532.0	7,308.0	5,914.0	30
437	Clarity Coverdale Rueff	Minneapolis	1,400.0	950.0	9,520.0	6,460.0	NA	NA	20
438	Sturm Communications Group	Chicago	1,398.1	1,117.3	9,435.1	8,325.9	7,888.3	6,897.2	25
439	Fessel, Siegfriedt & Moeller	Louisville	1,397.6	1,004.1	7,834.9	5,056.6	963.1	19.6	28
440	O'Sullivan Advertising/PR	Morristown, N.J.	1,391.7	1,085.1	12,295.8	8,914.6	NA	NA	24
441	Dwelly, Citrin & Associates	Poughkeepsie, N.Y.	1,380.0	1,320.0	9,200.0	8,800.0	NA	NA	10
442	Mills Hall Walborn & Associates	Cleveland	1,375.0	1,240.0	14,500.0	13,200.0	3,255.0	3,000.0	25
443	McDougall Associates	Peabody, Mass.	1,372.1	1,139.4	9,548.7	8,311.9	7,404.4	6,307.8	37
444	Lessner Slossberg Gahl & Partners	Avon, Conn.	1,370.6	NA	9,137.5	NA	5,615.4	NA	18
445	Smith, Badofsky & Raffel	Chicago	1,370.0	935.0	15,824.0	9,370.3	7,510.6	4,212.6	25
446	Marketing Directions	Newport Beach, Cal.	1,360.3	1,326.5	8,873.8	7,749.7	6,610.5	6,075.8	25
447	John Brown & Partners	Seattle	1,352.7	1,564.2	11,519.0	12,298.2	2,374.0	2,360.0	20
448	Smith, Kaplan, Allen & Reynolds	Omaha, Neb.	1,350.8	1,194.0	9,005.1	7,960.2	1,308.2	749.0	38
449	Anderson Advertising	San Antonio, Tex.	1,350.0	1,200.0	9,000.0	7,750.0	NA	NA	33
450	Fones & Mann	New York	1,350.0	1,100.0	7,500.0	6,500.0	NA	NA	12
451	Lipman Advertising	New York	1,347.9	1,064.0	10,187.8	9,312.5	4,759.4	3,209.1	24
452	G. Temple Associates	Southfield, Mich.	1,347.0	1,127.0	5,776.0	4,696.0	4,442.0	3,682.0	14
453	Donald L. Arends Inc.	Oak Brook, Ill.	1,339.3	1,207.5	8,932.8	8,054.0	1,599.8	1,617.2	22
454	Caravella Allen Kimbrough/BBDO ▽	Miami	1,324.0	1,200.0	8,541.2	8,000.0	200.1	NA	25
455	Furman, Roth Advertising	New York	1,318.0	1,143.8	8,310.5	6,805.0	1,000.5	833.8	24
456	Harmon Smith Inc.	Kansas City, Mo.	1,312.3	1,244.6	8,935.5	8,574.3	3,213.3	2,944.5	23
457	Symon & Hilliard	New York	1,300.5	1,020.3	8,674.3	6,805.4	5,559.4	5,219.9	14
458	Howard H. Monk & Associates	Rockford, Ill.	1,287.4	958.7	8,586.3	7,409.6	7,184.7	6,227.4	30
459	Beaumont, Heller & Sperling	Reading, Pa.	1,274.8	1,349.6	10,165.1	10,621.1	7,593.6	7,680.4	41
460	Dorland & Sweeney	Philadelphia	1,270.4	1,205.6	8,577.8	8,059.0	7,218.0	6,995.7	25
461	Harris-Edward Inc.	Philadelphia	1,264.2	1,011.3	8,423.7	6,739.0	7,513.1	6,010.5	18
462	CRE Inc.	Indianapolis	1,259.5	901.1	7,280.5	6,454.6	5,293.8	4,628.7	33
463	Packo, Mitchell, Hanson & Comer	Toledo, O.	1,252.5	809.1	8,203.4	5,295.6	6,803.4	4,535.6	28
464	J.P. Lohman Organization	New York	1,249.0	1,109.0	8,250.0	7,400.0	NA	NA	18
465	Larwin/Livers Associated	Huntingdon Valley, Pa.	1,235.0	971.0	9,500.0	9,000.0	6,734.9	6,380.4	22
466	TCI Advertising	Stamford, Conn.	1,209.6	1,320.3	9,330.3	9,958.8	5,829.8	5,863.3	22
467	Ad Hoc Marketing Resources	New York	1,205.9	870.6	7,937.0	5,736.0	7,337.0	5,336.0	8
468	KSK Communications	McLean, Va.	1,202.5	826.8	8,083.5	5,512.0	4,845.2	3,122.1	25
469	Dallas C. Dort & Co.	Flint, Mich.	1,200.0	683.0	8,055.5	4,498.4	4,770.9	2,714.7	22
470	Neal Spelce Communications	Austin, Tex.	1,189.3	1,345.8	7,928.7	8,974.8	4,581.9	5,648.3	30
471	Coakley Heagerty Cos.	Santa Clara, Cal.	1,189.0	1,838.8	8,922.7	12,776.2	6,702.1	9,639.2	24
472	Fotheringham & Associates	Salt Lake City	1,185.2	1,084.0	7,671.6	6,553.0	5,096.4	3,554.0	20
473	Greenwald/Christian Advertising	Philadelphia	1,184.9	1,049.9	7,900.0	7,000.0	1,585.0	1,414.0	15
474	Haller Schwarz	Los Angeles	1,148.0	1,085.0	7,659.0	7,250.0	NA	NA	15
475	Barney & Patrick Advertising	Mobile, Alabama	1,141.5	834.0	7,620.7	5,563.0	1,674.1	2,184.0	19
476	John Volk Co.	Chicago	1,138.6	1,062.9	7,657.6	7,516.0	5,213.7	3,281.0	17
477	Advertising, Boelter & Lincoln	Madison, Wis.	1,136.9	1,038.6	7,582.9	6,927.6	NA	NA	35
478	Lessing-Flynn Advertising Co.	Des Moines, Ia.	1,130.0	983.0	7,550.0	6,550.0	7,500.0	6,500.0	20
479	Alstin Advertising	Philadelphia	1,125.0	945.0	7,500.0	6,300.0	NA	NA	24
480	Kenney Advertising	Boston	1,125.0	1,050.0	7,500.0	7,000.0	NA	NA	35
481	Adler, Schwartz	Englewood Cliffs, N.J.	1,115.5	1,074.1	7,350.9	7,163.5	6,525.3	6,098.4	17
482	Burns Group	Minneapolis	1,109.1	1,043.1	7,134.1	6,921.8	5,711.6	5,953.8	22
483	de Bruyn-Kettig Advertising	El Paso, Tex.	1,100.0	990.0	7,032.4	6,598.5	3,290.3	2,807.2	21
484	Marketing Group	Ft. Washington, Pa.	1,100.0	916.0	5,093.6	4,315.5	3,238.3	2,581.3	19
485	Murray Salit & Associates	New York	1,095.0	930.0	7,300.0	6,200.0	NA	NA	14
486	George P. Clarke Advertising	New York	1,094.3	1,072.4	7,296.1	7,152.7	3,951.3	3,896.6	16
487	Kaufman & Maraffi	New York	1,093.1	1,114.0	10,767.0	10,823.1	667.0	1,000.5	19
488	Communication Trends	Atlanta	1,092.4	741.3	9,709.6	6,507.3	2,934.6	1,961.4	24
489	Pearlman Wohl	Los Angeles	1,089.0	637.0	10,663.8	5,807.0	933.8	567.0	13
490	Diddday & Branch	Cincinnati	1,085.7	1,049.8	4,523.9	4,518.4	4,219.7	4,080.3	20
491	Hal Lanzerman Co.	Center Square, Pa.	1,083.3	902.8	5,864.9	4,887.4	5,524.9	4,687.4	8
492	DynaMedia Advertising	Tampa	1,080.0	780.0	7,200.0	5,200.0	NA	NA	
493	Nicholson Kovak Huntley & Welsh	Kansas City, Mo.	1,080.0	699.5	7,200.0	5,100.0	3,096.0	2,346.0	29
494	Oldfield Davis	Dallas	1,079.9	965.7	9,867.8	8,512.3	7,202.8	6,441.0	16
495	Roni Hicks & Associates	San Diego, Cal.	1,079.6	904.8	6,773.1	5,684.4	4,361.2	3,707.9	17
496	Coppola Communications Co.	San Francisco	1,065.0	NA	7,101.9	NA	6,798.7	NA	12
497	Alan Frank & Associates	Salt Lake City	1,064.8	985.9	6,647.3	6,184.2	356.2	336.0	20
498	STG Marketing Communications	Fairfield, Conn.	1,061.0	1,060.0	7,513.0	7,098.1	5,015.8	4,661.4	20
499	Ross Advertising	Peoria, Ill.	1,057.2	1,259.1	7,874.3	10,093.6	5,910.7	6,893.6	25
500	Wooding & Housley	Providence, R.I.	1,056.0	1,170.0	7,000.0	6,000.0	5,555.0	940.0	22.0

NOTE: Dollars in thousands

See Page 18 for footnotes

Sixth 100 agencies

1985 Rank	Agency	Headquarters	Gross income 1985	Gross income 1984
501	Townsend Agency	Arlington Hts., Ill.	$1,046.4	$920.3
502	Anderson Communications	Dallas	1,045.6	540.1
503	Bradley, Dimmock & Hungerford	New York	1,037.2	814.6
504	Reede Farris Lewis & Maisel	Los Angeles	1,033.5	1,089.2
505	Adair Associates	Atlanta	1,028.6	1,013.9
506	Gray Baumgarten Layport	Pittsburgh, Pa.	1,026.5	988.3
507	Gann-Dawson	Scranton, Pa.	1,025.5	855.5
508	Wettstein/Bolchalk Advertising & PR	Tucson, Ariz.	1,022.0	867.5
509	Zubi Advertising Services	Miami	1,014.0	910.0
510	Loeffler Mountjoy	Charlotte, N.C.	1,005.0	1,131.4
511	Laven, Fuller & Perkins Advertising	Chicago	990.0	660.0
512	Gallagher Group	New York	981.0	900.0
513	Storey Berman & Freer	Chicago	980.0	755.0
514	Don Wise & Co.	New York	975.0	900.0
515	Kaplan & Stuart Advertising	Framingham, Mass.	965.0	840.0
516	Patchen Brownfield Advertising	Phoenix, Ariz.	956.0	1,089.4
517	Greene & Claire	New York	954.9	950.0
518	R.L. Meyer Advertising	Milwaukee	953.1	1,081.6
519	Thompson Agency	Charlotte, N.C.	933.7	822.9
520	Three Arts	Cedar Rapids, Ia.	932.0	608.0
521	Adelante Advertising	New York	905.0	836.5
522	Cogent Inc.	San Francisco	903.0	351.6
523	Semel/Kaye & Co.	Northbrook, Ill.	900.3	822.6
524	Larson, Bateman & McAllister	Santa Barbara, Cal.	889.6	1,411.1
525	Patterson Advertising Agency	Topeka, Kan.	885.0	870.4
526	Berenson, Isham & Partners	Boston	878.9	1,254.8
527	Wendt Advertising Agency	Great Falls, Mont.	876.1	675.1
528	S.R. Knapp Associates	Arlington Hts., Ill.	872.5	729.1
529	Emerson Marketing Agency	New York	866.4	770.2
530	Menaker & Paul	Chicago	865.0	856.3
531	JAM & Corbett Advertising	Columbus, O.	861.1	612.5
532	Skirboll & Garber Advertising	Pittsburgh	859.5	783.5
533	West, Morris, Davis & Muender	Rockford, Ill.	852.0	885.0
534	Darlen, Russell, Hill & Dahl	San Jose, Cal.	852.0	711.9
535	J.D. Mathis & Co.	Baltimore	846.5	331.3
536	Peter Vane Advertising	New York	846.0	737.0
537	Crumbley & Associates	Atlanta	838.0	804.0
538	Tepe, Hensler & Westerkamp	Cincinnati	823.9	736.5
539	Gregory & Clyburne	New Canaan, Conn.	816.1	728.7
540	Cascino & Purcell	Atlanta	814.8	615.3
541	Smith & Yehle	Kansas City, Mo.	803.9	945.0
542	Hlebing Group	Madison, Wis.	801.4	727.2
543	Jason Group	New York	800.3	782.0
544	McFarland Group	Elm Grove, Wis.	800.0	735.0
545	Jules Rabin Associates	Valley Stream, N.Y.	795.0	720.0
546	Jonethis Organization	Akron, O.	793.1	716.3
547	Hart/Conway Co.	Rochester, N.Y.	790.1	832.0
548	Estey-Hoover Inc.	Irvine, Cal.	784.1	646.1
549	Summit Advertising	Norfolk, Va.	783.7	653.8
550	McCarron, Kane, Ross & Tanzmann	Pasadena, Cal.	770.0	585.0
551	Peterson-Morris	Minneapolis	765.0	700.0
552	Ashby, Dillon & Meade	Rocky River, O.	761.0	632.0
553	Fensholt Inc.	Lombard, Ill.	753.1	719.8
554	Hirsch Elliott Inc	New York	752.0	487.0
555	David L. Rawle Associates	Charleston, S.C.	750.0	713.0
556	Haley & Ruckle	Boston	745.7	363.4
557	Rathke Blair Kerns & Frost	Rockford, Ill.	743.4	823.1
558	Peter Scannel Inc.	New York	724.7	262.0
559	Palm, DeBonis, Russo	Bloomfield, Conn.	722.6	NA
560	Webb & Associates	Lafayette, Cal.	718.8	714.5
561	Soderberg & Associates	Seattle, Wash.	695.9	591.3
562	January & Associates Inc.	Nashville, Tenn.	693.0	607.0
563	Keye Advertising	Brooklyn, N.Y.	682.1	559.2
564	Shipley Associates	Wilmington, Del.	681.5	636.7
565	Tri-State Advertising Co.	Warsaw, Ind.	679.4	625.2
566	Winkler McDermott Winkler	New York	675.3	NA
567	Zeta Media	Falls Church, Va.	670.0	537.0
568	Communicators Group	Brattleboro, Vt.	667.2	597.1
569	Landers & Partners	St. Petersburg, Fla.	660.0	637.0
570	Brashe Advertising	Jericho, N.Y.	657.0	526.0
571	K.I. Lipton Inc.	Doylestown, Pa.	655.4	468.7
572	Robert McKim & Co.	Los Angeles	655.0	365.9
573	MarketAide	Salina, Kan.	631.9	733.1
574	Brower, Etheredge & Schaub	Los Gatos, Cal.	631.0	NA
575	Mallof, Abruzino & Nash Marketing	Lombard, Ill.	630.0	480.0
576	New-Venture Advertising	Los Angeles	630.0	600.0
577	Richard Yeager Associates	Moorestown, N.J.	626.4	549.1
578	Behrends & Co.	High Point, N.C.	622.5	1,023.8
579	Wolkcas Advertising	Albany, N.Y.	613.0	NA
580	Womack/Claypoole Advertising	Dallas	612.0	NA
581	Communigraphics	Baltimore	610.0	585.0
582	Funari, Fabden	Edina, Minn.	600.0	300.0
583	T.S. Jenkins & Associates	Flint, Mich.	599.0	414.0
584	Praco, Ltd.	Colorado Springs, Colo.	591.2	657.2
585	New Trend Advertising	Teterboro, N.J.	582.6	535.3
586	Kopf & Isaacson Advertising	Melville, N.Y.	580.0	470.0
587	MSA Advertising	Philadelphia	572.6	504.2
588	Haselow & Associates	Cleveland	570.0	349.0
589	Klein/Richardson	Beverly Hills, Cal.	565.3	435.0
590	May/Partners	Seattle	563.0	405.0
591	Communique Direct Marketing	Brookfield, Wis.	560.0	412.8
592	Martin A. Lave Marketing	Indianapolis	559.1	413.0
593	Sheldon Fredericks Advertising	New York	553.0	482.0
594	Hood, Light & Geise	Harrisburg, Pa.	546.2	484.7
595	Earle Bower Associates	New York	546.1	446.7
596	William Mills, Advertising & Market	Atlanta	532.1	418.0
597	DFK Advertising	New York	525.0	550.0
598	Fearon/GBA Advertising	New York	525.0	NA
599	Taylor Brown & Barnhill	Houston	525.0	375.0
600	Poindexter Associates	Roanoke, Va.	524.2	492.6

NOTE: Dollars in thousands

Ninety more

1985 Rank	Agency	Headquarters	Gross income 1985	Gross income 1984
601	Martin Fiderer Associates	Englewood Cliffs, N.J.	$521.0	$496.0
602	Parker Group	St. Louis	506.6	324.1
603	DPL Advertising	Battle Creek, Mich.	500.4	480.0
604	Keith Bates & Associates	Chicago	491.9	450.4
605	Dakis Concern	Orinda, Cal.	491.1	550.0
606	White, Good & Co.	Mt. Gretna, Pa.	488.5	320.6
607	Covey & Koons	Canton, O.	484.1	488.6
608	Noble Arnold & Associates	Schaumburg, Ill.	483.8	377.3
609	Robert Lombardi Advertising	New York	483.0	NA
610	Holmes, Boucher & Co.	Providence, R.I.	476.0	464.0
611	Bertucci Maren Associates	Bristol, Pa.	468.8	433.8
612	Rose & Brouse Advertising	New York	465.0	300.0
613	William F. Haselmire Advertising	West Palm Beach, Fla.	450.0	420.0
614	Asher Agency	Fort Wayne, Ind.	448.0	324.0
615	FitzSimons Advertising	Cleveland	445.5	405.0
616	Jiloty, Shipley & Associates	Holly Hill, Fla.	430.5	332.1
617	James A. Ford Advertising	Stamford, Conn.	426.0	294.0
618	Saxe Mitchell Inc.	Woodbury, N.Y.	425.0	508.0
619	Michael Dweck & Co.	New York	423.6	264.8
620	Parsons, Friedmann & Central	Boston, Mass.	417.4	393.4
621	Hinton & Steel	Seattle	405.1	314.6
622	Newton Associates	St. Davids, Pa.	401.9	400.0
623	Ad Methods Advertising	Smithtown, N.Y.	401.6	338.9
624	Qually & Co.	Chicago	401.3	422.9
625	Carl Guldberg Agency	Ann Arbor, Mich.	399.3	296.8
626	Hicks & Greyson	Coral Gables, Fla.	394.5	404.3
627	Poller & Jordan Advertising Agency	Miami	394.0	412.0
628	Leff & Squicciarini	Columbus, O.	390.0	NA
629	MAP Advertising Agency	Springfield, Mo.	384.7	496.6
630	Cozad & Associates	Encino, Cal.	375.0	345.0
631	Keller Haver	New York	375.0	360.0
632	Bulloch & Haggart Advertising	Colorado Springs, Colo.	373.4	244.6
633	Shepler & Co.	Hickory, N.C.	372.1	79.8
634	Andrew Curcio Inc.	Boston	364.0	340.0
635	Elbert Advertising Agency	Norwood, Mass.	363.2	351.9
636	Perry Ballard/advertising	St. Joseph, Mo.	361.0	369.8
637	Douglas Bewick Advertising	W. Springfield, Ma.	360.0	300.0
638	Steele, Stoltz & Associates	Pocatello, Ida.	359.9	302.6
639	Wilson, Frank & Associates	San Diego, Cal.	358.3	320.9
640	Advertising & Promotional Services	Sycamore, Ill.	355.4	338.5
641	Malek Group	New York	344.7	219.7
642	MacMahon Advertising	Orlando, Fla.	343.0	299.0
643	Kinzie & Green	Wausau, Wis.	342.5	370.0
644	Jacobs & Clevenger	Chicago	342.5	257.5
645	Furman, Feiner & Co.	Englewood, N.J.	330.0	240.0
646	Gerald Fatlis Advertising	New York	318.0	427.5
647	West & Brady	Greenbit, Mass.	316.1	340.0
648	Blanchard & Associates	Minneapolis	312.0	280.0
649	A.I.M.	Foster City, Cal.	303.4	NA
650	Lawrence, Legters & Borden	New York	300.0	270.0
651	Messer & Susolin & Others	Pearl River, N.Y.	300.0	263.0
652	Yardis Advertising Co.	Bryn Mawr, Pa.	300.0	300.0
653	Brewster Advertising	Canbridge, Mass.	284.0	NA
654	Morrow Lewis & Kelley	New York	275.0	366.1
655	Creel Associates	Oak Brook, Ill.	266.9	307.0
656	Brigham/Scully	Los Angeles	265.3	262.2
657	Black & Musen	East Longmeadow, Mass.	253.0	255.0
658	Canscott Broadcast Production	Lindenwold, N.J.	250.0	150.0
659	Friedman Associates	West Orange, N.J.	250.0	NA
660	Melgar Nordlinger	New York	247.7	320.0
661	Basinger Co.	Evanston, Ill.	230.0	156.0
662	Bodalamenti Advertising Agency	Brooklyn, N.Y.	225.0	NA
663	Halcyon Associates	Brooklyn, N.Y.	225.0	149.0
664	Allen & Co.	Atlanta	222.7	NA
665	L.Quillin & Associates	La Crosse, Wis.	207.7	199.2
666	Lundmark Advertising & Design	Kansas City, Mo.	207.0	158.0
667	Dodson, Craddock & Born	Pensacola, Fla.	203.6	277.2
668	Eidel Marketing Communications	Briarcliff Manor, N.Y.	203.0	204.0
669	Koehler Counselors	Yellow Springs, O.	196.0	166.0
670	Jack Mathis Advertising	Libertyville, Ill.	195.2	201.9
671	Jerome H. Schmeizer & Associates	Cleveland	194.6	136.5
672	Grover & Carroll	Boston	191.0	NA
673	J. Ronald Gaffe'	Okenos, Mich.	188.1	151.5
674	Mills Marketing	Rancho Domingues, Cal.	185.0	185.0
675	James Bloom Agency	Great Neck, N.Y.	180.0	143.0
676	Ribnick & Associates	Houston	180.0	NA
677	Berenson & Co.	Larkspur, Cal.	175.0	NA
678	Nutrition Marketing Co.	Englewood, N.J.	170.0	140.0
679	Concepts & Strategies	Westport, Conn.	168.0	0.0
680	Herb Gross & Co.	Rochester, N.Y.	165.0	135.0
681	Fraser Advertising	Atlanta	154.1	110.8
682	Fillman Advertising	Champaign, Ill.	133.7	131.8
683	NPC & Associates	Lanham, Md.	138.4	56.3
684	Bates & Fawcett	Darien, Conn.	124.1	141.1
685	Nelda Armstrong Advertising Agency	Lubbock, Tex.	110.0	91.0
686	Communication Plus	Richardson, Tex.	97.2	109.1
687	Marketing Laboratory	Danbury, Conn.	72.2	55.1
688	Morris Direct Marketing	New York	55.0	22.1
689	Franchise Advertising Services	Belmont, Mass.	37.5	22.5
690	Scott & Scott Advertising	Northbrook, Ill.	30.0	NA

NOTE: Dollars in thousands

Notes for charts on Pages 8, 10, 12, 14, 16 and 18

Income and billings figures of companies marked with the following symbols are included in parent company totals. Other charts and composite figures throughout this issue reflect individual agency totals only, unless otherwise noted.

Symbol	Parent agency	Symbol	Parent agency
○	Young & Rubicam	◑	Ted Bates Worldwide
◈	J. Walter Thompson Co.	◇	Ogilvy Group
▽	BBDO International	□	Saatchi & Saatchi Compton
☆	D'Arcy Masius Benton & Bowles	◊	Foote, Cone & Belding
⬡	Doyle Dane Bernbach International	△	Ross Roy
▽	C&W Group		

42nd annual report on U.S. agencies

U.S. agency profiles are arranged alphabetically within two segments: The top 100 accounting for 84% of the composite gross income of the Ad Age 500 agencies, and the remaining agencies reporting. Profiles are carried on more than 500 agencies, but only data from the top 500 agencies—listed on the tables on Pages 8-16—is pulled for the various charts that show year-to-year comparisons in this report.

AC & R Advertising

RANK 63

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	16.3	16.4	(0.5)
Billings	110.0	98.7	11.5
U.S.	**1985**	**1984**	**% chg**
Gross income	15.8	15.9	(0.7)
Billings	106.4	94.7	12.3

U.S. billings ($ in millions)

	1985	1984	% chg
Media	84	77	9.3
Materials/services	21	15	40.6
Capitalized fees	1	3	(67.2)

Billings breakdown by media

Newspapers	2.9	Magazines	38.4
Radio	1.2	Network tv	11.7
Spot tv	36.6	Bus. papers	9.2

Work force and facilities in 1985

	Employes	Offices
Worldwide	220	2
Domestic	220	2

Annual review

This Ted Bates Co. subsidiary suffered a slight decline on the gross income side because of the departure of Puerto Rico Tourist Office when there was a change in government there. The company, out "beating the bushes for new business," grabbed Beefeaters, its first venture into the liquor business, and is seeking to build a diversified business in hi-tech, fashion and shoes. Agency totals include that of a five-person office in Athens, Greece.

U.S. accounts

Gained: Avis Used Cars; Willowbrook Mall; Stanley Blacker; Berkley Publishing; Times Leader; Kangaroos; Seiko Computers; American Video Conferences; Bridal Original; Silver Butler; Citibank; Philon; Henckels; Elborg; Bruno Magli shoes; Ligne Roset; Beefeater's gin; Advertising Checking Bureau; Burnes of Boston; Quality Care.

Lost: Hertz Used Cars; Warner Computers; Avon Books; Sidney Gould; Spring Mills; Harper & Row.

Foreign accounts

Gained: Air Jamaica; Egypt Air; El San Juan Hotel; Irish Development Board.

Lost: Puerto Rico Tourist Office; Greek Natl Tourist Office.

Officers

Stephen Rose, chmn; Alvin Chereskin, president; Louis Miano, vice chmn. Exec vps—Kazuo Kudo, Sheldon Marks, acct mgmt; Harry Koenig, finance; Morton Weinstein, director mktg.

Phone: (212) 685-2500.

Admarketing

RANK 39

Los Angeles

($ in millions)

Worldwide	1985	1984	% chg
Gross income	38.5	36.1	6.5
Billings	176.5	160.0	8.2

U.S. billings ($ in millions)

	1985	1984	% chg
Media	167	156	7.3
Materials/services	2	3	(43.8)
Capitalized fees	1	1	0.0

Billings breakdown by media

Newspapers	2.0	Magazines	2.0
Radio	7.0	Network tv	1.0
Spot tv	75.0	Outdoor	2.0
Point of sale	2.0	Yellow pages	1.0
Direct mail	1.0	Dir. resp. tv	5.0
Po	2.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	139	1
Domestic	139	1

Annual review

The $10 million in new business added at Admarketing giving it a 6.2% increase in billings was split between internal growth and new business. The agency's new clients—Circuit City Stores, Cousins Home Furnishings and Standard Shoes—are expected to increase advertising spending 17% in 1986, adding $34 million in billings. This should soften the loss of $6.5 million in annualized billings in 1985 when the Southern California Oldsmobile dealers and Kentucky Fried Chicken franchise group left the agency.

U.S. accounts

Gained: Circuit City Stores; Cousin Home Furnishings; Standard Shoes.

Lost: Southern Cal. Oldsmobile Dealers; Kentucky Fried Chicken (Southern Cal.).

Officers

Jack Roth, president-ceo; Robert Recht, chmn; Robert Roth, treasurer; Martin Cagan, exec vp; George Abdell, Ed Moiselle, Arlynn Whittaker, senior vps; Amnon Mizrahi, John Bergquist, Marilyn Edwards; Robert Packham, John Bamberger, Andrew Demus, Charles Katz, William Tollis, Patricia Gleason, Larry Mandel, vps.

Phone: (213) 203-8400.

Allen & Dorward

RANK 100

San Francisco

($ in millions)

Worldwide	1985	1984	% chg
Gross income	9.5	8.0	18.3
Billings	65.9	52.6	25.3

U.S. billings ($ in millions)

	1985	1984	% chg
Media	58	46	27.7
Materials/services	8	7	9.9
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	7.0	Magazines	10.0
Radio	29.0	Network tv	15.0
Spot tv	29.0	Cable tv	—
Outdoor	1.0	Bus. papers	5.0
Farm publs	3.0	Transit	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	150	5
Domestic	150	2

Office billings ($ in millions)

Allen & Dorward	San Francisco	58.8
Allen & Dorward	Houston	7.1

Annual review

Account gains, particularly from Castle & Cooke and Lucky Stores, helped push billings up 25.3%. The agency also gained three new accounts, Qantas, Granny Goose and Grubb & Ellis, when it acquired the San Francisco Cunningham & Walsh office. Its Houston office suffered a 5.3% drop in billings because it lost three accounts.

U.S. accounts

Gained: Castle & Cooke, new juice exploratory prods, new dessert prods; Lucky Stores; Tootje of Cal.; Dialogic Systems; KKCY Radio; PacTel Infosystems; Granny Goose; Qantas Airways; Grubb & Ellis; Laymon-Howell.

Lost: San Francisco: Carradale Limited; Famous Grouse Scotch. Houston: Community Health Computing; Gerlands food stores; Houston Chevrolet Dealers.

Officers

Donald Dorward, president-ceo; Bob Hoffman, Joe Van Trump, gm-exec vps. Senior vps—Art Able, creative; Richard Bell, Ed Bennett, Roy Fraser, John Galbraith, Fred Greene, Les Mullins, Bob Werts, mgmt supers; Lois Breton, production, traffic; Rudi Golyn, creative director; Kurt Olson, Dawn Tognoli, media directors; Bob Riddell, finance, admin.

Phone: (415) 956-7470.

Ally & Gargano

RANK 45

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	28.6	23.4	14.0
Billings	203.0	182.9	11.0

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	169	132	28.4
Materials/services	21	20	1.9
Capitalized fees	14	31	(56.6)

Billings breakdown by media

Newspapers	7.6	Magazines	13.5
Radio	3.1	Network tv	27.8
Spot tv	44.9	Cable tv	1.2
Outdoor	0.4	Bus. papers	1.3
Point of sale	0.1	Other	0.1

Work force and facilities in 1985

	Employes	Offices
Worldwide	222	1
Domestic	222	1

Annual review

Publicly-held Ally & Gargano recorded an 11% increase in billings and set a record in earnings per share. But the agency got off to a wobbly start in 1986, first because it lost the Polaroid Corp. account (at the end of 1985), Sun Banks, and then MCI's consumer account. The latter, lost to DMB&B, which handles MCI's business-to-business account—an area MCI is emphasizing—particularly stunned the agency, which had won numerous awards for its creative. An agency spokesman expects ongoing accounts alone to keep the agency above $125 million in total billings in 1986.

U.S. accounts

Gained: American Cancer Society; Sanyo Electric, home appliance div; Frye Co.

Lost: Polaroid Corp; RCA American Communications; Scandinavian Airlines; Sun Banks of Fla.; Travelers Insurance Co.; Timberland Co.

Officers

Amil Gargano, chmn, president-ceo; Larry Dexheimer, exec vp-coo; Harold Weston, exec vp-cfo, treasurer; Michael Tesch, Tom Messner, Barry Vetere, creative directors. Senior vps—Dennis Visich, acct mgmt services director; Peter Bates, group mgmt super; Ronald Berger, associate creative director; Frederic D. Chernin, rsch director; George P. Euringer, assoc creative director; James H. Feeney, group mgmt super; Janine E. Marjollet, director broadcast operations; Helayne R. Spivak, group creative head.

Phone: (212) 688-5300.

Ammirati & Puris

RANK 54

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	19.5	13.5	44.4
Billings	130.0	90.0	44.4

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	13.0	Magazines	35.0
Radio	1.0	Network tv	35.0
Spot tv	13.0	Cable tv	1.0
Outdoor	—	Other	2.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	167	5
Domestic	167	5

Annual review

Ammirati & Puris came off with a 44% increase in billings helped along handsomely by an infusion from the new $10 million Chiquita Brands account. Since the turn of the year, A&P has gained Cadbury USA's confections with annualized billings of $12 million. The agency in addition to its main New York office, has field service units in Los Angeles, Atlanta, Dallas and Chicago to service BMW dealers in those locales.

U.S. accounts

Gained: Four Seasons Hotel; Rose Holland House, mixes; Chiquita Brands.

Officers

Morton F. Puris, co-chmn-ceo; Ralph Ammirati, co-chmn, creative director; Edward H. Vick, president-coo. Senior vps—Joseph O'Neill, assoc creative director; Philip Palazzo Jr., cfo; Vivian Young, rsch director; Mary Herrmann, Duncan Pollock, mgmt supers; Stephen Farella, media director; Ozzie Spenningsby, broadcast production.

Phone: (212) 206-0500.

Avrett, Free & Ginsberg

RANK 88

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	10.7	10.1	6.3
Billings	90.0	87.0	2.3

U.S. billings ($ in millions)

	1985	1984	% chg
Media	66	65	0.9
Materials/services	15	15	0.9
Capitalized fees	8	6	20.4

Billings breakdown by media

Newspapers	5.0	Magazines	15.0
Radio	4.0	Network tv	53.0
Spot tv	21.0	Outdoor	2.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	51	1
Domestic	51	1

Annual review

AF&G had a slow growth of only 2.3% in billings. Existing client activity helped offset the loss of Ponderosa ($15 million) and Lehn & Fink ($20 million). Bausch & Lomb contact lenses added $8 million and Del Webb's Claridge Casino, Atlantic City, added $5 million, as AF&G's major new business gains.

U.S. accounts

Gained: Bausch & Lomb; Claridge Casino.

Lost: Ponderosa; Lehn & Fink, Ross Labs, Schmitt Labs.

Officers

John Avrett, chmn-ceo; Marcella Free, co-chmn. Senior vps—Frank Ginsberg, creative director; Jose Abarquez,

Reader's guide to agency interpretation

Acme Group, headquartered in New York, answered a questionnaire sent to the agency by Ad Age in late December. If ... editors had not heard from Acme by the questionnaire filing deadline in late January, they sent a second mailing to the agency. If there was still no response and Acme Group had gross income of $5 million or more, the agency was telephoned for a response.

The ☑ in the boxtop is explained on Page 8.

Media breakdown defines where an agency spends clients' monies. The breakdown figures are percentages of the total U.S. capitalized volume per medium. The breakdown adds up to 100%. This year Ad Age is seeking to get a clear reading on the use of direct response advertising, which totaled 8% of total media expenditures in 1985 as monitored for the Ad Age 500 in this issue.

Most office billings breakouts were supplied on the questionnaire by agencies. Where they did not respond, agencies were asked to confirm Ad Age estimates based on published reports on individual markets and other criteria. For the most part, those who did not cooperate in the questionnaire responded to the estimates.

Acme Group

RANK 6

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	277.0	240.0	10.9
Billings	2,510.0	2,275.0	10.6
U.S.	**1985**	**1984**	**% chg**
Gross income	274.0	235.0	16.5
Billings	1,858.0	1,591.0	16.8

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	1,304	1,108	17.7
Materials/services	224	231	(3.0)
Capitalized fees	329	242	36.0

Billings breakdown by media

Newspapers	9.0	Magazines	14.0
Supplements	1.0	Radio	6.0
Network tv	25.0	Spot tv	23.0
Cable tv	2.0	Outdoor	1.0
Bus. papers	4.0	Point of sale	1.0
Direct mail	2.0	Other	6.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	2,343	125
Domestic	2,229	31

Office billings ($ in millions)

Acme Advertising	New York	845.3
Acme & Co.	Manchester, C.	723.0
Acme/PR One	Minneapolis	160.0

Financial data are collected for gross income and billings and are in millions of dollars.

• Gross income: Agencies are ranked by gross income, which gives a better indication of an agency's size than billings. Gross income is the traditional agency (meaning the agency receives most of its income from media commission) is the sum of three sources: The 15% an agency makes from buying media; a 17.65% markup for materials and services billed the client, and the fee charged the client—a form of remuneration popular with clients whose media market is low-cost in comparison with more costly media like tv or consumer magazines.

• Billings: Billings is short for "capitalized billings" and represents the sum of three types of agency activity: Total commissionable billings for ad space and time; gross billings to clients for materials like artwork, research and so on for services when supplied or performed by organizations other than the agency, and capitalized fees. Fees are capitalized by multiplying fees by 6.67. This makes an equivalent of fee income and commissions from media billings. For example, if commissions from media are 15%, then commissions multiplied by 6.67 would be the total media placed (6.67 is the quotient of 100 divided by 15). For non-U.S. shops in parent worldwide financial totals, Ad Age seeks figures representing only the parent agency equity in the shop.

Ad Age based annual reviews on staff interviews with top executives at the agency.

finance; Don Bandman, Larry Riegel, Bingo Wyer, acct services; Sue Costa, admin; Manny DeMagistris, Alan Honig, John LaRock, Judy Weiss, creative; Lynne Kluger, tv production; Ed Weiner, media director.
Phone: (212) 832-3800.

Quirks and quakes

Griswold Inc., Cleveland, shortened from Griswold-Eshleman Co. in 1983, and merged the end of 1985 into Ross Roy Inc., Detroit, once had a Chicago connection—Aubrey, Finlay, Marley & Hodgson. Griswold bought the shop in 1963. It handled business for International Harvester before Griswold shut the agency down in 1978.

N W Ayer

RANK 18

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	114.5	104.7	9.4
Billings	826.4	740.9	11.5
U.S.	**1985**	**1984**	**% chg**
Gross income	87.7	91.2	(3.7)
Billings	652.0	652.5	(0.1)

Work force and facilities in 1985

	Employes	Offices
Worldwide	2,458	16
Domestic	1,184	4

U.S. billings ($ in millions)

	1985	1984	% chg
Media	562	568	(0.9)
Materials/services	90	85	5.7
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	8.0	Magazines	22.1
Supplements	0.7	Radio	7.9
Network tv	40.3	Spot tv	15.8
Cable tv	0.2	Outdoor	0.3
Bus. papers	3.6	Yellow pages	0.3
Direct mail	0.8	Other	—

Office billings ($ in millions)

N W Ayer	New York	561.0
N W Ayer	Chicago	35.6
N W Ayer	Detroit	28.9
N W Ayer	Los Angeles	28.6

Annual review

The loss of the $40 million-plus Seven-Up account largely affected a 0.1% decline in domestic billings. Ayer added the coveted AT&T Consumer Products account with billings of about $40 million to its other AT&T business. A push to expand the size of foreign shops and build the international network paid off as non-U.S. billings rose 97.3%, influencing a 11.5% increase in over-all billings at Ayer. Stateside, it is seeking specialty communications acquisitions.

U.S. accounts

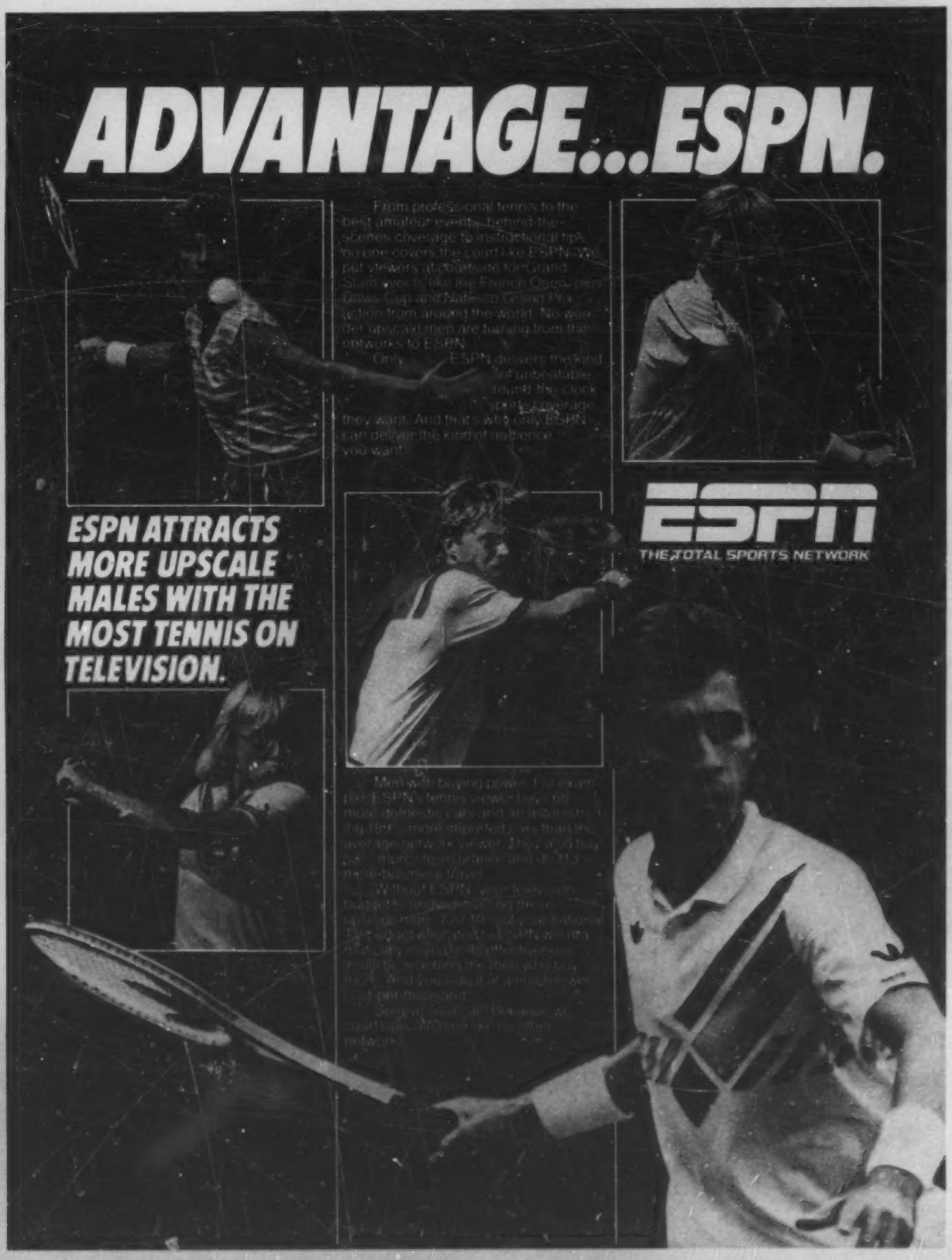
Gained: AT&T, consumer prods; Iberia Airlines; Club Med; Carte Blanche; Toshiba America, corp adv.
Lost: Seven-Up Co.; Texize, Yes detergent; Clorox, Olympic Stain div, Lucite paint; Zena jeans.

Foreign accounts

Gained: Tulip meats, PTT Telecommunications (France); General Motors Research Assignments (France, Germany, U.K.); Iberia Airlines (Holland, Germany); EEC For Year of the Environment (Italy); Thistle Hotels (U.K.); Cadbury-Schweppes (Australia); New Zealand Health Dept for AIDS campaign, Reckitt & Colman for Cossack Toiletries (N.Z.); Pan Pacific Hotels (Malaysia); MOET Chandon, Otis Elevators (Argentina).
Lost: Van Nelle Tobacco, Sidca Steel (Belgium); Audi Cars, Townsend Thoresen Ferries (Holland); Mazda Cars (New Zealand); Citibank (Argentina).

Officers

Chmn—Louis T. Hagopian, ceo; Bart Stoner (Western div, Los Angeles). Jerry J. Siano, vice chmn-chief creative officer. Presidents—Jerry N. Jordan, intl div; Robert P. Zabel (Midwest div, Chicago). David H. Means, chief admin officer. Exec vps—Patrick J. Cunningham, creative director (New York); George H. Eversman; Thomas F. Maxey; Ted F. Regan; Dominick F. Rossi, director acct mgmt (New York, Detroit).
Phone: (212) 708-5000.


ADVANTAGE...ESPN.
From professional tennis to the best amateur events—behind the-scenes coverage to instructional tips, no one covers the court like ESPN. We put viewers at courtside for Grand Slam events like the French Open, pro Davis Cup and Nabisco Grand Prix action from around the world. No wonder upscale men are turning from the networks to ESPN.
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ESPN ATTRACTS MORE UPSCALE MALES WITH THE MOST TENNIS ON TELEVISION.
ESPN
THE TOTAL SPORTS NETWORK

Backer & Spielvogel

RANK 23

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	57.8	59.3	(2.6)
Billings	385.1	395.7	(2.7)

U.S. billings ($ in millions)

	1985	1984	% chg
Media	374	392	(4.5)
Materials/services	—	—	—
Capitalized fees	11	4	171.3

Work force and facilities in 1985

	Employes	Offices
Worldwide	625	3
Domestic	625	3

Office billings ($ in millions)

Backer & Spielvogel	New York	330.0
Backer & Spielvogel	Chicago	40.0
Backer & Spielvogel	Huntington Beach, Cal.	5.0

Annual review

Loss of Red Lobster and Miller's Lowenbrau had the most impact on billings, down 2.7% or $10.7 million, says the agency, which expects activity to pick up in 1986 as billings materialize from new clients, Fisher-Price ($15 million) gained in December, Hyundai dealers ($30 million) for the Korean car won in September, and Arby's and Miller draft beer ($20 million each). The agency bought AdCom, the Quaker Oats agency in Chicago, and opened a Los Angeles office.

U.S. accounts

Gained: Helene Curtis Industries, Finesse Mousse; Philip Morris USA, new prods; Campbell Soup Co., Gold Label soups; Miller Brewing Co., Miller High Life Genuine Draft; Hyundai Motor America; Quaker Oats Co., Fisher-Price crib and playpen prods, Preschool prods, Parent Helpers prods, new prods, OHS! cereal.
Lost: Campbell Soup Co., Juiceworks; Miller Brewing Co., Lowenbrau, Red Lobster.

Officers

Carl Spielvogel, chmn-ceo; William M. Backer, president. Exec vps—G. Robert Holmen, coo; Robert H. Lenz, creative director; Stephen M. Leff, director media services; Robert R. Meury, copy chief. Gary Bayer, president, B&S (Chicago).
Phone: (212) 556-5200.

Quirks and quakes

The lineage of Laurence, Charles, Free & Lawson is a combination of the Daniel & *Charles* agency, which was a top 100 agency 10 years ago, F. William *Free* & Co., and in 1985, Tom *Lawson*, a partner in Rosenfeld, Sirowitz & Lawson, came aboard. The *Laurence* is that of *Laurence* D. Dunst, current chairman, who was the president of Daniel & Charles at the time of its merger with Free in 1969.

RANK 3

Ted Bates Worldwide

New York

($ in millions)

Worldwide	1986	1984	% chg
Gross income	466.0	424.4	9.8
Billings	3,108.9	2,822.2	9.8
U.S.	**1986**	**1984**	**% chg**
Gross income	287.5	263.2	9.2
Billings	1,916.5	1,754.7	9.2

Office billings ($ in millions)

Ted Bates Worldwide	New York	754.4
William Esty Co.	New York	510.0
AC&R Advertising	New York	108.4
Campbell-Mithun	Minneapolis	221.8
Campbell-Mithun	Chicago	110.0
Diener/Hauser/Bates Co.	New York	84.4
Diener/Hauser/Bates Co.	Los Angeles	38.7
Diener/Hauser/Bates Co.	San Francisco	2.8
Diener/Hauser/Bates Co.	San Diego	3.3
Diener/Hauser/Bates Co.	Ft. Lauderdale	3.4
Diener/Hauser/Bates Co.	Miami	0.3
McDonald & Little	(closed)	NA
Sawdon & Bess Adv.	New York	81.3
Sawdon & Bess Adv.	Los Angeles	9.0
Stern/Walter/Earle Ludgen	Chicago	30.7

U.S. billings ($ in millions)

	1986	1984	% chg
Media	1,418	1,362	4.1
Materials/services	170	155	10.1
Capitalized fees	328	238	38.0

Billings breakdown by media

Newspapers	7.2	Magazines	16.7
Supplements	1.0	Radio	5.1
Network tv	38.3	Spot tv	23.5
Cable tv	1.2	Outdoor	4.8
Bus. papers	1.8	Direct mail	0.2
Catalogs	—	Other	0.5

Work force and facilities in 1986

	Employes	Offices
Worldwide	5,586	102
Domestic	2,884	17

Annual review

A 9.2% growth in U.S. billings at Ted Bates amounting to a net increase of $162 million came 75% from existing clients and 25% from new business. Avis Rent A Car worth $14 million in business, Commodore International worth estimates of $80 million ($20 million-plus for the Amiga rollout in 1985), and $21 million from Mars, $25 million from Warner-Lambert, and $18 million from Panasonic more than offset the loss of R.J. Reynold's Sterling cigarets.

New gains in 1986 include Prudential-Bache worth $12 million in billings, and Carter-Wallace's Trojan condoms. Bates is involved in "encouraging talks" to purchase a leading Hispanic agency, Conill Advertising, New York, and was to reach an agreement by the end of this month to purchase Kobs & Brady, a Chicago-based direct marketing agency. On the personnel side, at year-end it hired former JWT/Chicago exec vp-exec creative director, Ralph Rydholm, for the creative spot left vacant when it let go vice-chairman/chief creative officer Michael Becker after he requested broader worldwide influence coupled with reduced responsibilities at Ted Bates/New York. McDonald & Little, its Atlanta unit, was closed in the fall, and Bates has no plans to return to that city at present.

U.S. accounts

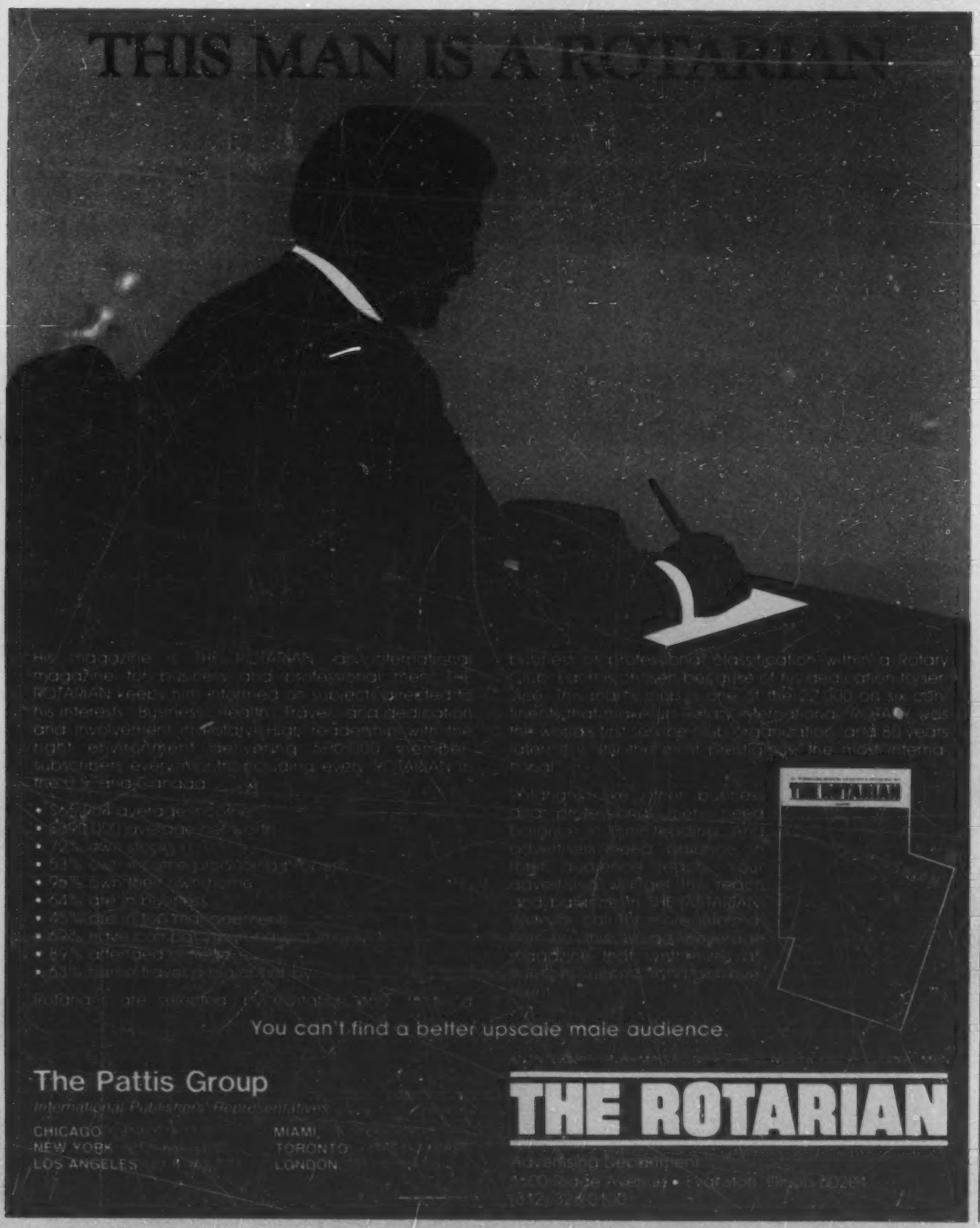
Gained: Avis Rent-A-Car; Commodore Business Machines.

Lost: R.J. Reynolds.

Officers

Robert E. Jacoby, chmn, president-ceo, chmn Ted Bates Advertising (New York). Exec vps—John R. Hoyne, president intl group; Stephen Rose, president U.S. affiliates group, chmn AC&R Advertising; Donald M. Zuckert, president Ted Bates Advertising (New York); Lawrence Epting, exec vp, multinatl mng director Ted Betes Advertising (New York). William H. Maynard Jr., vice chmn, director-world wide creative services. Senior vps—Donald P. Murphy, cfo; Joseph Guistino, treasurer; Elhanan C. Stone, secretary, general counsel; Edward A. Cannata, president, financial affiliates group.

Phone: (212) 869-3131.



RANK 6

BBDO International

New York

($ in millions)

Worldwide	1986	1984	% chg
Gross income	377.0	340.0	10.9
Billings	2,516.0	2,275.0	10.6
U.S.	**1986**	**1984**	**% chg**
Gross income	274.0	235.0	16.6
Billings	1,828.0	1,581.0	15.6

U.S. billings ($ in millions)

	1986	1984	% chg
Media	1,304	1,108	17.7
Materials/services	224	231	(3.0)
Capitalized fees	300	242	24.0

Billings breakdown by media

Newspapers	9.0	Magazines	14.0
Supplements	1.0	Radio	8.0
Network tv	29.0	Spot tv	23.0
Cable tv	2.0	Outdoor	1.0
Bus. papers	4.0	Point of sale	1.0
Direct mail	2.0	Other	6.0

Work force and facilities in 1986

	Employes	Offices
Worldwide	4,349	125
Domestic	3,229	31

Office billings ($ in millions)

BBDO	New York	445.0
BBDO	Detroit	120.0
BBDO	Minneapolis	50.0
BBDO Chicago	Chicago	108.5
BBDO Chicago	Kansas City	2.5
BBDO Chicago	Cincinnati	2.3
BBDO Chicago	St. Louis	1.8
BBDO Chicago	Avalon, CA	0.4
BBDO Direct	New York	35.0
BBDO/West	Los Angeles	62.5
BBDO/West	San Francisco	27.2
BDA/BBDO	Atlanta	85.0
Caravella Allen Kimbrough	Miami	8.5
Waring & LaRosa	New York	88.4
Tracy-Locke	Dallas	183.9
Tracy-Locke	Denver	33.9
Tracy-Locke	Los Angeles	52.6
Tracy-Locke	Philadelphia	12.0
Lavey/Wolff/Swift	New York	57.0
Doremus & Co.	Chicago	10.3
Doremus & Co.	Boston	10.9
Doremus & Co.	Los Angeles	3.9
Doremus & Co.	San Francisco	4.2
Doremus & Co.	Washington	2.3
Doremus & Co.	New York	141.2
Quinn & Johnson	Boston	47.1
Quinn & Johnson	Philadelphia	2.2
Franklin Spier Inc.	New York	20.2
Frank J. Corbett Inc.	Chicago	33.1
MARCOA Direct Adv.	Chicago	36.1
Blair/BBDO	Rochester	20.4
Blair/BBDO	Pittsburgh	1.4
GM DuBois		NA
Hannaford Co.		NA
RC Communications		NA
Telerx Marketing		NA

Annual review

Despite a 0.9% drop in non-U.S. billings, over-all billings grew by 10.6%, an increase credited to larger budgets from big advertisers stateside which helped push up U.S. billings by 15.6%. The decline in overseas billings was due in part to the disinvestment of South African operations, which were sold back to the partners. U.S. strength came in part from new accounts, Visa, Lorillard (Kents) and Polaroid. The full effect of their billings contribution will be felt in 1986, although so will the loss in 1986 of Black & Decker. Net income at publicly-held BBDO was down 13.3% to $19.6 million on revenues of $335.6 million, up 9.9% for the year. However, fourth quarter net income increased 20% on a 21.2% increase in revenues.

This February there was a two-for-one stock split and increased dividend. BBDO expects growth of 8%-10% in 1986.

U.S. accounts

Gained: Visa; Lorillard, Kent cigarets; Polaroid; Household Intl; Kuppenheimer Mfg Co.

Lost: Dean Witter Reynolds; Freixnet; Del Monte; Dow Jones; Fisher-Price toys.

Foreign accounts

Gained: BMW; Whitehall Labs; Krups; Adidas; Henkel.

Lost: Kosta Boda; Daniel Hechter; Bridgestone Tires.

Officers

Allen Rosenshine, president-ceo BBDO Intl, chmn-ceo BBDO; Norm

Campbell, exec vp BBDO Intl, chmn-ceo Tracy-Locke; Willi Schalk, exec vp BBDO Intl, president intl group; Ray McGovern, secretary, genl counsel BBDO Intl, senior vp, secretary, genl counsel BBDO; Jim Cannon, senior vp-cfo BBDO Intl; Tom Watson, senior vp BBDO Intl; William Wilson, exec vp intl group.
Phone: (212) 415-5000.

Batten Barton Durstine & Osborn

This BBDO Intl. lead agency based in New York, named the 1984 agency of the year by Advertising Age, reported gross income of $102,000,000 in 1985 on billings of $680,000,000. In 1984, it reported gross income of $92,628,000 on billings of $617,520,000.

The agency's 1985 U.S. volume consisted of $583,800,000 in media, $70,600,000 in materials and services and $25,600,000 in capitalized fees. Its 1984 U.S. volume consisted of $542,785,000 in media, $63,615,000 in materials and services and $11,120,000 in capitalized fees.

Included in the agency's figures were returns from offices in Southfield, Mich., and Minneapolis.

In 1985, the agency gained: Visa; Lorillard, Kent cigarets; Polaroid. It lost: Quaker Oats; Dean Witter Reynolds.

Billings breakdown: Newspapers 2%, magazines 18%, supplements 2%, radio 6%, network tv 45%, spot tv 19%, cable tv 2%, outdoor 1%, business papers 4%, other 1%.

Top execs: Allen G. Rosenshine, chmn-ceo; Philip B. Dusenberry, vice chmn, exec creative director; Tom Clark, president-coo; Anthony Lenge, senior vp, treasurer. Employes: 1,117 in 3 offices.
Phone: (212) 415-5000.

BBDO Chicago

BBDO Chicago reported gross income of $13,841,000 in 1985 on billings of $115,421,000. In 1984, it reported gross income of $11,317,000 on billings of $91,000,000.

The agency's 1985 U.S. volume consisted of $106,200,000 in media, $6,800,000 in materials and services and $2,421,000 in capitalized fees. Its 1984 U.S. volume consisted of $82,634,000 in media, $5,366,000 in materials and services and $3,000,000 in capitalized fees.

The Chicago agency, formerly known as Arthur Meyerhoff, expects its billings gain of 27% to continue into 1986, especially with continued spending from Quaker Oats products, Centel and Household Intl. that began in 1985.

BBDO Chicago consists of five agencies, all are located in the Midwest except for a small Avalon, Cal., shop.

Included in the agency's figures were returns from its offices in Kansas City, Cincinnati, St. Louis and Avalon, Cal.

In 1985, the agency gained: Quaker Oats Life cereal, Cinnamon Life, Quaker 100% Natural, puffed cereals; Puss 'N Boots cat foods, Puss 'N Boots Moist Meal, Pounce; Household Intl Corp; Centel, corp adv, business, cable; SFN Corp, Mindscape div for educational software; First Chicago; Zurich American Insurance. It lost: TSR, Dungeons & Dragons role playing games.

Billings breakdown: Newspapers 4.4%, magazines 6.4%, radio 4.6%, network tv 53.6%, spot tv 23.8%, cable tv 4.2%, outdoor 1%, business papers 1%, free-standing inserts 1%.

Top execs: Eric Harkna, president-ceo. Chmns—Roger Mohr; Arthur Meyerhoff, founder. Exec vps—Robert Bailey, director mktg services; Dennis Berger, exec creative director; Andrew Donchak, Dean Proctor, mgmt supers; Ernest Stern, finance, admin. Senior vps—Kenneth Bailey, Phillip Gant, Charles Kent, creative directors; William Bloink, Robert Pingrey, mgmt supers; Robert Garrison, media director; Laura Mackiewicz, director broadcast services; David Quinnert, controller. Employes: 187 in 5 offices.
Phone: (312) 337-7860.

BBDO/West

This Los Angeles-based BBDO agency reported gross income of $13,446,000 in 1985 on billings of $89,684,000. In 1984, it reported gross income of $11,606,000 on billings of $77,413,000. In 1985, it had net income of $619,000 compared with $231,000 in 1984.

The agency's 1985 U.S. volume consisted of $70,362,000 in media, $7,877,000 in materials and services and $11,445,000 in capitalized fees. Its 1984 U.S. volume consisted of $53,334,000 in media, $5,683,000 in materials and services and $18,396,000 in capitalized fees.

Included in the agency's figures were returns from its office in San Francisco.

During the year, growth from existing clients increased $23.6 million, a large part of that coming from Coldwell Banker, picked up in late 1984. New gains contributed $2 million, and offer a potential of $4-$5 million. Del Monte (Hawaiian Punch) and Burlington Air Freight, which departed in 1985, spent $13.3 million in billings with the agency.

In 1985, the agency gained: Postal Instant Press; Jenny Craig Weight Loss Centers; San Diego Gas & Electric. It lost: Del Monte; Burlington Air Freight.

Billings breakdown: Newspapers 3%, magazines 11%, radio 11%, network tv 21%, spot tv 52%, outdoor 2%.

Top execs: Los Angeles: Don Mitchum, president; Dan Michel, Jerry Murff, exec vps; Steve Dolcemaschio, controller; Gene Letourneau, Bryan Birch, Tom Pickles, Terry Bowman, Patrick Rogge, senior vps. San Francisco: Clem McCarthy, president; Alex Cichy, exec vp; Peter Gilson, Carolyn Andre, Ray Hehman, Ron Harrison, senior vps. Employes: 139 in 2 offices.
Phone: (213) 479-3979.

BBDO: Direct Marketing Units

The six BBDO direct marketing units accounted for $22,825,000 in gross income in 1985 on capitalized billings of $152,242,000, compared with $13,638,000 in 1984 on capitalized billings of $90,963,000.

Together they employed 214 in 1985, compared with 185 in 1984.

The six shops, which have eight offices between them, are:
- BDA-BBDO Direct, Atlanta
- BBDO Direct, New York, Newport Beach, Cal.
- Doremus Direct, New York
- MARCOA Direct, Chicago
- Quinn & Johnson, Boston
- Tracy-Locke Direct, Dallas, Denver

BDA/BBDO, Atlanta, is the largest of the six shops with reported gross income of $12,756,966 in 1985 on billings of $85,046,441. In 1984, it reported gross income of $11,142,639 on billings of $74,284,260. In 1985, it had net income of $3,129,079, compared with $2,940,252 in 1984.

The agency's 1985 U.S. volume consisted of $68,756,727 in media, $5,268,247 in materials and services and $11,021,467 in capitalized fees. Its 1984 U.S. volume consisted of $63,223,460 in media, $6,542,880 in materials and services and $4,517,920 in capitalized fees.

BDA predicts billings will hit $90-95 million in 1986 as Delta Airlines and Dodge continue to maintain strong direct marketing budgets. A strong spender in 1985, Kuppenheimer Manufacturing, was lost in early 1986.

In 1985, the agency gained: Kuppenheimer Mfg Corp; Portman Barry Investments. It lost: Fulton Federal Savings & Loan Assn.

Billings breakdown: Newspapers 30.8%, magazines 10%, radio 21%, spot tv 33%, outdoor 5.2%.

BDA top execs: F. Glenn Verrill, president; J. Martin Hollinger, Elliott S. Mankeio, Jack V. Walz, Gary Verrill, senior vps. Employes: 120 in 2 offices.
Phone: (404) 231-1700.

BBDO Direct, New York, Newport Beach, Cal., reported gross income of $4,945,000 in 1985 on billings of $34,968,700. In 1984, it had gross income of $4,300,000 on billings of $30,730,800.

The agency's 1985 U.S. volume consisted of $6,100,000 in media, $5,410,300 in materials and services and $23,458,400 in capitalized fees. Its 1984 U.S. volume consisted of $5,333,200 in media, $4,707,200 in materials and services and $20,690,400 in capitalized fees. Included in the agency's figures were returns from its office in Newport Beach, Cal.

In 1985, BBDO Direct gained: ADT Securities Systems; Franklin Library; Money Intl. It lost: L'Eggs Hosiery; Portel Services.

Billings breakdown: Newspapers 12%, magazines 25%, supplements 1%, radio 1%, network tv 3%, spot tv 24%, cable tv 6%, business papers 2%, direct mail 26%.

BBDO Direct's top execs: Edward L. Nash, president-ceo; Edward A. Leiman, director finance; Ian MacKelden, director client services. Senior vps—Brian Anderson, media director, radio/tv; Lois Seiden, media director, print; Marshall Barrett, group acct mgr; Lucille Guardala, creative director. Employes: 71 in 2 offices.
Phone: (212) 418-7200.

Bloom Cos.

RANK 49

Dallas

($ in millions)

Worldwide	1985	1984	% chg
Gross income	21.7	21.2	2.4
Billings	170.0	142.0	19.7

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	15.2	Magazines	30.4
Radio	19.2	Network tv	9.9
Spot tv	21.4	Outdoor	3.9

Work force and facilities in 1985

	Employes	Offices
Worldwide	310	2
Domestic	310	2

Annual review

Increased business from the beverage but non-beer side of Anheuser-Busch helped push billings up 19.7%, although gross income grew only 2.4% reflecting the March, 1985, sale of Bloom Business Agency in Houston to its management, the August, 1984, sale of Automated Production, a typesetting operation in Dallas, and the May, 1985, closing of SRB Advertising in Dallas and the merging of its clients into the main Bloom agency there.

U.S. accounts

Gained: Anheuser-Busch beverage div, Saratoga Springs bottled water, Baybry's wine cooler; Anheuser-Busch, Campbell Taggart div, Colonial, Rainbo, Kilpatricks, Grants Farm baked goods; SeaPak, Farm Rich snack sticks, SeaPak fish filets, Booth/Wakefield fish filets; Pinkerton Tobacco, Red Man chewing tobacco; Airwick, Bully and Swish toilet bowl cleaners; Lykes Bros., Lykes meats; Gaines Foods, Tast-Tee Chunks dog snacks.
Lost: Fox & Jacobs; New York Air; Stearns & Foster.

Officers

Bloom Cos.: Robert H. Bloom, chmn-ceo; C. Anthony Wainwright, president; Marion T. Flores, senior vp-cfo. Bloom Agency (Dallas): C. Anthony Wainwright, ceo; Paul MacMahon, chmn-coo; Robert J. Fudge, president, exec creative director. Senior vps—Sherri Babcock, mgmt super; Arlen D. Bryant, creative business affairs; Robert D. Cecil, director rsch; Ian Fawn-Meade, John P. Kendrick, creative directors; Stephen Price, group mgmt super. Bloom Agency (New York): Robert H. Bloom, ceo; Jeffrey I. Fine, chmn-coo; Penelope J. Hawkey, president, creative director. Senior vps—James Clarke, art director; Hal Goluboff, creative; Steve McCloskey, director acct mgmt; Lili Rodriguez, media director; Barbara Russo, director broadcast production. Bloom Public Relations: Alan Hilburg, president. Impact Promotions of the Southwest: C. Anthony Wainwright, ceo; Debra Richard-Benedek, gm.
Phone: (214) 638-8100.

Bozell, Jacobs, Kenyon & Eckhardt

RANK 14

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	173.7	150.6	15.4
Billings	1,220.0	1,047.2	16.5
U.S.	**1985**	**1984**	**% chg**
Gross income	155.7	133.8	16.4
Billings	1,100.0	935.2	17.6

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	770	641	20.2
Materials/services	130	113	15.3
Capitalized fees	199	181	10.1

Billings breakdown by media

Newspapers	13.4	Magazines	20.0
Radio	14.2	Network tv	20.8
Spot tv	25.0	Cable tv	2.1
Outdoor	1.2	Yellow pages	3.3

Work force and facilities in 1985

	Employes	Offices
Worldwide	2,800	64
Domestic	2,200	29

Office billings ($ in millions)

BJK&E	New York	277.4
BJK&E	Union, NJ	38.3
BJK&E	Atlanta	35.9
BJK&E	Boston	34.3
BJK&E	Birmingham, Mich.	125.0
	Omaha, Neb.	50.3
BJK&E	Chicago	122.0
BJK&E	Minneapolis	79.5
BJK&E	Los Angeles	85.5
BJK&E	Dallas	235.2
BJK&E	Houston	18.6

Annual review

Bozell & Jacobs, bought in 1985 by Lorimar Inc., and folded into Lorimar-owned Kenyon & Eckhardt on Jan. 2, 1986, together with K&E had increased billings of 16.5% worldwide (17.6% U.S.), an increase of $173 million ($165 million U.S.). New clients gained by the combo, Nabisco's Planters peanuts, Tyco Toys, Texas Instruments and Faberge, will account for $181 million in new billings. The agency had $90 million in internal growth from American Airlines, Minnesota Business Equipment, American Stores and Mutual of Omaha. Seagrams and Armour frozen foods, the major losses, walked out with their combined $30 million in billings. Only Houston, of the agency's regional shops, suffered a loss. Its 7.7% decline was traced to clients in the depressed oil business. The agency is looking for a 15%-20% growth increase for 1986. Agency parent, Lorimar, a publicly held producer of tv programing, was bought in October, 1985, by Telepictures.

U.S. accounts

Gained: Electronic Data Systems; Nabisco Planters Peanuts; Tyco Toy Co.; Beatrice, County Line cheese; Weber-Stephen products; American Insurance Group; McDonald's (Houston); Faberge; Texas Instruments.
Lost: Seagrams wine cooler; Armour frozen foods; Firstel; Stauffer Chemical; ICI Americas; Speedy Muffler King.

Foreign accounts

Gained: Patek Philippe (Switzerland); Boh Tea, Dreamland Mattresses (Malaysia); Bell Helicopter Canada Ltd., Salmson Pumps (Canada); Weber-Stephen Products Co. (Canada, England); Texas Instruments (England, France); Smith Kline, Nouvelles Galleries (France); Thailand Tourist Authority (Thailand); Hiram Walker, Johnson & Johnson (Hong Kong); Chase Manhattan Bank, Diner's Club (Singapore).
Lost: American Airlines, Oberon Intl. (England); Avco Financial Services (Canada); Sterling Drugs (Malaysia); VO5 (Singapore); Moet-Mandrine (France).

Officers

Alan J. Jacobs, chmn emeritus; J. Liener Temerlin, chmn of the board; Leon Arther Kelmenson, chmn exec committee. Vice chmn of the board—Joseph Caggiano, cfo; S. Frankfurt, office of the president; David Bell (Atlantic div). Ron DeLuca, president Charles D. Peebler Jr., ceo; H. Don Carlos, exec vp. Senior vps—H.E. Borst, secretary; Joseph Engelbert, comptroller; Kenneth E. Gard, treasurer; James M. Keck; Duane Schlichting. Vps—David Harken, budget director; John L. Johnson, data processing mgr; Michael L. Schultz.
Phone: (212) 206-5000.

Brouillard Communications

RANK 87

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	10.7	8.9	19.9
Billings	71.3	59.5	19.9

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U.S. billings ($ in millions)

	1985	1984	% ch
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	18.7	Magazines	13.5
Supplements	11.9	Radio	3.4
Network tv	23.7	Spot tv	9.2
Outdoor	0.7	Other	18.4

Work force and facilities in 1985

	Employes	Offices
Worldwide	110	2
Domestic	110	2

Office billings ($ in millions)

Brouillard Communications	New York	60.0
Brouillard Communications	Pittsburgh	11.3

Annual review

This J. Walter Thompson Co. subsidiary, which registered a 19.9% growth in billings, expects a leveling off to 9%-10% in 1986. That increase will come largely from new business, because current clients—10 of which were gained in 1985—are holding steady or slightly increasing their budgets. Brouillard is a specialty shop in corporate and financial services, business-to-business and association advertising and pr.

U.S. accounts

Gained: American Physical Therapy Assn; Union Mutual Life Insurance Co.; Financial Security Assurance; Natl Knitwear & Sportswear Assn; Reichold Chemicals; Monroe Systems for Business; Atlantic Cos.; Mead Data Central; Signal Environmental Systems.
Lost: Fidata; Sonat.

Officers

James H. Foster, president. Senior vps—Irene A. Hansen, admin, agency services; Terrence Hill, exec creative director; Richard Eymann, Miranda Lee, J. Douglas Longmire, Carl Rhodes, Henry Rissmeyer, Robert Scott, acct directors; Michael Faulkner, Carl LeVander, group creative directors; Betsy Halpern, pr director; Frank Massaro, media director; Jeff Lewis, senior writer; Larry Scaglione, adv services.
Phone: (212) 867-8300.

Earle Palmer Brown Cos.

RANK 69

Bethesda, Md.

($ in millions)

Worldwide	1985	1984	% chg
Gross income	14.3	12.1	18.1
Billings	103.8	84.4	22.7

U.S. billings ($ in millions)

	1985	1984	% ch
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	15.0	Magazines	8.0
Supplements	2.0	Radio	16.0
Network tv	1.0	Spot tv	30.0
Outdoor	1.0	Bus. papers	5.0
Transit	1.0	Point of sale	1.0
Direct mail	8.0	Catalogs	1.0
Dir. resp. tv	2.0	Dir. resp. radio	1.0
Dir. resp. news.	2.0	Dir. resp. magz.	1.0
Telemarketing	2.0	Pai	3.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	265	4
Domestic	265	4

Annual review

Using current clients as the base, EPB expects 1986 capitalized volume to hit $120 million, an increase of 16%. The agency, however, gained potentially $45 million in new business in 1985, much of this to be realized in 1986. The agency purchased the Richmond office of Interpublic's Campbell-Ewald Co. in January, 1986. EPB is primarily a fee and time-based agency, with many of its clients paying their own media. About 30%-40% of its business is in pr, sales promotion and direct marketing.

U.S. accounts

Gained: Roy Rogers Restaurants; Big Boys of America; Internet; Sperry; Cellular One of Pa.; Retirement Community Developers; Sheraton Hotels (Mid-Atlantic div); GEICO Insurance; American Federation of Information Processors Society; Marine Midland, commercial div; Blue Cross/Blue Shield of MD; Wall-to-Wall Sounds; Valley Forge Medical; First Pennsylvania Bank; West Jersey Health Care; Marcal Paper; Heilig-Meyers Furniture; Natl Liberty Insurance; STSC; Trump Casino.

Lost: State of Maryland Tourism; Interstate Brands; Continental Bank; Silo; Trump Casino; N.V. Homes; Radisson Hotel.

Officers

Chmn—Earle P. Brown; Allan S. Kalish (Philadelphia). Presidents—Jeb Brown, ceo; Mitch Politzer, direct; George Gunn (Philadelphia). Exec vps—Mark Goldstein; Powell Blue, finance; Howard Rice (Philadelphia). Senior vps—Rick Hatch, direct; Joe Carri, creative; Ron Mueller, pr; Clark Tyler, public affairs.

Phone: (301) 657-6000.

Leo Burnett Co.

RANK 10

Chicago

($ in millions)

Worldwide	1985	1984	% chg
Gross income	269.4	253.5	6.3
Billings	1,868.5	1,734.8	7.7
U.S.	**1985**	**1984**	**% chg**
Gross income	179.7	163.2	10.1
Billings	1,269.9	1,132.0	12.1

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	1,075	961	11.9
Materials/services	147	130	13.0
Capitalized fees	48	42	13.5

Billings breakdown by media

Newspapers	7.0	Magazines	15.0
Supplements	3.0	Radio	2.0
Network tv	51.0	Spot tv	14.0
Outdoor	8.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	3,997	43
Domestic	1,857	5

Annual review

Leo Burnett Co.'s healthy 12% increase in domestic billings offset the resignation of the Nestle overseas account and unfavorable dollar translations. Overseas billings accounted for 32% of Burnett's total billings but were down 0.2% for the year. Growth in 1986 is expected from existing accounts like Pillsbury (Totino's and Jeno's) and United because of its expansion into Asia-Pacific routes formerly run by PanAm, and new account, Seven-Up (worth $40 million-plus) gained in 1985.

Leo Burnett celebrated its Golden Anniversary and began construction of its new headquarters in the Chicago North Loop.

U.S. accounts

Gained: Seven-Up Co.; M&M/Mars; McDonald's Operators (Chicagoland, Northwest Indiana).

Lost: American Bankers Assn; Wilson Sporting Goods Co.; Nestle Co.

Officers

John J. Kinsella, president-ceo; Norm Muse, president-ceo, chief creative officer; Wayne A. Wiggins, vice chmn; Hall Adams, chmn-ceo, USA; Richard Fizdale, president, chief creative officer, USA; Thomas D. Heath, vice chmn, corp devel.

Phone: (312) 565-5959. ☑

Campbell-Mithun

RANK 26

Minneapolis

($ in millions)

Worldwide	1985	1984	% chg
Gross income	49.8	45.0	10.5
Billings	331.8	300.3	10.5

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	11.0	Magazines	21.0
Supplements	2.0	Radio	7.0
Network tv	16.0	Spot tv	37.0
Outdoor	1.0	Bus. papers	4.0
Yellow pages	1.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	956	2
Domestic	896	2

Office billings ($ in millions)

Campbell-Mithun	Minneapolis	221.8
Campbell-Mithun	Chicago	110.0

Annual review

This Ted Bates Co. subsidiary registered a 10.5% over-all increase in billings paced largely by internal growth from existing business—General Mills, Intl Dairy Queen, Kroger Co., Montgomery Wards, Midway Airlines and Anderson Corp. Campbell-Mithun's new products development group accounted for 60% of the internal growth. New client growth characterized the newer Chicago shop which registered a 21.8% increase in billings. The Chicago office has gained a number of new food service accounts, which the agency sees as a future growth area.

U.S. accounts

Gained: Interstate Brands, bread and snack cake divs; Great Clips; Cargill, flour div; United Health Care Corp; Mead Johnson, new prods; Poly-Tech; Computer Depot; Minnesota Twins; Bob Evans Farms, restaurant div; *Chicago Sun Times*; Conway Import Co.; Intl Multifoods, Morey's and Reuben's meats div; Kraft Foods, new prods, special projects, foodservice; Wilson Foods Co.; John Morrell & Co., food service div.

Lost: Canteen Corp; BH&G Real Estate Service; Jockey for Her; Johnsonville Sausage.

Officers

William D. Dunlap, chmn-ceo; Dean R. Koutsky, vice chmn; David A. Oium, cfo; William E. Stein, president-coo; Joseph L. Berner, Madeline Betsch, H. David Francis, Marvin S. Goldsmith, Jordan H. Krimstein, Howard P. Liszt, Kenneth A. Probst, James S. Stein, Bruce T. Sutherland, exec vps.

Phone: (612) 347-1000.

Chiat/Day

RANK 30

Los Angeles

($ in millions)

Worldwide	1985	1984	% chg
Gross income	44.1	27.8	58.8
Billings	294.3	226.6	29.9

U.S. billings ($ in millions)

	1985	1984	% chg
Media	177	160	10.3
Materials/services	28	24	17.1
Capitalized fees	90	43	110.1

Billings breakdown by media

Newspapers	10.0	Magazines	13.0
Radio	10.0	Network tv	40.0
Spot tv	20.0	Cable tv	2.0
Outdoor	4.0	Transit	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	332	3
Domestic	332	3

Office billings ($ in millions)

Chiat/Day	Los Angeles	190.7
Chiat/Day	San Francisco	71.8
Chiat/Day	New York	71.8

Annual review

Miller Beer Plank Road and Pizza Hut were the locomotives behind the agency's 30% increase in billings, and a full year of spending from these clients should pay off for the agency in 1986.

In 1986, Chiat/Day has lost its recent $3 million Neutrogena (soap) acquisition, and the $50 million Apple Computer account is under review as the client reassesses its U.S. marketing program, seeking strategy proposals from both Chiat and BBDO. Chiat sees much of its growth coming internally, and expects its New York unit to stimulate new business.

Officers

Jay Chiat, chmn-ceo; Guy Day, co-chmn; Lee Chow, president. Exec vps—Fred Goldberg, coo; Bob Wolf; Tom Patty; Gene Cameron. Senior vps—Steve Hunt, cfo; John Yost; Ross Van Dusen; Jane Newman; Bob Dion; Greg Helm.

Phone: (213) 622-7454.

Cole & Weber

RANK 61

Seattle

($ in millions)

Worldwide	1985	1984	% chg
Gross income	17.0	13.4	26.9
Billings	121.6	96.9	25.5
U.S.	**1985**	**1984**	**% chg**
Gross income	15.5	13.4	15.8
Billings	110.5	96.9	14.0

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	60	57	4.9
Materials/services	12	9	29.4
Capitalized fees	38	30	26.4

Billings breakdown by media

Newspapers	19.0	Magazines	17.0
Radio	16.0	Network tv	2.0
Spot tv	27.0	Outdoor	3.0
Bus. papers	15.0	Other	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	245	7
Domestic	223	5

Office billings ($ in millions)

Cole & Weber	Seattle	55.1
Cole & Weber	Portland, Ore.	15.1
Cole & Weber	Salt Lake City	7.8
Cole & Weber	San Francisco	17.0
Cole & Weber	Los Angeles	7.3

Annual review

Big increases from existing accounts Boeing, World Airways and Weyerhaeuser and the purchase of Maxwell Arnold Advertising in San Francisco (with billings of about $17 million) helped boost U.S. billings by 14%, but the first-year's contribution of $11.2 million from acquisition, West-Can/C&W in Vancouver and Calgary, gave Cole & Weber an over-all boost in billings of 25.5%. This more than offset the $7 million in billings lost with the departure of Rainier National Bank and Seaworld.

U.S. accounts

Gained: Yokohama Tire Co.; Sun Diamond Growers; Ferrin Corp; Levi Strauss; Liquor Barn; The Wine Group; Household Rsch; FHP; Hardee's; Fender; Bonneville Power Admin; Tri-Met; Union Carbide; Lucite; Caddex Corp; Washington State Tourism; Eagle Crest; Oregon Dairy Prods; Northwest VW Dealers.

Lost: Roman Meal; Seaworld; Rainier Natl Bank.

Foreign accounts

Gained: Pacific Western Airlines, A & W Restaurants, Armstrong Foods-West, Dairyland, Labatt's, Mandarin Hotels (Canada).

Officers

Harold C. Dixon, chmn. Presidents—Harold A. Newson; Robert Bryant, WestCan-Cole & Weber Vancouver. Vice chmn—Richard G. Hadley (Northwest); Leonard L. Bartlett (California); Stuart Henderson, WestCan-Cole & Weber Vancouver. James W. Schulz, senior vp-treasurer. Exec vp-mng dirs—Clark Kokich (Seattle); Dale Robley (Portland); Joe Phelps (Los Angeles); Gene Sokol (San Francisco); Dave Thomas (Salt Lake City). Robert Wheatley, exec vp-director of pr.

Phone: (206) 433-6200.

Creswell, Munsell, Fultz & Zirbel

RANK 94

Cedar Rapids

($ in millions)

Worldwide	1985	1984	% chg
Gross income	10.1	8.9	13.8
Billings	67.5	59.3	13.8

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	4.0	Magazines	—
Radio	11.0	Spot tv	18.0
Outdoor	1.0	Bus. papers	3.0
Farm pubs.	24.0	Other	39.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	172	2
Domestic	172	2

Office billings ($ in millions)

Creswell, Munsell	Cedar Rapids	45.1
Creswell, Munsell	Des Moines	22.4

Annual review

Consumer activity led by CMFZ's big agro-business clientele—Pioneer Hi-Bred, Dow Chemical and Elanco div of Eli Lilly—helped increase billings by 13.8% for this Y&R subsidiary. In 1986, CMFZ already is experiencing a 30% increase in the billings base for Blue Cross/Blue Shield of Iowa, Farm Plan Corp., Universal Gym Equipment and Omrom—accounts ranging from $1 million to $2.5 million in current billings.

U.S. accounts

Gained: Deere & Co., sales, finance; Elanco Products Co., Surflan, Balan, Puarlan, Rubigan; Farm Plan Corp, revolving credit plans for production agriculture; Rousch Products; Universal Gym Equipment; Blue Cross/Blue Shield of Iowa; Duds 'N Suds; Frye Copysystems; Iowa Methodist Medical Center; Protein Technologies; Nebraska Management; Freedom Banking. PR only: Dow Chemical Canada, Lorsban 15G, Lorsban 4E; Seaboard Farms of Athens, Gold-n-Fresh chickens; Athletic Training Specialists, athletic knee braces; Bradley &

Top 10 agencies by % growth in world income, '85-84

Rank '85	Agency	World income % chng	1985	1984
1	Griffin-Bacal	150.3	$17.6	$7.0
2	Fallon McElligott Rice	148.1	12.0	4.8
3	Rumrill-Hoyt	59.5	21.1	13.2
4	Chiat/Day	58.8	44.1	27.8
5	Ammirati & Puris	44.4	19.5	13.5
6	Richards Group	39.1	10.9	7.8
7	Towne, Silverstein Rotter	37.3	10.5	7.7
8	DBG&H Unlimited	35.8	9.7	7.2
9	Kobs & Brady Advertising	32.2	10.2	7.7
10	Saatchi & Saatchi Compton Worldwide	30.6	440.9	337.5

Top 10 agencies by % growth in world billings, '85-'84

Rank '85	Agency	World billings % chng	1985	1984
1	Griffin-Bacal	150.3	$117.0	$46.8
2	Fallon McElligott Rice	148.1	80.0	32.3
3	Ammirati & Puris	44.4	130.0	90.0
4	Towne, Silverstein Rotter	37.3	70.0	51.0
5	Richards Group	35.8	72.3	53.2
6	Kobs & Brady Advertising	35.2	70.3	52.0
7	Saatchi & Saatchi Compton	31.8	3,033.1	2,301.7
8	Chiat/Day	29.9	294.3	226.6
9	Stone & Adler	29.8	106.7	82.2
10	Sawdon & Bess Advertising	28.7	70.3	54.6

Top 10 agencies by % growth in U.S. income, '85-'84

Rank '85	Agency	U.S. income % chng	1985	1984
1	Griffin-Bacal	150.3	$17.6	$7.0
2	Fallon McElligott Rice	148.1	12.0	4.8
3	Rumrill-Hoyt	59.5	21.1	13.2
4	Chiat/Day	58.8	44.1	27.8
5	Wells, Rich, Greene	48.2	95.1	64.2
6	Ammirati & Puris	44.4	19.5	13.5
7	Richards Group	39.1	10.9	7.8
8	Towne, Silverstein Rotter	37.3	10.5	7.7
9	DBG&H Unlimited	35.8	9.7	7.2
10	Kobs & Brady Advertising	32.2	10.2	7.7

NOTE: Dollars in millions
Compiled from the top 100 agencies

Top 10 agencies by % growth in U.S. billings, '85-'84

Rank '85	Agency	U.S. billings % chng	1985	1984
1	Griffin-Bacal	150.3	$117.0	$46.8
2	Fallon McElligott Rice	148.1	80.0	32.3
3	Ammirati & Puris	44.4	130.0	90.0
4	Towne, Silverstein Rotter	37.3	70.0	51.0
5	Richards Group	35.8	72.3	53.2
6	Kobs & Brady Advertising	35.2	70.3	52.0
7	Stone & Adler	33.0	96.8	72.7
8	Chiat/Day	29.9	294.3	226.6
9	Sawdon & Bess Advertising	28.7	70.3	54.6
10	DBG&H Unlimited	28.5	64.9	50.5

NOTE: Dollars in millions
Compiled from the top 100 agencies

Riley, law firm; CSS Enterprises, retirement community devel; Dow Chemical USA, agricultural insecticides; The Eska Co., marine prods; Iowa Farm Bureau Federation, internal and external communications audit.

Lost: Eagle Signal Controls; CE-JET Committee; Connor's; Mid America Savings Bank; Iowa Bankers Assn; Massey-Ferguson; Younker's; Racom; Pioneer Farm Information Management Systems.

Officers

E. William Munsell, CMFZ chmn, exec vp Y & R USA; Richard D. Meyocks, president-ceo; William J. Fultz, exec vp, mng director (Des Moines). Senior vps—Richard F. Mayes, mng director, pr div; Marvin L. White, mng director (Cedar Rapids); James E. Meeks, treasurer, director business affairs; Weston R. Ritchie, director Signal Communications; Gerald L. Anderson, director Signal Design Ltd., assoc creative director; Frank C. Baker Jr., acct mgmt; Robert N. Cline, market & media services; William H. Fritz, exec art director; Ronald D. Howes, creative director; Terry J. Stoffer, director client services; Ira W. Way, Robert P. Zirbel, Richard H. Gerdes, acct supers.

Phone: (319) 395-6500.

C&W Group

RANK 24

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	51.0	53.3	(4.3)
Billings	338.9	370.0	(8.1)

U.S. billings ($ in millions)

	1985	1984	% chg
Media	285	315	(9.5)
Materials/services	34	37	(7.1)
Capitalized fees	21	19	12.8

Billings breakdown by media

Newspapers	3.0	Magazines	8.0
Radio	—	Network tv	49.0
Spot tv	28.0	Outdoor	2.0
Direct mail	6.0	Other	4.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	560	6
Domestic	560	6

Office billings ($ in millions)

Cunningham & Walsh	New York	214.9
BBDM/Cunningham & Walsh	Chicago	25.0
Direct Marketing Agency	Santa Ana	60.0
Reiser Williams deYong	Irvine, Cal	40.0

Annual review

C&W Group, an amalgam of four agencies headed by Cunningham & Walsh, New York, suffered a drop in billings of 8.1% reflecting the loss in 1984 of Brown & Williamson and year-end departure of Mitsubishi. However, 1986 looks more promising because of $28 million in new billings, notably from Lehn & Fink and new assignments from Panasonic and P&G. C&W is seeking to grab another auto account and to acquire a healthcare agency. Existing clients—P&G, American Home Products and Beecham—are expected to have strong years in 1986. C&W Group is owned by Mickelberry Corp., New York.

U.S. accounts

Gained: Panasonic; AAMCO; Lehn & Fink; Siliconix; Northern Illinois Commuter Rail; Beecham House prods; Republic Health Care.

Lost: Mitsubishi; Qantas; Lennox Industries; *Dallas Morning News* newspaper.

Officers

Chmns—Ar[illegible] C. Chevins, ceo; Norman J. [illegible], Direct Mktg Agency; Rich[illegible]eiser, Reiser Williams deYong; [illegible]ace M. Malfa, president-coo; Warren E. Albright, exec vp.

Phone: (212) 683-4900.

Quirks and quakes

Needham Harper Worldwide's mission statement: "To make the world's best advertising and have a glorious time doing it."—*Keith Reinhard, chairman-ceo.*

Dailey & Associates

RANK 51

Los Angeles

($ in millions)

Worldwide	1985	1984	% chg
Gross income	21.1	22.2	(4.8)
Billings	140.9	147.9	(4.8)

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	261	1
Domestic	261	1

Annual review

A drop in billings of 4.8% was effected heavily by the loss of Mattel worth about $3-$4 million and California Avocado Commission worth about $1 million. Dailey, part of the Interpublic Group of Cos., will get good mileage in 1986 from new business gains, including the new Western Airlines account, worth about $25 million, and close to $5 million in new business from Pillsbury's Godfather Pizza chain of pizzerias.

U.S. accounts

Gained: Western Airlines; Carnation, Friskies Buffet catfood; Pillsbury, Godfather's Pizza; Beatrice, Hunt Wesson; Thomas J. Lipton, Lawry's Dip 'n Eat.

Lost: Valley Natl Bank of Arizona; Mattel; Christian Bros.; California Avocado Commission.

Officers

Phillip Joanou, chmn-ceo; Clifford J. Einstein, president, creative director; Helen Canard, senior vp, treasurer. Exec vps—Stephen Chabre, coo; Robert Brownson, acct group director. Senior vps—Donald Effler, Roger Van Remmen, mgmt supers; Michael Ridel, Andrew Romano, group creative directors; Marc Feidelson, media director; John Reinking, director mktg rsch. Vps—Len Cutler, Frank Farrell, Brian Morris, Jane Fox, mgmt supers; Dennis Kanegae, William Cline, acct supers; Michael Faulkner, Martin MacDonald, Frank LaCommare, assoc creative directors; Jay Oswald, creative director; Earl Gauger, creative super; Robert Belton, director broadcasting; Frank McMahon, network negotiator; Martin Foody, Connie Robinson, George Troll, assoc media directors; Grace Hendrickson, director print production; Heidi Ehrke, admin; Robin Deibler, traffic mgr. Ray Lunney, mng director (Hong Kong); Yoshiya Negisha, president (Tokyo); Bernard Chan, chmn, mng dir (Singapore); Frank Manning, chmn (London).

Phone: (213) 386-7823.

Dancer Fitzgerald Sample

RANK 17

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	121.5	110.4	10.0
Billings	879.3	758.0	16.0
U.S.	**1985**	**1984**	**% chg**
Gross income	116.9	108.2	8.0
Billings	861.9	750.2	14.9

U.S. billings ($ in millions)

	1985	1984	% chg
Media	852	750	14.9
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	1.9	Magazines	12.4
Supplements	2.1	Radio	6.5
Network tv	38.7	Spot tv	34.7
Cable tv	2.3	Outdoor	1.7
Bus. papers	2.6	Farm pubs.	1.0
Fsi	—	Other	0.2

Work force and facilities in 1985

	Employes	Offices
Worldwide	4,258	48
Domestic	1,801	19

Office billings ($ in millions)

Dancer Fitzgerald Sample	New York	731.9
Dancer Fitzgerald Sample	San Francisco	35.0
Dancer Fitzgerald Sample	Torrance, Cal.	95.0

Annual review

DFS gained nearly $50 million in billings from Masters Brewing, Donnelly Directories and Information Publishing, Stauffer Chemical, Pioneer Electronic and Pacific Northwest Bell, which accounted for almost half of its 16% increase in worldwide billings. Dorland Advertising in February, 1986, in effect bought DFS when it lent $75 million to DFS Holdings officers —Stuart B. Upson, chairman-ceo, Peter F. McSpadden, president, William McC. Vickery and Robert E. Kennedy, vice chmn, and Gary M. Susnjara, chmn DFS/NY—to buy all shares in DFS, and also wrote into the agreement an option for Dorland to buy 100% of DFS common stock at any time. The companies began to form a bond in 1970 when they started handling each other's clients in respective markets. A more direct linkage occurred two years ago when Dorland acquired Dancer's London office. Dorland's parent, Saatchi & Saatchi Co. plc is providing funds for the buyout.

U.S. accounts

Gained: DFS/NY: Masters Brewing; Donnelly Directories; Donnelly Information Publishing; Stauffer Chemical; *U.S. News & World Report*; Agri-Diagnostics Assn; L'Eggs, direct mktg div. DFS/San Francisco: Pacific Northwest Bell; Bell & Howell; Hewlett Packard, microwave and communications instrument group. DFS/Southern California: Pioneer Electronics; AlpWater USA; Thompson, consumer prods; Toyota, industrial equipment.

Lost: DFS/SC: Aston-Tate.

Foreign accounts

Gained: Emery Air Freight, I.E.S. Citroen, S.C. Johnson new prods, Richardson-Vick Vapo-Rub, cough drops, Formula-44, inhalers (Argentina); Mobex, Natl Car Rental (Australia); Shulton Caricia fabric softener, Cyanamid agri prods, Christian Dior (Brazil, Middle East); Hewlett Packard (Brazil); Bell Data Systems, S.T.P. Oil, Nike, Wendy's fast food restaurants (Canada); Hushpuppies Chile, Johnson & Johnson de Chile (Chile); American Home Products, Kolynos toothpaste, toothbrushes, Black Flag insect repellant, Griffin Cream shoe polish (Colombia); Dansk Speditorforening, (Denmark); Chen Yu cosmetics, Guy Degrenne cutlery-tableware (France); Beecham, Pirelli Tyres (Holland); Wrangler, Pierre Cardin, Holiday Inn (India); Autogrill highway restaurants, Faxe Intl beer, IDIM medicated toiletries (Italy); CPC Japan Ltd., Campbell Japan soup and Godiva, Wine Institute of Cal. (Japan); Vistar-Moulinex, Renault Jeep (Mexico); Polaroid, Sharp, Giorgio perfumes (Middle East); Esselte Systems (Norway); Best Foods' Mazola corn oil, Corona Breweries (Puerto Rico); Sperry, Iberia Airlines, S.E.A.T. Automobiles, Black & White Whiskey (Spain); Faxe Intl. soft drinks, Tetra Pak (Sweden); Bridgestone Tires (Switzerland); Austin Rover, Blue Nun, Harp Lager, Eden Valeski dairy prods (U.K.); Moulinex, Shering Labs Corilin Analgesic, Firestone tires, Mennen (Venezuela).

Lost: Ultracomb home appliances (Argentina); Malaysian Tourist Board (Australia); *La Nacion* newspaper (Chile); Bridgestone tires, Duracell (Denmark); Hoffman La Roche plasters and cough remedies (Holland); Bata (India); Wendy's fast food restaurants (Italy); Mennen (Mexico); L'Oreal (U.K.).

Officers

DFS Holdings: Stuart B. Upson, chmn-ceo; Peter F. McSpadden, presideni-coo; William McC. Vickery, Robert E. Kennedy, vice chmns. DFS/NY: Gary M. Susnjara, chmn; Joseph P. Mack, president. Exec vps—Freeman C. Bunn, Richard F. O'Brien, Robert E. Weekes, exec mgmt directors; Allen Banks, media director; Stanley Becker, Jack Keil, Eric Weber, exec creative directors. DFS/SC: James Lindsey, chmn. DFS/SF: Ronald Colnett, chmn.

Phone: (212) 661-0800.

D'Arcy Masius Benton & Bowles

RANK 8

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	319.5	335.4	(4.7)
Billings	2,181.3	2,314.4	(5.8)
U.S.	**1985**	**1984**	**% chg**
Gross income	197.5	217.9	(9.4)
Billings	1,393.1	1,482.1	(6.0)

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	5.0	Magazines	12.0
Radio	10.0	Network tv	45.0
Spot tv	25.0	Outdoor	2.0
Yellow pages	1.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	6,044	104
Domestic	2,774	25

Office billings ($ in millions)

D'Arcy MacManus Masius	New York	72.5
D'Arcy MacManus Masius	San Francisco	28.0
D'Arcy MacManus Masius	St. Louis	200.0
D'Arcy MacManus Masius	Bentley Hills, Mich.	190.0
D'Arcy MacManus Masius	Chicago	150.0
D'Arcy MacManus Masius	Atlanta	17.0
Benton & Bowles	New York	388.1
Benton & Bowles	Houston	15.6
Manning, Selvage & Lee	New York	16.8
D'Arcy MacManus Masius	Los Angeles	15.0
D'Arcy MacManus Masius	Minneapolis	10.0
Medicus Intercon Intl	New York	68.2

Annual review

DMM merged with Benton & Bowles in mid-year, giving the combined shop coverage in nine major U.S. cities and 24 foreign countries. Account losses, some client conflicts, caused a drop in U.S. billings of 9.9% and a 5.8% decline worldwide after factoring in a non-U.S. gain of 1.7%. Three departed because of client conflict—Strohs Schlitz Malt Liquor left B&B/NY with its $6 million in billings because of DMM's Budweiser business: Texaco left B&B/NY with its $24 million account because of Amoco's ($25 million) presence at DMM; Gaines took its $19 million account from B&B/NY because of DMM's Mars' Kal Kan ($21 million), which later left the agency, too. Big losses included AT&T at DMM/NY, worth $32 million; $35 million from Hardee's at B&B/NY; $17 million from Nabisco at B&B/NY; $15 million from Beatrice's Tropicana at B&B/NY; $10 million for P&G's Zest at B&B/NY; $19 million for Gaines Foods at B&B/NY. B&B's London media director and vice-chairman, Ray Morgan, left to form his own media-buying company after the merger and $54 million in media-buying business went with him. The London shop subsequently reported a drop of 24.7% in billings for 1985.

Some big gains included MCI which brought its consumer account to DM/B&B, which already handled MCI's business-to-business. MCI now represents a potential $40 million in business. Some $17 million came from ConAgra for frozen foods network buying, $10 million from A&P, $9 million from ConAgra's Armour Banquet Foods, $5 million each from Televideo Systems, Southern Electric Co., Wilson Sporting Goods, Wisconsin Milk Marketing Board and Jeffrey Martin (Ayds), and $4.5 million from General Motors. The agency estimates worldwide gains at 70 clients. Merger shakeout also affected the management side. DMB&B president/coo Hal Bay (former chairman/ceo DMM) was squeezed out in a power play between DMB&B chief Jack Bowen (former chairman/ceo B&B) and DMB&B USA president Roy Bostock (former president B&B). DMB&B's first order is to shore up accounts. B&B fired 50 in May, largely as a result of lost business. B&B has lost an estimated $127 million in billings the past two years. The combined agency had laid off 400 of its 6,500 worldwide workforce by the end of the year.

U.S. accounts

Gained: A & P; Axlon; ConAgra, consumer frozen foods, Armour Banquet Foods, media buying; Bloomington Chamber of Commerce; CBS Cable Connect; Chicago Convention & Tourism Bureau; COSYN; Georgia Power; Dow Chemical, corp adv; GMF Robotics; Jeffrey Martin, Ayds; McFaddin Ventures; Minneapolis Plaza Hotel; Missouri State Lottery; Pernod; Po Folks restaurants; Rax restaurants; Shopko Stores; Southern Electric Co.; Televideo; Universal Pensions; Pillsbury, Van de Kamp; Warehouse Club; WBBM-TV; Weyerhaeuser, Woodland Products div; Wilson Sporting Goods; Winegrowers of Cal.; Wisconsin Milk Mktg Board.

Lost: Anheuser-Busch media buying; Beatrice; Campbell Taggart Baking; County Line cheese; Tropicana; BMC/Interconics; Coleman; Convest; Crown Zellerbach; Detroit Convention Bureau; Ericsson; First Natl Bank; Gaines Foods; General Tire; Hardee's fast food restaurants; Magic Pan; Nabisco; Pinkerton; Pitney Bowes; Quincy's; Stroh, Schlitz malt liquor; Texaco; Zurich American.

Foreign accounts

Gained: Coopers & Lybrand, Mitsui computers, New Zealand Apple & Pear Board fruit juice, Nissan Dealer Advertising Assn (New Zealand); Airwick air freshners, Bonomelli Boncrok Kambusa, Fiat Croma, Bauli Panettone (Italy); KLM Airline, Marlboro leisure wear, Berkshire hosiery, Natl Bank of Greece credit cards, Schick razors, BASF tapes (Greece); Shakey's Intl, Coppertone, Maybelline cosmetics, Scholl, NCR computers/systems (Singapore); Sterisal Oy hospital supplies (Finland); Mars Cesar dog food and Kal Kan cat food, Royal Canadian Mint (Japan); Steirische Brauindustrie Reininghaus beer (Austria); Danish Liquor Mfrs Harleken, Hellerup Bank (Denmark); Bristol-Myers deodorants, Continental Tyres (South Africa); Sheba cat foods, Data-Team Lotus software (Sweden); Firestone tires, El Aquila beer (Spain); EAC Business Systems office automation, Tobacco Exporters Intl Craven cigarets (Hong Kong); Peanut Mktg Board, Australian Travel Industry Assn, Sportscraft La-Coste leisure wear, ACI computers, Papa Guiseppi frozen foods, Richardson-Vicks Vidal Sassoon haircare, Swift & Moore's Pernod (Australia); Co apucard electronic shopping, McDonald's, Shell Netherlands oil transport (Netherlands); Dandy chewing gum, Swift & Moore's Pernod, Veuve Clicquot champagne (Germany); 20th Century Fox, Lotus De-

Top 10 agencies in newspaper billings*

Rank	Agency	Newsp. billings 1985	Newsp. billings 1984	U.S. billings 1985	U.S. billings 1984
1	Foote, Cone & Belding	$213.2	$239.7	$1,323.0	$1,214.0
2	Bozell, Jacobs, Kenyon & Eckhardt	147.4	NA	1,100.0	935.2
3	Ogilvy Group	145.5	97.4	1,694.5	1,497.9
4	Young & Rubicam	133.1	138.0	1,656.4	1,632.3
5	J. Walter Thompson Co.	129.1	137.8	1,604.2	1,387.3
6	Doremus & Co.	121.3	119.1	173.2	152.7
7	Doyle Dane Bernbach Group	101.8	86.8	1,099.4	981.7
8	Grey Advertising	97.8	82.8	1,221.9	1,034.6
9	Leo Burnett Co.	88.9	90.6	1,269.9	1,132.9
10	Wells, Rich, Greene	76.1	80.3	633.8	618.0

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.

* From 82 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

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velop computer software, Shakey's Intl, Imperial Tobacco's Embassy Regal cigarets (U.K.); Argencafe coffee growers, Radio Shack (Argentina); General De Restaurants, Nike (Mexico).

Lost: Hewlett Packard computers, Duracell batteries (New Zealand); Zanussi, Del Monte, Campbell Soup (Italy); Phoenix insurance, Robe Di Kappa sportswear (Greece); Acemark foods and beverages, Triump lingerie/swimwear (Singapore); Tauno Kurhonen furniture, Tallberg sportswear (Finland); Miele electrical appliances (Austria); Citroen, Black & Decker (Denmark); Potato Board (South Africa); Eurocard credit cards (Sweden); Grundig tv/video, Yamaha motorcycles (Spain); Peugeot-Talbot cars, McDonald's fast food restaurants, Mars Marathon, Danish Dairy Board's Lerpac butter, Allied Lyons wine and spirits; General Foods, Telstar Records, Richardson-Vicks, Spillers Foods, Brooke Bond Oxo Red Mountain coffee, Bosch power tools; United Biscuit chocolate (U.K.); Hong Kong School of English (Hong Kong); Apple & Pear Growers Assn, Mutual/NatSA Building Society investments, Queensland Newspaper, Kern Homes, Tresurary Australia retail chain, Masterfoods Australia Uncle Ben's rice, NSW Egg Corp, Richardson-Vicks Topex (Australia); Lindener Gilde Stimoral chewing gum, Kimberly Clark toilet tissue, Nestle chocolate yogurts, Lee jeans (Germany); Brand beer, Buisman candy and sugar, Continental Tires (Netherlands); Cigarra La Moderna, Brittania (Mexico).

Officers

John S. Bowen, chmn-ceo. Presidents —Roy J. Bostock, USA div; Peter T.W. Redsell, intl div; George J. Simko, Diversified Co. div. Exec vps —Robert F. Lyman, Craig D. Brown, co-cfo; Bernard Kanner, intl div.

Phone: (212) 758-6200.

Davis, Johnson, Mogul & Colombatto

RANK 62

Los Angeles

($ in millions)

Worldwide	1985	1984	% chg
Gross income	16.9	14.1	20.1
Billings	116.4	101.4	14.7

U.S. billings ($ in millions)

	1985	1984	% chg
Media	96	82	17.2
Materials/services	11	11	0.4
Capitalized fees	10	9	9.6

Billings breakdown by media

Newspapers	17.0	Magazines	3.0
Radio	22.0	Spot tv	54.0
Outdoor	3.0	Direct mail	1.0

Work force and facilities in 1985

	Employees	Offices
Worldwide	220	4
Domestic	220	4

Office billings ($ in millions)

DJM&C	Los Angeles	78.2
DJM&C	San Francisco	22.3
DJM&C	Portland, Ore.	5.1
DJM&C	Baltimore	10.8

Annual review

DJMC added a pr partner, Geiman & Gray Communications, and Hispanic advertising subsidiary, Ad Latina, as existing clients, McDonald's, Ralphs Grocery Co. and Glendale Federal Savings added new assignments that helped expand DJMC billings 14.7% and gross income 20.1%. Founded in 1958 by Bob Davis and Robert "Collie" Colombatto, the agency expanded to San Francisco in 1972 and Portland and Baltimore in the 1980s to service national accounts.

U.S. accounts

Gained: Ralphs Grocery Co., "The Giant"; McDonald's Operators Assn (Central California coast, Portland, Ore., Medford Ore.); Glendale Federal Savings, American Title Co.; Lamborghini West (Beverly Hills, Cal.).

Lost: Forest Lawn Memorial Park.

Officers

Chmns—Robert M. Davis, ceo; Robert J. Colombatto, coo. Brad A. Ball, president; Ronald Kojis, exec vp, director client services. Senior vps—John Turner, operations; Peter Coutroulis, creative director; Mark Davis, mgmt super. Steve Orenstein, finance.

Phone: (213) 383-3332.

DBG&H Unlimited

RANK 96

Dallas

($ in millions)

Worldwide	1985	1984	% chg
Gross income	9.7	7.2	35.8
Billings	64.9	50.5	28.5

☑

Office billings ($ in millions)

DBG&H Unlimited	Dallas	53.3
DBG&H Unlimited	Albuquerque	1.5
DBG&H Unlimited	Austin, Tex.	1.1
DBG&H Unlimited	Fort Worth	2.6
DBG&H Unlimited	Houston	1.2
DBG&H Unlimited	Phoenix	2.2
DBG&H Unlimited	San Antonio	3.0

U.S. billings ($ in millions)

	1985	1984	% chg
Media	58	50	28.5
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	30.0	Magazines	15.0
Radio	20.0	Network tv	10.0
Outdoor	5.0	Direct mail	5.0
Fo	—	Other	15.0

Work force and facilities in 1985

	Employees	Offices
Worldwide	225	7
Domestic	225	7

Annual review

Strength in new and existing real estate-oriented clients helped stimulate billings by 36%, although the agency says current commercial and residential real estate slowdown will have an impact on 1986. DBG&H, a specialist in multi-use real estate projects, added in February, 1986, Laino-Ludwig of Santa Fe, N.M., which expands its coverage of the Southwest to eight cities. The shop billed about $2,250,000 in 1985, and its main client is the State of New Mexico's Department of Tourism & Economic Devel.

U.S. accounts

Gained: Alamo Title Insurance; Americana Hotel; Ashmont Devel Co.; Barnes/Connally; Braewood Homes; Callaway Properties; City Center Devel; Commodore Insurance Co.; The Crescent; David Davidson; Ebby Halliday Realtors; Emily Morgan Hotel; First Houston Bank; Genstar Roofing Products; INFOMART; MEPC American Properties; Metro Hotels; Nash Phillips/Copus; Natl Mortgage Corp of America; Property Co. of America; SHWC Architects; State of New Mexico Dept of Tourism & Economic Devel; Staubach Co.; Texas Turnpike Authority; Trans-Cities Properties; U.S. Funds Express; The Watson & Taylor Cos.; Wen-Clay Intl; Woodmont Cos.; Woodmont Devel.

Lost: Toyota of San Antonio; Galleria Real Estate Devel (New Orleans); Humana Hospital.

Officers

David C. Dozier, president; Sharon J. Baca, Martha L. Gallier, senior vps. Vps—Kyle Crews, director devel; Ann Hall, director pr; Fran Wittenberg, creative director; Brenda Sandoz, Lauren Ivy, Cindy Seamans, Ken Maxwell.

Phone: (214) 871-2151.

Della Femina, Travisano & Partners

RANK 34

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	36.7	33.0	11.2
Billings	245.0	220.0	11.4

Office billings ($ in millions)

DFT&P	New York	178.0
DFT&P	Los Angeles	67.0

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	196	176	11.2
Materials/services	23	21	11.5
Capitalized fees	28	25	12.6

Billings breakdown by media

Newspapers	12.0	Magazines	15.0
Medical journ.	1.0	Radio	11.0
Network tv	30.0	Spot tv	25.0
Cable tv	2.0	Outdoor	1.0
Bus. papers	2.0	Transit	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	381	3
Domestic	381	3

Annual review

Two account gains—Carls' Jr. Restaurants and Hayes Microcomputer Products—could each generate billings of $15 million in 1986, and coupled with another gain, Pacific Southwest Airlines ($2 million), Della Femina expects growth to at least match the 11.4% billings increase of 1985. The Hayes computer account influenced the decision to expand into Atlanta in November, 1985.

U.S. accounts

Gained: Pacific Southwest Airlines; Carl Karcher Enterprises, Carls' Jr. Restaurants; Hayes Microcomputer Products; Commodity Exchange, Comex; Financial Guaranty Insurance Co., FGIC; Mr. Build; WXRK-FM; KCET-TV; Ohrbachs.

Lost: Treesweet Products Co.; Singapore Airlines; First Boston Corp.

Officers

Jerry Della Femina, chmn; James D. Travis, vice chmn-coo; Louise McNamee, president; James Weller, exec vp, partner; Ted Charron, exec vp; Peter Stranger, gm, partner; Rochelle Udell, Frank Donino, Bill Keeshan, Carl Kotheimer, Matt Mansfield, Dennis Remsing; Mark Yustein, senior vps.

Phone: (212) 421-7180.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by Advertising Age. *See story on Page 6.*

Diener/ Hauser/ Bates

RANK 85

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	11.2	11.4	(2.5)
Billings	112.9	112.4	0.4

U.S. billings ($ in millions)

	1985	1984	% chg
Media	105	105	(0.4)
Materials/services	8	7	12.1
Capitalized fees	—	—	—

Office billings ($ in millions)

Diener/Hauser/Bates Co.	New York	64.4
Diener/Hauser/Bates Co.	Los Angeles	38.7
Diener/Hauser/Bates Co.	San Francisco	2.8
Diener/Hauser/Bates Co.	San Diego	3.3
Diener/Hauser/Bates Co.	Ft. Lauderdale	3.4
Diener/Hauser/Bates Co.	Miami	0.3

Billings breakdown by media

Newspapers	45.0	Magazines	21.0
Radio	5.0	Network tv	2.0
Spot tv	26.0	Outdoor	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	188	6
Domestic	188	6

Annual review

D/H/B, a subsidiary of Ted Bates, increased capitalized volume slightly by 0.4%, reflecting billings generated by internal growth and by eight new accounts that covered the loss in August of the $9 million Columbia Pictures account in New York, Los Angeles and San Diego.

U.S. accounts

Gained: City Natl Bank; Concorde Cinema Group; Interrent; Lachman Co.; Makers of Kal; Omnibus Computer Graphics; PM&O Lines; TuneUp Masters.

Officers

Herbert S. Hauser, chmn; Henry Weintraub, president. Exec vps—David Dember, creative; Norman Trell, media. Senior vps—Perry Sperber, controller; Cheryl Lodinger, media director.

Phone: (212) 840-3300.

Direct Marketing Agency

RANK 97

Stamford, CT

($ in millions)

Worldwide	1985	1984	% chg
Gross income	9.6	7.5	27.8
Billings	63.4	49.5	28.0

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	0	0	105.5
Materials/services	4	3	14.3
Capitalized fees	59	46	29.0

Billings breakdown by media

Direct mail	95.0	Other	5.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	100	1
Domestic	100	1

Annual review

Eastern Airlines (23% of total billings), Stuart Pharmaceuticals (15%) and Wyeth Labs (11%) each recorded increases of 5% to 10% in billings, and sizable new account gains contributed to a sharp billings increase of 27.9% at DMA, which became a division of Cunningham & Walsh (part of C&W Group) in late 1984. Increased competition in the direct marketing field and the pending takeover of Eastern Airlines ($14.6 million in billings) by Texas Air Corp. are possible dark clouds in 1986.

U.S. accounts

Gained: Citytrust (Bridgeport); Wang Labs; Merrill Lynch Relocation Mgmt.

Lost: Comp-U-Card; Natl Benefit Insurance; Purdue Frederick Co.; Pfizer, Roering div; Data General.

Officers

Norman J. Suslock, chmn-president; Ira Wolff, Robert J. McKeown, exec vps; Samuel Raskin, Richard C. Wharton, senior vps.

Phone: (203) 357-7895.

Direct Marketing Group

RANK 58

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	17.6	14.1	24.8
Billings	101.6	82.1	23.8

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Direct mail	75.0	Dir. resp. tv	5.0
Dir. resp. radio	5.0	Dir. resp. news	5.0
Dir. resp. mags.	5.0	Pkg	5.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	385	3
Domestic	380	3

Annual review

Sitmar Cruises and Pitney Bowes, new clients that helped increase billings 24%, will continue to influence agency growth in 1986, as will a full year of activity from D.M. Group Ltd., a direct marketing agency formed by DMG in London in November, 1985.

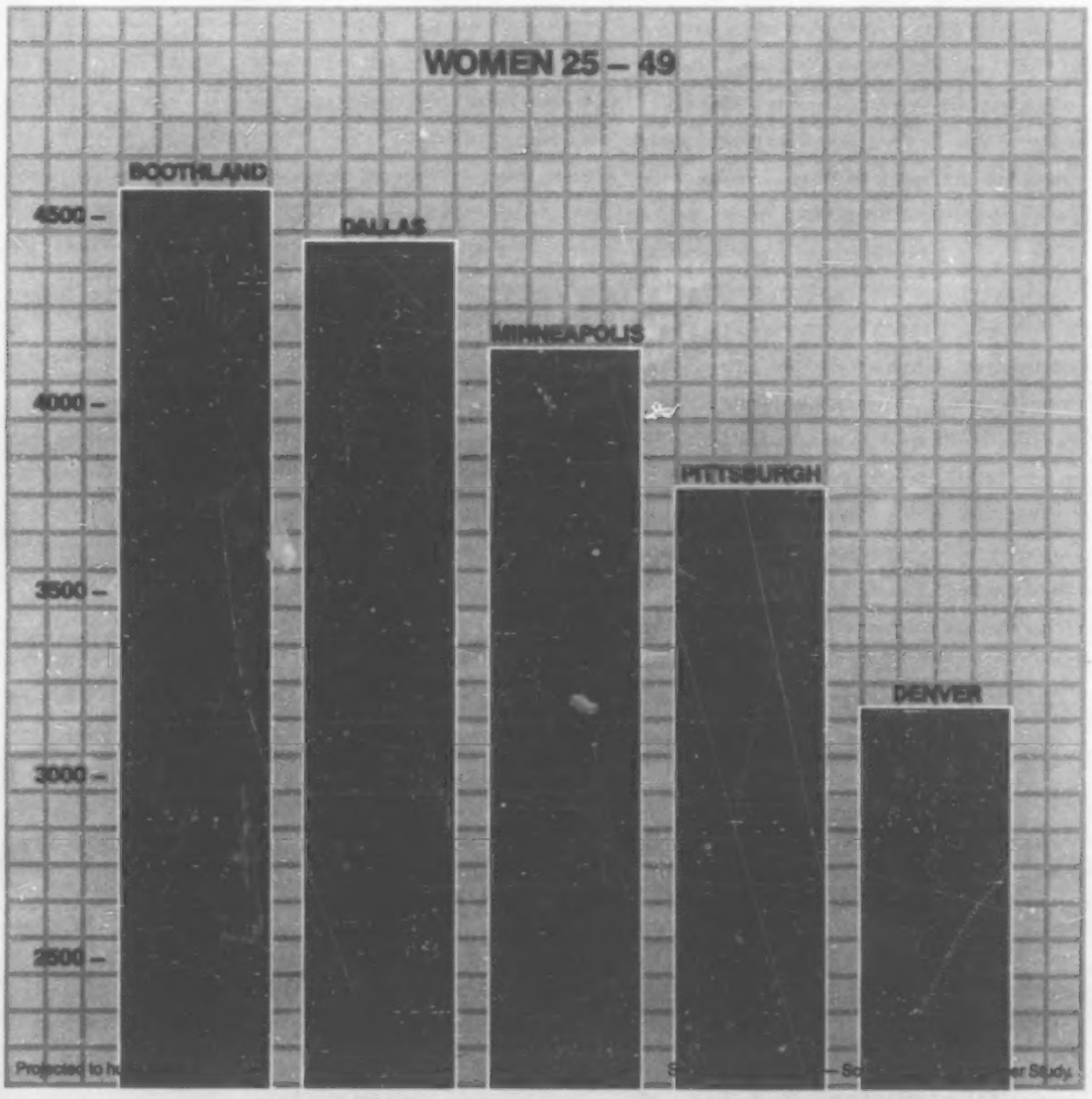
U.S. accounts

Gained: Sitmar Cruises; Pitney Bowes, business machines; Commodore, business machines; *FMR* magazine; CPI, technical education; Taxi Publishing Inc., magazine; Bank of New York; InterBusiness Card, trade exchange.

Lost: Nutri/System, weight loss systems; Merle Norman cosmetics.

Foreign accounts

Gained: Pronta Print; Monsanto, agri chemicals; Natl Giro Bank, visa card promo; Halifax Building Society, card cash.



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Phone: (212) 355-2530.

W.B. Doner & Co.

RANK 43

Southfield, Mich.

($ in millions)

Worldwide	1985	1984	% chg
Gross income	27.8	26.9	3.4
Billings	185.2	179.0	3.5

U.S. billings ($ in millions)

	1985	1984	% chg
Media	127	123	3.4
Materials/services	29	28	3.6
Capitalized fees	29	28	3.8

Billings breakdown by media

Newspapers	10.3	Magazines	9.6
Radio	16.5	Network tv	7.8
Spot tv	53.0	Outdoor	1.1
Yellow pages	0.1	Direct mail	1.6

Work force and facilities in 1985

	Employes	Offices
Worldwide	427	6
Domestic	403	4

Office billings ($ in millions)

W.B. Doner & Co.	Detroit	93.3
W.B. Doner & Co.	Baltimore	47.1
W.B. Doner & Co.	Los Angeles	8.4
W.B. Doner & Co.	St. Petersburg	16.9

Annual review

Expansion into the retail industry is the goal of W.B. Doner in 1986, which recorded a modest 3.4% increase in billings in 1985 largely because of a 5% increase in billings from its large Detroit office. Declines came from its LA and Baltimore shops. Already, in 1986 the agency has gained Genie Home Products (div of North American Philips), Delmar Window Covering and WDIV-TV, Detroit. Doner also added two new shops in 1985, bringing its total to six.

U.S. accounts

Gained: American Assn of Retired Persons; A.S. Abell, *Baltimore Sun*; Atlantique; Balt District Ford Dealers; Coast Savings & Loan; Cub Foods; Hamady Bros.; Hickory Farms; MD Blue Cross/Blue Shield; Northern Ohio Buick; Piedmont Buick; RKO Homevideo; Sohio-Gulf; Wisconsin Buick.

Lost: American Hardware Supply; D.O.C. Linen Center.

Officers

W.B. Doner, chmn exec committee; H.D. Fried, chmn. Presidents—Michael Shapira (Detroit); William Hooper (Baltimore). James Dale, vp, corp.

Phone: (313) 354-9700.

Doremus & Co.

RANK 46

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	26.5	23.1	14.7
Billings	174.7	152.7	14.4

U.S.	1985	1984	% chg
Gross income	26.3	23.1	13.8
Billings	173.2	152.7	13.4

U.S. billings ($ in millions)

	1985	1984	% chg
Media	128	101	24.5
Materials/services	—	—	—
Capitalized fees	47	52	(8.2)

Billings breakdown by media

Newspapers	70.0	Magazines	23.0
Radio	2.0	Spot tv	2.0
Cable tv	2.0	Outdoor	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	319	8
Domestic	316	7

Office billings ($ in millions)

Doremus & Co.	Chicago	10.3
Doremus & Co.	Boston	10.9
Doremus & Co.	Los Angeles	3.9
Doremus & Co.	San Francisco	4.2
Doremus & Co.	Washington	2.3
Doremus & Co.	New York	141.2

Annual review

Growth of 15% in billings volume reflected a strong contribution from financial services. Doremus services four of the top five financial houses: Salomon Bros., Goldman Sachs, Morgan Stanley and First Boston. Only Merrill Lynch is outside its purview. Financial advertising was one of three divisions created in a companywide reorganization that also set up a public relations unit in addition to a general advertising division.

Doremus moved into London to service 11 U.S.-based clients and seek new business. Expansion into Japan will occur in 1986, as will expansion of both the general advertising division, including its direct marketing activity, and the pr operations, which currently account for about one-third of Doremus' business. Doremus had its biggest January ever in 1986, but it is cautious about extending this optimism over the entire year because "clients are waiting to see the new tax laws before developing new products or advertising."

U.S. accounts

Gained: Delta Dental Plans Assn; Tobacco Institute; MIW Investors of Washington; Beal Co.; Natl Assn of Letter Carriers; Philipp Bros.; Phibro Salomon, crude oil marketer; Landbank Equity; Bark Cards Inc., dog tags; J.F. Dalton Associates; Transmarket Group; Rothschild Inc.; WSR Futures; PEC Israel Economic Corp, wholesale electronic appliances; Refco, commodities exchange.

Lost: STM Electronics; Geico; Coldwell Banker; Republic of Turkey.

Foreign accounts

Gained: Union Bank of Switzerland.

Officers

Franklin Schaffer, honorary chmn; Curtis Troeger, chmn-ceo; Barry McMennamin, vice chmn; Carl Anderson, cfo. Presidents—Richard Truitt, corp pr; Barbara Taylor, mkt share. William Palmer, Wesley Truestell, Ralph Wenhoener, John Eckleberry, exec vps. Senior vps—David Capano, media; Charles Gay, Philip Sievers, genl adv; Alan Quinby, news operations; Nina Palmer-Sweeney, pr; Andrew Quinn, Stanley Rygor, Ray Zipko, financial adv; David Caparo, creative; Robert Allen (Boston); Tomlin Gardner (Chicago); John Haering (San Francisco).

Phone: (212) 964-0700.

Doyle Dane Bernbach Group

RANK 12

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	231.8	213.4	8.6
Billings	1,969.3	1,478.3	12.9

U.S.	1985	1984	% chg
Gross income	163.6	154.0	9.5
Billings	1,211.3	1,085.1	11.6

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	883	805	11.0
Materials/services	137	134	2.6
Capitalized fees	181	147	23.1

Billings breakdown by media

Newspapers	8.5	Magazines	24.8
Medical journ.	5.1	Supplements	0.5
Radio	2.9	Network tv	24.8
Spot tv	18.7	Cable tv	2.3
Outdoor	0.6	Farm pubs.	2.0
Transit	0.1	Point of sale	0.9
Yellow pages	1.2	Direct mail	3.7
Dir. resp. tv	0.8	Dir. resp. radio	0.1
Dir. resp. news.	0.7	Dir. resp. mags.	0.5
Fsi	—	Other	1.8

Work force and facilities in 1985

	Employes	Offices
Worldwide	3,456	56
Domestic	2,125	21

Office billings ($ in millions)

DDB	New York	408.5
DDB	Detroit	111.8
DDB/West	Los Angeles	128.6
DDB/West	San Francisco	35.3
DDB/West	Denver	9.0
York, Alpern	Los Angeles	2.5
Cargill, Wilson & Acree	Atlanta	30.0
Fletcher/Mayo/Associates	St. Paul, Mn.	61.7
Kallir, Philips, Ross	New York	111.8
Milici, Valenti, Smith, Park	Honolulu	23.5
Bernard Hodes Adv.	New York	141.0
Rapp & Collins	New York	44.8
Direct Response Group	Dallas	40.7

Annual review

Growth in U.S. billings of 11.6% was largely internally driven, although $43 million came through acquisition of Direct Response Group, Dallas, and York, Alpern Inc., a Los Angeles medical agency. DDB registered sizable losses in Polaroid and Atari, which took $45 million in business elsewhere, but existing clients, Nabisco and Brown & Williamson, covered that loss with $50 million in new assignments. These two accounts and Seagrams, Volkswagen, Audi and Clairol (Loving Care) should continue to stimulate billings in 1986, says the agency. On the personnel side, a new president, Peter Falcone came on board at DDB/NY, which suffered a loss in billings in 1985, and Alan Pando became president-ceo at DDB/West in early 1986. The agency's top creative officer, Roy Grace, recently left with two other DDB execs to form his own agency. DDB has lost a number of top officers since the death of founder William Bernbach in 1982.

U.S. accounts

Gained: DDB/New York: Nabisco Brands, cereals, margarines; Cruise Lines Intl Assn; American Airlines, Pan-European; Joseph E. Seagrams & Sons, Crown Royal, Kessler, Captain Morgan Spiced Rum, Myer's Jamaican Rums, Leroux Cordials. DDB/West: Sea World; First Nationwide Savings. Cargill, Wilson & Acree: Mighty Distributing System of America; LINC Switch; Robinson Humphrey/American Express. Flether/Mayo/Associates: Natl Pork Producers; Continental Packaging; Midland Savings & Loan; Sonoco Products Co.; Reflector Hardware. Kallir, Philips, Ross: J&J Baby Products Co., Sundown. Milici Valenti Smith Park Advertising: Marine Culture Enterprises; Western Ilikai. Rapp & Collins: GTE, Sylvania; Carte Blanche; Neiman-Marcus, catalog.

Lost: DDB/New York: Ziebart Intl; Peoples Savings of Bridgeport; Carteret Savings Bank; North American Phillips. DDB/West: Straw Hat Pizza; Coast Federal Savings & Loan; Southern California Gas Co.; Western Airlines. Cargill, Wilson & Acree: Bank South. Fletcher/Mayo/Associates: American Federal Savings; Guys Foods; Rival Mfg; FMC Corp. Kallir, Philips, Ross: Wyeth Laboratories, Ativan, MSA. Milici Valenti Smith Park Advertising: Mid Pacific Air; First Interstate Bank; Pizza Hut (Hawaii). Rapp & Collins: Hanes Corp, L'Eggs catalog; CARE, fundraising.

Foreign accounts

Gained: East West Cargo transport, Elders Pastoral (Australia); Berndorf dinnerware (Austria); Quick Intl fast-foods, VDM margarine (Belgium); Delsey luggage (Belgium, France); Canada Cancer Society, Popsicle (Canada); Hasbro, Poulain chocolate, Otard (France); Spanish Tourist Board, American Airlines, Bayerische Vereinsbank, Seagrams MM sparkling wines, Blendax toothpaste (Germany); Jardine Mktg Services shampoo (Hong Kong); American Airlines (London, Germany); Koblenz vacuum cleaners (Mexico); Blendax toothpaste (Netherlands); Mazda Motors of New Zealand (Brown Christensen/New Zealand); Seagrams Macieira & Ca (Portugal); Meridien Hotels (Singapore); Johnson Wax shaving gel, Canada Dry (Tandem/DDB Madrid); Margaret Astor/Beecham shampoo (Tandem/DDB Barcelona); Klorin cleaning liquid (Falk & Pihl/DDB Sweden); Union Bank of Switzerland, Subaru corp image, Diners Club card (Switzerland); Johnson Wax, Mac Pherson, Dutch Dairy Bureau cheese, Memorex, Delsey luggage (London).

Lost: Northern Territory Tourist Comm., Illawara Mutual Building Society finances, Bridgestone PVC Windows, Stihl Chain Saws (Australia); ITT (Belgium); Shulton Canada hair care (Canada); Laboratories Vaillant (France); Knorr, Johnson Wax, Miele home appliances, Schiesser clothing, Berentzen distillery, Diepal bread (Germany); Crown Motors Toyota, Communications Services, Dantas Ikea (Hong Kong); Sterling Drugs (Singapore); Renfe Spanish Natl Railways (Madrid); Solis Industrias petfood, Panrico mini rolls (Barcelona); Dagens Industries newspaper (Falk & Pihl/DDB Sweden); American Express, *Boebachter* magazine (Switzerland); COI Energy, Walkers snacks, Harveys Bristol Cream, Tuborg, Lufthansa, Superswitch security switches (London); Polaroid (London, Australia, Austria, Belgium, Canada, France, Hong Kong, Mexico, Netherlands, Spain, Sweden and Switzerland).

Officers

Joseph R. Daly, chmn. Presidents—Barry E. Loughrane, ceo; John Bernbach, intl div. Robert G. Pfundstein, exec vp, chief financial and admin officer. DDB/New York: Peter Falcone, president. Exec vps—Michael Drexler, director media; Ruth B. Ziff, director rsch, mktg; Lawrence J. Iannuzzelli, Lloyd Highbloom, Martin H. Kreston, Rein Luik, Grant V. Roberts, David Sklaver, Peter J. Tate, acct group directors; Michael J. Mangano, Jack U. Mariucci, John R. Noble, Thomas J. Yobbagy, creative directors.

Phone: (212) 415-2000.

DDB/West

This Los Angeles-based DDB subsidiary reported gross income of $19,980,000 in 1985 on billings of $175,488,684. In 1984, it reported gross income of $16,088,000 on billings of $137,766,220.

The agency's 1985 U.S. volume consisted of $141,579,228 in media, $14,709,456 in materials and services and $19,200,000 in capitalized fees. Its 1984 U.S. volume consisted of $118,156,320 in media, $10,759,900 in materials and services and $8,850,000 in capitalized fees.

Included in the agency's figures were returns from its offices in San Francisco and Denver, and from York Alpern/DDB Los Angeles.

In 1985, the agency gained: Sea World (San Diego, Orlando, Cleveland); Cypress Gardens. It lost: Coast Federal Savings; 7Up Foods, Nouvelle soups, Juice Up; Southern California Gas Co.; Tropicana Hotel; Western Airlines; Borel Restaurants; Straw Hat Pizza; Wendy's Franchise.

Billings breakdown: Newspapers 14.9%, magazines 13.3%, radio 9.6%, network tv 31.5%, spot tv 23.6%, cable tv 1.9%, outdoor 5.2%.

Top execs: Chmn—Montgomery McKinney, DDB West; Martin Michael (San Francisco). Presidents—Alan Pando, DDB West; Jerry Gibbons, ceo (San Francisco); Richard Edler, ceo (Los Angeles); John Geisen, ceo (Denver). Exec vps—S. Kornblit, director client service; Robert Kuperman, creative director. Senior vps—James Pero, director media; Jeri Moore, director rsch; Murielle Schulze, finance, admin; Rich Jare, Bruce Miller, Roger Lavery, mgmt supers. Employes: 272 in 4 offices.

Phone: (213) 937-5100.

DYR Worldwide

RANK 31

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	41.5	36.6	13.3
Billings	288.7	250.1	14.7

U.S.	1985	1984	% chg
Gross income	20.8	21.7	(4.0)
Billings	143.2	136.5	4.9

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	6.0	Magazines	45.0
Radio	7.0	Network tv	21.0
Spot tv	14.0	Cable tv	1.0
Outdoor	4.0	Yellow pages	2.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	693	10
Domestic	251	3

Office billings ($ in millions)

DYR Worldwide	New York	84.5
DYR Worldwide	Los Angeles	76.4

Annual review

DYR, a joint venture of Y&R and Dentsu, experience slow growth on the U.S. side as billings increased 5.9%. A general economic slowdown, less direct marketing activity caused by reduced client budgets, and the loss of Tomy Toys and Pacific Southwest Airline, which took their aggregate $18 million in billings elsewhere, were cited as major influences on growth. The agency formed a new subsidiary, DYR Public Affairs in New York.

U.S. accounts

Gained: Los Angeles: Century Plaza Hotel; Daiwa; Del Monte; Gemco, Lucky Stores; Kentucky Fried Chicken Co-op; Westin Hotels. New York: Finlandia Vodka; Mouton Cadet wine.

Lost: Pacific Southwest Airlines; Roman Meal; Tomy Toys.

Foreign accounts

Gained: Ansett Hotels & Resorts (Australia), Adidas (Hong Kong, Japan, Malaysia, Singapore, Thailand); Mita copiers, New Zealand Insurance, Remy XO Cognac, Royal Canadian Mint (Hong Kong); Bayer Yakuhin, Daigo Eiyo Kagaku, Dalichi Seiyaku (Japan); Dunlop Tyres, Suzuki Motorcycles (Malaysia); Air Canada, Asia Motors, Mazda, Fiat, Lancia (Singapore); AT&T Directories, J&J baby oil, Singer Corp (Thailand).

Lost: Johnson & Johnson, United Airlines (Hong Kong); Sarawak Motor, Toyota land-cruisers (Malaysia).

Officers

Hideharu Tamaru, chmn (Tokyo); Alexander Brody, president-ceo (New York); Shunya Hashiguchi, president DYR (Japan); Peggy Healy, senior vp (New York); Jerry Roberts, chmn DYR USA; Shinzo Ueno, exec vp (Tokyo).

Phone: (212) 869-8350.

Elsaman, Johns & Laws

RANK 74

Los Angeles

($ in millions)

Worldwide	1985	1984	% chg
Gross income	12.8	12.1	5.9
Billings	86.1	80.4	6.8

Top 10 agencies in radio billings*

Rank	Agency	Radio billings 1985	Radio billings 1984	U.S. billings 1985	U.S. billings 1984
1	Bozell, Jacobs, Kenyon & Eckhardt	$156.2	NA	$1,100.0	$935.2
2	D'Arcy Masius Benton & Bowles	126.1	$113.6	1,202.6	1,359.8
3	J. Walter Thompson Co.	91.3	84.8	1,604.2	1,387.3
4	BBDO International	89.6	83.4	1,296.1	1,109.7
5	Young & Rubicam	89.5	89.1	1,656.4	1,632.3
6	Ogilvy Group	86.1	61.3	1,694.5	1,497.9
7	Foote, Cone & Belding	84.4	103.3	1,323.0	1,214.0
8	N W Ayer	51.5	52.9	652.0	652.5
9	Dancer Fitzgerald Sample	47.4	40.5	861.9	750.2
10	Tracy-Locke	46.3	48.0	272.3	239.8

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.

* From 82 of the top 100 agencies reporting media billed as a percentage of U.S. billings

U.S. billings ($ in millions)

	1985	1984	% chg
Media	78	72	6.4
Materials/services	5	5	0.4
Capitalized fees	4	4	1.5

Billings breakdown by media

Newspapers	7.0	Magazines	34.0
Supplements	3.0	Radio	18.0
Network tv	8.0	Spot tv	23.0
Outdoor	4.0	Bus. papers	2.0
Yellow pages	1.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	142	3
Domestic	142	3

Office billings ($ in millions)

Eisaman, Johns & Laws	Los Angeles	46.8
Eisaman, Johns & Laws	Chicago	16.0
Eisaman, Johns & Laws	Houston	[illegible]

Annual review

After two years of corporate reorganization, reducing costs and eliminating unprofitable accounts, EJL showed a modest billings increase of 5.8%. Each of its three offices recorded gains, particularly the smallest in Chicago where the EJL auto div was consolidated and grew to 29 Cadillac and Chevrolet dealer association accounts. Promising for 1986 is Price Pfister, the brass faucet manufacturer that has tripled its billings from 1985. Under the reorganization, succession planning was achieved and three officers named divisional president: Richard J. Westman, Dennis R. Coe and Dean R. Laws.

U.S. accounts

Gained: Tropic-Cal, sunglasses; Vita-Fresh; Price Pfister, brass mfr; Cadillac Dealer Advertising Assns.

Lost: Chicago Motor Club; Cadillac Advertising Assn (Dallas); Contel Cado Computers; WJR Radio (Detroit); WKQX-FM (Chicago).

Officers

J.R. Eisaman, chmn; Robert F. Laws, president, corp; Adrienne Hall, vice chmn; Dennis R. Coe, Dean R. Laws, Richard J. Westman, div presidents. Exec vps—James F. Benson, exec creative director; Jack J. Leener, mgmt super.

Phone: (213) 469-1234.

RANK 20

William Esty Advertising Co.

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	76.5	78.0	(1.9)
Billings	510.0	520.0	(1.9)

U.S. billings ($ in millions)

	1985	1984	% chg
Media	467	478	(2.3)
Materials/services	43	42	2.4
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	3.0	Magazines	18.0
Supplements	1.0	Radio	3.0
Network tv	43.0	Spot tv	16.0
Cable tv	1.0	Outdoor	12.0
Bus. papers	1.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	580	2
Domestic	580	2

Annual review

For the second year in a row, William Esty suffered a decline (1.9%) in both gross income and billings. The agency gained Travelers Corp. worth $14 million, Dramatic Results from Prince Matchabelli, and Texaco, an account normally worth $24 million, but likely to drop because of its costly legal entanglement with Pennzoil. Pulled from the agency were media buying for Chesebrough-Pond's, R.J. Reynolds' Winston cigaret account, the $13.5 million Seagram's account (Wolfschmidt, Black Tower Wines, Myer's Jamaican Rum, Leroux Cordials) and the $10 million American Home Products (Riopan and Riopan Plus) account.

U.S. accounts

Gained: Texaco; Travelers Corp; new assignments—Nissan Motor Corp, Mastercard Intl, Tambrands; Chesebrough-Pond's, Prince Matchabelli Dramatic Results.

Lost: Joseph E. Seagram & Sons; American Home Prods, Riopan, Riopan Plus; R.J. Reynolds, Winston; Chesebrough-Pond's, media buying.

Officers

Gordon Bushell, chmn-ceo; Laurence Wassong, president-coo.

Phone: (212) 692-6200.

RANK 57

Evans Communications

Salt Lake City

($ in millions)

Worldwide	1985	1984	% chg
Gross income	18.3	15.6	17.3
Billings	122.0	104.0	17.3

U.S. billings ($ in millions)

	1985	1984	% chg
Media	66	57	15.8
Materials/services	19	18	8.6
Capitalized fees	37	30	25.4

Office billings ($ in millions)

Evans Communications	Salt Lake City	24.0
Evans/Kraft	Seattle	36.0
Evans/Lynch, Rockey	San Francisco	13.0
Evans/Weinberg	Los Angeles	20.0
Evans/Bartholomew	Denver	11.0
Evans/Motta	Phoenix	12.5
Evans/Atlanta	Atlanta	5.5

Billings breakdown by media

Newspapers	24.0	Magazines	18.2
Radio	21.5	Network tv	4.0
Spot tv	27.9	Cable tv	0.5
Outdoor	3.9	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	295	8
Domestic	295	8

Annual review

Gains annualized at $24 million and losses of $8 million basically defined the year for Evans in which billings increased 17%, or $18 million. Two big accounts acquired at midyear, Arizona State Lottery and Straw Hat, should each materialize into $4 million accounts in 1986. The agency went on an acquisition binge, buying Barney McClure in San Francisco, Londergan Pariseau in Denver, and hiring the staff of Bruster Archer Ball in San Francisco. Phoenix, a hot market for Evans in which billings soared 66%, had two additions to acct services, senior vp Alan Rinfret and vp John Waters, and a media director, Robert Walters.

U.S. accounts

Gained: Coors, corp program; Arizona State Lottery; Brooks Cameras; Candle Corp, telephone information service; Dairy Queen of Western Washington; Famous Restaurants, Garcia's of Scottsdale and Famous Pacific Fish Co.; Lyon's Restaurants; Raleigh Cycle Co.; Salt Lake Convention & Visitors Bureau; Sheraton Scottsdale Resort; Southwest Savings & Loan; Straw Hat Pizza; ValuRite Pharmacies.

Lost: Drug Emporium of Arizona; Farrell Restaurants; Marineland; McDonnell Douglas Physician Systems, computer systems; Racor Industries, filtering devices.

Officers

Chmn—L. Glenn Snarr, ceo; Frank Horsley, Evans/Kraft. Presidents—Jon L. Johnson, coo; Arthur S. Anderson, Evans/Salt Lake City; Charles R. Bartholomew, Evans/Bartholomew; Donald B. Kraft, Evans/Kraft; Terrence Lynch, Evans/Lynch Rockey; Philip A. Motta, Evans/Motta; Frederick G. Todman, Evans/Atlanta; Dell R. Nelson, Evans/Kraft (Portland).

Phone: (801) 364-7000.

RANK 73

Fahlgren & Swink

Parkersburg, W. Va.

($ in millions)

Worldwide	1985	1984	% chg
Gross income	12.9	12.5	3.0
Billings	88.1	84.6	1.8

Welcome to the real world.

Products live (and die) in the real world.

Their life expectancy depends on real people and whether they see a product as having any real benefit.

Yet most advertising today feels, well, like advertising. Contrived. Artificial. Anything but real.

At Bonneville Media Communications, the real world and the ad world work together. As a result, our work stands out from the clutter.

We've won every major advertising award in the U.S. and Europe. Articles in *Advertising Age*, *Ad Week*, *Madison Avenue* and *The New York Times* have recently applauded our efforts. And best of all, we've won the hearts of 300,000 viewers who have written to say 'thanks'.

At Bonneville, we think it's important that advertising live in the real world.

Because, after all, that's where your product lives.

We'd like you to see our reel. Call Jeff Hilton at (801) 237-1500. Bonneville Media Communications, 179 Social Hall Ave., Salt Lake City, Utah 84111.

BONNEVILLE

A full service Advertising Agency

U.S. billings ($ in millions)

	1985	1984	% chg
Media	27	29	(4.2)
Materials/services	8	8	(2.3)
Capitalized fees	51	48	5.1

Billings breakdown by media

Newspapers	8.0	Magazines	8.0
Radio	11.0	Network tv	6.0
Spot tv	30.0	Cable tv	1.0
Outdoor	2.0	Bus. papers	29.0
Yellow pages	5.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	252	7
Domestic	252	7

Annual review

A 1.8% growth in billings primarily reflected the loss of about $12 million in billings from Valvoline Motor Oil, which pulled its account in late 1984. The loss from that account held 25 years by the agency will be rebuilt in 1986 with $15 million in combined billings coming from new accounts, Hecks stores, West Virginia Lottery, Piper Aircraft and a McDonald's regional account. The 1985 new accounts added to 1986 gains so far—Big Drum ice cream and Kardex informations services—will provide annualized billings of $100 million in 1986, according to the agency.

U.S. accounts

Gained: Burlington Industrial Fabrics Co.; Hecks, discount stores; Loctite Corp, Loctite and Permatex prods; McDonald's, Eastern North Carolina; Piper Aircraft Corp; West Virginia Lottery.

Lost: Sonoco Products Co.

Officers

Chmns—H. Smoot Fahlgren, ceo; Blaine Gutermuth, exec committee; Ed Noonan (Toledo). Richard Fisher, president; James W. Swearingen, vice chmn-coo; Vince Backley, William W. Kight, vice chmns; Robert F. Guirlinger, secretary; William J. Farson, treasurer-cfo; Rodney B. Stegall, senior vp-corp creative services; Donald H. Rice, Richard Imes, John Ferry, Alf Nucifora, div presidents; Andy Chiodo, div gm.

Phone: (304) 424-3500.

Fallon McElligott Rice

RANK 79

Minneapolis

($ in millions)

Worldwide	1985	1984	% chg
Gross income	12.0	4.8	148.1
Billings	80.0	32.3	148.1

U.S. billings ($ in millions)

	1985	1984	% chg
Media	40	16	150.0
Materials/services	—	—	—
Capitalized fees	40	16	146.2

Billings breakdown by media

Newspapers	20.0	Magazines	26.0
Radio	18.0	Network tv	14.0
Spot tv	18.0	Other	4.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	102	1
Domestic	102	1

Annual review

A phenomenal billings growth of 148% for FMR, named agency of the year in 1983 by Advertising Age, was credited largely to new business gains paced by Armour frozen foods with a potential of $12 million, and the *Wall Street Journal* and Federal Express ZAP Mail, both possible $10 million accounts. Losses took away only $2.5 million in billings. FMR's success attracted acquisition-minded Scali, McCabe, Sloves, which purchased 75% of the agency in February, 1986. FMR will remain an independent organization within the Scali, McCabe, Sloves network, which is part of the Ogilvy Group. The agency in 1985 lost the "Rice" in its name when Nancy Rice, vp-exec art director, left to form Rice & Rice.

U.S. accounts

Gained: Lexitel; Armour, frozen foods; Continental Illinois Bank; Emmis Broadcast Group; Federal Express Zap Mail; *Rolling Stone* magazine; US West Information Systems; *Wall Street Journal*; Heath candybars; KRON-TV (San Francisco); Jack Daniels; Marine Midland Bank; Prince, spaghetti sauce.

Lost: Country Kitchen Restaurants; AMF; 3M, personal care prods; Micro Business Applications.

Officers

Pat Fallon, president; Tom McElligott, vp-creative director; Irv Fish, cfo; Fred Senn, acct group director.

Phone: (612) 332-2445.

Foote, Cone & Belding Communications

RANK 9

Chicago

($ in millions)

Worldwide	1985	1984	% chg
Gross income	284.2	268.5	5.8
Billings	1,901.0	1,802.3	5.5
U.S.	**1985**	**1984**	**% chg**
Gross income	213.7	196.9	8.6
Billings	1,431.0	1,324.4	8.1

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	14.9	Magazines	13.8
Supplements	0.5	Radio	5.9
Network tv	31.0	Spot tv	25.0
Outdoor	0.7	Point of sale	2.0
Yellow pages	4.5	Dir. resp. radio	1.7

Work force and facilities in 1985

	Employes	Offices
Worldwide	5,833	62
Domestic	2,968	9

Office billings ($ in millions)

FCB	Chicago	387.0
FCB	New York	171.0
FCB	Los Angeles	225.0
FCB	San Francisco	205.0
Lewis, Gilman & Kynett	Philadelphia	108.0
Albert Frank-Guenther Law	New York	55.0
Albert Frank-Guenther Law	San Francisco	NA
Albert Frank-Guenther Law	Philadelphia	NA
North Castle Partners	Greenwich, Ct.	43.6
Vicom Associates	San Francisco	50.3
Deutsch, Shea & Evans	New York	27.4
Deutsch, Shea & Evans	Washington	0.7
Deutsch, Shea & Evans	Los Angeles	14.6
Deutsch, Shea & Evans	San Francisco	4.4
Deutsch, Shea & Evans	Salt Lake	0.7
Deutsch, Shea & Evans	Denver	1.7
Deutsch, Shea & Evans	Manlan View	6.6
Smith-Hemmings-Gosden	El Monte, Cal.	NA

Annual review

New client Colgate-Palmolive ($100 million in annualized billings), helped push FCB worldwide billings up 6% despite such departures as Lorillard's Kent cigarets ($15 million) and Arco ($10 million). Non-U.S. billings actually dropped 1.7% because of agency consolidation and weakness in some traditionally strong markets. The publicly-held agency recorded a decline in net income of 4% to $16.4 million on record revenues of $287 million, up 4.2%. Management shifts have included naming Abbott C. Jones president of parent Foote, Cone & Belding Communications, a title held by John E. O'Toole, who retired January, 1986. Mr. Jones was president of FCB/Associated Communications, the FCB specialty shops.

On the agency side, Jack M. Young, president of FCB/East, resigned in March, 1986, over a growing "divergence in viewpoints" with Mr. Brown. He supervised FCB/New York and the Greenwich, Conn.-based North Castle Partners. Industry predictions is that FCB will acquire an agency to beef up its New York operations. In 1986, the agency has gained Mattel, worth $20 million in billings, American Medical Intl HMO worth $15 million, and Gillette in France. Also the agency may be the subject of a takeover bid by Shamrock Holdings, an LA-based diversified investment firm, which is boosting its ownership from 7.4% to 25% of stock. FCB has adopted "poison pill" procedures designed to shield it from takeover.

U.S. accounts

Gained: AT&T, consumer mktg; ConAgra, Armour Banquet foods; Supercuts; Sperry, corp adv; Colgate-Palmolive, Ajax line.

Lost: Lorillard, Kent cigarets; Computerland, retail computer outlets; Arco, petroleum prods and corp adv.

Foreign accounts

Gained: Kimberly-Clark Kleenex (Canada, France, Puerto Rico); Colgate-Palmolive dental prods, Ajax cleanser and Fab detergent (Brazil, Canada, France, Germany, Greece, Italy); Gillette Aapri, Silkience and deodorants (Ecuador, Germany, Mexico, Venezuela, U.K.); Nestle, chocolates, milk prods and yogurts (France, Portugal).

Lost: Iberia Airlines (Spain); Cavendish Woodhouse retail furnishings (England); Beaurepaires Tyres (Australia).

Officers

Norman W. Brown, chmn-ceo; Abbott C. Jones, president; Exec vps—W.R. Wirth Jr., corp resources; Allan Wilson Jr., finance. Chmn—William Kiely (U.K.); Emine Messiqua (Europe); Edward Roncarelli (Canada), president FCB Multinational Business Group. Presidents—Antonio S. Beja (Latin America-Pacific-South America); David Ofner (Midwest); Thomas F. Randolph (West).

Phone: (312) 467-9200.

Geer, DuBois

RANK 65

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	15.8	13.5	16.7
Billings	105.0	90.0	16.7

U.S. billings ($ in millions)

	1985	1984	% chg
Media	105	90	16.7
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	10.0	Magazines	25.0
Radio	5.0	Network tv	15.0
Spot tv	30.0	Cable tv	5.0
Outdoor	5.0	Farm pubs.	5.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	185	1
Domestic	185	1

Annual review

New business from IBM, particularly printers, and the launch of Richland 25s for Brown & Williamson were major factors in a billings increase of 16.7% at Geer DuBois. That growth is expected to continue into 1986 as it rolls out Richland 25s's 100mm cigarets and as three or four new clients are expected to assign the agency their business, predicts Geer DuBois.

U.S. accounts

Gained: Netherlands Board of Tourism; Random House, Questron Learning System; St. Vincent's Hospital Center; White Rock Beverage Corp, Moussy non-alcoholic beer, Cardinale Speciale beer.

Lost: Foster Grant, sunglasses; William Grant & Sons, Frangelico, Glenfiddich; E.F. Hutton, retail brokerage.

Officers

Peter Geer, president. Exec vps—John Allen, director agency operations; Steve Olderman, creative director; Brian Sherwood, director mktg; Doria Steedman, director client services. Senior vps—James Adair, art director; Rea Brown, group creative super; Ken Heidelberg, Fred Irwin, mgmt supers; Robert Kilzer, group creative director; Tom Pearse, print production; Joy Siiwa, media director; Rona Yohalem, rsch director. Ed Parella, vp-treasurer.

Phone: (212) 741-1900.

Geers Gross Advertising

RANK 33

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	38.1	37.3	2.1
Billings	257.0	253.6	1.3
U.S.	**1985**	**1984**	**% chg**
Gross income	24.0	23.8	0.8
Billings	170.0	168.0	1.2

U.S. billings ($ in millions)

	1985	1984	% chg
Media	143	142	0.7
Materials/services	15	16	(6.3)
Capitalized fees	12	10	20.0

Billings breakdown by media

Newspapers	6.0	Magazines	25.0
Radio	5.0	Network tv	30.0
Spot tv	28.0	Cable tv	2.0
Outdoor	2.0	Bus. papers	2.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	280	2
Domestic	180	1

Annual review

Nominal growth of 1.2% in U.S. billings was attributed to delays in new launches by existing clients and the departure of ESPN. A drop in employes to 180 from 210 was more a reflection of the sifting down of 1983 acquisition, Kurtz & Tarlow, than of any account stagnation. The agency's objective is to seek out household products and alcoholic beverages. Geers U.K. billings, equal to about a third of its total business, registered a modest 2.4% increase. Geers sold 20% of its equity to Paris-based Eurocom Group in February, 1985. In London, it merged Geers Gross/West into Geers Gross Advertising Ltd.

U.S. accounts

Gained: Nintendo of America; Cosmair, Giorgio Armani fragrance; Kraft, Frusen Gladje, Lender's Bagel Bakery; Hypertek; Fuji Photo Film, mini labs and cameras.

Lost: Neutrogena Corp; ESPN; Prince Foods, Aunt Millie's spaghetti sauce, Luden's.

Foreign accounts

Gained: Chesebrough-Pond's, Renault Trucks, Royal Doulton China, L'Oreal, Vanderbilt fragrance, Homepride Cook-In Sauces (England).

Lost: Baxters Foods, Sodastream (England).

Officers

Robert Gross, chmn; Hank Wasiak, president; Dick Tarlow, vice chmn; Chris Hansen, Kent DeFelice, senior exec vps. Exec vps—John Koutsantanou, cfo; Nancy Jo Kimmerle, rsch director; Russell Gilsdorf, media director; Larry Vine, creative director.

Phone: (212) 916-8000.

Grey Advertising

RANK 11

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	259.3	224.2	15.7
Billings	1,729.5	1,495.2	15.7
U.S.	**1985**	**1984**	**% chg**
Gross income	183.2	155.1	18.1
Billings	1,221.9	1,034.6	18.1

☑

U.S. billings ($ in millions)

	1985	1984	% ch
Media	1,030	907	13!
Materials/services	—	—	—
Capitalized fees	192	127	50!

Billings breakdown by media

Newspapers	8.0	Magazines	17.0
Radio	3.0	Network tv	51.0
Spot tv	17.5	Cable tv	3.0
Outdoor	0.5	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	4,614	112
Domestic	2,234	6

Annual review

Grey recorded its best new busines year in history, gaining 72 clients rep resenting $250 million, some $10 million of that in New York in th fourth quarter. New clients were pace by U.S. Dept. of Treasury for its Com memorative Coin Program, Humana Red Lobster and Mitsubishi. Since th beginning of 1986, Grey also ha launched major new assignments fro long-term clients, including Mis Clairol from Bristol-Myers, York Re taurants from General Mills, and Pla Doh and Fluppy Dogs from Kenne Parker. Grey Chicago also got the A berto Culver business. Grey acquired majority interest in Levine, Huntle Schmidt & Beaver, New York, in Jun 1985. Operations of the two agencie remained autonomous due to compet tive clients in the automotive an watch fields. LHS&B has Subaru o America and Citizen of America.

U.S. accounts

Gained: Grey/N.Y.: Salomon Brot ers; Intl Playtex, Cross Your Hea brassieres, intimate apparel; Amerad Hess Oil Co.; U.S. Dept of the Trea sury Statue of Liberty commemorativ coins; Mitsubishi Motors of Americ Bond Investors Guaranty; Manhatta Industries, John Henry shirts; Gener Mills restaurant group, Red Lobste restaurants, Darryl's; Humana; Radi City Music Hall. Grey/Chicago: Ch cago Mercantile Exchange. Grey/Twi Cities: GNB Batteries. Grey/Weste div: BankAmerica, real estate div Consolidated Freightways; United States Cruises; Moctezuma Imports.

Lost: Grey/N.Y.: Mennen; America Motors Corp, Renault; STP. Grey/ Chicago: Turco Mfg; Lowrey Organ Grey/Twin Cities: Super Valu Store King Koil Sleep prods; Physician Health Plan. Grey/Western div: Tel video Systems; Princess Cruise American Medical Intl.

Foreign accounts

Gained: Beecham (Austria, Canad Chile, Denmark, Mexico, Norway Sweden, U.K.); Nike (Austria, Franc Germany, Norway, Sweden); Cano (Australia, Thailand); Bristol-Mye (Belgium, Canada); Playtex (Belgiu Chile, Germany, Netherlands, Switze land); Mars (Brazil, France, Germany Procter & Gamble (Canada, Nethe lands, Switzerland); Ciba-Geigy (Chil Switzerland, Thailand); Pioneer (De mark, Italy); General Mills (Italy Netherlands); General Foods (Per Philippines); Televideo (Italy, Mexic Sweden); BankAmerica (New Zealan Singapore, Venezuela); Bonafide S (Argentina); Hertz car rental, Amer can Bullion Co., Bayer Chemical, Au tralian Fixed Trusts (Australia); Ho Steiner (Austria); Whitehall (Belgium Aris (Canada); Melitta (Denmark); 3 Scotch videc cassettes, BF Goodric Northwest Airlines (France); Clair

Top 10 agencies in spot tv billings*

Rank	Agency	Spot tv billings 1985	Spot tv billings 1984	U.S. billings 1985	U.S. billings 1984
1	Young & Rubicam	$478.8	$456.9	$1,656.4	$1,632.3
2	Foote, Cone & Belding	357.7	307.3	1,323.0	1,214.0
3	J. Walter Thompson Co.	343.6	297.0	1,604.2	1,387.3
4	D'Arcy Masius Benton & Bowles	316.3	383.4	1,202.6	1,359.8
5	Dancer Fitzgerald Sample	299.1	267.8	861.9	750.2
6	Ogilvy Group	280.7	241.8	1,694.5	1,497.9
7	Bozell, Jacobs, Kenyon & Eckhardt	275.0	NA	1,100.0	935.2
8	BBDO International	265.0	216.0	1,296.1	1,109.7
9	Doyle Dane Bernbach Group	226.5	197.5	1,099.4	981.7
10	Grey Advertising	213.8	206.9	1,221.9	1,034.6

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.
* From 92 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

Quirks and quakes

De Garmo Inc., New York, fell from the agency charts in 1980 when it was swallowed up by Bloomfield, Mich.-based D'Arcy-MacManus & Masius (now D'Arcy Masius Benton & Bowles) which needed to strengthen its New York office. The marriage didn't take, at least for John de Garmo, president of DM&M/de Garmo. He departed in early 1982, concluding three decades in which "de Garmo" had appeared on an agency personnel list in New York.

(Hong Kong); Revlon (Mexico); Carter Wallace (Netherlands); Agfa Gevaert (Norway); American Home Products, Warren Mfg (Peru); General Telephone Directory, Remington (Singapore); American Express, Johnson & Johnson, Rothman's of Pall Mall (South Africa); 3M, Jet Service Courier (Spain); Remington (Sweden); Callard & Bowser, Citicorp, Lloyd's Bank, Slumberdown (U.K.); Boehringer Ingelheim (Uruguay); Block Drugs, Dunkin' Donuts (Venezuela).

Lost: Intercontinental Hotels, Bank-America (Australia); Thomas J. Lipton (Canada); Canada Dry (Chile, Venezuela); Citroen automobiles, Pioneer (Germany); General Mills (Italy); Ciba-Geigy Au vick, Pennzoil (Netherlands); Ciba-Geigy (Peru); Wise & Co. (Philippines); Anglo American, CIC/MGM (South Africa); Firestone, BASF Svenska (Sweden); Chesebrough-Pond's (Switzerland); Monsanto Thailand (Thailand); Fruit of the Loom, Pioneer (U.K.).

Officers

Edward H. Meyer, president-chmn. Exec vps—Robert L. Berenson, admin; Alan B. Fenrick, treasurer, secretary; Barbara S. Feigin, director mktg, planning and strategic devel; Richard M. Karp, Richard R. Kiernan, directors creative services; Alec Gerster, director media, programming; Stephen A. Novick, director broadcast production.

Phone: (212) 546-2000.

Griffin Bacal

RANK 59

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	17.8	7.0	150.3
Billings	117.0	46.8	150.3

U.S. billings ($ in millions)

	1985	1984	% chg
Media	110	42	161.7
Materials/services	7	5	45.3
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	0.4	Magazines	5.4
Radio	0.5	Network tv	23.5
Spot tv	69.7	Cable tv	0.5

Work force and facilities in 1985

	Employes	Offices
Worldwide	152	1
Domestic	152	1

Annual review

Growth from client, Hasbro Inc., gave Griffin Bacal the phenomenal 150% increase in billings and built the agency support staff from 38 to 152. The agency gained Milton Bradley and its Playskool subsidiary at the end of 1984 when MB became part of Hasbro Inc., which recorded total advertising of $84 million in 1984, according to the Advertising Age 100 Leaders issue. Milton Bradley alone could generate up to $25 million in billings, and Playskool, another $10 million at the agency.

U.S. accounts

Gained: Springs Industries; Unique Industries.

Officers

Tom Griffin, president. Exec vps—Joe Bacal, creative services; Art Heller, director media; Paul Kurnit, director client services; Bob Darcy, treasurer. Jenny Leokum, senior vp, creative director. Vps—Bob Marden, Gordon Hunt, Mary Sue Robinson, Gary Wald, mgmt supers; Michele Litzky, director pr; Michael Brochstein, media director; Heide Kahme, director broadcast.

Phone: (212) 645-4900.

Group 3hree Advertising Corp.

RANK 82

Pompano Beach

($ in millions)

Worldwide	1985	1984	% chg
Gross income	11.5	10.6	8.8
Billings	38.3	35.3	8.8

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	31	29	8.8
Materials/services	6	6	8.8
Capitalized fees	1	1	8.8

Billings breakdown by media

Newspapers	28.0	Magazines	18.0
Radio	14.0	Spot tv	22.0
Outdoor	3.0	Bus. papers	5.0
Transit	1.0	Point of sale	1.0
Direct mail	7.0	Catalogs	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	36	2
Domestic	36	2

Annual review

Known as a business-to-business agency, Group 3hree is moving more into user advertising, marked by the user (and business-to-business) work handled for new gain UniDon, which is expanding into 25% of the U.S. in 1986. The agency's loss of First Bankers Corp. when it was bought by First Union Corp. reflects a need for Group 3hree to seek out financial service accounts outside the state. With passage of the interstate banking law in 1985 (it permits reciprocal banking in 11 Southeastern states), there were 26 bank holding companies in Florida. Now there are two as a result of acquisition. To service clients outside Florida, Group 3hree plugs into TAAN, Transworld Advertising Agency Network. The agency strategy—to look for a small number of high quality accounts—is panning out already in 1986. Agency execs predict a 20% growth mainly from new business compared with an 8.8% growth in billings in 1985.

U.S. accounts

Gained: Bendix Chassis and Brake Component div; Donnelley Information Publishing; UniDon, a joint venture of United Telephone of Florida and Donnelley Directory; Emergent Technology Corp; Thoro System Products; Rodime; Barrington Systems.

Lost: Gould Inc.

Officers

Philip L. Rushlow, chmn; O. Leslie Nell, president; David Rushlow, Lee Rushlow, exec vps.

Phone: (305) 785-9000.

GSD&M

RANK 98

Austin, Tex.

($ in millions)

Worldwide	1985	1984	% chg
Gross income	9.5	8.9	7.2
Billings	76.0	61.2	24.3

U.S. billings ($ in millions)

	1985	1984	% chg
Media	44	36	23.3
Materials/services	5	12	(60.1)
Capitalized fees	27	13	104.2

Billings breakdown by media

Newspapers	32.1	Magazines	9.8
Radio	20.2	Network tv	2.5
Spot tv	26.5	Outdoor	8.9

Work force and facilities in 1985

	Employes	Offices
Worldwide	177	4
Domestic	177	4

Office billings ($ in millions)

GSD&M	Austin, Tex.	33.3
GSD&M	San Antonio	NA
GSD&M	Dallas	13.7
GSD&M	Houston	6.2

Annual review

New accounts, particularly Texas State Optical, obtained from McCann-Erickson where it was serviced 15 years, Muse Air, obtained from Richards Group, and Sassoon cosmetics and Fox & Jacobs builders will add up to $16 million in new billings in 1986, ensuring continued growth at GSD&M which had a billings growth of 24.3%. For the most part, these accounts with the addition of Houston Lighting & Power came at the end of 1985.

U.S. accounts

Gained: Texas State Optical; Muse; State of Texas Highway Dept; Fox & Jacobs; Milburn Realtors; Sassoon.

Lost: Docutel/Olivetti; Natl Convenience Store.

Officers

Stephen Gurasich, president. Exec vps—Roy Spence; Kim Gaynor; Tim McClure, exec creative director; Judy Trabulsi, media director; Carl Larkin; Robert Lansdowne.

Phone: (512) 327-8810.

HBM/Creamer

RANK 28

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	47.4	44.4	6.8
Billings	318.0	296.0	7.4

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	4.0	Magazines	28.0
Supplements	1.0	Radio	5.0
Network tv	32.0	Spot tv	25.0
Cable tv	1.0	Outdoor	1.0
Bus. papers	2.0	Other	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	718	7
Domestic	718	7

Annual review

Gains from new clients, Nestle's Taster's Choice ($20 million in billings annualized), Connecticut Mutual Life and Foot Joy ($5 million each), Pennsylvania Dairy Assn. ($2 million), and $30 million in increased assignment from existing accounts helped give HBM/Creamer a 7.4% increase in billings. The agency expects to boost its billings by $56 million in 1986, up 17%—a goal enhanced by the acquisition (July, 1985) of Albert Jay Rosenthal & Co., Chicago.

U.S. accounts

Gained: Nestle, Taster's Choice coffee; Conn. Mutual Life Insurance; Foot Joy; Hart Shaffner Marx, Jay Mar div; Home Equity; Pa. Dairy Assn; McDonald's Operator Group (Altoona); Hoffman Koos Stores; Thomas J. Lipton, special mkts; Revere Ware; Fram Automotive.

Lost: Devault Packing; State Mutual Life; Orval Kent.

Officers

Chmn—Donald E. Creamer; William E. Sprague (Pittsburgh); Albert Jay Rosenthal (Chicago). Harold L. Strauss, vice chmn. Presidents—Edward Eskandarian; Herbert F. Burger (Pittsburgh); Michael F. Pedone (New York); Peter W. Evans (Boston); Seymour Dordick (Chicago). Exec vps—Albert J. Bouchard Jr., Stanley D. Levitz, James F. Comerford (New York); Mary Moore (Boston); Yale Gordon (Chicago); Richard J. Weber (Pittsburgh).

Phone: (212) 887-8000.

HCM

RANK 21

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	75.0	72.2	3.9
Billings	500.3	481.3	3.9
U.S.	**1985**	**1984**	**% chg**
Gross income	24.8	30.6	(18.9)
Billings	185.4	204.0	(18.9)

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	86	110	(22.0)
Materials/services	32	35	(7.5)
Capitalized fees	48	60	(19.8)

Billings breakdown by media

Newspapers	9.7	Magazines	20.5
Supplements	0.2	Radio	9.3
Network tv	9.3	Spot tv	15.9
Outdoor	1.8	Bus. papers	33.3

Work force and facilities in 1985

	Employes	Offices
Worldwide	1,430	31
Domestic	341	4

Office billings ($ in millions)

HCM	New York	55.7
HCM	Chicago	69.2
HCM	Los Angeles	26.5
HCM	Pittsburgh	13.2
HCM	Denver	0.7

Annual review

HCM, a joint venture between Paris-based Eurocom (51%) and Young & Rubicam, New York (49%), recorded an over-all billings growth of 3.9%, a figure affected by a drop of 18.9% in U.S. billings. The U.S. decline primarily was a result of reduced spending in the post-Olympic year from clients like Beatrice, which spent nearly $30 million in annualized billings in 1984. The agency lost $8 million in annualized billings from the loss of four clients, but gained $40 million in potential billings from the acquisition of client Jack In The Box ($23 million), Empire Blue Cross/Blue Shield ($5 million), New Zealand Lamb ($5 million), and Columbia Pictures tv syndication ($2 million). The first two gains added to existing client, Dannon, will account for $60 million in annualized billings. In 1986, HCM has picked up the Manhattan Cable and Columbian Savings & Loan accounts, and could get Peugeot Motors of America. HCM already handles the Peugeot dealers overseas account, which is worth an estimated $60-$75 million.

U.S. accounts

Gained: Jack In The Box; New Zealand Lamb; Empire Blue Cross/Blue Shield; Dannon, new prods; Columbia Pictures.

Lost: Perkins, restaurants; Tobacco Institute; Jay's Food, GAB.

Foreign accounts

Gained: Speedy Mufflers (Belgium, France); Philips tv and appliances, L'Oreal perfume, P. Predault delicatessen, De Dietrich home appliances, Pommery champagne, Motorola components, EDF electricity board, Loto, Henkel detergent (France); Peugeot Dealers (Italy, U.K.); Dannon dairy, Grundig tv/hifi (Spain); Damart underwear (Germany, Italy, Netherlands, Spain); Credit Suisse Intl, Caterpillar (Switzerland); Sopexa wines, Chanel perfume, BSN Cracotte bread, Dow chemicals, Peek Cloppenburg retail stores (Germany); Marantz hifi, Devos food prods, 3M household prods, Honeywell (Belgium); Vrijis publication (Netherlands).

Lost: SEAT cars, NG retail stores (France); SBG bank (Belgium); Garnier cosmetics (Spain); Rivita, Citizen watches, AKAI, Crest (U.K.).

Officers

Robert Schmetterer, ceo-worldwide; Alain de Pouzilhac, coo-Europe. Mng directors—Patrick Hillman (New York); Thomas Sharp (Chicago); Charles W. Reynolds Jr. (Los Angeles). Michael Drazen, Dale Landsman, exec vps.

Phone: (212) 752-6500.

Henderson Advertising

RANK 80

Greenville, S.C.

($ in millions)

Worldwide	1985	1984	% chg
Gross income	11.7	11.3	3.8
Billings	78.3	75.4	3.9

U.S. billings ($ in millions)

	1985	1984	% chg
Media	60	58	2.2
Materials/services	11	7	47.4
Capitalized fees	8	10	(18.3)

Billings breakdown by media

Newspapers	5.0	Magazines	4.0
Radio	8.0	Network tv	52.0
Spot tv	22.0	Cable tv	1.0
Outdoor	1.0	Bus. papers	1.0
Point of sale	3.0	Direct mail	1.0
Dir. resp. mags.	1.0	Other	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	136	1
Domestic	136	1

Annual review

Sales promotion and direct marketing are two divisions expected to grow in billings by 25% in 1986 when a full-year's impact of new clients—$15 million in new billings—is expected to be felt. This new business added at mid-year, in particular First Atlanta and Quincy Steak House (Spartan Foods), push up billings by 3.9%, but should help generate 9% growth in 1986 when billings will hit an estimated $85 million, says the agency. A "new" management team has been in place the past five years. This will soften the impact of the retirement, April 1, 1986, of principals Messrs. James Henderson and Fred Walker.

U.S. accounts

Gained: First Natl Bank of Atlanta; Spartan Food Systems, Quincy's Steak House; Texize, Pine Magic; Hanes Activewear.

Lost: Procter & Gamble, Head & Chest, Chloraseptic.

Officers

James M. Henderson, chmn; Fred C. Walker, vice chmn; Ralph W. Callahan Jr., president. Senior vps—James F. Brandhorst, acct service; John J. Kennedy Jr., finance, treasurer; Robert J. Reuschle, media; Marc A. Williams, exec creative director.

Phone: (803) 271-6000.

Hicks & Greist

RANK 78

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	12.3	12.0	2.5
Billings	94.0	92.5	1.6

U.S. billings ($ in millions)

	1985	1984	% chg
Media	87	85	2.4
Materials/services	3	3	0.0
Capitalized fees	4	4	(11.6)

Billings breakdown by media

Newspapers	12.0	Magazines	27.0
Radio	7.0	Network tv	20.0
Spot tv	22.0	Cable tv	3.0
Outdoor	2.0	Bus. papers	3.0
Transit	1.0	Point of sale	1.0
Direct mail	2.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	125	1
Domestic	125	1

Annual review

Gains from existing client H.P. Hood Dairy (estimated $6.5 million) slightly offset the loss of L.S. Heath & Sons ($6 million) as billings at H&G leveled out to a 1.6% gain. Other existing clients include the $5 million trade and circulation promo account for *Family Circle* magazine, and the $10 million busi-

Top 10 agencies in cable tv billings*

Rank	Agency	Cable billings 1985	Cable billings 1984	U.S. billings 1985	U.S. billings 1984
1	Young & Rubicam	$50.3	$25.9	$1,656.4	$1,632.3
2	Grey Advertising	36.7	20.7	1,221.9	1,034.6
3	BBDO International	29.5	12.6	1,296.1	1,109.7
4	Doyle Dane Bernbach Group	26.7	27.1	1,099.4	981.7
5	J. Walter Thompson Co.	23.5	23.1	1,604.2	1,387.3
6	Bozell, Jacobs, Kenyon & Eckhardt	23.1	NA	1,100.0	935.2
7	Dancer Fitzgerald Sample	19.8	17.3	861.9	750.2
8	Wells, Rich, Greene	19.0	12.4	633.8	618.0
9	Ted Bates Worldwide	14.0	7.7	785.1	672.7
10	Jordan, Case, Taylor & McGrath	8.4	6.6	210.0	165.1

NOTE: Dollars in millions. Subsidiaries not included in parent companies.
* From 92 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

ness-to-business Control Data account. The agency strengthened a direct marketing unit, staffing it with 20. Over-all employment, however, went down from 140 to 125. H&G, however, can crow about a new account—Cadbury chocolates—gained early this year.

U.S. accounts

Gained: H.P. Hood Dairy.

Lost: L.S. Heath & Sons; Coty, Sophia fragrance.

Officers

Presidents—D. Edward Ricchiuto; Bob Tenny, E.T. Howard; I.S. Kogan, I.S. Kogan & Co. Charles V. Skoog Jr., chmn; Hank Seiden, exec vp, creative; William L. Roper, chmn exec committee. Senior vps—William Wurtzel, creative director; Gerry Cutler, Ken Silvers, acct services.

Phone: (212) 370-9600.

Hill Holliday Connors Cosmopulos

RANK 38

Boston

($ in millions)

Worldwide	1985	1984	% chg
Gross income	32.7	26.3	24.3
Billings	218.1	175.4	24.4
U.S.	**1985**	**1984**	**% chg**
Gross income	28.8	22.7	26.6
Billings	192.0	151.5	26.7

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	38	52	(27.6)
Materials/services	5	6	(21.9)
Capitalized fees	149	93	60.3

Billings breakdown by media

Newspapers	18.0	Magazines	18.0
Radio	10.0	Network tv	15.0
Spot tv	25.0	Cable tv	3.0
Outdoor	2.0	Bus. papers	3.0
Direct mail	3.0	Dir. resp. mags.	3.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	524	7
Domestic	395	2

Annual review

New account gains led by John Hancock Cos. with $20 million in annualized billings brought in more than $36 million in new business, and existing client growth added another $5 million as HHCC recorded a 24% increase in billings. The agency's big winner was its New York office whose accounts, led by Irish Tourism Board and Aer Lingus, pushed up billings by 668% over 1984. The Los Angeles office, however, was closed and will relocate in San Francisco. The agency strengthened its overseas business via merger in London with Aspect Ltd., and entered into a joint venture in Australia with Magnus Nankervis & Curl, Sydney.

U.S. accounts

Gained: John Hancock Cos.; NYNEX Corp/Business Information Systems Co.; *NY Newsday*; WOR-TV; New Jersey Ford Dealers; Polaroid Corp, industrial div; Albimar Communications; Chattem Inc., consumer prods div; NY Cotton Exchange; Southland Corp, 7-Eleven Stores.

Lost: New England Life; Stride Rite; Puma, USA.

Foreign accounts

Gained: Abbey Life, Ambassador Life, French Food & Wine, Grant's Whiskey, Hoechst, London Transport Advertising, Mercantile Credit, New Man, Potterton Intl, RCA, Samuel Montagu & Co., Swissco, Thorn-EMI, Wendy Wool (U.K.); Cincom Systems Germany); GO Software (France); ICL (Germany); Adaston Devel, Cincom Systems Asia/Pacific, Colliers, Durham Devel, Schroder Darling Property div (Australia); Siberhegner Machinery (Hong Kong).

Lost: Malaysian Tourist Board (Germany, Hong Kong, U.K.); McCormack & Dodge Europe (France).

Officers

George J. Hill, III, chmn; John M. Connors Jr., president. Exec vps—Joseph Norberg, cfo; Dick Pantano, creative director (Boston); Walter M. Pile Jr., gm; Jack Sansolo, director mktg services; Anthony Winch, co-creative director. Malcolm MacDougall, president, creative director (New York). Senior vps—Scott Cheyne, William Matteson, Michael Wilder, acct services; Carolyn Clark, director mktg; Don Easdon, co-creative director; Robert Curry, Douglas Houston, William Heater, Seumas McGuire, Peter Nichols, assoc creative directors; Dennis Farrington, asst to the president; Ann Finucane, mgr-creative services; Justin Harrington, Thomas Woodard, mgmt supers; Felice Kincannon, media director; John F. Mills, finance; Susan Smith, intl; Yustin Wallrapp, director pr; Christine Miller, mng director (New York).

Phone: (617) 437-1600.

Ingalis Associates

RANK 75

Boston

($ in millions)

Worldwide	1985	1984	% chg
Gross income	12.7	12.7	(0.4)
Billings	84.3	85.0	(0.8)

U.S. billings ($ in millions)

	1985	1984	% chg
Media	50	53	(4.5)
Materials/services	9	10	(6.8)
Capitalized fees	25	23	10.0

Billings breakdown by media

Newspapers	17.0	Magazines	15.0
Medical journ.	2.0	Radio	12.0
Network tv	8.0	Spot tv	34.0
Cable tv	1.0	Outdoor	1.0
Bus. papers	5.0	Transit	1.0
Yellow pages	1.0	Direct mail	3.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	229	1
Domestic	229	1

Annual review

Ingalls, which recorded a slight decline of 0.8% in billings, will merge this September with Quinn & Johnson, the BBDO direct marketing subsidiary. The resulting agency, named Ingalls, Quinn & Johnson, will have combined billings of $133.6 million, considering Quinn & Johnson's estimated billings of $49.3 million in 1985. The merged shops will have to sort out account conflicts in retail, restaurants and auto dealer associations.

Ingalls had growth of $22 million from existing clients. However, reduced spending came from the $5 million account for Dennison Co. Dennison acquired Elephant Floppy Disk Co., but did not spend up to its potential because of poor results from Elephant Floppy. Dennison's over-all budget underwent a drastic cut. New clients, Cabot Stain and Infocom will provide $1.5 million-plus each in new billings in 1986.

U.S. accounts

Gained: Gold Bond; Infocom.

Lost: Key Banks; Knapp Shoe Corp; Balfour Co.; Sporto; First New Hampshire Banks.

Officers

S. Joseph Hoffman, chmn-ceo; David I. Weiss, president-coo. Exec vps—Harold J. Turin; Carol L. Wright, acct services; Brendan P. Kelley, creative services; Robert E. Corriveau, admin. Senior vps—William B. Singer, treasurer; J. Michael Powers, Walter Prior III, mgmt supers; Milton E. Wuillermier, creative; John M. Reed, media services; Peter A. Taves, mktg services; Gerald Swerling, director pr; Christine A. Rowean, assoc creative director.

Phone: (617) 437-7000.

Jordan, Case, Taylor & McGrath

RANK 41

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	28.4	24.2	21.5
Billings	210.0	165.1	27.2

U.S. billings ($ in millions)

	1985	1984	% chg
Media	176	135	30.2
Materials/services	6	5	29.2
Capitalized fees	28	25	10.7

Billings breakdown by media

Newspapers	2.0	Magazines	10.0
Supplements	2.0	Radio	10.0
Network tv	45.0	Spot tv	25.0
Cable tv	4.0	Outdoor	1.0
Bus. papers	1.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	276	1
Domestic	276	1

Annual review

New clients growth accounted for $15.7 million and existing client activity increased $29.3 million at JCTM for a net increase in billings of $45 million, up 27%. Gains during the year included $3.5 million from Lehn & Fink (Chubs and Wet Ones), $8 million from Morse's Fayva Shoes, $10 million P&G's Zest soap, $7 million Tonka Pound Puppies, and $1.5 million General Electric Credit Corp. Morse, Tonka, Aetna, P&G and Progresso offer an aggregate $35 million in annualized billings. A billings increase of 15%-19% in 1986 is expected at JCTM, the new "T" in the agency's name standing for John L. Taylor, exec vp elevated to principal.

U.S. accounts

Gained: Lehn & Fink, Chubs, Wet Ones, new prods; Morse Shoe, Fayva Shoes; Procter & Gamble, Zest soap, new prods; Norcliff-Thayer, Avail vitamins; Tonka, Pound Puppies; General Electric Credit Corp.

Officers

James J. Jordan Jr., chmn; Gene Case, exec vp; Patrick J. McGrath, president; John L. Taylor, exec vp.

Phone: (212) 906-3600.

Kallir, Philips, Ross

RANK 81

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	11.6	10.7	8.7
Billings	112.9	103.8	8.7
U.S.	**1985**	**1984**	**% chg**
Gross income	11.4	10.6	7.8
Billings	111.8	103.4	8.1

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	21	19	11.0
Materials/services	14	13	5.7
Capitalized fees	76	71	7.8

Billings breakdown by media

Newspapers	1.0	Medical journ.	55.0
Cable tv	1.0	Direct mail	23.0
Fsi	—	Other	20.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	185	3
Domestic	150	1

Annual review

KPR, a specialist in medical advertising, credits its 8.7% increase in billings to an increase in fees from existing clients, and new business worth $4 million from existing clients and $4 million in new clients. Particularly active was J&J Baby Products, which accounted for $4 million in new product advertising. The agency has picked up Ortho International's oral contraceptive, which has been worth $500,000 in billings since the turn of the year. Norman Cooper was elevated to president-coo succeeding John Kallir, the newly named chairman-ceo. Gerald Philips and Warren Ross also were named vice-chairmen from creative services director and exec committee chairmen, respectively. KPR is a Doyle Dane Bernbach subsidiary.

U.S. accounts

Gained: J&J Baby Products Co., Sundown, Advanced Care Products, an unnamed new prod.

Lost: Wyeth Laboratories, Ativan, SMA.

Foreign accounts

Gained: Paling Ellis/KPR, (U.K.).

Officers

John Kallir, chmn-ceo; Warren Ross, Gerald M. Philips, vice chmns; Norman Cooper, president-coo. Exec vps—Richard Grossman, copy; Leo Palmer, client services, mktg; John Geryak, art; John Racik, OTC div.

Phone: (212) 878-3815.

Keller-Crescent Co.

RANK 48

Evansville, Ind.

($ in millions)

Worldwide	1985	1984	% chg
Gross income	22.0	22.5	(2.4)
Billings	117.5	114.0	3.1

U.S. billings ($ in millions)

	1985	1984	% chg
Media	25	24	6.9
Materials/services	37	40	(7.9)
Capitalized fees	56	51	10.0

Billings breakdown by media

Newspapers	8.9	Magazines	18.7
Radio	7.0	Network tv	3.5
Spot tv	17.5	Outdoor	2.8
Bus. papers	7.0	Other	34.6

Work force and facilities in 1985

	Employes	Offices
Worldwide	585	2
Domestic	585	2

Office billings ($ in millions)

Keller-Crescent Co.	Evansville, Ind.	93.3
Keller-Crescent Co.	Irving, Tex.	24.2

Annual review

The ebb and flow of clients at Keller-Crescent by yearend left the agency with only a modest 3% gain in billings. Most of the agency's gains and losses were in the $1 million-annualized-billings range. Northern Laboratories, the agency's largest client, which provides $2 million in billings, weighed in on the plus side. Competition in the market was tough, says the agency which gained 15 and lost 12 clients.

U.S. accounts

Gained: Atlas Van Lines; Bexor Polymers; Sanyei of America; The Snacktime Co.; Sunbeam Plastics Co.; Chippewa Shoe Co.; Crystal Semiconductor Corp; Honeywell Optoelectronics; Show Biz Pizza Time; SRX, Inc.; Karl Schmidt Corp; Structo; Residence Inn; Systems Center; Northern Laboratories.

Lost: Fannie May candy shops; Godfather's Pizza restaurants; Justus Enterprises; Kimball Office Furniture; O.D.I.; NCCEL Corp; Kreepy Krauly USA: Telemarketing Communications; Tell City Natl Bank; Whirlpool Corp; Tri-State Aero; Emge Meat Packing.

Officers

Thomas Smythe, president. Exec vps—Robert Hampel; Al Samuelson, director planning, creative, media; Del Graham, production, operations service; Fred Kitch, mktg, sales; Jack Cohen, client services. Richard Wirrgen, senior vp, client services; Ben Fitzpatrick, Frank Ferrara, Ron Edwards, group vps, client services. Vps—Ron Lucas, James E. Morse, Dave Painter, Ronald B. Watkins, Gene Hacker, Ray Canafax, Gary McCamment, Kay Fitzpatrick, Hank Zunk, Pete Quinlan, Steve Nienaber, acct supers; Jim Weitzel, mktg services; Gerald Ulrich, creative director; Bob Ubelhor, systems mgmt; John McConnell, lithographic operations; Eugene Stevens, creative production services. Southwest—Ray Trapp, president; Thomas M. O'Connor, exec vp-client services; Robert A. Reagan, senior vp-mgmt super; Celesta Segerstrom, vp-creative group head.

Phone: (812) 464-2461.

Ketchum Communications

RANK 22

Pittsburgh

($ in millions)

Worldwide	1985	1984	% chg
Gross income	62.9	60.9	3.3
Billings	417.5	406.1	2.8
U.S.	**1985**	**1984**	**% chg**
Gross income	58.9	53.1	7.2
Billings	377.5	354.1	6.6

U.S. billings ($ in millions)

	1985	1984	% chg
Media	246	245	0.1
Materials/services	28	25	9.9
Capitalized fees	104	84	24.9

Billings breakdown by media

Newspapers	7.4	Magazines	16.7
Radio	7.3	Network tv	14.7
Spot tv	29.0	Outdoor	0.9
Bus. papers	6.6	Yellow pages	15.3
Direct mail	2.1	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	1,050	17
Domestic	864	12

Annual review

New business gained by Ketchum—American Honda Motor Co.'s Acura div., Pizza Hut regional divisions, Roman Meal, Phar-Mor discount drugs, Crown Zellerbach and Four Seasons—have the potential to produce $45 million in annualized billings in 1986. Minor contributions from these clients helped produce a net gain for the agency of $11 million in billings, or a 3% increase. Client, American Honda Motor Co., prompted the agency to open a Los Angeles office to service its business, and Ketchum sold its Houston office to First Marketing Group. Ketchum Direct closed its office and moved the $7 million Bell Atlantic account from there to New York. Ketchum PR bought Bohle Co., Los Angeles, and renamed it Ketchum/Bohle PR. In 1986, the agency lost Ketchum/San Francisco president, Don Sullivan, to JWT USA/Chicago where he was named general manager. New client in 1986, Melitta, is expected to stimulate billings.

U.S. accounts

Gained: American Honda Motor Co., Acura div; Pizza Hut restaurants (Northeast, Cumberland, Alleghany, Western N.Y.); Roman Meal Co; Phar-Mor; Atlantic Refining & Marketing Co.; American Trucking Assn; Great America theme park; Chemical Bank (N.J., Conn.); Crown Zellerbach; Gardena; Four Seasons.

Lost: Coleco Industries, Adam computers; Wallpapers To Go; Homelite/Jacobsen; Lyon's Restaurants; Hansen's; Union Trust Co. of Maryland.

Foreign accounts

Gained: Miller Lite beer, Porsche Automobiles (Japan).

Lost: Leeds Permanent Building Society (U.K.).

Officers

Chmn—William H. Genge, Ketchum Communications; Paul Alvarez, Ketchum Public Relations. Robert W. Kroyer, ceo, Ketchum Advertising (San Francisco). Presidents—Gerald J. Voros, Ketchum Communications; Herbert D. Gordon, Ketchum Yellow Pages; Maryalice Fullmer, Ketchum Direct; Thomas J. Smith, Ketchum Intl. Presidents of Ketchum Advertising—Ken Dudwick (San Francisco); Thomas R. Miller (New York); Gerard S. Grosso (Philadelphia); George G. Guimaraes (Pittsburgh); J. Craig Mathiesen (Los Angeles). Exec vps—Edward L. Graf, finance and law; Joseph M. Coogle, operations and planning.

Phone: (412) 456-3500.

Kobs & Brady Advertising

RANK 93

Chicago

($ in millions)

Worldwide	1985	1984	% chg
Gross income	10.2	7.7	32.2
Billings	70.3	52.0	35.2

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	11	4	159.4
Materials/services	4	3	15.6
Capitalized fees	55	44	24.5

Billings breakdown by media

Direct mail	20.9	Catalogs	10.1
Dir. resp. tv	17.8	Dir. resp. radio	4.1
Dir. resp. news.	3.8	Dir. resp. mags.	37.8
Telemarketing	4.0	Fsi	1.5

Work force and facilities in 1985

	Employes	Offices
Worldwide	133	2
Domestic	133	2

Office billings ($ in millions)

Kobs & Brady Adv.	Chicago	39.5
Kobs & Brady Adv.	New York	30.8

Annual review

Agencies seeking takeovers salivate over high-performing direct marketing agencies like Kobs & Brady, which recorded a 35% increase in billings. And that is what is happening to K&B. Ted Bates Worldwide was expected to reach a buyout agreement with K&B in March, 1986. The shop handles big accounts, HBO, the U.S. Navy, Sperry-Rand and Group W Cable, the last of which is winding down because of the sale of cable operations. All are in the $4 million to $6 million billings range. Of the $18 million increase in billings, more than $10 million came from existing clients and the rest was in new business. K&B also closed a small office in Minneapolis. New clients since the turn of the year include Montgomery Ward's Signature Group, Hartmarx and Nissan truck div.

U.S. accounts

Gained: Allstate Insurance Co.; Ameritech Mobile Communications; American Home Shield; Avis Car Rental; Colgate-Palmolive; Fredrick's of Hollywood; Kroger Co.; Pizza Hut, delivery system; Scholl; Viewdata Corp of America.

Lost: Genesco; Happy Trails Resorts; Informatics General Corp, Ordernet service div.

Officers

Jim Kobs, chmn-ceo; Howard Draft, president-coo; Tom Brady, Bill Gregory, exec vps; Dan Ginsburg, Sid Liebenson, Craig Thomas, Lynn Fantom, Glenn Peters, Sandy Moltz, Bob Zyontz, Amelia Capriulo, senior vps; Richard Meyers, vp-director admin services, treasurer.

Phone: (312) 944-3500.

Kornhauser & Calene

RANK 84

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	11.2	11.3	(1.0)
Billings	121.3	120.4	0.7

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	118	120	(1.5)
Materials/services	—	—	—
Capitalized fees	3	1	334.8

Billings breakdown by media

Newspapers	3.0	Magazines	10.0
Supplements	2.0	Radio	7.0
Network tv	60.0	Spot tv	10.0
Cable tv	3.0	Bus. papers	4.0
Transit	1.0	Other	—

Work force and facilities in 1985

	Employees	Offices
Worldwide	131	1
Domestic	131	1

Annual review

Billings were flat during the year, increasing only 0.7% as growth from existing clients totaled about $7 million to offset losses. New client arrivals included Barr Labs and Power Diet Regimen. Both clients, added at year-end, offer annualized billings of $2 million and $1 million, respectively. Clients added in 1986, Gold Coast Bank and California Home Brands, a petfood marketer, each have potential billings of $2 million. The agency affiliated with Garrido Group, an Hispanic agency.

U.S. accounts

Gained: Barr Laboratories; Power Diet Regimen Co., Dr. Stuart Berger's Power Diet Regimen; American Home Products, Anacin-3 caplets, Black Flag pine scented insecticides, Dennison's hash, Dry Breezes Silken Rose, Exotic Blossoms, Meadow Flowers air fresheners, Easy Off Pot & Pan Cleaner, Easy Off Maximum Cleaning System, Mamma Leone's frozen entrees; Church & Dwight, Arm & Hammer Dental Care toothpaste, Arm & Hammer Dryer Sheets, Arm & Hammer all fabric bleach, Scrunge Household Scratchless cleaning pads, Scrunge Cookware Scratchless cleaning pads; Purdue Frederick, Betadine First Aid prods; Natl Westminster Bank plc North America, financial notices.

Lost: Arthritis Pain Formula, Cone Mills, Parlux.

Officers

Henry Kornhauser, chmn-ceo; John Calene, president, director creative services. Exec vps—Mike Cotter, creative; Stanley Turk, mktg, new business; Robert L. Wise, cfo-treasurer; Robert Ballerini, Alan Yarnoff, acct services. Kenmore Emerson, senior vp-acct director, new business.

Phone: (212) 490-1313.

Laurence, Charles, Free & Lawson

RANK 37

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	33.3	32.3	3.1
Billings	235.0	215.0	9.3

U.S. billings ($ in millions)

	1985	1984	% chg
Media	207	192	7.8
Materials/services	13	11	18.2
Capitalized fees	15	12	25.0

Billings breakdown by media

Newspapers	11.0	Magazines	23.0
Supplements	1.0	Radio	2.0
Network tv	25.0	Spot tv	22.0
Cable tv	2.0	Outdoor	7.0
Bus. papers	1.0	Transit	5.0
Point of sale	1.0	Other	—

Work force and facilities in 1985

	Employees	Offices
Worldwide	279	3
Domestic	279	3

Annual review

A Mickelberry agency, LCF&L expects billings in 1986 to top the 9.3% increase it recorded in 1985, a year in which the agency lost its large Heublein business worth $18 million but picked up National Distillers in the spring and six McDonald's owner-operator associations at yearend. The McDonald's business put the agency in the fastfood industry for the first time. Already in 1986 the agency has gained Pall Malls and Tareyton cigarets from American Tobacco and Clairol's Condition haircare line. The agency added Tom Lawson from then Rosenfeld, Sirowitz & Lawson as president and put his name on the shingle. The McDonald's business soon followed.

U.S. accounts

Gained: McDonald's Owner/Operators Assn (New York, South Eastern Michigan, Quad, Outstate, Madison, Milwaukee); Natl Distillers, Windsor Canadian, Sauza Tequila, Vat 69; Talisker, King George IV, Keller Geister, Canadian House; Beneficial Tax Mgmt.

Lost: Heublein.

Officers

Charles Goldschmidt, chmn exec committee-ceo; Thomas E. Lawson, president; Laurence D. Dunst, chmn; F. William Free, Martin Smith, vice chmns. Exec vps—Alfred L. Evans Jr.; Alfred Magnane; Paul Hodges, Samuel Alfstad, creative directors. Senior vps—Daniel Franklin, creative director; Gary Brown, gm (Michigan); Frank Macina, gm (Wisconsin); Richard Goldschmidt, Robin Koval, Anne Mahoney, Marc Rodgers, Linda Tilton, mgmt supers; Janice C. Clements, mktg services, media; Robert Adler, media director; Paul Hiromura, mktg rsch; Doris Gould, broadcast media director; Ellen Goldschmidt, broadcast production; Jack Mitnick, print production. Noel Muniz, vp-treasurer.

Phone: (212) 661-0200.

Leber Katz Partners Advertising

RANK 36

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	33.7	32.4	4.0
Billings	290.6	279.3	4.0

U.S. billings ($ in millions)

	1985	1984	% chg
Media	235	229	2.9
Materials/services	16	14	11.8
Capitalized fees	39	36	8.0

Billings breakdown by media

Newspapers	15.0	Magazines	27.0
Radio	11.0	Network tv	25.0
Outdoor	5.0	Bus. papers	3.0
Direct mail	4.0	Dir. resp. news.	2.0
Dir. resp. mags.	6.0	Other	2.0

Work force and facilities in 1985

	Employees	Offices
Worldwide	304	1
Domestic	304	1

Annual review

In 1986, Leber Katz expects internal growth alone will top its billings growth of 4% in 1985. That growth will come partially from two big clients, Reynolds' Tobacco, for which the agency is launching Ritz cigarets in April after considerable testing, and Campbell's Soup, for which the agency launched its dry soup and recipe mix in the fall. Those billings will mature in 1986. The agency added a number of key people, senior vp level and above: Marvin Honig, chief creative officer, a DDB alum; Charles Evans, senior vp/mgmt rep, formerly at FCB & O&M; Dave Fulton, senior vp-media director, from Y&R; Howard Berg, senior vp/mgmt super, formerly with Calvillo Shevack & Partners; Ellen Perless, senior vp, creative director, a JWT & Y&R alum.

U.S. accounts

Gained: CBS Magazine Network, *Woman's Day*; Campbell Soup Co., Juice Works beverages, devel, new prods; CitiCorp; Focus Acct; *Self* magazine; Heublein, Viking Fjord Vodka, Arrow Cordials, Club Cocktails, Heublein Cocktails; Richardson-Vicks, new prods, healthcare; mkt. counsel, Chrysler; Sara Lee; Scott Paper Co., new prods.

Lost: U.S. Shoe Corp; *Vanity Fair*

Officers

Stanley H. Katz, chmn-ceo. Vice chmn —Laurel Cutler, director mktg, planning; Murray A. Valenstein. Jonathan L. Adams, president-coo. Exec vps—Walter Carey; Jerome Davidow, Samuel Eisnitz, acct mgmt; Robert Hirsch, mgmt rep; Marvin Honig, chief creative officer; Paul Lucy, chief admin officer. Kenneth Damsky, senior vp-finance, treasurer-cfo.

Phone: (212) 705-1000.

Al Paul Lefton Co.

RANK 95

New York/Philadelphia

($ in millions)

Worldwide	1985	1984	% chg
Gross income	9.8	9.4	4.2
Billings	65.0	62.4	4.2
U.S.	**1985**	**1984**	**% chg**
Gross income	9.8	9.2	4.2
Billings	64.0	61.4	4.2

U.S. billings ($ in millions)

	1985	1984	% chg
Media	64	61	4.2
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	14.0	Magazines	11.0
Radio	15.0	Network tv	10.0
Spot tv	24.0	Cable tv	1.0
Bus. papers	15.0	Farm pubs.	5.0
Direct mail	4.0	Other	1.0

Work force and facilities in 1985

	Employees	Offices
Worldwide	185	2
Domestic	185	2

Office billings ($ in millions)

Al Paul Lefton Co.	New York	30.0
Al Paul Lefton Co.	Philadelphia	35.0

Annual review

More activity from major new clients, Amalie (Kendall Motor Oil) and Brother Intl (electronic typewriters), which helped push up billings by 4.2%, is expected in 1986. The agency also reported an active year for its direct marketing unit founded 18 months ago, and its 2-year-old public relations operations. Both units are located in Philadelphia, where the agency was founded. Today, the New York half of the company nearly equals billings totals coming out of Philadelphia.

U.S. accounts

Gained: Witco Corp, Amalie Motor Oil; Armstrong World Industries, pr; Beneficial Savings Bank; Brother Intl, electronic typewriters; Compuscan; Delaware Trust Co.; Harry Winston Inc.; Simpson Hardware Group.

Officers

Al Paul Lefton Jr., president-ceo; Grayson F. Lathrop, chmn; James W. North, exec vp; Norman Lewis, cfo.

Phone: (212) 867-5100.

Levine, Huntley, Schmidt & Beaver

RANK 72

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	13.1	10.6	23.0
Billings	87.4	71.3	22.6

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	60	52	14.3
Materials/services	10	7	35.2
Capitalized fees	18	12	52.7

Billings breakdown by media

Newspapers	6.0	Magazines	19.0
Radio	10.0	Network tv	16.0
Spot tv	38.0	Cable tv	2.0
Outdoor	2.0	Bus. papers	4.0
Transit	3.0	Other	—

Work force and facilities in 1985

	Employees	Offices
Worldwide	156	3
Domestic	156	3

Annual review

Billings shot up 23%, an increase heavily influenced by $10 million in annualized billings each from new accounts, New York Air and Seagrams. Existing client, Citizen Watch, continued to spend heavily ($15-$20 million in new business) as did the eight Subaru divisions ($12 million). LHS&B's Boca Raton, Fla., and San Antonio shops primarily service the latter client, the agency's largest with projected annualized billings of $25 million. A majority interest in the agency was sold June, 1985, to Grey Advertising. Operations remain autonomous in hopes of retaining competitive clients in the automotive and watch fields.

U.S. accounts

Gained: Knoll Intl; Mgmt Science America; New York Air; Subaru Mid-America; South Atlantic Subaru; Johanna Farms; Joseph E. Seagram & Sons, Perennial Sale Co., Chateau & Estate Wines Co., Classic Wines Co. divs.

Lost: Acorn Computers; Konica, audio video tapes.

Officers

Harold Levine, chmn-ceo; Robert Schmidt, president-coo; Allan Beaver, exec vp, creative director. Senior vps —Terry Bonaccolta, mgmt super; Anthony DeGregorio, Lee Garfinkel, Tod Seisser, Jay Taub, assoc creative directors; James Dragoumis, media, mktg; Robert Nelson, exec producer; Donald Peppers, director new business; Philip Sklar, director acct services.

Phone: (212) 557-0900.

Lewis, Gilman & Kynett

RANK 64

Philadelphia

($ in millions)

Worldwide	1985	1984	% chg
Gross income	16.2	16.5	(2.0)
Billings	108.0	110.2	(0.2)

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	54	45	14.1
Materials/services	7	17	(57.1)
Capitalized fees	47	48	(2.9)

Billings breakdown by media

Newspapers	15.0	Magazines	9.0
Medical journ.	8.0	Radio	12.0
Network tv	8.0	Spot tv	29.0
Outdoor	2.0	Bus. papers	17.0

Work force and facilities in 1985

	Employees	Offices
Worldwide	285	1
Domestic	285	1

Annual review

A drop of 0.2% in billings at this Foote, Cone & Belding agency was credited to budget cuts amounting to $2.8 million from existing clients and loss of clients, Black & Decker power tools and Claridge Casino Hotels, whose aggregate billings were $14 million. The agency recorded $18 million gain in annualized billings. The agency so far in 1986 has gained Mr. Good Buys worth $1.2 million and Merck, Sharp, Dohme worth $1 million, but lost Schering-Plough worth $2.7 million. Figures reported also included those for the Yellow Pages and pr divisions.

U.S. accounts

Gained: Arizona Lottery; Bell Atlantic Public Information, public access; Bethlehem Steel Corp; Marriott Corp; Rosenbluth Travel Agency; Silo, Inc., appliance & electronics retailer; Sperry Corp, corp adv; Merck, Sharp & Dohme, ethical pharmaceuticals.

Lost: Black & Decker; Claridge Casino Hotel; FMC Corp, automotive equipment; Hoechst-Roussel, ethical pharmaceuticals; Infotron Corp, data communications equipment; MBB Helicopter; Plumrose, processed meat prods; Pennwalt Corp, chemicals & environmental control equipment; Roxane Labs, ethical pharmaceuticals; Short Bros., commuter aircraft; SKF Industries, bearings.

Officers

Robert G. Wilder, chmn-ceo. Presidents —John K. Kaiser, coo; Charles B. Mathias, Heathcom div. Exec vps—Charles M. Lodovico, finance, admin; Carl E. Casselman, creative director; Robert G. Genello, director operations.

Phone: (215) 568-3775.

Lord, Geller, Federico, Einstein

RANK 44

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	26.8	29.8	(9.8)
Billings	185.7	207.2	(10.4)

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	141	169	(16.9)
Materials/services	25	25	(2.5)
Capitalized fees	20	13	60.4

Billings breakdown by media

Newspapers	14.0	Magazines	27.0
Supplements	1.0	Radio	5.0
Network tv	35.0	Spot tv	10.0
Outdoor	2.0	Bus. papers	3.0
Catalogs	3.0	Other	—

Work force and facilities in 1985

	Employees	Offices
Worldwide	285	2
Domestic	285	2

Annual review

This JWT Group subsidiary, which had the greatest increase in billings among the top 100 agencies in 1984 in this survey, dropped 10.4% in billings in 1985. LGF&E credits this to "a natural course correction following explosive growth," and predicts 1986 will come in at a 5% increase as nearly $40 million in new business gained in 1985 materializes.

U.S. accounts

Gained: Thomson-CGR Medical Corp; Sony Broadcast Products Co.; CheckRobot; Partners Natl Health Plans; Chemical Bank, corp adv; Dean Witter Reynolds; Parfums Stern.

Lost: Hilton Intl Co.; Callard & Bowser (U.S.A.) Inc.; Reynolds Metals Co., Reynolds plastic wrap; Book-of-the-Month Club; The Life Insurance Co. of Va.; Radio Advertising Bureau.

Officers

Richard J. Lord, chmn-ceo; Norman Geller, Gene Federico, vice chmns; Arthur W. Einstein Jr., president, creative director; Edward D. Yaconetti, exec vp-coo. Senior vps—Robert F. Wells, director acct services; William L. Sibert, director mktg services; John J. Sheedy, J. William Wardell, acct directors; C. Ray Freeman.

Phone: (212) 421-6050.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by Advertising Age. *See story on Page 6.*

Marschalk Campbell-Ewald Worldwide

RANK 15

New York/Detroit

($ in millions)

Worldwide	1985	1984	% chg
Gross income	150.1	135.4	10.8
Billings	1,001.3	903.4	10.8
U.S.	**1985**	**1984**	**% chg**
Gross income	127.1	112.1	13.4
Billings	848.1	747.9	13.4

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	1,749	29
Domestic	1,386	17

Office billings ($ in millions)

Lowe Marschalk	Cleveland	32.0
Lowe Marschalk	Houston	20.0
Lowe Marschalk	New York	200.0
Lowe Marschalk	San Francisco	51.8
Campbell-Ewald	Atlanta	NA
Campbell-Ewald	Boston	12.9
Campbell-Ewald	Chicago	NA
Campbell-Ewald	Detroit	436.2
Campbell-Ewald	Dallas	NA
Campbell-Ewald	Los Angeles	13.7
Campbell-Ewald	Miami	15.1
Campbell-Ewald	New York	60.4
Campbell-Ewald	Oak Brook, Ill.	NA
Campbell-Ewald	Pittsburgh	2.2
Campbell-Ewald	Richmond, Va.	5.7
Campbell-Ewald	Tarrytown, NY	NA
Campbell-Ewald	Tahoe Lake, Ca	NA
Campbell-Ewald	San Francisco	NA
Clinton E. Frank Inc.	(closed)	0.1

Annual review

Lowe Marschalk became the new name for Marschalk Inc. on Jan. 1, 1986, when Marschalk Inc. joined up with Lowe Howard-Spinks, U.K., an agency until now linked with another Interpublic Group of Cos.' agency, Campbell-Ewald. LHS/C-E had gross income of $12.6 million on billings of $84.2 million in 1985. Included in the new network, which has estimated billings of $550 million, is the renamed Lowe Howard-Spink Marschalk in London, many former Campbell-Ewald International agencies and an interest in Lowe Marschalk in the U.S. Interpublic has a 38.1% ownership in the new network which is publicly traded on the London Stock Exchange. During the year, Marschalk gained Sterling Drug's Lehn & Fink business worth $20 million, Pizza Inn worth $6 million and two new Economics Labs products worth $18 million under Scrub Free names, and handled a $15 million campaign for Gillette's Braun subsidiary.

(For accounts gained and lost, see individual agencies grouped with this agency's profile.)

Lowe Marschalk

During 1985, Marschalk prior to its merger, reported gross income of $44,946,000 on billings of $299,790,000. In 1984, it reported gross income of $40,881,000 on billings of $272,676,000. The agency did not provide a volume breakout, although all volume was in the U.S.

In 1985, the agency gained: Cleveland: Fisher Foods, Fazio grocery stores. Houston: Pizza Inn; T.G.& Y. dept stores. New York: Braun USA, shavers, clocks, household and personal care appliances; Fanny Farmer; Sony Tape Sales Co., audio/video tapes, magnetic media for computers; Xerox Corp, direct mktg; Coca-Cola, Fresca, Mello Yello, Ramblin' Root Beer, Fanta; Sterling Drug, Lehn & Fink div; Sony Corp of America, Betamovie cameras, Betamax portables and accessories, Video 8 cameras, decks and accessories. San Francisco: Del Monte, Chun King frozen foods. Lost: Cleveland: Bob Evans Farms restaurants. Houston: Fuddrucker's restaurants. New York: Thompson Medical; Coopercare; Chattem; Revlon, Norcliff Thayer. San Francisco—Del Monte, Ortega Mexican foods.

Top execs: Michael S. Lesser, chmn-ceo; Andrew J. Langer, president. Exec vps—Marshall W. Karp, creative director; Richard Villante, gm; Barry R. Linsky, director acct mgmt; Eric J. Einhorn, acct mgmt; Stuart J. Agres, director strategic planning; Kenneth I. Roffe, new business. Senior vps—Stephen M. Segal, media director; Andrew Aliprandi, finance, admin; John L. Oliver, acct mgmt. Employes: 577.

Phone: (212) 708-8800. ☑

Campbell-Ewald Co.

Campbell-Ewald Co., Detroit, reported gross income of $105,169,000 in 1985 of which $22,970,000 was non-U.S. contributions, on billings of $701,477,000. In 1984, it reported gross income of $91,896,000, of which $23,315,000 was non-U.S. contributions, on billings of $612,944,000. The agency did not provide a volume breakout.

The agency consolidated subsidiary CECO Communications, publishing.

Included in the agency's figures were returns from its offices in Warren, Mich., New York, Los Angeles, Miami, Richmond, Chicago, Pittsburgh and Boston. C-E began to phase Clinton E. Frank Inc., Chicago, into its operations in 1984. C-E got gross income of $9,000 on billings of $60,000 in 1985 from Clinton E. Frank clients, compared with gross income of $2,667,000 on billings of $17,789,000 in 1984. Clinton E. Frank returns are carry-over servicing provided by Campbell-Ewald since the Frank agency was closed Dec. 31, 1984.

In 1985, Campbell-Ewald gained: Brown & Williamson, Eli Cutter cigarets; Steelcase office furniture; Nestle (Caribbean); Tofu Time; Kelly Health Care Services; Mennen, Baby Magic line, Skin Bracer aftershave; General Motors, AC Delco/Co-op, GMAC Home Mortgage; Traveldisc Corp.

Billings breakdown: Newspapers 10%, magazines 20%, radio 11%, network tv 33%, spot tv 18%, cable tv 2%, outdoor 2%, Yellow Pages 2%, direct mail 2%.

In 1985, C-E's international offices gained: Fielder's Bakery, St. Geo Building Society bond issue (Australia); Centre Informatique General software, IPB/Commercial TV, Sovinac liquor, AKZO paints, Reckitt & Colman Airwick and Ocean, Societe General de Banque small/mid-size companies (Belgium); Parker Pens (Belgium, England, France, Netherlands); William Nielson confectionery, Bank of Nova Scotia (Canada); Toys "R" Us toys, Whitworth's Foods, Eastern Airlines, G.E.C. corp adv, Duncan Gilbey & Matthcson's Misty Liqueur, Lloyd's Bank, Debenham/Burton Group corp adv, *The Mail on Sunday* newspaper, BBC-TV, Kelly Services temporary help (England); Puma sport shoes, Krups Appliances, Vinchon Jeannette biscuits, G.M.E. bathroom equipment, Flammarion book publishers, Chloe fashionwear/perfume (France); Nestle (France—Bouquet Garni, Maggi; Mexico—Lechera Chiquita, Magnolia; *Harper's Bazaar* magazine, Woelm Pharma, Henkel's Dr. Thompson (Germany); Beecham, Olivetti office machine parts, RAS Insurance, Girmi small appliances, Hoescht Fibretrim, Santa Margherita wines, Nazareno Gabrielli leather goods, Nike sports shoes, Rizzoli's *Max* magazine, Sidalm chocolates and candies (Italy); Commercial Lucas audio equipment mfr (Mexico); Alpha computer services, Reemtsma cigarets, Spa mineral water (Netherlands); Merck Instant Cocoa, Promobanc bank, Boehringer Ingelheim Rhinospray and Visadron, Cafe Soley coffee beans (Spain).

Losses in 1985: Penfold's wines (Australia); Maredsous cheeses, Quaker pet food (Belgium); Pan Am, United Breweries Carlsberg beer, Maitre Coq (France); Ragolds (Germany); Suikerstichting sugar, Unicura soap (Netherlands); Fabrimalla menswear (Spain).

Top execs: Richard D. O'Connor, chmn-ceo; Peter A. Dow, president-coo; Robert P. Roselle, exec vp, treasurer; James I. Bernardin, Sean K. Fitzpatrick, Jan T.L. Homan, James V. McConnell Jr., Ronald W. Mitchell, Robert H. Schirmer, Louis, M. Schultz, William J. Tausch, Eugene F. Taylor, exec vps; James C. Arthur, Larry Cugini Jr., Frank E. Hoag Jr., Anthony J. Hopp, Joseph V. Karle Jr., James J. O'Neal, Robert F. Ovies, Dennis H. Plansker, Dennis Schmidt, Donald D. Williams, group senior vps; Edwin L. Acker, Harold E. Allen, Richard A. Anderman, John A. Barczyk, Ian W. Beaton, Harold W. Bickner Jr., James T. Birchfield, Paul B. Blustain, Thomas R. Boyd, Robert E. Britton, Eugene Butera, Dennis G. Connaughton, Neil Costa, R. David Eick, John G. Farsakian, Thomas H. Gaskin, Robert J. Gervason, Ronald D. Gesky, Suzanne H. Gilbert, Charles E. Glass, Donald L. Gould, Bernard Guggenheim, John B. Hammond Jr., Jack Hartgen, Robert F. Henry; Molly A. Hudson; Gordon R. Koch, Ronald S. Lipiec, Woodrow W. Litwhiler, James A. Lodge; William Ludwig; Harold A. Margolis, Glenn T. Marrichi, John S. Momeyer, David M. Platt, Lawrence M. Rau, Karen Ritchie, Warren Ruden, Gunther Saupe, Judith E. Sawyer, Robert Schenkel, Michael G. Sherman, Roderick G. Smith, Zandra M. Sommer, L. Keith Stentz, David S. Stone, Peter J. Tarakajian, Eugene H. Tashoff, Francisco Vergara, Martin F. West, senior vps. Louis H. Bridenstine Jr., vp, genl counsel, corp secretary. Employes: 763 in 8 offices.

Phone: (313) 574-3400. ☑

MCA Advertising

RANK 50

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	21.8	17.6	23.0
Billings	170.0	148.7	14.3

U.S. billings ($ in millions)

	1985	1984	% chg
Media	159	139	14.0
Materials/services	—	—	—
Capitalized fees	11	10	18.9

Billings breakdown by media

Newspapers	6.0	Magazines	27.0
Radio	2.0	Network tv	26.0
Spot tv	19.0	Cable tv	3.0
Outdoor	15.0	Transit	2.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	110	2
Domestic	110	2

Annual review

MCA Advertising credits its billings increase of 14% or $22 million to continued growth for clients, Newport cigarets (up 12% in units) and Brown Forman Spirits, and for new account Stroh, its Schlitz Malt Liquor and White Mountain Cooler, launched in 1985. Growth in 1986 will be built on the launches of Ghostbusters cereal for Ralston Purina, Deneuve fragrance for Avon and the regional introduction of Lipton Fruit Tea. MCA is a wholly owned subsidiary of Marketing Corp. of America, Westport, Conn., which named as president/coo Robert Kamerschen, who brings with him marketing experience from Scott Paper, Revlon and Norton Simon among others.

U.S. accounts

Gained: Avon, Deneuve perfume; Stroh Brewery, White Mountain Cooler; Schlitz malt liquor; Konig Pilsner; Barbican non-alcoholic beer; Ralston Purina, Ghostbusters cereal.

Officers

William W. Bishop, president-ceo; Warren A. Dechter, Robert N. Lepre, Richard B. Sellers, exec vps.

Phone: (212) 661-5491.

William Douglas McAdams Inc.

RANK 66

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	15.4	13.5	13.7
Billings	102.9	90.0	13.7

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	50	45	10.8
Materials/services	17	16	5.7
Capitalized fees	36	30	22.4

Billings breakdown by media

Newspapers	—	Magazines	78.2
Direct mail	13.2	Other	8.6

Work force and facilities in 1985

	Employes	Offices
Worldwide	185	1
Domestic	185	1

Annual review

New client activity—particularly from Wyeth Laboratories (baby and general nutrition products) and Roche Diagnostics—reflects a strong outlook for the pharmaceutical industry in 1986. Contributing heavily to 1985 gross income increase of 13.7% was work for Pfizer, which is substantially increasing the agency's consumer and corporate advertising, and for major new client, British-based Glaxo, whose Zantac ulcer treatment is challenging SmithKline Beckman's Tagamet.

U.S. accounts

Gained: Glaxo Inc.; Wyeth Laboratories, SMA, Nursoy, Isordil, new cardiovascular and nutritional prods.

Lost: Searle Worldwide; Johnson & Johnson baby prods.

Officers

Irwin C. Gerson, president. Exec vps—William M. Wolf, director; Anthony J. D'Onofrio, operations director. Joseph Carobene, Eugene Fine, Howard Mandelbaum, Ronald Vignone, senior vps-acct services; Victor Trasoff, Thomas Haynes, Walter Scott, senior vps-art; Claire Anderley, senior vp-copy; Barnett Mennen, David Zackson, senior vps-medical; Brian Boyle, treasurer-cfo.

Phone: (212) 698-4000.

McCaffrey & McCall

RANK 40

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	29.7	27.5	8.0
Billings	198.0	183.4	8.0
U.S.	**1985**	**1984**	**% chg**
Gross income	0.0	0.0	—
Billings	0.0	0.0	—

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	375	
Domestic	375	

Annual review

An 8% increase in McCaffrey & McCall's billings was the result of $6 million in spending for Puerto Rican tourism and new products from a "significantly larger" budget Norelco allotted its advertising ($30 million in 1984).

U.S. accounts

Gained: Tiffany & Co.; Puerto Rico Tourism Co.; Electronic Mall.

Officers

David B. McCall, chmn-ceo; Robert H. Cherins, president-coo; Henry P. Bernhard, vice chmn, chmn exec committee; Richard J. Passanant, vice chmn-cfo; Bruce P.G. McCall, R. Bruce Montgomery, William T. Shaw, John S. Sidebotham, exec vps, creative; Norman S. Freedman, Peter A. Manley, William J. Vieser, exec vps, acct mgmt. Senior vps—Linden A. Davis Jr., rsch; H. Thomas Wilson, media; Patrick A. Hehir, treasurer.

Phone: (212) 421-7500.

McCann-Erickson Worldwide

RANK 7

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	345.2	292.2	18.1
Billings	2,302.8	1,949.3	18.1
U.S.	**1985**	**1984**	**% chg**
Gross income	125.0	118.5	5.6
Billings	833.8	790.5	5.5

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	6,943	83
Domestic	1,589	9

Office billings ($ in millions)

McCann-Erickson	Atlanta	133.0
McCann-Erickson	Dallas	15.0
McCann-Erickson	Detroit	87.0
McCann-Erickson	Houston	60.0
McCann-Erickson	Los Angeles	66.9
McCann-Erickson	Louisville	20.0
McCann-Erickson	New York	317.6
McCann-Erickson	San Francisco	117.0
McCann-Erickson	Seattle	17.0
McCann Direct	New York	NA

Annual review

M-E had an over-all billings increase of 18.1%, broken down into a 5.5% gain in the U.S., and 26.8% increase abroad where the agency gained all non-North American Black & Decker ($20 million), and got $35 million in new business from Nestle. Stateside, Shearson Lehman Bros. ($20 million) and Brown-Forman ($10 million) left, but Ponderosa steak houses ($10 million) and First City Bancorp of Texas ($10 million) were gains. In February, 1986, it lost Eastman Kodak ($35 million) consumer electronics and cameras in a conflict over the agency's handling of Sony. Early in 1986 it bought Sieber & McIntyre, Chicago, a medical agency.

U.S. accounts

Gained: Atlanta: Federal Express; Dunlop Sports Co.; *Atlanta Journal & Constitution*; Mgmt Science America recruitment; Dutch Institute Investments Golf Villas and corp adv. Detroit: Buick Youngstown; John Banks Buick dealer; Glenn Buick-GMC-Nissan dealer; Metro Charlotte NC dealer; General Motors Buick div. Houston: First City Bancorp; NL Hycolog drilling bits; Century Devel real estate; Houston Buick Dealers; Beech Aircraft. Los Angeles: Conrad/Hilton Intl; Coca-Cola Bottling for Canada Dry and Dr. Pepper; R.J. Reynolds Winston and La Agencia. Louisville: R.J. Reynolds Fresher Cooker and Skolnicks Restaurants; Bingham Enterprises. New York—Mennen; American Home Products, Dristan nasal spray; R.J. Reynolds, Winston; Heublein; American Express Travel Services; L'Oreal, Drakkar; Kodak Floppy Disc; Coca-Cola Cherry Coke and Tab. San Francisco: Natl Dairy Promotion Board's calcium campaign; Don Signer Buick dealer Dairy Promotion Board's natl children's campaign. Seattle: Microrim Collateral software; Icicle Seafoods; People's Bank; Shakey's Pizza Franchise; GMC Dealer Co-op; Borrel Nootjes snacks. McCann Direct: Haagen Dazs; Lloyd's Bank; Times Mirror; Selvac Hair Remover, Finally Free; Ponderosa restaurants; Shearson/American Express; American Express.

Lost: Atlanta: AmSouth. Detroit—Terry Buick dealer; Gurley-Leep Buick dealer. Houston: Wilson Food; Texas State Optical. Los Angeles: Chas. P. Young. Louisville—Hickory Farms; Commerce Union Bank; General Electric. New York: Coca-Cola Classic Coke; Nabisco; Pabst. Seattle: Seattle First Natl Bank, Flakey Jake's.

Foreign accounts

Gained: Cerveceria Quilmes beer (Argentina); Western Mail newspaper, East West Airlines, Brisbane Hilton (Australia); Black & Decker (Australia, Austria, Belgium, Brazil, Chile, Denmark, England, Finland, France, Germany, Italy, Mexico, Netherlands, New Zealand, Norway, Panama, Portugal, Puerto Rico, Singapore, Spain, Sweden, Switzerland, Venezuela); Chicken Treat fast food, Nestle's Chokito and cooking chocolate (Australia); Reckitt & Colman (Australia—Airwick; Malaysia; New Zealand—Harpic; Singapore); Nabisco (Australia; England; Panama—candy, gum); Nestle (Austria—Thomy, Maggi; Brazil—Requinte, Coffee; Chile—juice; Dominican Republic; England; Hong Kong—Maggi Cubes; Jamaica—Milo; Mexico—Quik; Portugal; Puerto Rico—Quik, Nescafe, Maggi; Singapore—Blue Cross Milk; Switzerland—Choco-

lait Chips snack; Thailand; Venezuela—desserts); L'Oreal (Australia; Austria—Free Style; Belgium; Denmark; Finland—Free Style, Studio Line; France; Germany—Free Style, Le Chic; Greece—Salon div; Puerto Rico; Switzerland; Uruguay; Venezuela—Studio Line); American Express (Austria, Costa Rica, England/Harrison Agency, France, Panama, Switzerland); Goodyear (Austria, South Africa); Henkel (Austria—Fewa Color; Brazil; England—carpet cleaner; Germany—Theramed toothpaste; Italy—Squibb toothpaste, shaving cream, W.C. cleaners; Netherlands—Sapur; Spain—detergents, bleach); Unilever (Austria—Dorina margarine, Sorbetteria di Ranieri; Colombia—Cocina margarine; England—Low Fat Spread, Golden Vale; Italy—Sofficini, Dante Oil; Warner Columbia films (Belgium); Federal Express (Belgium, England/Harrison Agency, Germany, Japan, Singapore); Martini & Rossi (Belgium—Port; Brazil—Baron Lantier, Zahringer, St. Raphael; France—Martini, Vodka, Lawson Whiskey; Switzerland—Offley, Glen Deveron); Beatrice Foods (Brazil—chocolate chips; Hong Kong—frozen foods, noodles; Panama—snacks); McDonald's (Brazil, Italy, Mexico); Lee jeans (Brazil); Gillette (Brazil—Pacer Pencil, Liquid Paper; Chile—Valet; Mexico—Verlande cologne; New Zealand—Silkience shampoo; Puerto Rico); Quaker (Brazil—Yuki apple juice); Meridien Hotel, Cosmoda Design's Swatch Watch and Tonal shaving prods, MuchMusic pay tv, Labatt's new beers and racing activities, (Canada); Kodak (Canada—western promos; Kenya—cameras); R.J. Reynolds (Chile—Monte Carlo; Ecuador; Finland; France—Frankie; Malaysia; Mexico—Camel; Panama-Winston; Portugal—Valmont; Singapore—Camel gear); Gilman (China); Bayer (China—Agri chem; Costa Rica—aspirin; England—Alka Seltzer; Panama—aspirin; Philippines—insecticide, rat poison); Colpatria (Colombia); Coca-Cola (Columbia—Diet Coke, Fanta Salpicon; Costa Rica—Sprite; Dominican Republic—bottler, Sprite; Guatemala—Coke, Fanta, Sprite; Jamaica—Sprite; Japan—Cherry Coke; Netherlands—Cherry Coke; Norway—Cherry Coke; Peru—mineral water bottler, Diet Coke; Puerto Rico—Cherry Coke; Singapore—Diet Coke); Exxon (Colombia—Esso Super, Extra, truck diesel; Finland—heating oil); Beiersdorf (Colombia, Ecuador, Panama); Borden (Colombia—Efro floor wax, Chinola shoe polish); Scott Paper (Costa Rica—Petalo; Honduras); Banco Nacional (Costa Rica); Heineken beer (Costa Rica, Trinidad/Barbados); Tampax (Denmark, Sweden); Carnation (Dominican Republic—powdered milk; Malaysia—milks, Coffeemate, pet foods; Mexico—Evaporated milk; Philippines—Omnibus, Coffeemate; Singapore—Evaporated milk, Coffeemate, Friskies pet foods; Thailand—milks, Coffeemate; Venezuela—Coffeemate); Miles vitamins, ALM Antillean Airline, Isidro Bordas rum (Dominican Republic); Proalco-Daca's Rum San Miguel, Finansur bank, Singer appliances (Ecuador); Johnson & Johnson (Ecuador—Baby line, dental floss; Kenya—Baby cologne; Philippines—baby shampoo; Trinidad/Barbados; Venezuela—diapers); Almacen Supersonido dept store, Procysa computers, Bon Apetite snacks (El Salvador); Dunlop Slazenger sport equipment (England, France, Germany); Isuzu Piazza Turbo cars, Warner-Lambert (England); Asbach brandy, Little Caesar pizza chain (England/Harrison Agency); Marbodol kitchen and bath furniture, Eiser pantyhose, Oy Gustav Paulig ice cream and frozen food, Isku Oy furniture (Finland); Unterberg herb liqueur, Foto Quelle Apollo glasses (Germany); Athenian Papermills Softex handkerchiefs, Amvyx's Perrier Water (Greece); Eastern Airlines, Agfa audio/video cassettes (Guatemala); Banco Sogerin (Honduras); Bank of Canton, Fordley & Lee shirts, Hotel Royal, Circle K convenience stores, J.D. Hutchinson detergent and herbal medicine (Hong Kong); Ebauche ETA Swatch (Hong Kong—Swatch Watch; Netherlands; New Zealand; Spain; Sweden; Switzerland); Heublein (Hong Kong—KFC/Beldare; Jamaica—Smirnoff; Puerto Rico—Smirnoff; Venezuela); RAI stereophonic, Spanish Tourism, Consortium S. Danielle hams, Hoffman-LaRoche creams (Italy); Chesebrough-Pond's (Italy—cosmetics and detergents; Panama—men's colognes); Del Monte (Italy—fruits and vegetables; Kenya—pineapples: Spain—fruits and vegetables; Venezuela—banana catsup); Kingston ice (Jamaica); Nippon Telegram & Telephone, *Japan Life*, Ralston Purina pet foods, Tokyo Contact Lens, Siemens, *Alinco*, Nicherei 24 Hours Frozen Food (Japan); General Motors (Japan—Isuzu R-car/Export; Kenya; Uruguay); Monsanto, Sterling Drug, Beecham's Bovril (Kenya); Printemps dept store (Malaysia); Anderson Clayton margarines, Campbell's soups, V-8 and beans (Mexico); Chubb Lips Alarms, locks and safes, Holland Ind (Netherlands); Anchor Farms' Anchor cheese, Government Publishing, New Zealand Forest products' Rada Finance, Gunn Gollin's Findus frozen foods (New Zealand); Tandberg Data computers and terminals, Electrolux large appliances, Arabia china (Norway); Bank of Boston (Panama, Puerto Rico); Hasbro toys, Fisher Price toys (Panama); Aji-No-Moto soups and noodles, Banco Hipotecario (Peru); Charter Chemicals & Coatings' paints, Family Bank, San Miguel's Golden Fry oil (Philippines); Banco Portugues do Atlantico, Mattel toys, Dart & Krafts' Duracell, Dun & Bradstreet, Centralcer's Sagres beer (Portugal); The Gap clothing (Puerto Rico); Citibank/Citicorp Citifunds, Finnair Airline (Singapore); Southern Sun Hotel, Maxell tapes, Mentholatum Co., *Business Day*, Hitachi vcr equipment (South Africa); United Security Insurance, Excellent Trading retail stores, Divi Hotel Corp beach & Raquet club and hotel, Harrison's Electrical retail store (Trinidad/Barbados); Lloyd's Bank, Banco Exterior Uruguay (Uruguay); Texas Instruments computers and calculators, Seagram's Licorerias Unidas/rum, Cerveceria Regional beer, Natl Cash Register computers (Venezuela).

Lost: Philips small appliances (Australia, Chile, Mexico); United Permanent Bldg Society, Castlemaine-Tooheys beer, Homecraft electrical retailer, *Times Daily Telegraph* (Australia); Thomas Cook, Kodak film (Austria); Krups appliances (Belgium, France); Credit Lyonnaise Bank (Belgium); Henkel detergents (Brazil); American Home Products (Canada, France—Immac, Preparation-H); Banco de Colombia, Aeromexico (Colombia); Aeroperu (Ecuador); Quaker Oats (Ecuador, Mexico); Lenox dishware (El Salvador); Carousel Colourhire, Lloyd's Bank (England); Ashe, Casio, AHP, Dutch Dairy Bureau (England/Harrison Agency); SOK grocery chain, Aluvuden Puunjalostustehdas doors (Finland); William Grant Glenfiddich Whiskey (France); American Express Green Card, Club Med, Roland Markem liquors (Germany); Greek Breweries (Greece); Lee Gardens Hotel (Hong Kong); Grupo Finanziario Tessile, Sebino toys, Rete 4 TV (Italy); Jamaica Citizens Bank (Jamaica); Combe's Odor Eaters (Japan); Dreamland Mattresses (Malaysia); Van der Meer furniture (Netherlands); Spencer Ayvery, Rank Appliances (New Zealand); Franquicias Panemenas KFC and Pizzamigo, Servicios Sincron fast food (Panama); Banco Industrial (Peru); Nestle's Nescafe Espresso (Philippines); Bosch Zvellig tools (Portugal); Woolworth's (Puerto Rico); Pan Am Airline (South Africa); Coca-Cola (South Africa—Mello Yello, Tab; Thailand—Coke, Sprite); Henkel's Dixan (Spain); Ahlgrens' Pastilles, Searle sugar substitutes (Sweden); Asuag watches, Depharma (Switzerland); Union Carbide batteries, Kraft (Venezuela).

Officers

Robert L. James, chmn-ceo; John J. McNamara, president-coo; Barry L. Day, vice chmn; John F. Bergin, vice chmn, president (USA); Eugene H. Kummel, chmn exec committee. Exec vps/Worldwide—Gianni Cottardo, regional director; Max Cusnir, regional director (Asia-Pacific); Michael C. Ferrier, regional director; Bohdan I. Kurylko; Marcio M. Moreira; Jens Olesen, regional director (Latin America); Michael Sennott; William J. Shively, regional director; William C. Thompson Jr.

Phone: (212) 697-6000.

McKinney, Silver & Rockett

RANK 76

Raleigh, N.C.

($ in millions)

Worldwide	1985	1984	% chg
Gross income	12.5	10.9	14.9
Billings	83.1	72.3	14.9

U.S. billings ($ in millions)

	1985	1984	% chg
Media	69	60	14.9
Materials/services	6	5	14.4
Capitalized fees	8	7	15.0

Billings breakdown by media

Newspapers	25.0	Magazines	22.0
Radio	13.0	Spot tv	25.0
Outdoor	5.0	Bus. papers	7.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	126	1
Domestic	126	1

Annual review

A similar $10 million increase in billings is expected in 1986 as in 1985 as activity for new clients gained in late 1985, Pinkerton Tobacco's four products and Empire Airlines (bought by current client, Piedmont Airlines), begins to unfold. Internal growth at McKinney is generally good for about 40% of increased billings annually, according to the agency. In 1986, the agency gained Valley National Bank in Phoenix, its first entry into the Southwest, and will pick up Bankers Trust in South Carolina which was acquired by MS&R's existing client, North Carolina National Bank.

U.S. accounts

Gained: Pinkerton Tobacco Co.; Empire Airlines; Holiday Inns.

Lost: South Carolina Natl Bank.

Officers

Charles McKinney, chmn, president; Robert Doherty, exec vp. Senior vps—Lloyd Jacobs; Michael Winslow, Charles Ashby, creative group directors; Donald Heineman; John Ketchum.

Phone: (919) 828-0691.

Medicus Intercon International

RANK 55

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	19.3	14.8	30.2
Billings	160.3	135.6	18.3
U.S.	**1985**	**1984**	**% chg**
Gross income	8.0	6.7	19.2
Billings	65.2	60.2	8.4

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	9	8	12.1
Materials/services	7	9	(25.2)
Capitalized fees	49	43	14.9

Billings breakdown by media

Magazines	17.0	Medical journ.	23.0
Radio	1.0	Spot tv	1.0
Point of sale	35.0	Direct mail	8.0
Fsi	—	Other	15.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	389	23
Domestic	100	2

Annual review

A 26.1% increase in overseas billings was the primary reason over-all billings rose 18.3% at Medicus, a subsidiary of DMB&B. The non-U.S. increase primarily related to two acquisitions: ADA Group in the U.K. in May, and an increase in equity from 49% to 100% of Creaccion in Spain, giving Medicus a presence in two of the world's eight largest healthcare markets. Medicus is projecting a 14% increase in 1986 in billings, an expansion including two new operations: A consumer advertising division in the U.S., and a second division formed from the Medicus agency in Germany.

U.S. accounts

Gained: Degussa; Unipath.

Foreign accounts

Gained: Mead Johnson, Medtronic, Southam (Canada); Ciba-Geigy, Schering Essex, Searle (Germany); Italfarmaco (Italy); Beecham, Daiichi, Pfizer, Shida-Sodexho, Tanabe, Toray (Japan).

Officers

Lawrence J. Lesser, chmn. Presidents—William G. Castagnoli (North America); Hartwig Ellmer, intl; Robert M. Ross, science, medicine; Hans Aarden (Canada). Exec vps—Jay M. Cohan, mng dir (U.S.); Stephen P. King, creative director (U.S.). Senior vps—Gary A. Elman, comptroller; Wilhelm Rall, intl comptroller; Nicholas F. Maile, group director Far East; Kenneth F. Benjamin, director mktg, media; Francis R. Gace, Melissa Gryczka, John P. Ibelli, directors client services.

Phone: (212) 826-0760.

Quirks and quakes

SSC&B:Lintas began in 1946 as Sullivan (Raymond), Stauffer (Donald), Colwell (Robert) & Bayles (Heagan), was shortened to SSC&B when it linked up with Unilever-owned Lintas in 1967, and joined Interpublic Group of Cos. in 1979.

Meldrum & Fewsmith

RANK 83

Cleveland

($ in millions)

Worldwide	1985	1984	% chg
Gross income	11.4	9.9	15.2
Billings	76.3	66.3	15.0
U.S.	**1985**	**1984**	**% chg**
Gross income	10.3	9.1	13.9
Billings	69.0	60.5	14.0

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	7.9	Magazines	4.2
Radio	10.2	Network tv	12.1
Spot tv	26.9	Cable tv	2.2
Outdoor	0.7	Bus. papers	18.3
Farm pubs	6.5	Transit	0.1
Yellow pages	10.9	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	157	3
Domestic	157	3

Office billings ($ in millions)

Meldrum & Fewsmith	Cleveland	58.7
Meldrum & Fewsmith	Detroit	8.6
Meldrum & Fewsmith	Chicago	9.9

Annual review

Increased activity among existing clients will push up billings to the $82 million level in 1986 led, in part, by growth in new business from clients, Libbey Glass, Gem Savings and Nationwise Auto Parts stores gained in 1985. These three accounts, which will account for about $10 million in billings in 1986, helped stimulate billings by 13%.

U.S. accounts

Gained: Alps Electric; Davis Construction; Estech, Vigoro div; Expositions; Gem Savings; Gimbels Dept Stores of Western Pa.; Lutheran Medical Center; Medical Payment Systems; Nationwise Inc., auto parts stores; Owens-Illinois, Libbey Glass div; Ringling Bros. & Barnum & Bailey Combined Shows; Rubloff Financial Services; Sears World Trade; Voinovich Cos.

Officers

Arthur E. Earley, chmn; Terrence G.E. Parmelee Sr., president-ceo; Chris N. Perry, exec vp, creative services. Senior vps—Robert P. Huddilston, secretary, treasurer; Bruce S. Childers, mktg services; Jeffrey H. Bryden, Robert Iredell IV, Richard H. Herrmann, mgmt supers; John C. Bryan, gm (Detroit); Thomas E. Butterfield, gm (Chicago).

Phone: (216) 241-2141.

Muir Cornelius Moore

RANK 99

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	9.5	13.0	(26.9)
Billings	63.2	86.6	(27.0)

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	0	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	10.0	Magazines	5.0
Radio	3.0	Spot tv	5.0
Outdoor	2.0	Bus. papers	15.0
Fsi	—	Other	60.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	125	2
Domestic	125	2

Annual review

Existing clients' cautious about expanding budgets, and a number of client losses helped contribute to an over-all decline of 27% in billings, according to the agency. New gains have picked up in 1986 as a total of $5 million in new business has come in from Long Island Savings Bank and Continental Insurance (corp). The agency was restructured into two divisions,

PR's influence on top 10 in 1986

($ in millions)

Rank without pr*	Rank with pr**	Agency	Worldwide gross income without pr	Agency pr company/ net fee ($ in millions)	Worldwide gross income***
1	3	Ted Bates Worldwide	$466.0	NA	$466.0
2	2	Ogilvy Group	463.1	Ogilvy & Mather PR/18.2	491.1
3	4	J. Walter Thompson Co.	450.9	Hill & Knowlton/78.0	450.9
4	5	Saatchi & Saatchi Compton	440.9	NA	440.9
5	1	Young & Rubicam	431.4	Burson-Marsteller/104.6	536.0
6	6	BBDO International	368.2	Dorenus & Co./8.8	377.0
7	7	McCann-Erickson	345.2	NA	345.2
8	8	D'Arcy Masius Benton & Bowles	302.7	Manning, Selvage & Lee/16.8	319.5
9	10	Leo Burnett	269.6	NA	269.4
10	9	Foote, Cone & Belding	251.9	Carl Byoir & Associates/32.3	284.2

* World gross income without pr fees

** World gross income with pr fees as appearing on Page 1.

*** Some agencies reported their pr activities to Advertising Age without breaking them out. This chart is a composite of the AA top 10 by worldwide gross income and the 1986 edition of "O'Dwyer's Dictionary of PR Firms." AA accepts pr income if the unit is not considered an autonomous unit by the agency.

MCM Sales Promotion and MCM Advertising. Peter Wells was left president of the sales promo side, and Peter Post was named president of the advertising division. Strategy for 1986 is to "stick to our knitting," contain costs and add three to five major new accounts. An agency spokesman says "nice" new business is in the works and clients are spending.

U.S. accounts

Gained: Carteret Savings; Colt Industries; E.F. Hutton; Generel Electric, automatic controls; Navtel; Northeast Savings; Touche Ross.

Lost: Cetus Corp; Harris Corp; Pfizer Intl; Sperry; SEI.

Officers

William P. Muir, chmn. Vice chmns—James Cornelius, director business devel; Richard Moore, exec creative director. Presidents—Peter R. Wells, MCM sales promo; Peter P. Post, MCM Advertising. G.L. Patrick, C. Farese, L.O. Roberts, V. McQueeney, R. Hensley, senior vps.

Phone: (212) 687-4055.

Nationwide Advertising

Cleveland

RANK 68

($ in millions)

Worldwide	1985	1984	% chg
Gross income	15.0	15.0	0.0
Billings	100.0	100.0	0.0
U.S.	**1985**	**1984**	**% chg**
Gross income	14.3	14.3	0.0
Billings	100.0	100.0	0.0

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	70.0	Magazines	20.0
Radio	—	Other	10.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	293	34
Domestic	293	34

Annual review

Nationwide, whose billings did not fluctuate, expects a modest increase in 1986. From its 29 U.S. and five Canadian offices, this recruitment agency services the personnel/human relations departments of client companies. The agency also provides hiring campaigns and collateral material on such areas as college recruitment, jobs fairs and employee referrals.

Officers

George Gund, Gordon Gund, co-chmns; Thomas Richey, president-coo; John W. Graham, ceo; Jim Miller, cfo.

Phone: (216) 579-0300.

Needham Harper Worldwide

New York

RANK 16

($ in millions)

Worldwide	1985	1984	% chg
Gross income	127.1	115.9	9.7
Billings	847.3	781.7	8.4
U.S.	**1985**	**1984**	**% chg**
Gross income	107.9	97.8	10.6
Billings	719.5	659.4	9.1

U.S. billings ($ in millions)

	1985	1984	% chg
Media	414	384	7.8
Materials/services	72	69	4.6
Capitalized fees	233	207	13.0

Billings breakdown by media

Newspapers	3.5	Magazines	12.7
Supplements	0.4	Radio	4.6
Network tv	28.2	Spot tv	7.5
Cable tv	0.5	Outdoor	0.5
Dir. resp. tv	4.3	Other	37.8

Work force and facilities in 1985

	Employes	Offices
Worldwide	2,422	42
Domestic	1,385	14

Office billings ($ in millions)

Needham Harper	New York	141.9
Needham Harper	Chicago	366.1
Needham Harper	Los Angeles	99.1
Needham Harper	Washington	26.1

Annual review

Needham, which spent its first full year of operation under its new streamlined management team, recorded a 9.1% increase in U.S. billings and 8.4% increase in worldwide billings. Highlights included a spurt in billings of $21 million on the West Coast, including the California Lottery (worth $15 million in business); the addition of Tony Vanderwarker from Needham/Chicago to the New York management team; opening of a Washington D.C. office; a 97% growth in the pr division, attributable to expansion in Chicago, New York and LA; putting the worldwide organization under leadership of John Bradstock from USP Needham Australia. Pepsico's Frito-Lay—Cheetos, Ruffles and new product, McCracken's apple chips—was a major acquisition when Frito-Lay split with Y&R. The agency also gained General Mills' Nature Valley Boppers ($25 million), Campbell Foods Seafood en Croute ($12 million) and Clorox home products ($4.3 million). Needham Harper also acquired Lane & Huff Advertising, San Diego, billing $10 million. Although working hard on new business, Needham Harper expects growth to be largely internal.

U.S. accounts

Gained: Armour-Dial; Busch Entertainment Corp, Exploration Cruise Lines; California State Lottery; Clorox Co., household prod div, Kingsford div, Olympic div Lucite paint; Frito-Lay, Cheetos, Ruffles; General Mills, Peanut Butter Boppers, French Quarter french bread, Goldrush ice cream bars; Home Federal; Kraft, Kraft reduced calorie dressing, refrigerated prods div; Morton Thiokol, Morton garlic salt; *San Diego Union/Tribune*; Sharp Health Systems; Wolverine World Wide, Hush Puppies Footwear div.

Lost: American Intl Group; Baltimore Honda Dealers Assn; KABC Talkradio; MGM; Shasta beverages; Southern Cal. Honda Dealers.

Foreign accounts

Gained: Hickory Fashion, Ford Dealers, BankAmerica, S.C. Johnson, Citizen watches, 3M Australia (Australia); Glaxo (Austria); Sealy, E.B. Eddy Co., Honda Dealership (Canada); Germaine Monteil (Germany); Dow, Jack Chia Intl, Lam Soon (Hong Kong); Kusen (France); Casa Vinicola, Antiche Fattorie Fiorentine, V.I.P. (Italy); Boots Co., Sandoz (Netherlands); ALIA Royal Jordanian Airline, LPG Marketing Committee (New Zealand); Jack Chia Group, Duracell (Malaysia); A&W Root Beer, Jack Chia & Co. (Singapore); Bimbo, American Cyanamid, Wilkinson Sword, Capri Sun, Spalding, Hasbro, Sotheby's (Spain); B.A.T., Maxell (Sweden); BankAmericard, BASF's K&E Inks (Switzerland); AT&T, Ford Motor, Fujitsu. Lam Soon (Thailand/Needham Standard Intl); Great Eastern Drug Medicol 550 pain reliever, Loxley Co. Olivetti typewriter and computer (Thailand/Far East Advertising); Bass plc, Boots Co., Cadbury-Schweppes, Hasbro Bradley, Reckitt & Colman pharmacy div; Veuve Clicquot (U.K.).

Lost: Bunge Australia bread mixes (Australia); Embassy Pictures (Canada); Thomson-Brandt tv and hi-fi equipment (France); Bayerische Vereinsbank, Rank Xerox (Germany); McCulloch Italiana motor saws (Italy); McDonald's, Rank Xerox (Netherlands); Rank Xerox (New Zealand); Generation 2000 Brittania jeans (Hong Kong); Hunter Douglas roofing tiles (Malaysia); Nicholas Kiwi household cleaners (Singapore); Clorox household prods, Honda Motorcycles, Renfe Spanish Railways (Spain); Weetabix Ltd Natural Crunch (U.K.).

Officers

Keith L. Reinhard, chmn-ceo; Paul C. Harper Jr., chmn emeritus. Presidents—John Bradstock, intl div; James D. Kuras (New York); Gerrold R. Rubin (Los Angeles); C.A. Wolfe (Chicago). Exec vps—Edward A. Haymes, cfo, treasurer, secretary; Joel M. Hochberg, director creative services (Chicago); Larry D. Postner, director creative services (Los Angeles); Carleton Vanderwarker, director creative services (New York); John Porter; C. James Schaefer; Joseph P. Landy; Robert J. Savard; Norval B. Stephens Jr.; William D. Wells; George J. Zahka. Michael F. Atkin, Ronald W. Bess, Don Bigda, Leo Brandstatter, Peter Burkhard, D. Michael Cafferata, Pat A. Cafferata, Tom Cavanagh, Robert Coburn, Jack W. Copher, David T. Drake, Wesley P. Dubin, Herb Ehrenthal, Alan Fraser, Susan Emerson, Susan Downs Gillette, Brian Goodall, Vicki Greene, Raymond Groff, Bill Hagelstein, William F. Heimann Jr., Thomas P. Hanft, Thomas D. Hartje. John D. Hetherington, T. Grant Hill, Emil Iannaccone, William Klimas, Roy Lancaster, Roger P. Laven, James Lawson, Kathie McKirdy, Richard Murray, Richard H. Needham, Curt Olson, Daniel Pollick, Don Richards, Carolyn Roughsedge, Stuart J. Sharpe, Chris Shead, David Snell, Page Thompson, Louis A. Tripodi, Stephen Versandi, Robert E. Welsh, Judith Werme, Michael S. White, John Wren, Gary Yoshida, Gary Wenzel, Gene Yovetich, senior vps.

Phone: (212) 758-7600.

Ogilvy Group

New York

RANK 2

($ in millions)

Worldwide	1985	1984	% chg
Gross income	481.1	421.0	14.3
Billings	3,318.7	2,887.9	14.9
U.S.	**1985**	**1984**	**% chg**
Gross income	307.2	270.5	13.6
Billings	2,048.9	1,804.3	13.6

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	7.1	Magazines	18.0
Supplements	0.6	Radio	4.2
Network tv	37.7	Spot tv	13.7
Cable tv	0.2	Outdoor	2.9
Bus. papers	1.0	Yellow pages	0.7
Direct mail	10.5	Dir. resp. tv	0.9
Dir. resp. radio	0.1	Dir. resp. news.	1.2
Dir. resp. mags.	1.2	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	8,759	269
Domestic	3,841	80

Office billings ($ in millions)

Ogilvy & Mather	New York	675.0
Ogilvy & Mather	Houston	66.0
Ogilvy & Mather	Los Angeles	112.0
Ogilvy & Mather	Chicago	171.0
Ogilvy & Mather	San Francisco	71.0
Ogilvy & Mather	Atlanta	26.0
Ogilvy & Mather	Washington	1.0
Ogilvy & Mather-Partners	New York	70.0
O&M Direct Response	New York	172.0
Rolf Werner Rosenthal	New York	56.0
Scali, McCabe, Sloves	New York	243.9
Scali, McCabe, Sloves	Atlanta	NA
Scali, McCabe, Sloves	Houston	NA
Scali, McCabe, Sloves	Los Angeles	NA
Cole & Weber	Seattle	55.1
Cole & Weber	Portland, Ore.	15.1
Cole & Weber	Salt Lake City	7.8
Cole & Weber	San Francisco	17.0
Cole & Weber	Los Angeles	7.3

Annual review

Corporate restructuring begun in May created a separate board for publicly-held Ogilvy Group and another for Ogilvy & Mather Worldwide, the primary network. Cole & Weber expanded into Canada and O&M San Francisco was set up as an independent agency under the name, Hal Riney & Partners, spun off Jan. 1, 1986 with O&M holding a minority interest. Another major O&M group, Scali McCabe & Sloves, acquired Minneapolis-based Fallon McElligott Rice in February, 1986. The agency expects to maintain a 17% growth in profit and 14.4% growth in revenue recorded in 1985. Client spending is holding steady, and work for new accounts, Hardee's restaurant and Polaroid, the latter on the international front, and additional assignments from Seagrams will build the revenue base during the year.

U.S. accounts

Gained: Hardee's Food Systems; Covidea; Seagrams, gin, vodka, 7 Crown, Canadian Hunter, Taylor California Wines, Taylor Champagne, Wine Coolers, Glenlivet, corp adv; General Foods, Tang; Ansa Corp, Mgmt Information Services.

Lost: Lever, Aim toothpaste, Dimension shampoo.

Foreign accounts

Gained: American Express (Austria, Greece, Germany); Avon (Switzerland); Bat, Richardson-Vicks (China); Bayer (Korea); Beecham (Canada, Colombia, New Zealand); Chesebrough-Pond's (Ecuador, Ireland, Korea); Compaq (Australia, Italy); Duracell (New Zealand); General Foods (Italy); Guinness (Japan, New Zealand); Johnson & Johnson (Spain); Kimberly-Clark (Italy, Malaysia, Netherlands, Singapore, Taiwan, Thailand, Spain); Nestle (Singapore); Parker Pen (Ireland, Japan, Uruguay); Pepsico, Nutrasweet (Switzerland); Philips (Belgium, Ecuador, Italy, Turkey); Polaroid (Argentina, Australia, Austria, Belgium, Brazil, Chile, Colombia, Denmark, Finland, France, Germany, Greece, Hong Kong, India, Indonesia, Ireland, Italy, Malaysia, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland, U.A.E., U.K., Venezuela, Uruguay); Seagram (Argentina, Austria, Netherlands, Thailand); TWA (Denmark); Unilever (Colombia, Korea); Wagner Spray Tech (South Africa); AT&T (Australia, Canada, Thailand); Hallmark (Australia, Colombia); Michelin (London); Nike (Hong Kong); Quaker (Canada, Ecuador); Volvo (Finland, Netherlands, Norway); G.D. Searle (Argentina, Switzerland).

Lost: Air Canada (Australia, Austria, Belgium, Canada, Denmark, France, Germany, Greece, India, Italy, Kenya, Singapore, South Africa, Switzerland, Thailand, U.K.); Beecham (Italy, Japan, Netherlands); Compaq (Germany); General Foods (Singapore); Parker Pens (Colombia, France, Netherlands, U.K.); Philips (New Zealand); Canon (France); Dominion Stores, Wendy's (Canada).

Officers

Ogilvy Group: William E. Phillips, chmn-ceo; Michael J. Ball, James Benson, Kenneth Roman, vice chmns; John P. Gill, secretary, treasurer; Graham Phillips, chmn (U.S.); David Ogilvy, ex-officio. Ogilvy & Mather Worldwide: William E. Phillips, chmn; Kenneth Roman, president; Michael J. Ball, vice chmn; William Weed, director intl accts; Graham Phillips, chmn (U.S.); Norman Berry, creative head, president (N.Y.). S.M.S. Group: Marvin Sloves, chmn-ceo; Edward McCabe, president, worldwide creative director. Cole & Weber: Harold Dixon, chmn; Hal Newson, president, creative director. Hal Riney & Partners: Hal Riney, chmn. Davidson Pearce Ltd.: Christopher Hawes, chmn-ceo. Meridian Advertising Cos.: Kenneth L. Brady, chmn-ceo. Euramerica Translations Inc.: Yuri Radzievsky, president.

Phone: (212) 907-3400.

Ogilvy & Mather Direct Response

This direct response subsidiary of Ogilvy Group reported gross income of $49,000,000, of which $19,000,000 was non-U.S. contribututions, in 1985 on billings of $331,000,000. In 1984, it reported gross income of $38,000,000, of which $14,000,000 was non-U.S. contributions, on billings of $256,000,000.

The agency's 1985 and 1984 U.S. volumes of $200,000,000 and $160,000,000, respectively, were not broken down.

Included in the agency's U.S. figures were returns from its offices in New York, San Francisco, Los Angeles, Houston, Chicago and Atlanta, and returns from Ogilvy & Mather Yellow Pages in White Plains, N.Y., and A. Eicoff & Co., Chicago.

Growth from current clients, particularly Amex, AT&T, TWA and Chemlawn, should give the agency 20% growth in billings in 1986, according to a spokesman. In 1985, the agency grew 25% in U.S. billings. The major regional offices each showed strong growth, highlighted by the West Coast's Pacific Bell directories account, Atlanta's Kinder Care, and Chicago's Sears, Roebuck & Co., and Zale's. The agency purchased A. Eicoff & Co., Chicago, and folded its results into its totals.

The agency gained: Pacific Bell Directories; Avon; Brown & Williamson; Cal Gas. It lost: MGM Grand.

Billings breakdown: Yellow Pages 5%, direct mail 57%, direct response tv 25%, direct response radio 1%, direct response newspapers 5%, direct response magazines 7%.

Top execs: Jerome W. Pickholz, chmn-ceo; Stanley Winston, vice chmn, exec creative director; William Morrissey, president-coo (New York). Senior vps—Howard Meiner, cfo; Chuck Guariglia, personnel, admin; Howard Leichuk, exec media director; George Orme, mgmt super; Norm Paley, production, traffic; Hank Stromberg, William Trembath, Michael Cancellieri, assoc creative directors; Alvin Eicoff, chmn, A. Eicoff & Co.; Ron Bliwas, president, A. Eicoff & Co.

Phone: (212) 340-3500.

Ohlmeyer Advertising

New York

RANK 60

($ in millions)

Worldwide	1985	1984	% chg
Gross income	17.0	13.6	25.0
Billings	115.4	91.0	26.8

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	2.0	Magazines	5.0
Supplements	2.0	Radio	2.0
Network tv	63.0	Spot tv	16.0
Cable tv	5.0	Fsi	5.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	80	1
Domestic	80	1

Annual review

Ohlmeyer picked up all the 1986 national tv buying (regular tv, cable and syndication worth $250 million and previously handled by Y&R) for all R.J. Reynolds Cos., when Reynolds acquired Nabisco Brands in 1985 to add to the national tv buying and free-standing inserts it gained from Nabisco Brands in 1985. The agency, whose functions are weighted more toward the media buying metier than creative, recorded a billings increase of 26.8%.

U.S. accounts

Gained: Trump Castle Hotel & Casino; Natl Hockey League; ESPN; Nabisco Brands, all natl tv buying picked up in 1985.

Officers

Don Ohlmeyer, chmn; Dean Heitler, president-ceo. Exec vps—Lee Pratt, media programing; Wally Weiss, creative director.

Phone: (212) 418-6900.

Richards Group

Dallas

RANK 86

($ in millions)

Worldwide	1985	1984	% chg
Gross income	10.9	7.8	39.1
Billings	72.3	53.2	35.8

U.S. billings ($ in millions)

	1985	1984	% chg
Media	11	6	83.2
Materials/services	9	7	20.7
Capitalized fees	53	40	31.5

Billings breakdown by media

Newspapers	18.0	Magazines	8.0
Radio	20.0	Spot tv	45.0
Outdoor	5.0	Direct mail	4.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	186	1
Domestic	186	1

Annual review

A 35% increase in billings came largely

through strong new client activity that also will result in a staff increase of 20 and expansion of office space in 1986. The agency got strong growth from existing clients—Metromedia's LDS ($3.5 million in billings), *Dallas Times Herald* ($2.5 million), Autry Industries ($1.6 million) and Muse Air Corp. ($4 million) before Muse's departure.

U.S. accounts

Gained: Tom Thumb Page; Crown Leasing; Pier 1 Imports; Residence Inn Co.; Metroplex Cadillac Group; ABF Freight System; Hogan Systems; Metroplex Telecommunications; Network 1; Pace Foods; Phoenix Marine Enterprises; Wynmere Ltd., fine jewelry; KRLD-TV; Sunbelt Savings; Southland Corp/Cityplace.

Lost: Muse Air Corp; Brookshires Grocery Co.

Officers

Stan Richards, president; Jim McGhee, Brad Todd, mgmt supers; Scot Dykema, cfo; Gary Gibson, Glenn Dady, Rob Schapiro, Ray Redding, David Fowler, Grant Richards, Mike Malone, Dick Mitchell, Steve Miller, creative group heads; Tom Erlon, media director; Tave Campbell, acct group super; Martin Bybee, director operations; Mark Cunningham, director rsch, creative planning.

Phone: (214) 891-5700.

Rosenfeld, Sirowitz & Humphrey

RANK 56

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	18.4	15.6	18.0
Billings	139.0	121.5	14.4

U.S. billings ($ in millions)

	1985	1984	% chg
Media	101	84	19.2
Materials/services	10	9	16.0
Capitalized fees	28	29	(0.2)

Billings breakdown by media

Newspapers	7.0	Magazines	17.0
Supplements	1.0	Radio	4.0
Network tv	20.0	Spot tv	41.0
Cable tv	2.0	Outdoor	1.0
Bus. papers	3.0	Point of sale	1.0
Catalogs	1.0	Dir. resp. news	1.0
Fsi	1.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	165	1
Domestic	165	1

Annual review

New business and new assignments amounted to $35 million, the highest ever at this agency, which named Stephen Humphrey president-ceo/N.Y., replacing Tom Lawson in that post and on the agency masthead. Mr. Lawson and a piece of RS&H business, McDonald's owner-operated associations, joined Laurence, Charles & Free, which added his name to its title. Most of the growth came from existing accounts like Charles of the Ritz, adding $20 million in billings from new products, and Chase Manhattan Corp. RS&H hopes for a 15% gain in billings in 1986.

U.S.accounts

Gained: Charles of the Ritz, all brands including Bain de Soleil, Jean Nate, Enjoli, Opium, Paris, Forever Krystle, Carrington, Yves St. Laurent, Rive Gauche, Kouros, new prods; Chase Manhattan Corp, Chase Bank of Ohio, Chase Bank of Maryland, Mastercard, Visa; Block Drug Company, C-14 Mildew Cleaner, new prods; Fugo America, Inc., Mini Compact Auto Import.

Lost: McDonald's Local Co-ops (New York, Michigan, Wisconsin).

Officers

Elon Rosenfeld, Len Sirowitz, co-chmns; Stephen E. Humphrey, president; Robert W. Hinson, exec vp-chief admin officer; Howie Brodsky, exec vp-cfo; Fred Turdik, exec vp-director operations. Senior vps—Melisse Shapiro, creative mgmt super; Leslie Amozig, director media operations; James Spanier, director mkt rsch. Alice Brooks, vp-director personnel.

Phone: (212) 505-0200.

Quirks and quakes

Ten years ago No. 165 was Lord, Geller, Federico & Partners. Eleven-year veteran of the agency Arthur W. Einstein Jr. became partner in 1978, which was 10 years after Norman Geller moved to the agency from Kurt, Geller Associates, an agency that evolved into Calet Hirsch Spector.

Ross Roy Inc.

RANK 29

Detroit

($ in millions)

Worldwide	1985	1984	% chg
Gross income	48.5	37.8	23.0
Billings	310.0	252.0	23.0

Office billings ($ in millions)

Ross Roy Inc.	Detroit	270.0
Griswold	Cleveland	40.0

U.S. billings ($ in millions)

	1985	1984	% chg
Media	126	128	5.5
Materials/services	42	25	68.0
Capitalized fees	133	99	34.3

Billings breakdown by media

Newspapers	7.0	Magazines	10.0
Supplements	1.0	Radio	14.0
Network tv	26.0	Spot tv	19.0
Cable tv	1.0	Outdoor	1.0
Bus. papers	3.0	Point of sale	5.0
Yellow pages	3.0	Direct mail	3.0
Catalogs	6.0	Telemarketing	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	707	10
Domestic	632	8

Annual review

Acquisitions marked the year for Ross Roy. It bought Griswold Advertising, Cleveland, on Dec. 31, and purchased equity interest in Lerner Scott Corp., a Chicago direct marketing agency. Ross Roy and Griswold have had a working relationship in the past. They were partners in Ross Roy/Colarossi Griswold, N.Y., until 1983 when Griswold sold its equity interest to Ross Roy. Griswold in 1985 had gross income of $6,329,106 on billings of $42,194,043, compared with gross income in 1984 of $6,098,875 on billings of $38,600,473. Griswold's totals are included in Ross Roy's figures.

U.S. accounts

Gained: Four Seasons Solar Products Corp; Stanadyne, Moen faucets.

Lost: Owens-Illinois, Libbey Glass div; Furrs Cafeterias.

Foreign accounts

Gained: Waltec, Windsor Raceway Ltd. (Canada).

Lost: Kenhar Products (Canada).

Officers

Glen W. Fortinberry, chmn, president-ceo. Exec vps—John L. Frakes, exec creative director; F. Robert Steiger, creative director; Peter C. Vetowich, director retail operations; Bruce S. Wagner, director client services; Richard C. Ward, director merch. Senior vps—Lance L. Aldrich, Sidney P. Houghton, creative directors; Michael L. Labiak, Francis M. Dattils, group creative directors; Roy W. Edmonds, exec producer, broadcast director; Chris A. Lawson, finance, treasurer; Gerald N. Moody, director mktg services; R. John Oliver, gm Ross Roy Productions; P. James Quigley, James A. Sanfilippo, Byron K. Shaffer, Richard L. Simmons, James V. Vehko, group acct supers. Frank D. Wilberding, director mktg planning.

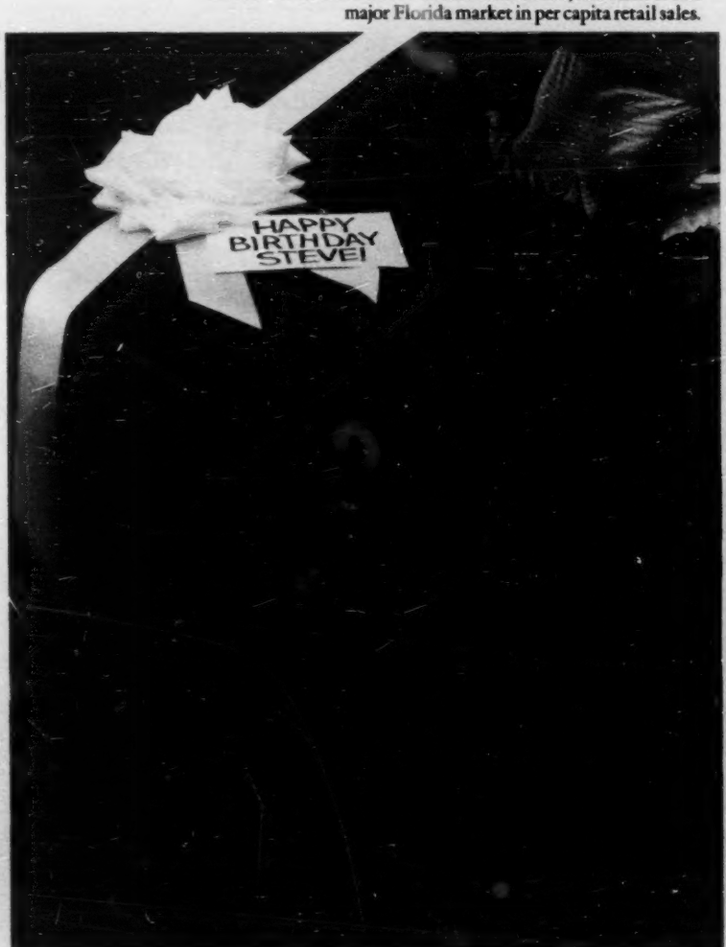
Phone: (313) 568-6000.

Quirks and quakes

Ten years ago Gerald Rafshoon Advertising, Atlanta, ranked No. 88. But then came the Rafshoon-created campaign for Jimmy Carter, the Carter presidency in which Gerald M. Rafshoon became an advisor in 1978, and the unsuccessful Carter campaign in 1980. The agency phased out, and Mr. Rafshoon turned film producer in opening Rafshoon Communications in 1981 in Washington.

More about Florida's Money Market

If you're looking for Florida's Money Market, you'll find it in Fort Lauderdale/South Palm Beach, the number one major Florida market in per capita retail sales.



The News/Sun-Sentinel not only delivers two out of three readers in Florida's most affluent market, but it is now the fastest growing newspaper in the State.*

The Fort Lauderdale/South Palm Beach

News/Sun-Sentinel

Florida's Money Market.

Represented nationally by C.W.O. & O.; Sunday Magazine Network, in Florida by Publishers Representatives of Florida.

*Source: Audit Bureau of Circulation, 6 months ended September 30, 1985.

Rumrill-Hoyt

RANK 52

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	21.1	13.2	59.5
Billings	121.6	149.5	(18.7)
U.S.	**1985**	**1984**	**% chg**
Gross income	0.0	0.0	—
Billings	0.0	0.0	—

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	256	256
Domestic	NA	NA

Annual review

A 23% increase in billings was spurred on by major growth in the New York State Lottery ($13 million). Totals for Rumrill-Hoyt also include those of Computer Marketing Services, Rochester.

U.S. accounts

Gained: New York: Puerto Rican Economic Devel Agency; Beneteau, boats; Russ Berrie, stuffed toys. Rochester: Pfizer, animal health prods; Champion, sportswear; Eastman Kodak, venture groups; DuPont, pr; OMS, Yellow Pages. Computer Marketing Services (Rochester): RCA, Microtel, Equitable, Wilfred American, Fiatallis, *P.C. World.*

Lost: South African Tourism.

Officers

New York: G.D. Landis, chmn-ceo; P.J. Goldsmith, president-coo; Eugene F. Novak, C.S. Adorney, consultants. Exec vps—William R. Hamilton, Lila M. Sternglass, creative directors; Bernard J. Long, Herbert W. Warden, mgmt supers. Senior vps—Henry E. Dunn III, mgmt super, director admin; Richard Ferrante, assoc creative director; Harvey Kahn, mgmt super; John Ryan, media director; Robert Werlin, mktg rsch director. Vps—John van der Kieft, group super; Diane Galarza, acct super; Jerome Lenoff, exec art director; John E. Rodwell, Alan Herzog, Eduardo Zayas, assoc creative directors; James Scanlon, mgmt super; Raymond F. Stokes, acct super; Arthur W. Winters, creative group head; John Sweeney, print production, traffic dept. Evanne Kosover, broadcast mgr; Matthew K. Borzi, radio and tv mgr; Jan Zlotnik, senior copywriter; Lyn Kest, office services mgr. Rochester: Joseph M. Valerio, chmn; Richard D. Thomson, president-ceo. Senior vps—Donald B. Weber, director client services; Nicholas I. Orloff, creative director; David A. Fisher, acct group mgr. Vps—Keith J. Kuehn, Harold Vanderbush, acct group mgrs; B. Vicki Lewis, assoc group mgr; Graeme C. Blasdel, Robert F. Davison, Helen C. Hutchings, Ralph R. Simolo, acct supers; Kenneth W. Jacobs, Raymond J. Bethea, Thomas W. Ellefson, Michael A. Fried, creative group mgrs; Ronald A. Esposito, director graphic services; William J. Mackey, director media planning; Robert J. Heberger, director directory mgmt services; Marcella A. Mastrodonato, print production mgr. Donna Farrington, radio and tv mgr; Anita L. Camardo, offices services mgr.

Phone: (212) 872-4000.

Saatchi & Saatchi Compton Worldwide

RANK 5

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	440.9	337.5	30.6
Billings	3,033.1	2,301.7	31.8
U.S.	**1985**	**1984**	**% chg**
Gross income	169.7	157.4	7.8
Billings	1,233.4	1,093.3	12.8

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	NA	NA
Domestic	NA	NA

Office billings ($ in millions)

Saatchi & Saatchi Compton Inc.	New York	590.0
Rumrill Hoyt	New York	121.6
Fairfax	New York	23.0
Cochrane Chase, Livingston	Newport Beach	69.5
Kleminser Advertising	New York	50.6
McCaffrey & McCall	New York	198.0
Other	New York	151.6

Annual review

Acquisitions continued paramount in Saatchi thinking as it purchased Rowland Co., a leading public relations firm in New York, in March, 1985, and in February, 1986, its U.K. subsidiary, Dorland Advertising, joined with Dancer Fitzgerald Sample to create DFS Dorland Worldwide, producing an international agency network with total billings of $1.2 billion. Saatchi purchased U.K. agency Grandfield Rork Collins, billing about $90 million, and in Canada, Hayhurst Advertising with about US$66 million in billings. Under subsidiaries listed previously in this report is the designation, "other." This includes BTD Directory Management, Irv Koons Associates, Mayo Infurna Design, Hoffman York, Kleid Co. and Hay Group. Gross income totals do not include its public relations, market research or management consulting business, although advertising generated by the Hay Group, a management consulting company, was included. Billings from Dorland's new network with DFS are not included in the figures reported by Saatchi. *(See agency group chart and story for contributions from these companies to Saatchi & Saatchi Co. plc, the parent holding company.)*

Foreign accounts

Gained: Australian Electrol Commission (Australia): Brau AG new beer, Philips personal computer (Austria); Lego GmbH (Austria—Lego, Duplo, Fabuland; France—toys; Turkey); Allied Corp polyethylene, Cinta-Gauloises, Sucal-Toblerone chocolate (Belgium); Federal Govt, Sterling Drugs (Canada—pkged goods); Johnson & Johnson (Canada—packaged goods; Greece; Turkey); Danish Rail (Denmark); Finnish Credit Card Co., Akai/Fuji Audio & Video Equipment (Finland); Lesieur Alimentaire (France—oily prods; Germany—salad oil); Royal Champignon mushrooms, BSN Carlsberg beer, Bongrain Bordeau Chesnel delicatessen, Lilly-France ethical products and Alfatel, Agfa-Gevaert paper, Ciba-Geigy ethical products (France); Lanson Pommery champagne, Jacobs-Suchard Mount Tobler Chocolate and hot beverages, Revlon/Woelm Ilja Rogoff Geriatrics (Germany); Greek Breweries Carlsberg beer, Telerex Canada Dry, Victory's Aqua Velva, Savane and Costa Brava (Greece); Peninsula Hotel Group, Ovaltine (Hong Kong); Burroughs Wellcome corp adv, Brook Bond India (India); O.K.B. Advertising: Ballyfree cooked meats, Hunter Advertising: Panasonic Smurfit Panasonics Technics, Fiat Ireland's Uno, Ritmo and Regata (Ireland); Boehringer Ingelheim otc products, Bonomelli Glaxo otc and pharmaceutical prods, Poretti Tuborg beer, Mattel Voltron (Italy); Schering Korea pharmaceutical prods, KorAm Bank, China Airlines, New York Confectionery, Hyosung Heavy Industry (Korea); Carnaby deep-freeze pastry, Hols pet food (Netherlands); Autocrat Sanyo electronics, Estee Lauder, Helene Curtis (New Zealand); Sparebankforeningen Assn of Savings Banks, Finnmark Reiselivsrad tourism, Timex, Banco Borges & Irmao commercial bank, Tractores de Portugal Massey-Ferguson tractors (Portugal); Stamford College, Shiro China chocolates (Singapore); Estado Asociado Libre de Puerto Rico tourism, Ellen Betrix cosmetics (Spain); SP Pneus Suisse Dunlop, Swiss Sports Sponsoring (Switzerland); Austin Rover Group automobiles (Taiwan, Britain/Dorland Group); Green Giant can corn, Max Factor (Taiwan); Siam Intl Corp automobiles, Jaliang Ceramic Bangkok Co. (Thailand); Lee Cooper jeans (Turkey); McDonald's, Dept of Energy, Citibank, Lanson Champagne, IBM word processors, British Rail, United Biscuits, Campbells, Nissan cars, Guinness corp adv, Imperial Group Ross Foods, Gillette deodrants, Allied Lyons corp adv, United Newspapers corp adv (Britain/Saatchi & Saatchi U.K. Group); Presto, Harp Lager, Eden-Vale, Blue Nun wine, Laurent Perrier, Guinness Books (Britain/Dorland); M&M Products skin care, Tea Council, Sands Hotel Group, Overvaal Holiday Resort, Rumevite/Agricura (South Africa).

Lost: Richardson-Vicks Suncare prods (Australia); Playtex (Australia, Belgium, Switzerland); Bensdorp chocolates, Delacre biscuits (Austria); Botring design equipment (Belgium); Canadian Football League (Canada); Bell & Howell (Denmark); Bic-Marine wind surfing (France); United Biscuit (France); Black & Decker tools (Britain/S&S U.K., Germany, Norway, Portugal); Harlenic Bell Books (Greece); Polaroid cameras (Greece, Norway, Singapore); Osborne Sherry, Nina Ricci (Netherlands); Thorn EMI electrical (New Zealand); Norsk A/S Philips (Norway); New Zealand Foods dairy products (Singapore); Wander Isostar, Airwick Binaca Oral Hygenic (Switzerland); Titanico Intl A&W Family Restaurant (Thailand); Caran d'Ache lighters and pens, Maxell tapes (Turkey); Sainsbury's Supermarkets, *Mail on Sunday*, Maples Waring & Gillow furniture, Alexon (Britain/S&S U.K.); Danepack bacon, L'Oreal, Shulton perfumes, Bulmers cider, Dreamlands beds (Britain/Dorland); Clark Nissan, Forlezer ladders, Veka clothing (South Africa).

Officers

O.M. Gossett, chmn-ceo, S&SCW. S&SC/NY—Robert Jordan, chmn; Ed Wax, ceo-president. S&SC Group—Robert Huntington, chmn. James Adler, director-intl. London—Terry Bannister, Roy Warman, Jeromy Sinclair, officers; Alban Lloyd, chmn, Europe; David Miln, chmn, business devel group; Roderick More, chmn, Asia/Pacific. Directors: Charles Saatchi, Maurice Saatchi, Kenneth Gill.

Phone: (212) 754-1100.

Saatchi & Saatchi Compton Inc.

Saatchi & Saatchi Compton, New York, reported gross income of $77,000,000 in 1985 on billings of $590,000,000. In 1984, it reported gross income of $64,500,000 on billings of $462,500,000.

The agency's 1985 U.S. volume consisted of $491,565,150 in media, $25,871,850 in materials and services and $72,563,000 in capitalized fees. Its 1984 U.S. volume consisted of $397,404,000 in media, $20,916,000 in materials and services and $44,180,000 in capitalized fees.

Included in the agency's figures were returns from its offices in Detroit and Los Angeles.

The agency estimates its billings increase to have come 40% from new business and 60% from internal growth. It gained in 1985: Portuguese Tourist; American Motors, Renault div; Ayerst Labs; Jeffrey Martin, Topol, Lavoris; Ludens; Rums of Puerto Rico; WASA; U.S. Health Care. It lost: *National Enquirer.*

Billings breakdown: Newspapers 6.1%, magazines 20.6%, radio 3.3%, network tv 68%, other 2%.

Top execs: Edward Wax, president-ceo; Robert O. Jordan, chmn. Vice chmns—Robert H. Levenson, chief creative officer; Phillip Voss Jr. Exec vps—Gerald Kessler, cfo, secretary, treasurer; David W. Basch, Norman F. Bierman, Thomas Lom, Christopher A. Mill, acct mgmt; Richard Earle, Nadeen Peterson, creative directors; Edward Rosenstein, exec rsch director. Senior vps—Carol Cohan, director broadcast product; Bruxe Cox, programing director; Stephen R. Fajen, media director; John H. Dunmar, director new business; Richard Mumma, admin. Employes: 741 in 3 offices.

Phone: (212) 754-1100.

BTD Directory Management

BTD Directory Management, Garden Grove, Cal., reported gross income of $2,125,860 in 1985 on billings of $8,854,304. In 1984, it reported gross income of $2,168,422 on billings of $8,977,450.

Direct response billings

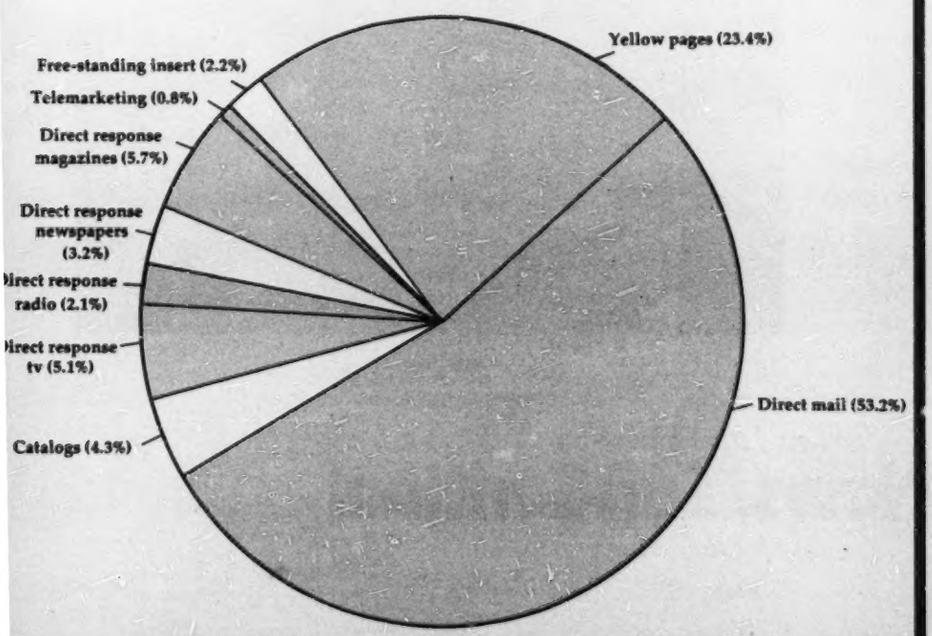
by nine categories

Media	Top 25 agencies' billings 1985	Top 25 agencies' billings $ as % of top 500's	Top 100 agencies' billings 1985	Top 100 agencies' billings $ as % of top 500's	Top 500's billings 1985
Yellow pages	$241.2	49.5	$358.2	73.6	$486.9
Direct mail	425.2	38.3	564.1	50.9	1,109.3
Catalogs	0.0	0.0	26.6	29.4	90.5
Direct reponse tv	59.1	55.8	74.7	70.7	105.8
Direct response radio	27.6	63.9	33.7	78.1	43.2
Direct response newspapers	37.6	56.1	52.0	77.5	67.1
Direct response magazines	35.2	29.4	64.5	53.9	119.6
Telemarketing	0.0	0.0	5.2	31.6	16.4
Free-standing inserts	0.0	0.0	18.8	41.2	45.6
TOTALS	825.9	39.6	1,197.7	57.5	2,084.3

NOTE: Dollar figures in millions

Media totals for agency subsidiaries are not included in parent totals if subsidiaries are broken out in separate profiles in this issue.

Top 500 direct response billings as % of $2.1 billion



In 1985, it had net income of $377,976, compared with a net loss of $197,432 in 1984.

The agency's 1985 and 1984 U.S. volumes were all in media.

In 1985, the agency gained: Lady Desiree; MCRB Software; Door Stop; GFC Insurance; Tandem computers; Ford Equipment Leasing; Pickup Outfitters (Brahma); Wyndham Hotels; Pac Tel Mobile Access Agent for Dynatel, Excell, Frontier Radiophone, St. Claire Cadillac, Bay Area Systems. It lost: Aamco Transmissions; Southwest Leasing; Vagabond Hotels; West Coast Terminals; Wordplex; Toyota; National Education; Ajax Rent A Car; Orbitran; We've Only Just Begun; Program Store; Chicago Health Clubs.

Billings breakdown: Yellow Pages 100%.

Top execs: Joan D. Olsen, president; Donna Murray, exec vp. Employes: 33 in 2 offices.

Phone: (214) 636-5800.

Fairfax

Fairfax, New York, reported gross income of $3,500,000 in 1985 on billings of $24,150,000. In 1984, it reported gross income of $3,450,000 on billings of $23,000,000.

The agency's 1985 U.S. volume consisted of $19,775,000 in media, $2,525,000 in materials and services and $1,850,000 in capitalized fees. Its 1984 U.S. volume consisted of $19,500,000 in media and $3,500,000 in materials and services.

Included in the agency's figures were returns from its offices in Zionsville, Ind., and Newport Beach, Cal.

In 1985, the agency gained: Epson computers; Wilfred American, beauty schools; Greenleaf Home Video; Great northern Annuities investments; Irvine Co., commercial real estate; J.C. Penney, Financial Center Services; Pactell Mobile Access, mobile telephones; Pacific Care; Security Pacific Bank; Transamerica, insurance; Security Pacific Brokers. It lost: Bennett, Graf, General Mail Order Merchandise; Columbia Mint; Stribling & Associates, residential real estate.

Billings breakdown: Newspapers 10%, magazines 7%, supplements 5%, outdoor 1%, business papers 1%, transit advertising 3%, direct response tv 20%, direct response newspapers 18%, direct response magazines 35%.

Top execs: Robert D. McQuade, ceo; William W. Junkin, president; Albert C. Klein, treasurer; James W. Lindsey, vice chmn; Brad Unroe, senior vp; Ken Kapica, director client services. Employes: 80 in 3 offices.

Phone: (212) 350-1800.

Klemtner

Klemtner, New York, reported gross income of $6,700,000 in 1985 on billings of $50,620,000. In 1984, it reported gross income of $5,850,000 on billings of $41,200,000. The agency did not provide a volume breakout.

Included in the agency's figures were returns from subsidiaries:

- Comtact Corp.
- Medical Service Projects.

In 1985, the agency gained: Abbott Intl, Erythrocin; Baxter Travenol Labs, new prod; Berlex Labs, Levlen, Tri-Levlen; Procter & Gamble, Ivory soap, Liquid Ivory; Revlon Health Care Group's intl operations div, Intl Core Program; Searle Labs, Calan; Upjohn, Regaine; Gastroltye USV Labs; Wyeth Labs, Ativan, Surmontil. It lost: Intl Acoustics, Stethoscope; Natl Patent Devel, Caridex.

Billings breakdown: Magazines 2%, network tv 6%, cable tv 2%, business papers 49%, direct mail 10%, collateral 31%.

Top execs: A.P. Molinaro Jr., president-ceo; J.A. Broomhead, G.A. Scott, R.J. Conlan, exec vps; D.H. Best, R. Musich, G. Constantinoff, E. Woodbury, S. Flaum, R. Dutch, senior vps. Employes: 85.

Phone: (212) 350-0400.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by Advertising Age. *See story on Page 6.*

Sawdon & Bess Advertising

RANK 91

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	10.5	8.1	29.5
Billings	70.3	54.6	28.7

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	59	43	37.6
Materials/services	9	9	0.0
Capitalized fees	3	3	(11.1)

Billings breakdown by media

Newspapers	2.0	Magazines	25.0
Supplements	2.0	Radio	15.5
Network tv	5.0	Spot tv	67.0
Cable tv	5.0	Bus. papers	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	83	2
Domestic	83	2

Office billings ($ in millions)

Sawdon & Bess	New York	61.3
Sawdon & Bess	Los Angeles	9.0

Annual review

A subsidiary of Ted Bates Co., Sawdon & Bess agency recorded a 29% increase in billings, although it expects that growth to cool off to about 10% in 1986. Part of the increase was attributed to Cadillac in the Southeast, which the agency won on the basis of its work for the carmaker in Southern California. Matchbox Toys, which moved to the agency at yearend, should generate $10 million in new billings in 1986.

U.S. accounts

Gained: Matchbox Toys, Need-A-Little, Robotech, Baby Cise, Hot Rod Racers; Grid Comm; Black & White Scotch; Sau Sea Shrimp; Cadillac, Southern Dealers Mktg Group (Ga., Ala., S.C., Tenn.).

Lost: Johanna Farms, La Yogurt; Boltens; Video Corporation of America.

Officers

Jerome Bess, chmn; Martin Mitchell, president.

Phone: (212) 751-6660.

Scali, McCabe, Sloves

RANK 25

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	50.2	44.6	12.7
Billings	334.7	307.0	9.0
U.S.	**1985**	**1984**	**% chg**
Gross income	36.6	30.5	19.9
Billings	243.9	209.5	16.4

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	244	210	16.4
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	17.0	Magazines	21.0
Radio	9.0	Network tv	21.0
Spot tv	27.0	Outdoor	5.0

Work force and facilities in 1985

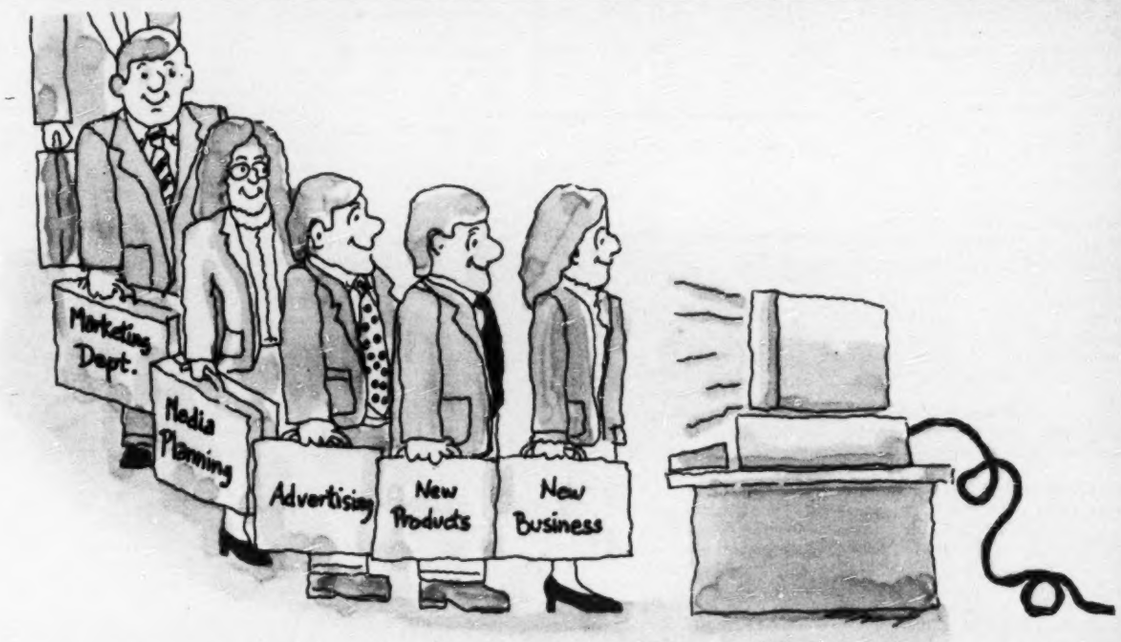
	Employes	Offices
Worldwide	841	12
Domestic	428	4

Office billings ($ in millions)

Scali, McCabe, Sloves	New York	243.9
Scali, McCabe, Sloves	Atlanta	NA
Scali, McCabe, Sloves	Houston	NA
Scali, McCabe, Sloves	Los Angeles	NA

Annual review

Scali's 9% growth in billings largely reflected a gain of four accounts worth a total of $33.6 million—Chase Manhattan Bank, Bojangles, Duffy Mott and Equitable. The agency lost only $5 million in aggregate billings from Izod and *Playboy* magazine. It opened



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an LA office in October headed by Richard Kelly, founder of Scali's Canadian office and more recently president of WRG/West, LA, and Charles Silverman, who moved from Cunningham & Walsh in LA. Scali also bought 75% of Fallon McElligott Rice, the lead agency in Minneapolis, and will keep it as an independent unit within SMS, itself a subsidiary of Ogilvy Group. SMS reduced its equity in Abbott, Mead, Vickers SMS, London, resulting in a reduction in non-U.S. billings of 6.9%.

U.S. accounts

Gained: A.R. Robbins; Saks Fifth Avenue; Columbia Pictures; Equitable; Roses; Diabetes Treatment Center.

Lost: Izod; Playboy.

Foreign accounts

Gained: Workcare, Elders Finance, Jaguar Rober Australia, Interwest, Moulinex, Goodyear, Banca Serfin, Hertz, Road Traffic Authority, Victorian Medical Postgraduate Foundation, Elders meat div, Permanent Paper Products, Bristol Decorator Centres, Hillier Parker (Australia), Maito, E. Merck, OSRAM GmbH, VDS-Gesellschaft zur Forderung der Sanitarwirtschaft (Germany); Chase Manhattan Bank of Canada, Continental Airlines, LaBatt Brewing Co. agency of record-print, Eaton Centre, AGROPUR, Cascades (Canada); Chase Manhattan Bank, Smiths Planters Peanuts, Seagram's Glenlivet, Leeds Bldg Society, Sainsbury, Zales Jewellers, Sears Credit Card, Sealink, Seagram Tonino, Ladbrokes Corp (U.K.).

Lost: Seagram Chivas Regal (U.K.); Commercial Mexicana (Mexico); Capel Court (Australia); Beecham Group (worldwide); Deutsche Granine, Pharma Schwarz, Bakle (Germany).

Officers

Martin Sloves, chmn-ceo. Vice chmn—Sam Scali, creative director, U.S. operations; Alan Pesky, coo. Presidents—Edward McCabe, creative director worldwide; Jerry Sherman, sales promo; Lee Graham, direct response. Exec vps—Keith Green, director strategic planning, business devel; Judith Aiello, mng director; Mike Ephron, media services. Exec vp, mgmt reps—Bill Tucker, Stuart Epstein, Murray Gaylord. Senior vps—Gail F. Lieberman, cfo; Barbara Titus, rsch director.

Phone: (212) 735-8000.

Sieber & McIntyre

RANK 77

Chicago

($ in millions)

Worldwide	1985	1984	% chg
Gross income	12.3	12.5	(1.4)
Billings	82.3	83.5	(1.4)
U.S.	**1985**	**1984**	**% chg**
Gross income	11.9	11.9	0.1
Billings	79.3	79.2	0.1

U.S. billings ($ in millions)

	1985	1984	% chg
Media	16	18	(11.1)
Materials/services	9	10	(14.4)
Capitalized fees	55	51	6.9

Billings breakdown by media

Medical journ.	69.0	Direct mail	25.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	158	4
Domestic	147	2

Office billings ($ in millions)

Sieber & McIntyre	Chicago	52.4
Sieber & McIntyre	Montreal, PQ	30.0

Annual review

Sieber & McIntyre, a 40-year-old healthcare agency, was purchased in January, 1986, by Interpublic's McCann-Erickson Worldwide, marking the return of M-E to Chicago after a hiatus of four years. S&M attributes a drop of 1.4% in billings to the sale of its publishing division. New client activity was strong, and expansion from current clients—Sandoz, Penwalt, Boehringer-Ingelheim, Squibb—was heavy, particularly influencing growth in the Morristown, N.J., office where 14 employes were added.

U.S. accounts

Gained: Abbott Tranxene; Nobelpharma; Computers for Medicine; Evangelical Health Systems; Docketsearch; R.P. Scherer.

Lost: Amsco.

Officers

R. Joseph McIntyre, president; Robert Buckman, Bruno Ruegg, Alex Weinerman, senior vps; Steve Freeman, Ethelrita Gleeson, David McCarty, Timothy J. McIntyre, Patrick McTigue, Ray Taylor, exec vps.

Phone: (312) 266-9200.

SSC&B:Lintas Worldwide

RANK 13

($ in millions)

Worldwide	1985	1984	% chg
Gross income	190.9	165.5	15.3
Billings	1,300.5	1,123.6	15.7
U.S.	**1985**	**1984**	**% chg**
Gross income	67.4	62.2	8.4
Billings	449.6	414.6	8.4

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	3,859	60
Domestic	731	2

Office billings ($ in millions)

SSC&B	New York	449.6
VOS Direct	New York	NA

Annual review

A modest 8.4% increase in U.S. billings added to a 20% increase in overseas billings, led to an over-all billings increase of 15.7%. SSC&B:Lintas, part of the Interpublic Group of Cos., receives 60% of its billings from abroad where the agency opened an office in Melbourne, Australia, in January. Billings got a strong infusion of $17 million from J&J Personal Products for Sure & Natural Maxishields, $8 million from Mennen's Real antiperspirant, and $20 million for Aim toothpaste and $6 million for Impulse body spray, both products coming in a Lever reassignment from O&M and JWT, respectively. Sterling Drug Co.'s over-the-counter analgesic ad account worth about $32.5 million, primarily Bayer and Panadol, came aboard at midyear.

U.S. accounts

Gained: Timberland sport shoes; Speedy Muffler King; RCA/Columbia; Dept of Commerce, attract business to NYC; Unilever, Aim, Mentadent toothpastes, five new assignments; Coca-Cola, Classic Coke. SSC&B:VOS Direct—Citibank/Citicorp; Imperial Enterprises; Arthur S. DeMoss, religious.

Lost: Mennen; Datapoint; Coca-Cola, Tab.

Foreign accounts

Gained: Unilever (Argentina; Australia; Austria—Iglo Dinner; Brazil; Canada; Chile; Denmark—margarine, frozen foods; England; Finland—Rexona Deo for Men; France; Germany; Greece-Flora Oil; India—Super Mum/Hima Paste; Indonesia—Vinola Splash and media; Italy; Malaysia—Feast Ice Cream, Bird's Eye Fish Fingers; New Zealand; Philippines—Close-Up toothpaste; Portugal—Becel oil, Audace cologne; Spain—Signal Gel toothpaste; Switzerland—Wega cleanser; Thailand); TDK audio/video tapes, Kellogg's Special K and Sultana Bran cereals, NEC computers and printers, NSW Treasury Corp Premier State Bonds (Australia); Johnson & Johnson (Australia—Carefree Shield, Cotton Buds; Austria—Serena Sanpro; Brazil—Affinity shampoo; England—Vespre; Portugal—Cotonettes, Affinity conditioner; Spain—Carefree; Switzerland—Baby Line; Thailand—Lotion Soap; Toshiba audio/video and appliances (Australia); Deutsche Allianz insurance, K-Tel records and media, SEB/Tefal appliances (Austria, France); Philips (Austria—auto telephone; Brazil—Walita appliances; Denmark—lighting, batteries; Hong Kong—batteries, corp adv, electronics for China; Mexico—small appliances; Netherlands—corp adv; New Zealand—Home entertainment; Norway—lighting); Planear real estate (Brazil); Bausch & Lomb contact lenses (Brazil, Greece); Bravox Electronico loudspeakers, Levi Nuvo jeans, Reckitt & Colman's Affinity shampoo (Brazil); Del Monte (Canada—juices; Hong Kong—fruit juices); Sterling Drug (Canada—Panadol, Aspirin; Chile—Panadol, Tapal 2; Denmark—Panadol; England—Panadol, Hedex; Finland—Panadol; Indonesia Panadol, Cafenol; Malaysia—Panadol, Cortal; Portugal—Panadol, Melhoral; Singapore; South Africa—Panadol, Compral; Spain—Panadol; Sweden—Panadol); Speedy Muffler (Canada, England); Coca-Cola (Canada—MM Orange soda, Cherry Coke; Chile—Kapo children's drink, Vital Water; New Zealand—Leed; South Africa—Fanta, Tab, Mello Yello; Thailand—Coke, Sprite); Universidad de Chile's TV Channel 11, Bata Shoe Stores, Fanaloza bathroom ceramics (Chile); Farma Food's Vital Fibre tablets, Ktas telephone, Berlingske Officin's *Sondags B.T. Weekly* magazine (Denmark); Dandy gum (Denmark, Norway, Sweden); Novo Industries (Denmark, Germany, Italy, Switzerland); Bridgestone tires, Distiller's White Horse Whiskey, Arthur DeMoss (England); RCA/Columbia videotapes (England, France, Germany, Netherlands, Spain); Molnlycke's Libero diapers, Rowntree Mackintosh Toffee Crisps (Finland); Olympia socks, Petit Bateau children's wear (France); Chemical Industry's Environmental campaign, Esesa Exportadores' Sherry generic, Hertie dept stores, Nordischer Allianz' Scandinavian Tourist Offices, Pharmaceutical Industry, Deutsche Bundespost's telephone credit card (Germany); Timberland shoes (Germany, Greece, Norway); Chefaro (Germany—Vitamin E; Netherlands—Femapirin, Code O-Test); Mulpha Trading wine and cosmetics, Tiram Kimia's Shelltox Insecticides, Diner's Club card, CCF/Dutch Baby milk, juices, coffee and milk, Kwong Yik Bank Berhad bank, P.T. Indofood's Indomie noodles (Malaysia); Citibank/Citicorp (Hong Kong; India; Indonesia; Malaysia—Checks, corp adv; Mexico; D. Kourtakis Apelia wines, Hellenica's Lumiere perfume amd Germaine Monteil cosmetics, Weight Watchers Salons (Greece); Communication Services' Viewdata and corp adv, Hong Kong Telephone Co.'s business systems (Hong Kong); Bajaj Auto Scotters and motorcycles, Bata Shoes, Crystal Knitters men's underwear, Hindustan Cocoa Producer's Eclair Pops (India); Quaker oatmeal (Indonesia); Becton Dickinson syringes, Sheaffer writing instruments, Evenflo's Baby Care (Mexico); Europa TV's Pan-Europe Satellite TV (Netherlands); Suzuki outboard motors (New Zealand); Adelsten Kjolner fashion clothes, Exxon home heating, Norwegian Post postal, Steen & Strom dept stores (Norway); Searle Caldesene and Desenex medical powders, San Miguel beer, Abbott Labs Clear Eyes and Surbex Vitamins, Mondragon Ind. Triumph Women's wear (Philippines); Sical coffee, CTT (GPO) (Portugal); United Motors, Airlanka, SAS Amara Hotel, Coop Intl's Ebel and Courreges watches, Mont Blanc writing instruments, Chesebrough Pond's Ragu (Singapore); Dunlop Tires, Landlock's Makita power tools, Gilbey's brandy, Nixdorf computers (South Africa); Edicion Conica's *Telva* magazine, Japan Air Lines (Spain); Swedish Match's Marbodol Kitchen Units, Dagab's 7-11 stores, Boliden Adelmetall's Gold Bars, Denofa oy Lilleborg's Dr. Greve (Sweden); Government of Thailand's public service, Saha Thaipathanaphan's Carson's socks and underwear, Yamaha sound equipment, Blaupunkt car audio, Petroleum Authority of Thailand's corp adv, Siam Cement group tiles (Thailand); Tourist Development Corp (Zimbabwe).

Lost: Argencard credit card (Argentina); Kimberly-Clark (Australia; France—bags and foils); Unilever's Bensdorp (Austria); Volvo Cars (Belgium); Bacardi, Banco Auxiliar, Iberia Airline, Bristol-Myers (Brazil); Citicorp (Canada); *El Mercurio* newspaper, Canal 13 TV, Intersport's Puma (Chile); Bayer aspirin (Denmark); A. Ahlstrom Sakeyhtio's glassware (Finland); Maison Phenix' houses (France); Gruner & Jahr's *Stern* magazine, Lesney Spielwaren's Matchbox toys, Lindener Gilde Brau beers (Germany); *Cosmopolitan* magazines (Greece); Carnation (Hong Kong, Malaysia, Philippines, Singapore); Cambridge Sports' Nike shoes (Hong Kong); SmithKline's Idoex Pain Balm and cream, Hyderabad refrigerators (India); P.T. Friesche Vlag milks (Indonesia); Malayan Breweries (Malaysia); Volvo diesel engines (Mexico); De Efteling family theme park (Netherlands); Datapoint computers (Netherlands, Spain); Det Beste books, Adinor (Norway); Johnson & Johnson (Philippines, Zimbabwe); Philips appliances (Portugal); Canon, Shiseido cosmetics (Singapore); South African Breweries' Carling Black Label (South America); Varma's Remy Martin (Spain); Exxon (Sweden); Emil Ebneter's Appenzeller Alpenbitter (Switzerland); United Foods crackers, Natl Fertilizer (Thailand).

Officers

SSC&B:Lintas Worldwide—Board of directors—William V. Weithas, chmn-ceo; Eugene P. Beard; Andre M.R. Bernard; Philippe Charmet; Francis J. DeVito; John Hollier; Jean-Francois Lacour; R.A.H. McLaren; Roger F. Neill; Mark J. Penney; Spencer Plavoukos; Kenneth L. Robbins, deputy chmn SSC&B:Lintas Worldwide, chmn-ceo Lintas Intl; John P. Sweeting; Enrique Tejerina; Gerald Wright; Ingo Zuberbier. SSC&B Inc.—Spencer Plavoukos, chmn-ceo; Francis J. DeVito, president, director of creative services; Lawrence E. Lamattina, exec vp-coo; Harold V. Rover, vice chmn. SSC&B:VOS Direct—Thomas J. Turner, chmn-ceo; Lewis M. Smith Jr., exec vp, director creative services.

Phone: (212) 605-8000.

Stone & Adler

RANK 71

Chicago

($ in millions)

Worldwide	1985	1984	% chg
Gross income	13.4	11.1	20.8
Billings	106.7	82.2	29.8
U.S.	**1985**	**1984**	**% chg**
Gross income	12.2	9.8	24.2
Billings	96.8	72.7	33.0

U.S. billings ($ in millions)

	1985	1984	% chg
Media	1	1	32.7
Materials/services	18	11	69.6
Capitalized fees	78	61	26.7

Billings breakdown by media

Point of sale	4.0	Direct mail	37.0
Dir. resp. tv	23.0	Dir. resp. radio	1.0
Dir. resp. news.	15.0	Dir. resp. mags.	20.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	185	3
Domestic	145	2

Office billings ($ in millions)

Stone & Adler	Chicago	45.1
Stone & Adler	New York	51.7

Annual review

Seeking a "larger resource base" in New York, Chicago-based Stone & Adler folded another Young & Rubican unit, Chapman Direct, into its New York office. Although there are no new account gains so far in 1986, Stone & Adler expects a growth rate of 10%-15% from a full year of billings from existing clients and 1985 account gains. Three new accounts—Red Lobster, Lanier and Ortho-Kinetics—are expected to total $6 million this year.

U.S. accounts

Gained: Red Lobster Inns of America; Lanier, office prods; 3M, a/v equipment; AMA, medical assn; Hickory Farms; West Bend; Ortho-Kinetics; Holiday Inns; Cross & Brown, real estate.

Foreign accounts

Gained: Sun Life insurance, Mony insurance, BCAA auto Club (Canada).

Lost: Rogers Cablesystem (Canada).

Officers

Richard Colligan, chmn-ceo; William Sutherland, president (New York). Senior vps—William Booth, gm (Chicago); Barry Kessel, gm (Toronto); Tony Platt, creative director; Gary Vest, production director (Chicago); Leonard Ross, production director (New York); Dick DeCicco, mgmt super (New York); Michael Sugzda, business devel (New York). Exec vps—Michael Moore, mgmt super (New York); Isabel Mueller, treasurer (New York); Bruce Murray, director mktg (New York).

Phone: (312) 346-6100.

Sudler & Hennessey

RANK 47

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	23.0	20.5	12.2
Billings	153.4	136.7	12.2
U.S.	**1985**	**1984**	**% chg**
Gross income	18.2	16.4	11.0
Billings	121.4	109.4	11.0

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Magazines	4.0	Medical journ.	33.0
Network tv	14.0	Spot tv	2.0
Cable tv	1.0	Other	46.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	285	8
Domestic	206	2

Annual review

A subsidiary of Y&R specializing in healthcare advertising, S&H expects 1986 to match the 12.2% gain in billings in 1985. "Clients have some anxiety about the economy, but budgets are up," says a spokesman, noting there is increased competition from the generic products in the ethical sector. Also, the FDA at year-end approved a number of new products that S&H clients can now sell.

U.S. accounts

Gained: Ayerst Laboratories Canada, ethical; Ayerst Laboratories, Cycrin, Premphase; Baker Instruments Corp, ethical; Olin Chemical Corp, ethical, consumer; Cos-Medica Medical Group, consumer; Jeffrey Martin, consumer; Parke-Davis, Multisource, Pro-Air; Whitehall Laboratories, Baby Anbesol, Dristan Spray.

Lost: EcuMed.

Foreign accounts

Gained: Dairy Promotion Council, Merck Sharp & Dohme, Organon, Du Pont BioMedicals div (Australia); Booker Health, Roche, Wellcome Diagnostics; SK&F (UKOG), Tambrands (England); Fresenius, Hoffman La Roche, Knoll, Nordmark (Germany); Bayer, Daiichi Seiyaku, Johnson & Johnson Medical, Squibb Medical Systems (Japan); Du Pont agricultural div, industrial prods, Pfizer otc pharmaceuticals (Australia); Du Pont Photo prods, Sorvall (England); Cyanamid/Lederle Flupril, Du Pont's Cromelin, Cyrel, Fotosystems, Sorvall, Hoechst Suprefact, Topisolon (Germany).

Lost: Johnson & Johnson Intl S.E. Asian Regional Mgmt Centre, Macro Vitamin Distributions (Australia); Lundbeck (England); Euroga (France); Miles GmbH, MSD Sharp & Dohme, Mundipharma GmbH (Germany).

Officers

William B. Gibson, chmn, president-ceo. Exec vps—Robert Gouterman, communications services; Donald Howard, director intl services; Arthur M. Rosen, director consumer group.

Phone: (212) 265-8000.

Tatham-Laird & Kudner

RANK 42

Chicago

($ in millions)

Worldwide	1985	1984	% chg
Gross income	28.2	27.1	4.1
Billings	235.0	226.0	4.0

U.S. billings ($ in millions)

	1985	1984	% chg
Media	136	114	18.9
Materials/services	29	27	5.1
Capitalized fees	70	84	(16.7)

Billings breakdown by media

Newspapers	17.4	Magazines	13.7
Supplements	1.5	Radio	2.2
Network tv	28.6	Spot tv	28.0
Cable tv	2.7	Outdoor	1.4
Bus. papers	1.1	Transit	0.9
Direct mail	2.5	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	357	1
Domestic	357	1

Annual review

Growth at TLK came mostly from products coming into maturity and new product assignments from existing clients such as Ralston Purina's Sun Flakes cereal and Chex Snack Mix and R.J. Reynolds' Sterling cigarets—a pattern at TLK, according to an agency spokesman. The agency, however, obtained two big-spending clients, Del Monte and the Butter Board, each with projected billings of $12 million.

U.S. accounts

Gained: Del Monte Corp, Ortega, Patio Mexican food; Household Finance Corp, Household Bank; Natl Dairy Board/United Dairy Industry Assn, butter promo; Ralston Purina Co., Sun Flakes cereal, Chex Snack Mix; R.J. Reynolds Tobacco Co., Sterling cigarets.

Lost: Ragold, Inc.

Officers

Charlotte Beers, ceo; William Ross, chmn; William Youngclaus, coo; John Valverde, cfo. Senior partners—John Wells, director client service; John McKee, Lawrence Stillman, group creative directors; Phillip Gerber, media operations director; Michael Robinson, rsch, planning director; Kirk Borland, Linda Garrison, Robert Hielscher, Thomas Schafer, acct mgmt.

Phone: (312) 337-4400.

TBWA Advertising

RANK 27

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	49.6	40.5	22.6
Billings	330.9	270.0	22.6
U.S.	**1985**	**1984**	**% chg**
Gross income	13.2	10.9	20.7
Billings	87.9	72.8	20.7

U.S. billings ($ in millions)

	1985	1984	% chg
Media	86	73	20.7
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	4.0	Magazines	34.0
Supplements	3.0	Radio	7.0
Network tv	7.0	Spot tv	43.0
Cable tv	1.0	Outdoor	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	500	12
Domestic	97	2

Office billings ($ in millions)

TBWA Advertising	New York	73.4
TBWA Advertising	St. Louis	14.5

Annual review

TBWA's domestic billings increase of 20.8% came two-thirds from new billings from existing clients, especially Anheuser-Busch, Conde-Nast and Ralston-Purina, and a third from new clients, Chock Full O' Nuts and Southern New England Telephone. Overseas, the agency gained Henkel detergent, SEAT and Honeywell Bull Computer, contributing to an over-all billings increase of 22.6%. The Paris office picked up $20 million in new business, or just under half the non-U.S. billings net gain of $46 million.

U.S. accounts

Gained: Anheuser-Busch, Carlsburg beer, new prods; Bunker-Ramo, computer services; Hebrew Natl, meat prods; Monsanto; Chock Full O' Nuts; Conde Nast *GQ* magazine; Continental Baking Co., new prods; Southern New England Telephone Co., Sonecor Systems, Sonecor Cellular; General American Life Insurance, Passport Health Care.

Lost: Food & Wines from France.

Foreign accounts

Gained: Henkel detergents, SEAT automobiles, Honeywell Bull computers (Europe wide); Monsanto herbicides (France, U.K.); Head Skis (Switzerland); Honda Motorbikes (Germany); Pavesi Biscuits (Italy); Grand Marnier (Germany, Holland); Beiersdorf (Germany); ESSO Oils (Belgium); Boston Consulting (Germany); GAN Insurance (France); Cote d'Or Chocolates (Spain).

Lost: Alliance Building Society (U.K.); Volvo (France).

Officers

William Tragos, chmn-ceo; Richard Costello, president. Exec vps—Arnold Arlow, Peter Lubalin, co-creative directors; Thomas Derderian, director acct services (New York); John Doman, director business devel; Anthony Morgan, director mktg services; William Oakey, gm (St. Louis). Senior vps—Claude Fromm, media director; Arthur Gramer, director acct services (St. Louis); Geoff Hayes, exec art director; Stuart Loss, finance.

Phone: (212) 725-1150.

Telephone Marketing Programs

RANK 67

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	15.3	12.3	24.5
Billings	103.3	83.0	24.5
U.S.	**1985**	**1984**	**% chg**
Gross income	15.0	12.0	24.6
Billings	99.7	80.0	24.7

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	100	80	24.7
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Yellow pages	100.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	582	22
Domestic	528	15

Office billings ($ in millions)

TMP	New York	60.0
TMP	Boston	3.0
TMP	Chicago	12.0
TMP	Los Angeles	7.5
TMP	Miami	10.0
TMP	Minneapolis	3.0
TMP	Danville, Ill.	0.0

Annual review

Telephone Marketing Programs had a 24% increase in billings compared with an industrywide increase of 9%, a spread TMP credits to a large increase in new clients at its seven major offices and six sales units nationwide. TMP says more clients are now seeking direction in Yellow Pages marketing because the market has grown more complicated from government deregulation, an offshoot of which has been a plethora of new telephone directories. In April, 1986, the telemarketer will open TMP Japan Inc., Tokyo, in partnership with Japanese. In France, the agency is in the initial phase of making ad placement via electronic directory.

U.S. accounts

Gained: Mellon Bank; Delta Faucet; MCI Telecommunications; Western Union; Beneficial Management Corp; Century 21; Suzuki Automotive; Continental West Airlines; Northwest Orient Airlines; Computer Depot; Valcom Computers; Dunlap Tire Corp; Barefoot Grass; Florafax; Republic Automotive; Murray Ohio; Bombardier; Integrated Resources Corp; Royal Optical; J.C. Penney, financial services; Ericcson; Friden Alcatel; Fair Oaks Hospital; Alhambra Water Co.

Lost: Travenol; Shell Oil; Purolator; Compushop; Microsoft; Computerland; Airborne Express; Recovery Center of Art.

Officers

Andrew J. McKelvey, president. Senior vps—Paul Camara, operations; Lance S. Johnson, sales. Vps—Thomas G. Collison, finance; Robert Lamb, mktg; Frank Troise, operations.

Phone: (212) 977-4200.

Profiles with a checked box (☑) indicate an independent cpa or accounting firm has reviewed the gross income reported and signed a statement of verification supplied or approved by Advertising Age. *See story on Page 6.*

J. Walter Thompson Co.

RANK 4

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	450.9	414.4	8.8
Billings	3,009.2	2,765.3	8.8
U.S.	**1985**	**1984**	**% chg**
Gross income	251.2	216.9	15.8
Billings	1,675.5	1,446.7	15.8

☑

U.S. billings ($ in millions)

	1985	1984	% chg
Media	1,676	1,447	15.8
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	8.5	Magazines	12.5
Medical journ.	1.2	Radio	5.6
Network tv	34.7	Spot tv	20.9
Cable tv	1.4	Outdoor	1.1
Farm pubs.	1.3	Direct mail	1.0
Fsi	—	Other	11.8

Work force and facilities in 1985

	Employes	Offices
Worldwide	9,101	203
Domestic	3,444	73

Office billings ($ in millions)

JWT	Atlanta	44.8
JWT	Chicago	470.0
JWT	Detroit	335.7
JWT	Los Angeles	111.9
JWT	New York	511.7
JWT	San Francisco	134.3
JWT	Washington	67.1
Thompson Recruitment	Los Angeles	

Annual review

J. Walter Thompson turned in a strong 15.8% gain in U.S. billings while non-U.S. billings increased only 1.1% for a worldwide net gain of 8.8%. U.S. gains came from new accounts: Emery Worldwide ($20 million) and Sears Discover Card (worth $20 million). Growth came from existing clients Ford (about $50 million for Taurus), Quaker Oats (new spending worth $20 million), Burger King ($30 million for beefier Whopper) and the addition of Lowenbrau by Miller Brewing (already spending $60 million on High Life at JWT). Losses were minor in comparison: Labatts ($30 million); Kuppenheimer ($11 million). J. Walter Thompson Direct was formed as cornerstone of a network of five direct response specialties. Among many major management changes at JWT in 1986 included the naming of Joseph W. O'Donnell of the Chicago office, as ceo replacing Don Johnston, who will turn over his chairmanship to Mr. O'Donnell at year-end when he retires. Mr. Johnston will continue to head up JWT Group. J. Walter Thompson Co. vice chairman Wally O'Brien, in contention for the head post, resigned. Donald G. Sullivan, president, Ketchum/San Francisco, succeeded Mr. O'Donnell as general manager, JWT USA/Chicago. In February, 1986, JWT gained a portion of the Eastman Kodak business it did not already have when Kodak moved its consumer electronics division and some of its international film and camera business worth $35 million to JWT.

U.S. accounts

Gained: Miller Brewing Co., Lowenbrau; Malaysian Airline System; Eckerd Drug Store; Trintex; Fisher-Price; Kaiser Foundation; Jacuzzi Whirlpool Bath; Marineland Amusement Park; Royal Canadian Mint; Doubleday & Co.

Lost: Kuppenheimer Mfg Co.; Dunlop Sports Co.; H & R Block; Lowe's; Michigan Natl Bank; W.F. Young Inc.; AFSCME.

Foreign accounts

Gained: American Drug Co. (Japan); Natl Australia Bank, Philips (Australia); Purolator (Hong Kong); Emery Worldwide, Crown Life Insurance Co., Northern Telecom, Royal Canadian Mint (Canada); Alivar (Italy); British Telecom, Entre Computer Center, Littlewoods Mail Order, Nestle Food Corp, Observer Newspaper, Skol lager beer, Thorn EMI/TV and video rentals (Great Britain); Guerlain, Mastercard (France); Hero (Netherlands); Ministerio de Industria (Spain); Bacardi Importers (Brazil); Eastman Kodak Co. (Chile); Nestle Foods Corp (Argentina); Quaker Oats Co. (Mexico).

Lost: Computerland Corp (Australia, Canada, Denmark, France, Germany, Great Britain); Labatt Importers (Canada); Black & Decker Corp (Italy, Argentina).

PROFESSIONAL SPEECH IMPROVEMENT

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Phone: (212) 210-7000.

Towne, Silverstein Rotter
RANK 92
New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	10.5	7.7	37.3
Billings	70.0	51.0	37.3

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	5.0	Magazines	5.0
Radio	10.0	Network tv	30.0
Spot tv	35.0	Cable tv	5.0
Outdoor	5.0	Point of sale	5.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	50	1
Domestic	50	1

Annual review
Growth at Towne, Silverstein Rotter came largely from existing accounts, led by the new wine cooler entry at Canandaiqua Wine Co., an account with annualized billings of about $25 million. Canandaiqua, which began with the agency in 1964 billing $50,000, now represents about 20% of annual billings. In 1986, Panache toy company, which is licensed by Coleco to do Cabbage Patch miniatures, came aboard replacing CBS's toy division scuttled by the big media company. Panache will launch in the spring Wonder Whims, illusions developed by magicians Doug & Debbie Henning, and Learning Curves, a soft toy for pre-school children.

U.S. accounts
Gained: Charin Industries; R&S Strauss Automotive Stoes.
Lost: Purolator Products Inc., filter div.

Officers
Les Towne, ceo; Bill Silverstein, chmn; Steve Rotter, president. Senior vps—Michael O'Connell, director creative; Binnie Levin, comptroller.
Phone: (212) 557-5570.

Quirks and quakes
Growing with a client can be traumatic as seen in the fate of Parker Advertising. The Palos Verdes Peninsula agency handled Nissan for 16 years before Nissan split in 1977 to find a larger agency, taking its $40 million car and pickup account, or 93% of Parker billings. Parker had just built up its account and media personnel when the client fled the coup, and was soon to resign the rest of its advertising accounts and pull down its agency shingle.

Tracy-Locke
RANK 32
Dallas

($ in millions)

Worldwide	1985	1984	% chg
Gross income	40.0	32.2	24.4
Billings	272.3	239.8	13.5

U.S. billings ($ in millions)

	1985	1984	% chg
Media	212	192	10.5
Materials/services	38	32	18.5
Capitalized fees	22	16	40.2

Billings breakdown by media

Newspapers	6.0	Magazines	4.0
Radio	17.0	Network tv	15.0
Spot tv	52.0	Cable tv	1.0
Outdoor	2.0	Bus. papers	1.0
Point of sale	1.0	Direct mail	1.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	587	13
Domestic	587	13

Office billings ($ in millions)

Tracy-Locke	Dallas	183.9
Tracy-Locke	Denver	33.9
Tracy-Locke	Los Angeles	52.6
Tracy-Locke	Philadelphia	12.0

Annual review
New client gains and no losses, activity defined by the agency as "a result of hard work and luck," helped push Tracy-Locke billings upward 13.5%. The BBDO Intl. subsidiary lists other highlights as opening a Los Angeles office mainly to service Taco Bell, but which soon won Princess Cruises, and luring Joy Cummings from Ted Bates as exec creative director. In 1986, the agency gained Vuarnet sunglasses and lost Labatts beer, which Dallas-based Tracy-Locke no longer wanted to serve because of its distant location in Stamford, Conn. The agency predicts no huge increase in billings in 1986. Clients are in a wait-and-see attitude. Also, a T-L strategy in 1986 is to consolidate 1985 gains.

U.S. accounts
Gained: *Dallas Morning News*, CompuShop; Princess Cruises; Dillard Dept Stores; Pepsi Cola USA, food service div; Health Care United; Jones Intercable.

Officers
Norman W. Campbell, chmn; Howard W. Davis, president; David H. Hudnall, cfo. Exec vps—Josephine Cummings, exec creative director; Lawrence H. Spiegel; Robert G. Largen, director mktg planning, rsch. Jean Farinelli, president, pr; Bill Vande Water, vp-mgmt super. Tracy-Locke Direct—David Kubes, president. Tracy-Locke (Denver)—R. Garrett Mitchell, president; John McLagan, exec vp. Tracy-Locke (Los Angeles)—Rodney W. Underhill, president; Steve Hayden, exec vp, exec creative director.
Phone: (214) 969-9000.

Tucker Wayne & Co.
RANK 89
Atlanta

($ in millions)

Worldwide	1985	1984	% chg
Gross income	10.6	8.6	23.1
Billings	71.8	59.1	21.0

U.S. billings ($ in millions)

	1985	1984	% chg
Media	54	46	17.2
Materials/services	7	6	23.1
Capitalized fees	10	7	44.3

Billings breakdown by media

Newspapers	12.6	Magazines	17.7
Radio	11.8	Network tv	1.7
Spot tv	51.2	Outdoor	1.8
Direct mail	0.1	Other	3.3

Work force and facilities in 1985

	Employes	Offices
Worldwide	121	1
Domestic	121	1

Annual review
An even split in billings between an increasing number of product launches and more aggressive ad spending on current products helped generate a 21% increase in billings at Tucker Wayne & Co. In January, 1986, Sun Bank of Florida, sister to client Trust Company Bank, joined the agency's client roster. Both are members of regional bank holding company, SunTrust. Tucker Wayne, which expects a 20% growth this year, foresees a "healthy, growing market" through the end of 1986. It defines its market reach as "anything south of New York City and east of the Mississippi."

U.S. accounts
Gained: GoodMark Foods; Citrus World.
Lost: Gold Kist.

Officers
Matthew Connor, chmn-treasurer; C. Knox Massey Jr., president; Sidney L. Smith, exec vp-secretary.
Phone: (404) 521-7600.

Waring & LaRosa
RANK 70
New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	13.5	12.3	9.8
Billings	90.0	82.0	9.8
U.S.	**1985**	**1984**	**% chg**
Gross income	13.0	11.8	9.6
Billings	86.4	78.8	9.6

U.S. billings ($ in millions)

	1985	1984	% chg
Media	70	63	10.6
Materials/services	8	9	(2.4)
Capitalized fees	9	8	14.7

Billings breakdown by media

Newspapers	4.0	Magazines	29.0
Radio	8.0	Network tv	45.0
Spot tv	12.0	Cable tv	1.0
Outdoor	1.0	Other	—

Work force and facilities in 1985

	Employes	Offices
Worldwide	140	1
Domestic	140	1

Annual review
Waring & LaRosa, which recorded a 9.8% increase in billings, is aggressively seeking new business to replace the loss of Fisher-Price, which departed after having been 16 years with the agency. Already in 1986, the agency has added Chesebrough-Pond's, Ragu Pasta Meals and Doorman's Cheese to its client list. Waring & LaRosa is a subsidiary of BBDO Intl.

U.S. accounts
Gained: General Electric Information Services; Hearst Corp, *Country Living*, Ragu Foods, pasta meals.
Lost: Sony Corp, audio tapes; Fisher-Price Toys.

Officers
Joseph LaRosa, chmn, creative director; Saul Waring, president; Morton Grossman, exec vp, finance, admin. Senior vps—Martin Narva, media director; Richard Upson, Allan Blum, Irwin Levy, mktg, acct services; Francesca Blumenthal, Michael Kahn, Vince Salmieri, assoc creative directors; Gerard Viola, director creative services.
Phone: (212) 755-0700.

Warwick Advertising
RANK 53
New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	21.0	20.3	3.7
Billings	140.0	135.0	3.7

U.S. billings ($ in millions)

	1985	1984	% chg
Media	92	89	3.6
Materials/services	8	8	4.0
Capitalized fees	40	38	3.9

Billings breakdown by media

Newspapers	8.0	Magazines	37.0
Radio	4.0	Network tv	37.0
Outdoor	5.0	Bus. papers	4.0
Fsi	—	Other	5.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	202	2
Domestic	202	2

Office billings ($ in millions)

Warwick Advertising	New York	135.0
Chapman/Warwick	San Diego	5.0

Annual review
The loss of the $21 million Seagrams account held at Warwick the past 46 years, reflecting a move by Seagrams to fold its business into three shops from seven, held down the year's billings increase at Warwick to 3.7%. In the meantime, the agency won business presentations—Crafted With Pride, Jockey Intl, Seagrams corporate campaign—with materials ultimately used in subsequent campaigns, a testament to creative director Bob Fiore. In 1986, the agency has gained Calvin Coolers. Warwick has targeted food and financial services as new business opportunities.

U.S. accounts
Gained: Advertising Council, American Mental Health Fund; Crafted With Pride in U.S.A. Council, industry adv; Jockey Intl, women's and men's underwear and casual clothing; Burlington Industries, Lees Carpeting; Coty Fragrances, Chateau Collection; Schering-Plough, Correctol Bulk; Joseph E. Seagram & Sons, corp adv, Leroux Cordials; Smithsonian Institution, *Air & Space* magazine; Sterling Drug, insecticides and pesticides; Glenbrook Laboratories, Midol prods; Winthrop consumer prods, Campho-Phenique.
Lost: Seagrams, corp adv, Crown Royal, Kessler, Leroux Cordials.

Officers
John P. Warwick, chmn-ceo; Wilder D. Baker, president-coo. Exec vps—Robert J. Fiore, director creative services; James R. Driscoll, D. Kyle Felt, group mgmt supers; John J. Meskil, media, admin. Alden R. Ludlow, III, Jerry Prestomburgo, group senior vps-creative directors. Senior vps—Sean Driscoll, group mgmt super; Victoria M. Amon, Peter L. Black, Joseph G. Friel, Jr., mgmt supers; Richard D. Rock, media director; Susan E. Donovan, personnel director; Susan Smallweil, strategic planning director; William R. Christgau, corp affairs; Michael M. Graham president, Warwick Plus.
Phone: (212) 751-4700.

Wells, Rich, Greene
RANK 19
New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	97.2	96.3	1.0
Billings	648.1	632.0	2.5
U.S.	**1985**	**1984**	**% chg**
Gross income	95.1	94.2	1.0
Billings	633.8	618.0	2.6

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	12.0	Magazines	9.0
Supplements	1.0	Radio	6.0
Network tv	40.0	Spot tv	23.0
Cable tv	3.0	Outdoor	6.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	888	5
Domestic	888	5

Office billings ($ in millions)

Wells, Rich, Greene	New York	400.0
Wells, Rich, Greene	Chicago	45.0
Wells, Rich, Greene	Detroit	33.0
Wells, Rich, Greene	Los Angeles	43.0
Gardner Advertising	St. Louis	112.0

Annual review
WRG underwent major management changes at yearend. In Los Angeles, Larry Olshan (brother of Ken, WRG Worldwide chairman) became president after Richard Kelly departed for Scali McCabe Sloves, Los Angeles. The Los Angeles shop also lost $30 million in accounts (Hills Bros., Supercuts, Foodmaker's Jack In The Box). In New York where new introductions have been at a peak, the creative side was beefed up with the elevation of Charles Moss to chief creative officer and the naming of three new creative directors. WRG was active in tests for six new products—Procter & Gamble's Banner paper towels and toilet tissue, Prell conditioner and shampoo, and Pringles sour cream and onion; Philip Morris' Dunhill Lights; Ralston Purina's Catviar and Goody Two Chews. Added at year-end were *National Enquirer* and Ken's Restaurants, infusing a potential $20 million and $4 million in billings, respectively, into WRG in 1986. Overseas, WRG/London merged with Holmes, Knight, Ritchie to form Holmes, Knight, Ritchie/WRG.

U.S. accounts
Gained: *National Enquirer*; Procter & Gamble, Banner paper towels, Prell conditioner, Pringles Sour Cream & Onion; Ralston Purina, Almond Delight cereal, Alley Cat cat food, Catviar, Goody Two Chews; Ken's Restaurant Systems.
Lost: New York State Dept of Commerce, corp adv; Supercuts, franchised haircutting salons; Wolverine Worldwide, Hushpuppies shoes; Foodmaker, Jack In The Box fastfood restaurants; Hills Bros, coffee; Savin, business machines.

Officers
Wells, Rich, Greene: Mary Wells Lawrence, chmn-ceo; Charles Moss, vice chmn; Frederick L. Jacobs, vice chmn, secretary. Senior vps—Katherine Durham, admin; Richard Freedman, finance, asst treasurer; Stanley Haspel, legal, asst secretary; Tom Fagan, finance, treasurer; Ely Drogin. Wells, Rich, Greene/Worldwide: Kenneth Olshan, chmn; Kelly O'Neill, vice chmn, president Gardner Advertising; William Luceno, president; Ronald K. Sherman, president WRG/East (New York, Detroit). Senior vps—Hank Aneiro, promo, planning director; Robert Geis, corp media director; Richard Cohen, corp rsch director; Paul Schulman, tv production, creative mgr; Lou Wechsler, director network tv. Wells, Rich, Greene (New York): Ronald K. Sherman, president; Dennis Barham, William McGivney, Bill Mullen; Neve Savage, Andre van Stom, Nancy Vaughn, Jim Weinstein, exec vps; James Aaby, Joel Benay, Jay Dixson Byrne, Art Conn, Giff Crosby, Jayne Eastman, Diego Garrido, Michael Haggerty, Alex Hillenbrand; Bruce Kelley, Eileen McKenna, Vincent Minicucci, Robert E. Moehl, George Newall, Phil Parker, Herb Passberger; Frank Sampogna, Harold Singer, David Stickles, Yolan Toro, Arnold Weinrib, Michael Wolff, senior vps.
Phone: (212) 303-5000.

Wunderman, Ricotta & Kline
RANK 35
New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	35.3	29.8	18.8
Billings	235.8	198.7	18.6
U.S.	**1985**	**1984**	**% chg**
Gross income	26.3	22.4	17.4
Billings	175.7	149.7	17.4

U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	18.0	Magazines	25.0
Radio	1.0	Spot tv	18.0
Cable tv	7.0	Direct mail	30.0
Fsi	—	Other	3.0

Work force and facilities in 1985

	Employes	Offices
Worldwide	545	14
Domestic	355	4

Office billings ($ in millions)

Wunderman, Ricotta & Kline	New York	156.2
Wunderman, Ricotta & Kline	Los Angeles	7.3
Wunderman, Ricotta & Kline	Detroit	12.2

Annual review

This Y&R direct marketing subsidiary won a host of new clients, including Colgate-Palmolive, Gillette, Kodak and Charles of the Ritz, and saw the return of Book-of-the-Month Club after a year's hiatus from the agency while recording a billings gain of 18.6%. Key to billings in 1986: the addition of AT&T Opportunity Calling, gained at the end of 1985; American Airlines AAdvantage Program, won early this year, and the resurgence in spending by traditional direct marketing companies, evidenced by the recent addition of Columbia Video Tape Club to the account roster. On the international level, WR&K has opened offices in Australia and established a joint venture with Dentsu in Tokyo.

U.S. accounts

Gained: Black & Decker; Book-of-the-Month Club; CBN; Charles of the Ritz; Colgate-Palmolive; Gillette; Hospital Corp of America; Kodak; AT&T Opportunity Calling.

Lost: Avis; Pan Am; Playtex; Save the Children.

Officers

Lester Wunderman, chmn; G. Steven Dapper, president-ceo. Exec vps—David Cramoy, director client services; Raymond Dempsey, creative director; Worthington Linen, group acct director. Senior vps—Tony Teska, cfo; Polly Langbort, director media; William Butler, James Infantino, Don Ross, Paul Singer, group creative directors; Andrea Farr, Peter Rabar, Jerome Shereshewsky, Constance Snapp, Richard Stollenwerck, group acct directors; Joel Tucciarone, director strategic mktg.

Phone: (212) 909-0100.

RANK 90

Wyse Advertising

Cleveland

($ in millions)

Worldwide	1985	1984	% chg
Gross income	10.6	11.1	(4.4)
Billings	87.4	86.8	0.6

U.S. billings ($ in millions)

	1985	1984	% chg
Media	50	47	7.1
Materials/services	9	12	(25.0)
Capitalized fees	29	27	8.0

Billings breakdown by media

Newspapers	14.4	Magazines	26.7
Radio	11.9	Network tv	15.1
Spot tv	17.0	Outdoor	0.8
Yellow pages	6.4	Other	7.8

Work force and facilities in 1985

	Employes	Offices
Worldwide	185	2
Domestic	185	2

Annual review

Wyse's growth of 0.6% in billings, spurred by major contributions from Bonnie Bell, Sherwin-Williams, Gencorp and others, represented a slight recovery from its major 1984 loss of Goodyear Tire & Rubber auto stores. Existing clients, Stouffer Hotels, Smuckers and Vitamaster, an exercise line, showed strong growth. Wyse is high on its just developing Wyse PR and Design Wyse divisions. Its Marketing Decisions Group, formerly supplier of research analysis for internal use, began selling its services outside the agency. Wyse's Los Angeles shop which services its West Coast accounts, namely Stouffer, is included in agency total billings.

U.S. accounts

Gained: Gencorp; LJ Minor; Penton/IPC; Sherwin-Williams Wholesale; Snappy Car Rental; Stearns & Foster; WKYC-TV, Bonne Bell.

Lost: Moen Faucets; Rax Restaurants.

Officers

Marc A. Wyse, chmn; Lois Wyse, president; James B. Rucker, Jr., vice chmn; Evelyn M. Reisz, secretary, treasurer.

Phone: (216) 696-2424.

RANK 1

Young & Rubicam

New York

($ in millions)

Worldwide	1985	1984	% chg
Gross income	536.0	480.1	11.7
Billings	3,575.3	3,202.1	11.7
U.S.	**1985**	**1984**	**% chg**
Gross income	340.6	323.1	5.4
Billings	2,272.0	2,155.1	5.4

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U.S. billings ($ in millions)

	1985	1984	% chg
Media	—	—	—
Materials/services	—	—	—
Capitalized fees	—	—	—

Billings breakdown by media

Newspapers	6.4	Magazines	14.9
Medical journ.	2.2	Radio	4.5
Network tv	34.1	Spot tv	22.2
Cable tv	2.3	Outdoor	1.1
Bus. papers	1.2	Farm pubs.	0.5
Transit	0.3	Yellow pages	1.7
Direct mail	3.3	Dir. resp. news.	0.2
Dir. resp. mags.	0.2	Other	4.9

Work force and facilities in 1985

	Employes	Offices
Worldwide	9,030	166
Domestic	4,611	41

Office billings ($ in millions)

Young & Rubicam	New York	756.0
Young & Rubicam	Chicago	52.0
Young & Rubicam	Detroit	148.5
Young & Rubicam	San Francisco	32.4
Cresswell, Munsell	Cedar Rapids	45.1
Cresswell, Munsell	Des Moines	22.4
HCM	New York	95.7
HCM	Chicago	89.2
HCM	Los Angeles	26.5
HCM	Pittsburgh	13.2
HCM	Denver	0.7
Stone & Adler	Chicago	45.1
Stone & Adler	New York	51.7
Wunderman, Ricotta & Kline	New York	156.2
Wunderman, Ricotta & Kline	Los Angeles	7.3
Wunderman, Ricotta & Kline	Detroit	12.2
Sudler & Hennessey	New York	121.4
DYR Worldwide	New York	64.5
DYR Worldwide	Los Angeles	78.4
Hutchins/Y&R	Rochester, NY	14.8
Sive Associates	Cincinnati	41.6
Rives, Smith, Baldwin	Houston	28.0
Cato Johnson	New York	55.0
Zemp/Y&R	St. Petersburg	NA

Annual review

Y&R grew 11.7% in over-all billings, thanks to a 24% increase in its foreign contribution that propped up a domestic growth of 5.4%. Big gains came from Walt Disney Productions ($30-$60 million); consolidation of AT&T's $80 million Opportunity Calling program; Merrill Lynch ($30 million corp campaign in 1985), although Merrill Lynch left Y&R in 1986 with its over-all $45 million general ad/direct marketing account; U.S. Postal Service Express Mail ($30.6 million); Adidas ($22 million worldwide), and Metropolitan Life campaign ($20 million). It lost Frito-Lay ($17 million) after 22 years, and in January, 1986, lost Eastman Kodak's instant camera and films when Kodak dropped out of that business, but it quickly replenished the loss by sharing a $35 million-billings package with JWT for Kodak's consumer electronics div and some of its international film and cameras. Y&R figures include its percentage ownership in DYR (50%) and HCM (49) and its Burson-Marsteller (100%) pr unit.

U.S. accounts

Gained: Disney, Disney Pictures, Disneyland, Disney World, Disney Video; R.J. Reynolds, liquor assignments; Gillette, new prods assignments; Arthritis Pain Formula; Mamma Leone's; Holiday insecticides; American Greeting Cards; Union Carbide, Prestone, Simoniz, STP; Colgate-Palmolive, Ultra Brite; AT&T Opportunity Calling; Kraft, new prods; General Foods, Ronzoni, four new prods; Adidas.

Lost: Frito-Lay; Tang; 7-Eleven.

Foreign accounts

Gained: Adidas, Air Canada, Canada Dry, Bosch Tools, Richard/Dubonnet (worldwide); Ford Direct Mktg Projects (Europe); Kodak (Austria, Belgium, Denmark, Holland); American Home Products' Anadin, British Nuclear Fules, Cinzano liquor, Coopers & Lybrand, British Gas Co. (U.K.); Barilla pasta, Ginori tableware, Zanusi white goods (Italy); Chesebrough-Pond's Creams, Spanish Tourist Board (Spain); Starkist Europe pet foods, Amile pastry ingredients (France); Conservative Party presidential elections (Austria); Philco Hitachi electronics, Nestle powdered milk (Brazil); Nestle milk (Colombia); Du Pont paint, Fiesta cigarets (Mexico); Nestle's Condimic, U.S. Postal Service (Puerto Rico); Tupperware, Walt Disney (Canada); McCain foods, Paxus computers, Dairy Promotion Council, Adelaide Casino, Stubbies Clothing Co. (Australia).

Lost: Bailey's Irish Cream liquor (U.K.); Siemens computers and mobile telephones (Norway); Patek Philippe watches, Diner's Club (Switzerland); Max Factor, Mitsubishi (Puerto Rico); Indulac milk prods (Venezuela); Arrow, Canadian Home Products (Canada); IKEA Stores, Bridgestone Tires (Australia).

Officers

Chmn—Edward N. Ney, Young & Rubicam Inc.; Harold Burson, ceo Burson-Marsteller; Roby Harrington, natl group. Presidents—Alex S. Kroll, ceo; Alexander Brody, ceo DYR Worldwide; James H. Dowling, Burson-Marsteller; Peter A. Georgescu, Y&R Intl; John P. McGarry, Y&R (New York). Exec vps—R. John Cooper, genl counsel; Roger P. Craton, cfo; Joseph De Deo, Y&R Intl; Arthur R. Klein.

Phone: (212) 210-3000.

U.S. agencies Nos. 101-500

Profiles on U.S. advertising agencies below the top 100 reporting for this issue follow in alphabetical order. Totals from the leading 400 of these agencies, identified in the tables on Pages 10-16, are consolidated into statistics for the Ad Age 500. Statistics on the Ad Age 500 appear on charts throughout the issue. Together, these 400 agencies accounted for 16% of total U.S. gross income in 1985. An index to the agency profiles begins on Page 108.

Ackerman Advertising Communications, Greenvale, N.Y., reported gross income of $1,819,000 in 1985 on billings of $13,042,062. In 1984, it reported gross income of $1,625,000 on billings of $10,856,478.

The agency's 1985 U.S. volume consisted of $6,758,812 in media, $1,114,000 in materials and services and $5,169,250 in capitalized fees. Its 1984 U.S. volume consisted of $5,453,200 in media, $845,000 in materials and services and $4,558,278 in capitalized fees.

In 1985, the agency gained: Down-Home Products.

Billings breakdown: Newspapers 30%, magazines 10%, supplements 5%, radio 15%, spot tv 10%, cable tv 1%, outdoor 1%, business papers 1%, transit advertising 1%, point of sale 1%, direct mail 10%, direct response tv 5%, direct response radio 5%, direct response newspapers 5%.

Top execs: Skip Ackerman, president, creative director; Ruth Haltman, senior vp. Employes: 32.

Phone: (516) 484-5150. ☑

Ackerman & McQueen, Oklahoma City, reported gross income of $4,404,635 in 1985 on billings of $30,382,898. In 1984, it reported gross income of $3,850,782 on billings of $26,449,200.

The agency's 1985 U.S. volume consisted of $14,136,101 in media, $3,126,007 in materials and services and $13,120,790 in capitalized fees. Its 1984 U.S. volume consisted of $10,178,328 in media, $3,161,248 in materials and services and $13,109,624 in capitalized fees.

Included in the agency's figures were returns from offices in:

- Tulsa
- Dallas
- Orlando
- Oklahoma City

In 1985, the agency gained: Food & Wines From France; Wilson Foods Corp; Sheraton Hotels, corp adv (Florida); OTASCO, Rapid Muffler div.

Billings breakdown: Newspapers 14%, magazines 25%, radio 9%, spot tv 40%, outdoor 3%, business papers 9%.

Top execs: Ray Ackerman, chmn; Angus McQueen, president; Bruce Anderson, exec vp; Gail Daniels, Melanie Hill, Peggy Howard, Debby Johnson, Jeffrey Nauser, Patti Weinbrenner, senior vps; William Winkler, secretary-treasurer. Employes: 82 in 4 offices.

Phone: (405) 843-7777. ☑

Adair Associates/Advertising, Atlanta, reported gross income of $1,028,614 in 1985 on billings of $5,146,603. In 1984, it reported gross income of $1,013,850 on billings of $5,427,462.

The agency's 1985 U.S. volume consisted of $35,860 in media, $2,347,876 in materials and services and $2,762,867 in capitalized fees. Its 1984 U.S. volume consisted of $151,226 in media, $2,556,317 in materials and services and $2,719,919 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- Bottlers Press

In 1985, the agency gained: Borden, Wise Foods; Arlington Memorial Cemetary; Bank Corp of Ga.; United Health Services; Parks-Greene & Associates; Reid-Rowell, pharmaceuticals; Garr Consulting Group; ReMax of Ga.; Durastill; Apache Mills. It lost: Dunbarton Corp.

Billings breakdown: Newspapers 0.5%, magazines 24%, radio 69%, spot tv 6.5%.

Top execs: William M. Adair, president; Warren E. Greene, exec vp. Employes: 18.

Phone: (404) 351-8424. ☑

Adams Group, Rockville, Md., reported gross income of $2,026,355 in 1985 on billings of $13,870,057. In 1984, it reported gross income of $1,045,716 on billings of $6,241,321.

In 1985, it reported net income of $122,485, compared with a loss of $84,071 in 1984.

The agency's 1985 U.S. volume consisted of $4,321,254 in media, $1,417,334 in materials and services and $8,131,469 in capitalized fees. Its 1984 U.S. volume consisted of $1,719,788 in media, $144,192 in materials and services and $4,377,341 in capitalized fees.

Included in the agency's figures were $3,858,734 from the agency's Gilbert Sandler & Associates in Baltimore, Md., purchased Jan. 1, 1985.

In 1985, the agency gained: Bell Atlantic; Columbia First Federal; Mardeck; Natl Captioning Institute; Physician Health Plan; Verdix Corp; Foulger-Pratt Construction; Southland Co.; Alexander Grant Co. It lost: Vista Hotel; Tele Sec.; Consumer A/C; High Technology.

Billings breakdown: Newspapers 47.3%, magazines 32.9%, supplements 2.9%, radio 11.2%, spot tv 5.6%, Yellow Pages 0.1%.

Top execs: Gilbert Sandler, chmn. Presidents—Joe Adams; Kevin O'Keefe, Sandler & Associates div (Baltimore). William Fitch, vp-creative director.

Employes: 52 in 2 offices.

Phone: (301) 279-5555. ☑

Adams, Rickard & Mason, Glastonbury, Conn., reported gross income of $1,407,650 in 1985 on billings of $9,389,025. In 1984, it reported gross income of $1,279,731 on billings of $8,532,000.

The agency's 1985 U.S. volume consisted of $1,869,630 in media, $211,350 in materials and services and $7,308,045 in capitalized fees. Its 1984 U.S. volume consisted of $1,712,123 in media, $905,877 in materials and services and $5,914,000 in capitalized fees.

In 1985, the agency gained: Heise Industries; Bahco Tools; Connecticut Innkeepers; Multi-Seals; Computech Corp. It lost: Savings Bank of Ansonia; Connecticut Associated Builders & Contractors.

Billings breakdown: Newspapers 13%, magazines 27%, supplements 1%, radio 3%, outdoor 1%, business papers 44%, Yellow Pages 8%, direct mail 3%.

Top execs: Frederick C. Adams, chmn-ceo; Albert D. Mason, president; Jonathan S. Rickard, exec vp, creative. Employes: 30.

Phone: (203) 659-1311. ☑

Adelante Advertising, New York, reported gross income of $905,000 in 1985 on billings of $6,033,950. In 1984, it reported gross income of $879,000, of which $22,500 was non-U.S. contributions, on billings of $5,860,580.

The agency's 1985 U.S. volume consisted of $4,100,000 in media, $700,000 in materials and services and $1,233,950 in capitalized fees. Its 1984 U.S. volume of $5,710,580 consisted of $3,900,000 in media, $650,000 in materials and services and $1,160,580 in capitalized fees. The agency had $150,000 in non-U.S. media billings.

In 1985, the agency gained: American Cyanamid, Combat roach control systems; New World Enterprises, language machine; Heinz U.S.A., instant baby food, wet baby food; Sunshine Biscuits, various prods.

Billings breakdown: Newspapers 5%, magazines 5%, radio 35%, spot tv

Top 10 agencies in outdoor billings*

Rank	Agency	Outdoor billings 1985	Outdoor billings 1984	U.S. billings 1985	U.S. billings 1984
1	Leo Burnett Co.	$101.6	$90.6	$1,269.9	$1,132.9
2	William Esty Advertising Co.	61.2	72.8	510.0	520.0
3	Ogilvy Group	59.4	3.6	1,694.5	1,497.9
4	Wells, Rich, Greene	38.0	37.1	633.8	618.0
5	MCA Advertising	25.5	29.7	170.0	148.7
6	D'Arcy Masius Benton & Bowles	25.4	28.4	1,202.6	1,359.8
7	Ted Bates Worldwide	23.1	77.9	785.1	672.7
8	Young & Rubicam	20.6	19.2	1,656.4	1,632.3
9	J. Walter Thompson Co.	17.9	14.2	1,604.2	1,387.3
10	Laurence, Charles, Free & Lawson	16.5	15.1	235.0	215.0

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.

* From 82 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

%, outdoor 15%, transit advertising
%, point of sale 5%, direct mail 5%.
Top execs: Seymour Davis, presi-
nt; Herb Fried, David Krieger, exec
s; Mike Psaltis, vp-creative director,
anish services. Employes: 15.
Phone: (212) 696-0855. ☑

d Hoc Marketing Resources, w York, reported gross income of ,205,900 in 1985 on billings of ,937,000. In 1984, it reported gross come of $870,600 on billings of ,736,000.
The agency's 1985 U.S. volume con-ted of $600,000 in materials and ser-ces and $7,337,000 in capitalized s. Its 1984 U.S. volume consisted of 00,000 in materials and services and ,336,000 in capitalized fees.
In 1985, the agency gained: Texas mmerce Banks; Bank of New York; ars Discover Card Savings; Chemi- Bank.
Billings breakdown: Newspapers %, magazines 10%, point of sale %, direct mail 60%.
Top execs: Karen Hockman, presi-nt; Philip Carlson, senior vp; Made-e Lavine, Christina Madden, vps. nployes: 8.
Phone: (212) 947-7100.

ler, Schwartz, Englewood Cliffs, J., reported gross income of ,115,533 in 1985 on billings of ,350,916. In 1984, it reported gross come of $1,074,069 on billings of ,163,508.
The agency's 1985 U.S. volume con-ted of $288,649 in media, $537,000 materials and services and ,525,267 in capitalized fees. Its 1984 S. volume consisted of $393,587 in edia, $671,540 in materials and ser-ces and $6,098,381 in capitalized s.
In 1985, the agency gained: Commu-y Guardian Bank; Seals Communi-tions. It lost: John W. Kaufman Inc., e stamps.
Billings breakdown: Newspapers , magazines 19%, radio 1%, point of le 25%, direct mail 10%, catalogs %.
Top exec: Peter Adler, president. nployes: 17.
Phone: (201) 461-8450. ☑

l Methods Advertising, Smith-wn, N.Y., reported gross income of 01,557 in 1985 on billings of ,677,046. In 1984, it reported gross come of $338,928 on billings of ,259,519.
The agency's 1985 U.S. volume con-ted of $919,730 in media, $76,010 in terials and services and $1,681,306 capitalized fees. Its 1984 U.S. vol-e consisted of $873,280 in media, 4,245 in materials and services and ,321,994 in capitalized fees.
The agency did not consolidate Ad-nced Business Forms.
Billings breakdown: Magazines 31%, edical journals 30%, supplements %, business papers 2%, point of sale , direct mail 8%, catalogs 12%.
Top execs: Hesso Bellum, president; lith H. Bellum, vp. Employes: 8.
Phone: (516) 724-9075. ☑

-Pro Inc., Sycamore, Ill., reported ss income of $355,400 in 1985 on ings of $2,390,500. In 1984, it re-rted gross income of $338,500 on ings of $2,351,200.

The agency's 1985 U.S. volume consisted of $226,100 in media, $278,800 in materials and services and $1,885,600 in capitalized fees. Its 1984 U.S. volume consisted of $343,500 in media, $266,800 in materials and services and $1,740,900 in capitalized fees.
In 1985, the agency gained: Barrington Trading Co.; Leuco Tool Co.
Billings breakdown: Newspapers 10%, magazines 65%, farm publications 5%, point of sale 5%, Yellow Pages 5%, direct mail 10%.
Top execs: Diana L. Leifheit, president; Robb R. Robbins, exec vp; Robert E. Meierhans, vp. Employes: 10.
Phone: (815) 895-2000. ☑

Advertising Inc., Tulsa, Okla., reported gross income of $3,377,000 in 1985 on billings of $22,513,000. In 1984, it reported gross income of $3,382,000 on billings of $22,547,000.
In 1985, it had net income of $67,000, compared with $70,000 in 1984.
The agency's 1985 U.S. volume consisted of $10,059,306 in media, $2,933,755 in materials and services and $9,519,939 in capitalized fees. Its 1984 U.S. volume consisted of $10,053,776 in media, $3,809,200 in materials and services and $8,684,024 in capitalized fees.
Included in the agency's figures were returns from offices in Oklahoma City and Houston.
In 1985, the agency gained: Galveston Park Board of Trustees; Florafax Intl; Corken Intl; Jasco Products Co. It lost: Ken's Restaurant Systems.
Billings breakdown: Newspapers 5.7%, magazines 8.7%, radio 11.7%, network tv 5.2%, spot tv 37%, cable tv 0.2%, outdoor 1.3%, business papers 5.7%, transit advertising 1.3%, point of sale 0.9%, Yellow Pages 0.4%, direct mail 0.4%, collateral & fees 31.5%.
Top execs: Tom J. Tripp Jr., chmn; Robert O. Daily, president. Senior vps —Jack B. Harwood; Richard L. Thomas, creative director. Employes: 60 in 3 offices.
Phone: (918) 747-8871. ☑

A.I.M., Foster City, Cal., reported gross income of $303,380 in 1985 on billings of $2,454,620. The agency did not submit figures for 1984.
The agency's 1985 U.S. volume consisted of $848,000 in media, $227,620 in materials and services and $1,379,000 in capitalized fees.
In 1985, the agency gained: Woodcock, Smith & Allen; Boas Honda; Pacific Coast.
Billings breakdown: Newspapers 30%, magazines 20%, radio 30%, spot tv 10%, direct mail 10%.
Top exec: James H. Fieler, president. Employes: 6.
Phone: (415) 349-5555. ☑

Alexander Marketing Services, Grand Rapids, Mich., reported gross income of $2,700,000 in 1985 on billings of $18,010,300. In 1984, it reported gross income of $2,315,400 on billings of $15,443,700.
The agency's 1985 and 1984 U.S. volumes were all in capitalized fees.
Included in the agency's figures were returns from its office in Rosemont, Ill.
In 1985, the agency gained: Amoco, commercial and industrial sales; Kaydon, custom precision bearings. It lost: Dow Chemical, films, specialty plastics.
Top execs: James S. Alexander, president. Vps—Thomas J. Kreuger; Michael J. McGillicuddy, exec art director; Robert C. Milroy; Richard H. Hill; Lloyd W. Dunlap, mgr (Chicago); Howard H. Rice, pr. Employes: 43 in 2 offices.
Phone: (616) 957-2000.

Allen & Co., Atlanta, reported gross income of $222,714, in 1985 on billings of $1,444,407.
The agency's 1985 U.S. volume consisted of $865,147 in media, $229,401 in materials and services and $349,859 in capitalized fees.
In 1985, the agency gained: French Quarters Inns.
Billings breakdown: Newspapers 20%, magazines 10%, radio 25%, spot tv 25%, outdoor 5%, business papers 10%, point of sale 5%.
Top execs: William B. Allen, president; Daina P. Allen, exec vp, controller. Employes: 5.
Phone: (404) 952-5270. ☑

Aistin Advertising, Philadelphia, reported gross income of $1,125,000 in 1985 on billings of $7,500,000. In 1984, it reported gross income of $945,000 on billings of $6,300,000.
The agency's 1985 and 1984 U.S. volumes were all in media.
Billings breakdown: Newspapers 85%, magazines 2%, medical journals 3%, radio 1%, outdoor 1%, business papers 8%.
Top exec: Mike Schluth, president. Employes: 24.
Phone: (215) 568-3200.

Altschiller Reitzfeld Solin Associates, New York, had estimated gross income of $6,820,000 in 1985 on billings of $57,000,000. In 1984, it had estimated gross income of $5,628,000 on billings of $47,058,000.
In 1985, the agency gained: Lambert's, pasta and cheese; Campari USA, apertifs. It lost: WABC-TV (New York).
Billings breakdown: Newspapers 6%, magazines 14%, radio 5%, network and spot tv 75%.
Top execs: David Altschiller, chmn-ceo; Robert Reitzfeld, vice chmn, creative director; J. Steve Davis, president. Employes: 64.
Phone: (212) 586-1400.

A&M Associates, Phoenix, Ariz., reported gross income of $4,060,620 in 1985 on billings of $29,849,429. In 1984, it reported gross income of $3,703,000 on billings of $26,782,765.
In 1985, it reported net income of $2,250,000, compared with $2,100,000 in 1984.
The agency's 1985 U.S. volume consisted of $28,400,000 in media, $480,000 in materials and services and $180,090 in capitalized fees. Its 1984 U.S. volume consisted of $25,100,000 in media, $450,000 in materials and services and $186,760 in capitalized fees.
The agency did not consolidate figures for subsidiary, Kar-Go Decal Co., screen process printing.
In 1985, the agency gained: Amform Inc.
Billings breakdown: Newspapers 6%, magazines 12%, radio 1%, network tv 21%, outdoor 3%, business papers 2%, point of sale 4%, Yellow Pages 48%, direct mail 1%, catalogs 2%.
Top execs: Duane P. Swanson, president; Franklin N. Ashton, secretary, treasurer. Employes: 33.
Phone: (602) 263-6504.

AMS Advertising, New York, reported gross income of $2,597,307 in 1985 on billings of $14,282,338. In 1984, it reported gross income of $2,885,753 on billings of $15,770,777.
The agency's 1985 U.S. volume consisted of $11,501,913 in media, $2,469,950 in materials and services and $310,475 in capitalized fees. Its 1984 U.S. volume consisted of $12,756,015 in media, $2,743,800 in materials and services and $270,962 in capitalized fees.
The agency did not consolidate its Flyte Marketing.
In 1985, the agency gained: Pilot Printer Ribbon; Alcide; Park Sherman; Seatron; Tower Securities. It lost: Sanyo; Matthew Bender.
Billings breakdown: Newspapers 5%, magazines 30%, supplements 10%, radio 10%, network tv 5%, spot tv 15%, business papers 20%, point of sale 3%, free-standing inserts 2%.
Top execs: Donald Aaronson, exec vp; Stanley Pearlman, president; Peter Cooney, mktg. Employes: 18.
Phone: (212) 683-7030. ☑

Anderson Advertising, San Antonio, Tex., had estimated gross income of $1,350,000 in 1985 on billings of $9,000,000. In 1984, it had estimated gross income of $1,200,000 on billings of $7,750,000.
The agency's 1985 U.S. volume consisted of $7,500,000 in media and $1,500,000 in materials and services. Its 1984 U.S. volume consisted of $6,500,000 in media and $1,250,000 in materials and services.
The agency did not consolidate its A La Sound, sound recording studio, or AA Visual Graphics.
In 1985, the agency gained: Diamond Shamrock Refining & Mktg; PruCare of San Antonio; Handy Andy Supermarkets; Colonial Hills Hospital.
Billings breakdown: Newspapers 20%, magazines 5%, radio 30%, spot tv 30%, outdoor 10%, business papers 5%.
Top execs: Charles J. Anderson, president; James F. Anderson, chmn; Florence J. Anderson, treasurer. Vps—Julius Germano Jr., L. Calhoun Allen III, Allen Barrett, acct supers; Henri-Ann Reynolds, director media; Larry Felder, creative director. Employes: 33.
Phone: (512) 223-6233.

Anderson Communications, Dallas, reported gross income of $1,045,640 in 1985 on billings of $7,605,463. In 1984, it reported gross income of $540,061 on billings of $3,600,273.
The agency's 1985 U.S. volume consisted of $459,915 in media, $404,893 in materials and services and $6,740,655 in capitalized fees. Its 1984 U.S. volume consisted of $49,511 in media, $291,100 in materials and services and $3,259,662 in capitalized fees.
The agency did not consolidate subsidiaries:
- Anderson Video Productions
- Peterson & Co.

It did consolidate its office in Des Moines, Ia.
In 1985, the agency gained: Andrees Cookies & Cream; Apple Computers, regional adv; Commonwealth Bank; Natl Medical Enterprises, Doctors Hospital, Trinity Medical Center; EData; Pioneer Hi-Bred Intl, pr accts for product line group and Pioneer Overseas Corp. It lost: Bell Savings Assn.
Billings breakdown: Newspapers 21.1%, magazines 10.3%, radio 23%, spot tv 34.2%, outdoor 1%, direct mail 10.4%.
Top execs: Joe Anderson, president; Ron Jenkins, senior vp; Ken Benkstein, vp. Employes: 27 in 2 offices.
Phone: (214) 720-0202. ☑

Andrews/Mautner, Milwaukee, reported gross income of $1,537,963 in 1985 on billings of $11,153,592. In 1984, it reported gross income of $1,187,113 on billings of $8,614,336.
In 1985, it reported net income of $56,065, compared with $30,306 in 1984.
The agency's 1985 U.S. volume consisted of $3,748,379 in media, $1,924,234 in materials and services and $5,480,979 in capitalized fees. Its 1984 U.S. volume consisted of $3,097,849 in media, $1,555,721 in materials and services and $3,960,766 in capitalized fees.
The agency's figures did not include returns from the office in Northbrook, Ill. This Chicago-area unit started in 1985 where it currently employs a staff of two.
In 1985, the agency gained: Eaton, electric drives div; Kelley Co., Tufseal div; Falk Corp; United Performing Arts Fund; Badger Meter; ENR. It lost: Safway Steel Products; Leeson Electric; Milwaukee Sprayer Manufacturing.
Billings breakdown: Magazines 12%, business papers 60%, point of sale 1%, Yellow Pages 1%, direct mail 4%, catalogs 15%, direct response magazines 2%, other 5%.
Top execs: Christopher M. Vernon, president; Kenneth W. Snyder, corp vp; Eugene Vogel, exec vp. Employes: 29 in 2 offices.
Phone: (414) 272-4482. ☑

Donald L. Arends Inc., Oak Brook, Ill., reported gross income of $1,339,250 in 1985 on billings of $8,932,800. In 1984, it reported gross income of $1,207,500 on billings of $8,054,000.
The agency's 1985 U.S. volume consisted of $2,402,000 in media, $4,931,000 in materials and services and $1,599,800 in capitalized fees. Its 1984 U.S. volume consisted of $1,890,000 in media, $4,546,800 in materials and services and $1,617,200 in capitalized fees.
In 1985, the agency gained: CP Rail.
Billings breakdown: Newspapers 10%, magazines 5%, radio 20%, spot tv 3%, business papers 52%, point of sale 2%, Yellow Pages 2%, direct mail 6%.
Top execs: Donald L. Arends, ceo; Robert K. Erickson, president. Employes: 22.
Phone: (312) 323-1220. ☑

Nelda Armstrong Advertising, Lubbock, Tex., reported gross income of $110,000 in 1985 on billings of $889,480. In 1984, it reported gross income of $91,000 on billings of $605,000.
In 1985, it reported net income of $45,000, compared with $33,000 in 1984.
The agency's 1985 U.S. volume consisted of $607,200 in media, $55,500 in materials and services and $226,780 in capitalized fees. Its 1984 U.S. volume consisted of $454,600 in media, $17,000 in materials and services and $133,400 in capitalized fees.
Billings breakdown: Newspapers 37%, magazines 2.5%, radio 21%, spot tv 25%, cable tv 2.7%, outdoor 0.3%, farm publications 2.5%, direct mail 1.5%, production 7.5%.
Top execs: Nelda Armstrong, owner; Cindy Brown, operations mgr. Employes: 4.
Phone: (806) 765-6283.

Noble Arnold & Associates, Schaumburg, Ill., had estimated gross income of $483,800 in 1985 on billings of $3,124,480. In 1984, it had estimated gross income of $377,250 on billings of $3,004,000.
The agency's 1985 U.S. volume consisted of $411,880 in media, $578,200 in materials and services and $2,134,400 in capitalized fees. Its 1984 U.S. volume consisted of $505,800 in media, $824,030 in materials and services and $1,674,170 in capitalized fees.
In 1985, the agency gained: Laser Phase Co.; Orlando & Co.; Dukane Corp; ELP; Amleco Distributors; Scientific Protein Laboratories.
Billings breakdown: Newspapers 2%, magazines 4%, medical journals 20%, radio 1%, farm publications 1%, point of sale 1%, Yellow Pages 1%, direct mail 21%, catalogs 5%, other 44%.
Top execs: Noble Arnold, president; John F. Perkins, exec vp. Employes: 9.
Phone: (312) 882-8808.

Arnold & Co., Boston, reported gross income of $6,856,200 in 1985 on billings of $58,251,042. In 1984, it reported gross income of $8,618,150 on billings of $64,710,399.
The agency's 1985 U.S. volume consisted of $47,775,942 in media and $10,475,100 in capitalized fees. Its 1984 U.S. volume consisted of $50,014,589 in media and $14,695,810 in capitalized fees.
Included in the agency's figures were returns from offices in:

Top 10 agencies in point of sale billings*

nk	Agency	Pos billings 1985	Pos billings 1984	U.S. billings 1985	U.S. billings 1984
	Foote, Cone & Belding	$28.6	NA	$1,323.0	$1,214.0
	Medicus Intercon International	22.8	$18.1	65.2	60.2
	BBDO International	15.6	15.8	1,296.1	1,109.7
	Ross Roy Inc.	15.5	25.2	310.0	252.0
	Doyle Dane Bernbach Group	10.9	10.9	1,099.4	981.7
	Stone & Adler	3.9	0.0	96.8	72.7
	Towne, Silverstein Rotter	3.5	2.6	70.0	51.0
	Admarketing	3.4	3.2	170.5	160.5
	Tracy-Locke	2.7	0.0	272.3	239.8
	Laurence, Charles, Free & Lawson	2.4	2.2	235.0	215.0

ITE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in ent company totals in this chart.
rom 92 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

- Albany, N.Y.
- Syracuse, N.Y.
- Rochester, N.Y.
- Portland, Me.

The agency did not consolidate Arnold Public Relations.

In 1985, the agency gained: Dedicated Dental Services; Maine Mutual Fire Insurance Co.; NAPA; Central Maine Medical Center; Parade of Shoes. It lost: Almy's Dept Stores; Morse Shoe; John Hancock Mutual Life; Near East Food Products.

Billings breakdown: Newspapers 12%, magazines 4.7%, supplements 1%, radio 13.2%, network tv 16.4%, spot tv 38.4%, cable tv 1%, outdoor 1%, business papers 7.7%, point of sale 0.4%, direct mail 1.3%, sales promo 2.9%.

Top execs: Gerald T. Broderick, president-ceo; Wilson Siebert, exec vp, director creative services. Senior vps—Dennis Bailen, director acct services; Marie Kachinski, director media services. Vps—Cindy Connelly, Joe Frank, Lenny Karsakov, assoc creative directors; Tom Boggs, Jeff Brown, Peg Hurley, Lyn Rosoff, mgmt supers; Betsy Van Deusen (Albany/New York); Russ Lamer (Portland); Sue Perrone (Rochester); Glen Ransden (Syracuse); Joe Burniera, Arnold Public Relations. Employes: 130 in 5 offices.

Phone: (617) 357-1900. ☑

Arnold/Foster/Sherrill/Carrithers, Dallas, reported gross income of $2,277,785 in 1985 on billings of $15,185,232.

The agency was formed November, 1985, when Arnold Harwell McClain & Associates merged with Sherrill Co. of Dallas. Combined totals for the two shops in 1984 were $2,606,849 in gross income on billings of $17,378,994.

The agency did not provide volume breakouts.

Billings breakdown: Newspapers 12%, magazines 3%, radio 14%, spot tv 67%, outdoor 3%, other 1%.

Top execs: Webb Sherrill, chmn-ceo; Bob Foster, president-coo. Exec vps—George Arnold; Pat Carrithers, creative director. Martha McClain, senior vp-cfo. Employes: 30.

Phone: (214) 521-6400.

Ashby, Dillon & Meade, Rocky River, O., had estimated gross income of $761,000 in 1985 on billings of $5,079,400. In 1984, it had estimated gross income of $632,000 on billings of $4,216,026.

The agency's 1985 U.S. volume consisted of $1,496,750 in media, $782,950 in materials and services and $2,799,700 in capitalized fees. The agency did not break out its volume in 1984.

Included in the agency's figures were returns from subsidiaries:

- Directory, Catalog & Inquiry Services
- AD&M Public Relations

In 1985, the agency gained: C&K Manufacturing; Brush Wellman, beryllium alloys; Bettcher Industries; Western Reserve Health Plan; Varbros Corp.; Standyne Moen, Western Steel div; Springwell Mattress Co.

Billings breakdown: Newspapers 1%, business papers 55%, Yellow Pages 1%, direct mail 5%, catalogs 34%, telemarketing 2%, other 2%.

Top execs: John A. Ashby, chmn; Lowell R. Dillon, president; Geoffrey B. Meade, exec vp. Employes: 22.

Phone: (216) 331-5252. ☑

Asher Agency, Fort Wayne, Ind., reported gross income of $448,000, in 1985 on billings of $2,250,712. In 1984, it reported gross income of $324,000 on billings of $2,071,678.

The agency's 1985 U.S. volume consisted of $1,158,000 in media, $492,412 in materials and services and $600,300 in capitalized fees. Its 1984 U.S. volume consisted of $1,035,000 in media, $469,728 in materials and services and $566,950 in capitalized fees.

In 1985, the agency gained: Barrett, Barrett, & McNagny; Charter Beacon Hospital; Ferranti of Indiana; Fort Wayne Community Schools; Gaber Homes; O' Reilly Office Supplies; Ponderosa (Northern Indiana); Strahm Inc.; Summit Foundry. It lost: Redi Med Urgent Care Centers.

Billings breakdown: Newspapers 7%, magazines 12%, radio 17%, spot tv 60%, cable tv 1%, outdoor 2%, direct mail 1%.

Top execs: Timothy S. Borne, president; Thomas J. Price, senior vp. Employes: 7.

Phone: (219) 424-3373. ☑

Associated Advertising, Wichita, Kan., reported gross income of $1,865,261 in 1985 on billings of $13,441,271. In 1984, it reported gross income of $1,894,246 on billings of $12,634,623.

The agency's 1985 U.S. volume consisted of $4,522,039 in media, $3,197,839 in materials and services and $5,721,393 in capitalized fees. Its 1984 U.S. volume consisted of $4,839,871 in media, $3,080,910 in materials and services and $4,713,842 in capitalized fees.

In 1985, the agency gained: Hutchinson Holiday Inn & Holidome Indoor Recreation Center; Legg Co., belting for agricultural and industrial prods; Natl Bank of El Dorado; Wichita Wire Products.

Billings breakdown: Newspapers 2%, magazines 5%, radio 8%, spot tv 12%, business papers 6%, farm publications 9%, other 58%.

Top execs: Preston D. Huston, chmn-president; M. Gene Countryman, T. Joseph Robertson, senior vps. Employes: 37.

Phone: (316) 683-4691. ☑

Austin Kelley Advertising, Atlanta, had estimated gross income of $5,100,000 in 1985 on billings of $34,000,000. In 1984, it had estimated gross income of $3,600,000 on billings of $24,000,000.

The agency did not provide volume breakouts for 1985 or 1984.

The agency opened an office in Boca Raton, Fla., on Feb. 1, 1986.

In 1985, the agency gained: Heritage Bank (Atlanta); Copper Mountain, ski resort; Longboat Key Resort; Rockefeller Center; Palm Beach Polo, two new assignments; Arvida Corp, two new assignments. It lost: Stratton Corp, ski resort.

Billings breakdown: Newspapers 20%, magazines 25%, radio 10%, spot tv 30%, outdoor 5%, business papers 10%.

Top execs: Austin P. Kelley, chmn-ceo; Geoffrey R. Nixon, president-coo. Senior vps—John M. Mercier, director finance admin; John A. Fricks, mgmt super; James Paddock, creative director; Ralph E. McGill Jr., director copy services; Harold J. Shields, director graphic services; Barbara Shanks, director production services. John Faus, vp, director rsch; Pamela Fornwalt, assoc media director; Lesley Gamwell, acting director, pr. Employes: 76 in 2 offices.

Phone: (404) 396-6666.

Badalamenti Advertising, Brooklyn, had estimated gross income of $225,000 in 1985 on billings of $1,500,000. The agency did not provide figures for 1984 or volume breakdowns.

Billings breakdown: Newspapers 60%, magazines 5%, supplements 5%, radio 20%, outdoor 10%.

Top execs: Vincent Badalamenti, president; Vincent J. Badalamenti, vp; Linda Marcot, gm. Employes: 24.

Phone: (718) 236-0700. ☑

Bader Rutter & Associates, Brookfield, Wis., reported gross income of $6,524,593 in 1985 on billings of $43,503,897. In 1984, it reported gross income of $5,335,991 on billings of $35,573,274.

The agency's 1985 U.S. volume consisted of $22,935,839 in media, $7,346,184 in materials and services and $13,221,874 in capitalized fees. Its 1984 U.S. volume consisted of $21,838,655 in media, $6,781,578 in materials and services and $6,953,041 in capitalized fees.

In 1985, the agency gained: Chris Hansen's Labs; Doerr Electric Corp; Dow Chemical (Canada); CANADA, Agribusiness; Paragon Hotels; Paramount Pictures; PC Learning Systems; Soil Teq; Northwestern Mutual Life Insurance. It lost: Molecular Genetics; Chempar Products.

Billings breakdown: Newspapers 8%, magazines 2%, radio 12%, spot tv 19%, outdoor 1%, business papers 14%, farm publications 39%, direct mail 2%, catalogs 3%.

Top execs: Ronald L. Bader, president; Richard Jensen, exec vp. Employes: 101.

Phone: (414) 784-7200. ☑

Gordon Bailey & Associates, Stone Mountain, Ga., reported gross income of $2,716,129 in 1985 on billings of $17,871,640. In 1984, it reported gross income of $1,995,166 on billings of $13,302,403.

In 1985, it reported net income of $129,318, compared with $120,000 in 1984.

The agency's 1985 U.S. volume consisted of $83,259 in media, $1,381,640 in materials and services and $16,406,741 in capitalized fees. Its 1984 U.S. volume consisted of $40,868 in media, $1,488,418 in materials and services and $11,773,117 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Food Research
- Phyllis Vail Research
- W.E.B. Research

In 1985, the agency gained: King Shrimp; Iceland Seafood. It lost: Land O'Lakes.

Billings breakdown: Business papers 65%, point of sale 15%, direct mail 10%, catalogs 10%.

Top execs: Gordon R. Bailey, president; Alfred J. Schoelles, exec vp. Employes: 36 in 2 offices.

Phone: (404) 296-2777. ☑

Bailey Lewis & Associates, Lincoln, Neb., reported gross income of $1,558,310 in 1985 on billings of $10,391,343. In 1984, it reported gross income of $1,537,296 on billings of $10,251,293.

The agency's 1985 U.S. volume consisted of $3,922,400 in media billings, $1,250,482 in materials and services and $5,218,461 in capitalized fees. Its 1984 U.S. volume consisted of $3,633,355 in media, $1,301,675 in materials and services and $5,316,263 in capitalized fees.

Included in the agency's figures were returns from its offices in:

- Lincoln
- Omaha.

In 1985, the agency gained: A&R Services; Alister-Rand; The Arter Group; Branker Buick; Child Saving Institute; Coca-Cola Bottling Co. of Emporia; Dal-Worth Developers; DiversiHealth; Entre Computer Systems; Granulawn; Henke Machine; Henderson; HMO Nebraska; Jiffy Lube Intl (Rocky Mountain states); Midlands Community Hospital; NEBRASKAland Days; Havelock Bank & Trust Co.; Sand Livestock Systems. It lost: Archbishop Bergan Mercy Hospital; FirsTier; FirsTier Mortgage Co.; FirsTier Leasing Co.; Misle Chevrolet; Omaha National Bank; Ben Simon's.

Billings breakdown: Newspapers 11%, magazines 7%, supplements 1%, radio 14%, spot tv 20%, cable tv 1%, outdoor 5%, business papers 2%, farm publications 3%, point of sale 1%, direct mail 2%, catalogs 2%, direct response newspapers 1%, direct response magazines 1%, free-standing inserts 1%, other 28%.

Top execs: Richard W. Bailey, chmn-ceo. Presidents—Jim Lauerman (Lincoln); Tracy Zaiss (Omaha). George Meininger, senior exec vp, creative services; Ron Plageman, exec vp-cfo. Employes: 41 in 2 offices.

Phone: (402) 475-2800.

Perry Ballard/Advertising, St. Joseph, Mich., reported gross income of $360,964 in 1985 on billings of $2,474,274. In 1984, it reported gross income of $369,816 on billings of $2,488,818.

In 1985, it reported net income of $3,049, compared with $18,338 in 1984.

The agency's 1985 U.S. volume consisted of $245,766 in media, $158,874 in materials and services and $2,069,634 in capitalized fees. Its 1984 U.S. volume consisted of $259,370 in media, $114,758 in materials and services and $2,114,690 in capitalized fees.

In 1985, the agency gained: I&M

Top 10 agencies in magazine billings*

Rank	Agency	Mag. billings 1985	Mag. billings 1984	U.S. billings 1985	U.S. billings 1984
1	Ogilvy Group	$368.8	$276.1	$1,694.5	$1,497.9
2	Doyle Dane Bernbach Group	300.4	233.3	1,099.4	981.7
3	Young & Rubicam	284.5	315.5	1,656.4	1,632.3
4	Bozell, Jacobs, Kenyon & Eckhardt	220.0	NA	1,100.0	935.2
5	Grey Advertising	207.7	175.9	1,221.9	1,034.6
6	J. Walter Thompson Co.	203.8	182.4	1,604.2	1,387.3
7	Foote, Cone & Belding	197.5	156.3	1,323.0	1,214.0
8	Leo Burnett Co.	190.5	181.3	1,269.9	1,132.9
9	BBDO International	180.1	221.5	1,296.1	1,109.7
10	N W Ayer	144.1	122.0	652.0	652.5

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.
* From 92 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

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Electric Co., Cook Energy Information Center; Action Packaging; Maple Leaf Farms; Michiana Heat Pump Assn; Southwestern Michigan Tourist Council; Shipping Dept; Lake Michigan College; Holly Inn; Whirlpool, LaPorte div. It lost: G.A.L. Gage Co.; Coloma Computer Co.

Billings breakdown: Newspapers 22%, magazines 47%, radio 13%, spot tv 12%, outdoor 6%.

Top exec: Perry Ballard, president-chmn. Employes: 12.

Phone: (616) 983-0611. ☑

Barker Campbell & Farley, Virginia Beach, Va., reported gross income of $1,666,118 in 1985 on billings of $11,107,451. In 1984, it reported gross income of $1,297,519 on billings of $8,650,129.

In 1985, it reported net income of $226,617, compared with $236,640 in 1984.

The agency's 1985 U.S. volume consisted of $2,734,666 in media, $2,850,998 in materials and services and $5,521,787 in capitalized fees. Its 1984 U.S. volume consisted of $2,545,312 in media, $2,715,237 in materials and services and $3,389,580 in capitalized fees.

In 1985, the agency gained: South Carolina Natl Bank; Chippenham Hospital; Checkered Flag Motor Car Co. It lost: Estech.

Billings breakdown: Newspapers 10%, magazines 29%, radio 20%, spot tv 20%, outdoor 2%, farm publications 15%, direct mail 4%.

Top execs: Robert A. Barker, president; William T. Campbell, A. Palmer Farley, exec vps; Robert Stiffler, senior vp, ag div. Vps—Sharon Brady, art director; Richard S. Gearhart, media director. Employes: 35.

Phone: (804) 497-4811. ☑

Barkley & Evergreen of Kansas City, Shawnee Mission, Kan., had estimated gross income of $4,800,000 in 1985 on billings of $32,000,000. In 1984, it had estimated gross income of $4,350,000 on billings of $29,000,000. The agency did not break out its billings volume.

In 1985, the agency gained: Amerisource; Coleman Group One; Lodge of the Four Seasons; North Supply Co.; Polygon; Purolator; Three Star Industries; U.S. Telecom & Wagner. It lost: Tallgrass Technologies; Mylee Digital; Sub & Stuff Sandwich Shops.

Billings breakdown: Newspapers 29%, magazines 23%, radio 16%, spot tv 29%, outdoor 2%, Yellow Pages 1%.

Top execs: William M. Fromm, president-ceo; James H. Barickman, chmn; Stephen S. Brewer, Michael J. McGarry, James P. Aylward III, exec vps. Employes: 64.

Phone: (913) 432-2600. ☑

Barney & Patrick Advertising, Mobile, Ala., reported gross income of $1,141,536 in 1985 on billings of $7,620,684. In 1984, it reported gross income of $834,000 on billings of $5,563,000.

The agency's 1985 U.S. volume consisted of $5,094,102 in media, $852,479 in materials and services and $1,674,103 in capitalized fees. Its 1984 U.S. volume consisted of $2,794,000 in media, $585,000 in materials and services and $2,184,000 in capitalized fees.

In 1985, the agency gained: Dixie Savings & Loan; McDonald's Co-op.

Billings breakdown: Newspapers 15%, magazines 5%, radio 25%, spot tv 46%, cable tv 1%, outdoor 4%, business papers 4%.

Top execs: McGowin I. Patrick, president; J. Tyler Turner Jr., exec vp. Employes: 19.

Phone: (205) 433-0401. ☑

Barnhart & Co., Denver, had estimated gross income of $3,445,000 in 1985 on billings of $22,458,000. In 1984, it had estimated gross income of $2,800,000 on billings of $17,989,000.

The agency's 1985 U.S. volume consisted of $4,920,000 in media, $2,945,000 in materials and services and $14,593,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,976,000 in media, $2,338,000 in materials and services and $11,675,000 in capitalized fees.

In 1985, the agency gained: American Express Certificates; American Express money orders, trade and consumer; Pizza Hut (Rocky Mountain region and partial Pacific region); Stroh Ranch. It lost: KWGN-TV.

Billings breakdown: Newspapers 17%, magazines 20%, radio 20%, spot tv 30%, outdoor 2%, direct mail 5%, catalogs 6%.

Top execs: Terry L. Barnhart, chmn; Robert I. Wolper, president; Gary A. Krauss, exec vp; Arthur J. Mahoney Jr., Nancy Haven, senior vps; Steve D. Sander, Ginger L. MacIntyre, vps. Employes: 50.

Phone: (303) 744-3211. ☑

Barnum Communications, New York, reported gross income of $6,761,000 in 1985 on billings of $45,072,000. In 1984, it reported gross income of $6,857,000 on billings of $45,123,000.

The agency's 1985 U.S. volume consisted of $18,930,500 in media, $4,056,500 in materials and services and $22,085,000 in capitalized fees. Its 1984 U.S. volume consisted of $14,590,000 in media, $3,420,000 in materials and services and $27,113,000 in capitalized fees.

In 1985, the agency gained: Syntro Corp; Derata Corp. It lost: DeVilbiss Health Care Worldwide; Anderson Group.

Billings breakdown: Newspapers 5%, magazines 12%, medical journals 55%, radio 1%, network tv 3%, spot tv 5%, cable tv 1%, direct mail 6%, collateral 12%.

Top execs: H.J. Barnum Jr., chmn; Dorothy M. Philips, president; John H. Woodcock, Burton P. Pollack, senior vps. Employes: 70 in 9 offices.

Phone: (212) 221-7363.

Basinger Co., Evanston, Ill., had estimated gross income of $230,000 in 1985 on billings of $1,540,670. In 1984, it reported gross income of $156,000 on billings of $1,036,800.

The agency's 1985 U.S. volume consisted of $200,000 in media and $1,340,670 in capitalized fees. Its 1984 U.S. volume consisted of $125,000 in media, and $911,789 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

See **Baron & Zaretsky** *under Zaretsky on Page 110.*

• Research Division

In 1985, the agency gained: Howard Decorative Packaging; Bank Administration Institute; Lewis Plastics.

Billings breakdown: Newspapers 10%, magazines 20%, business papers 20%, direct mail 30%, catalogs 10%, direct response magazines 10%.

Top execs: David P. Basinger, president. Vps—Paul J. Basinger, creative director; Joan M. Moise, mktg director. Employes: 10.

Phone: (312) 475-3525. ☑

Keith Bates & Associates, Chicago, reported gross income of $491,945 in 1985 on billings of $4,182,672. In 1984, it reported gross income of $450,402 on billings of $3,796,047.

In 1985, it reported net income of $26,946, compared with $169,028 in 1984.

The agency's 1985 U.S. volume consisted of $429,831 in media, $471,568 in materials and services and $3,281,273 in capitalized fees. Its 1984 U.S. volume consisted of $542,386 in media, $249,481 in materials and services and $3,004,180 in capitalized fees.

In 1985, the agency gained: BCR Enterprises; Equal Employment Opportunity Consultants; Group I Software; SKK. It lost: Zylab; Systems Mgmt; Wallace Computer Services.

Billings breakdown: Magazines 40%, direct mail 47%, direct response magazines 3%, telemarketing 10%.

Top exec: Keith W. Bates, president. Employes: 7.

Phone: (312) 263-5820. ☑

Bates & Fawcett, Darien, Conn., reported gross income of $124,050 in 1985 on billings of $808,316. In 1984, it reported gross income of $141,100 on billings of $918,345.

The agency's 1985 U.S. volume consisted of $119,000 in media, $57,000 in materials and services and $632,316 in capitalized fees. Its 1984 U.S. volume consisted of $160,000 in media, $68,000 in materials and services and $690,345 in capitalized fees.

In 1985, the agency gained: Commercial Enclosed Fuse Co.; Micro Aero Charts; Marco Manufacturing Co.; Sprung Nussbaum. It lost: New England Tubular Rivet; Cobra Components.

Billings breakdown: Business papers 60%, direct mail 40%.

Top exec: Michael S. Ziegler, president. Employes: 4.

Phone: (203) 655-8767.

Battenberg, Fillhardt & Wright, San Jose, Cal., reported gross income of $1,947,183 in 1985 on billings of $13,047,598. In 1984, it reported gross income of $2,078,945 on billings of $13,103,637.

The agency's 1985 U.S. volume consisted of $6,552,227 in media, $1,097,280 in materials and services and $5,398,091 in capitalized fees. Its 1984 U.S. volume consisted of $6,373,634 in media, $1,160,093 in materials and services and $5,569,910 in capitalized fees.

In 1985, the agency gained: Communications Solutions, SNA Communications software; Granger Associates; Guerdon Industries; Knoll Co.; Mountz; Team Solutions. It lost: Branson/IPC; EE DataComm; Intelligent Technologies.

Billings breakdown: Newspapers 8%, magazines 41%, radio 4%, spot tv 3%, business papers 40%, point of sale 1%, direct mail 3%.

Top execs: Curtis L. Wright, president. Vps—Charles H. Fillhardt, creative director; Lynn M. Battenberg, treasurer. Employes: 24.

Phone: (408) 287-8500. ☑

Batz Hodgson Neuwoehner, St. Louis, reported gross income of $4,985,170 in 1985 on billings of $34,377,621. In 1984, it reported gross income of $4,692,790 on billings of $32,602,221.

The agency's 1985 U.S. volume consisted of $16,089,666 in media, $4,008,212 in materials and services and $14,279,743 in capitalized fees. Its 1984 U.S. volume consisted of $15,756,351 in media, $4,261,481 in materials and services and $12,584,389 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

• BHN/YP, Yellow Pages placement

The agency also consolidated returns from its offices in Overland Park, Kan.; Columbia, Mo.; Wichita, Kan.; Cedar Rapids, Ia., and Springfield, Mo., which was sold Oct. 31, 1985.

In 1985, the agency gained: Bowling Hall of Fame; Graybar Electric; Elegance Furniture; Tartan Corners; United Van Lines; Intertherm; Thermal Resources; Monsanto, nutrition chemicals div. It lost: Northwest Plaza; Carter Automotive; Millers Mutual Insurance; Century Electric; Furguson Machine.

Billings breakdown: Newspapers 13%, magazines 8%, radio 20%, spot tv 30%, outdoor 2%, business papers 20%, Yellow Pages 5%, other 2%.

Top execs: Kennett C. Johnson, chmn-ceo, treasurer. Presidents—John Bell, BHN/PR; Daniel Fineberg, BHN/YP; George T. Gale (St. Louis); Walter F. Balzerick (Wichita); Peter Langmack (Cedar Rapids); Irv Jensen, BHN (Kansas City); John Blakesmore, BHN (Columbia). Robert C. Zeitinger, exec vp. Employes: 110 in 6 offices.

Phone: (314) 241-1200.

Bauerlein Inc., New Orleans, reported gross income of $2,211,402 in 1985 on billings of $14,574,980. In 1984, it reported gross income of $2,110,684 on billings of $14,151,296.

The agency's 1985 U.S. volume consisted of $6,649,213 in media, $1,320,069 in materials and services and $6,605,698 in capitalized fees. Its 1984 U.S. volume consisted of $5,976,669 in media, $1,473,493 in materials and services and $6,701,134 in capitalized fees.

In 1985, the agency gained: Columbia Pictures (New Orleans, Baton Rouge, Memphis markets); Metropolitan Natl Bank (Mississippi Gulf Coast); Southern Baptist Hospital of New Orleans; Orleans Parish School Board. It lost: Baton Rouge Bank; Butch Baum & Associates; Lamarque Ford.

Billings breakdown: Newspapers 21%, magazines 23%, radio 17%, spot tv 34%, outdoor 5%.

Top execs: Eugene G. Barnes, president; Kenneth Gormin, chmn. Employes: 37.

Phone: (504) 522-5461. ☑

Baxter, Gurian & Mazzei, Beverly Hills, Cal., reported gross income of $1,900,000 in 1985 on billings of $13,300,000. In 1984, it reported gross income of $1,750,000 on billings of $12,270,000.

The agency's 1985 U.S. volume consisted of $2,200,000 in media, $6,431,000 in materials and services and $4,669,000 in capitalized fees. Its 1984 U.S. volume consisted of $2,200,000 in media, $3,400,000 in materials and services and $6,670,000 in capitalized fees.

Included in the agency's figures were returns from its office in Mountain View, Cal.

In 1985, the agency gained: Advanced Technology Labs; Daleco/Zila, pharmaceuticals; Everest & Jennings, wheelchairs; Intermedics; Myocure; Oculabs; Rabbit Computer; Squibb Medical Systems. It lost: Chad, pharmaceuticals; Alpha Therapeutics.

Billings breakdown: Medical journals 30%, direct mail 50%, other 20%.

Top execs: Donald J. Baxter, chmn; Kenneth J. Gurian, president; Michael J. Byrnes, vp. Employes: 28 in 2 offices.

Phone: (213) 657-5050. ☑

Beaumont, Heller & Sperling, Reading, Pa., reported gross income of $1,274,779 in 1985 on billings of $10,165,095. In 1984, it reported gross income of $1,349,612 on billings of $10,621,097.

The agency's 1985 U.S. volume consisted of $1,439,470 in media, $1,132,017 in materials and services and $7,593,608 in capitalized fees. Its 1984 U.S. volume consisted of $1,514,905 in media, $1,425,834 in materials and services and $7,680,358 in capitalized fees.

In 1985, the agency gained: Jamison Door Co.; Neapco, automotive drive train components.

Billings breakdown: Newspapers 0.04%, business papers 12.61%, Yellow Pages 1.2%, direct mail 25.38%, catalogs/collateral 6.26%, pr 12.37%, mktg, creativity, client services 42.14%.

Top execs: Robert D. Beaumont, president. Senior vps—Donald T. Beaumont Jr., secretary, treasurer; Alfred K. Walter, pr div; James Buchanan, media, mktg services director. Vps—William E. Kemper Jr.; James E. Ludwig Jr.; Leland E. Rice; John R. Sergeant Jr., direct mail, publication production mgr. Employes: 41.

Phone: (215) 375-4311.

Bober Silverstein & Partners, Miami, reported gross income of $9,400,000 in 1985 on billings of $62,000,000. In 1984, it reported gross income of $7,800,000 on billings of $51,200,000.

The agency's 1985 U.S. volume consisted of $50,500,000 in media, $5,500,000 in materials and services and $6,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $42,200,000 in media, $4,000,000 in materials and services and $5,000,000 in capitalized fees.

Included in the agency's figures were returns from its offices in New York and Washington.

In 1985, the agency gained: Austin Rover Cars of North America; Pfizer, Coty div; Florida Power & Light; The Rouse Corp., Bayside; Southern Cross Yachts; State of Fla. Dept. of Commerce, div of tourism; The Hospitals of Florida; A.F.S.C.M.E. It lost: Paramount Picture Corp.; Palm Beach County Tourist Devel Council.

Billings breakdown: Newspapers 20%, magazines 22%, radio 12%, network tv 9%, spot tv 29%, outdoor 1%, direct mail 6%, other 1%.

Top execs: Joyce Beber, president; Elaine Silverstein, exec vp; Sidney Levin, partner; Myer Berlow, vp-mktg, media services; Russell Slaughter, senior vp, creative director. Vps—Lesley Teitelbaum, creative director; Henry Goldberg, Wayne Sandlin, John Baldari, Charles Roedema, Fred Delano, acct supers; Robert Nyitray, exec art director; Louise Gainey, media director; Herk Hernadez, production; David Valdes, controller. Employes: 116 in 3 offices.

Phone: (305) 856-9800.

Robert A. Becker Inc., New York, reported gross income of $7,000,000 in 1985 on billings of $47,100,000. In 1984, it reported gross income of $7,379,000 on billings of $49,751,200.

The agency's 1985 U.S. volume consisted of $3,900,000 in media, $3,200,000 in materials and services and $40,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $4,341,400 in media, $3,508,200 in materials and services and $41,901,600 in capitalized fees.

In 1985, the agency gained: Sandoz Pharmaceuticals Corp, Pharmacy Affairs. It lost: Sterling Drug Co., Winthrop Laboratories div.

Billings breakdown: Medical journals 50%, direct mail 15%, sales literature, a/v, collateral, materials 35%.

Top execs: Robert A. Becker, president; Joel Lauber, Edward Maitland, Raymond Perry, Norman Franklin, David Charney, senior vps. Employes: 84.

Phone: (212) 382-0780.

Behrends & Co., High Point, N.C., reported gross income of $622,490 in 1985 on billings of $4,013,805. In 1984, it reported gross income of $1,023,846 on billings of $7,099,805.

The agency's 1985 U.S. volume consisted of $436,875 in media, $678,055 in materials and services and $2,898,875 in capitalized fees. Its 1984 U.S. volume consisted of $1,185,683 in media, $1,188,220 in materials and services and $4,725,902 in capitalized

Top 10 agencies in transit billings*

Rank	Agency	Transit billings 1985	Transit billings 1984	U.S. billings 1985	U.S. billings 1984
1	Laurence, Charles, Free & Lawson	$11.8	$10.8	$235.0	$215.0
2	Young & Rubicam	6.8	8.6	1,656.4	1,632.3
3	MCA Advertising	3.4	4.5	170.0	148.7
4	Chiat/Day	2.9	NA	294.3	226.6
5	Levine, Huntley, Schmidt, & Beaver	2.6	2.1	87.4	71.3
6	Della Femina, Travisano & Partners	2.5	2.2	245.0	220.0
7	Tatham-Laird & Kudner	2.1	1.6	235.0	226.0
8	Kornhauser & Calene	1.2	NA	121.3	120.4
9	Doyle Dane Bernbach Group	1.2	1.1	1,099.4	981.7
10	Earle Palmer Brown Cos.	1.0	NA	103.6	84.4

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.
* From 92 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

fees.

In 1985, the agency gained: Old Stone Savings & Loan; Castle Furniture, USA; Cellular One; Northwinds America.

Billings breakdown: Newspapers 18%, supplements 10%, radio 18%, spot tv 28%, outdoor 10%, business papers 10%, direct mail 6%.

Top exec: Richard D. Behrends, president. Employes: 19.

Phone: (919) 882-4151.

Benito Advertising, Tampa, Fla., reported gross income of $3,580,000 in 1985 on billings of $24,930,000. In 1984, it reported gross income of $3,100,000 on billings of $20,800,000.

The agency's 1985 U.S. volume consisted of $18,950,000 in media and $5,980,000 in capitalized fees. Its 1984 U.S. volume consisted of $17,500,000 in media and $3,300,000 in capitalized fees.

Included in the agency's figures were returns from offices in Orlando and Jacksonville.

In 1985, the agency gained: Group W Cable (Southeast); WTOG-TV; Travel Agents Intl; Tampa Bay Buccaneers; Robinson's Dept Stores. It lost: Clairson Intl; Sheraton Maitland.

Billings breakdown: Newspapers 20%, magazines 15%, radio 14%, spot tv 38%, outdoor 6%, business papers 3%, direct mail 4%.

Top execs: Jack Painter, chmn-president; Ken Bernhardt, exec vp, creative; Duke Miller, exec vp, creative services. Employes: 74 in 3 offices.

Phone: (813) 877-8200. ☑

Bentley, Barnes & Lynn, Chicago, reported gross income of $5,449,381 in 1985 on billings of $36,329,210. In 1984, it reported gross income of $5,097,286 on billings of $33,981,908.

The agency's 1985 U.S. volume consisted of $31,666,374 in media, $2,241,846 in materials and services and $2,420,990 in capitalized fees. Its 1984 U.S. volume consisted of $30,183,451 in media, $1,403,420 in materials and services and $2,395,037 in capitalized fees.

Included in the agency's figures were returns from the offices in Huntington Beach, Cal., and Houston.

In 1985, the agency gained: Wilson Sporting Goods; Epson East; Lube Pro's; Spring Green Lawn Care; Rose & Co. It lost: Pheasant Run; Hillhaven Corp; 666 Lake Shore Drive.

Billings breakdown: Newspapers 83%, magazines 5%, radio 5%, spot tv 1%, outdoor 1%, business papers 3%, direct mail 1%, catalogs 1%.

Top execs: Peter Postelnek, cob; Stan Tannenbaum, president; Merrill Litow, secretary, treasurer; Paul Oleff, exec vp; Gus Unti, creative director; Sam Conforti, exec vp. Employes: 104 in 3 offices.

Phone: (312) 467-9350.

Berenson & Co., Larkspur, Cal., reported gross income of $175,000 in 1985 on billings of $2,750,500. In 1985, it had net income of $100,000. The agency did not report figures for 1984.

The agency's 1985 U.S. volume consisted of $1,500,000 in media, $250,000 in materials and services and $1,000,500 in capitalized fees.

The agency did not consolidate subsidiary:

- Windsor Marketing Group, telephone sales.

In 1985, the agency gained: First Commodity Corp.; Allison Corp.

Billings breakdown: Newspapers 10%, magazines 10%, business papers 10%, direct mail 50%, catalogs 5%, direct response magazines 10%, telemarketing 5%.

Top exec: Paul S. Berenson, president. Employes: 3 in 2 offices.

Phone: (415) 499-8148.

Berenson, Isham & Partners, Boston, had estimated gross income of $1,800,000 in 1985 on billings of $11,804,060. In 1984, it reported gross income of $1,254,781 on billings of $7,011,537.

In 1985, it reported net income of $260,655, compared with $159,898 in 1984.

The agency's 1985 U.S. volume consisted of $3,117,967 in media, $676,033 in materials and services and $7,950,060 in capitalized fees. Its 1984 U.S. volume consisted of $2,033,018 in media, $782,028 in materials and services and $4,196,491 in capitalized fees.

In 1985, the agency gained: Fallon Community Health Plan; IncomRx System, medical software; John Hancock Home Owner Services.

Billings breakdown: Newspapers 15%, magazines 5%, radio 5%, spot tv 5%, outdoor 5%, transit advertising 5%, point of sale 2.5%, direct mail 25%, direct response tv 5%, direct response radio 5%, direct response newspapers 10%, direct response magazines 10%, telemarketing 2.5%.

Top execs: Paul S. Berenson, president-ceo; Carolynn C. Isham, exec vp; Louis H. Flanders III, senior vp. Employes: 17.

Phone: (617) 423-1120. ☑

Berenter Greenhouse & Webster, New York, reported gross income of $3,065,000 in 1985 on billings of $25,301,000. In 1984, it reported gross income of $1,850,000 on billings of $15,201,500.

The agency's 1985 U.S. volume consisted of $21,820,000 in media and $3,481,000 in capitalized fees. Its 1984 U.S. volume consisted of $14,720,000 in media and $481,500 in capitalized fees.

In 1985, the agency gained: Carole Little fragrance; Sparkomatic Corp; Productivity Software.

Billings breakdown: Newspapers 10.9%, magazines 12.1%, radio 4.4%, network tv 17.4%, spot tv 50%, cable tv 1%, outdoor 0.8%, business papers 3.4%.

Top execs: Bill Berenter, chmn, co-creative director; Barrie Webster, president; Martin Greenhouse, exec vp, co-creative director. Vps—Fred Axelrod, Jan Meyer, acct supers; Joan Gugliotta, media director. Employes: 38.

Phone: (212) 308-2000.

Berger Stone & Partners, New York, reported gross income of $2,421,000 in 1985 on billings of $16,140,000. The agency did not report for 1984.

The agency's 1985 U.S. volume was all in media.

In 1985, the agency gained: Chevy Dealers Assn of Central La. and Central Pa.

Billings breakdown: Newspapers 18.5%, magazines 6%, radio 12%, spot tv 60%, cable tv 2%, outdoor 0.5%, transit advertising 0.5%, Yellow Pages 0.5%.

Top execs: Joseph Stone, president; John Yakata, Allen Schwartz, senior vps. Employes: 28.

Phone: (212) 752-6333.

Berk & Co., Boston, reported gross income of $3,200,000 in 1985 on billings of $23,800,000. In 1984, it reported gross income of $4,500,000 on billings of $33,750,000.

The agency's U.S. volume in both years was all in media.

In 1985, the agency gained: Gillette, Eyeworld div; White Hat Computer Systems; TCS Software. It lost: Canada Dry.

Billings breakdown: Newspapers 6%, magazines 2%, radio 33%, spot tv 59%.

Top execs: Kenneth Berk, president. Exec vps—Sheila Shively, gm; Stephan Bassett, director client service. Arlene Jaffe, vp-creative services; Daniel J. Harper, controller. Employes: 35.

Phone: (617) 247-2800.

Bermudez & Associates, Beverly Hills, Cal., reported gross income of $1,733,598 in 1985 on billings of $11,563,099. In 1984, it reported gross income of $1,318,358 on billings of $8,793,448.

In 1985, it reported net income of $166,950, compared with $42,499 in 1984.

The agency's 1985 U.S. volume consisted of $985,708 in media, $25,284 in materials and services and $10,552,107 in capitalized fees. Its 1984 U.S. volume consisted of $1,547,629 in media, $213,031 in materials and services and $7,032,788 in capitalized fees.

Included in the agency's figures were returns from offices in Beverly Hills and New York.

In 1985, the agency gained: Union Fidelity Life Insurance Co.

Billings breakdown: Newspapers 2%, radio 23%, network tv 25%, spot tv 18%, transit advertising 2%, direct mail 10%, catalogs/brochures 10%, direct response tv 10%.

Top execs: Eduardo Bermudez, chmn-ceo; James Golightly, president-coo. Employes: 30 in 2 offices.

Phone: (213) 852-1011. ☑

Bernstein-Rein Advertising, Kansas City, Mo., reported gross income of $5,625,000 in 1985 on billings of $52,911,000. In 1984, it reported gross income of $5,102,000 on billings of $46,325,000.

The agency's 1985 U.S. volume consisted of $45,471,000 in media, $4,513,000 in materials and services and $2,927,000 in capitalized fees. Its 1984 U.S. volume consisted of $38,213,000 in media, $5,064,000 in materials and services and $3,048,000 in capitalized fees.

Included in the agency's figures were returns from its offices in Spokane, Wash., and Portland, Ore.

The agency did not consolidate figures from subsidiaries:

- Las Vegas Electronics, radio
- Reno Electronics, radio

In 1985, the agency gained: Safeway and Food Barn Stores (Kansas City); Rival Manufacturing, small appliance mfgr; H&R Block, tax service; Menorah Medical center; Medical Center of North Hollywood; Swiss Altima, bottled mineral water. It lost: Lucky Stores, automotive div.

Billings breakdown: Newspapers 7%, magazines 5%, radio 12%, spot tv 70%, cable tv 2%, outdoor 3%, business papers 1%.

Top execs: Robert A. Bernstein, president; Irwin D. Rein, exec vp. Employes: 112 in 3 offices.

Phone: (816) 756-0640.

Bertucci Maren Associates, Bristol, Pa., formerly Andrew Bertucci Associates, had estimated gross income of $468,750 in 1985 on billings of $2,959,550. In 1984, it had estimated gross income of $433,750 on billings of $2,762,850.

The agency's 1985 U.S. volume consisted of $275,000 in media, $250,000 in materials and services and $2,434,550 in capitalized fees. Its 1984 U.S. volume consisted of $200,000 in media, $195,000 in materials and services and $2,367,850 in capitalized fees.

Billings breakdown: Newspapers 5%, radio 5%, outdoor 5%, business papers 60%, direct mail 10%, catalogs 15%.

Top execs: Andrew D. Bertucci, president; Nancy Maren, exec vp. Employes: 14.

Phone: (215) 785-1920.

Douglas Bewick Advertising, Springfield, Mass., had estimated gross income of $360,100 in 1985 on billings of $2,400,000. In 1984, it had estimated gross income of $300,000 on billings of $2,000,000.

The agency's 1985 and 1984 U.S. volumes were all in media.

Billings breakdown: Yellow Pages 100%.

Top execs: Douglas Bewick, president. Employes: 11.

Phone: (413) 781-3682.

Biederman & Co., New York, reported gross income of $3,838,500 in 1985 on billings of $29,015,545. The agency, founded in May, 1984, reported gross income of $2,487,000 on billings of $17,967,600 for the eight months in 1984.

The agency's 1985 U.S. volume consisted of $22,075,000 in media, $2,515,000 in materials and services and $4,425,545 in capitalized fees. Its 1984 U.S. volume consisted of $14,715,000 in media, $1,305,000 in materials and services and $1,947,600 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- Betacom, production.

In 1985, the agency gained: Tower Air; Winsight Software.

Billings breakdown: Newspapers 10%, magazines 35%, radio 5%, network tv 35%, spot tv 8%, cable tv 3%, outdoor 3%, direct response magazines 1%.

Top execs: Barry Biederman, chmn,

Top 10 agencies in network tv billings*

Rank	Agency	Net tv billings 1985	Net tv billings 1984	U.S. billings 1985	U.S. billings 1984
1	Ogilvy Group	$772.4	$880.5	$1,694.5	$1,497.9
2	Young & Rubicam	735.0	845.4	1,656.4	1,632.3
3	Leo Burnett Co.	647.7	555.1	1,269.9	1,132.9
4	Grey Advertising	623.2	496.6	1,221.9	1,034.6
5	D'Arcy Masius Benton & Bowles	570.5	624.8	1,202.6	1,359.8
6	J. Walter Thompson Co.	564.5	473.7	1,604.2	1,387.3
7	BBDO International	450.4	396.5	1,296.1	1,109.7
8	Ted Bates Worldwide	443.8	369.7	785.1	672.7
9	Foote, Cone & Belding	443.6	414.5	1,323.0	1,214.0
10	Dancer Fitzgerald Sample	307.7	280.6	861.9	750.2

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.
* From 92 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

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creative director; John Kelly, coo, director acct mgmt; Howard Benson, exec vp, co-creative director; Monica Shaffer, senior vp, media director. Employes: 40.
Phone: (212) 929-7200.

W.R. Biggs/Gilmore Associates, Kalamazoo, Mich., reported gross income of $5,055,000 in 1985 on billings of $41,147,000. In 1984, it reported gross income of $4,410,000 on billings of $40,276,000.
The agency's 1985 U.S. volume consisted of $5,933,000 in media, $6,957,000 in materials and services and $28,157,000 in capitalized fees. Its 1984 U.S. volume consisted of $5,859,000 in media, $6,863,000 in materials and services and $27,554,000 in capitalized fees.
Included in the agency's figures were returns from offices in Hilton Head Island, Charleston and Columbia, S.C., and Grand Rapids, Marshall and Battle Creek, Mich.
In 1985, the agency gained: Brassler; Hilton Head Island Chamber of Commerce; Delta Group; Garrett Dry Cleaning; Hilton Head Island Hospital; Hudson's Seafood Corp.; Mariner's Inn; Palmetto Dunes; Savannah Electric & Power; Savings Bank of Beaufort; D&W Foods; West Michigan Public TV; Asten-Hill; Massey Coal Terminal; Inter Tech Group.
Billings breakdown: Newspapers 3%, magazines 38%, supplements 1%, radio 4%, network tv 2%, business papers 40%, farm publications 6%, direct mail 1%, other 5%.
Top execs: William R. Biggs, president; Ron Davis, exec vp. Senior vps—David Hunt; Peter Horst, director creative services. Don DeGroot, secretary, treasurer. Vps—Jeff White, business devel; Harold Bennett. Jim Stomme, pr director. Employes: 106 in 7 offices.
Phone: (616) 349-7711.

Black Gillock & Langberg, Houston, had estimated gross income of $1,986,000 in 1985 on billings of $14,500,000. In 1984, it reported gross income of $1,863,000 on billings of $13,600,000. The agency did not break out U.S. volume.
The agency opened a Dallas office in January, 1986.
In 1985, the agency gained: Steak & Ale, natl promo; Russo Co., Savings & Loan; Texas Children's Hospital; St. Luke's Episcopal Hospital Recruitment; Signa Healthplan of Texas Collateral; Houston Intl Teleport; Tune Up Plus; Liberty Bank; Wetcher Wellness.
Billings breakdown: Newspapers 25%, radio 18%, spot tv 26%, outdoor 28%, business papers 3%.
Top execs: William Scott Black, president. Exec vps—Les Langberg, director mktg; Cliff Gillock, creative director. Vps—Dana Worley, controller; Pat Bruney, media director. Employes: 41 in 2 offices.
Phone: (713) 781-6666.

Black & Musen, Long Meadow, Mass., reported gross income of $253,000 in 1985 on billings of $1,474,000. In 1984, it reported gross income of $255,000 on billings of $1,433,000.
The agency's 1985 U.S. volume consisted of $600,000 in media, $160,000 in materials and services and $714,000 in capitalized fees. Its 1984 U.S. volume consisted of $759,000 in media, $147,000 in materials and services and $527,000 in capitalized fees.
In 1985, the agency gained: Morilla, paper converter and distributor; Pratt & Austin, stationery items; Direct Mktg Mgmt. It lost: Spartan Saw Works; Totsy Mfg Co.
Billings breakdown: Newspapers 5%, magazines 25%, radio 5%, spot tv 15%, business papers 25%, direct mail 10%, catalogs 15%.
Top execs: Arthur Musen, president; Merle Black, treasurer. Employes: 6.
Phone: (413) 567-0361.

Blair/BBDO, Rochester, N.Y., a BBDO subsidiary, reported gross income of $3,277,349 in 1985 on billings of $21,848,993. In 1984, it reported gross income of $2,850,795 on billings of $19,005,300.
The agency's 1985 U.S. volume consisted of $6,186,629 in media, $3,984,041 in materials and services and $11,678,323 in capitalized fees. Its 1984 U.S. volume consisted of $5,880,259 in media, $3,762,936 in materials and services and $9,362,105 in capitalized fees.
Included in BLAIR/BBDO's figures were returns from its office in Pittsburgh.
In 1985, the agency gained: Marine Midland Bank; Rochester Philharmonic Orchestra; Milton Roy, optical instruments; United Way of Rochester; Blue Cross & Blue Shield of the Rochester area. It lost: Computer Consoles.
Billings breakdown: Newspapers 11%, magazines 15%, radio 25%, spot tv 35%, cable tv 3%; outdoor 1%, business papers 6%, farm publications 1%, transit advertising 0.5%, Yellow Pages 0.5%; direct mail 1%, other 1%.
Top execs: John F. Krausbaar, president. Senior vps—H. Mat Adams, mgmt super; Jack Matott, exec creative director. Employes: 47 in 2 offices.
Phone: (716) 473-0440. ☑

Blanchard & Associates, Minneapolis, had estimated gross income of $312,000 in 1985 on billings of $2,069,297. In 1984, it had estimated gross income of $280,000 on billings of $1,821,348.
The agency's 1985 U.S. volume consisted of $699,910 in media, $269,244 in materials and services and $1,100,143 in capitalized fees. Its 1984 U.S. volume consisted of $847,531 in media, $263,382 in materials and services and $710,435 in capitalized fees.
In 1985, the agency gained: Anderson Fabrics.
Billings breakdown: Newspapers 5%, magazines 85%, business papers 10%.
Top exec: Ike Austin, president. Employes: 5.
Phone: (612) 332-1557.

Barry Blau & Partners, Fairfield, Conn., reported gross income of $6,365,600 in 1985 on billings of $44,450,958. In 1984, it reported gross income of $5,655,092 on billings of $30,840,305.
The agency's 1985 U.S. volume consisted of $1,351,197 in media, $17,475,622 in materials and services and $25,624,139 in capitalized fees. Its 1984 U.S. volume consisted of $1,307,385 in media, $13,413,585 in materials and services and $16,119,335 in capitalized fees.
Included in the agency's figures were returns from offices in New York, Chicago and San Francisco.
The agency did not consolidate subsidiary:
• IOCC, mail order services.
In 1985, the agency gained: Value Line Investment Survey. It lost: Times Mirror Magazines.
Billings breakdown: Newspapers 2%, magazines 2%, supplements 2%, radio 2%, spot tv 4%, cable tv 4%, direct mail 84%.
Top execs: Barry Blau, president; Dennis Eastham, Ronald Friedman, exec vps; J. Donald Gartland III, Mark Goroff, Carla Meisner, senior vps. Employes: 87 in 4 offices.
Phone: (203) 254-3700. ☑

James Bloom Agency, Great Neck, N.Y., had estimated gross income of $180,000 in 1985 on billings of $1,200,000. In 1984, it had estimated gross income of $143,000 on billings of $950,000.
In 1985, the agency gained: Preload Co., prestressed concrete water tanks; Sailtech Corp; American Piping Products; Flagship Yacht Corp. It lost: Forest Bay Construction Co.; Ideal Engraving.
In 1985, the agency gained overseas: Femilet, intimate apparel (Denmark).
Billings breakdown: Newspapers 10%, medical journals 5%, business papers 45%, catalogs 40%.
Top execs: James M. Bloom, president-chmn; Douglas A. Graham, vp; A. Rosenthal, art director; S. Wilms, production mgr. Employes: 7.
Phone: (516) 482-4660.

Advertising, Boelter & Lincoln, Madison, Wis., reported gross income of $1,136,861 in 1985 on billings of $7,582,863. In 1984, it reported gross income of $1,038,621 on billings of $6,927,602.
Included in the agency's figures were returns from subsidiary:
• Boelter & Lincoln Public Relations.
The agency also consolidated its office in Milwaukee in its report.
In 1985, the agency gained: Packaging Products Corp; Kinot Building Centers; Sun Warehouse Foods; St. Francis Medical Center; St. Mary's Hospital Medical Center; Hospital Sisters Health Plan; Intl Transport. It lost: Rocky Rococo Corp.
Billings breakdown: Newspapers 18%, magazines 10%, radio 13%, spot tv 25%, cable tv 3%, outdoor 2%, business papers 7%, transit advertising 2%, point of sale 2%, direct mail 5%, pr 13%.
Top execs: President—John Lincoln, AB&L (Milwaukee); Robert Boelter, AB&L (Madison). Employes: 35 in 2 offices.
Phone: (608) 251-3381.

Borders, Perrin & Norrander, Portland, Ore., reported gross income of $2,920,000 in 1985 on billings of $19,471,000. In 1984, it reported gross income of $2,263,814 on billings of $16,230,000.
In 1985, it reported net income of $225,000, compared with $158,702 in 1984.
The agency's 1985 U.S. volume consisted of $6,500,000 in media, $5,300,500 in materials and services and $7,670,500 in capitalized fees. Its 1984 U.S. volume consisted of $5,307,000 in media, $4,053,000 in materials and services and $6,870,000 in capitalized fees.
Included in the agency's figures were returns from its office in Portland, Ore.
The agency did not consolidate subsidiary:
• A Bunch of Characters, typographers.
In 1985, the agency gained: Waterbed Warehouse/Mart; Mannesmann Tally; Smoke Craft; Sylvan Learning Centers; American Network; KKSN/KKLI; Eds West; King County Medical/Blue Shield; Liberty Orchards; Paccar Leasing; Shurgard Capital. It lost: Omark Sporting Equipment; Waterbed Warehouse; Sylvan Learning Centers; Metheus; Shakeys (Seattle co-op).
Billings breakdown: Newspapers 12.73%, magazines 34.70%, radio 14.44%, spot tv 6.53%, outdoor 3.34%, transit advertising 0.39%, point of sale 26.59%, Yellow Pages 0.15%, research 1.13%.
Top execs: Wesley Perrin, chmn; William Borders, president; Mark Norrander, vice-chmn; Peter Hatt, exec vp. Employes: 63 in 2 offices.
Phone: (503) 227-2506. ☑

Earle Bower Associates, New York, reported gross income of $546,080 in 1985 on billings of $3,676,637. In 1984, it reported gross income of $441,686 on billings of $3,071,048.
In 1985, it had net income of $62,090, compared with $53,158 in 1984.
The agency's 1985 U.S. volume consisted of $1,638,082 in media, $590,832 in materials and services and $1,447,723 in capitalized fees. Its 1984 U.S. volume consisted of $1,543,455 in media, $408,620 in materials and services and $1,118,973 in capitalized fees.
Billings breakdown: Newspapers 10%, magazines 20%, radio 5%, spot tv 10%, cable tv 20%, outdoor 2.5%, business papers 10%, transit advertising 2.5%, direct response tv 15%, direct response magazines 5%.
Top execs: Earle Bower, president. Vps—John Baroody, media, mktg; John Nordland, art director; Sheila Simon, copy director. Employes: 10.
Phone: (212) 682-3920. ☑

Bowes/Hanlon Advertising, Atlanta, reported gross income of $3,533,834 in 1985 on billings of $23,689,108. In 1984, it reported gross income of $2,145,226 on billings of $14,489,072.
The agency's 1985 U.S. volume consisted of $5,329,746 in media, $5,712,016 in materials and services and $12,647,346 in capitalized fees. Its 1984 U.S. volume consisted of $2,990,787 in media, $2,780,295 in materials and services and $8,717,990 in capitalized fees.
Included in the agency's figures were returns from subsidiaries:
• Bowes/Hanlon/Yarbrough, pr
• Strategic Research.
In 1985, the agency gained: Gold Kist; Cotton State Insurance; Wolf Camera; Cob Foods (Atlanta); Fuddruckers (Southeast). It lost: Marriott Marquis Hotel; Big Apple Food Warehouse; First Natl Network.
Billings breakdown: Newspapers 15%, magazines 15%, medical journals 5%, radio 15%, spot tv 25%, business papers 10%, point of sale 5%, Yellow Pages 3%, direct mail 7%.
Top execs: Kenneth E. Bowes, president; George R. Hanlon, exec vp. Senior vps—Joel Babbit; Norman Grey, creative director. Employes: 60.
Phone: (404) 261-1900. ☑

Bradley, Dimmock & Hungerford, New York, reported gross income of $1,037,218 in 1985 on billings of $7,202,903. In 1984, it reported gross income of $814,612 on billings of $5,660,288.
In 1985, it had net income of $125,450, compared with $102,828 in 1984.
The agency's 1985 U.S. volume consisted of $2,211,142 in media, $1,412,639 in materials and services and $3,579,122 in capitalized fees. Its 1984 U.S. volume consisted of $1,055,421 in media, $1,247,856 in materials and services and $3,357,011 in capitalized fees.
In 1985, the agency gained: Excalibur, Tenax hair styling and finishing prods; Pantone, pantone color selecting and specifying prods; *Home* magazine.
Billings breakdown: Newspapers 25%, magazines 50%, supplements 5%, radio 5%, spot tv 10%, direct mail 5%.
Top execs: Samuel P. Bradley, chmn, creative director; Allan P. Faecher, president, director acct services. Senior vps—Thomas B. VanSteenbergh, art director; David R. Williams, media director. Employes: 7.
Phone: (212) 697-6780. ☑

Brady Co., Menomonee Falls, Wis., reported gross income of $2,279,582, of which $97,580 was non-U.S. contributions, in 1985 on billings of $16,724,673. In 1984, it reported gross income of $1,918,593 on billings of $13,453,696.
The agency's 1985 U.S. volume consisted of $2,941,226 in media, $3,064,294 in materials and services and $10,071,026 in capitalized fees. Its 1984 U.S. volume consisted of $3,007,226 in media, $2,677,294 in materials and services and $7,769,176 in capitalized fees.
In 1985, the agency gained: American Academy of Pediatrics; Chemsyn Science Laboratories; Criticare Systems. It lost: Marquette Electronics.
Billings breakdown: Newspapers 2%, magazines 12%, medical journals 51%, radio 1%, farm publications 28%, point of sale 1%, direct mail 5%.
Top exec: Karl F. Ohm, president. Employes: 53 in 3 offices.
Phone: (414) 255-0100. ☑

Brashe Advertising, Jericho, N.Y., had estimated gross income of $657,000 in 1985 on billings of $4,371,585. In 1984, it had estimated gross income of $526,000 on billings of $3,503,175.
The agency's 1985 U.S. volume consisted of $1,986,055 in media, $61,081 in materials and services and $2,324,449 in capitalized fees. Its 1984 U.S. volume consisted of $1,446,009 in media, $36,090 in materials and services and $2,021,076 in capitalized fees.
In 1985, the agency gained: Nassau Community College; Accountants on Call of Jericho; Continuity Concepts.
Billings breakdown: Newspapers 69%, magazines 12%, radio 11%, cable tv 3%, business papers 1%, point of sale 2%, direct mail 2%.
Top execs: Harvey Cherkis, president; John Collins, vp. Employes: 8.
Phone: (516) 935-5544. ☑

Brewster Advertising, Cambridge, Mass., reported gross income of $284,000 in 1985 on billings of $1,895,000. The agency did not provide figures for 1984.
The agency's 1985 U.S. volume consisted of $516,000 in media, $305,000 in materials and services and $1,074,000 in capitalized fees.
In 1985, the agency gained: Comrex Corp, broadcast equipment; Merriman Yacht Systems.
Billings breakdown: Newspapers 2%, magazines 73%, business papers 25%.
Top execs: Donald R. Brewster, president; Marjorie W. Rines, exec vp. Employes: 5.
Phone: (617) 661-8318.

Brigham/Scully, Los Angeles, had estimated gross income of $265,786 in 1985 on billings of $2,108,969. In 1984, it had estimated gross income of $262,171 on billings of $1,689,023.
The agency's 1985 U.S. volume consisted of $943,262 in media, $314,355 in materials and services and $851,352 in capitalized fees. Its 1984 U.S. volume consisted of $962,802 in media, $333,852 in materials and services and $392,369 in capitalized fees.
In 1985, the agency gained: Epic Data Corp. It lost: Jatra Intl, Maxima Fishing Line.
Billings breakdown: Newspapers 21%, magazines 43%, point of sale 1%, direct mail 8%, catalogs 23%, direct response magazines 4%.
Top exec: Thomas G. Brigham, president. Employes: 8.
Phone: (213) 550-7145. ☑

Brower, Etheredge & Schaub, Los Gatos, Cal., reported gross income of $631,000 in 1985 on billings of $9,640,569. In 1985, it reported net income of $45,000. The agency did not provide figures for 1984.
The agency's 1985 U.S. volume consisted of $1,386,205 in media, $767,329 in materials and services and $7,497,035 in capitalized fees.

Top 10 agencies in business paper billings*

Rank	Agency	Bus. paper billings 1985	Bus. paper billings 1984	U.S. billings 1985	U.S. billings 1984
1	BBDO International	$70.4	$60.8	$1,296.1	$1,109.7
2	HCM	55.1	55.7	165.4	204.0
3	Fahlgren & Swink	25.0	22.9	86.1	84.6
4	Ketchum Communications	24.9	29.7	377.5	354.1
5	N W Ayer	23.5	27.4	652.0	652.5
6	Dancer Fitzgerald Sample	22.4	9.0	861.9	750.2
7	Ogilvy Group	20.5	19.8	1,694.5	1,497.9
8	Lewis, Gilman & Kynett	18.4	23.1	198.0	110.2
9	Cole & Weber	16.6	12.6	110.5	96.9
10	J Campbell-Mithun	13.3	12.0	331.8	300.3

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.
* From 82 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

Top 10 agencies in direct response billings*

Rank	Agency	Dir. resp. billings 1985	Dir. resp. billings 1984	U.S. billings 1985	U.S. billings 1984
1	Ogilvy Group	$299.1	$221.9	$1,694.5	$1,497.9
2	Wunderman, Ricotta & Kline	175.4	143.7	175.7	149.7
3	Young & Rubicam	121.3	36.6	1,656.4	1,632.3
4	Direct Marketing Group	101.6	82.1	101.6	82.1
5	Telephone Marketing Programs	99.7	80.0	99.7	80.0
6	Stone & Adler	92.9	72.7	96.8	72.7
7	Foote, Cone & Belding	88.7	50.3	1,323.0	1,214.0
8	Kobs & Brady Advertising	70.3	20.8	70.3	52.0
9	Ketchum Communications	65.7	50.3	377.5	354.1
10	Direct Marketing Agency	60.2	49.0	63.4	49.5

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.
* Direct response includes Yellow Pages, direct mail, catalogs, direct response tv, direct response radio, direct response newspaper, direct response magazine, telemarketing and free-standing inserts. Data taken from 92 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

In 1985, the agency gained: Verilink telecommunications equipment; Etak, Etak Vehicle navigation systems; Deka, business telephone equipment. It lost: Dynatech, power protection equipment for microcomputers.

Billings breakdown: Newspapers 4%, magazines 74%, radio 2%, spot tv 3%, outdoor 1%, business papers 2%, transit advertising 1%, point of sale 7%, direct mail 6%.

Top exec: Ernest Brower, president. Employes: 13.

Phone: (408) 354-0536. ☑

John Brown & Partners, Seattle, reported gross income of $1,352,696 in 1985 on billings of $11,519,019. In 1984, it reported gross income of $1,564,217 on billings of $12,398,223.

The agency's 1985 U.S. volume consisted of $7,662,437 in media, $1,482,616 in materials and services and $2,373,966 in capitalized fees. Its 1984 U.S. volume consisted of $8,609,879 in media, $1,428,351 in materials and services and $2,359,995 in capitalized fees.

In 1985, the agency gained: Precor, home exercise equipment; Hill Haven, special care unit; KQ 96 radio. It lost: John Spellman for Governor; John Miller for Congress; Ken Eikenberry for Attorney General.

Billings breakdown: Newspapers 8%, magazines 9%, radio 30%, spot tv 50%, cable tv 1%, outdoor 0.5%, transit advertising 0.5%, Yellow Pages 1%.

Top exec: John Brown, president. Employes: 20.

Phone: (206) 622-9306.

Broyles, Allebaugh & Davis, Englewood, Colo., reported gross income of $3,182,041, in 1985 on billings of $21,218,700. In 1984, it reported gross income of $2,757,232 on billings of $18,191,500.

The agency's 1985 U.S. volume consisted of $10,585,300 in media, $1,361,300 in materials and services and $9,272,100 in capitalized fees. Its 1984 U.S. volume consisted of $5,852,700 in media, $1,486,500 in materials and services and $10,852,300 in capitalized fees.

In 1985, the agency gained: Denver Chamber of Commerce, new business and economic devel; Peak Health Care; Hyatt-Regency (Denver); Mr. Steak Intl; Life Products; Valleylab; Provident Federal Savings & Loan Assn. It lost: Honeywell Digital Product Center; C.A. Norgren Co.; Granville-Phillips Corp.

Billings breakdown: Newspapers 14%, magazines 33%, radio 6%, network tv 34%, spot tv 8%, cable tv 3%, outdoor 1%, farm publications 1%.

Top execs: George H. Eakins, president; Kent L. Eggleston, mng art director; Lewis C. Cady, copy director; James D. McCoy, rsch, media director; David K. Wham, acct service director. Employes: 43.

Phone: (303) 770-2000. ☑

Buckheim & Rowland, Ann Arbor, Mich., had estimated gross income of $1,800,000 in 1985 on billings of $12,000,000. In 1984, it had estimated gross income of $1,650,000 on billings of $11,000,000.

Billings volume was not broken out for either year.

In 1985, the agency gained: Abitibi-Price Co., building prods div; Chelsea Corp; Executive Technology Data Systems; Metropolitan Detroit Convention & Visitors Bureau; National Center for Health Promotion; Nematron Corp; Pit Stop Quick Oil Change; Renaissance Center Venture; Westin Hotel (Detroit). It lost: Irwin Magnetics.

Billings breakdown: Newspapers 4%, magazines 14%, radio and tv 3%, outdoor 1%, business papers 31%, direct mail 2%, collateral 25%, other 20%.

Top execs: Richard H. Rowland, chmn; Harvey A. Bailey, president, creative director; Richard A. Buckhein, director, acct super; Melvin L. Medrich, vp-assoc creative director; Richard W. Ferguson, exec vp, gm; E. Margaret Eich, secretary, treasurer. Vps—Mark T. Paris; Richard B. Williams, acct super. Fran Waybridge, acct super. Employes: 30.

Phone: (313) 769-6771.

Bulloch & Haggart Advertising, Colorado Springs, Colo., reported gross income of $373,412 in 1985 on billings of $2,503,103. In 1984, it reported gross income of $244,566 on billings of $1,625,008.

In 1985, it reported net income of $68,571, compared with $33,480 in 1984.

The agency's 1985 U.S. volume consisted of $765,358 in media, $269,352 in materials and services and $1,468,393 in capitalized fees. Its 1984 U.S. volume consisted of $477,167 in media, $197,086 in materials and services and $950,755 in capitalized fees.

In 1985, the agency gained: Joy Manufacturing; Dresser Industries, Electra Motors div; City of Colorado Springs, job training for disadvantaged youths; Hardee's (Colorado Springs, Pueblo); Irathan Systems; Windtree Apartments. It lost: Summitt Medical Systems; Robertson Co.; Amar Inc.

Billings breakdown: Newspapers 34%, magazines 21%, radio 16%, spot tv 27%, outdoor 2%.

Top execs: Stephen R. Haggart, president. Vps—Thomas O. Bulloch; Frank S. Merecicky, client services. Employes: 11.

Phone: (303) 635-7576. ☑

Buntin Advertising, Nashville, reported gross income of $3,511,675 in 1985 on billings of $23,208,958. In 1984, it reported gross income of $2,873,388 on billings of $18,560,000.

Included in the agency's figures were returns from subsidiary:

• Buntin Public Relations.

In 1985, the agency gained: Koala Drug & Alcohol Abuse Centers; Outlets Limited; MacGregor Golf Club Co.; American Healthcare Corp; Booth Investments; HealthMaster, HMO; Tennessee Repertory Theatre. It lost: Endata; Gibson Guitar.

Billings breakdown: Newspapers 6.6%, magazines 12%, radio 10%, spot tv 40%, business papers 4%, production 24.8%, pr 0.6%, retainers 1.2%, other, 0.8%.

Top execs: Jeffrey W. Buntin, president, creative director. Senior vps—John Sharpe, client services; Steve Dennison, mgmt super; Bill Stejskal, mktg director; Jack Pentzer, director operations. Vps—Hank McBride, Hack Ross, acct group heads; David Capelato, acct super; Mary Linda Draper, media director; Bill Holley, creative group head; J. Michael Marion, S. Amjad Habib, assoc creative directors; Anne Birke, production, radio and tv director; Martha Du Bose, copy director; Rex Hammock, gm-pr; Tayve Haley, billings director. Ron Harr, director client services, pr; Faye Fleming, assoc media director; Bob Redden, creative group head; Cindy McBride, operations mgr; Malinda Philpot, print production mgr; Stacy Reiss, broadcast traffic mgr; Lucinda T. Trabue, acct super, pr. Employes: 72.

Phone: (615) 244-5720.

David K. Burnap Advertising, Dayton, Ohio, reported gross income of $1,992,461 in 1985 on billings of $13,729,584. In 1984, it reported gross income of $1,849,529 on billings of $12,028,521.

The agency's 1985 U.S. volume consisted of $10,267,472 in media and $3,462,112 in materials and services. Its 1984 U.S. volume consisted of $9,410,210 in media and $2,618,311 in materials and services.

In 1985, the agency gained: Ferno Washington; NCR Corp; Jiffy Lube Corp; Dresser Industries, LeROI; Litton Industries, poly-scientific div. It lost: Wright-Bernet; Tipton Group.

Billings breakdown: Newspapers 15%, magazines 35%, radio 5%, network tv 20%, Yellow Pages 5%, direct mail 20%.

Top execs: David K. Burnap, president; H. Edward Waller, exec vp. Employes: 28.

Phone: (513) 439-4800. ☑

Burns Group, Minneapolis, reported gross income of $1,109,050 in 1985 on billings of $7,324,129. In 1984, it reported gross income of $1,043,067 on billings of $6,921,791.

In 1985, it reported a net loss of $5,142, compared with a net gain of $44,597 in 1984.

The agency's 1985 U.S. volume consisted of $961,040 in media, $651,521 in materials and services and $5,711,568 in capitalized fees. Its 1984 U.S. volume consisted of $653,333 in media, $314,688 in materials and services and $5,953,770 in capitalized fees.

In 1985, the agency gained: Honeywell Commerical Avionics div; Honeywell Visitronic; Honeywell Communication Services; Molecular Genetics; Paperworx; Yukon Energy; Hotel Sofitel (Chicago, Miami); Voucher Corp; Roche-Bobois; Lanvesco; A.P. Minnetonka. It lost: Cedrics; Yukon Energy; Quality Homes; Contemporary Designs; Tant-Pour-Tant Restaurant.

Billings breakdown: Newspapers 20%, magazines 57%, radio 13%, outdoor 10%.

Top execs: Neal M. Burns, president-ceo; Lee C. Garrick, Phyllis S. Burns, vps. Employes: 22.

Phone: (612) 546-4494.

Burrell Advertising, Chicago, reported gross income of $7,890,800 in 1985 on billings of $52,605,000. In 1984, it reported gross income of $6,453,500 on billings of $43,023,000.

The agency's 1985 U.S. volume consisted of $15,905,800 in media, $3,497,600 in materials and services and $33,201,600 in capitalized fees. Its 1984 U.S. volume consisted of $7,917,000 in media, $2,800,000 in materials and services and $32,306,000 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

• Burrell Public Relations

The agency also consolidated its office in Atlanta in its figures.

In 1985, the agency gained: Beatrice U.S.; Johnson Publishing Co. It lost: Columbia Pictures.

Billings breakdown: Newspapers 5%, magazines 15%, radio 12%, network tv 38%, spot tv 25%, outdoor 5%.

Top execs: Thomas Burrell, president-ceo. Senior vps—Barbara Burrell, corp devel; Sarah Burroughs, gm (Chicago); William Sharp, gm (Atlanta); Eugene Morris, mgmt super; Charles Wimbley, director client services. Employes: 118 in 2 offices.

Phone: (312) 266-4600.

Burton-Campbell, Atlanta, reported gross income of $7,864,821 in 1985 on billings of $57,343,703. In 1984, it reported gross income of $6,916,542 on billings of $46,975,502.

The agency's 1985 U.S. volume consisted of $39,600,908 in media, $6,024,519 in materials and services and $11,718,276 in capitalized fees. Its 1984 U.S. volume consisted of $24,431,475 in media, $5,752,829 in materials and services and $16,791,198 in capitalized fees.

Included in the agency's figures were returns from its offices in Miami and Charlotte, N.C.

In 1985, the agency gained: Ryder Truck Rental; Trammell Crow, real estate devel; Tupperware Home Parties. It lost: Grolsch Importers; Mgmt Science America; Hercules, fibers div; Technichon Data Systems Corp.

Billings breakdown: Newspapers 20%, magazines, medical journals and supplements 21%, radio 7%, network, spot and cable tv 50%, outdoor 2%.

Top execs: Ron Scharbo, president-chmn; Gabe Massimi, vice chmn-creative director; Jane Bedford, exec vp-coo. Senior vps—Ed Martin, Alan Burks, Dick Morse, acct group directors; Lauren Genkinger, director strategic planning, rsch; Michael Reineck, cfo; Sarah Cotton, creative mgr; Alan Campbell, mng director (Miami). Employes: 137 in 3 offices.

Phone: (404) 881-8585. ☑

Busse & Cummins, San Francisco, reported gross income of $2,862,000 for fiscal 1985 ended in June, 1985, on billings of $19,328,000. It had estimated gross income of $2,221,000 on estimated billings of $15,000,000 for the prior year.

In 1985, it reported net income of $426,000.

The agency's 1985 U.S. volume consisted of $15,023,000 in media, $2,549,000 in materials and services and $1,756,000 in capitalized fees. Its 1984 estimated U.S. volume consisted of $11,659,000 in media, $1,978,000 in materials and services and $1,363,000 in capitalized fees.

In 1985, the agency gained: Farr West prods; DesignWare, computer software; Dry Pea and Lentil Commission; University of San Francisco, undergraduate recruitment; San Francisco Hilton & Tower; Kennall Farms, Creme Fraiche. It lost: San Francisco Opera Assn; Parrot & Co., Wente and Louis Martini wines.

Billings breakdown: Newspapers 15%, magazines 34%, radio 20%, spot

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tv 29%, business papers 2%.

Top execs: Walter G. Busse Jr., president; Bernard J. Cummins Jr., exec vp; Todd Norgaard, Frederick Edwards, vps. Employes: 28.

Phone: (415) 957-0300. ☑

Lawrence Butner Advertising, New York, reported gross income of $3,015,750 in 1985 on billings of $20,115,000. In 1984, it reported gross income of $2,279,875 on billings of $15,200,000.

In 1985, it reported net income of $275,000, compared with $195,000 in 1984.

The agency's 1985 U.S. volume consisted of $17,013,900 in media, $900,000 in materials and services and $2,201,100 in capitalized fees. Its 1984 U.S. volume consisted of $12,782,500 in media, $750,000 in materials and services and $1,667,500 in capitalized fees.

Billings breakdown: Newspapers 4%, business papers 1%, transit advertising 1%, point of sale 1%, direct mail 1%, direct response tv 38%, direct response radio 13%, direct response magazines 1%, telemarketing 5%, direct response cable tv 35%.

Top execs: Lawrence Butner, president; Eleanor Butner, exec vp; Nevil Cross, Pam Weinberg, vps. Employes: 30.

Phone: (212) 682-3200. ☑

Harold Cabot & Co., Boston, reported gross income of $8,840,328 in 1985 on billings of $62,299,979. In 1984, it reported gross income of $9,241,000 on billings of $60,152,692. In 1985, it reported a net income of $1,626,364.

The agency's 1985 U.S. volume consisted of $45,248,514 in media, $6,468,476 in materials and services and $10,582,989 in capitalized fees. Its 1984 U.S. volume consisted of $42,919,478 in media, $8,258,449 in materials and services and $8,974,765 in capitalized fees.

Loss of the $7 million NYNEX business—Yellow Page accounts for New England and New York Bell—hurt both financially (it contributed to a drop of 4.3% in gross income) and psychologically because the agency had serviced New England Bell for 38 years.

The depression along "hi-tech" Route 128 also took its toll. However, that route is in revival this year and Cabot's computer activity to date is helping elevate income 12% over 1985. The agency's pr and direct marketing divisions also are picking up steam.

Included in the agency's figures were returns from subsidiaries:

- Cabot Public Relations
- Cabot Research
- Ten High Type
- Photo Stat House
- Cabot Direct Advertising
- Cabot Design Group

In 1985, the agency gained: Cash Network; Prophecy Software; Rock of Ages; World Trade Center (Boston); Polaroid Professional Optical Division. It lost: Medi-Mart; NYNEX.

Top execs: James I. Summers, president-ceo; William H. Monaghan, exec vp; Robert P. Linderman, Dale Casto, Courtney Crandell, Edmund Fitzmaurice, senior vps; Charles Kiefer, treasurer. Employes: 107.

Phone: (617) 242-6200.

Cabscott Broadcast Production, Lindenwold, N.J., had estimated gross income of $250,000 in 1985 on billings of $1,700,000. In 1984, it had estimated gross income of $150,000 on billings of $1,000,000.

The agency's 1985 U.S. volume consisted of $1,200,000 in media and $500,000 in materials and services. Its 1984 U.S. volume consisted of $750,000 in media and $250,000 in materials and services.

In 1985, the agency gained: Boing Vertol; ICI Americas; Intl Labs.

Billings breakdown: Magazines 25%, radio 15%, network tv 10%, spot tv 45%, direct response tv 5%.

Top execs: Larry Scott, president; Elaine P. Goldstein, vp. Employes: 12.

Phone: (609) 346-3400.

Calet, Hirsch & Spector, New York, reported gross income of $8,000,000 in 1985 on billings of $64,000,000, the same as in 1984.

The agency's 1985 U.S. volume consisted of $53,000,000 in media, $7,000,000 in materials and services and $4,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $52,000,000 in media, $8,000,000 in materials and services and $4,000,000 in capitalized fees.

The agency consolidated returns from its office in Clearwater, Fla.

In 1985, the agency gained: Gallery of Homes; Empire of America Relocation Service; McNulty Banking Co. It lost: Konica USA.

Billings breakdown: Newspapers 5%, magazines 24%, radio 9%, network tv 5%, spot tv 42%, cable tv 2%, outdoor 9%, business papers 1%, transit advertising 1%, point of sale 1%, Yellow Pages 1%.

Top execs: Larry Spector, president-ceo; Neil Calet, Peter Hirsch, co-chmns, exec creative directors. Exec vps—Colin Probert, director acct services; Robert Petizon, director media programing; Martin Lipsitt, Ken Majka, creative directors. Senior vps—Frank DiSalvo, director broadcast production; Sandy Goebel, mgmt super; Lester Goldstein, genl operations mgr; Richard Maddock, Elizabeth Pavelle, mgmt supers. Harriet Bloch, director rsch; Len Deadman, president (Southeast office); Gene Camoosa, exec vp (Southeast office). Employes: 93 in 2 offices.

Phone: (212) 777-0666.

Calvillo, Shevack & Partners, New York, the merged party of LCF&S and Nadler & Larimer, two Mickelberry Corp. companies, reported gross income of $6,886,000 in 1985 on billings of $52,000,000. It did not report for 1984.

The agency's 1985 U.S. volume consisted of $37,000,000 in media, $7,000,000 in materials and services and $8,000,000 in capitalized fees.

Both Arch Nadler and Robert Larimer, founders, retired with the merger. LCF&S had spun off from another Mickelberry company, Laurence, Charles & Free, in 1983, taking with it the Adidas sports shoes business.

In 1985, the agency gained: Alno Kitchens; Equitable Life Assurance Society, pension operations div; Firestone Building Products Co.; Goldline Laboratories; Tissot S.A., watches; Uniden Corp of America, satellite products; Sanyo Business Systems.

It lost: CBS Publications, *Woman's Day*; Conde Nast, *Self*; Faberge Organics Shampoo.

Billings breakdown: Newspapers 15.4%, magazines 22%, radio 17.3%, network tv 2%, spot tv 34%, cable tv 0.5%, outdoor 3.8%, business papers 3.3%, point of sale 0.2%, direct mail 1%, catalogs 0.5%.

Top execs: Ricardo C. Calvillo, chmn-ceo; Brett Shevack, president-chief creative officer. Exec vps—Burton Blum, creative director; Eva Maria Schmatz, director mktg; David R. Altman; Robert David; Anthony J. Keane; William Lyons; Melvin D. Weiss. Harron K. Appleman, Bruce Bromley, Hal Kurnit, Geoffrey Landis, Vernon Mosheim, Mervin Shipenberg, Manas Sternschein, Freda Wein, senior vps. Employes: 75.

Phone: (212) 245-7300.

Caravetta Allen Kimbrough/-BBDO, Miami, a subsidiary of BBDO International, had estimated gross income of $1,324,000 in 1985 on billings of $8,541,175. In 1984, it had estimated gross income of $1,200,000 on billings of $8,000,000.

The agency's 1985 U.S. volume consisted of $5,613,172 in media, $2,727,903 in materials and services and $200,100 in capitalized fees. Its 1984 U.S. volume consisted of $5,000,000 in media and $3,000,000 in materials and services.

In 1985, the agency gained: Commonwealth Brewery; Flagler Greyhound Track; Hoffman Group of Fla.; West Palm Beach *Post Times*; Bloc Devel Corp. It lost: Castle Distributors.

Billings breakdown: Newspapers 37%, magazines 14%, radio 35%, spot tv 10%, outdoor 4%.

Top execs: Fred Caravetta, chmn; Nina Cohen, president. Senior vps—Richard Flury, finance, admin; Lane Atkins, Ray Allen, co-creative directors; Rod Carlson, acct services. Employes: 25.

Phone: (305) 594-1896. ☑

Caraway Kemp Communications, Jacksonville, Fla., had estimated gross income of $4,300,000 in 1985 on billings of $28,600,000. In 1984, it had estimated gross income of $3,150,000 on billings of $21,000,000.

Included in the agency's figures were returns from its offices in Tampa, Atlanta and West Palm Beach.

Billings breakdown: Newspapers 16%, magazines 15%, radio 20%, spot tv 28%, other 21%.

Top execs: William D. Kemp Jr., president; John E. Caraway, chmn; Michael Winners, Clint Cline, exec vps; Paul E. Synor, Sanford Reynolds, James Sanders, senior vps; Charles Dixon, Donna LePre, vps; David Bockel, president (Atlanta). Employes: 71 in 4 offices.

Phone: (904) 737-0300.

Carmichael-Lynch Advertising, Minneapolis, reported gross income of $8,031,000 in 1985 on billings of $53,551,000. In 1984, it reported gross income of $7,050,000 on billings of $47,024,000.

The agency's 1985 U.S. volume consisted of $17,080,000 in media, $9,337,000 in materials and services and $27,134,000 in capitalized fees. Its 1984 U.S. volume consisted of $19,410,000 in media, $6,660,000 in materials and services and $20,954,000 in capitalized fees.

In 1985, the agency gained: Better Homes & Gardens Real Estate; Independent Chevy Dealers (Twin City Area); Donaldson's Dept Stores; Minnesota Office of Tourism; Nanik Window Treatments; Open Systems, computer software; Ed Phillips & Sons; Room & Board, home furnishings; St. Alexius Medical Center; 3M Leisure Time Products; TC Amoco Certicare Dealers. It lost: Lifespan, Abbott-Northwestern Hospital & Select Care; Hagen Systems; Medtronic, heart pace makers.

Billings breakdown: Newspapers 6%, magazines 16%, radio 7%, network tv 5%, spot tv 43%, cable tv 1%, outdoor 2%, business papers 4%, point of sale 2%, direct mail 4%, collateral 10%.

Top execs: Lee Lynch, chmn-ceo; Lou Bacig, president. Senior vps—Ed Coleman, finance; Steve Goldstein, Phil Waggoner, mgmt supers; Dick Wilson, Ron Sackett, Dan Krumwiede, creative directors; Mary Paulson, production services; Perry Forster, director rsch, strategy devel; Sumer Bileydi, director media; Henry Fiola, pr; Ted Loken, direct response. Employes: 130.

Phone: (612) 871-8300. ☑

Carrafiello-Diehl & Associates, a medical-oriented agency based in Irvington-on-the-Hudson, N.Y., reported gross income of $6,690,000, of which $140,000 was non-U.S. contributions, in 1985 on billings of $44,600,000. In 1984, it reported gross income of $6,600,000, of which $125,000 was non-U.S. contributions, on billings of $44,000,000.

The agency's 1985 U.S. volume of $43,700,000 consisted of $8,350,000 in media, $990,000 in materials and services and $34,360,000 in capitalized fees. Its 1984 U.S. volume of $43,150,000 consisted of $8,200,000 in media, $900,000 in materials and services and $34,050,000 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- CDA Productions
- CDA Research Laboratories

In 1985, the agency gained: Tambrands Inc., Home Diagnostics; Hollister-Stier, pharmaceuticals; Lederle Laboratories, Footwork; Winthrop-Breon Laboratories, pharmaceuticals. It lost: The Purdue Frederick Co., Fibermed; Bio-Response, biologicals.

Billings breakdown: Newspapers 2%, magazines 8%, medical journals 22%, supplements 2%, radio 2%, network tv 46%, spot tv 7%, cable tv 2%, business papers 2%, point of sale 2%, direct mail 3%, free-standing inserts 2%.

Top execs: A. Louis Carrafiello, president; Robert C. Brandt, exec vp; Austin H. Gedney Jr., William Green, John H. Kane, Marguerite E. Kennedy, Robert LaRocca, C. Patrick Mandarano, Ruth L. McCarthy, E. Reynold Petray, senior vps. Employes: 92 in 3 offices.

Phone: (914) 591-9191. ☑

Carr Liggett, Cleveland, reported gross income of $4,696,747, of which $230,105 was non-U.S. contributions, in 1985 on billings of $34,307,127. In 1984, it reported gross income of $4,368,565 on billings of $35,277,720.

The agency's 1985 U.S. volume of $32,657,438 consisted of $4,306,671 in media, $3,375,552 in materials and services and $24,975,215 in capitalized fees. Its 1984 U.S. volume of $35,277,720 consisted of $7,879,121 in media, $7,316,835 in materials and services and $20,081,764 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Studio L

In 1985, the agency gained: Rennaissance; Premier Health Plan; Clark-Michigan Corp. It lost: WKYC-TV; Mr. Hero Sandwich.

Billings breakdown: Newspapers 6.5%, magazines 0.8%, medical journals 3.8%, supplements 1.1%, radio 6.7%, spot tv 3.1%, outdoor 0.3%, business papers 64.4%, Yellow Pages 13.3%.

Top execs: Harold A. Shoup, president-ceo; John M. Morton, vice chmn; Michael W. Carlton, Davis Young, James Liberatore, exec vps; Terrence McGovern, Theodore Koloszvary, David Hartzell, senior vps. Employes: 72 in 4 offices.

Phone: (216)696-0330). ☑

Cascino & Purcell, Atlanta, reported gross income of $814,786 in 1985 on billings of $5,434,232. In 1984, it reported gross income of $615,332 on billings of $4,103,030.

The agency's 1985 U.S. volume consisted of $587,320 in media, $93,120 in materials and services and $4,653,792 in capitalized fees. Its 1984 U.S. volume consisted of $2,016,410 in media, $450,809 in materials and services and $1,635,811 in capitalized fees.

In 1985, the agency gained: Hoechst-Roussel Agri-Vet Co., Hoelon herbicide. It lost: Po Folks Family Restaurants.

Billings breakdown: Newspapers 12%, radio 5%, spot tv 41%, outdoor 6%, business papers 8%, farm publications 28%.

Top execs: Alfred M. Cascino, president; Andrew J. Purcell, chmn; John C. Freebairn, exec vp. Employes: 11.

Phone: (404) 237-9945. ☑

Ted Chin & Co., New York, reported gross income of $2,100,000 in 1985 on billings of $13,570,000. In 1984, it reported gross income of $1,975,000 on billings of $13,140,000.

The agency's 1985 U.S. volume consisted of $6,003,000 in media, $930,000 in materials and services and $6,637,000 in capitalized fees. Its 1984 U.S. volume consisted of $5,627,000 in media, $910,000 in materials and services and $6,603,000 in capitalized fees.

In 1985, the agency gained: Nabisco, Royal "No Bake" light cheesecake; Carnation frozen seafoods; Comp-U-Card Intl; CBS, WCBS Newsradio 88.

Billings breakdown: Newspapers 10%, magazines 18%, radio 5%, network tv 16%, spot tv 38%, cable tv 2%, business papers 7%, transit advertising 4%.

Top exec: Ted Chin, president, creative director. Employes: 22.

Phone: (212) 421-2707. ☑

Clarity Coverdale Rueff, Minneapolis, reported gross income of $1,400,000 in 1985 on billings of $9,520,000. In 1984, it reported gross income of $950,000 on billings of $6,460,000.

In 1985, it reported net income of $56,000, compared with $49,400 in 1984.

The agency's 1985 and 1984 U.S. volumes were all in media.

In 1985, the agency gained: Great Teeth Dental Centers; Midwest Vision Centers; Mini Mart Convenience Stores; First Federal of LaCrosse. It lost: Audio King.

Billings breakdown: Newspapers 25%, magazines 15%, medical journals 0.5%, supplements 3.5%, radio 7.5%, spot tv 25%, outdoor 4%, business papers 7%, farm publications 0.5%, transit advertising 3%, direct mail 5%, free-standing inserts 4%.

Top execs: Robert Rueff, ceo, director mktg, client services; Timothy Clarity, president; Jac Coverdale, exec vp, creative director. Senior vps—Hiroshi Nelson, media director; Jerry Fury, senior copywriter; Gary Hellmer, operations. Employes: 20.

Phone: (612) 339-3902. ☑

George P. Clarke Advertising, New York, reported gross income of $1,094,345 in 1985 on billings of $7,296,073. In 1984, it reported gross income of $1,072,368 on billings of $7,152,695.

The agency's 1985 U.S. volume consisted of $2,991,730 in media, $353,002 in materials and services and $3,951,341 in capitalized fees. Its 1984 U.S. volume consisted of $2,915,438 in media, $340,630 in materials and services and $3,896,627 in capitalized fees.

In 1985, the agency gained: Derby Savings; Funk & Wagnalls.

Billings breakdown: Newspapers 25%, magazines 15%, radio 10%, spot tv 10%, business papers 10%, point of sale 5%, catalogs 5%, pr 20%.

Top execs: George P. Clarke, president; James G. McLoughlin, exec vp. Employes: 16.

Phone: (212) 490-2212. ☑

ClarkeGowardFitts, Boston, reported gross income of $4,320,000 in 1985 on billings of $21,600,000.

The agency did not provide figures for 1984.

The agency's 1985 U.S. volume consisted of $11,715,320 in media, $6,707,251 in materials and services and $3,177,229 in capitalized fees.

Top 9 agencies in farm publication billings*

Rank	Agency	Farm pub. billings 1985	Farm pub. billings 1984	U.S. billings 1985	U.S. billings 1984
1	Doyle Dane Bernbach Group	$24.7	$23.9	$1,099.4	$981.7
2	J. Walter Thompson Co.	21.6	15.9	1,604.2	1,387.3
3	Creswell, Munsell, Fultz & Zirbel	16.2	15.4	67.5	59.3
4	Young & Rubicam	11.4	15.1	1,656.4	1,632.3
5	Dancer Fitzgerald Sample	8.6	9.8	861.9	750.2
6	Geer, DuBois	5.3	NA	105.0	90.0
7	Meldrum & Fewsmith	4.5	4.5	69.0	60.5
8	Al Paul Lefton Co.	3.2	3.1	64.0	61.4
9	Allen & Dorward	2.0	1.6	65.9	52.6

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.
* From 92 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

The agency did not consolidate its public relations office, Clark & Co.

In 1985, the agency gained: Indian Head Bank; Ginn Publishing.

Billings breakdown: Newspapers 5.6%, magazines 11.1%, medical journals 1.5%, spot tv 1.7%, outdoor 2.1%, business papers 36.9%, farm publications 2.4%.

Top execs: Terrence M. Clarke, chmn, president. Exec vps—Jonathan M. Goward, copy, creative director; James Fitts, art, creative director. Vps—James Hollister, mktg, acct service; Phyllis Maynard, media. Barry Heller, production mgr. Employes: 60 in 2 offices.

Phone: (617) 536-7611.

Cline, Davis & Mann, New York, reported gross income of $2,543,570 in 1985 on billings of $18,126,108. In 1984, it reported gross income of $1,125,000 on billings of $7,842,560.

The agency's 1985 U.S. volume consisted of $2,758,000 in media, $610,000 in materials and services and $14,758,108 in capitalized fees. Its 1984 U.S. volume consisted of $2,380,000 in media, $340,000 in materials and services and $5,122,560 in capitalized fees.

Billings breakdown: Medical journals 100%.

Top execs: Morgan E. Cline, president-ceo; Clyde P. Davis, Fredric I. Mann, exec vps. Employes: 17.

Phone: (212) 308-4242.

Coakley Heagerty Cos., Santa Clara, Cal., reported gross income of $1,188,965 in 1985 on billings of $8,922,706. In 1984, it reported gross income of $1,838,819 on billings of $12,776,240.

The agency's 1985 U.S. volume consisted of $1,637,215 in media, $583,428 in materials and services and $6,702,063 in capitalized fees. Its 1984 U.S. volume consisted of $2,231,844 in media, $905,199 in materials and services and $9,639,197 in capitalized fees.

In 1985, the agency gained: First Southwest, builders; Hensley Housewares; Jules Duc Construction; Joe Lucas Meat Co.; Waste Mgmt; Cosentino's; Continental Van Lines; Dahlhauser Mfg; Ocean Colony; Seiko; Weldon Associates; Western Housing Devel. It lost: First Natl Mortgage Co.; Vasona, software; Grupe, developers; Argonne Systems; E.A. Hathaway; Pandolphi & Partners; Ridge Tahoe; Volvo Dealers.

Billings breakdown: Newspapers 53%, magazines 12%, radio 6%, spot tv 29%.

Top execs: David A. Heagerty, ceo; John D. Heagerty, president. Employes: 24.

Phone: (408) 249-6242. ☑

Cochrane Chase Livingston, Newport Beach, Cal., reported gross income of $8,884,000 in 1985 on billings of $69,470,000. In 1984, it reported gross income of $6,650,000 on billings of $51,800,000. The agency did not provide a volume breakout.

In 1985, the agency gained: Compcare; Pactel Mobile Cos.; Pacificare; Pirelli Tires; Southern California Chevrolet Dealers; Leisure Technology; Epson Computers; Coldwell Banker; Lucky Food Stores; United Western Medical Centers. It lost: Computer Automation; Printronix; Bell Helmets; Carl Karcher Enterprises.

Billings breakdown: Newspapers 16%, magazines 30%, supplements 2%, radio 10%, network tv 1%, spot tv 37%, free-standing inserts 1%.

Top execs: Cochrane Chase, chmn-ceo; R. Lynn Livingston, president. Senior vps—Gary Cunningham, Carolyn Johnson, creative directors; Ray Roschmann, group super; Frank Addis, mng director; John Rutledge, finance-cfo. Vps—Fred Richardson, mktg, group super; Flora Jensen, director production; Bruce Barta, mgmt super; Clark Wilson, director business devel; John Butcher, group super; Jack Gerken, pr director; Jim Arn, admin; Chuck Brauer, group super; Bob Woodworth, director media services. Tim Pearson, group vp, super; Harvey Lerner, Gerry Renert, Mike Arola, assoc creative directors; Laury Lefkowitz Burrows, broadcast mgr; Jan Bartlett, office mgr, asst to the president. Employes: 139 in 2 offices.

Phone: (714) 720-0300.

Cogent Inc., San Francisco, reported gross income of $902,975 in 1985 on billings of $6,991,497. In 1984, it reported gross income of $351,600 on billings of $2,884,572.

The agency's 1985 U.S. volume consisted of $2,692,500 in media, $960,000 in materials and services and $3,338,997 in capitalized fees. Its 1984 U.S. volume consisted of $1,200,000 in media, $540,000 in materials and services and $1,144,572 in capitalized fees.

In 1985, the agency gained: Bay Area Cellular Telephone Co.; MJB Corp; R.C. Brown; Datacopy Corp.

Billings breakdown: Newspapers 4.87%, magazines 60%, medical journals 0.03%, radio 0.04%, business papers 35%, Yellow Pages 0.01%, direct mail 0.05%.

Top execs: Kingsley L. Rice Jr., chmn; Iain L. Woodward, president. Employes: 14.

Phone: (415) 346-3100.

Cole Henderson Drake, Atlanta, reported gross income of $2,300,000 in 1985 on billings of $14,200,000. In 1984, it reported gross income of $1,552,640 on billings of $10,918,840.

The agency's 1985 U.S. volume consisted of $11,500,918 in media, $1,865,332 in materials and services and $833,750 in capitalized fees. Its 1984 U.S. volume consisted of $8,953,448 in media, $1,398,442 in materials and services and $566,950 in capitalized fees.

The agency did not consolidate two subsidiaries:

- CHD Public Relations
- Youngblood Sweat & Tears, graphic arts studio.

In 1985, the agency gained: Metro Cos., real estate devel and mgmt; Hercules Corp., upholstery, carpet and apparel fibers; Georgia Dental Assn; The Ritz-Carlton (New York, Washington). It lost: MacGregor Golf Co.

Billings breakdown: Newspapers 12%, magazines 22%, supplements 3%, radio 9%, spot tv 19%, cable tv 6%, outdoor 3%, business papers 12%, point of sale 2%, Yellow Pages 2%, direct mail 3%, catalogs 6%, free-standing inserts 1%.

Top execs: Richard Henderson, chmn; John H. Drake, president; James P. Cole, exec vp; John L. Mather, senior vp. Employes: 45.

Phone: (404) 237-0057. ☑

Colle & McVoy Advertising, Minneapolis, had estimated gross income of $8,003,000 in 1985 on billings of $49,020,887. In 1984, it had estimated gross income of $8,092,000 on billings of $50,170,398.

The agency's 1985 U.S. volume consisted of $15,268,897 in media, $24,549,313 in materials and services and $9,202,675 in capitalized fees. Its 1984 U.S. volume consisted of $19,151,224 in media, $21,412,180 in materials and services and $9,606,994 in capitalized fees.

Included in the agency's figures were returns from its offices in Coral Gables, Fla.; Waterloo, Ia.; Sioux Falls, S.D., and Englewood, Colo.

In 1985, the agency gained: Minnesota Dept of Transportation; North Star Steel Co.; Rogers Cable Systems; Fieldgate; Harmon Glass; Griffin Ag Products; Our Own Hardware; First Minnesota; Syneco Systems; Fannie May candies; Rubbermaid, agricultural prods project only. It lost: Minnesota Dept of Tourism; Twin City Federal; Agri-Pharm; Union Federal.

Billings breakdown: Newspapers 26%, magazines 25%, radio 13%, spot tv 24%, outdoor 2%, farm publications 8%, Yellow Pages 2%.

Top execs: Clarence M. Thompson Jr., chmn-ceo; Ray Foley, president. Exec vps—Al Hietala, agricultural; Bill Lau, branch coord; Al Kunz, industrial. Senior vps—Rod Booth, exec art director; Jim Heinz (midwest div); Ed Hunter (western div); Jim Hansen, financial. Wayne Engelman, secretary, treasurer. Employes: 139 in 5 offices.

Phone: (612) 851-2500. ☑

Communication Trends, Atlanta, reported gross income of $1,092,370 in 1985 on billings of $9,709,579. In 1984, it reported gross income of $741,344 on billings of $6,507,336.

In 1985, it reported net income of $147,470, compared with $79,051 in 1984.

The agency's 1985 U.S. volume consisted of $4,951,068 in media, $1,823,878 in materials and services and $2,934,633 in capitalized fees. Its 1984 U.S. volume consisted of $3,338,099 in media, $1,207,850 in materials and services and $1,961,387 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- CTI Direct Marketing
- CTI Too/The Studio Group.

In 1985, the agency gained: X-Press Information Services; Control Com; Home Box Office-Direct Broadcast; Vantage Industries; Falcone Intl; Lifetime Cable Network.

Billings breakdown: Newspapers 8%, magazines 41%, supplements 1%, radio 10%, spot tv 12%, cable tv 3%, outdoor 2%, business papers 2%, transit advertising 1%, point of sale 2%, Yellow Pages 1%, direct mail 10%, direct response tv 2%, direct response radio 1%, direct response newspapers 1%, direct response magazines 1%, telemarketing 1%, free-standing inserts 1%.

Top execs: Toni M. Augustine, president. Senior vps—Thomas J. Dunn, acct services; Anthony G. Bost, creative director. Carol A. Toler, controller. Employes: 24.

Phone: (404) 352-2200.

Communication Plus Advertising/Public Relations, Richardson, Tex., reported gross income of $97,209 in 1985 on billings of $785,795. In 1984, it reported gross income of $107,095 on billings of $682,625.

In 1985, it reported net income of $29,260, compared with $53,563 in 1984.

The agency's 1985 U.S. volume consisted of $135,516 in media, $54,215 in materials and services and $596,064 in capitalized fees. Its 1984 U.S. volume consisted of $140,402 in media, $50,057 in materials and services and $492,166 in capitalized fees.

In 1985, the agency gained: CompuMart; AXION; Digital Speech Systems; Schonbrook Corp. It lost: Digital Speech Systems.

The agency did not report a billings breakdown.

Top execs: Ed Fries, mng partner-ceo; Jan R. Skinner, partner, creative director. Employes: 4.

Phone: (214) 783-8543. ☑

Communicators Group, Brattleboro, Vt., reported gross income of $667,200 in 1985 on billings of $5,560,600. In 1984, it reported gross income of $597,100 on billings of $5,007,800.

The agency's 1985 U.S. volume consisted of $2,163,100 in media, $701,500 in materials and services and $2,696,000 in capitalized fees. Its 1984 U.S. volume consisted of $1,796,300 in media, $658,200 in materials and services and $2,553,300 in capitalized fees.

In 1985, the agency gained: Kombi, glove designer and manufacturer; The Village Green at Stowe, mountain homes sales and rentals; North County Hospital; Community Natl Bank; Wildcat Mountain, ski area. It lost: Cortina Inn; Appropriate Technology Corp.

Billings breakdown: Newspapers 19%, magazines 28%, supplements 1%, radio 26%, spot tv 9%, outdoor 5%, business papers 10%, direct mail 2%.

Top exec: James E. Hormel, president. Employes: 15.

Phone: (802) 257-4321.

Communigraphics, Baltimore, reported gross income of $610,000 in 1985 on billings of $5,100,000. In 1984, it reported gross income of $555,000 on billings of $4,500,000.

The agency's 1985 U.S. volume consisted of $3,933,000 in media, $500,000 in materials and services and $667,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,333,000 in media, $500,000 in materials and services and $667,000 in capitalized fees.

In 1985, the agency gained: Capital Plaza Mall; Greentree Townhomes.

Top execs: Jack S. Miller, president; Martin L. Parks, vp. Employes: 15.

Phone: (301) 366-3337. ☑

Communique Direct Marketing, Brookfield, Wis., reported gross income of $560,000 in 1985 on billings of $4,043,250. In 1984, it reported gross income of $412,780 on billings of $2,618,000.

The agency's 1985 U.S. volume consisted of $450,000 in media, $425,000 in materials and services and $3,168,250 in capitalized fees. Its 1984 U.S. volume consisted of $150,000 in media, $401,400 in materials and services and $2,067,000 in capitalized fees.

In 1985, the agency gained: Biotronics Instruments; Blood Center of Southwestern Wisconsin; Bolens Corp; Falk Corp; Economic Devel Corp, Forward Wisconsin; Midwest Express Airlines; Milwaukee Symphony Orchestra.

Billings breakdown: Direct mail 65%, direct response magazines 10%, telemarketing 15%, other 10%.

Top execs: W.T. MacArthur, president; Timothy J. Keane, exec vp-coo; James D. Marks, exec art director. Employes: 15.

Phone: (414) 785-0400. ☑

Concepts & Strategies, Westport, Conn., had estimated gross income of $168,000 in 1985 on billings of $1,095,800. The agency did not report for 1984.

The agency's 1985 U.S. volume consisted of $40,000 in media, $122,000 in materials and services and $933,800 in capitalized fees.

In 1985, the agency gained: Physicians Radio Network.

Billings breakdown: Medical journals 10%, business papers 5%, direct mail 85%.

Top execs: Gladys Austen Lindner, chmn; Edmund F. Lindner, president; Kathleen Danos, vp.

Employes: 4.

Phone: (203) 227-4903.

Top 10 agencies in medical journal billings*

Rank	Agency	Med. journ. billings 1985	Med. journ. billings 1984	U.S. billings 1985	U.S. billings 1984
1	Kallir, Philips, Ross	$61.5	$60.0	$111.8	$103.4
2	Sieber & McIntyre	54.7	60.2	79.3	79.2
3	Sudler & Hennessey	40.1	NA	121.4	109.4
4	J. Walter Thompson Co.	20.1	18.8	1,604.2	1,387.3
5	Medicus Intercon International	15.0	28.9	65.2	60.2
6	Young & Rubicam	9.9	8.6	1,656.4	1,632.3
7	Lewis, Gilman & Kynett	8.6	6.6	108.0	110.2
8	Della Femina, Travisano & Partners	2.5	NA	245.0	220.0
9	Ingalls Associates	1.7	NA	84.3	85.0
10	Doyle Dane Bernbach Group	0.3	NA	1,099.4	981.7

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.

* From 92 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

Which one of these agencies would you like to work for?

ALLY & GARGANO
AVRETT FREE & GINSBERG
BBDO
BACKER & SPIELVOGEL
BOZELL JACOBS KENYON & ECKHARDT
CUNNINGHAM & WALSH
DANCER FITZGERALD SAMPLE
DOYLE DANE BERNBACH
FOOTE CONE & BELDING
GEER DuBOIS
GREY
GRIFFIN BACAL
LAURENCE CHARLES FREE & LAWSON
MARSCHALK
NEEDHAM HARPER WORLDWIDE
OGILVY & MATHER
SAATCHI & SAATCHI COMPTON
SCALI McCABE SLOVES
TRACY LOCKE
YOUNG & RUBICAM

We work for all of these agencies.

Judd-Falk

Contemporary Marketing, Bala Cynwyd, Pa., reported gross income of $1,560,000 in 1985 on billings of $10,405,000. In 1984, it reported gross income of $1,400,000 on billings of $9,300,000.

The agency's 1985 and 1984 U.S. volumes were in capitalized fees.

In 1985, the agency gained: Abex Friction Products; Allentown Paint Mfg Co.; Anglo American Enterprises Corp; Filterite Consumer Products; Kuster Woodworkers; RWMA; Radisson Mark Plaza Hotel; Teleflex; Weiler Brush Co.; DANA Corp; Spicer, heavy axle div, heavy truck mktg, transmission div, universal joint div. It lost: Parker Hannifin Corp, EIS brake parts div, Ideal div.

Billings breakdown: Newspapers 20%, magazines 29%, radio 10%, spot tv 15%, outdoor 1%, business papers 10%, direct mail 5%, other 10%.

Top execs: Theodore H. Tromsdorf, chmn; Stephen A. Levine, president. Vps—Richard T. Moritz, director pr; Robert E. Layton, director acct services; MaryAnne Eshelman, mktg services; S. Edwin Ahn, new business-hardware. Employes: 32.

Phone: (215) 667-3683. ☑

William Cook Advertising, Jacksonville, Fla., reported gross income of $6,814,680 in 1985 on billings of $46,206,703. In 1984, it reported gross income of $6,607,774 on billings of $44,073,853.

Included in the agency's figures were returns from subsidiary:

William Cook Public Relations

It also consolidated its office in Miami.

In 1985, the agency gained: Kentucky Fried Chicken (Albany/Tallahassee co-op, West Palm Beach co-op, Bahamas); Gate Land Co.; Memorial Medical Center of Savannah; Private Industry Council of South Fla.; Medicus Women's Diagnostic Centers; Mayo Clinic. It lost: Indian River Plantation Resort; Sharps Bedroom Design.

Billings breakdown: Newspapers 9%, magazines 9%, radio 7%, network tv 5%, spot tv 64%, cable tv 1%, outdoor 2%, business papers 1%, point of sale 0.5%, direct mail 1.5%.

Top execs: William W. Cook, chmn; Bernard C. Schramm Jr., president; J. Carson Eddings, exec vp; Stanley Norton, senior vp, director creative services. Vps—Robert Cargell, gm pr; Barry Hough, gm (Miami). Employes: 327 in 2 offices.

Phone: (904) 353-3911. ☑

Coppola Communications, San Francisco, had estimated gross income of $1,065,000 in 1985 on billings of $7,101,853. It did not report for 1984.

The agency's 1985 U.S. volume consisted of $32,040 in media, $271,108 in materials and services and $6,798,705 in capitalized fees.

In 1985, the agency gained: Levi Strauss & Co., Battery Street sportswear div; Ron Chereskin, men's swimwear; Lilli Ann Corp; Koret of California; Trim Surfwear. It lost: Creme de la Mer; Maggiore, men's outerwear; Pier 39.

Billings breakdown: Magazines 3%, business papers 5%, direct mail (trade) 92%.

Top execs: Angela Coppola, president-creative director; Ed Osgood, vp. Employes: 12.

Phone: (415) 989-0222. ☑

Frank J. Corbett, Chicago, reported gross income of $4,957,000 in 1985 on billings of $33,063,190. In 1984, it reported gross income of $4,200,000 on billings of $28,014,000.

The agency's 1985 and 1984 U.S. volumes were all in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Corbett Market Research
- Corbett Direct Access
- Pragmaton Publications.

In 1985, the agency gained: Mead Johnson Laboratories, Enlaid; St. Joseph's Hospital; Medical Engineering Corp; Professional Drug Systems; American Society of Anesthesiologists. It lost: Alcon Laboratories, consumer prods div; Winthrop-Breon Laboratories, Bronkodilator; Invenex Laboratories; Flint Laboratories, Synthroid.

Billings breakdown: Medical journals 14%, point of sale 10%, direct mail 20%, collateral 56%.

Top execs: Frank J. Corbett, chmn; John J. Fisher, president; Judy H. Raymond, secretary, treasurer. Employes: 55.

Phone: (312) 664-5310. ☑

Cosmopulos, Crowley & Daly, Boston, reported gross income of $2,880,000 in 1985 on billings of $19,200,000. In 1984, it reported gross income of $2,557,000 on billings of $16,392,000.

The agency's 1985 U.S. volume consisted of $8,100,000 in media, $2,172,000 in materials and services and $8,928,000 in capitalized fees. Its 1984 U.S. volume consisted of $6,056,000 in media, $1,152,000 in materials and services and $9,184,000 in capitalized fees.

In 1985, the agency gained: Barron Chevrolet; Boston University Bookstore; J. Bildner & Sons; Delta Dental Plan/Dental Service of Massachusetts; Dun's Mktg Service; Intl House of Pancakes; Massachusetts Mutual Life Insurance; Addison Wesley Publishing Co. It lost: Software Arts; Funk Software.

Billings breakdown: Newspapers 20%, magazines 30%, radio 25%, spot tv 3%, outdoor 9%, transit advertising 10%, direct mail 3%.

Top execs: Stavros Cosmopulos, chmn-creative director; Harold E. Daly Jr., president; Robert J. Crowley, exec vp-treasurer. Employes: 40.

Phone: (617) 266-5500.

Covey & Koons, Canton, O., reported gross income of $484,105 in 1985 on billings of $3,228,158. In 1984, it reported gross income of $488,594 on billings of $3,258,030.

The agency's 1985 U.S. volume consisted of $1,152,495 in media, $493,926 in materials and services and $1,581,737 in capitalized fees. Its 1984 U.S. volume consisted of $1,428,363 in media, $357,091 in materials and services and $1,472,576 in capitalized fees.

In 1985, the agency gained: Smith & Nephew Medical; Wadsworth Laboratories; White Engines.

Billings breakdown: Newspapers 2%, radio 10%, business papers 80%, Yellow Pages 8%.

Top exec: W. Roderic Covey, president. Employes: 10.

Phone: (216) 456-7381. ☑

Cozad & Associates, Encino, Cal., formerly Cozad-Benskin & Associates, had estimated gross income of $375,000 in 1985 on billings of $2,500,000. In 1984, it had estimated gross income of $345,000 on billings of $2,300,000.

The agency did not report U.S. volume breakdowns.

In 1985, the agency gained: Jonee Inc., long nails. It lost: H&R Sussman/Tempus Financial Seminars; Videocam; Everyday Products, dish detergent.

Billings breakdown: Newspapers 30%, magazines 20%, supplements 3%, radio 5%, spot tv 5%, outdoor 10%, business papers 5%, transit advertising 5%, point of sale 5%, Yellow Pages 2%, direct mail 10%.

Top execs: Robert P. Cozad, chmn-creative director; Suzanne R. Cozad, president. Employes: 8.

Phone: (818) 907-7067.

Craig, Lamm, Hensley & Alderman Advertising, Houston, reported gross income of $1,990,890 in 1985 on billings of $13,279,236. In 1984, it reported gross income of $2,165,096 on billings of $14,341,079.

The agency's 1985 U.S. volume consisted of $4,161,393 in media, $3,153,556 in materials and services and $5,964,287 in capitalized fees. Its 1984 U.S. volume consisted of $5,333,545 in media, $2,726,103 in materials and services and $6,281,431 in capitalized fees.

In 1985, the agency gained: Flexpipe Intl; Grape Wine Co.; Kranco, crane mfger; Tenneco Oil processing and mktg. It lost: Vector Cable Co.

Billings breakdown: Newspapers 32%, radio 7%, spot tv 1%, outdoor 1%, business papers 59%.

Top exec: Don Lamm, chmn. Employes: 36.

Phone: (713) 621-2680.

Cramer-Krasselt Co., Milwaukee, reported gross income of $8,742,000 in 1985 on billings of $59,130,000. In 1984, it reported gross income of $7,659,000 on billings of $51,240,000.

The agency's 1985 U.S. volume consisted of $43,256,000 in media, $9,028,000 in materials and services and $6,846,000 in capitalized fees. Its 1984 U.S. volume consisted of $37,359,000 in media, $8,173,000 in materials and services and $5,708,000 in capitalized fees.

Growth from existing clients, B.C. Ziegler Co., a West Bend, Wis., investment company, Ameritech (Wisconsin Bell) and Allen & Edmonds shoes, helped propel billings 15% over the previous year. Increased visibility through its Chicago branch has stimulated new account growth, particularly in that market which was up 42.2% in billings.

The only office to suffer a loss in billings was Phoenix, affected by the departure of First Interstate Bank of Phoenix and a slow-growth market.

Included in the agency's figures were returns from its offices in Chicago and Phoenix.

In 1985, the agency gained: Appleton Papers; Simplicity; Johnston Co.; General Binding; Sanwa; Baxter Travenol; WBBM-AM; World Book; Terson Food Co.; Great Western Bank; Costain Builders. It lost: Ameritech Yellow Pages (Wisconsin); G. Leblanc; Amherst Associates; Sheraton Plaza, Chicago.

Billings breakdown: Newspapers 9%, magazines 23%, radio 4%, network tv 19%, spot tv 24%, outdoor 1%, business papers 9%, Yellow Pages 1%, direct response tv, radio, newspapers and magazines 10%.

Top execs: Paul S. Counsell, chmn-ceo; Peter G. Krivkovich, president-coo; Theodore J. Wing, chmn exec committee, treasurer. Exec vp, gms—Rolf G. Normann, Cramer-Krasselt/Phoenix; Philip May, Cramer-Krasselt/Direct. William D. Faude, senior vp, secretary; Robert J. Bradley, vp, controller. Employes: 137 in 3 offices.

Phone: (414) 276-3500.

Cranford Johnson Robinson Associates, Little Rock, Ark., reported gross income of $2,972,849 in 1985 on billings of $19,828,902. In 1984, it reported gross income of $2,617,942 on billings of $17,461,672.

The agency's 1985 U.S. volume consisted of $6,643,873 in media and $13,185,029 in capitalized fees. Its 1984 U.S. volume consisted of $7,266,024 in media and $10,195,648 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Area Marketing Reasearch Associates
- Graphic Type.

In 1985, the agency gained: Commercial Natl Bank of Shreveport; Union Bank of Benton; Darragh Co.; Central Arkansas Radiation Therapy Institute; ELECTEC; Arkansas Children's Hospital; Central Arkansas Legal Services; Heifer Project International; St. Joseph's Hospital; CCX; Middle South Utilities; Arkansas Governor's Mansion Assn.; Hathaway, Moore & Associates; Commercial Natl Bank of Texarkana; Louisiana School for Math, Science and the Arts; Southwest Power Pool; Thurmond Develop Corp; Business Committee for Public Education.

Billings breakdown: Newspapers 33%, magazines 17.5%, supplements 0.2%, radio 11.1%, spot tv 30.3%, outdoor 7.9%.

Top execs: Wayne Cranford, chmn; Ron Robinson, president; Jim Johnson, Senior vp-creative services. Employes: 53.

Phone: (501) 376-6251. ☑

Creel Associates, Oak Brook, Ill., reported gross income of $266,850 in 1985 on billings of $1,779,565. In 1984, it reported gross income of $307,000 on billings of $2,047,310.

In 1985, it reported net income of $35,850, compared with $31,000 in 1984.

The agency's 1985 U.S. volume consisted of $464,000 in media, $185,000 in materials and services and $1,130,565 in capitalized fees. Its 1984 U.S. volume consisted of $400,000 in media, $360,000 in materials and services and $1,287,310 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- J. Robert Watt Public Relations.

In 1985, the agency gained: Northwest Orient Airlines, bank promo; Ernst & Whinney; Worth Bank & Trust; Community Bank of Edgewater; Libertyville Federal Savings & Loan; United States Telephone Assn; Oak Brook Bank.

Billings breakdown: Newspapers 50%, magazines 20%, radio 20%, business papers 2%, point of sale 6%, direct mail 2%.

Top exec: David R. Creel, president. Employes: 8.

Phone: (312) 986-9402. ☑

CRE Inc., Indianapolis, reported gross income of $1,259,522 in 1985 on billings of $7,280,456. In 1984, it reported gross income of $901,098 on billings of $6,454,551.

The agency's 1985 U.S. volume consisted of $1,370,122 in media, $616,555 in materials and services and $5,293,779 in capitalized fees. Its 1984 U.S. volume consisted of $1,287,826 in media, $537,998 in materials and services and $4,628,727 in capitalized fees.

In 1985, the agency gained: McQuik's Oilube; General Plastics; United Student Aid Funds; American Fishing Tackle Mfg. It lost: Caradco Corp; Hoosier Electronics.

Billings breakdown: Newspapers 7.8%, magazines 45%, radio 3.9%, spot tv 4.5%, outdoor 0.1%, farm publications 7%, point of sale 6%, Yellow Pages 0.1%, direct mail 3%, other 22.6%.

Top execs: Michael L. Brooks, president; Leslie L. Boyle, exec vp; James S. Hansen, senior vp; Brian L. Hettmansperger, controller. Employes: 33.

Phone: (317) 631-0260.

Cronin & Co., Glastonbury, Conn., reported gross income of $1,700,000 in 1985 on billings of $11,000,000. In 1984, it reported gross income of $1,300,000 on billings of $9,400,000.

The agency's 1985 U.S. volume consisted of $4,464,000 in media, $800,000 in materials and services and $5,736,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,963,000 in media, $635,000 in materials and services and $4,802,000 in capitalized fees.

In 1985, the agency gained: Intl Aero Engine; *Journal Inquirer*; Great Country Bank; Allen Mfg; Cutter Realty Group. It lost: The Whole Donut.

Billings breakdown: Newspapers 14.2%, magazines 6%, radio 7%, spot tv 6.4%, cable tv 1%, outdoor 2%, business papers 3.4%, direct mail 1%, fees and production 59%.

Top execs: Wiliam J. Cronin Jr., president; John N. Riccio, Michael G. Wheeler, principals. Employes: 37.

Phone: (203) 659-0514.

Crumbley & Associates, Atlanta, had estimated gross income of $838,000 in 1985 on billings of $5,500,000. In 1984, it had estimated gross income of $804,000 on billings of $5,300,000.

The agency's 1985 U.S. volume consisted of $4,543,820 in media, $469,000 in materials and services and $487,180 in capitalized fees. Its 1984 U.S. volume consisted of $4,363,360 in media, $323,000 in materials and services and $613,640 in capitalized fees.

Billings breakdown: Newspapers 30%, magazines 2%, radio 34%, spot tv 32%, outdoor 2%.

Top execs: George P. Crumbley Jr., president; Cheryl C. O'Neal, exec vp. Employes: 15.

Phone: (404) 577-7150.

Crume & Associates, Dallas, reported gross income of $3,600,000 in 1985 on billings of $18,000,000. In 1984, it reported gross income of $3,600,000 on billings of $18,000,000.

The agency did not provide a volume breakout.

Included in the agency's figures were returns from subsidiaries:

- Emerald City Productions
- Crume Direct
- Crume Public Relations.

In 1985, the agency gained: Dallas Corp; Burn-Off; Ericcson; Guaranty Federal Savings & Loan; Southern Methodist University; Texas Independent Bank; Marriott; Recognition Equipment, Wand div.; Traq Technologies. It lost: Howmet; Rocky Mountain Bank Note.

Billings breakdown: Newspapers 10%, magazines 20%, radio 24%, spot tv 19%, outdoor 8%, business papers 19%.

Top execs: Bill Crume, chmn; Dave Vinyard, president; John Crawley, senior vp, creative director. Vps—Marilyn Currie, cfo; Jim Craig, mktg; Tom Flynn, client services; Clyde Boyce, media. Rob Lawton, creative director; Dorothy Calverley, production. Principals—Kathy Truesdale, Daniel Garza, Emerald City Productions; Don Crume, Crume Direct; Ed Warren, Crume Public Relations. Employes: 44.

Phone: (214) 594-1520.

CS&A Advertising, Normal, Ill., reported gross income of $1,943,131 in 1985 on billings of $6,832,168. In 1984, it reported gross income of $1,311,379 on billings of $5,487,272.

In 1985, it reported net income of $13,743, compared with $9,286 in 1984.

The agency's 1985 U.S. volume consisted of $253,464 in media, $827,403 in materials and services and $5,751,301 in capitalized fees. Its 1984 U.S. volume consisted of $159,956 in media, $414,934 in materials and services and $4,912,382 in capitalized fees.

In 1985, the agency gained: Podiatry Arts Lab, orthotics; General Electric Co., controls.

Billings breakdown: Newspapers 5%, magazines 15%, point of sale 5%, direct mail 15%, catalogs 60%.

Top execs: Wilson H. Burge, presi-

Top 10 agencies in supplements billings*

Rank	Agency	Supp. billings 1985	Supp. billings 1984	U.S. billings 1985	U.S. billings 1984
1	Leo Burnett Co.	$38.1	$22.7	$1,269.9	$1,132.9
2	BBDO International	18.3	15.8	1,296.1	1,109.7
3	Dancer Fitzgerald Sample	18.1	5.3	861.9	750.2
4	Ogilvy Group	12.3	1.8	1,694.5	1,497.9
5	Brouillard Communications	8.5	5.6	71.3	59.5
6	Foote, Cone & Belding	7.2	NA	1,323.0	1,214.0
7	Campbell-Mithun	6.6	6.0	331.8	300.3
8	Wells, Rich, Greene	6.3	12.4	633.8	618.0
9	Doyle Dane Bernbach Group	6.1	5.4	1,099.4	981.7
10	Ted Bates Worldwide	5.6	2.5	785.1	672.7

NOTE: Dollars in millions. Figures of subsidiaries charted separately in this issue are not included in parent company totals in this chart.
* From 92 of the top 100 agencies reporting media billed as a percentage of U.S. billings.

dent; Judy Kessinger, vp; W.W. Kessinger, treasurer; Art Calamari, creative director; Harold Balagna, mgr finance. Employes: 28.
Phone: (309) 452-0707. ☑

Cummings Advertising, Rockford, Ill., reported gross income of $2,469,518 in 1985 on billings of $5,669,258. In 1984, it reported gross income of $2,233,055 on billings of $4,712,275.

In 1985, it reported net income of $634,551, compared with $544,033 in 1984.

The agency's 1985 U.S. volume consisted of $1,292,588 in media, $612,602 in materials and services and $3,764,068 in capitalized fees. Its 1984 U.S. volume consisted of $1,268,040 in media, $527,704 in materials and services and $2,916,531 in capitalized fees.

In 1985, the agency gained: Continental Colloids, stabilizers and emulsifiers; Finnsugar Biochemicals, enzymes, food grade chemicals; Newlyweds Foods; Keebler Custom prods; Universal Foods, fermentation div; Purac, natural preservatives, flavor enhancers; Lamb's Information Services, static elimination devices; ECOS Electronics; Metallized Products; Pines Trailer.

Billings breakdown: Newspapers 4.8%, magazines 91.2%, spot tv 1.8%, outdoor 0.4%, farm publications 1.8%.

Top execs: Quinten P. Barclay, president; Larry C. Schubert, exec vp. Employes: 20.
Phone: (815) 962-0615. ☑

Andrew Curcio Inc., Boston, reported gross income of $364,000 in 1985 on billings of $2,649,750. In 1984, it reported gross income of $340,000 on billings of $2,386,980.

In 1985, it reported net income of $54,000, compared with $40,000 in 1984.

The agency's 1985 U.S. volume consisted of $330,000 in media, $152,000 in materials and services and $2,167,750 in capitalized fees. Its 1984 U.S. volume consisted of $300,000 in media, $126,000 in materials and services and $1,960,980 in capitalized fees.

In 1985, the agency gained: St. John's Hospital; Filene's Credit Union; Landmark Bank of Savings; Taunton Savings Bank; Weymouth Cooperative Bank; Youville Hospital; Stoughton Cooperative Bank.

Billings breakdown: Newspapers 50%, magazines 5%, outdoor 5%, business papers 10%, point of sale 5%, direct mail 25%.

Top execs: Andrew Curcio, president, treasurer; Patricia Kelly Clark, vp; Kenneth Thatcher, art director. Employes: 8.
Phone: (617) 262-6800. ☑

Dakis Concern, Orinda, Cal., reported gross income of $491,100 in 1985 on billings of $2,996,800. In 1984, it reported gross income of $550,000 on billings of $3,600,500.

The agency's 1985 and 1984 U.S. volumes were all in media.

In 1985, the agency gained: The StudentBody, health spa; Computer Integrated Mgmt, Home Security Center.

Billings breakdown: Newspapers 13%, magazines 13%, radio 15%, spot tv 55%, cable tv 4%.

Top execs: Paul R. Cohune, exec vp-gm; Kevin Dakis, vp. Employes: 7.
Phone: (415) 254-6606.

Darien, Russell, Hill & Dahl, San Jose, Cal., reported gross income of $851,956 in 1985 on billings of $5,764,555. In 1984, it reported gross income of $711,876 on billings of $6,344,117.

In 1985, it reported net income of $281,808, compared with $246,756 in 1984.

The agency's 1985 U.S. volume consisted of $4,340,129 in media, $487,677 in materials and services and $936,749 in capitalized fees. Its 1984 U.S. volume consisted of $4,676,634 in media, $475,114 in materials and services and $1,192,369 in capitalized fees.

Included in the agency's figures were returns from the office in Fresno.

Billings breakdown: Newspapers 21%, magazines 5%, radio 22%, spot tv 46%, cable tv 2%, outdoor 1%, business papers 1%, transit advertising 1%, direct mail 1%.

Top execs: Frank Darien Jr., president. Vps—Earle Russell, secretary; Danny Hill, treasurer; Gary Dahl, creative director. Employes: 12 in 2 offices.
Phone: (408) 247-2622. ☑

Davidoff & Partners, Fairfield, Conn., reported gross income of $1,700,000 in 1985 on billings of $15,020,000. In 1984, it reported gross income of $1,400,000 on billings of $10,930,000.

The agency's 1985 U.S. volume consisted of $4,210,000 in media, $2,140,000 in materials and services and $8,670,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,150,000 in media, $1,690,000 in materials and services and $6,090,000 in capitalized fees.

In 1985, the agency gained: Venice Simplon-Orient Express; People's Securities; Mass Mutual Group, pension div; Systems, Toshiba copiers; Mechanics Savings Banks. It lost: Gelco Payment Systems, travel expense control; Darien Sport Shop.

Billings breakdown: Newspapers 32%, magazines 8%, radio 28%, spot tv 25%, outdoor 1%, business papers 6%.

Top execs: Denise T. Davidoff, president. Senior vps—Phil La Borie, creative director; Richmond Hendee, director mktg; Judith Eden, copy director; Joseph J. Monachino, director acct systems. Vps—John O.A. Davidoff, finance, admin; Penelope Lind, media director. Employes: 34.
Phone: (203) 255-3425.

Davis-Newman-Payne, Knoxville, Tenn., had estimated gross income of $3,450,000 in 1985 on billings of $23,000,000. In 1984, it had estimated gross income of $2,850,000 on billings of $19,000,000.

The agency did not provide a breakout for either year.

In 1985, the agency gained: Lay Packing Co.; Citizens Union Bank; Thriftway Supermarkets (Cincinnati). It lost: United Intermountain Telephone; Redder Chevrolet.

Billings breakdown: Newspapers 3.3%, radio 21.1%, spot tv 47.8%, outdoor 3.3%, business papers 3.2%, other 21.3%.

Top execs: John Payne, president; Hal B. Atwater, Victor H. McLean, exec vps. Vps—Stuart Eichel, creative director; Janet Dawson, senior media director; Chris O'Donald, media director. Employes: 42.
Phone: (615) 688-3151.

Dawson, Johns & Black, Chicago, reported gross income of $4,303,500 in 1985 on billings of $28,700,000. In 1984, it reported gross income of $2,850,000 on billings of $19,000,000.

The agency's 1985 U.S. volume consisted of $20,250,000 in media and $8,450,000 in capitalized fees. Its 1984 U.S. volume consisted of $14,000,000 in media and $5,000,000 in capitalized fees.

In 1985, the agency gained: Noble Roman's, pizza restaurants; Talman Home Savings & Loan. It lost: Galaxy Carpet Mills; Car-X Service Systems; Coachman Industries.

Billings breakdown: Newspapers 15%, magazines 10%, supplements 5%, radio 10%, network tv 13%, spot tv 32%, cable tv 2%, outdoor 8%, business papers 5%.

Top execs: R. Powell Johns Jr., president; James P. Black, Marion D. Dawson, Robert G. Kaplan, exec vps. Employes: 52.
Phone: (312) 670-2200. ☑

DBK&O, Minneapolis, reported gross income of $2,468,000 in 1985 on billings of $16,454,000. In 1984, it reported gross income of $1,954,000 on billings of $13,029,000.

In 1985, it reported net income of $131,000, compared with $123,000 in 1984.

The agency's 1985 U.S. volume consisted of $7,014,000 in media, $3,851,000 in materials and services and $5,589,000 in capitalized fees. Its 1984 U.S. volume consisted of $4,937,000 in media, $2,970,000 in materials and services and $5,122,000 in capitalized fees.

In 1985, the agency gained: Guthrie Theater; Koolatron Corp; ONAN; GNB Inc.; Farberware; T.J. Applebee's. It lost: Oak Hall; Meyer Housewares; Mother Tucker's.

Billings breakdown: Newspapers 25%, magazines 30%, supplements 1%, radio 15%, spot tv 15%, outdoor 5%, business papers 1%, farm publications 5%, transit advertising 1%, point of sale 1%, direct mail 1%.

Top execs: Gary Bringgold, chmn-ceo. Presidents—Daniel Oberpriller, cfo; Dean Oberpriller, coo. Employes: 30.
Phone: (612) 375-9660.

de Bruyn-Rettig Advertising, El Paso, Tex., reported estimated gross income of $1,100,000 in 1985 on billings of $7,032,367. In 1984, it reported estimated gross income of $990,000 on billings of $6,598,504.

The agency's 1985 U.S. volume consisted of $3,742,103 in media and $3,290,264 in capitalized fees. Its 1984 U.S. volume consisted of $3,791,335 in media and $2,807,169 in capitalized fees.

Billings breakdown: Newspapers 3%, magazines 6%, radio 3%, network tv 8%, outdoor 2%, other 78%.

Top exec: Dick de Bruyn, president. Employes: 21.
Phone: (915) 532-4117.

Decker Guertin Cheyne, Hartford, Conn., reported gross income of $1,502,310 in 1985 on billings of $10,986,200. In 1984, it reported gross income of $1,479,556 on billings of $10,099,212.

In 1985, it reported net income of $41,711, compared with $212,215 in 1984.

The agency's 1985 U.S. volume consisted of $175,950 in media, $2,436,865 in materials and services and $8,373,385 in capitalized fees. Its 1984 U.S. volume consisted of $216,696 in media, $1,431,357 in materials and services and $8,451,159 in capitalized fees.

In 1985, the agency gained: New Britain General Hospital; Odysseum; Simon Konover & Associates, real estate mgmt; Connecticut Switch, Yankee 24 ATM Network; Connecticut Limousine Service; Glacial Confections, Mousse de Jour frozen dessert; Heublein. It lost: HealthCare; Honda Dealers Assn of Conn.

The agency did not break down its media.

Top execs: James B. Decker, chmn; Paul D. Guertin, ceo; Craig F. Cheyne, president; Ronald Nonken, senior vp, creative director. Vps—Jay S. Durepo, copy chief; Carol J. Despres, production, operations mgr; Joanne Croteau, acct mgr; Margaret J. Chatey, acct super. Employes: 27.
Phone: (203) 522-6633. ☑

Detro & Underwood, Ashland, O., reported gross income of $1,956,787 in 1985 on billings of $5,017,855. In 1984, it reported gross income of $1,711,961 on billings of $4,896,834.

The agency's 1985 U.S. volume consisted of $656,095 in media, $760,821 in materials and services and $3,600,939 in capitalized fees. Its 1984 U.S. volume consisted of $482,644 in media, $667,611 in materials and services and $3,746,579 in capitalized fees.

Included in the agency's figures were returns from subsidiary:
• Promotion One.

In 1985, the agency gained: Bluewater Marine; Pal Joey, golf clubs; Scott & Fetzer, Stahl div, special truck bodies. It lost: F.E. Myers.

Billings breakdown: Newspapers 5%, magazines 20%, radio 5%, business papers 55%, Yellow Pages 5%, direct mail 10%.

Top execs: J.M. Detrow, ceo. Exec vps—G.D. Underwood, creative; M.W. Detrow, media, finance. Employes: 17.
Phone: (419) 289-0265. ☑

David Deutsch Associates, New York, reported gross income of $5,848,600 in 1985 on billings of $38,992,000. In 1984, it reported gross income of $5,002,320 on billings of $33,350,000.

The agency's 1985 U.S. volume consisted of $34,800,000 in media, $1,389,000 in materials and services and $2,803,000 in capitalized fees. Its 1984 U.S. volume consisted of $29,765,000 in media, $1,188,000 in materials and services and $2,397,000 in capitalized fees.

In 1985, the agency gained: Commtek Publishing; *Satellite Orbit* magazine; Frette, fine linens; People's Bank, Connecticut Bank; RCA Global Communications; Streets & Co. It lost: Science Mgmt Corp, Thoroughbred Educational Software.

Billings breakdown: Newspapers 10%, magazines 30%, radio 15%, spot tv 30%, cable tv 5%, outdoor 2%, business papers 5%, point of sale 1%, direct mail 2%.

Top execs: David Deutsch, chmn; James Aucone, president; Rocco Campanelli, vice-chmn; Donald Deutsch, exec vp; J. Kevin Buckley, senior vp. Employes: 61 in 2 offices.
Phone: (212) 867-0044. ☑

Deutsch, Shea & Evans, New York, reported gross income of $8,327,173 in 1985 on billings of $55,514,764. In 1984, it reported gross income of $8,146,090 on billings of $54,334,420. In 1985, it had net income of $347,990, compared with $355,849 in 1984.

The agency's 1985 and 1984 U.S. volumes were all in media.

Included in the agency's figures were returns from its offices in Washington, Los Angeles, San Francisco, Mountain View, Cal., Salt Lake City, Denver and Boston.

In 1985, the agency gained: Integrated Resources; First Nationwide Savings; Schering Plough; Southern California Edison; U.S. Leasing; United Resources; Union Bank; Vepco; Wyeth Laboratories. It lost: Aramco; Booz Allen & Hamilton; Timiplex.

Billings breakdown: Newspapers 83%, magazines 15%, radio 1%, outdoor 1%.

Top execs: Charles L. Gould, president; William T. Aitchison, Ralph Burack, exec vps; William Harris, Claire Sauerhoff, Wilma Yowell, senior vps. Employes: 153 in 8 offices.
Phone: (212) 688-0500.

DFK Advertising, New York, reported gross income of $525,000 in 1985 on billings of $3,500,250. In 1984, it reported gross income of $550,000 on billings of $3,700,250.

The agency's 1985 U.S. volume consisted of $2,750,000 in media, $250,000 in materials and services and $500,250 in capitalized fees. Its 1984 U.S. volume consisted of $2,900,000 in media, $300,000 in materials and services and $500,250 in capitalized fees.

Billings breakdown: Newspapers 20%, magazines 35%, radio 15%, business papers 10%, direct mail 15%.

Top execs: David Krieger, president; Seymour Davis, Herb Fried, vps. Employes: 10.
Phone: (212) 696-0766. ☑

Dickison & Rakaseder, Westport, Conn., reported gross income of $1,477,000 in 1985 on billings of $10,049,838. The agency did not provide figures for 1984.

The agency's 1985 U.S. volume consisted of $5,120,000 in media, $692,841 in materials and services and $4,236,997 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:
• D&R/Brandt, pr
• D&R Direct.

In 1985, the agency gained: Grolier, encyclopedias and electronic publishing; Fruitrich Cadillac-Oldsmobile; Intercorp, business publications; Treatcare Technologies; Alcoholism Council of Greater New York. It lost: ProActive, Q-Gen software.

Billings breakdown: Newspapers 19.1%, magazines 38.8%, radio 2.7%, spot tv 8.5%, direct mail 2.5%, catalogs 14.4%, pr 14%.

Top execs: Donald L. Dickison, chmn; Ronald S. Rakaseder, president; William L. Ziegler, Wayne C. Slockbower, senior vps; Laura G. Martineau, assoc creative director. Employes: 17.
Phone: (203) 226-1296.

Didday & Branch, Cincinnati, reported gross income of $1,085,682 in 1985 on billings of $4,523,865. In 1984, it reported gross income of $1,049,772 on billings of $4,518,371.

The agency's 1985 U.S. volume consisted of $149,000 in media, $304,048 in materials and services and $4,219,668 in capitalized fees. Its 1984 U.S. volume consisted of $150,268 in media, $287,758 in materials and services and $4,080,345 in capitalized fees.

Billings breakdown: Magazines 5%; point of sale 10%, direct mail 20%, catalogs 10%, sales promo 55%.

Top execs: Kerry B. Didday, president; Harold Branch, secretary, treasurer. Employes: 20.
Phone: (513) 751-1730. ☑

Diforio, Wergeles, New York, reported gross income of $2,000,000 in

Top 25 U.S. cities by 1985 U.S. agency billings

Rank	City	Total agency billings	Total shops*
1	New York	$19,442,710,142	209
2	Chicago	4,261,862,466	67
3	Los Angeles	2,200,514,236	53
4	Detroit	1,746,270,306	20
5	Dallas	893,252,105	18
6	Minneapolis	866,461,069	23
7	San Francisco	862,889,768	31
8	Boston	834,174,746	27
9	Philadelphia	603,928,439	32
10	Cleveland	537,161,355	17
11	St. Louis	508,981,709	11
12	Pittsburgh	476,546,987	9
13	Atlanta	459,500,503	25
14	Kansas City	304,575,308	12
15	Baltimore	283,896,389	11
16	Houston	274,549,322	19
17	Milwaukee	265,675,626	12
18	Birmingham, Ala.	190,761,303	3
19	Miami	164,020,908	11
20	Washington	157,081,818	9
21	Seattle	145,246,560	10
22	Denver	141,060,859	7
23	Hartford, Ct.	119,554,753	8
24	Rochester, N.Y.	113,443,428	5
25	Buffalo	110,077,480	4

* Number of shops reporting for this issue
NOTE: Cities include metropolitan areas. Where possible, billings breakdowns of large agencies were obtained by individual office. Some estimates were used.

1985 on billings of $13,300,000. In 1984, it reported gross income of $1,500,000 on billings of $10,000,000.

The agency's 1985 U.S. volume consisted of $12,500,000 in media and $800,000 in materials and services. Its 1984 U.S. volume consisted of $9,500,000 in media and $500,000 in materials and services.

In 1985, the agency gained: Laird & Co., Laird's Applejack; All American Gourmet Co., Budget Gourmet Slim Line; N.Y. Taxi & Limousine Commission.

Billings breakdown: Newspapers 10%, radio 10%, spot tv 75%, outdoor 2%, business papers 3%.

Top execs: Donald S. Wergeles, chmn; Julio Dilorio, president. Employes: 20.

Phone: (212) 986-7850.

Dodson, Craddock & Born Advertising, Pensacola, Fla., reported gross income of $203,600 in 1985 on billings of $2,746,416. In 1984, it reported gross income of $277,228 on billings of $3,905,488.

In 1985, it reported a net loss of $18,760, compared with a net loss of $3,494 in 1984.

The agency's 1985 U.S. volume consisted of $857,600 in media, $194,700 in materials and services and $1,694,116 in capitalized fees. Its 1984 U.S. volume consisted of $1,201,000 in media, $325,500 in materials and services and $2,378,988 in capitalized fees.

In 1985, the agency gained: APW/JWC Warehouses; R&R Products; Gold Anchor Club; Southern Ventures; Chapman Corp. It lost: Northview Funeral Home; Duval First Corp; Garrett Marine.

Billings breakdown: Newspapers 21.6%, magazines 8.3%, supplements 16.4%, radio 24.9%, spot tv 9.2%, cable tv 0.4%, outdoor 15.2%, point of sale 0.8%, Yellow Pages 2.5%, direct mail 0.4%, direct response magazines 0.2%, free-standing inserts 0.1%.

Top exec: Frank W. Craddock, president. Employes: 10.

Phone: (904) 433-8314. ☑

Doe-Anderson Advertising Agency, Louisville, reported gross income of $3,918,995 in 1985 on billings of $26,452,903. In 1984, it reported gross income of $3,672,938 on billings of $26,176,147.

The agency's 1985 U.S. volume consisted of $13,855,283 in media, $2,328,862 in materials and services and $10,268,758 in capitalized fees. Its 1984 U.S. volume consisted of $13,725,208 in media, $2,447,753 in materials and services and $10,003,186 in capitalized fees.

The agency did not consolidate subsidiary:

• Doe-Anderson Public Relations

In 1985, the agency gained: JH Systems; Byrd Industries; Wolverine Toy Co.; Prevent A Care Health Services. It lost: Henry Vogt Machine Co.; Fetzer Broadcasting Co.

Billings breakdown: Newspapers 6%, magazines 18%, radio 6%, spot tv 13%, outdoor 3%, business papers 15%, Yellow Pages 39%.

Top execs: Robert A. Allison, president-ceo; Philip D. Payne, James S. Linsey, exec vps; Robert J. Beggs, senior vp.

Phone: (502) 589-1700. ☑

Dorland & Sweeney, Philadelphia, reported gross income of $1,270,425 in 1985 on billings of $8,577,839. In 1984, it reported gross income of $1,205,558 on billings of $8,059,028.

The agency's 1985 U.S. volume consisted of $481,849 in media, $877,976 in materials and services and $7,218,014 in capitalized fees. Its 1984 U.S. volume consisted of $315,247 in media, $748,118 in materials and services and $6,995,663 in capitalized fees.

Billings breakdown: Newspapers 24%, medical journals 46%, direct mail 30%.

Top execs: Harry A. Sweeney Jr., president, creative director; Richard Jones, exec vp, design director; Rita F. Sweeney, senior vp, pr director. Employes: 25.

Phone: (215) 625-0111. ☑

Dorrtie & Lyons, New York, had estimated gross income of $3,760,000 in 1985 on billings of $36,750,000. In 1984, it had estimated gross income of $5,000,000 on billings of $32,500,000.

The agency's 1985 U.S. volume consisted of $25,050,000 in media, $5,750,000 in materials and services and $5,950,000 in capitalized fees. Its 1984 U.S. volume consisted of $23,100,000 in media, $4,800,000 in materials and services and $4,600,000 in capitalized fees.

In 1985, the agency gained: Genentech, Protropin; Winthrop Breon Laboratories, Tornalate.

Billings breakdown: Medical journals 65%, cable tv 1%, point of sale 13%, direct mail 4%, educational 17%.

Top execs: John F. Dorrtie, president; Michael J. Lyons, senior exec vp, creative director; Albert G. Nickel, exec vp, director operations. Senior vps—James Stroup, director client services; Thomas Velardi, director art services; William Brown, director copy services; Martin McNamara, mgmt group super. Employes: 38.

Phone: (212) 687-9394. ☑

Dallas C. Dort & Co., Flint, Mich., had estimated gross income of $1,200,000 in 1985 on billings of $8,055,546. In 1984, it had estimated gross income of $683,000 on billings of $4,498,391.

The agency's 1985 U.S. volume consisted of $2,692,339 in media, $592,303 in materials and services and $4,770,904 in capitalized fees. Its 1984 U.S. volume consisted of $1,473,578 in media, $310,083 in materials and services and $2,714,730 in capitalized fees.

In 1985, the agency gained: Big Brothers/Big Sisters; WNEM-TV; City Bank of Jackson; United Pediatrics Society; Mott Children's Health Center; New Century Bank; Northbank Center. It lost: Hamady Brothers Food Stores; City Bank.

Billings breakdown: Newspapers 30%, radio 20%, network tv 40%, outdoor 10%.

Top execs: Dallas C. Dort, president; James W. Klock, senior vp, client services. Employes: 22.

Phone: (313) 238-4677. ☑

Doyle Graf Mabley, New York, formerly Henderson Friedlich, Graf & Doyle, reported gross income of $4,747,300 in 1985 on billings of $31,650,000. In 1984, it reported gross income of $3,978,400 on billings of $28,875,900.

The agency's 1985 U.S. volume consisted of $21,387,600 in media, $7,140,900 in materials and services and $3,121,500 in capitalized fees. Its 1984 U.S. volume consisted of $19,948,800 in media, $6,574,000 in materials and services and $2,353,100 in capitalized fees.

In 1985, the agency gained: Hilton Intl Co.; Philips Medical Systems; WNYC. It lost: Mead Data Central, reassigned in January, 1986.

Billings breakdown: Newspapers 15%, magazines 40%, medical journals 3%, radio 15%, spot tv 20%, cable tv 5%, outdoor 1%, business papers 1%.

Top execs: William S. Doyle, president-ceo; Hubert Graf, chmn, creative director, worldwide; Thomas Mabley [illegible] creative director, U.S.; Charles Fredericks, exec vp-coo. Employes: 68.

Phone: (212) 687-2300. ☑

D.P.L. Advertising, Battle Creek, Mich., reported gross income of $500,376 in 1985 on billings of $3,187,356. In 1984, it reported gross income of $479,459 on billings of $3,059,198.

The agency's 1985 U.S. volume consisted of $220,000 in media, $448,630 in materials and services and $2,518,726 in capitalized fees. Its 1984 U.S. volume consisted of $418,400 in media, $424,911 in materials and services and $2,215,887 in capitalized fees.

In 1985, the agency gained: Belco Industries; Domestic Sales Corp; Interbake Foods.

Billings breakdown: Newspapers 6%, magazines 12%, radio 1%, business papers 71%, point of sale 4%, direct mail 5%, telemarketing 1%.

Top execs: Perry L. Phillips, president; Mark Barry, gm; Lois Munn, production mgr. Employes: 12.

Phone: (616) 965-7255. ☑

DR Group, with joint headquarters in Boston and New York, reported gross income of $3,535,000 in 1985 on billings of $31,958,000. In 1984, it reported gross income of $3,308,000 on billings of $27,594,000.

The agency's 1985 U.S. volume consisted of an estimated $400,000 in media, $8,380,000 in materials and services and $23,178,000 in capitalized fees. Its 1984 U.S. volume consisted of $350,000 in media, $5,533,000 in materials and services and $21,711,000 in capitalized fees.

In 1985, the agency gained: AT&T Communications, long-distance gift certificates; Rhode Island Hospital Trust; John Wiley & Sons; Boston Gas; Joint Center for Political Studies. It lost: ABC Entertainment; Wadsworth Professional Software.

Billings breakdown: Newspapers 1%, magazines 1%, radio 1%, direct mail 51%, printed promo materials 46%.

Top execs: George J. Zahka, chmn, co-ceo; C. James Schaefer, president, co-ceo; Arthur R. Wilson, exec vp; William S. Stockdale, group senior vp; William C. Allen, Lawrence K. Carlson, Peter Rossi, senior vps; Margaret C. Rodgers, first vp. Employes: 60 in 3 offices.

Phone: (617) 482-7300.

Dressman Lehmann Marino, New York, reported gross income of $1,765,000 in 1985 on billings of $17,332,000. In 1984, it reported gross income of $2,132,399 on billings of $14,221,760.

The agency's 1985 U.S. volume consisted of $11,694,000 in media, $1,869,000 in materials and services and $3,769,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,543,277 in materials and services and $10,678,483 in capitalized fees.

In 1985, the agency gained: Paleta Intl, FrozFruit; Alfin fragrances; Continental Insurance, Insurancenter; Dalek. It lost: Commodore Business Machines; Bide-A-Wee Home Assn.

Billings breakdown: Newspapers 29%, magazines 11%, radio 5%, network tv 52%, spot tv 3%.

Top execs: Neil Drossman, chmn; Charles Lehmann, president; Domenick Marino, creative vp. Employes: 22.

Phone: (212) 683-0888. ☑

Dudrock DePaul Ficco & Morgan, Pittsburgh, reported gross income of $2,020,000 in 1985 on billings of $15,900,000. In 1984, it reported gross income of $2,110,000 on billings of $14,500,000.

The agency's 1985 U.S. volume consisted of $6,420,000 in media, $2,180,000 in materials and services and $7,300,000 in capitalized fees. Its 1984 U.S. volume consisted of $6,004,000 in media, $2,625,000 in materials and services and $5,871,000 in capitalized fees.

Included in the agency's figures were returns from its office in Boca Raton, Fla.

In 1985, the agency gained: Pittsburgh Hilton Hotel; 3WS/WTKN Radio; TCI Cable Television; Southwest Medical Assn; Verotex; Hackers Helper Stores; Grubb & Ellis, Oliver Realty div; Boca Research; Natl Develop Corp; H.H. Robertson, projects. It lost: Fireplace Stores.

Billings breakdown: Newspapers 7.7%, magazines 6.4%, radio 14.3%, spot tv 45.8%, outdoor 2.6%, business papers 14.3%, point of sale 1.6%, Yellow Pages 0.5%, direct mail 6.8%.

Top execs: Albert W. Dudreck, chmn-ceo; John D. DePaul, president. Exec vps—James V. Ficco, Jr.; Paul J. Morgan, creative operations. Senior vps—Lee Karon, media; Gary L. Doughty, finance; Edward M. Zebert, operations. Employes: 43 in 2 offices.

Phone: (412) 242-2580.

Duffy & Shanley, Providence, R.I., reported gross income of $2,124,000 in 1985 on billings of $14,233,900. In 1984, it reported gross income of $1,716,625 on billings of $11,449,722.

In 1985, it reported net income of $198,800, compared with $127,001 in 1984.

The agency's 1985 U.S. volume consisted of $2,968,784 in media, $1,660,396 in materials and services and $9,604,720 in capitalized fees. Its 1984 U.S. volume consisted of $2,184,392 in media, $1,136,681 in materials and services and $8,128,649 in capitalized fees.

In 1985, the agency gained: Marcam; G Tech; Savin; Inverrary Hilton; Dunfey City Line; Dunfey Sugarloaf (Maine); Providence Journal; Edgehill; R.I. Medical Society; People's, banking. It lost: RISE Institute; Newport Creamery.

Billings breakdown: Newspapers 39%, magazines 19%, radio 12%, spot tv 20%, outdoor 10%.

Top execs: David A. Duffy, president. Exec vps—Joseph V. Shanley; Paul G. Collins, pr. Robert L. Newbert, Jr., senior vp. Employes: 50.

Phone: (401) 274-0001. ☑

Dugan/Farley Communications Associates, Upper Saddle River, N.J., reported gross income of $5,238,215 in 1985 on billings of $34,291,977. In 1984, it reported gross income of $4,568,637 on billings of $29,854,115.

The agency's 1985 U.S. volume consisted of $4,899,618 in media, $3,635,801 in materials and services and $25,756,558 in capitalized fees. Its 1984 U.S. volume consisted of $4,860,702 in media, $2,789,484 in materials and services and $22,203,929 in capitalized fees.

In 1985, the agency gained: Cyanamid Intl, Novantrone; Glenbrook Laboratories, Calcitrel professional promotions; Ciba-Geigy, progestamate. It lost: Alcon Laboratories.

Billings breakdown: Medical journals 60%, direct mail 12%, telemarketing 3%, other 25%.

Top execs: E. John Farley, exec vp. Senior vps—Clayton L. Wallington, Jr., director client services; Martin Ross; Eric Rathje. Employes: 40.

Phone: (201) 934-0720.

Michael Dweck & Co., New York, reported gross income of $432,625 in 1985 on billings of $2,892,350. In 1984, it reported gross income of $264,750 on billings of $1,665,550.

The agency's 1985 U.S. volume consisted of $1,100,000 in media, $425,000 in materials and services and $1,367,350 in capitalized fees. Its 1984 U.S. volume consisted of $420,000 in media, $245,000 in materials and services and $1,000,550 in capitalized fees.

In 1985, the agency gained: Nathan's Famous, natl "Famous" fast food account; Tropic-Tex, wholesale mfr; Cutco Corp, Great Expectations, Haircrafters. It lost: BR Satellite.

Billings breakdown: Newspapers 25%, magazines 20%, radio 15%, outdoor 10%, point of sale 10%, direct mail 10%, catalogs 5%, direct response newspapers 5%.

Top exec: Michael Dweck, president. Employes: 7.

Phone: (212) 695-2330. ☑

Dwelley, Citrin & Associates, Poughkeepsie, N.Y., had estimated gross income of $1,380,000 in 1985 on billings of $9,200,000. In 1984, it had estimated gross income of $1,320,000 on billings of $8,800,000.

In 1985, the agency gained: Johnson Ford Isuzu; Independence Square Hotel; Provident Savings Bank; Natl Micronetics.

Billings breakdown: Newspapers 12%, magazines 15%, radio 30%, outdoor 7%, business papers 11%, direct mail 18%, catalogs 7%.

Top execs: Richard A. Dwelley, chmn; Michael S. Citrin, president-ceo; Barbara J. Ralston, media director, business affairs mgr. Employes: 10.

Phone: (914) 452-8080.

DynaMedia Advertising, Tampa, Fla., had estimated gross income of $1,080,000 in 1985 on billings of $7,200,000. In 1984, it had estimated gross income of $780,000 on billings of $5,200,000.

The agency did not provide a media breakout for 1985 or 1984.

In 1985, the agency gained: Lykes Devel Corp; Landmark Bank; Morton Plant Hospital; Texgas, propane; Gulf Coast Chevrolet Dealers; Manatee Auto Dealers; Tampa New Auto Dealers Assn; Lou Bachrodt Chevrolet Dealer; Kash N' Karry Food Stores; Beach Cottage Condominiums; Du Pont Registry; Belleair Towers, residential; Boats Unlimited; Fitness Focus. It lost: Your Doctor's Office; Shipwatch; Beacon Homes.

Billings breakdown: Newspapers 9%, magazines 1%, radio 9%, spot tv 45%, outdoor 6%, business papers 4%, collateral 26%.

Top execs: James MacGregor, chmn; Cody Lowry, president. Employes: 16.

Phone: (813) 877-9591.

Ehrig & Associates, Seattle, reported a gross income of $2,550,600 in 1985 on billings of $17,004,182. In 1984, it reported gross income of $2,099,877 on billings of $14,108,057.

The agency's 1985 U.S. volume consisted of $9,077,207 in media, $2,094,100 in materials and services and $5,832,875 in capitalized fees. Its 1984 U.S. volume consisted of $7,698,133 in media, $1,691,313 in materials and services and $4,718,611 in capitalized fees.

In 1985, the agency gained: Gateway Towers; Evergreen Hospital; Pleko prods; Bellevue Properties. It lost: Island Jet Foil Transportation; Washington State Department of Economic Devel.

Billings breakdown: Newspapers 58%, magazines 8%, radio 12%, spot tv 10%, outdoor 3%, business papers 6%, transit advertising 2%, Yellow Pages 1%.

Top execs: Jack Ehrig, president-chmn; Vicki Brems, exec vp, creative director. Employes: 40.

Phone: (206) 441-6666.

Eidel Marketing Communications, Briarcliff Manor, N.Y., reported gross income of $202,958 in 1985 on billings of $1,305,626. In 1984, it reported gross income of $204,033 on billings of $1,148,337.

The agency's 1985 U.S. volume consisted of $420,000 in media, $143,402 in materials and services and $742,224 in capitalized fees. Its 1984 U.S. volume consisted of $530,000 in media, $100,432 in materials and services and $517,905 in capitalized fees.

In 1985, the agency gained: Fleet-Weather; Herrick Feinstein; Human Resource Services. It lost: Nassau Center for the Developmentally Disabled; Natl Pension Service.

Billings breakdown: Newspapers 10%, magazines 15%, radio 5%, business papers 30%, direct mail 35%, catalogs 5%.

Top exec: Zen Eidel, president, creative director. Employes: 3.

Phone: (914) 762-4985. ☑

Eisner & Associates, Baltimore, reported gross income of $4,314,049 in 1985 on billings of $30,097,866. In 1984, it reported gross income of $3,795,920 on billings of $25,229,618.

The agency's 1985 U.S. volume consisted of $18,471,998 in media, $3,228,785 in materials and services and $8,397,083 in capitalized fees. Its 1984 U.S. volume consisted of $15,934,800 in media, $2,321,200 in materials and services and $6,973,618 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

• Eisner/Seder, political consultants
• Sojourn Productions, tv
• Eisner Public Relations
• Eisner Market Research.

The agency also consolidated returns from its offices in Stevenson,

Md., and Washington.

In 1985, the agency gained: Luskin's, appliance and electronic chain; Tokyo Shapiro, electronic chain; Sound & Sight, electronic chain; Eastern Savings Bank; Natl Bowling Council, youth promo; American Council on Alcoholism; Chesapeake Services; I.C. Isaacs, clothing mfg; Beneteau (USA) Ltd., yachts. It lost: Metro Federal Savings & Loan.

Billings breakdown: Newspapers 19%, magazines 10%, radio 22%, spot tv 32%, cable tv 2%, outdoor 3%, business papers 6%, point of sale 3%, direct mail 2.5%, free-standing inserts 0.5%.

Top execs: Henry W. Eisner, chmn; Steven C. Eisner, president; Dan Stachurski, Sidney L. Cohen, Sharyn Williamson, Byron Tucker, Dan Harrison, senior vps. Employes: 74 in 3 offices.

Phone: (301) 685-3390.

William Eisner & Associates, Milwaukee, reported gross income of $1,947,205 in 1985 on billings of $13,225,632. In 1984, it reported gross income of $1,400,960 on billings of $9,217,525.

In 1985, it reported net income of $42,504, compared with $49,436 in 1984.

The agency's 1985 U.S. volume consisted of $3,734,543 in media, $1,562,934 in materials and services and $7,928,155 in capitalized fees. Its 1984 U.S. volume consisted of $2,224,006 in media, $1,185,423 in materials and services and $5,808,096 in capitalized fees.

Included in the agency's figures were returns from its office in Appleton, Wis.

Billings breakdown: Newspapers 13%, magazines 27%, radio 6%, spot tv 7%, outdoor 4%, business papers 2%, other 41%.

Top execs: William F. Eisner, president. Vps—William A. Eisner, creative; Craig L. Gruenberg, finance; Craig Kapp, acct services. Employes: 48 in 2 offices.

Phone: (414) 425-8800.

Elbert Advertising Agency, Norwood, Mass., reported gross income of $363,150 in 1985 on billings of $2,142,919. In 1984, it reported gross income of $351,881 on billings of $2,046,069.

The agency's 1985 U.S. volume consisted of $660,827 in media, $278,679 in materials and services and $1,203,413 in capitalized fees. Its 1984 U.S. volume consisted of $594,732 in media, $300,375 in materials and services and $1,150,962 in capitalized fees.

In 1985, the agency gained: Bemis Associates, adhesive films and coatings.

Billings breakdown: Newspapers 19.4%, magazines 1%, radio 1%, spot tv 1.1%, business papers 67.8%, point of sale 1.3%, Yellow Pages 0.8%, direct mail 7.6%.

Top exec: Elbert A. Taitz, president. Employes: 6.

Phone: (617) 769-7666.

Elkman Advertising, Bala Cynwyd, Pa., reported gross income of $5,553,000 in 1985 on billings of $45,174,000. In 1984, it reported gross income of $4,565,000 on billings of $37,857,500.

The agency's 1985 U.S. volume consisted of $26,750,000 in media, $3,750,000 in materials and services and $14,674,000 in capitalized fees. Its 1984 U.S. volume consisted of $22,850,000 in media, $3,335,000 in materials and services and $11,672,500 in capitalized fees.

In 1985, the agency gained: Du Pont; Continental Bank; First Jersey Natl Bank; Greenview Lawn & Garden prods; Fairmont Institute. It lost: Beneficial Bank; Heritage Bank; Mitnick Organization.

Billings breakdown: Newspapers 14%, magazines 4%, radio 25%, spot tv 53%, outdoor 2%, other 2%.

Top execs: Stanley Elkman, ceo; Donald M. Tuckerman, president; Donald Rosenblit, senior exec vp; David Phillips, exec vp; Tim Colestock, Martin Sherman, senior vps. Employes: 110 in 2 offices.

Phone: (215) 835-2400.

Emerson Lane Fortun, Boston, reported gross income of $1,827,000 in 1985 on billings of $15,123,000. In 1984, it reported gross income of $1,508,000 on billings of $12,478,000. In 1985, it had net income of $25,000, compared with $92,000 in 1984.

The agency's 1985 U.S. volume consisted of $4,538,000 in media, $1,787,000 in materials and services and $8,798,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,746,000 in media, $1,475,000 in materials and services and $7,257,000 in capitalized fees.

In 1985, the agency gained: Corcoran, Mullins, Jennison, real estate devel; Fidelity Investments, IRA prods. It lost: Marriott Hotels (New England region).

Billings breakdown: Newspapers 12.8%, magazines 16.1%, supplements 1%, radio 31.5%, spot tv 29.2%, cable tv 1%, outdoor 0.2%, business papers 1%, transit advertising 1%, point of sale 2%, direct mail 1.8%, catalogs 0.4%, free-standing inserts 2%.

Top execs: Robert B. Emerson, president. Senior vps—Keith D. Lane, Michael B. Fortuna, creative directors; Richard A.M. Lyon, cfo. Employes: 35.

Phone: (617) 720-2424.

Emerson Marketing Agency, New York, reported gross income of $866,411 in 1985 on billings of $5,621,384. In 1984, it reported gross income of $770,216 on billings of $5,049,003.

In 1985, it reported net income of $398,763, compared with $342,507 in 1984.

The agency's 1985 U.S. volume consisted of $625,400 in media, $425,700 in materials and services and $4,570,284 in capitalized fees. Its 1984 U.S. volume consisted of $585,200 in media, $355,750 in materials and services and $4,108,053 in capitalized fees.

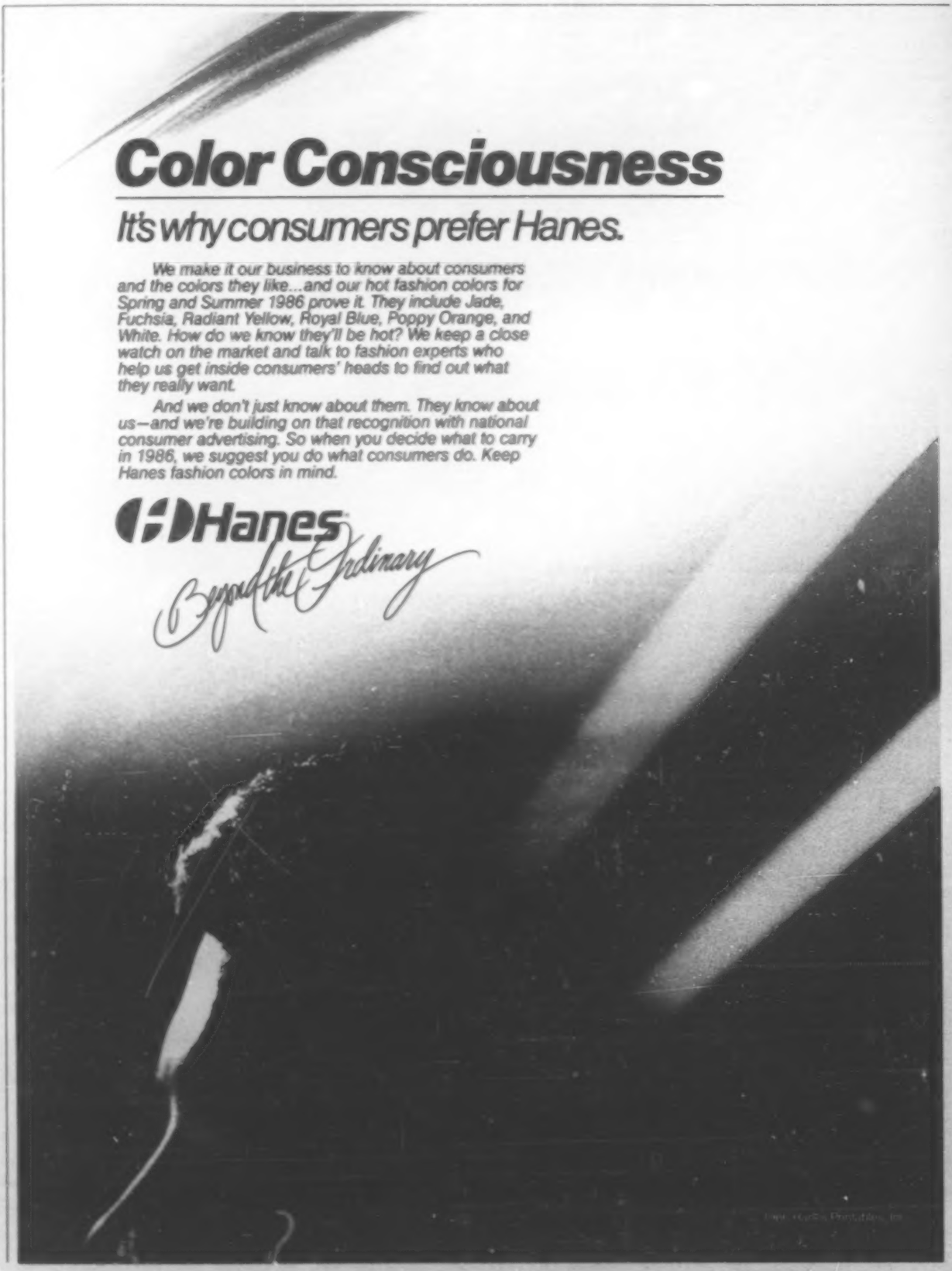
In 1985, the agency gained: C.C.M.I./McGraw-Hill; Printronic Corp of America; Roy Electric Co.

Billings breakdown: Newspapers 3%, magazines 5%, supplements 5%, business papers 5%, Yellow Pages 3%, direct mail 20%, catalogs 20%, direct response tv 5%, direct response radio 2%, direct response newspapers 12%, direct response magazines 15%, free-standing inserts 5%.

Top execs: Andi Emerson, president; Lee Marc Stein, exec vp. Employes: 5.

Phone: (212) 213-0320.

John Emmerling Inc., New York, reported gross income of $2,103,970 in 1985 on billings of $14,027,000. In


Color Consciousness
It's why consumers prefer Hanes.
We make it our business to know about consumers and the colors they like...and our hot fashion colors for Spring and Summer 1986 prove it. They include Jade, Fuchsia, Radiant Yellow, Royal Blue, Poppy Orange, and White. How do we know they'll be hot? We keep a close watch on the market and talk to fashion experts who help us get inside consumers' heads to find out what they really want.
And we don't just know about them. They know about us—and we're building on that recognition with national consumer advertising. So when you decide what to carry in 1986, we suggest you do what consumers do. Keep Hanes fashion colors in mind.
Hanes
Beyond the Ordinary

1984, it reported gross income of $1,986,000 on billings of $13,240,000.

The agency's 1985 U.S. volume consisted of $10,135,130 in media, $2,820,000 in materials and services and $1,071,870 in capitalized fees. Its 1984 U.S. volume consisted of $9,173,000 in media, $2,019,000 in materials and services and $2,048,000 in capitalized fees.

In 1985, the agency gained: Italian Trade Commission, Italian leather goods; Time Inc., *Discover* magazine, ad sales promo.

Billings breakdown: Newspapers 5%, magazines 24%, radio 15%, spot tv 38%, business papers 7%, transit advertising 2%, direct response magazines 9%.

Top execs: John Emmerling, chmn-ceo; James R. Guthrie, president-coo; Arthur P. Gilmore, exec vp; Russell G. Finley, senior vp. Employes: 18.

Phone: (212) 751-7460.

Ephron, Raboy, Tsao & Kurnit Advertising, New York, previously Epstein, Raboy Advertising, reported gross income of $6,429,600 in 1985 on billings of $42,864,600. In 1984, it reported gross income of $4,680,500 on billings of $31,203,700.

The agency's 1985 U.S. volume consisted of $39,161,700 in media, $2,961,900 in materials and services and $741,000 in capitalized fees. Its 1984 U.S. volume consisted of $28,060,600 in media, $2,697,500 in materials and services and $445,600 in capitalized fees.

In 1985, the agency gained: Caldor, dept stores; Hoechst-Roussel Pharmaceuticals, Trental, Merital, Diabeta, Doxidan; Members Only; Olsten Corp, Olsten temporary services; Fabil, children's clothing; Regal Brands, Sempe Armagnac, Laphroaig Scotch. It lost: Buckingham-Wile, Dry Sack; Knoll Intl, office furniture and fabrics.

Billings breakdown: Newspapers 4%, magazines 11%, supplements 1%, radio 4%, network tv 10%, spot tv 45%, cable tv 2%, outdoor 1%, business papers 5%, transit advertising 1%, direct mail 1%, direct response tv 6%, direct response newspapers 7%, direct response magazines 2%.

Top execs: Shepard Kurnit, chmn; Richard Raboy, president. Exec vps—Erwin Ephron, coo-director mktg services; Alex Tsao, creative director. Senior vps—Richard Sawyer, director client services; Robert Marks, group acct director; Ann-Marie Light, exec art director; Edythe Stevenson, copy super; Ruby Gottlieb, media director. Employes: 59.

Phone: (212) 688-4000. ☑

Epsilon Data Management, Burlington, Mass., had estimated gross income of $5,930,000 in 1985 on billings of $35,772,000. In 1984, it reported gross income of $5,620,000 on billings of $33,910,000.

The agency's 1985 U.S. volume consisted of an estimated $21,228,000 in materials and services and an estimated $14,544,000 in capitalized fees. Its 1984 U.S. volume consisted of $20,123,000 in materials and services and $13,787,000 in capitalized fees.

Included in the agency's figures were returns from its offices in Chicago, Dallas and Newport Beach, Cal.

Billings breakdown: Spot tv 0.5%, point of sale 0.5%, direct mail 99%.

Top execs: Thomas O. Jones, president-ceo. Senior vps—Robert J. Drummond, commercial mktg; John E. Groman, new accts mktg; Stephen A. Cone, Direct Responses Services; Timothy A. Hult, Information Services. Vps—Charles C. Carey, commercial mktg; Gene M. Henderson, new acct mktg (West); Elizabeth B. Smith, new accts mktg (East); Timothy C. Smith, direct response; David A. Fish, systems; Edward L. Stahl, consumer mktg; Ian C. Thompson, Not For Profit Marketing; Robert Romasco, finance, admin. Employes: 730 in 4 offices.

Phone: (617) 273-0250.

Eric Ericson & Associates, Nashville, Tenn., reported gross income of $4,372,007 in 1985 on billings of $31,179,943. In 1984, it reported gross income of $3,496,056 on billings of $26,159,157.

In 1985, it reported net income of $4,240, compared with $16,087 in 1984.

The agency's 1985 U.S. volume consisted of $12,135,236 in media, $4,619,518 in materials and services and $14,425,189 in capitalized fees. Its 1984 U.S. volume consisted of $10,285,243 in media, $3,649,605 in materials and services and $12,224,309 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- Creative House, photography and typesetting.

In 1985, the agency gained: O'doms/Tennessee Pride; Green Hills Mall; Cellular One; Laing Properties; HCA Medical Rsch; Gaylord Syndicom; Medline. It lost: Ceco Metal Buildings; Southern Hospitality.

Billings breakdown: Newspapers 8.1%, magazines 26.6%, radio 14.9%, spot tv 40.9%, cable tv 4.5%, outdoor 4.9%, Yellow Pages 0.1%.

Top execs: Eric Ericson, chmn; Janice Wendell, vice chmn; Gary Haynes, president. Employes: 95.

Phone: (615) 242-1050. ☑

Estey-Hoover, Irvine, Cal., reported gross income of $784,054 in 1985 on billings of $10,218,344. In 1984, it reported gross income of $646,132, on billings of $8,262,540.

In 1985, it reported net income of $81,263, compared with $62,426 in 1984.

The agency's 1985 U.S. volume consisted of $324,624 in media, $719,402 in materials and services and $9,174,318 in capitalized fees. Its 1984 U.S. volume consisted of $261,410 in media, $584,157 in materials and services and $7,416,973 in capitalized fees.

Billings breakdown: Newspapers 30%, magazines 50%, medical journals 10%, radio 2%, spot tv 3%, point of sale 1%, direct mail 3%, direct response magazines 1%.

Top exec: Daniel W. Hoover, president. Employes: 20.

Phone: (714) 756-8501.

Faller, Klenk & Quinlan, Buffalo, N.Y., reported gross income of $8,027,542 in 1985 on billings of $51,456,480. In 1984, it reported gross income of $6,147,354 on billings of $35,437,205.

In 1985, it had net income of $647,538, compared with $335,472 in 1984.

The agency's 1985 U.S. volume consisted of $24,583,494 in media, $14,437,925 in materials and services and $12,435,061 in capitalized fees. Its 1984 U.S. volume consisted of $19,364,166 in media, $11,372,604 in materials and services and $4,700,435 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Direct Response Marketing
- Public Relations
- PhotoPros

The agency also consolidated its offices in Clearwater, Fla.; San Francisco, Charlotte, N.C.; Tampa, Fla., and Buffalo, which includes the Buffalo office, Direct Marketing, Public Relations and PhotoPros.

In 1985, the agency gained: Buffalo—Acu-Rite, machine tool mfr; Petri Baking; Columbus McKinnon, electric hoists; American Equity, real estate devel; Children's Hospital; CONAX, temperature sensors; Dealers Choice, rust proofing; Pelonis, disc furnaces; Electrochem, lithium batteries; Secret Pantyhose; Buffalo Hyatt Hotels. Clearwater: Bronztan Corp; Advanced Protection Technologies; Sale Sluge Suppressors Chi-Chi's Mexican Restaurants; Chlorde Inc., batteries; Landmark Union Trust Bank. San Francisco—California Table Grape Commission; Marin General Hospital; New Zealand Apple & Pear Mktg Board, Grannysmith apples; Valid Logic Systems. It lost: Aimco, brakes and drums; Air Technologies, dental equipment; Canon Design, architecture; Darien Lake, theme park; Executive Motor Inn; Keystone Mfg, appliances; Shelley Foods Co.; Vivadent USA, dental fillers; Southwood Corp., wood sign systems.

Billings breakdown: Newspapers 17%, magazines 21%, medical journals 3%, supplements 1%, radio 10%, network tv 1%, spot tv 11%, cable tv 2%, outdoor 1.5%, business papers 2%, farm publications 1%, transit advertising 0.5%, point of sale 7%, Yellow Pages 1%, direct mail 10%, catalogs 2%, direct response tv 0.5%, direct response radio 0.5%, direct response newspapers 1%, direct response magazines 1%, telemarketing 1%, free-standing inserts 4%, photography 1%.

Top execs: Buffalo—Robert O. Faller, president-ceo, chmn. Exec vps—Reginald V. Williams III, coo, gm; Raymond D. Owczarzak, creative director; Alvin I. Klenk, creative chmn; Lawlor F. Quinlan, director client services. Vps—Douglas E. Kellner, cfo; John Moore, Walt Frazier, Jack Pilarski, groups supers; Patrick Stickney, creative director. Charlotte—J.W. Urey III, exec vp, gm; Roger Shephard, vp, creative director; Patricia Paris, media planner, buyer; Sheila Dulin, senior writer, producer. Clearwater—Robert O. Faller, president; John Holmes, vp acct super; Buck Poppell, acct super. San Francisco—Reginald V. Williams III, exec vp-coo; Melvin I. Klenk, creative chmn; Martin D. Fischer, exec vp. Vps—David Torme, design div; Clyde Folley, client services. Employes: 175 in 6 offices.

Phone: (716) 688-1177.

Fearon/GBA Advertising, New York, had estimated gross income of $525,000 in 1985 on billings of $3,500,000. The agency did not report for 1984.

In 1985, the agency gained: Effanbee Doll Co.; Columbia University Executive Program; Halcyon Cove Beach Resort & Casino; Golo Footwear Corp; Projects; Fisher Bros.; St. Andrews-Boca Raton; Group W TV; Manhattan Television Center; Prudential Real Estate; Evans Partnership; HBO Premier Films; Security Capital Corp.

Billings breakdown: Newspapers 20%, magazines 40%, cable tv 5%, business and trade papers 10%, direct mail 5%, collateral 10%.

Top execs: Robert Fearon, president. Vps—Aubrey Balkind, mktg; Phil Gips, art. Diana Graham, head art director. Employes: 43 in 3 offices.

Phone: (212) 421-5888.

Fensholt Inc., Lombard, Ill., reported gross income of $753,145 in 1985 on billings of $5,608,336. In 1984, it reported gross income of $719,809 on billings of $5,389,968.

The agency's 1985 U.S. volume consisted of $1,438,949 in media, $1,301,621 in materials and services and $2,867,766 in capitalized fees. Its 1984 U.S. volume consisted of $1,446,585 in media, $995,076 in materials and services and $2,948,307 in capitalized fees.

Included in the agency's figures were returns from its office in Milwaukee.

In 1985, the agency gained: Barber-Greene Co., asphalt plant and paving equipment; Quantum Data, electronic signal generators.

Billings breakdown: Magazines 97%, business papers 2%, farm publications 1%.

Top execs: Daniel D. Glaubke, chmn-ceo; Charles R. Muth, president-coo. Employes: 15 in 2 offices.

Phone: (312) 953-2300.

Thomas G. Ferguson Associates, Parsippany, N.J., reported gross income of $5,345,000 in 1985 on billings of $44,780,460. In 1984, it reported gross income of $4,492,000 on billings of $34,958,318.

The agency's 1985 U.S. volume consisted of $2,755,000 in media, $7,088,000 in materials and services and $34,937,460 in capitalized fees. Its 1984 U.S. volume consisted of $2,547,000 in media, $5,095,000 in materials and services and $27,316,318 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Pro/Com Enterprises
- Medesign.

In 1985, the agency gained: AT&T Medical Information Systems; Becton Dickinson & Co., Clay Adams div; Crossroads Health Plan of N.J.; Miles Pharmaceuticals; E.R. Squibb & Sons, Mycolog II; Warner-Lambert American Chicle, Theracal; Warner-Lambert consumer health prods group, Suplical; Warner-Lambert Intl, Bevantolol. It lost: Savage Laboratories; Bard Home Health div.

Billings breakdown: Newspapers 2%, medical journals 15%, radio 2%, transit advertising 1%, direct mail 15%, other 65%.

Top execs: Thomas G. Ferguson, chmn, president. Senior vps—John F. Zweig, director operations; M. Jean Pankow, John P. Szlasa, mgmt supers; Thomas D. Atkinson; gm-hospital/-surgical/diagnostic group. Vps—Robert P. Muratore, acct group super; Edward J. Gorzalski, mkt planning, mktg rsch, media services; Pamela A. Rossetti, controller. Employes: 68.

Phone: (201) 540-8000. ☑

Fern/Hanaway, Providence, R.I., had estimated gross income of $1,950,000 in 1985 on billings of $13,006,500. In 1984, it reported gross income of $1,643,905 on billings of $10,964,846.

The agency's 1985 U.S. volume consisted of $5,262,000 in media, $4,805,000 in materials and services and $2,939,500 in capitalized fees. Its 1984 U.S. volume consisted of $4,435,820 in media, $4,050,427 in materials and services and $2,478,599 in capitalized fees.

Billings breakdown: Newspapers 5%, magazines 5%, radio 4%, spot tv 8%, business papers 15%, direct response tv 3%, collateral, pr, mktg, consultation 60%.

Top execs: Sanford M. Fern, president; James F. Hanaway Jr., exec vp. Employes: 38.

Phone: (401) 421-7202. ☑

Fessel, Siegfriedt & Moeller Advertising, Louisville, Ky., reported a gross income of $1,397,648 in 1985 on billings of $7,834,910. In 1984, it reported gross income of $1,004,101 on billings of $5,056,602.

The agency's 1985 U.S. volume consisted of $5,727,990 in media, $1,143,858 in materials and services and $963,062 in capitalized fees. Its 1984 U.S. volume consisted of $4,072,112 in media, $964,914 in materials and services and $19,576 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- Fessel, Siegfriedt & Moeller Public Relations.

The agency also consolidated reports from its offices in New Orleans and Pittsburgh.

In 1985, the agency gained: Kentucky Commerce Cabinet; Dr. Bizer's Vision World; Gallatin Bank; Barbee Co.; Landmark Homes; Regional Medical Center; Trover Clinic; Buchanan Delux Scotch; DetectAids; Grindmaster; Kentucky State Board of Accountancy; Kentucky Commerce Cabinet; Whayne Supply Co; Riney, Hancock, CPA; Kentucky Business Ledger. It lost: Hoover Universal.

Billings breakdown: Newspapers 28.1%, magazines 20.2%, medical journals 0.4%, radio 13.6%, spot tv 21%, cable tv 0.8%, outdoor 7.2%, transit advertising 0.2%, point of sale 3.7%, direct mail 1.3%, other 3.5%.

Top execs: E.F. Siegfriedt, chmn; R.F. Moeller Sr., president. Employes: 28 in 3 offices.

Phone: (502) 585-5154.

Martin Fiderer Associates, Englewood Cliffs, N.J., reported gross income of $521,000 in 1985 on billings of $3,962,000. In 1984, it reported gross income of $496,000 on billings of $3,780,000.

The agency's 1985 U.S. volume consisted of $487,000 in materials and services and $3,475,000 in capitalized fees. Its 1984 U.S. volume consisted of $472,000 in materials and services and $3,308,000 in capitalized fees.

In 1985, the agency gained: Medical Nutrition; Health Care Mktg; PCM Corp.

Billings breakdown: Medical journals 23%, direct mail 42%, catalogs 5%, other 30%.

Top exec: Martin Fiderer, president. Employes: 8.

Phone: (201) 871-0422.

Fillman Advertising, Champaign, Ill., reported gross income of $153,690 in 1985 on billings of $654,000. In 1984, it reported gross income of $131,769 on billings of $560,722.

The agency's 1985 U.S. volume consisted of $350,000 in media and $304,000 in materials and services. Its 1984 U.S. volume consisted of $380,000 in media and $180,722 in materials and services.

In 1985, the agency gained: GCOM, industrial software; Hey! Sailor Shoe Co.; Hansvedt Engineering; F.M.S., farm software.

Billings breakdown: Newspapers 2%, magazines 3%, business papers 45%, farm publications 10%, point of sale 5%, direct mail 15%, catalogs 20%.

Top execs: William T. Fillman, president; Mary Auth, vp. Employes: 5.

Phone: (217) 352-0002. ☑

Finnegan & Agee, Richmond, Va., reported gross income of $2,302,888 in 1985 on billings of $15,502,893. In 1984, it reported gross income of $1,789,365 on billings of $11,929,098.

In 1985, it had net income of $447,116, compared with $336,527 in 1984.

The agency's 1985 U.S. volume consisted of $11,085,040 in media, $4,074,500 in materials and services and $343,353 in capitalized fees. Its 1984 U.S. volume consisted of $7,882,943 in media, $3,614,288 in materials and services and $431,867 in capitalized fees.

Included in the agency's figures were returns from its office in Roanoke, Va.

In 1985, the agency gained: Moores Building Supplies; Psychiatric Institutes of America; Roanoke Convention & Visitors Bureau; Metropolitan Richmond Convention & Visitors Bureau. It lost: Paramount Pictures; Fortunate.

Billings breakdown: Newspapers 7%, magazines 6%, radio 25%, spot tv 60%, outdoor 2%.

Top execs: Tim Finnegan, chmn; Louis E. Brink, vice chmn; Michael D. Morgan, president; Peter L. Boisseau, exec vp. Employes: 45 in 2 offices.

Phone: (804) 643-4100.

Firestone & Associates, New York, reported gross income of $2,785,272 in 1985 on billings of $18,545,414. In 1984, it reported gross income of $2,652,640 on billings of $17,662,542.

The agency's 1985 U.S. volume consisted of $10,922,600 in media, $1,791,900 in materials and services and $5,830,914 in capitalized fees. Its 1984 U.S. volume consisted of $10,402,500 in media, $1,706,600 in materials and services and $5,553,442 in capitalized fees.

In 1985, the agency gained: Evergood Products Corp, Stressbusters Vitamins; J. Rabinowitz & Sons, glass and plastic containers; The Atkins Centers for Alternative Therapies.

Billings breakdown: Newspapers 13%, magazines 25%, supplements 4%, radio 7%, spot tv 45%, business papers 4%, point of sale 1%, direct mail 1%.

Top execs: Murray Firestone, president, creative director; Don Turner, exec vp. Employes: 28.

Phone: (212) 247-4900. ☑

Fitzgerald Advertising, New Orleans, reported gross income of $1,675,507 in 1985 on billings of $12,083,360. In 1984, it reported gross income of $2,031,854 on billings of $14,501,717.

The agency's 1985 U.S. volume consisted of $4,474,341 in media, $3,400,034 in materials and services and $4,208,985 in capitalized fees. Its 1984 U.S. volume consisted of $5,741,830 in media, $2,951,395 in

materials and services and $5,808,492 in capitalized fees.

In 1985, the agency gained: Avondale Industries; Mavar Shrimp & Oyster Co.; Time Saver Stores; Porcelanosa USA; AWI, drilling contractor; Pan American Life Insurance Co.; K&B, drug store chain. It lost: Precision Tune; 1984 Louisimana World Exposition.

Billings breakdown: Newspapers 16%, magazines 50%, radio 12%, spot tv 27%, outdoor 1%.

Top execs: Joseph L. Killeen Jr., president-ceo. Exec vps—Ronald J. Thompson; Gary D. Dickson; Donald C. Smith, secretary. Randolph L. Seeling, treasurer.

Employes: 27.

Phone: (504) 529-3161.

FitzSimons Advertising, Cleveland, reported gross income of $445,500 in 1985 on billings of $3,306,310. In 1984, it reported gross income of $405,000 on billings of $3,050,070.

The agency's 1985 U.S. volume consisted of $1,253,500 in media, $432,000 in materials and services and $1,620,810 in capitalized fees. Its 1984 U.S. volume consisted of $1,150,000 in media, $400,000 in materials and services and $1,500,750 in capitalized fees.

In 1985, the agency gained: Estates Mortgage Co.; J.J. Getty's, restaurant. It lost: Oberlin Tennis Camp.

Billings breakdown: Newspapers 20%, magazines 3%, radio 11%, spot tv 12%, cable tv 2%, outdoor 2%, business papers 15%, point of sale 4%, direct mail 8%, publicity 8%, collateral 15%.

Top execs: Daniel A. FitzSimons, president. Vps—Richard C. Wright, mktg; M. Ellen Leighty, admin. Employes: 10.

Phone: (216) 241-5656.

Fogarty & Klein, Houston, reported gross income of $2,351,715 in 1985 on billings of $16,158,105. In 1984, it reported gross income of $1,434,790 on billings of $11,499,462.

The agency's 1985 U.S. volume consisted of $12,812,066 in media, $901,444 in materials and services and $2,444,595 in capitalized fees. Its 1984 U.S. volume consisted of $8,152,384 in media, $743,317 in materials and services and $2,603,761 in capitalized fees.

In 1985, the agency gained: American Bank (Houston); Houston Cellular Telephone Co.; Ethan Allen Gallery (Georgetown Manor, Houston, Beaumont, San Antonio); Drexel Heritage Gallery, Robert Joseph (Houston, Corpus Christi); Carnaby's frozen custard; Pilgrim Mini-warehouse div; Unitel Cellular Mobile Phones.

Billings breakdown: Newspapers 8%, magazines 5%, radio 35%, spot tv 42%, outdoor 4%, business papers 2%, point of sale 1%, direct mail 3%.

Top execs: William H. Fogarty, Richard E. Klein, principals. Employes: 16.

Phone: (713) 528-3354.

Fones & Mann, New York, reported gross income of $1,350,000 in 1985 on billings of $7,500,000.

In 1984, it reported gross income of $1,100,000 on billings of $6,500,000. No volume figures were provided for either year.

In 1985, the agency gained: Alkoc, commercial lighting prods; Demscreen, computerized psychometric service.

Billings breakdown: Newspapers 10%, magazines 5%, spot tv 10%, business papers 45%, direct mail 20%, other 10%.

Top execs: Maynard Fones, president; John Mann, chmn. Employes: 12 in 2 offices.

Phone: (212) 689-9870. ☑

Food Group, New York, reported gross income of $1,545,500 in 1985 on billings of $10,129,500. In 1984, it reported gross income of $1,160,000 on billings of $7,347,000.

The agency's 1985 U.S. volume consisted of $2,880,000 in media, $1,580,000 in materials and services and $5,669,500 in capitalized fees. Its 1984 U.S. volume consisted of $2,160,000 in media, $1,185,000 in materials and services and $4,200,000 in capitalized fees.

Included in the agency's figures were returns from offices in San Francisco and Thousand Oaks, Cal.

In 1985, the agency gained: Tea Assn of the USA; Dole Foodservice; Joseph E. Seagram & Sons, natl acct sales; Nugget Distributors; Fazer Chocolates; Foodservice Trade Center; Honey Hill Farms.

Billings breakdown: Magazines 95%, direct mail 5%.

Top execs: Donald Axleroad, president; Dave Gottwals, exec vp. Employes: 20 in 3 offices.

Phone: (212) 725-5766. ☑

James A. Ford Advertising, Stamford, Conn., reported gross income of $426,000 in 1985 on billings of $1,976,100. In 1984, it reported gross income of $294,000 on billings of $1,400,000.

The agency's 1985 U.S. volume consisted of $82,800 in media, $71,300 in materials and services and $1,882,000 in capitalized fees. It did not break out volume in 1984.

In 1985, the agency gained: Trans-Lux Corp, teleprinters; Harbor Electronics, Data Communications; Realvest; Ratheon Co., Machlett Laboratories; Honeywell, Skinner Valve div. It lost: Bunker Ramo, devel and mktg electronic systems for banks, brokerage houses; Insituform of North America, rehabilitation of underground pipes; Independent Financial Services.

Billings breakdown: Newspapers 0.5%, magazines 66.5%, medical journals 21%, radio 0.2%, cable tv 0.2%, business papers 4%, farm publications 0.6%, postcards 4%, free-standing inserts 3%.

Top exec: James A. Ford, president. Employes: 8.

Phone: (203) 348-7541. ☑

Fortis Fortis Advertising, Chicago, reported gross income of $1,520,000 in 1985 on billings of $11,643,000. In 1984, it reported gross income of $1,629,000 on billings of $12,382,000.

In 1985, it reported net income of $188,480, compared with $202,460 in 1984.

The agency's 1985 U.S. volume consisted of $4,804,000 in media, $2,063,000 in materials and services and $4,776,000 in capitalized fees. Its 1984 U.S. volume consisted of $6,042,000 in media, $1,537,000 in materials and services and $4,803,000 in capitalized fees.

In 1985, the agency gained: Land 'O Frost; First Colonial Bankshares Corp. It lost: Chi-Chi's, Mexican restaurants, Swensen's Ice Cream Co.

Billings breakdown: Newspapers 5%, magazines 20%, radio 7%, network tv 10%, spot tv 45%, cable tv 5%, business papers 1%, transit advertising 5%, point of sale 1%, free-standing inserts 1%.

Top execs: J. Gerald Fortis, president; Dixie B. Fortis, exec vp. Employes: 25.

Phone: (312) 329-1980. ☑

Fotheringham & Associates, Salt Lake City, reported gross income of $1,185,244 in 1985 on billings of $7,671,577. In 1984, it reported gross income of $1,083,980 on billings of $6,553,004.

The agency's 1985 U.S. volume consisted of $1,504,648 in media, $1,070,575 in materials and services and $5,096,354 in capitalized fees. Its 1984 U.S. volume consisted of $1,826,885 in media, $1,172,116 in materials and services and $3,554,003 in capitalized fees.

In 1985, the agency gained: Intermountain Health Care; Huntsman Chemical Corp; Mrs. Powell's, fast food chain; Disneyland, pr, promo (Utah); Hogle Zoo, public service. It lost: PENTEC/MTI, consumer satellite tv prods; Anderson Lumber.

Billings breakdown: Newspapers 21%, magazines 16%, radio 29%, spot tv 27%, outdoor 5%, direct mail 2%.

Top execs: Robert A. Fotheringham, chmn-ceo; Bruce H. Jensen, president-creative director; Samuel M. Williams, exec vp-coo. Employes: 20.

Phone: (801) 521-2903.

Fox & Associates, Cleveland, had estimated gross income of $4,145,000 in 1985 on billings of $27,538,000. In 1984, it had estimated gross income of $3,900,000 on billings of $26,045,600.

The agency's 1985 U.S. volume consisted of $22,300,000 in media, $569,000 in materials and services and $4,669,000 in capitalized fees. Its 1984 U.S. volume consisted of $21,000,000 in media, $510,000 in materials and services and $4,535,600 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Fox Film
- Fox Sales Communications.

The agency also consolidated returns from its office in New York.

In 1985, the agency gained: Sherwin Williams, retail store div; Perego prods; Goya Foods; Feber Toy Co.; N.S.G. Mktg Co.

Billings breakdown: Newspapers 10%, magazines 1%, radio 6%, spot tv 83%.

Top exec: Aaron S. Fox, president. Employes: 41 in 2 offices.

Phone: (216) 621-8520.

Franchise Advertising Services, Belmont, Mass., reported a gross income of $37,500 in 1985 on billings of $250,000. In 1984, it reported gross income of $22,500 on billings of $150,000.

The agency's 1985 and 1984 U.S. volume was all in media.

In 1985, the agency gained: Francis J. Sneider, antiques.

Billings breakdown: Magazines 10%, Yellow Pages 32%, direct mail 3%, telemarketing 55%.

Top exec: Frank V. Del Vecchio, president. Employe: 1.

Phone: (617) 489-4025.

Alan Frank & Associates, Salt Lake City, reported gross income of $1,064,791 in 1985 on billings of $6,647,274. In 1984, it reported gross income of $985,918 on billings of $6,184,171.

In 1985, it reported net income of $19,523, compared with $18,077 in 1984.

The agency's 1985 U.S. volume consisted of $4,970,882 in media, $1,320,181 in materials and services and $356,211 in capitalized fees. Its 1984 U.S. volume consisted of $4,602,669 in media, $1,245,454 in materials and services and $336,048 in capitalized fees.

In 1985, the agency lost: Buildmart Mall; MCA/Universal; New World Pictures.

Billings breakdown: Newspapers 25%, radio 5%, spot tv 35%, outdoor 5%, point of sale 1%, direct mail 27%, other 2%.

Top execs: Alan F. Frank, president-gm; Kazuo Shiotani, senior vp, art director; William Brennan, vp-acct exec. Employes: 20.

Phone: (801) 486-7455. ☑

Frankenberry Laughlin & Constable, Milwaukee, reported gross income of $5,025,000 in 1985 on billings of $33,500,000. In 1984, it reported gross income of $4,350,000 on billings of $29,000,000.

The agency's 1985 and 1984 U.S. volumes were all in media.

In 1985, the agency gained: Wisconsin div of tourism; Kohler Co.; Rockline; Wisconsin Pharmacal. It lost: Elaine Powers.

Billings breakdown: Newspapers 15%, magazines 10%, radio 18%, network tv 10%, spot tv 28%, outdoor 4%, business papers 5%, other 10%.

Top execs: Partners—Dennis Frankenberry, Steve Laughlin, John Constable.

Employes: 60.

Phone: (414) 272-2400.

Albert Frank-Guenther Law, New York, a financial specialty of Foote, Cone & Belding, reported gross income of $8,000,000 in 1985 on billings of $55,000,000. In 1984, it reported gross income of $6,155,000 on billings of $41,040,000.

The agency's 1985 U.S. volume consisted of $38,000,000 in media, $9,000,000 in materials and services and $8,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $26,133,000 in media, $7,917,000 in materials and services and $6,990,000 in capitalized fees.

Included in the agency's figures were returns from its offices in Philadelphia and San Francisco.

Billings breakdown: Newspapers 9%, magazines 3%, radio 9%, spot tv 10%, outdoor 2%, business papers 14%, farm publications 32%, point of sale 9%, direct mail 2%, other 10%.

Top execs: Stephen J. Witt, chmn; Michael A. Taylor, vice chmn; John F. Cowell, president, creative director; Robert D. Washburn, secretary, treasurer; Walter H. Liebman, exec vp, director pr. Senior vps—Jean Bergin, director business devel; A. Paul Marrocco, director acct services; Jerome M. Morea, financial adv. Employes: 90 in 3 offices.

Phone: (212) 248-5200.

Frank/James Direct Marketing Co., St. Louis, had estimated gross income of $1,470,000 in 1985 on billings of $9,800,000. In 1984, it had estimated gross income of $1,230,000 on billings of $8,200,000.

The agency's 1985 U.S. volume consisted of $522,000 in media and $9,278,000 in materials and services. Its 1984 U.S. volume consisted of $364,000 in media and $7,836,000 in materials and services.

In 1985, the agency gained: Adam's Mark Hotels; Continental Baking; American Hawaii Cruises; Pacific Mutual Insurance; Sherwood Medical. It lost: Lifestyle Computers.

Billings breakdown: Magazines 4%, direct mail 92%, direct response newspapers 2%, telemarketing 2%.

Top execs: Frank Roth, president; Dennis Maginn, exec vp, gm; William W. Shewman, senior vp. Vps—David Joest, finance; Lawson Primm III, corp devel.

Employes: 19.

Phone: (314) 726-4600.

Franznick & Cusatis, New York, reported gross income of $1,733,335 in 1985 on billings of $10,497,087. In 1984, it reported gross income of $1,405,300 on billings of $8,144,867.

The agency's 1985 U.S. volume consisted of $4,295,993 in media, $2,209,740 in materials and services and $3,991,354 in capitalized fees. Its 1984 U.S. volume consisted of $3,587,213 in media, $1,837,741 in materials and services and $2,719,913 in capitalized fees.

In 1985, the agency gained: Sleepy's Bedding Centers; Vanguard Ventures; Rexall Group; American Investors; Allied Old English, Sorrell Ridge Conserves; Biomedical Publishing Co., *Rx Being Well* magazine, Compendium; Nutricon; Nature du France. It lost: Allied Old English, Sorrell Ridge Conserves.

Quirks and quakes

What's in a name, anyway? Calet, Hirsh & Spector was once DKG Advertising Inc., named Agency of the Year in 1976 by Ad Age. It began as Kurnit, Geller Associates, which merged with Delehanty & Frankel to become Delehanty, Kurnit & Geller. (Geller is Norman Geller of Lord, Federico, Geller & Einstein). It was shortened to DKG, which at the time of the Agency of the Year kudos, was headed by exec vps, Neil Calet and Peter Hirsch, and Lawrence Spector, president, and Shepard Kurnit, chairman.

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Billings breakdown: Newspapers 20%, magazines 22%, radio 15%, spot tv 30%, outdoor 5%, business papers 5%, point of sale 3%.

Top exec: Philip E. Franznick, president. Employes: 20.

Phone: (212) 696-4260.

Fraser Advertising, Atlanta, reported gross income of $154,050 in 1985 on billings of $969,583. In 1984, it reported gross income of $110,753 on billings of $714,436.

The agency's 1985 U.S. volume consisted of $610,650 in media, $172,507 in materials and services and $186,426 in capitalized fees. Its 1984 U.S. volume consisted of $383,992 in media, $83,227 in materials and services and $247,217 in capitalized fees.

In 1985, the agency gained: Transportation Services Group; *Dixie Contractor* magazine. It lost: World Distribution Systems.

Billings breakdown: Newspapers 33%, magazines 2%, radio 8%, spot tv 51%, business papers 6%, direct mail 1%.

Top exec: Neil L. Fraser, president. Employes: 2.

Phone: (404) 892-7060.

Fredericks Kullberg Amato Pisacane, New York, reported gross income of $2,235,000 in 1985 on billings of $15,167,000. In 1984, it reported gross income of $1,850,000 on billings of $12,000,000.

The agency's 1985 U.S. volume consisted of $12,600,000 in media, $1,900,000 in materials and services and $667,000 in capitalized fees. Its 1984 U.S. volume consisted of $10,200,000 in media and $1,800,000 in materials and services.

The agency did not consolidate returns from its subsidiary:

• Media/Marketing Directions.

In 1985, the agency gained: Curtain Country; Excel Mktg Services; Golden Tulip Barbizon; Phifer Johnston Associates; The Surgeons Guild.

Billings breakdown: Newspapers 15%, magazines 25%, radio 10%, network tv 5%, spot tv 30%, business papers 12%, point of sale 1%, Yellow Pages 1%, direct mail 1%.

Top execs: Gary W. Kullberg, president-ceo; Al Amato, Nick Pisacane, exec vps-creative directors. Senior vps—Joe Murray, media director; Audrey Kullberg, mktg director; Dale Barlow, mng director, FKAP/Barlow. Employes: 18.

Phone: (212) 730-1630.

Friedman Associates, West Orange, N.J., reported gross income of $250,000 in 1985 on billings of $1,535,000. The agency did not provide figures for 1984.

The agency's 1985 U.S. volume consisted of $1,500,000 in media and $35,000 in materials and services.

Billings breakdown: Newspapers 94%, magazines 1%, radio 5%.

Top exec: Joseph Friedman, owner. Employes: 3.

Phone: (201) 325-1314.

Fry/Hammond/Barr, Orlando, Fla., reported gross income of $1,792,227 in 1985 on billings of $11,155,574. In 1984, it reported gross income of $2,208,709 on billings of $13,955,982.

The agency's 1985 U.S. volume consisted of $6,157,923 in media, $1,884,749 in materials and services and $3,112,902 in capitalized fees. Its 1984 U.S. volume consisted of $7,214,044 in media, $2,692,788 in materials and services and $4,049,150 in capitalized fees.

In 1985, the agency gained: Adventist Health System/Sunbelt div; Barnies Coffee & Tea Co.; Good Samaratin Hospital; Naples Community Hospital; Holiday House Restaurants. It lost: Humana; Orlando Renegades, football team; Care Plus; Caterpillar, tractor dealer.

Billings breakdown: Newspapers 26%, magazines 7%, radio 15%, spot tv 19%, outdoor 4%, business papers 11%, Yellow Pages 3%, direct mail 15%.

Top execs: Charles F. Fry, president-ceo; Peter C. Barr, exec vp-coo. Employes: 29.

Phone: (305) 849-0100.

Funari, Fahden, Edina, Minn., reported gross income of $600,000 in 1985 on billings of $4,000,000. In 1984, it reported gross income of $300,000 on billings of $2,000,000.

Billings breakdown: Newspapers 25%, radio 25%, network tv 20%, outdoor 10%, direct mail 2%, direct response newspapers 17%, free-standing inserts 1%.

Top exec: John J. Funari, president-ceo. Employes: 9.

Phone: (612) 944-5050.

Furman, Feiner & Co., Englewood, N.J., reported gross income of $330,000 in 1985 on billings of $2,200,000. In 1984, it reported gross income of $240,000 on billings of $1,625,000.

The agency's 1985 U.S. volume consisted of $1,800,000 in media and $400,000 in materials and services. Its 1984 U.S. volume consisted of $1,400,000 in media and $225,000 in materials and services.

Billings breakdown: Newspapers 80%, magazines 10%, radio 10%.

Top execs: Nat Roth, chmn; Ernie Roth, president-ceo; Tess Seigel, senior vp. Employes: 8.

Phone: (201) 568-1634.

Furman, Roth Advertising, New York, reported gross income of $1,318,000 in 1985 on billings of $8,310,500. In 1984, it reported gross income of $1,143,750 on billings of $7,483,750.

The agency's 1985 U.S. volume consisted of $6,800,000 in media, $510,000 in materials and services and $1,000,500 in capitalized fees. Its 1984 U.S. volume consisted of $6,200,000 in media, $450,000 in materials and services and $833,750 in capitalized fees.

Included in the agency's figures were returns from its Englewood, N.J., office.

In 1985, the agency gained: Sloan's Supermarkets; Peleon, Fioravanti pasta prods.

Billings breakdown: Newspapers 10%, magazines 12%, radio 35%, network tv 10%, spot tv 33%.

Top execs: Nat Roth, chmn; Ernie Roth, president-ceo; Estelle Krasna, senior vp. Employes: 24 in 2 offices.

Phone: (212) 757-7393.

J. Ronald Gaffe Inc., Okemos, Mich., reported gross income of $188,132 in 1985 on billings of $2,565,095. In 1984, it reported gross income of $151,496 on billings of $1,231,679.

In 1985, it reported net income of $17,308, compared with $21,388 in 1984.

The agency's 1985 U.S. volume consisted of $959,122 in media, $473,234 in materials and services and $1,132,739 in capitalized fees. Its 1984 U.S. volume consisted of $625,798 in media, $182,437 in materials and services and $1,231,679 in capitalized fees.

Billings breakdown: Newspapers 50%, magazines 5%, radio 25%, spot tv 20%.

Top execs: J. Ronald Gaffe, president; Diane Patrick, secretary. Employes: 8.

Phone: (517) 349-6770.

Gallagher Group, New York, reported gross income of $981,000 in 1985 on billings of $6,540,000. In 1984, it reported gross income of $900,000 on billings of $6,000,000. All billings were in media for both years.

In 1985, the agency gained: Rainbow Advertising Co.; Canfield Beverages. It lost: WOR-TV (Ch. 9).

Billings breakdown: Newspapers 25%, magazines 3%, radio 20%, spot tv 46%, outdoor 3%, Yellow Pages 3%.

Top execs: James J. Gallagher, president; William Murtha, vp-creative director. Employes: 6.

Phone: (212) 563-3611.

Gann-Dawson, Scranton, Pa., reported gross income of $1,025,327 in 1985 on billings of $6,838,475. In 1984, it reported gross income of $855,460 on billings of $5,704,518.

The agency's 1985 U.S. volume consisted of $3,073,263 in media, $507,624 in materials and services and $3,257,588 in capitalized fees. Its 1984 U.S. volume consisted of $2,435,704 in media, $369,452 in materials and services and $2,899,362 in capitalized fees.

In 1985, the agency gained: Aureus Ltd., sportswear; Edward T. Manley Co.; Blue Cross of Northeast Pa.; Can Do, industrial devel; GTE Sylvania, chemicals, metals; Jiffy Lube.

Billings breakdown: Newspapers 24%, magazines 10%, radio 15%, spot tv 31%, outdoor 1%, business papers 18%, free-standing inserts 1%.

Top execs: William Dawson, chmn, treasurer; William M. Dawson III, president; John Heron Jr., exec vp. Employes: 24.

Phone: (717) 343-6551.

Gardner Communications, San Francisco, reported gross income of $1,617,193 in 1985 on billings of $9,924,388. In 1984, it reported gross income of $1,537,802 on billings of $9,454,675.

The agency's 1985 U.S. volume consisted of $7,677,038 in media, $1,859,656 in materials and services and $387,694 in capitalized fees. Its 1984 U.S. volume consisted of $7,611,012 in media and $1,843,663 in materials and services.

In 1985, the agency gained: Providence Hospital; Power Wheels. It lost: Crocker Galleria; Homestead Savings.

Billings breakdown: Newspapers 28%, magazines 12.7%, radio 15.4%, network tv 21.9%, spot tv 12.9%, cable tv 8.1%, business papers 1%.

Top execs: Robert K. Gardner, president, creative director; Gayle Geary, director mktg services; Karen Young, director-acct mgmt; Gretchen Gardner, creative super. Employes: 17.

Phone: (415) 434-2191.

Geisz International, Los Angeles, had estimated gross income of $8,100,000 in 1985 on billings of $54,000,000. In 1984, it had estimated gross income of $7,650,000 on billings of $51,000,000.

The agency did not provide a volume breakout.

The agency did not consolidate returns from its offices in Dusseldorf, London, Milan, Paris and Tokyo.

Top exec: Emory R. Geisz. Employes: 150.

Phone: (213) 478-0251.

Gerber Advertising, Portland, Ore., reported gross income of $2,296,000 in 1985 on billings of $15,500,000. In 1984, it reported gross income of $2,101,000 on billings of $14,537,000.

The agency's 1985 U.S. volume consisted of $5,700,000 in media, $7,400,000 in materials and services and $2,400,000 in capitalized fees. Its 1984 U.S. volume consisted of $5,100,000 in media, $7,337,000 in materials and services and $2,100,000 in capitalized fees.

In 1985, the agency gained: Tillamook Creamery Assn; VMG/Baby's Choice Disposable Diapers; Stash Tea; Natural LeLait Yogurt; Heins Honey. It lost: Darigold; Salishan.

Billings breakdown: Newspapers 17.21%, magazines 11.61%, radio 20.84%, spot tv 49.06%, outdoor/transit 0.6%, Yellow Pages 0.7%.

Top execs: Tom Hougan, president; Phil Stevens, exec vp, secretary, treasurer. Vps—Elaine Miller, Ron Gayer, Don Dickinson, Sally Impey, Denny Rossmann, acct mgrs; Norm Friant, Lloyd Allen, Erik Perera, creative directors; Betty Chimenti, media director.

Employes: 42.

Phone: (503) 221-0100.

Gilbert, Whitney & Johns, Whippany, N.J., reported gross income of $2,950,000 in 1985 on billings of $19,675,000. In 1984, it reported gross income of $2,700,000 on billings of $18,000,000. The agency did not break out total volume.

In 1985, the agency gained: WB Wood; Huls. It lost: Horizon Bank; Natl Sea prods.

Billings breakdown: Newspapers 10%, magazines 50%, radio 14%, network tv 21%, spot tv 5%.

Top execs: John Daltner, president. Exec vps—John Mimnaugh, creative director; Kenneth Van Reekum, operations; Ted Trevorrow, media, new business; Senior vps—Paul Richartz, Tom Potterfield, Allan Fliss, acct supers. Larry Everling, Valerie Warner, vp-acct supers. Employes: 42.

Phone: (201) 386-1776.

Gillespie Advertising, Princeton, N.J., reported gross income of $2,627,000 in 1985 on billings of $17,515,000. In 1984, it reported gross income of $2,272,000 on billings of $15,116,000.

In 1985, it reported net income of $374,000, compared with $312,000 in 1984.

In 1985, the agency gained: Gallows Point Condominiums; Stuff Yer Face Restaurants; Prodigy Systems; Transamerica DeLaval; R.H. Development; Rider College. It lost: Hill Refrigeration; C&D Battery.

Billings breakdown: Newspapers 10%, magazines 15%, radio 15%, spot tv 5%, cable tv 1%, outdoor 5%, business papers 6%, farm publications 2%, point of sale 2%, direct mail 13%, catalogs 5%, direct response tv 1%, direct response radio 7%, direct response newspapers 3%, direct response magazines 10%.

Top execs: Richard J. Gillespie, president; Richard Parker, senior vp, creative director. Vps—Bud Sylvester, client services; Jack O'Leary, pr; Elizabeth Blazer, business mgr. Employes: 41.

Phone: (609) 799-6000.

Girvin Conrad & Girvin, Rancho Cordova, Cal., reported gross income of $3,987,000 in 1985 on billings of $26,580,000. In 1984, it reported gross income of $2,550,000 on billings of $21,250,000.

In 1985, it reported net income of $850,000, compared with $375,000 in 1984.

The agency's 1985 and 1984 U.S. volume was all in media.

Included in the agency's figures were returns from offices in San Francisco and Fremont, Cal.

In 1985, the agency gained: Orchard Supply Hardware; 7UP Bottlers of San Francisco. It lost: Sofabed Warehouse.

Billings breakdown: Newspapers 8%, magazines 2%, radio 20%, spot tv 60%, outdoor 10%.

Top execs: Richard B. Girvin, president; Al Neish, Ken Lombardi, vps-branch mgrs; Bill Girvin, exec vp; Patricia Girvin, secretary, treasurer. Employes: 43 in 3 offices.

Phone: (916) 985-6600.

Daniel Glassman Advertising, Fairfield, N.J., reported gross income of $4,049,735 in 1985 on billings of $27,133,608. In 1984, it reported gross income of $3,966,440 on billings of $26,575,150.

In 1985, it reported net income of $2,851,307, compared with $2,792,662 in 1984.

The agency's 1985 U.S. volume consisted of $225,000 in media and $26,908,608 in capitalized fees. Its 1984 U.S. volume consisted of $220,000 in media and $26,355,150 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

• Danis Research

• Hospital Research Associates

• Institute for Medical Information

In 1985, the agency gained: Cyanamid Intl; Davis & Geck.

Billings breakdown: Medical journals 8%, direct mail 12%, telemarketing 9%, sales promo/audio-visual 71%.

Top execs: Daniel Glassman, chmn; Sandra Kavalunis, acct super; David Hillman, president, Hospital Rsch Associates; Marianne Stephen, vp-rsch services; Carl S. Raphael, Allen Baum, senior vps. Denis Rsch, Vps—Gene Goldberg; Richard Romanelli, data processing; Iris Baker, financial services. Employes: 100 in 2 offices.

Phone: (201) 575-3507.

Goodby, Berlin & Silverstein, San Francisco, had estimated gross income of $2,250,000 in 1985 on billings of $15,500,000. In 1984, it had estimated gross income of $1,050,000 on billings of $7,000,000.

The agency did not provide a U.S. volume breakdown.

In 1985, the agency gained: MacTaggart Industries, Catchit fishbait; California First Bank; Bradmill Industries, Stubbies and Wallaman sportswear; Starkist, tuna; Fromm & Sichel, Christian Bros. wine and brandy; *San Francisco Examiner Image* magazine.

Billings breakdown: Newspapers 15%, magazines 5%, radio 30%, spot tv 50%.

Top execs: Andy Berlin, Rich Silverstein, Jeff Goodby, Rebecca Holder, principals. Employes: 18.

Phone: (415) 392-0669.

Goodwin, Dannenbaum, Littman & Wingfield, Houston, reported gross income of $5,400,000 in 1985 on billings of $38,000,000. In 1984, it reported gross income of $5,625,000 on billings of $36,000,000.

The agency's 1985 U.S. volume consisted of $21,000,000 in media, $4,270,000 in materials and services and $12,730,000 in capitalized fees. Its 1984 U.S. volume consisted of $21,000,000 in media, $4,500,000 in materials and services and $10,500,000 in capitalized fees.

In 1985, the agency gained: Cargo Devel Group; Deauville Co.; Kanaly Trust; Rolls-Royce Ltd.; Weston Lakes. It lost: PruCare of Houston; Mariner Corp.

Billings breakdown: Newspapers 20%, magazines 5%, radio 10%, spot tv 50%, outdoor 5%, business papers 10%.

Top exec: Earl Littman, chmn-ceo. Employes: 70.

Phone: (713) 977-7676.

M.L. Grant Inc., New York, reported gross income of $1,710,000 in 1985 on billings of $11,400,000. In 1984, it reported gross income of $1,380,000 on billings of $9,200,000.

Included in the agency's figures were returns from its White Plains, N.Y., office.

In 1985, the agency gained: Cargill Corp, poultry div; Constantine Corp; Conrad Fafard Corp; Topps Meats. It lost: Houlihan/Lawrence Corp.

Billings breakdown: Newspapers 30%, magazines 15%, supplements 2%, radio 10%, spot tv 10%, business papers 22%, transit advertising 1%, direct response newspapers 2%, direct response magazines 8%.

Top exec: Marvin Grant, president. Employes: 32 in 2 offices.

Phone: (212) 679-9100.

Grant/Jacoby, Chicago, reported a gross income of $5,200,000 in 1985 on billings of $50,287,000. In 1984, it reported gross income of $4,400,000 on billings of $45,556,000.

The agency's 1985 U.S. volume consisted of $15,000,000 in media, $7,500,000 in materials and services and $27,787,000 in capitalized fees. Its 1984 U.S. volume consisted of $22,000,000 in media, $4,880,000 in materials and services and $18,676,000 in capitalized fees.

In 1985, the agency gained: Jay Foods; Gold Bond, specialty ice cream novelties; Professional Food Service Mgmt, institutional feeding; The Associates, commercial leasing; Domino's, pizza. It lost: KEYCOM, videotex services; WPWR-TV; Weber Stephen Products Co., grills.

Billings breakdown: Newspapers 15%, magazines 10%, radio 8%, network tv 10%, spot tv 20%, cable tv 5%, outdoor 2%, business papers 10%, transit advertising 1%, direct mail 12%, direct response tv 2%, freestanding inserts 5%.

Top execs: Robert L. Fink, chmn; Bruce I. Carlson, president; R. Milton Lunger, exec vp. Senior vps—Mel

colm Gordon, media; Robert W. Lavender, operations; John Willie, mgmt group super. Employes: 90.
Phone: (312) 664-2055. ☑

Gray Baumgarten Layport, Pittsburgh, reported gross income of $1,026,458 in 1985 on billings of $6,699,439. In 1984, it reported gross income of $988,278 on billings of $6,431,479.

The agency's 1985 U.S. volume consisted of $1,342,474 in media, $825,753 in materials and services and $4,531,212 in capitalized fees. Its 1984 U.S. volume consisted of $1,376,112 in media, $900,674 in materials and services and $4,154,693 in capitalized fees.

In 1985, the agency gained: Dawar Technologies; Kazor; Koppers Co.; Magee-Womens Hospital; Tartan Laboratories; Warner Centre Restaurants; W&S Systems Co. It lost: Airway Industries.

Billings breakdown: Newspapers 25%, magazines 15%, radio 10%, spot tv 6%, outdoor 4%, business papers 30%, point of sale 5%, other 5%.

Top exec: Mark H. Gray, president. Employes: 17.
Phone: (412) 279-3732. ☑

Gray & Rogers, Philadelphia, reported gross income of $3.670,000 in 1985 on billings of $26,050,000. In 1984, it reported gross income of $3,530,000 on billings of $25,100,000.

The agency's 1985 U.S. volume consisted of $12,110,000 in media, $5,238,000 in materials and services and $8,702,000 in capitalized fees. Its 1984 U.S. volume consisted of $11,540,000 in media, $4,732,000 in materials and services and $8,828,000 in capitalized fees.

Included in the agency's figures were returns from its Cleveland office.

In 1985, the agency gained: Telemecanique; Johnson & Johnson, dental prods; Pennwalt, corp adv plus organic chemicals, inorganic chemicals, fluorochemicals, Piezo film; Pennsylvania House, sales promo; Donnelly Directory, pr; Philadelphia Water Department; Champale, pr; Variable Protection Administrators. It lost: Chemical Leaman; Capitol Windows; Foster Medical Corp.

Billings breakdown: Newspapers 12%, magazines 9%, radio 11%, network tv 4%, spot tv 9%, outdoor 0.5%, business papers 40%, farm publications 9%, Yellow Pages 3%, direct mail 1.5%, other 1%.

Top execs: James W. Finegan, chmn; Robert T. Butler, president; Robert L. Simpson, exec vp; Charles C. Rose, Elmer Pizzi, David Delman, senior vps. Employes: 72 in 2 offices.
Phone: (215) 864-6800. ☑

Gray Strayton Intl., Waltham, Mass., reported gross income of $5,334,000 in 1985 on billings of $39,140,000. In 1984, it reported gross income of $4,377,000 on billings of $29,010,000.

In 1985, it reported net income of $160,000, compared with $160,000 in 1984.

The agency's 1985 U.S. volume consisted of $2,220,000 in media, $1,900,000 in materials and services and $35,020,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,650,000 in media, $1,450,000 in materials and services and $23,910,000 in capitalized fees.

Included in the agency's figures were returns from its offices in Santa Clara, Cal., and Dallas.

In 1985, the agency gained: Command Data Systems, public safety computer software; Advanced Information Mgmt; Artel Communications Corp., fiber optics; Lee Data, multiuser computer systems; Computer Consoles, fault tolerant computer systems; Datext; Xerox Corp., mktg distribution; Telephone Auction; Quintus, artificial intelligence software; Molecular, multi-user computer systems; Zilog, semiconductors. It lost: Datel, data conversion technology; Fenwal, thermal engineering for fire and explosion suppression and temperature controls.

Billings breakdown: Newspapers 5%, magazines 60%, supplements 5%, business papers 5%, point of sale 10%, Yellow Pages 5%, direct mail 10%.

Top execs: Robert G. Strayson, president; Charles C. Clemente, exec vp-gm; Katharine J. Handrahan, Michael D. Stringer, Marcille G. Williams, senior vps. Employes: 70 in 3 offices.
Phone: (617) 894-3100.

Greene & Claire, New York, reported gross income of $954,900 in 1985 on billings of $8,425,000. In 1984, it reported gross income of $950,000 on billings of $7,280,000.

The agency's 1985 U.S. volume consisted of $4,200,000 in media, $1,625,000 in materials and services and $2,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,500,000 in media, $1,030,000 in materials and services and $1,600,000 in capitalized fees.

In 1985, the agency gained: Gemini Optics Ltd., Harley Davidson eyewear; Russell Stanley Corp; Asahi Chemical, new assignment; Meltny Fabrics. It lost: H. Stern Jewelers.

Billings breakdown: Newspapers 16%, magazines 36%, supplements 10%, radio 5%, spot tv 12%, business papers 12%, point of sale 5%, direct mail 4%.

Top execs: Don Greene, president-ceo; Arthur Abravanel, vp. Employes: 15.
Phone: (212) 695-5800.

Greengage Associates, New York, reported gross income of $1,847,300 in 1985 on billings of $10,868,000. In 1984, it reported gross income of $1,812,000 on billings of $10,668,000.

The agency's 1985 U.S. volume consisted of $8,200,000 in media and $2,668,000 in capitalized fees. Its 1984 U.S. volume consisted of $8,000,000 in media and $2,668,000 in capitalized fees.

In 1985, the agency gained: Regency Cruises; Virgin Islands Seaplane Shuttle; American Re-Insurance Co. It lost: Regent Intl Hotels.

Billings breakdown: Newspapers 26%, magazines 30%, radio 1%, spot tv 24%, cable tv 5%, business papers 5%, point of sale 9%.

Top execs: Richard Ferrelli, president; Reggie Troncone, secretary, treasurer. Employes: 25.
Phone: (212) 752-8866.

Greenwald/Christian Advertising, Philadelphia, reported gross income of $1,184,882 in 1985 on billings of $7,900,000. In 1984, it reported gross income of $1,049,894 on billings of $7,000,000.

The agency's 1985 U.S. volume consisted of $5,750,000 in media, $565,000 in materials and services and $1,585,000 in capitalized fees. Its 1984 U.S. volume consisted of $5,085,960 in media, $500,000 in materials and services and $1,414,040 in capitalized fees.

In 1985, the agency gained: Borel Restaurant Corp; Buck Hill Inn; HBA Mgmt; Holiday Inn. It lost: Delaware Mgmt Co.

Billings breakdown: Newspapers 30%, magazines 8%, radio 25%, network tv 5%, spot tv 22%, cable tv 2%, outdoor 2%, business papers 2%, transit advertising 1%, direct mail 3%.

Top execs: Joseph T. Greenwald, president; Caye Christian, exec vp. Vps—Suzanne E. Salsbury, acct services; Nancy McManus, media services. Employes: 15.
Phone: (215) 568-9797.

Gregory & Clyburne, New Canaan, Conn., reported gross income of $816,098 in 1985 on billings of $5,293,794. In 1984, it reported gross income of $728,660 on billings of $4,726,600.

In 1985, it had net income of $21,216. It did not report net income for 1984.

The agency's 1985 U.S. volume consisted of $594,915 in media, $223,650 in materials and services and $4,475,229 in capitalized fees. Its 1984 U.S. volume consisted of $611,172 in media, $119,688 in materials and services and $3,995,740 in capitalized fees.

In 1985, the agency gained: CUNO; Garrity Industries, flashlights; Forever Cookware; Sani-Dairy; Darien Sport Shop. It lost: Family Britches; Greenwich Office Supply.

Billings breakdown: Newspapers 32%, magazines 23%, medical journals 7%, radio 30%, spot tv 1%, outdoor 1%, transit advertising 1%, Yellow Pages 1%, direct mail 4%.

Top execs: James R. Gregory, president; Evelyn Clyburne, treasurer, secretary. Employes: 14.
Phone: (203) 966-8343.

Gregory & Thomas, Cleveland, reported gross income of $2,729,700 in 1985 on billings of $20,160,612. In 1984, it reported gross income of $2,735,476 on billings of $19,560,155.

In 1985, it had net income of $83,171, compared with $78,410 in 1984.

The agency's 1985 U.S. volume consisted of $6,384,077 in media, $2,327,367 in materials and services and $11,449,168 in capitalized fees. Its 1984 U.S. volume consisted of $5,090,122 in media, $2,208,332 in materials and services and $12,261,701 in capitalized fees.

Included in the agency's figures were returns from subsidiary:
• Gregory PR

It also consolidated an office in Youngstown, O., and another in Cleveland.

In 1985, the agency gained: Ciba-Corning Diagnostics Corp; Hynes Industries; PBI Corp; Russell, Burdsall & Ward, fastener systems; St. Elizabeth's Hospital; *Youngstown Vindicator*, newspaper; Ferro Corp, refractories group and composites; Advance Power supplies. It lost: White Engines.

Billings breakdown: Newspapers 8%, magazines 66%, spot tv 1%, Yellow Pages 23%, catalogs 2%.

Top execs: Ira D. Thomas, chmn; Joseph A. Rini, president. Employes: 57 in 4 offices.
Phone: (216) 621-9632. ☑

Griswold Advertising, Cleveland, purchased on Dec. 31, 1985, by Detroit-based Ross Roy Inc., had gross income of $6,329,106 in 1985 on billings of $42,194,043. In 1984, it reported gross income of $6,098,875 on billings of $38,600,473.

The agency's 1985 U.S. volume consisted of $26,556.934 in media, $8,337,541 in materials and services and $7,299,568 in capitalized fees. Its 1984 U.S. volume consisted of $26,757,086 in media, $5,838,966 in materials and services and $6,004,421 in capitalized fees.

Included in the agency's figures were returns from a Columbus, O., office.

In 1985, the agency gained: Moen, plumbing fixtures; Sidari's, food distribution; Tecmar, computers. It lost: Central Natl Bank; Universal Rundle, plumbing fixures; Alcan Co., aluminum products; New Cleveland Campaign; City of Cleveland.

Billings breakdown: Newspapers 8.3%, magazines 10.8%, radio 4.3%, network tv 24.8%, spot tv 11.3%, outdoor 0.3%, business papers 21.8%, farm publications 0.1%, Yellow Pages 18.3%.

Top execs: Mary E. Landers, chmn; Patrick J. Morin, president-ceo; Thomas J. Tilday, co-chmn; Neal Davis, Gordon Beckwith, exec vps; William Brokaw, senior vp, creative director. Employes: 100 in 2 offices.
Phone: (216) 696-3400. ☑

Grizzard Advertising, Atlanta, a direct marketing agency, had estimated gross income of $4,200,000 in fiscal 1985 ending in July on billings of $12,734,339. In fiscal 1984, it had estimated gross income of $3,600,000 on billings of $10,981,280.

The agency did not consolidate its subsidiary:
• Tabulating Systems & Service, Houston

Billings breakdown: Direct mail 100%.

Top execs: Claude T. Grizzard Jr., chmn; Glenn W. Summerlin, president; Michael D. Dzvonik, exec vp. Employes: 125 in 2 offices.
Phone: (404) 622-1501. ☑

Herb Gross & Co., Rochester, N.Y., had estimated gross income of $165,000 in 1985 on billings of $1,100,000. In 1984, it had estimated gross income of $135,000 on billings of $900,000.

Volume for both years was in capitalized fees.

In 1985, the agency gained: Alaimo Enterprises; Judges Motor Corp; Alenax Corp; Hair Zoo; Leon's Typewriter & Supply Co.; Moran's Home Decorating Centers. It lost: Clover Home Leisure Center; Darvish Oriental Carpet; Command Performance; Empire Vision Center.

Billings breakdown: Newspapers 4%, radio 45%, spot tv 45%, cable tv 2%, outdoor 3%, direct mail 1%.

Top exec: Herb Gross, president. Employes: 9.
Phone: (716) 244-3711.

Gross Townsend Frank, New York, reported gross income of $3,500,000 in 1985 on billings of $23,300,000. In 1984, it reported gross income of $3,000,000 on billings of $20,000,000.

The agency's 1985 and 1984 U.S. volumes were all in capitalized fees.

Included in the agency's figures were returns from subsidiary:
• GFT Public Relations

In 1985, the agency gained: Adria Laboratories; Helmsley-Spear; CooperVision Ophthalmic Products.
It lost: Clay Adams.

Billings breakdown: Cable tv 5%, business papers 55%, point of sale 5%, direct mail 15%, collateral 20%.

Top exec: Alan Gross, president. Employes: 65.
Phone: (212) 475-4040.

Group Two Advertising, Philadelphia, recorded gross income of $2,360,000 in 1985 on billings of $15,750,000. In 1984, it reported gross income of $2,130,000 on billings of $14,250,000.

The agency did not break out its U.S. volume.

Included in the agency's figures were returns from its office in Fort Lauderdale.

In 1985, the agency gained: North American Homes; Perico Island; Austin Hills; Entertainment Group; Ryland Modular Homes; Stetson Hills; Queensberry Court; Stratton Forest. It lost: Marriott Hotels (regional); Jefferson Bank; Southwest Mgmt; Financo.

Billings breakdown: Newspapers 78%, magazines 2%, radio 5%, spot tv 5%, outdoor 2%, business papers 3%, direct mail 5%.

Top execs: Richard Elkman, president; Ronald Elkman, exec vp; Lee Clemmer, acct super; Michael Erace, creative director; Ray Sundo, art director; Dorothy Montgomery, comptroller. Employes: 51 in 2 offices.
Phone: (215) 561-2200.

Grover & Carroll, Boston, had estimated gross income of $191,000 in 1985 on billings of $1,200,000.

The agency's 1985 U.S. volume consisted of $800,000 in media and $400,000 in materials and services. The agency did not report for 1984.

In 1985, the agency gained: Mansfield Scientific, cardiology prods; Scanditronix, PET scanning systems.

Billings breakdown: Medical journals 50%, business papers 50%.

Top exec: C. Stuart Grover, presi-

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Phone: (617) 266-7300.

Carl Guldberg Agency, Ann Arbor, Mich., reported gross income of $399,287 in 1985 on billings of $2,590,039. In 1984, it reported gross income of $296,784 on billings of $1,975,177.

The agency's 1985 U.S. volume consisted of $234,586 in media, $424,094 in materials and services and $1,931,359 in capitalized fees. Its 1984 U.S. volume consisted of $191,173 in media, $293,579 in materials and services and $1,490,425 in capitalized fees.

In 1985, the agency gained: Wheel Horse Products; General Products; Ann Arbor Transportation Authority; QED Environmental Systems; Diamond Sensor Systems.

Billings breakdown: Newspapers 5%, medical journals 10%, spot tv production 6%, business papers 15%, direct mail 20%, catalogs 44%.

Top exec: Carl E. Guldberg, president. Employes: 9.
Phone: (313) 761-8678. ☑

Gumpertz/Bentley/Fried, Los Angeles, reported gross income of $2,294,580 in 1985 on billings of $18,184,347. In 1984, it reported gross income of $2,102,184 on billings of $16,500,000.

The agency's 1985 U.S. volume consisted of $12,320,425 in media, $1,857,072 in materials and services and $4,006,850 in capitalized fees. Its 1984 U.S. volume consisted of $11,472,327 in media, $1,348,941 in materials and services and $3,678,732 in capitalized fees.

In 1985, the agency gained: CareAmerica; Latrobe Brewing; Sundor Brands, Appletise. It lost: Redken Laboratories.

Billings breakdown: Newspapers 7%, magazines 12%, radio 19%, network tv 13%, spot tv 42%, business papers 2%, farm publications 5%.

Top Execs: Richard H. Fried, president; Robert L. Porter, Gerald W. Wright, Robert F. Vanderstok, senior vps. Employes: 32.
Phone: (213) 931-6301.

Haddon Advertising, Chicago, reported gross income of $3,200,000 in 1985 on billings of $27,077,000. In 1984, it reported gross income of $2,965,000 on billings of $24,015,000.

In 1985, it reported net income of $400,000, compared with $425,000 in 1984.

The agency's 1985 U.S. volume consisted of $3,300,000 in media, $3,100,000 in materials and services and $20,677,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,900,000 in media, $3,400,000 in materials and services and $16,715,000 in capitalized fees.

Included in the agency's figures were returns from subsidiary:
• Haddon, Lynch & Baughman, pr

In 1985, the agency gained: Beneficial Insurance Group; Murdoch & Coll, real estate; Safety Harbor Spa & Fitness Center; USAA Federal Savings Bank.

Billings breakdown: Newspapers 12%, magazines 15%, radio 25%, spot tv 15%, direct mail 13%, direct response magazines 20%.

Top execs: Harvey L. Haddon, president; Jacqueline Wagner, Adrianne Richmond, vps. Employes: 50.
Phone: (312) 943-6266. ☑

Halcyon Associates, Brooklyn, reported gross income of $225,000 in 1985 on billings of $1,501,000. In 1984, it reported gross income of $149,000 on billings of $997,000.

The agency's 1985 U.S. volume of $1,501,000 consisted of $280,000 in media, $214,000 in materials and services and $1,007,000 in capitalized fees. Its 1984 U.S. volume of $997,000 consisted of $150,000 in media, $100,000 in materials and services and $747,000 in capitalized fees.

In 1985, the agency gained: Software Publishers Assn.; VM Personal computing, RELAY Gold; Value Screen Plus. It lost: Dun & Bradstreet's, Moody's on Dialog.

Billings breakdown: Newspapers 5%, magazines 40%, business papers 5%, direct mail 25%, catalogs 5%, free-standing inserts 20%.

Top exec: Donald R. Fleck, president. Employes: 6.
Phone: (718) 636-9800.

Haley & Ruckle, Boston, reported gross income of $745,740 in 1985 on billings of $3,242,350. In 1984, it reported gross income of $363,400 on billings of $2,300,000.

The agency's 1985 U.S. volume consisted of $1,812,624 in media, $663,243 in materials and services and $766,483 in capitalized fees. Its 1984 U.S. volume consisted of $1,080,000 in media, $390,000 in materials and services and $830,000 in capitalized fees.

In 1985, the agency gained: Boston Co., mutual funds, Gold Card line of credit; Harvard University Press. It lost: Great Cuts Haircutting Shops; White Cliffs Seacoast Condominiums; Bay Tower Room Restaurant.

Billings breakdown: Newspapers 15%, magazines 10%, radio 30%, spot tv 5%, outdoor 5%, business papers 5%, direct mail 5%, direct response radio 20%, direct response newspapers 5%.

Top execs: Edgar Ruckle, president; Gene Haley, exec vp. Vps—Dianne Driscoll, operations; George Brewer, co-creative director. Employes: 13.
Phone: (617) 542-7777.

Haller Schwarz, Los Angeles, reported gross income of $1,148,000 in 1985 on billings of $7,659,000. In 1984, it reported gross income of $1,085,000 on billings of $7,250,000.

Included in the agency's figures were returns from subsidiary:
• Plummer & Friends, art production

In 1985, the agency gained: Biltmore Hotel; Burlington Northern Air Freight; Computer Software Designs, MacLion Software; RB Furniture; Zehntel, automotive test equipment. It lost: MacLion Software; Informatics General Corp.; Manufacturing Technologies; Protocol Computers; Rosemarie Stack, Le Grains Perfumes.

Billings breakdown: Newspapers 20%, magazines 35%, supplements 5%, radio 5%, spot tv 5%, outdoor 5%, business papers 15%, point of sale 5%, direct mail 5%.

Top execs: Henry Schwarz, president, principal; Anthony Haller, senior vp, principal; Richard Chodkowski, creative director, principal; Missy Powell, vp-acct services; Allene Gray, media director. Employes: 15.
Phone: (213) 462-4433. ☑

Hallmark Advertising, Pittsburgh, reported gross income of $1,415,200 in 1985 on billings of $12,768,000. In 1984, it reported gross income of $1,512,000 on billings of $10,201,000.

The agency's 1985 U.S. volume consisted of $8,500,000 in media, $1,600,000 in materials and services and $2,668,000 in capitalized fees. Its 1984 U.S. volume consisted of $7,000,000 in media, $1,200,000 in materials and services and $2,001,000 in capitalized fees.

In 1985, the agency gained: Bonanza Family Restaurants; Bryant Air Conditioners; Freight Liquidators; Pontiac Dealers of Northwest Pa.

Billings breakdown: Newspapers 8%, magazines 2%, supplements 3%, radio 22%, spot tv 45%, cable tv 3%, outdoor 2%, business papers 1%, transit advertising 1%, point of sale 6%, Yellow Pages 1%, direct mail 2%, direct response tv 1%, free-standing inserts 2%, other 1%.

Top execs: Marvin S. Jacobsen, president; William S. Binstock, vp-accts; Debra Sigal, corp vp; Evelyn S. Stone, secretary. Employes: 42.
Phone: (412) 687-0400.

Hammond Farrell, New York, reported gross income of $2,760,000 in 1985 on billings of $18,400,000. In 1984, it reported gross income of $2,760,000 on billings of $17,980,000.

The agency's 1985 U.S. volume consisted of $2,276,000 in media, $1,535,000 in materials and services and $14,589,000 in capitalized fees. Its 1984 U.S. volume consisted of $2,187,229 in media, $1,461,622 in materials and services and $14,331,149 in capitalized fees.

In 1985, the agency gained: Pirelli Optronic Systems; RCA Americom Video & Audio Services.

Billings breakdown: Newspapers 10%, magazines 65%, spot tv 5%, catalogs 5%, collateral 15%.

Top execs: Hugh J. Farrell, president; James E. Carter, senior vp. Vps—Jeffrey W. Kaumeyer; Michael Rosen, exec art director. Employes: 26.
Phone: (212) 696-5710.

Harland & Tine & White, Hartford, Conn., reported gross income of $2,966,411 in 1985 on billings of $20,252,422. In 1984, it reported gross income of $2,791,757 on billings of $18,617,781.

The agency's 1985 U.S. volume consisted of $5,681,497 in media, $2,007,854 in materials and services and $12,563,071 in capitalized fees. Its 1984 U.S. volume consisted of $4,659,888 in media, $1,823,509 in materials and services and $12,134,384 in capitalized fees.

Included in the agency's figures were returns from its Norwalk, Conn., office.

In 1985, the agency gained: Coldwater Seafood Corp; Connecticut Dept of Economic Devel; New Haven Savings Bank; Park Place. It lost: Hitchcock Chair Co.

Billings breakdown: Newspapers 5%, magazines 21%, supplements 2%, outdoor 40%, direct mail 3%, catalogs 4%, other 21%.

Top execs: Will W. White III, president-ceo; David M. Tine, chmn; Susan Harland, exec vp. Employes: 41 in 2 offices.
Phone: (203) 728-0000.

Harmon Smith Advertising, Kansas City, Mo., reported gross income of $1,312,285 in 1985 on billings of $8,935,538. In 1984, it reported gross income of $1,244,622 on billings of $8,574,315.

The agency's 1985 U.S. volume consisted of $1,756,712 in media, $3,965,526 in materials and services and $3,213,300 in capitalized fees. Its 1984 U.S. volume consisted of $2,758,659 in media, $2,871,241 in materials and services and $2,944,505 in capitalized fees.

Billings breakdown: Newspapers 18%, magazines 52%, radio 5%, spot tv 8%, business papers 14%, farm publications 3%.

Top execs: Austin Harmon, president; John Lee Smith, vp-secretary; Barbara Behner, treasurer; John Rylee, exec vp. Employes: 23.
Phone: (816) 756-0756.

Harris-Edwards, Philadelphia, reported gross income of $1,264,153 in 1985 on billings of $8,423,726. In 1984, it reported gross income of $1,011,323 on billings of $6,738,985.

In 1985, it reported net income of $301,341, compared with $241,073 in 1984.

The agency's 1985 U.S. volume consisted of $866,925 in media, $43,700 in materials and services and $7,513,101 in capitalized fees. Its 1984 U.S. volume consisted of $693,540 in media, $34,960 in materials and services and $6,010,485 in capitalized fees.

In 1985, the agency gained: Life & Health America; Keystone Franklin; Solomon Schnechter Day School; Richman's Ice Cream.

Billings breakdown: Newspapers 3%, magazines 8%, radio 3%, network tv 1%, spot tv 1%, cable tv 1%, outdoor 1%, business papers 25%, point of sale 3%, direct mail 17%, direct response tv 2%, direct response radio 18%, direct response newspapers 15%, direct response magazines 1%, free-standing inserts 1%.

Top execs: Elizabeth F. Harris, president; Edward J. DiUlio, exec vp. Employes: 18.
Phone: (215) 735-3003.

Hart/Conway Co., Rochester, N.Y., reported gross income of $790,121 in 1985 on billings of $5,270,106. In 1984, it reported gross income of $831,987 on billings of $5,549,353.

The agency's 1985 U.S. volume consisted of $2,716,544 in media, $264,458 in materials and services and $2,289,104 in capitalized fees. Its 1984 U.S. volume consisted of $2,497,195 in media, $288,524 in materials and services and $2,763,634 in capitalized fees.

In 1985, the agency gained: CAMDE Corp; Bill Gray's, family restaurants; Houseworks; Rochester Museum & Science Center; Thomas James, financial services; Patrick Pontiac.

Billings breakdown: Newspapers 31%, magazines 2%, radio 34%, spot tv 27%, outdoor 6%.

Top execs: Peter B. Whitcombe, president, treasurer; William A. Westerfield, exec vp. Employes: 20.
Phone: (716) 232-2930. ☑

William F. Haselmire Advertising, West Palm Beach, Fla., had estimated gross income of $450,000 in 1985 on billings of $3,000,000. In 1984, it had estimated gross income of $420,000 on billings of $2,800,000.

In 1985, the agency gained: Breisch Learning Center; Campbell-Branch; Cricket Shops; First American Realty Services; Lake Hospital; Shannon Ginn Construction; With Style Hair Designs; Wolfe Enterprises. It lost: Chapel Court; Corporate Design Interiors.

Billings breakdown: Newspapers 15%, magazines 9%, radio 16%, spot tv 44%, outdoor 3%, business papers 13%.

Top execs: William F. Haselmire, president; F. Dan Haselmire, vp-secretary, treasurer. Employes: 13.
Phone: (305) 655-8177.

Haselow & Associates, Cleveland, reported gross income of $570,000 in 1985 on billings of $4,051,900. In 1984, it reported gross income of $349,000 on billings of $2,523,830.

The agency's 1985 U.S. volume consisted of $250,000 in materials and services and $3,801,900 in capitalized fees. Its 1984 U.S. volume consisted of $196,000 in materials and services and $2,327,830 in capitalized fees.

In 1985, the agency gained: Ellwood City Forge, open die forgings; Uddeholm Corp, tool steels

Billings breakdown: Business papers 25%, direct mail 4%, catalogs/sales literature 34%, research 2%, other 35%.

Top execs: John H. Haselow, president; Joan L. Braidech, vp. Employes: 13.
Phone: (216) 831-6060. ☑

Healy-Schutte & Co., Buffalo, reported gross income of $4,065,000 in 1985 on billings of $29,120,000. In 1984, it reported gross income of $3,432,000 on billings of $24,093,000.

The agency's 1985 U.S. volume consisted of $4,345,000 in media, $3,751,000 in materials and services and $21,024,000 in capitalized fees. Its 1984 U.S. volume consisted of $4,161,000 in media, $3,491,000 in materials and services and $16,441,000 in capitalized fees.

Included in the agency's figures were returns from its office in Rochester, N.Y.

In 1985, the agency gained: Buffalo General Hospital; Convenient Food Marts; Buffalo Bisons. It lost: Columbus McKinnon Corp.

Billings breakdown: Newspapers 19%, magazines 25.8%, radio 12.0%, spot tv 41.7%, outdoor 1.4%.

Top execs: Presidents—Alden F. Schutte, ceo; Nancy Turgeon (Rochester). Richard Day, senior vp, acct services. Vps—Richard P. Tamulski, finance, admin; James Chirumbolo, operations; Richard Walsh, mgmt services; David Colway, finance (Rochester). Employes: 96 in 2 offices.
Phone: (716) 884-2120.

Roni Hicks & Associates, San Diego, reported gross income of $1,079,551 in 1985 on billings of $6,773,095. In 1984, it reported gross income of $904,753 on billings of $5,684,368.

The agency's 1985 U.S. volume consisted of $1,065,207 in media, $1,346,656 in materials and services and $4,361,232 in capitalized fees. Its 1984 U.S. volume consisted of $800,000 in media, $1,176,475 in materials and services and $3,707,893 in capitalized fees.

In 1985, the agency gained: Di Giorgio Devel, Rams Hill; American Medical Intl, western div; Fieldstone Co., Orange County corp office; Willis M. Allen Co.; Harry L. Summers Inc; Gaslamp Quarter Theatre; San Dieguito Group; Wayne Foster Entertainment Productions. It lost: Watt Industries, Fairbanks Ranch; Collins Devel, University Canyon; Home Capital Corp, Barrington Place.

Billings breakdown: Newspapers 53%, magazines 20%, radio 25%, outdoor 0.5%, business papers 1.5%.

Top exec: Roni Hicks, president. Employes: 17.
Phone: (619) 296-8806. ☑

Hicks & Grayson, Coral Gables, Fla. reported gross income of $394,465 in 1985 on billings of $2,089,731. In 1984, it reported gross income of $404,271 on billings of $2,414,611.

The agency's 1985 U.S. volume consisted of $1,172,945 in media, $633,798 in materials and services and $282,988 in capitalized fees. Its 1984 U.S. volume consisted of $1,427,967 in media, $534,965 in materials and services and $451,679 in capitalized fees.

In 1985, the agency gained: Sentinel Group, specialty glass; Hopkins-Easton & Associates, real estate syndication; Medical Care Devel; Damone/Andrew; Coconut Grove Hotel. It lost: CD Medical, artificial kidneys.

Billings breakdown: Newspapers 21%, magazines 15%, medical journals 5%, radio 18%, spot tv 25%, business papers 10%, Yellow Pages 1%, direct mail 2%, other 3%.

Top execs: Donald J. Hicks, president; Stephan A. Grayson, vp. Employes: 3.
Phone: (305) 444-7463. ☑

Hiebing Group, Madison, Wis., reported gross income of $801,436 in 1985 on billings of $6,305,981. In 1984, it reported gross income of $727,207 on billings of $5,441,163.

In 1985, it reported net income of $113,677 before taxes, profit sharing and bonus, compared with $111,677 in 1984.

The agency's 1985 U.S. volume consisted of $1,088,584 in media, $835,514 in materials and services and $4,381,883 in capitalized fees. Its 1984 U.S. volume consisted of $873,365 in media, $438,254 in materials and services and $4,129,544 in capitalized fees.

In 1985, the agency gained: Home Savings & Loan; Physicians Plus; First Natl Bank & Trust. It lost: Brady's; Portel Services Network; Quisling Clinic.

Billings breakdown: Newspapers 10%, magazines 5%, radio 6%, spot tv 55%, outdoor 3%, point of sale 1%, direct mail 5%, collateral, rsch 15%.

Top exec: Roman G. Hiebing Jr., president. Employes: 19.
Phone: (608) 256-6357. ☑

Hinton & Steel, Seattle, reported gross income of $405,095 in 1985 on billings of $3,163,541. In 1984, it reported gross income of $314,572 on billings of $2,348,748.

In 1985, it reported net income of $15,402, compared with $11,779 in 1984.

The agency's 1985 U.S. volume consisted of $822,620 in media, $447,368 in materials and services and $1,893,553 in capitalized fees. Its 1984 U.S. volume consisted of $632,865 in media, $409,251 in materials and services and $1,306,632 in capitalized fees.

In 1985, the agency gained: Luxor North America, satellite television systems; Washington Dental Systems, dental insurance.

Billings breakdown: Newspapers

20%, magazines 5%, radio 20%, spot tv 20%, outdoor 5%, business papers 10%, transit advertising 5%, Yellow Pages 5%, direct mail 5%, catalogs 5%.

Top execs: Dennis D. Hinton, president; David C. Steel Jr., secretary, treasurer. Employes: 12.

Phone: (206) 441-3455. ☑

Hirsch Elliott Inc., New York, reported gross income of $752,000 in 1985 on billings of $5,012,900. In 1984, it reported gross income of $487,029 on billings of $3,944,928.

The agency's 1985 U.S. volume consisted of $688,000 in media, $1,190,000 in materials and services and $3,134,900 in capitalized fees. Its 1984 U.S. volume consisted of $606,000 in media, $815,000 in materials and services and $2,523,928 in capitalized fees.

The agency did not consolidate subsidiary:

• Barmmer Elliott Public Relations

In 1985, the agency gained: American Institute of Chemical Engineers, trade shows; CenterCore; Coleco, Sectaurs Club; Ektron Systems; Nabisco Brands, recruitment adv; Travelers Co., recruitment adv. It lost: James Talcott Inc., factoring and business credit.

Billings breakdown: Newspapers 25%, magazines 1%, radio 3%, business papers 27%, direct mail 25%, brochures 19%.

Top execs: Don Elliott, president; Bernie Hirsch, exec vp. Employes: 13.

Phone: (212) 819-9320.

J.P. Hogan & Co., Knoxville, Tenn., reported gross income of $1,512,865 in 1985 on billings of $10,252,430. In 1984, it reported gross income of $1,215,840 on billings of $8,105,600.

In 1985, it had net income of $195,330, compared with $287,725 in 1984.

The agency's 1985 U.S. volume consisted of $2,426,465 in media, $1,522,860 in materials and services and $6,303,105 in capitalized fees. Its 1984 U.S. volume consisted of $2,066,480 in media, $1,166,520 in materials and services and $4,872,600 in capitalized fees.

In 1985, the agency gained: Carpet Cushion Council; Kingsdown; Piedmont Energy Systems; Sealmaster. It lost: Colorstrand; Custom Coating; Macawber Engineering; Recticel Foam Corp.

Billings breakdown: Newspapers 3.2%, magazines 4.6%, radio 3.6%, spot tv 3.4%, cable tv 0.6%, business papers 12.8%, point of sale 9.4%, Yellow Pages 0.5%, direct mail 21.2%, catalogs and brochures 19.6%, pr, mktg, fees 21.1%.

Top execs: Joseph P. Hogan, president; Ray V. Anthony, exec vp; Robert J. Luedeka, vp. Employes: 28.

Phone: (615) 546-7661.

Holmes, Boucher & Co., Providence, R.I., which acquired Williams Co., Providence, R.I., in 1985, reported gross income of $476,000 in 1985 on billings of $3,175,000. In 1984, it reported gross income of $464,000 on billings of $3,105,000.

The agency's 1985 U.S. volume consisted of $980,000 in media, $810,000 in materials and services and $1,385,000 in capitalized fees. Its 1984 U.S. volume consisted of $816,000 in media, $815,000 in materials and services and $1,474,000 in capitalized fees.

In 1985, the agency gained: American Fund Raising Services; Freeman Furniture; MillTowne Marketplace. It lost: Columbus Nati Bank.

Billings breakdown: Newspapers 5%, magazines 30%, radio 10%, local tv 5%, business papers 50%.

Top execs: M. Jeffery Holmes, president; Roger W. Boucher, exec vp; Milo J. Berking, vp. Employes: 8.

Phone: (401) 331-6331. ☑

Homer & Durham Advertising, New York, reported gross income of $2,708,022 in 1985 on billings of $20,376,384. In 1984, it reported gross income of $2,580,722 on billings of $18,710,501.

The agency's 1985 U.S. volume consisted of $6,183,875 in media, $1,338,557 in materials and services and $12,853,952 in capitalized fees. Its 1984 U.S. volume consisted of $6,134,290 in media, $1,500,155 in materials and services and $11,076,056 in capitalized fees.

In 1985, the agency gained: Boston Safe Deposit & Trust Co.; Home Life Insurance; Cutlass & Moore; Lykes Bros. Steamship Co.; Frederick Wildman & Sons, wine importers; Colonial Penn Financial Group. It lost: Olds Metro Club Dealers Associates; Salen Lindblad Cruising.

Billings breakdown: Newspapers 14%, magazines 25%, supplements 2%, radio 5%, spot tv 7%, business papers 24%, point of sale 11%, Yellow Pages 1%, direct mail 8%, direct response magazines 2%, free-standing inserts 1%.

Top execs: Tamara K. Homer, president; Guy F. Durham, exec vp. Vps—John Fisher, mktg; June Wohlhorn, media; John Gruntkowski, production. Employes: 40.

Phone: (212) 477-5400.

Hood, Hope & Associates, Tulsa, reported gross income of $4,397,614 in 1985 on billings of $31,016,833. In 1984, it reported gross income of $4,376,235 on billings of $30,250,019.

The agency's 1985 U.S. volume consisted of $5,236,555 in media, $2,256,675 in materials and services and $23,523,603 in capitalized fees. Its 1984 U.S. volume consisted of $4,864,527 in media, $2,353,667 in materials and services and $23,031,825 in capitalized fees.

In 1985, the agency gained: Oklahoma Oldsmobile Dealers; MotorGuide; Int'l American Ceramics; Brass Tracker, boats; Pro-Mark, Weight Watchers dairy prods; C.E. Invalco. It lost: Doubletree Hotel; Bank of Commerce, Kensington.

Billings breakdown: Newspapers 20%, magazines 42%, radio 8%, spot tv 18%, cable tv 1%, outdoor 1%, business papers 8%, farm publications 2%.

Top execs: C.H. Hood, chmn; J.R. Roberts, vice chmn; B.E. Fick, president; J.B. Bowers, exec vp; W.B. Bowlin, D.C. Schrage, senior vps. Employes: 89.

Phone: (918) 250-9511. ☑

Hood, Light & Geise, Harrisburg, Pa., reported gross income of $546,218 in 1985 on billings of $3,570,000. In 1984, it reported gross income of $484,733 on billings of $3,465,000.

In 1985, it had net income of $13,000, compared with $23,000 in 1984.

The agency's 1985 U.S. volume consisted of $1,090,000 in media, $412,000 in materials and services and $2,068,000 in capitalized fees. Its 1984 U.S. volume consisted of $1,424,000 in media, $373,000 in materials and services and $1,668,000 in capitalized fees.

Billings breakdown: Newspapers 26%, magazines 11%, radio 22%, network tv 24%, outdoor 17%.

Top exec: George Geise, president. Employes: 14.

Phone: (717) 234-8091.

Hughes Advertising, St. Louis, reported gross income of $1,722,446 in 1985 on billings of $14,028,921. In 1984, it reported gross income of $1,723,133 on billings of $13,814,684.

The agency's 1985 U.S. volume consisted of $4,975,222 in media, $1,318,103 in materials and services and $7,735,596 in capitalized fees. Its 1984 U.S. volume consisted of $4,933,463 in media, $1,606,572 in materials and services and $7,274,649 in capitalized fees.

In 1985, the agency gained: Prince Gardner; Rawlings; Ravarino & Freschi; St. Mary's Hospital; Hager Hinge; Universal Match; Imperial Charcoal. It lost: KangaROOS; Marriott's Tan-Tar-A Resort; Bi-State Development

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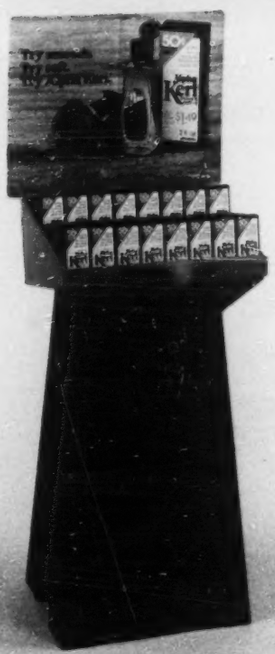

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Billings breakdown: Newspapers 10%, magazines 10%, radio 20%, spot tv 32%, cable tv 1%, outdoor 2%, business papers 15%, direct mail 10%.

Top execs: Jack A. Hughes, president; Larry R. McLane, exec vp; Donald H. Fosher, Henry George, senior vps. Employes: 34.

Phone: (314) 862-9111. ☑

Huntsinger, Jeffer, VanGroesbeck, Richmond, Va., reported gross income of $2,438,494 in 1985 on billings of $15,198,994. In 1984, it reported gross income of $1,772,011 on billings of $11,094,813.

In 1985, it reported net income of $179,093, compared with $21,248 in 1984.

The agency's 1985 U.S. volume consisted of $9,530,337 in media, $522,579 in materials and services and $5,146,078 in capitalized fees. Its 1984 U.S. volume consisted of $5,789,715 in media, $549,715 in materials and services and $4,755,383 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- HJV Telemarketing
- Personal Letters
- Old Dominion List Co.

In 1985, the agency gained: C.A.R.E.

Billings breakdown: Newspapers 2%, magazines 17%, spot tv 7%, direct mail 65%, telemarketing 8%, printing 1%.

Top execs: Jerald E. Huntsinger, chmn; Donald P. Jeffer, president; Kevin VanGroesbeck, exec vp; Edward T. Hurley, vp operations. Employes: 75.

Phone: (804) 266-2499. ☑

Image Dynamics, Baltimore, had estimated gross income of $1,856,000 in 1985 on billings of $12,374,889. In 1984, it had estimated gross income of $1,494,000 on billings of $9,958,687.

The agency's 1985 U.S. volume consisted of $2,857,113 in media and $9,517,777 in capitalized fees. No volume breakouts were provided in 1984.

In 1985, the agency gained: Embassy Suites; Medex Corp.; Westinghouse Lima; Scarlett Place; Frederick Ward Associates; Price Co.; Baltimore Federal Financial; Medical & Chirurgical Faculty; Operetta Renaissance; Popeyes; Prime Rib. It lost: King's Grant; Northern Pharmacy; Morgan Millard; Museum Cafe.

Billings breakdown: Newspapers 20%, magazines 12%, medical journals 1%, supplements 2%, radio 24%, spot tv 18%, cable tv 3%, outdoor 5%, business papers 5%, transit advertising 2%, direct mail 1%, catalogs 1%, direct response tv 1%, direct response radio 1%, direct response newspapers 1%, direct response magazines 1%, freestanding inserts 1%, other 1%.

Top exec: Phyllis B. Brotman, president-ceo. Employes: 27.

Phone: (301) 539-7730. ☑

Impact Marketing & Communications, Boston, reported gross income of $1,750,000 in 1985 on billings of $8,102,000. In 1984, it reported gross income of $950,000 on billings of $4,834,500.

The agency's 1985 U.S. volume consisted of $2,600,000 in media, $1,500,000 in materials and services and $4,002,000 in capitalized fees. Its 1984 U.S. volume consisted of $1,700,000 in media, $800,000 in materials and services and $2,334,500 in capitalized fees.

In 1985, the agency gained: Computer Design & Applications; Midland-Ross Corp; Miraco; Imagitex. It lost: Ventron Corp; Bird Johnson Corp; Project Software & Development.

Billings breakdown: Newspapers 5%, magazines 50%, radio 5%, direct mail 20%, catalogs 20%.

Top exec: Betsyann Duval, president. Employes: 30.

Phone: (617) 542-3130. ☑

InterCommunications, Newport Beach, Cal., reported gross income of $1,626,661 in 1985 on billings of $11,349,829. In 1984, it reported gross income of $1,062,827 on billings of $7,489,056.

The agency's 1985 U.S. volume consisted of $500,000 in materials and services and $10,849,829 in capitalized fees. Its 1984 U.S. volume consisted of $400,000 in materials and services and $7,089,056 in capitalized fees.

In 1985, the agency gained: Jack Nicklaus Devel. It lost: Genstar, land devel.

Billings breakdown: Newspapers 35%, magazines 20%, radio 10%, spot tv 10%, outdoor 20%, direct mail 5%.

Top exec: Toni Alexander, president, principal. Employes: 18.

Phone: (714) 644-7520. ☑

Intermarco Advertising, New York, reported gross income of $1,700,000 in 1985 on billings of $15,175,600. In 1984, it reported gross income of $1,649,000 on billings of $12,170,000.

The agency's 1985 U.S. volume consisted of $10,992,300 in media and $4,183,300 in capitalized fees. Its 1984 U.S. volume consisted of $7,997,000 in media and $4,173,000 in capitalized fees.

In 1985, the agency gained: French Govt Tourist Office; French West Indies; Credit Lyonnais; Marineland Bank. It lost: L'Oreal; City Investing.

Top execs: Arlene Hoffman, president-cfo; Nick Lamicella, vp-creative director. Employes: 16.

Phone: (212) 980-8550.

Isidor & Paulson, New York, reported gross income of $2,307,503 in 1985 on billings of $24,036,492. In 1984, it reported gross income of $1,400,000 on billings of $14,563,111.

The agency's 1985 U.S. volume consisted of $13,580,195 in media, $4,225,075 in materials and services and $6,231,222 in capitalized fees. Its 1984 U.S. volume consisted of $7,807,030 in media, $2,405,000 in materials and services and $4,351,081 in capitalized fees.

In 1985, the agency gained: Raytheon Co., Caloric Corp div; General Foods; Mobile Chemical Co.; Princess Hotel Intl; Spring Industries; Suntory Intl Corp. It lost: Moseley, Hallgarten,

Ten-year % growth review of top 25 agencies

Worldwide

Agencies by average annual % change in gross income

For '76-'85

Rank	Agency	avg.	max.	min.
1	Saatchi & Saatchi Compton	26.2%	57.5%	-6.0%
2	Backer & Spielvogel	25.8%	53.8%	-2.6%
3	Scali, McCabe, Sloves	23.9%	48.8%	12.7%
4	Ted Bates Worldwide	20.4%	50.4%	8.0%
5	Ogilvy Group	18.5%	34.0%	9.8%
6	BBDO International	16.8%	22.5%	9.4%
7	Young & Rubicam	16.5%	36.7%	2.7%
8	N W Ayer	15.7%	37.4%	2.1%
9	Needham Harper Worldwide	15.8%	23.7%	7.2%
10	Marschalk Campbell-Ewald	15.7%	44.1%	0.6%
11	Doyle Dane Bernbach	15.6%	44.9%	5.8%
12	Grey Advertising	15.6%	23.9%	11.0%
13	Wells, Rich, Greene	13.9%	27.7%	1.0%
14	Dancer Fitzgerald Sample	13.4%	31.4%	5.2%
15	William Esty Co.	13.2%	28.3%	-8.0%
16	J. Walter Thompson Co.	12.8%	27.0%	2.9%
17	HCM	12.6%	27.5%	-27.5%
18	Foote, Cone & Belding	12.4%	28.9%	-15.9%
19	SSC&B:Lintas Worldwide	12.0%	51.6%	-5.8%
20	C&W Group	11.7%	39.6%	-4.3%
21	McCann-Erickson Worldwide	11.6%	29.5%	-3.2%
22	Bozell, Jacobs, K&E	11.2%	23.9%	-4.0%
23	Leo Burnett Co.	10.9%	19.1%	-2.1%
24	D'Arcy Masius B&B	10.3%	22.8%	-4.7%
25	Ketchum Communications	10.2%	15.5%	-2.9%

Agencies by average annual % change in billings

For '76-'85

Rank	Agency	avg.	max.	min.
1	Saatchi & Saatchi Compton	26.6%	59.2%	-5.9%
2	Backer & Spielvogel	25.8%	54.6%	-2.7%
3	Scali, McCabe, Sloves	24.0%	42.3%	9.0%
4	Ogilvy Group	18.9%	38.7%	9.7%
5	Ted Bates Worldwide	18.7%	50.4%	7.3%
6	BBDO International	16.7%	32.4%	7.3%
7	Doyle Dane Bernbach	16.7%	43.2%	7.0%
8	Young & Rubicam	16.3%	41.3%	2.7%
9	N W Ayer	16.2%	38.0%	7.1%
10	Needham Harper Worldwide	15.9%	22.6%	6.7%
11	Marschalk Campbell-Ewald	15.7%	44.2%	0.6%
12	Grey Advertising	15.6%	23.9%	11.0%
13	Wells, Rich, Greene	13.9%	27.9%	2.5%
14	William Esty Co.	13.3%	28.3%	-8.0%
15	Dancer Fitzgerald Sample	12.8%	25.2%	2.4%
16	J. Walter Thompson Co.	12.8%	26.3%	3.5%
17	SSC&B:Lintas Worldwide	12.6%	49.9%	-4.6%
18	HCM	12.6%	27.5%	-26.3%
19	Bozell, Jacobs, K&E	12.5%	23.8%	-4.0%
20	Foote, Cone & Belding	12.4%	28.9%	-13.7%
21	C&W Group	11.9%	59.0%	-8.1%
22	McCann-Erickson Worldwide	11.6%	29.6%	-3.2%
23	Leo Burnett Co.	11.1%	19.3%	-0.1%
24	D'Arcy Masius B&B	10.3%	23.6%	-5.8%
25	Ketchum Communications	9.5%	19.8%	1.8%

U.S.

Agencies by average annual % change in gross income

For '76-'85

Rank	Agency	avg.	max.	min.
1	Saatchi & Saatchi Compton	29.9%	80.9%	6.6%
2	Ted Bates Worldwide	26.0%	80.8%	2.3%
3	Backer & Spielvogel	25.8%	53.8%	-2.6%
4	Ogilvy Group	22.5%	49.6%	12.3%
5	Marschalk Campbell-Ewald	20.9%	60.6%	-0.7%
6	Scali, McCabe, Sloves	20.1%	39.7%	6.0%
7	BBDO International	17.8%	28.4%	5.7%
8	Needham Harper Worldwide	16.9%	24.5%	6.1%
9	Young & Rubicam	16.9%	37.8%	5.4%
10	Doyle Dane Bernbach	15.8%	36.1%	6.6%
11	Bozell, Jacobs, K&E	15.4%	28.8%	-0.2%
12	Grey Advertising	15.4%	24.0%	5.4%
13	Foote, Cone & Belding	15.4%	23.9%	2.5%
14	J. Walter Thompson Co.	14.0%	20.1%	8.8%
15	Wells, Rich, Greene	13.9%	26.6%	1.0%
16	Dancer Fitzgerald Sample	13.7%	28.8%	5.3%
17	William Esty Co.	13.2%	28.3%	-8.0%
18	SSC&B:Lintas Worldwide	13.0%	24.7%	6.0%
19	McCann-Erickson Worldwide	12.6%	24.2%	-6.9%
20	N W Ayer	12.5%	26.4%	-3.7%
21	Ketchum Communications	11.7%	23.3%	6.4%
22	C&W Group	11.7%	39.6%	-4.3%
23	Leo Burnett Co.	10.5%	20.9%	-0.7%
24	D'Arcy Masius B&B	10.4%	18.0%	-9.4%
25	HCM	5.1%	24.0%	-52.1%

Agencies by average annual % change in billings

For '76-'85

Rank	Agency	avg.	max.	min.
1	Saatchi & Saatchi Compton	30.7%	82.4%	8.4%
2	Backer & Spielvogel	25.8%	54.6%	-2.7%
3	Ted Bates Worldwide	22.9%	80.8%	4.7%
4	Ogilvy Group	21.6%	50.8%	4.8%
5	Marschalk Campbell-Ewald	20.9%	60.8%	-0.6%
6	Scali, McCabe, Sloves	20.2%	40.0%	3.2%
7	BBDO International	17.7%	28.9%	5.9%
8	Bozell, Jacobs, K&E	17.3%	29.2%	-0.3%
9	Young & Rubicam	17.0%	46.9%	5.4%
10	Needham Harper Worldwide	17.0%	26.0%	6.1%
11	Doyle Dane Bernbach	16.7%	36.4%	5.4%
12	Grey Advertising	15.4%	23.2%	5.3%
13	Foote, Cone & Belding	15.4%	23.1%	2.8%
14	Dancer Fitzgerald Sample	14.7%	20.3%	3.0%
15	J. Walter Thompson Co.	14.0%	20.1%	8.8%
16	Wells, Rich, Greene	13.9%	26.7%	2.6%
17	N W Ayer	13.8%	26.4%	-0.1%
18	William Esty Co.	13.3%	28.3%	-8.0%
19	SSC&B:Lintas Worldwide	13.1%	26.4%	7.9%
20	McCann-Erickson Worldwide	12.6%	24.2%	-7.0%
21	C&W Group	11.9%	59.0%	-8.1%
22	Ketchum Communications	11.6%	23.5%	6.3%
23	Leo Burnett Co.	10.9%	23.9%	-0.6%
24	D'Arcy Masius B&B	10.8%	18.4%	-9.9%
25	HCM	5.1%	24.6%	-52.1%

Non-U.S.

Agencies by average annual % change in gross income

For '76-'85

Rank	Agency	avg.	max.	min.
1	Scali, McCabe, Sloves	73.4%	342.9%	-3.0%
2	HCM	36.9%	216.4%	-41.8
3	Saatchi & Saatchi Compton	27.5%	106.2%	-21.2%
4	Dancer Fitzgerald Sample	26.3%	120.3%	-89.3%
5	Wells, Rich, Greene	21.2%	83.3%	-46.2%
6	Grey Advertising	17.6%	49.4%	-4.2%
7	Young & Rubicam	16.2%	35.1%	-9.6%
8	Doyle Dane Bernbach	16.0%	64.9%	-10.6%
9	Ted Bates Worldwide	15.8%	36.7%	4.9%
10	BBDO International	15.1%	36.3%	-1.9%
11	Ogilvy Group	14.0%	27.3%	2.6%
12	SSC&B:Lintas Worldwide	12.2%	69.6%	-17.2%
13	Leo Burnett Co.	12.1%	28.1%	-4.3%
14	Needham Harper Worldwide	11.8%	39.8%	-9.3%
15	McCann-Erickson Worldwide	11.6%	35.5%	-11.3%
16	J. Walter Thompson Co.	11.6%	36.1%	-3.6%
17	D'Arcy Masius B&B	10.7%	30.2%	-8.0%
18	Foote, Cone & Belding	9.8%	44.8%	-57.3%
19	Marschalk Campbell-Ewald	5.3%	43.6%	-27.4%
20	Ketchum Communications	5.0%	33.8%	-42.7%
21	Backer & Spielvogel	NA	NA	NA
22	C&W Group	NA	NA	NA
23	N W Ayer	NA	NA	NA
24	William Esty Co.	NA	NA	NA
25	Bozell, Jacobs, K&E	-2.0%	9.6%	-43.2%

Agencies by average annual % change in billings

For '76-'85

Rank	Agency	avg.	max.	min.
1	Scali, McCabe, Sloves	70.2%	266.7%	-6.9%
2	N W Ayer	42.7%	173.3%	-7.1%
3	Saatchi & Saatchi Compton	27.5%	107.7%	-21.9%
4	HCM	25.6%	40.7%	1.3%
5	Wells, Rich, Greene	21.1%	85.7%	-47.2%
6	Doyle Dane Bernbach	17.1%	59.3%	-10.0%
7	Grey Advertising	17.0%	47.5%	-3.9%
8	Young & Rubicam	16.1%	33.5%	-10.1%
9	Ogilvy Group	15.7%	28.1%	2.9%
10	Dancer Fitzgerald Sample	15.7%	123.1%	-92.1%
11	BBDO International	15.2%	38.5%	-0.9%
12	Ted Bates Worldwide	14.7%	24.3%	5.0%
13	SSC&B:Lintas Worldwide	13.6%	69.0%	-24.3%
14	Leo Burnett Co.	12.1%	28.2%	-1.4%
15	McCann-Erickson Worldwide	11.6%	35.5%	-11.2%
16	Needham Harper Worldwide	11.6%	37.9%	-1.4%
17	J. Walter Thompson Co.	11.6%	34.7%	-2.6%
18	D'Arcy Masius B&B	10.0%	33.1%	-6.1%
19	Foote, Cone & Belding	9.6%	44.8%	-54.9%
20	Marschalk Campbell-Ewald	5.3%	43.5%	-27.3%
21	Ketchum Communications	2.0%	64.1%	-23.1%
22	Backer & Spielvogel	NA	NA	NA
23	C&W Group	NA	NA	NA
24	William Esty Co.	NA	NA	NA
25	Bozell, Jacobs, K&E	-2.0%	9.3%	-43.0%

NOTES: Dollars in millions.

Agencies appearing in this 10-year review are the top 25 agencies in 1985 in world gross income. Each agency's dollar value on which the annual percentage growth and annual volume growth were based include subsidiaries from the year their financial results were consolidated into the parent. There is some "double-dipping" on this chart. For example, the gross income and billings for subsidiaries, William Esty, HCM, Cole & Weber, and Scali, McCabe, Sloves, were included in their parent totals from the year they were bought to the present. Individual agency totals also include numbers for agencies bought, merged and folded (losing their identity) into the parent not only for the year purchased, but for preceding years to 1976. This provides a historical reading of the agency as it exists today. An example of this would be PCB International's purchase of NCK (Norman, Craig & Kummel) Organization in 1982. NCK gross income and billings for 1976-1982 were thus merged into PCB.

Backer & Spielvogel's review covers only six years.

Estabrook & Weeden, stockbrokers.

Billings breakdown: Newspapers 23%, magazines 15%, radio 3%, spot tv 56%, business papers 3%.

Top execs: Paul J. Paulson, president-ceo; Anthony Isodor, chmn, creative director. Employes: 21.

Phone: (212) 972-7500.

Jacobs & Clevenger, Chicago, reported gross income of $342,464 in 1985 on billings of $2,646,251. In 1984, it reported gross income of $257,536 on billings of $2,007,280.

The agency's 1985 U.S. volume consisted of $133,185 in media, $323,825 in materials and services and $2,189,241 in capitalized fees. Its 1984 U.S. volume consisted of $73,879 in media, $326,618 in materials and services and $1,606,283 in capitalized fees.

In 1985, the agency gained: Enabling Technologies, Easy3D Software; *Chicago* magazine; American Board of Medical Specialties; South Chicago Community Hospital. It lost: Intl Software Technology; Pines & Birches.

Billings breakdown: Direct mail 88%, catalogs 5%, direct response newspapers 2%, direct response magazines 5%.

Top execs: Ron Jacobs, president; Penny Clevenger, vp-cfo; Judith Finerty, exec vp, creative director. Employes: 14.

Phone: (312) 944-2075.

JAM & Corbett Advertising, Columbus, O., reported gross income of $862,230 in 1985 on billings of $10,956,132. In 1984, it reported gross income of $612,490 on billings of $10,211,997.

The agency's 1985 U.S. volume consisted of $2,998,312 in media, $871,212 in materials and services and $7,086,608 in capitalized fees. Its 1984 U.S. volume consisted of $2,459,549 in media, $691,540 in materials and services and $7,060,908 in capitalized fees.

Included in the agency's figures were returns from offices Erie, Harrisburg and Philadelphia, Pa.

In 1985, the agency gained: Shoe Works; Scot's Lo-Cost; Continental Insurance, Commercial Life Insurance Co. div; Doctors Hospital.

Billings breakdown: Newspapers 22%, magazines 4%, supplements 6%, radio 28%, spot tv 23%, outdoor 4%, point of sale 4%, direct mail 9%.

Top execs: H. Douglas Jones, president; Joseph Anastasi, exec vp; Margaret Corbett, Maureen Lennon, senior vps. Employes: 31 in 4 offices.

Phone: (614) 221-2395. ☑

January & Associates, Nashville, Tenn., reported gross income of $693,000 in 1985 on billings of $4,950,000. In 1984, it reported gross income of $607,000 on billings of $4,400,000.

The agency's 1985 U.S. volume consisted of $4,100,000 in media and $850,000 in materials and services. Its 1984 U.S. volume consisted of $3,800,000 in media and $600,000 in materials and services.

In 1985, the agency gained: Tennessee Christian Medical Center; Music City Music Stores; Crump Co., insurance; Bowling Proprietors Assn of Nashville. It lost: Nashville Flea Market.

Billings breakdown: Newspapers 7%, magazines 1%, medical journals 0.2%, supplements 1.3%, radio 19.2%, spot tv 50%, cable tv 0.5%, outdoor 5%, point of sale 4%, Yellow Pages 1%, direct mail 3%, catalogs 0.8%, free-standing inserts 5%, pr 2%.

Top execs: John. J. January, president; Dotti Adams, vp. Employes: 16.

Phone: (615) 834-6323.

Jarman, Spitzer & Felix, New York, reported gross income of $2,719,431 in 1985 on billings of $16,610,000. In 1984, it reported gross income of $2,359,837 on billings of $14,454,825.

In 1985, it reported net income of $500,000, compared with $424,813 in 1984.

The agency's 1985 U.S. volume consisted of $7,810,000 in media, $5,446,463 in materials and services and $3,353,537 in capitalized fees. Its 1984 U.S. volume consisted of $6,210,855 in media, $5,302,500 in materials and services and $2,941,470 in capitalized fees.

Included in the agency's figures were returns from its unit, Crimmins Co-op Marketing, New York City.

In 1985, the agency gained: Acquanetics, NY oil reclamation for industry; American Technologies, automation systems, computerized ink-jet printing systems; Sekonic RTS, Sekonic photographics meter; Terminal Applications Group.

Billings breakdown: Newspapers 10%, magazines 12%, medical journals 15%, supplements 5%, radio 5%, direct mail 30%, direct response newspapers 10%, direct response magazines 10%, telemarketing 3%.

Top execs: John Spitzer, president; Richard Felix, chmn. Employes: 50 in 2 offices.

Phone: (212) 661-3322. ☑

Jason Group, New York, reported gross income of $800,250 in 1985 on billings of $8,809,000. In 1984, it reported gross income of $782,000 on billings of $7,975,000.

The agency's 1985 U.S. volume consisted of $5,822,000 in media and $2,987,000 in materials and services. Its 1984 U.S. volume consisted of $5,250,000 in media and $2,725,000 in materials and services.

In 1985, the agency gained: Lytel Inc.; Micro Edge; Scientific Evaluations Corp.

Billings breakdown: Newspapers 20%, magazines 45%, radio 10%, spot tv 15%, business papers 10%.

Top execs: Art Sasso, president; Vince Scotti, exec vp. Employes: 11.

Phone: (212) 759-9583. ☑

Jayme Organization, Cleveland, reported gross income of $3,420,000 in 1985 on billings of $27,283,071. In 1984, it reported gross income of $2,510,000 on billings of $19,863,754.

The agency's 1985 U.S. volume consisted of $2,440,416 in media, $2,258,035 in materials and services and $22,584,620 in capitalized fees. Its 1984 U.S. volume consisted of $1,660,776 in media, $1,961,528 in materials and services and $16,241,450 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- The BoardRoom, graphic design/sales promo
- Publicom, pr
- Strategic Research Center Mktg Rsch/Strategic Analysis

In 1985, the agency gained: Ziff-Davis Corp, Information Mktg Intl; Kaiser Chemicals; Harshaw/Filtrol Partnership; Diebold Inc., security prods div.

Billings breakdown: Newspapers 12%, magazines 15%, radio 10%, spot tv 5%, business papers 47%, point of sale 2%, Yellow Pages 2%, direct mail 7%.

Top execs: George N. Havens, chmn-ceo; Michael E. Cargile, president; Lawrence R. Kavanaugh, exec vp; Allen B. Straka, vp-finance. Presidents—Cathy A. Pokorny, Publicom; Kathleen M. Wallace, Strategic Research Center; Kim F. Zarney, The BoardRoom; James E. Horn, senior vp; Edward D. Young, honorary chmn. Employes: 75.

Phone: (216) 831-0110. ☑

T.S. Jenkins & Associates, Flint, Mich., reported gross income of $598,974 in 1985 on billings of $4,120,906. In 1984, it reported gross income of $414,000 on billings of $2,840,420.

The agency's 1985 U.S. volume consisted of $1,226,335 in media, $267,365 in materials and services and $2,627,206 in capitalized fees. Its 1984 U.S. volume consisted of $787,000 in media, $209,165 in materials and services and $1,844,255 in capitalized

fees.

In 1985, the agency gained: J. Austin Oil; Water St. Pavilion, retail; Dee Cramer; Flint Area Conference; Narrae Intl.

Billings breakdown: Newspapers 38%, magazines 4%, radio 20%, spot tv 26%, outdoor 9%, business papers 3%.

Top execs: John G. LeSage, president; Kenneth C. Rice, exec vp; James M. Owsinski, vp; Patricia A. Franklin, secretary, treasurer. Employes: 13.

Phone: (313) 235-5654.

Jiloty, Shipley & Associates, Holly Hill, Fla., reported gross income of $430,482 in 1985 on billings of $2,989,082. In 1984, it reported gross income of $332,084 on billings of $2,294,041.

The agency's 1985 U.S. volume consisted of $841,865 in media, $548,078 in materials and services and $1,599,139 in capitalized fees. Its 1984 U.S. volume consisted of $827,038 in media, $383,629 in materials and services and $1,083,374 in capitalized fees.

In 1985, the agency gained: The Trails; University Hospital; Compusafe; Ormond in the Pines. It lost: Bellemead Devel Corp.

Billings breakdown: Newspapers 20%, magazines 48%, radio 10%, spot tv 5%, outdoor 5%, direct mail 10%, direct response tv 2%.

Top execs: Michael J. Jiloty, president; G. James Shipley, exec vp. Employes: 11.

Phone: (904) 677-0673.

Rick Johnson & Co., Albuquerque, reported gross income of $1,650,000 in 1985 on billings of $11,005,500. In 1984, it reported gross income of $1,477,000 on billings of $9,851,590.

The agency did not consolidate Sterling Tape or Sound Studio.

In 1985, the agency gained: Bolack Total Travel; Guynes Printing; Hinkle-Keeran Group; Springer Building Project; Villa Santenay; Albuquerque Museum; Bateman-Souders; European Lifestyles; Capitol Chevrolet; Customwood; CenterWest; LYNX ATM Network; New Mexico State Fair; Frank Bond for Governor. It lost: Campbell Mobile Homes; House of Carpets; Lovelace Health Plan; Strombergs; Wellborn.

Billings breakdown: Newspapers 10%, magazines 5%, radio 10%, network tv 20%, outdoor 15%, business papers 2%, point of sale 2%, direct mail 5%, catalogs 1%, free-standing inserts 2%, other 28%.

Top execs: Eric D. Johnson, president; Deborah U. Johnson, Sterling R. Grant, Lee Snedaker, senior vps. Employes: 44 in 2 offices.

Phone: (505) 881-7333. ☑

Jonethis Organization, Akron, reported gross income of $793,072 in 1985 on billings of $6,448,235. In 1984, it reported gross income of $716,318 on billings of $5,657,136.

The agency's 1985 U.S. volume consisted of $332,212 in media and $6,116,023 in capitalized fees. Its 1984 U.S. volume consisted of $191,331 in media and $5,465,805 in capitalized fees.

Billings breakdown: Newspapers 32.3%, magazines 19.6%, radio 25.7%, network tv 1.3%, business papers 4.1%, other 17%.

Top exec: David G. Jonethis, president. Employes: 16.

Phone: (216) 375-5122.

Jordan/Tamraz/Caruso Advertising, Chicago, reported a gross income of $4,300,000 in 1985 on billings of $28,680,000. In 1984, it reported gross income of $3,780,000 on billings of $25,200,000.

The agency's 1985 U.S. volume consisted of $20,600,000 in media, $5,480,000 in materials and services and $2,600,000 in capitalized fees. Its 1984 U.S. volume consisted of $18,040,000 in media, $4,520,000 in materials and services and $2,640,000 in capitalized fees.

In 1985, the agency gained: Space Options; Western Devel Corp; Business Computer Systems; MARTA Appliance Dealers; Buick Dealers (including Dallas/Fort Worth and Minneapolis/St. Paul); First United Financial Services; Mt. Prospect State Bank. It lost: Domino's Pizza (midwest region); Cook's Mart.

Billings breakdown: Newspapers 24%, magazines 10%, radio 19%, spot tv 32%, outdoor 4%, collateral 11%.

Top execs: Joe Caruso, president; Charles Jordan, exec vp. Employes: 66.

Phone: (312) 951-2000.

Juhl Agency, Elkhart, Ind., had estimated gross income of $3,600,000 in 1985 on billings of $23,569,982. In 1984, it had estimated gross income of $3,300,000 on billings of $21,534,294.

The agency's 1985 U.S. volume consisted of $5,141,000 in media, $2,669,000 in materials and services and $15,759,982 in capitalized fees. Its 1984 U.S. volume consisted of $5,114,664 in media, $2,752,000 in materials and services and $13,667,630 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

• Juhl Public Relations

In 1985, the agency gained: Plano Molding, fishing tackle boxes and tool boxes; Ajax Yardworks; Corporate Health Strategies; Walker Downriggers; Caradco, windows. It lost: Homecrest, kitchen cabinets.

Billings breakdown: Newspapers 0.8%, magazines 11.8%, radio 2.2%, spot tv 1.4%, business papers, Yellow Pages 5.7%, pr 21%, collateral/sales promo 50.2%.

Top execs: Leif R. Juhl, chmn; Howard Blackwood, president-ceo; Max Barrick, exec vp; James Dominello, senior vp. Employes: 83 in 3 offices.

Phone: (219) 293-5621. ☑

Kamstra Communications, St. Paul, Minn., had estimated gross income of $2,100,000 in 1985 on billings of $13,900,000. In 1984, it had estimated gross income of $1,935,000 on billings of $12,900,000.

The agency's 1985 U.S. volume consisted of $1,900,000 in media, $600,000 in materials and services and

Ten-year $ volume review of top 25 agencies

Worldwide

Agencies by average annual volume change in gross income

For '76-'85

Rank	Agency	avg.	max.	min.
1	Young & Rubicam	$44.0	$91.5	$9.1
2	Saatchi & Saatchi Compton	42.4	103.4	(5.0)
3	Ogilvy Group	41.7	75.1	21.7
4	Ted Bates Worldwide	41.4	119.4	7.5
5	J. Walter Thompson Co.	32.8	68.6	9.2
6	BBDO International	31.5	53.7	12.4
7	McCann-Erickson Worldwide	23.5	53.0	(8.9)
8	Grey Advertising	20.9	40.7	7.8
9	D'Arcy Masius B&B	20.4	50.9	(15.8)
10	Foote, Cone & Belding	19.8	60.1	(39.5)
11	Doyle Dane Bernbach	18.5	46.7	8.2
12	Leo Burnett Co.	18.0	37.0	(4.7)
13	SSC&B:Lintas Worldwide	12.9	38.6	(10.1)
14	Marschalk Campbell-Ewald	11.9	30.9	0.6
15	Bozell, Jacobs, K&E	11.7	23.1	(3.2)
16	Needham Harper Worldwide	10.3	20.5	3.4
17	N W Ayer	9.2	17.4	1.6
18	Dancer Fitzgerald Sample	9.1	13.5	3.0
19	Backer & Spielvogel	7.7	14.4	(1.6)
20	Wells, Rich, Greene	7.4	13.8	1.0
21	William Esty Co.	5.6	15.2	(6.8)
22	HCM	5.1	15.4	(22.3)
23	Scali, McCabe, Sloves	4.7	9.4	1.6
24	Ketchum Communications	4.0	8.2	(1.6)
25	Cole & Weber	3.4	11.1	(2.3)

Agencies by average annual volume change in billings

For '76-'85

Rank	Agency	avg.	max.	min.
1	Young & Rubicam	$293.6	$561.6	$61.0
2	Saatchi & Saatchi Compton	293.3	731.4	(32.8)
3	Ogilvy Group	289.4	527.5	131.5
4	Ted Bates Worldwide	267.4	795.9	51.0
5	J. Walter Thompson Co.	218.9	444.7	75.0
6	BBDO International	209.0	363.5	95.0
7	McCann-Erickson Worldwide	157.1	353.5	(59.2)
8	Grey Advertising	139.7	271.2	52.5
9	D'Arcy Masius B&B	138.9	353.3	(133.1)
10	Doyle Dane Bernbach	137.7	303.0	60.7
11	Foote, Cone & Belding	132.7	396.7	(223.8)
12	Leo Burnett Co.	126.4	249.5	(2.1)
13	SSC&B:Lintas Worldwide	90.8	241.0	(54.4)
14	Bozell, Jacobs, K&E	87.2	172.8	(21.4)
15	Marschalk Campbell-Ewald	79.2	206.2	4.3
16	Needham Harper Worldwide	68.8	143.1	21.2
17	N W Ayer	67.3	117.9	25.2
18	Dancer Fitzgerald Sample	64.0	121.3	10.9
19	Backer & Spielvogel	51.0	94.6	(10.7)
20	Wells, Rich, Greene	49.1	92.0	16.1
21	William Esty Co.	37.1	105.0	(45.0)
22	HCM	34.2	102.8	(142.4)
23	Scali, McCabe, Sloves	31.6	77.9	10.2
24	Ketchum Communications	25.7	49.8	6.4
25	Cole & Weber	22.6	82.6	(30.1)

U.S.

Agencies by average annual volume change in gross income

For '76-'85

Rank	Agency	avg.	max.	min.
1	Ogilvy Group	$28.4	$66.4	$8.5
2	Young & Rubicam	28.3	54.9	15.3
3	Ted Bates Worldwide	27.0	104.3	1.0
4	BBDO International	23.4	44.0	3.6
5	J. Walter Thompson Co.	19.3	33.0	11.6
6	Foote, Cone & Belding	17.1	38.0	3.0
7	Saatchi & Saatchi Compton	16.8	46.5	1.2
8	Grey Advertising	14.7	30.0	4.0
9	Doyle Dane Bernbach	13.6	26.0	6.1
10	D'Arcy Masius B&B	12.7	29.0	(20.5)
11	Bozell, Jacobs, K&E	12.4	21.9	(0.3)
12	Leo Burnett Co.	11.7	28.2	(1.0)
13	Marschalk Campbell-Ewald	11.3	21.2	(0.4)
14	McCann-Erickson Worldwide	9.0	23.1	(4.8)
15	Needham Harper Worldwide	9.0	18.8	2.9
16	Dancer Fitzgerald Sample	9.0	15.2	2.0
17	Backer & Spielvogel	7.7	14.4	(1.6)
18	Wells, Rich, Greene	7.2	13.6	0.9
19	N W Ayer	6.3	11.5	(3.4)
20	William Esty Co.	5.6	15.2	(6.8)
21	SSC&B:Lintas Worldwide	5.0	11.4	1.5
22	Ketchum Communications	4.0	6.3	1.5
23	Cole & Weber	3.4	11.1	(2.3)
24	Scali, McCabe, Sloves	3.3	6.9	0.9
25	HCM	0.3	8.4	(30.5)

Agencies by average annual volume change in billings

For '76-'85

Rank	Agency	avg.	max.	min.
1	Young & Rubicam	$188.9	$369.8	$102.3
2	Ogilvy Group	187.1	442.9	21.8
3	Ted Bates Worldwide	174.1	695.4	22.7
4	BBDO International	155.2	298.5	25.6
5	J. Walter Thompson Co.	128.9	220.1	77.6
6	Saatchi & Saatchi Compton	123.2	321.5	10.5
7	Foote, Cone & Belding	114.4	248.9	22.4
8	Doyle Dane Bernbach	100.3	179.0	41.7
9	Grey Advertising	98.0	195.1	26.6
10	Bozell, Jacobs, K&E	92.2	164.8	(2.2)
11	D'Arcy Masius B&B	87.3	219.9	(147.1)
12	Leo Burnett Co.	84.7	218.9	(5.7)
13	Marschalk Campbell-Ewald	75.6	141.7	(2.4)
14	Dancer Fitzgerald Sample	67.6	123.2	15.0
15	Needham Harper Worldwide	60.1	135.1	19.5
16	McCann-Erickson Worldwide	59.9	154.1	(32.2)
17	Backer & Spielvogel	51.0	94.6	(10.7)
18	N W Ayer	49.2	94.5	(0.5)
19	Wells, Rich, Greene	47.9	90.8	15.2
20	William Esty Co.	37.1	105.0	(45.0)
21	SSC&B:Lintas Worldwide	33.2	76.0	12.0
22	Ketchum Communications	26.1	41.8	9.6
23	Cole & Weber	22.6	82.6	(30.1)
24	Scali, McCabe, Sloves	21.7	50.7	4.2
25	HCM	2.1	56.3	(203.7)

Non-U.S.

Agencies by average annual volume change in gross income

For '76-'85

Rank	Agency	avg.	max.	min.
1	Saatchi & Saatchi Compton	$25.7	$91.1	($9.9)
2	Young & Rubicam	15.7	33.4	(13.5)
3	McCann-Erickson Worldwide	14.6	45.5	(21.8)
4	Ted Bates Worldwide	14.4	20.8	5.0
5	J. Walter Thompson Co.	13.5	49.0	(6.7)
6	Ogilvy Group	13.3	23.5	3.6
7	BBDO International	8.0	16.3	(2.0)
8	SSC&B:Lintas Worldwide	7.9	36.2	(21.5)
9	D'Arcy Masius B&B	7.7	30.9	(10.8)
10	Leo Burnett Co.	6.3	13.5	(3.7)
11	Grey Advertising	6.2	19.3	(1.7)
12	Doyle Dane Bernbach	4.9	20.7	(5.6)
13	HCM	4.8	48.9	(29.9)
14	N W Ayer	3.0	13.3	(0.7)
15	Foote, Cone & Belding	2.8	22.2	(66.4)
16	Scali, McCabe, Sloves	1.5	2.6	(0.4)
17	Needham Harper Worldwide	1.3	4.1	(0.7)
18	Marschalk Campbell-Ewald	0.5	9.7	(10.3)
19	Wells, Rich, Greene	0.2	0.5	(0.6)
20	Ketchum Communications	0.1	2.5	(4.4)
21	Dancer Fitzgerald Sample	0.1	2.8	(9.8)
22	Backer & Spielvogel	NA	NA	NA
23	Cole & Weber	NA	NA	NA
24	William Esty Co.	NA	NA	NA
25	Bozell, Jacobs, K&E	(0.8)	2.4	(11.8)

Agencies by average annual volume change in billings

For '76-'85

Rank	Agency	avg.	max.	min.
1	Saatchi & Saatchi Compton	$170.1	$591.4	($68.1)
2	Young & Rubicam	104.7	256.3	(93.5)
3	Ogilvy Group	102.3	186.1	27.7
4	McCann-Erickson Worldwide	97.2	310.1	(145.2)
5	Ted Bates Worldwide	93.3	138.9	28.3
6	J. Walter Thompson Co.	90.0	313.8	(31.5)
7	SSC&B:Lintas Worldwide	57.7	284.3	(272.7)
8	BBDO International	53.8	138.7	(6.0)
9	D'Arcy Masius B&B	51.5	226.5	(55.6)
10	Leo Burnett Co.	41.7	90.3	(3.3)
11	Grey Advertising	41.7	123.8	(10.6)
12	Doyle Dane Bernbach	37.3	124.0	(35.0)
13	HCM	32.1	86.0	1.9
14	Foote, Cone & Belding	18.4	147.8	(402.3)
15	N W Ayer	18.1	75.2	(0.8)
16	Scali, McCabe, Sloves	9.9	27.1	(6.7)
17	Needham Harper Worldwide	8.7	26.1	(0.7)
18	Marschalk Campbell-Ewald	3.6	64.5	(68.0)
19	Wells, Rich, Greene	1.1	3.6	(4.2)
20	Backer & Spielvogel	NA	NA	NA
21	Cole & Weber	NA	NA	NA
22	William Esty Co.	NA	NA	NA
23	Ketchum Communications	(0.4)	32.2	(16.1)
24	Dancer Fitzgerald Sample	(3.6)	26.2	(91.3)
25	Bozell, Jacobs, K&E	(5.1)	15.4	(77.9)

NOTES: Dollars in millions.

Agencies appearing in this 10-year retrospective are the top 25 agencies in 1985 in world gross income. Each agency's dollar value on which the annual percentage growth and annual volume growth were based include subsidiaries from the year their financial results were consolidated into the parent. There is some "double-dipping" on this chart. For example, the gross income and billings for subsidiaries, William Esty, HCM, Cole & Weber, and Scali, McCabe, Sloves, were included in their parent totals from the year they were bought to the present. Individual agency totals also include numbers for agencies bought, merged and folded (losing their identity) into the parent not only for the year purchased, but for preceding years to 1976. This provides a historical reading of the agency as it exists today. An example of this would be FCB International's purchase of NCK (Norman, Craig & Kummel) Organization in 1982. NCK gross income and billings for 1979-1982 were thus merged into FCB.

Backer & Spielvogel's review covers only six years.

$11,400,000 in capitalized fees. Its 1984 U.S. volume consisted of $2,000,000 in media, $700,000 in materials and services and $10,200,000 in capitalized fees.

Included in the agency's figures were returns from its office in Austin, Tex.

In 1985, the agency gained: Fiberite Corp; Vision Care/3M; Rubicom Group; Winsor/Faricy Architects; Tartan Tooling Products/3M; Horton Industries; Signal Applied Technologies, Norplex div; Industrial Abrasives div/3M, microfinishing systems. It lost: Automated Industrial Systems; Crystal Semiconductor Corp; Industrial Specialties div/3M.

Billings breakdown: Radio 2%, business papers 37%, point of sale 1%, direct mail 10%, collateral 30%, av/sales training 20%.

Top execs: Kenneth M. Kamstra, president. Exec vps—Vincent T. Verrecchio, creative director; Martin E. Blyth, mktg, business devel mgr. John M. Warner, senior vp. Employes: 35 in 2 offices.

Phone: (612) 228-1419.

Kaplan & Stuart Advertising, Framingham, Mass., had estimated gross income of $965,000 in 1985 on billings of $6,167,500. In 1984, it had estimated gross income of $840,000 on billings of $5,334,000.

In 1985, it reported net income of $85,000, compared with $73,000 in 1984.

The agency's 1985 U.S. volume consisted of $3,000,000 in media, $1,500,000 in materials and services and $1,667,500 in capitalized fees. Its 1984 U.S. volume consisted of $2,500,000 in media, $1,500,000 in materials and services and $1,334,000 in capitalized fees.

Billings breakdown: Newspapers 20%, magazines 10%, radio 7%, spot tv 18%, business papers 15%, direct mail 20%, free-standing inserts 10%.

Top execs: Don Kaplan, president; Robin Gilman, exec vp. Employes: 7.

Phone: (617) 788-0590. ☑

Kaprielian O'Leary Advertising, New York, reported gross income of $1,625,000 in 1985 on billings of $10,700,000. In 1984, it reported gross income of $1,500,000 on billings of $9,100,000.

The agency's 1985 U.S. volume consisted of $10,000,000 in media and $700,000 in materials and services. Its 1984 U.S. volume consisted of $8,500,000 in media and $600,000 in materials and services.

In 1985, the agency gained: F.A. Spina Co.

Billings breakdown: Newspapers 25%, magazines 31%, radio 15%, spot tv 7%, outdoor 5%, transit advertising 2%, point of sale 15%.

Top execs: Walter Kaprielian, chmn, creative director; Alice O'Leary, president-ceo. Employes: 20.

Phone: (212) 580-9494.

Karsh & Hagan, Englewood, Colo., reported gross income of $3,108,667 in 1985 on billings of $20,729,931. In 1984, it reported gross income of $2,462,951 on billings of $16,423,753.

In 1985, it reported net income of $811,332, compared with $485,135 in 1984.

The agency's 1985 U.S. volume consisted of $5,884,905 in media, $3,860,677 in materials and services and $10,984,349 in capitalized fees. Its 1984 U.S. volume consisted of $5,257,363 in media, $3,000,769 in materials and services and $8,165,621 in capitalized fees.

The agency did not consolidate subsidiaries:

- Karsh & Hagan Public Relations
- K&H Services

In 1985, the agency gained: Boettcher & Co.; Grupe Devel; Domino's Pizza (Robersan region). It lost: Catalina Controls; Platte Valley Federal Savings; Vipont Laboratories, dentrifice.

Billings breakdown: Newspapers 21%, magazines 4%, radio 20%, spot tv 54%, outdoor 1%.

Top execs: Philip H. Karsh, Thomas P. Hagan, co-chmns; P.L. Marranzino, Jr., president; Phillip S. Wood, exec vp; Joan R. Hawley, treasurer, vp-finance. Employes: 50.

Phone: (303) 770-8088. ☑

Kaufman & Maraffi, New York, reported gross income of $1,093,100 in 1985 on billings of $10,767,000. In 1984, it reported gross income of $1,113,972 on billings of $10,823,100.

In 1985, it reported net income of $163,000, compared with $148,500 in 1984.

The agency's 1985 U.S. volume consisted of $10,100,000 in media and $667,000 in capitalized fees. Its 1984 U.S. volume consisted of $9,823,100 in media and $1,000,500 in capitalized fees.

In 1985, the agency gained: Hait Air; Boardwalk Marketplace Hotels; Home Lines, pr; Venus Cruise Lines; Le Warwick St. Barths, hotel; Keep It Simple Software Co. of New York.

Billings breakdown: Newspapers 41%, magazines 25%, supplements 5%, radio 15%, spot tv 10%, outdoor 2%, business papers 2%.

Top exec: Jack Maraffi, president. Employes: 19.

Phone: (212) 867-0670.

Keller Haver Inc., New York, reported gross income of $375,000 in 1985 on billings of $2,500,000. In 1984, it reported gross income of $360,000 on billings of $2,400,000.

The agency's 1985 U.S. volume consisted of $2,200,000 in media and $300,000 in materials and services. Its 1984 U.S. volume consisted of $2,100,000 in media and $300,000 in materials and services.

In 1985, the agency gained: Giacobazzi wine.

Billings breakdown: Newspapers 35%, magazines 20%, radio 5%, outdoor 5%, transit advertising 35%.

Top execs: Gerald H. Keller. Employes: 6.

Phone: (212) 758-4400.

Kelly Michener Inc., Valley Forge, Pa., reported gross income of $2,955,875 in 1985 on billings of $24,581,180. In 1984, it reported gross income of $2,923,714 on billings of $24,018,417.

The agency's 1985 U.S. volume consisted of $6,161,520 in media, $3,794,484 in materials and services and $14,625,176 in capitalized fees. Its 1984 U.S. volume consisted of $6,521,031 in media, $2,272,577 in materials and services and $15,224,809 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Kelly Michener Public Relations
- Kelly Michener Promotion

In 1985, the agency gained: Chilton Rsch Services; Capital Region Economic Devel Corp; Appel, Yost & Sorrentino, law firm; RCA, Security Switch; Domestic Tobacco. It lost: Norwood Industries, tapes and fabrics; Schulmerich Carrillions, cast iron bells.

Billings breakdown: Newspapers 25%, magazines 5%, medical journals 10%, radio 10%, spot tv 25%, cable tv 1%, outdoor 1%, business papers 20%, point of sale 1%, direct mail 1%, catalogs 1%.

Top execs: Robert L. Kelly, president-ceo. Exec vps—Joseph M. Possemato, creative; Kenneth T. Ulsh, gm (Philadelphia). Senior vps—Maria G. Kelly, operations; Warren W. Ashburn, mktg services; Cynthia J. Ciccone, Ronald H. Greathouse, Gregory D. Purcell, mgmt supers; Edward L. Jones Jr., acct super. Vps—Charles S. Haldeman, KMP; John J. Puk, acct exec. Employes: 55 in 3 offices.

Phone: (215) 964-0500.

Kenney Advertising, Boston, had estimated gross income of $1,125,000 in 1985 on billings of $7,500,000. In 1984, it had estimated gross income of $1,050,000 on billings of $7,000,000.

Billings breakdown: Newspapers 82%, magazines 15%, radio 3%.

Top execs: Roberta Kenney Taylor, president; Patricia Walker Armstrong, Donald Dansker, senior vps. Employes: 35.

Phone: (617) 267-6500.

Kenrick Advertising, St. Louis, reported gross income of $9,173,000 in 1985 on billings of $49,848,000. In 1984, it reported gross income of $6,271,000 on billings of $43,283,000.

The agency's 1985 U.S. volume consisted of $12,588,000 in media, $14,088,000 in materials and services and $23,172,000 in capitalized fees. Its 1984 U.S. volume consisted of $10,420,000 in media, $6,617,000 in materials and services and $26,246,000 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Aragon Consulting Group
- Aragon Public Relations
- Clayton Richmond Group
- Data Support Service
- Frank James, mktg promo
- Kingsbury Graphic
- Multivista
- Technisonic

In 1985, the agency gained: Elanco/Cattle; Barnes Hospital; Healthcare Network; Metlife Mgmt Corp; Pasta House. It lost: HBE Corp; Pantera's Pizza.

Billings breakdown: Newspapers 5%, magazines 12%, medical journals 1%, supplements 1%, radio 18%, network tv 3%, spot tv 22%, cable tv 3%, outdoor 1%, business papers 7%, farm publications 22%, transit advertising 1%, point of sale 2%, direct mail 2%.

Top execs: C.R. Sides, chmn; E.D. Duncan, vice chmn; K.H. Hieronymus, president; J.L. Miller, C.A. Stillwell, exec vps. Senior vps—J.D. Waterbury, new business; N. Berber, acct mgmt; C. Strock, creative; G. Emmer, media; J.Y. Lin, finance. Employes: 205 in 9 offices.

Phone: (314) 726-6020.

Kerker & Associates, Minneapolis, reported gross income of $3,072,272 in 1985 on billings of $20,575,244. In 1984, it reported gross income of $2,934,455 on billings of $19,919,541.

The agency's 1985 U.S. volume consisted of $9,437,745 in media, $2,636,678 in materials and services and $8,500,821 in capitalized fees. Its 1984 U.S. volume consisted of $8,102,016 in media, $2,385,959 in materials and services and $9,431,566 in capitalized fees.

In 1985, the agency gained: Multi Arc; CDC, Government Systems div; 3M industrial specialties, adhesives coatings, decorative prods, automotive specialties, converter specialties; 3M Automotive Industry Center; Stevens Lee, Silver King div. It lost: Miller Schroeder Municipals, McQuay-HVAC div.

Top execs: Allen R. Sandvik, chmn; Charles C. Wanous, president; Robert E. Marlow, ceo; Charles H. Kelly, vice president. Employes: 45.

Phone: (612) 835-7922. ☑

Keroff & Rosenberg Advertising, Chicago, reported gross income of $2,244,958 in 1985 on billings of $14,973,869. In 1984, it reported gross income of $1,559,896 on billings of $10,404,506.

The agency's 1985 U.S. volume consisted of $7,513,129 in media, $1,563,209 in materials and services and $5,897,531 in capitalized fees. Its 1984 U.S. volume consisted of $4,161,802 in media, $1,040,510 in materials and services and $5,202,253 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- Meetings Management Inc.

In 1985, the agency gained: Marriott Corp; North American Co., life and health insurance; DeMert & Dougherty; HEET fuel additives; ALL Set, Avec and Vogue beauty prods. It lost: Plywood Minnesota.

Billings breakdown: Newspapers 15%, magazines 5%, radio 13%, spot tv 20%, outdoor 3%, business papers 5%, direct mail 17%, other 22%.

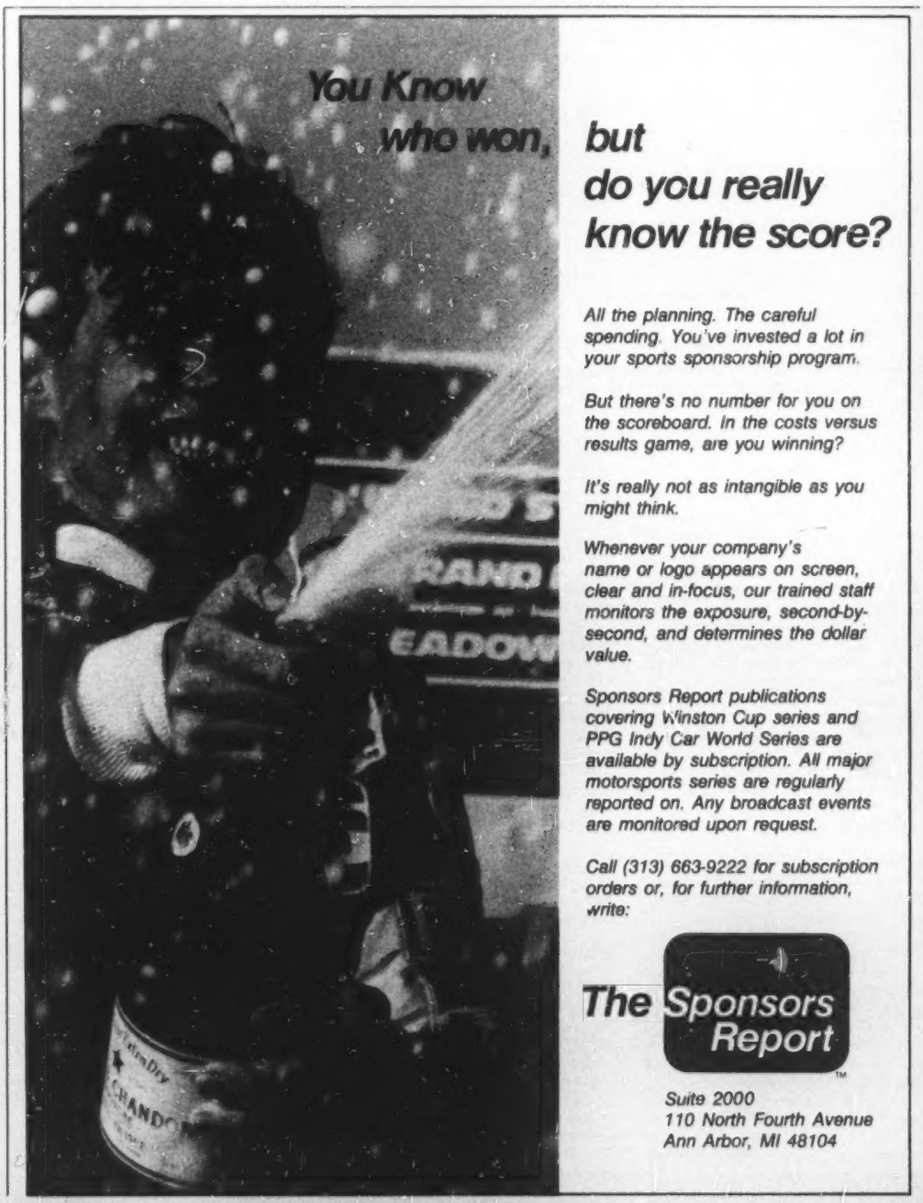
Top execs: William B. Keroff, president; Charles I. Rosenberg, Donna Skertich, exec vps; Michael A. Swidler, Dan Oditt, vps. Employes: 40.

Phone: (312) 321-9000. ☑

Kert Advertising, Ft. Lauderdale,

Quirks and quakes

The name, "Ketchum," in Ketchum Advertising has gone full circle since the agency's founding as Ketchum Advertising in 1922 by George and Carlton Ketchum. A year later it became Ketchum, MacLeod & Grove when Norman MacLeod and Robert E. Grove joined the Ketchums, all of whom knew each other as students at the University of Pittsburgh. The moniker was shortened to KMG before returning to Ketchum Communications in 1982.


You Know who won,
but do you really know the score?
All the planning. The careful spending. You've invested a lot in your sports sponsorship program.
But there's no number for you on the scoreboard. In the costs versus results game, are you winning?
It's really not as intangible as you might think.
Whenever your company's name or logo appears on screen, clear and in-focus, our trained staff monitors the exposure, second-by-second, and determines the dollar value.
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reported gross income of $2,641,000, of which $2,400,000 was non-U.S. contributions, in 1985 on billings of $18,200,000, of which $16,560,855 was from non-U.S. contributions.

In 1984, it reported gross income of $2,068,000, of which $1,899,000 was non-U.S. contributions, on billings of $16,225,300, of which $15,292,200 was non-U.S. contributions.

In 1985, it reported net income of $290,000, compared with $332,000 in 1984.

The agency's 1985 U.S. volume of $1,639,145 consisted of $925,000 in media, $424,000 in materials and services and $290,145 in capitalized fees. Its 1984 U.S. volume of $933,100 consisted of $658,000 in media, $75,000 in materials and services and $200,100 in capitalized fees.

Overseas, its volume in 1985 consisted of $11,500,000 in media, $2,726,355 in materials and services and $2,334,500 in capitalized fees. In 1984, its overseas volume consisted of $11,393,000 in media, $2,943,000 in materials and services and $956,200 in capitalized fees.

In 1985, the agency gained: Econo Homes, room extensions; Elite Panel Products; Flora Foods Distributors; Nichols Homeshield; Rand Eye Associates, ophthalmologists. It lost: City of Toronto; Hudson's Bay Dept. Stores; Minimaid/MiniMenage Canada, cleaning services; Cargill Ltd., agricultural prods; Moore's The Suit People.

Billings breakdown: Newspapers 23.8%, radio 33%, spot tv 30%, outdoor 0.3%, point of sale 12.9%.

Top execs: Norman L. Kert, president; Leslie M. Hill, vp. Employes: 46 in 3 offices.

Phone: (305) 971-4646. ☑

Keye Advertising, Brooklyn, reported gross income of $682,140 in 1985 on billings of $6,255,224. In 1984, it reported gross income of $559,193 on billings of $6,095,204.

The agency's did not break down its U.S. volume.

Billings breakdown: Direct mail 25%, direct response tv 10%, direct response newspapers 10%, direct response magazines 55%.

Top execs: Murray Schechter, president; Jamie Gioia, exec vp. Employes: 6.

Phone: (718) 339-9048. ☑

Keye/Donna/Pearlstein, Los Angeles, reported gross income of $8,184,207 in 1985 on billings of $54,588,661. In 1984, it reported gross income of $6,308,347 on billings of $42,056,882.

The agency's 1985 U.S. volume consisted of $44,513,239 in media, $5,867,192 in materials and services and $4,208,230 in capitalized fees. Its 1984 U.S. volume consisted of $35,024,451 in media, $4,555,940 in materials and services and $2,476,491 in capitalized fees.

In 1985, the agency gained: Suzuki; Tomy Toys, addn assignments; State of Cal., Dept of Commerce's Tourism & Economic Devel.

Billings breakdown: Newspapers 4%, magazines 38%, radio 6%, network tv 4%, spot tv 43%, outdoor 5%.

Top execs: Paul F. Keye, chmn-creative director; Mario Donna, partner, creative director; Leonard Pearlstein, president-ceo. Employes: 110.

Phone: (213) 477-0061.

Keyes Martin, Springfield, N.J., had estimated gross income of $7,350,000 in 1985 on billings of $45,900,000. In 1984, it reported gross income of $6,401,593 on billings of $39,988,500.

The agency's 1985 U.S. volume consisted of $12,700,000 in media, $3,200,000 in materials and services and $30,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $11,093,000 in media, $2,805,500 in materials and services and $26,090,000 in capitalized fees.

Included in the agency's figures were returns from its offices in Coral Gables, Fla., and Newark, N.J.

The agency did not consolidate subsidiaries:

- Public Affairs Consultants
- Anngus Communications
- Keyes Martin & Gaby

In 1985, the agency gained: Gimbel's, appliance dept; New Jersey Housing & Mortgage Financing; Karl's Appliances; Public Telephone Council; Newark Symphony Hall. It lost: Domenico Tours.

Billings breakdown: Newspapers 50%, magazines 8%, radio 10%, spot tv 5%, outdoor 4%, business papers 16%, point of sale 1%, direct mail 5%, other 1%.

Top execs: Daniel M. Gaby, president; Leonard B. Brown, exec vp; John Carlino, Jack Tucker, senior vps; Robin Green Taylor, vp media director. Employes: 95 in 3 offices.

Phone: (201) 376-7300.

Kinzie & Green, Wausau, Wis., reported gross income of $342,469 in 1985 on billings of $2,244,937. In 1984, it reported gross income of $370,014 on billings of $2,507,193.

Kinzie & Green, which is on a fiscal year ended June 30, supplied calendar figures for this report.

The agency's 1985 U.S. volume consisted of $920,890 in media, $164,221 in materials and services and $1,159,826 in capitalized fees. Its 1984 U.S. volume consisted of $940,789 in media, $255,249 in materials and services and $1,311,155 in capitalized fees.

In 1985, the agency gained: Tri-County State Bank; Floors Unlimited. It lost: American Natl Bank.

Billings breakdown: Newspapers 10%, magazines 12%, radio 11%, spot tv 9%, business papers 36%, other 22%.

Top execs: Leslie C. Green, president; Robert E. Lieving, Leslie C. Green III, vps. Employes: 8.

Phone: (715) 845-4251.

KKB Inc., Atlanta, reported gross income of $1,575,000 in 1985 on billings of $10,506,000. In 1984, it reported gross income of $1,425,000 on billings of $9,504,000.

The agency's 1985 U.S. volume consisted of $6,503,000 in media, $2,335,000 in materials and services and $1,668,000 in capitalized fees. Its 1984 U.S. volume consisted of $6,170,000 in media, $2,000,000 in materials and services and $1,334,000 in capitalized fees.

In 1985, the agency gained: Health & Tennis Corp of America.

Billings breakdown: Newspapers 5%, magazines 20%, spot tv 34%, business papers 8%, direct mail 28%, other 5%.

Top execs: Richard Bennett, chmn; Brent D. Kuhn, president; Maribett Varner, Edwin Reams, senior vps. Employes: 38.

Phone: (404) 233-5900.

Klein/Richardson, Beverly Hills, reported gross income of $565,300 in 1985 on billings of $3,770,600. In 1984, it reported gross income of $435,000 on billings of $2,900,000.

In 1985, the agency gained: Helene Curtis, retail distribution div; Los Angeles Hilton; Pacific Health Resources; Rose Memorial Park. It lost: The Orthodontist.

Billings breakdown: Newspapers 34%, magazines 10%, medical journals 2%, radio 35%, outdoor 6%, business papers 5%, point of sale 2%, direct mail 6%.

Top execs: Niel K. Klein, president, creative director; Glenn W. Richardson, exec vp, acct services director. Employes: 11.

Phone: (213) 652-4450.

S.R. Knapp Associates, Arlington Heights, Ill., reported gross income of $872,476 in 1985 on billings of $5,906,055. In 1984, it reported gross income of $729,141 on billings of $5,085,994.

The agency's 1985 U.S. volume consisted of $44,707 in media, $581,096 in materials and services and $5,28[illegible]232 in capitalized fees. Its 1984 U.S. volume consisted of $393,309 in materials and services and $4,692,685 in capitalized fees.

In 1985, the agency gained: American Hospital Supply Corp; American Scientific prods; American Physicians Service & Supply; Hayes/Hill Inc.; Franciscan Health System of New Jersey; First Natl Bank of Barrington. It lost: Labsystems.

Billings breakdown: Medical journals 25%, business papers 10%, direct mail 55%, catalogs 10%.

Top execs: Stephen R. Knapp, president; Lawrence M. Goldberg, exec vp; Michael Plemmons, vp-creative director. Employes: 15.

Phone: (312) 392-0707. ☑

Knudson Moore Schropfer, Stamford, Conn., reported gross income of $2,050,000 in 1985 on billings of $14,800,000. In 1984, it reported gross income of $1,936,000 on billings of $13,000,000.

The agency's 1985 U.S. volume consisted of $10,000,000 in media, $2,600,000 in materials and services and $2,200,000 in capitalized fees. Its 1984 U.S. volume consisted of $7,500,000 in media, $3,300,000 in materials and services and $2,200,000 in capitalized fees.

In 1985, the agency gained: 1st Claim Group; Economics Laboratory; Iona College; Mexican Foods of America, GuadalaHARRY's Restaurant. It lost: Coldwater Seafood; Timely prods.

Billings breakdown: Newspapers 5%, magazines 15%, radio 10%, spot tv 50%, outdoor 2%, business papers 10%, direct mail 4%, direct response tv 2%, direct response radio 2%.

Top execs: David W. Schropfer, president; Joseph A. DelGaldo, Lawrence D. Rabbitt, exec vps. Senior vps—William K. Hoag, media director; Harry Matthei, creative director; Wayne C. Slockbower; Gordon Huppi. C. Chandler Pohl, vp. Employes: 35.

Phone: (203) 967-7200.

Koehler Counselors, Yellow Springs, O., had estimated gross income of $196,000 in 1985 on billings of $1,289,901. In 1984, it had estimated gross income of $166,000 on billings of $1,096,771.

The agency's 1985 U.S. volume consisted of $745,252 in media, $111,919 in materials and services and $432,730 in capitalized fees. Its 1984 U.S. volume consisted of $580,897 in media, $119,654 in materials and services and $386,220 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- Dreves & Koehler, Cincinnati

In 1985 the agency had gained: Joseph Airport Toyota.

Billings breakdown: Newspapers 3%, magazines 1%, medical journals 1%, radio 27%, network tv 30%, outdoor 38%.

Top execs: Karl G. Koehler, president; Elizabeth A. Studebaker, secretary, treasurer, business mgr. Employes: 8.

Phone: (513) 864-1988. ☑

Kolesar & Hartwell, Minneapolis, reported gross income of $2,681,029 in 1985 on billings of $17,789,293. In 1984, it reported gross income of $2,371,771 on billings of $15,818,041.

In 1985, it reported net income of $110,463, compared with $207,449 in 1984.

The agency's 1985 U.S. volume consisted of $2,539,325 in media and $15,249,968 in capitalized fees. Its 1984 U.S. volume consisted of $3,355,800 in media and $12,462,241 in capitalized fees.

The agency did not consolidate subsidiary:

- Hamill & Associates

Quirks and quakes

After George Lois left his second agency, Lois Holland Callaway, in 1977, five clients departed. Two followed him to Creamer/FSR, which changed its name to Creamer Lois FSR. Nine months later Lois left Creamer Lois FSR (which simplified its name to Creamer Inc.) and formed Lois Pitts Gershon. For the record, Mr. Lois' first agency was Papert, Koenig, Lois (but that was long ago).

In 1985, the agency gained: St. Paul Ramsey Medical Center; A.V.I., medical prods mfg.; 3M, occupational health and safety prods div. It lost: First Federal Savings & Loan; 3M, adhesive coatings and sealers div.

Billings breakdown: Newspapers 20%, magazines 35%, radio 20%, spot tv 15%, outdoor 10%.

Top execs: Dave Kolesar, president-ceo; Doug Sietsema, exec vp; Gene Carr, senior vp. Employes: 45.

Phone: (612) 343-0418.

Kolon, Bittker & Desmond, Troy, Mich., reported gross income of $2,500,000 in 1985 on billings of $17,035,000. In 1984, it reported gross income of $2,300,000 on billings of $15,000,000.

The agency's 1985 U.S. volume consisted of $11,000,000 in media, $2,700,000 in materials and services and $3,335,000 in capitalized fees. Its 1984 U.S. volume consisted of $10,500,000 in media, $1,500,000 in materials and services and $3,000,000 in capitalized fees.

The agency did not consolidate subsidiary:

- Heritage Graphic Services

In 1985, the agency gained: General Dynamics Land Systems; Peoples Community Hospital Authority; Carson Business Interiors; United Paint Co.; E.W. Grobbel & Sons; Officenters; Mid-States Petroleum; Sun Swimming Pool Chemicals. It lost: Anton's; Potomac Leasing; World of Shops; Michigan Credit Union League Joint Advertising Board.

Billings breakdown: Newspapers 20%, magazines 4%, radio 15%, spot tv 35%, outdoor 4%, business papers 5%, point of sale 6%, direct mail 10%.

Top execs: John S. Kolon, president; Joseph J. Bittker, chmn; Phillip L. Bittker, vice-chmn. Employes: 45.

Phone: (313) 524-2500.

Kopf & Isaacson Advertising, Melville, N.Y., reported gross income of $580,000 in 1985 on billings of $4,226,740. In 1984, it reported gross income of $470,000 on billings of $3,203,390.

The agency's 1985 U.S. volume consisted of $2,460,000 in media, $1,620,000 in materials and services and $146,740 in capitalized fees. Its 1984 U.S. volume consisted of $1,790,000 in media, $1,320,000 in materials and services and $93,380 in capitalized fees.

In 1985, the agency gained: Patient Technology; SysScan. It lost: Logitek.

Billings breakdown: Newspapers 5%, magazines 75%, business papers 15%, direct mail 2%, other 3%.

Top execs: Andrew Isaacson, president; Ken Kopf, secretary, treasurer. Employes: 16.

Phone: (516) 293-6115.

Korey, Kay & Partners, New York, reported gross income of $2,800,000 in 1985 on billings of $18,500,000. In 1984, it reported gross income of $1,725,000 on billings of $11,500,000.

In 1985, it had net income of $275,000, compared with $73,047 in 1984.

The agency's 1985 and 1984 U.S. volumes were all in media.

In 1985, the agency gained: Haworth; Savin Corp; Bear, Stearns & Co.; Federation of American Hospitals. It lost: Humana; Fieldcrest Mills; Atlantis Casino Hotel.

Billings breakdown: Newspapers 18%, magazines 11.5%, radio 18%, spot tv 51%, outdoor 1.5%.

Top execs: Allen Kay, chmn; Lois Korey, president. Vps—Milda Misevicius, business devel; Denise Conway, acct director; Harris Lefkon, senior vp, director media services. Employes: 30.

Phone: (212) 620-4300.

Krosser, Craig/D.I.K, Los Angeles, reported gross income of $2,925,000 in 1985 on billings of $19,500,000. The agency did not report figures for 1984.

The agency's 1985 U.S. volume consisted of $15,100,000 in media, $2,800,000 in materials and services and $1,600,000 in capitalized fees.

The agency did not consolidate returns from subsidiary:

- L&J Research

In 1985, the agency gained: Forest Lawn Memorial Parks; Atlantic Richfield, AM/PM Mini market; MP&G Tune-Up centers. It lost: Hungry Tiger restaurants.

Billings breakdown: Newspapers 20%, magazines 15%, radio 5%, network tv 13%, spot tv 42%, outdoor 5%.

Top execs: Robert Kresser, chmn; Jean Craig, president, creative director. Exec vps—Paul Anton, director of mktg; Ron Goodwin, co-creative director. Employes: 55.

Phone: (213) 553-8254.

Krupp/Taylor, Los Angeles, a direct marketing agency, had estimated gross income of $7,560,000 in 1985 on billings of $50,400,000. In 1984, it had estimated gross income of $6,001,500 on billings of $40,010,000.

The agency's 1985 U.S. volume consisted of $48,400,000 in media and $2,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $39,410,000 in media and $600,000 in capitalized fees.

In 1985, the agency gained: GTE Sprint; American Diversified Technology; Republic Natl Bank of Dallas; Associates Finance; Coast Savings & Loan. It lost: Century 21 Real Estate.

Billings breakdown: Direct mail 98%, direct response magazines 2%.

Top execs: Robert W. Buckingham, president; Murray R. Bowes, Richard Brickner, Derrik Van Nimwegan, senior vps; Norton Weinstein, exec vp; Robert Schiesser, treasurer. Employes: 312 in 8 offices.

Phone: (213) 306-3646.

KSK Communications Ltd., McLean, Va., reported gross income of $1,202,510 in 1985 on billings of $8,083,450. In 1984, it reported gross income of $826,805 on billings of $5,512,033.

The agency's 1985 U.S. volume consisted of $1,436,553 in media, $1,801,649 in materials and services and $4,845,248 in capitalized fees. Its 1984 U.S. volume consisted of $1,227,615 in media, $1,162,298 in materials and services and $3,122,120 in capitalized fees.

In 1985, the agency gained: GTE Spacenet; TRT Telecommunications; IRA Store; Bell Atlantic. It lost: Saab-Fairchild.

Billings breakdown: Newspapers 12%, magazines 17%, radio 14%, spot tv 5%, outdoor 3%, business papers 34%, transit advertising 2%, direct mail 12%, free-standing inserts 1%.

Top execs: Karen S. Kennedy, president; Carole M. Bowns, exec vp. Employes: 25.

Phone: (703) 734-1880. ☑

Lally, McFarland & Pantello, New York, reported gross income of $8,930,200 in 1985 on billings of $34,535,619. In 1984, it reported gross income of $5,749,866 on billings of $13,577,488.

In 1985, it reported net income of $2,773,593, compared with $1,695,015 in 1984.

The agency's 1985 U.S. volume consisted of $4,414,253 in media and $30,121,366 in capitalized fees. Its 1984 U.S. volume consisted of $4,369,333 in media and $9,208,155 in capitalized fees.

In 1985, the agency gained: G.D. Searle & Co., Cytotec. It lost: Whitehall Laboratories, Anacin-3.

Billings breakdown: Magazines 40%, point of sale 2%, Yellow Pages 40%, other 18%.

Top exec: Ronald G. Pantello, president. Creative directors—John M. Lally, copy; James R. McFarland, art. Employes: 50.

Phone: (212) 532-1000. ☑

Landers & Partners, St. Petersburg, Fla., had estimated gross income of $660,000 in 1985 on billings of $4,400,000. In 1984, it had estimated gross income of $637,000 on billings of $4,250,000.

In 1985, the agency gained: Natl Devel; WTSP-TV Channel 10; Gen-

eral Defense Corp; Bayview Buick/Schumacher Buick; JMC Communities.

Billings breakdown: Newspapers 20%, magazines 5%, radio 11%, spot tv 54%, outdoor 8%, direct mail 2%.

Top execs: Samuel P. Landers, president; Robert G. Guckenberger, senior vp. Employes: 15.

Phone: (813) 577-6868.

Hal Langerman Co., Center Square, Pa., reported gross income of $1,083,317 in 1985 on billings of $5,864,924. In 1984, it reported gross income of $902,764 on billings of $4,887,435.

The agency's 1985 U.S. volume consisted of $240,000 in materials and services and $5,624,924 in capitalized fees. Its 1984 U.S. volume consisted of $200,000 in materials and services and $4,687,435 in capitalized fees.

In 1985, the agency gained: Colonial Penn Financial Services; Germantown Life Insurance; J.C. Penney Life Insurance Co.; Direct Mktg Corp of America.

Billings breakdown: Direct mail 60%, direct response tv 10%, direct response newspapers 10%, direct response magazines 10%, free-standing inserts 10%.

Top execs: Hal Langerman, president; Doris Tustin, mng partner. Employes: 8.

Phone: (215) 275-1901.

Lang, Fisher & Stashower Advertising, Cleveland, had estimated gross income of $4,100,000 in 1985 on billings of $27,500,000. In 1984, it had estimated gross income of $3,680,000 on billings of $24,500,000.

The agency's 1985 U.S. volume consisted of $14,000,000 in media, $4,500,000 in materials and services and $9,000,000 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- LFS Communications, pr
- Upper Case, typesetting
- Creative Group, art studio
- System Group, Yellow Pages

In 1985, the agency gained: AmToy, children toys; Cole Natl, Eyeworks; Coca Cola Bottlers of Northeast Ohio; Kentucky Fried Chicken, Keny Kings; Ostendorf-Morris, commercial real estate. It lost: Brown Derby Restaurants.

Billings breakdown: Newspapers 30%, magazines 30%, radio 10%, network tv 3%, spot tv 24%, outdoor 3%.

Top execs: David Stashower, president; Thomas S. Case, Edmund M. Kagy, exec vps. Senior vps—Richard S. Bailys, C. Henry Foltz, mgmt supers; Richard M. Ruhlman, creative director; Charles D. Knepper, media director; Thomas A. Moore, mktg services. Employes: 65.

Phone: (216) 771-0300. ☑

Larson, Bateman & McAllister, Santa Barbara, reported gross income of $889,590 in 1985 on billings of $6,011,945. In 1984, it reported gross income of $1,411,060 on billings of $9,183,782.

The agency's 1985 U.S. volume consisted of $3,356,691 in media, $520,626 in materials and services and $2,134,628 in capitalized fees. Its 1984 U.S. volume consisted of $6,280,191 in media, $515,525 in materials and services and $2,388,066 in capitalized fees.

In 1985, the agency gained: Grace Restaurant Co.; Allstar Inns; County Savings Bank; Jackson-Mitchell Pharmaceuticals. It lost: Santa Barbara Savings; Signal Technology; Ziatech.

Billings breakdown: Newspapers 30.3%, magazines 3.8%, radio 28.1%, spot tv 17.4%, outdoor 0.3%, other 20.1%.

Top execs: Michael McAllister, president-ceo; Jim Evans, senior vp. Vps—Dennis Hardy, secretary; Sue Andrews, treasurer; Bill Henry, creative director; Don Dancer, assoc creative director. Employes: 16.

Phone: (805) 963-5841. ☑

Larwin/Livers Associated, Huntingdon Valley, Pa., reported gross income of $1,235,000 in 1985 on billings of $9,499,998. In 1984, it reported gross income of $971,000 on billings of $8,999,996.

The agency's 1985 U.S. volume consisted of $1,659,062 in media, $1,106,037 in materials and services and $6,734,899 in capitalized fees. Its 1984 U.S. volume consisted of $1,571,743 in media, $1,047,825 in materials and services and $6,380,428 in capitalized fees.

In 1985, the agency gained: Biorad/Polaron Instruments; Blair Printing Co.; Interferon Sciences; J.T. Stimy Inc.; On-Track Systems; Paris Business Forms; Professional Publishing; RF Products; Static Inc.; A Sealed Air Co. It lost: Abar Corp; CW Industries; Lenox Instrument Co.

Billings breakdown: Business papers 40%, point of sale 1%, direct mail 15%, catalogs 24%, pr, rsch 20%.

Top exec: Stephen S. Livers, president. Employes: 22.

Phone: (215) 938-0400. ☑

Lauerer Markin Gibbs, Maumee, O., reported gross income of $2,669,922 in 1985 on billings of $16,760,123. In 1984, it reported gross income of $2,309,292 on billings of $15,146,201.

The agency's 1985 U.S. volume consisted of $1,832,700 in media, $1,745,736 in materials and services and $13,181,687 in capitalized fees. Its 1984 U.S. volume consisted of $1,627,572 in media, $1,614,408 in materials and services and $11,904,221 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- Flourney & Gibbs, pr

In 1985, the agency gained: American Woodmark Corp; Guardian Insulation; St. Vincent Medical Center; United Way; Duo-Temp Windows; Great Lakes Federal Savings. It lost: Design Institute of America; Bloomfield Savings & Loan.

Billings breakdown: Newspapers 5%, magazines 37%, radio 2%, spot tv 10%, cable tv 5%, outdoor 2%, point of sale 5%, direct mail 5%, catalogs 15%, free-standing inserts 5%, other 9%.

Top execs: Senior partners—Kenneth G. Lauerer, acct services; G. Edwards Gibbs, creative services; William R. Markin, mktg services. Employes: 73.

Phone: (419) 893-1900. ☑

Launey, Hachmann & Harris, New York, reported gross income of $2,268,000 on billings of $15,124,000. In 1984, it reported gross income of $2,109,000 on billings of $14,063,000.

The agency's 1985 U.S. volume consisted of $8,365,000 in media, $1,236,000 in materials and services and $5,523,000 in capitalized fees. Its 1984 U.S. volume consisted of $7,342,000 in media, $1,051,000 in materials and services and $5,670,000 in capitalized fees.

In 1985, the agency gained: De Rotchild.

Billings breakdown: Newspapers 6%, magazines 31%, supplements 7%, radio 7%, spot tv 12%, outdoor 1%, business papers 19%, point of sale 2%, direct mail 10%, direct response magazines 4%, telemarketing 1%.

Top execs: Robert E. Launey, president. Vps—Henry Hachmann, creative director; Joseph Harris, media director.

Employes: 15.

Phone: (212) 679-1702.

Martin A. Lave Marketing, Indianapolis, had estimated gross income of $559,100 in 1985 on billings of $3,638,294. In 1984, it had estimated gross income of $413,000 on billings of $2,690,133.

The agency's 1985 U.S. volume consisted of $2,350,650 in media, $509,782 in materials and services and $777,862 in capitalized fees. Its 1984 U.S. volume consisted of $1,667,128 in media, $310,027 in materials and services and $712,978 in capitalized fees.

In 1985, the agency gained: L. Fish Furniture. It lost: Midwest Computer Camp.

Billings breakdown: Newspapers 10%, magazines 6%, radio 7%, spot tv 60%, cable tv 2%, outdoor 1%, business papers 1%, point of sale 2%, direct mail 10%, other 1%.

Top exec: Martin A. Lave, president. Employes: 11.

Phone: (317) 872-0971. ☑

Laven, Fuller & Perkins Advertising/Marketing, Chicago, had estimated gross income of $990,000 in 1985 on billings of $6,585,100. In 1984, it had estimated gross income of $660,000 on billings of $4,407,458.

The agency's 1985 U.S. volume consisted of $5,218,500 in media, $186,000 in materials and services and $1,180,600 in capitalized fees. Its 1984 U.S. volume consisted of $3,409,800 in media, $91,500 in materials and services and $907,100 in capitalized fees.

Included in the agency's figures were returns from offices in Orlando and New York.

The agency did not consolidate subsidiaries:

- Cosmo Tops, cotton knitwear
- "For Certain" Enterprises

In 1985, the agency gained: Jartran; Wheeled Coach Corp; Popeye's Restaurants; Martin Marietta; United Telephone; Colony Plaza Hotel; Wyndham Hotels; Reach Hotel; Eaton Corp; PBS&J Engineering. It lost: Sorensen Chevrolet; Royal Lincoln-Mercury; Village Inn Restaurants; HMS Developments.

Billings breakdown: Newspapers 81%, magazines 1.6%, medical journals 2.1%, supplements 0.4%, radio 2%, spot tv 2.6%, cable tv 1.3%, business papers 3%, direct mail 1%, catalogs 2%, direct response newspapers 1%, free-standing inserts 2%.

Top execs: James P. Perkins, president-ceo; Maryanne Miller, exec vp, 1st officer; John P. Fox, senior vp; Don W. Bonesteel, exec vp (southeast region). Employes: 23 in 3 offices.

Phone: (312) 440-1818.

Lavey/Wolff/Swift, New York, reported gross income of $8,540,000 in 1985 on billings of $56,962,000. In 1984, it reported gross income of $7,843,000 on billings of $52,300,000.

The agency's 1985 and 1984 U.S. volumes were all in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Health Education Technologies
- PRISM Intl

In 1985, the agency gained: Organon Inc.; Alcon Laboratories. Overseas, it gained: Merck Sharpe; Dohme Intl; Organon Inc.; Berk Pharmaceuticals; ICI; Glaxo; Beecham.

Billings breakdown: Magazines 5%, medical journals 50%, network tv 2%, point of sale 5%, other 38%.

Top execs: John F. Swift, president-ceo; Kenneth H. Lavey, chmn, creative director; Charles A. Rockefeller, exec vp. Senior vps—Al Gerstein, assoc creative director; Ronald J. Furedi, Robert P. Smith, acct group supers; Jeremy S. Lee, consumer group super; Miriam Goldstein, director mgmt services. Employes: 110 in 4 offices.

Phone: (212) 593-3630. ☑

Lawler Ballard Advertising, Norfolk, reported gross income of $7,503,000 in 1985 on billings of $50,045,000. In 1984, it reported gross income of $6,368,000 on billings of $42,474,000.

The agency did not provide a volume breakout. Included in the agency's figures were returns from its offices in Kalamazoo, Mich., Richmond, Va., Cincinnati and Birmingham, Ala.

In 1985, the agency gained: Aqua Sports; AmSouth Bancorp; Riverside Hospital; The Beach; Travelmaster Motorhomes; Payne Lendman; Virginia Baptist Hospital. It lost: Blue Cross/Blue Shield of Va.; Tidewater Regional Transit; Contel Cellular.

Billings breakdown: Newspapers 33%, magazines 6%, medical journals 1%, radio 13%, spot tv 32%, outdoor 5%, business papers 10%.

Top execs: J.D. Ballard, president; William H. Pritchett, exec vp. Employes: 143 in 5 offices.

Phone: (804) 627-0261. ☑

Lawrence, Leglers & Borden, New York, reported gross income of $300,000 in 1985 on billings of $2,000,000. In 1984, it reported gross income of $270,000 on billings of $1,800,000.

In 1985, it had net income of $15,000, compared with $12,400 in 1984. The agency did not report volume breakdown.

Billings breakdown: Newspapers 10%, magazines 70%, business papers 20%.

Top exec: Lawrence Peskin, president. Employes: 6.

Phone: (212) 947-7878. ☑

Leff & Squicciarini Advertising & Public Relations, Columbus, O., reported gross income of $390,000 in 1985 on billings of $2,605,220. It did not report for 1984.

The agency's 1985 U.S. volume consisted of $650,000 in media, $181,000 in materials and services and $1,774,220 in capitalized fees.

In 1985, the agency gained: American Tectonics, real estate devel; County Savings Bank; Good Samaritan Medical Center; Grant Fitness Center; Health Mgmt Services; Pioneer Communications, cable tv; Sports Medicine Grant; Woodhouse Lynch Clothiers.

It lost: Conquest Corp, real estate devel; Streamers, nightclub.

Billings breakdown: Newspapers 39%, magazines 5%, radio 39%, spot tv 2%, outdoor 14%, direct mail 1%.

Top execs: Myron J. Leff, president; Larry J. Squicciarini, vp. Employes: 8.

Phone: (614) 228-4900.

Lempert Co., Belleville, N.J., reported gross income of $2,100,000 in 1985 on billings of $16,500,000. In 1984, it reported gross income of $1,800,000 on billings of $12,577,050.

In 1985, it had net income of $125,000, compared with $53,500 in 1984.

The agency's 1985 U.S. consisted of $9,200,000 in media, $4,100,000 in materials and services and $3,200,000 in capitalized fees.

Its 1984 U.S. volume consisted of $5,500,000 in media, $2,975,000 in materials and services and $4,102,050 in capitalized fees.

In 1985, the agency gained: Shaffer-Clarke & Co., Apollinaris mineral water, Carr's crackers and cookies, KA-ME oriental foods; J&J Snack Foods, Super Pretzel, Super Juice; Dutch Mill Baking Co., Dutch Mill donuts and cakes; Marielle Foods, quiche cookie. It lost: Amerifederal Saving Bank; Ogden Chrysler-Plymouth.

Billings breakdown: Newspapers 10%, magazines 30%, radio 15%, spot tv 35%, point of sale 5%, free-standing inserts 3%, brochures 2%.

Top execs: Philip Lempert, president-ceo; William X. Beadle, cfo; Greg Farruggio, vp-creative director. Employes: 34.

Phone: (201) 759-2927. ☑

Leonard Monahan Saabye, Providence, R.I., reported gross income of $2,850,000 in 1985 on billings of $19,000,000. In 1984, it reported gross income of $2,770,600 on billings of $18,480,000.

The agency's 1985 U.S. volume consisted of $4,438,000 in media, $2,590,000 in materials and services and $11,972,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,897,300 in media, $2,592,000 in materials and services and $11,990,700 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- LMS/Barrett, pr

In 1985, the agency gained: Fleet Center Leasing, Gilbane Properties; Cable Systems Operators, New England Cable Mktg Coop. It lost: Fairwinds Coffee; Butcher Polish Co.

Billings breakdown: Newspapers 18%, magazines 25%, radio 10%, network tv 3%, spot tv 19%, cable tv 2%, outdoor 1%, business papers 22%.

Top execs: Bruce N. Leonard, president; Thomas J. Monahan, Robert Saabye, exec vps; Ernest Schenck, Robert Pagano, Terrence O'Leary, senior vps. Employes: 48.

Phone: (401) 277-9020.

S.R. Leon Co., Great Neck, N.Y., reported gross income of $3,720,000 in 1985 on billings of $22,780,000. In 1984, the agency reported gross income of $2,770,000 on billings of $16,796,550.

The agency's 1985 U.S. volume consisted of $21,800,000 in media, $450,000 in materials and services and $3,530,000 in capitalized fees. Its 1984 U.S. volume consisted of $13,400,000 in media, $295,000 in materials and services and $3,101,000 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Tomlin Enterprises, direct mail
- Leon Media, buying services
- Apothecus, health care div
- Cloud Nine Production, tv production

In 1985, the agency gained: Wella Corp, Wella Balsam, Wella Mousse; Shield Mfg, toy and sporting goods. It lost: Kensington Laboratories; Atlanta Corp.

Billings breakdown: Newspapers 5%, magazines 10%, supplements 4%, radio 5%, network tv 10%, spot tv 40%, cable tv 17%, business papers 1%, direct mail 3%, direct response tv 5%.

Top execs: Thomas Leon, president, creative director. Exec vps—Max Brookmeyer, media director; Sanford Lunt, director mktg; Max Firetog, art director. Senior vps—C. John Davis, tv production; Dan Leon, mgmt acct super.

Employes: 25.

Phone: (516) 487-0500.

Leslie Advertising, Greenville, S.C., reported gross income of $4,176,282 in 1985 on billings of $28,266,141. In 1984, it reported gross income of $4,366,453 on billings of $29,892,741.

The agency's 1985 U.S. volume consisted of $17,049,510 in media, $3,094,372 in materials and services and $8,122,259 in capitalized fees. Its 1984 U.S. volume consisted of $16,829,359 in media, $3,560,566 in materials and services and $9,502,816 in capitalized fees.

Included in the agency's figures were returns from its office in Atlanta.

In 1985, the agency gained: Multimedia; Castleberry Foods; E-Z-Go/Textron; Piedmont Natural Gas; HAK Food Products. It lost: Wild Dunes Beach and Racquet Club.

Top 10 agencies by employes per $1 million in 1985 billings

Rank	Agency	Employes/ billings	Worldwide billings
1	Ohlmeyer Advertising	0.52	$115.4
2	Avrett, Free & Ginsberg	0.57	89.0
3	MCA Advertising	0.65	170.0
4	Towne, Silverstein Rotter	0.71	70.0
5	Admarketing	0.81	170.5
6	Group 3hree Advertising Corp.	0.94	38.3
7	Leber Katz Partners Advertising	1.05	290.6
8	Kornhauser & Calene	1.08	121.3
9	Geers Gross Advertising	1.09	257.0
10	Ally & Gargano	1.09	203.0

NOTE: Dollars in millions
Compiled from the top 100 agencies

Billings breakdown: Newspapers 9%, magazines 12%, radio 12%, spot tv 43%, outdoor 2%, point of sale 1%, direct mail 4%, direct response tv 1%, direct response magazines 1%, collateral 15%.

Top execs: Edwin D. Anderson, president; Eugene McN. Dickson, exec vp; David M. Chesson, Carlos R. Jimenez, senior vps. Employes: 80 in 2 offices.

Phone: (803) 271-8340. ☑

Lessing-Flynn Advertising, Des Moines, had estimated gross income of $1,130,000 in 1985 on billings of $7,550,000. In 1984, it had estimated gross income of $983,000 on billings of $6,550,000.

The agency did not report 1985 and 1984 U.S. volume breakdowns.

In 1985, the agency gained: Briggs Corp; AMF American, sporting goods equipment; Ross Daniels, lawn and garden prods; Kaleidoscope; Iowa Pork Producers; Iowa Beef Industry Council; McAllister Seed Co.; Ambico; Family Health Plan; Monsanto, special projects; Taco Bell. It lost: Midland Financial Savings & Loans.

Billings breakdown: Newspapers 8%, magazines 15%, radio 21%, spot tv 10%, outdoor 2%, business papers 11%, farm publications 15%, point of sale 3%, Yellow Pages 1%, direct mail 2%, catalogs 8%, promo 4%.

Top execs: Connor T. (Tom) Flynn Jr., president; Joseph N. Rosenberg, exec vp; Michael F. Murphy, vp. Employes: 20.

Phone: (515) 274-9271.

Lessner Slossberg Gahl & Partners, Avon, Conn., reported gross income of $1,370,625 in 1985 on billings of $9,137,506. The agency did not report for 1984.

The agency's 1985 U.S. volume consisted of $2,646,964 in media, $1,057,096 in materials and services and $5,615,446 in capitalized fees.

In 1985, the agency gained: State Mutual Life Insurance Co.; Summit Hotel; Michaels Jewelers. It lost: Creative Devel Systems.

Billings breakdown: Newspapers 20%, magazines 5%, radio 20%, spot tv 15%, cable tv 1%, outdoor 2%, business papers 10%, point of sale 5%, direct mail 12%, catalogs 2%, direct response newspapers 3%, direct response magazines 2%, telemarketing 3%.

Top execs: Gary Lessner, president; Richard A. Slossberg, exec vp; John J. Gahl, Albert A. Curt Jr., Frances Provencher Ryder, senior vps; Judith Pawlowski, vp. Employes: 18.

Phone: (203) 674-1902.

Levenson, Levenson & Hill, Irving, Tex., reported gross income of $3,534,838 in 1985 on billings of $29,418,585. The agency did not provide figures for 1984.

In 1985, the agency gained: American Petrofina; TreeSweet, juices; Chilis, Mexican restaurants; Fidelity Natl Bank; Walt Disney Pictures; New World Pictures; Frito-Lay, pr; Eastman Kodak, local media. It lost: Satellite Music Network; Epson Computer; Businessland, computers; Southland Real Estate.

Billings breakdown: Newspapers 10%, magazines 7%, radio 9%, spot tv 30%, fees, production and staff time, 44%.

Top execs: William Hill, president; Stanley Levenson, ceo. Exec vps—Barbara Levenson, coo; Robert McEnany, mktg. William Lawrence, gm, pr. Employes: 58.

Phone: (214) 556-0944.

Jack Levy & Associates, Chicago, reported gross income of $4,284,592 in 1985 on billings of $28,563,950. In 1984, it reported gross income of $3,052,800 on billings of $20,352,000.

The agency's 1985 U.S. volume consisted of $15,532,500 in media, $2,060,300 in materials and services and $10,971,150 in capitalized fees. Its 1984 U.S. volume consisted of $10,534,710 in media, $1,577,180 in materials and services and $8,240,110 in capitalized fees.

In 1985, the agency gained: ABN/LASALLE; Balmoral Park Race Track; Material Sciences; Nikko America; Winegard Co.; On-Cor Frozen Foods; Pizza Hut (Illinois Mega Coop). It lost: Aeolian Pianos.

Billings breakdown: Newspapers 15%, magazines 23%, radio 13%, spot tv 29%, cable tv 2%, outdoor 1%, business papers 8%, direct mail 8%, free-standing inserts 1%.

Top execs: Jack Levy, president. Senior vps—Mark Goldstein, operations, media; Richard Stack, director client services. Employes: 66.

Phone: (312) 332-7540.

Levy, Flaxman & Associates, New York, reported gross income of $2,722,120 in 1985 on billings of $18,147,788. In 1984, it reported gross income of $1,847,238 on billings of $12,316,816.

The agency's 1985 U.S. volume consisted of $12,127,240 in media, $1,316,197 in materials and services and $4,704,351 in capitalized fees. Its 1984 U.S. volume consisted of $7,221,472 in media, $847,221 in materials and services and $4,248,123 in capitalized fees.

The agency did not consolidate subsidiaries:

- Levy, Flaxman, Tremba, direct response
- Rittenband & Richards, sales promotion

In 1985, the agency gained: Cellular Telephones Co. (New York mkts). It lost: *Playboy* magazine.

Top execs: Richard Levy, chmn; Richard Flaxman, president; Robert Hurley, exec vp; Leslie Marshall, senior vp; Lanny Udell, Bonnie Oloff, vps. Employes: 30.

Phone: (212) 620-3100.

Levy, King & White Cos., Buffalo, reported gross income of $4,100,000 in 1985 on billings of $29,501,000. In 1984, it reported gross income of $3,850,000 on billings of $25,700,000.

The agency's 1985 U.S. volume consisted of $16,330,000 in media, $4,500,000 in materials and services and $8,671,000 in capitalized fees. Its 1984 U.S. volume consisted of $17,680,000 in media, $3,820,000 in materials and services and $4,200,000 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Quantum Analysis, mkt rsch/media placement
- Wm. Collins Associates, pr
- LKW Advertising of Fla.
- LKW Advertising

In 1985, the agency gained: Millard Fillmore Hospitals; Westwood Pharmaceuticals, Fostex brand; Gary Pools; Realty World (New Jersey); St. Petersburg Grand Prix; Old Hyde Village; WFTS-TV (Tampa). It lost: Dad's dog food; Upstate Milk Coops.

Billings breakdown: Newspapers 24.5%, magazines 13.1%, supplements 14.2%, radio 9.7%, network tv 12%, spot tv 3.6%, cable tv 5.2%, outdoor 1%, business papers 5.4%, point of sale 2.1%, direct mail 2.8%, catalogs 0.8%, free-standing inserts 5.6%.

Top execs: Peter King, chmn-ceo; Strattan S. White, president-coo; David I. Levy, chmn of exec committee. Presidents—Michael Thomas, LKW (Florida); William Collins, Wm. Collins Associates; Ken Dobmeier, QA Research; Carmen Fasula, treasurer. Employes: 120 in 3 offices.

Phone: (716) 853-6755.

Lieberman-Appalucci, Allentown, Pa., reported gross income of $1,649,150 in 1985 on billings of $11,673,762. In 1984, it reported gross income of 1,369,520 on billings of $10,227,680.

In 1985, it had net income of $79,000, compared with $65,000 in 1984.

The agency's 1985 U.S. volume consisted of $3,934,179 in media, $1,173,842 in materials and services and $6,565,741 in capitalized fees. Its 1984 U.S. volume consisted of $3,778,900 in media, $1,150,000 in materials and services and $5,298,780 in capitalized fees.

In 1985, the agency gained: Mitsubishi Fuso Truck of America; Dorma Door Controls; DuroFlow Corp.

Billings breakdown: Newspapers 17%, magazines 32%, radio 10%, spot tv 5%, outdoor 6%, Yellow Pages 10%, direct mail 20.

Top execs: George R. Lieberman, chmn; Joseph L. Appalucci, president. Employes: 35.

Phone: (215) 791-2011. ☑

Lipman Advertising, New York, reported gross income of $1,347,911 in 1985 on billings of $10,187,811. In 1984, it reported gross income of $1,063,959 on billings of $9,312,526.

The agency's 1985 U.S. volume consisted of $5,428,392 in media and $4,759,419 in capitalized fees. Its 1984 U.S. volume consisted of $4,103,469 in media and $5,209,057 in capitalized fees.

In 1985, the agency gained: Westin Hotel; Huntington Town House.

Billings breakdown: Newspapers 44%, magazines 14%, radio 11%, spot tv 23%, outdoor 4%, transit advertising 4%.

Top execs: Robert Lipman, president; Richard Lipman, secretary, treasurer; David Lipman, senior vp. Employes: 24.

Phone: (212) 684-1100.

K.I. Lipton Inc., Doylestown, Pa., reported gross income of $655,382 in 1985 on billings of $3,323,145. In 1984, it reported gross income of $468,676 on billings of $2,289,917.

The agency's 1985 U.S. volume consisted of $700,032 in media, $965,291 in materials and services and $1,657,822 in capitalized fees. Its 1984 U.S. volume consisted of $395,459 in media, $579,014 in materials and services and $1,315,444 in capitalized fees.

In 1985, the agency gained: Church & Dwight Co., chemicals div; Medical Economics Co., drug topics; Agfa Gevaert; Getinge Intl; Moyco Industries; Colorcon; LCI Medical; Lydo Precision Products. It lost: Electro-Nucleonics; Intl Technidyne; Cabot Medical Group.

Billings breakdown: Medical journals 50%, business papers 10%, direct mail 40%.

Top exec: Kenneth I. Lipton, president. Employes: 11.

Phone: (215) 345-4525. ☑

Livingston & Co., Seattle, reported a gross income of $3,100,000 in 1985 on billings of $23,000,000. In 1984, it reported gross income of $3,000,000 on billings of $18,500,000.

The agency did not provide a volume breakout.

In 1985, the agency gained: Society Expeditions. It lost: CB Sports.

Top execs: Roger Livingston, president, creative director. Vps—Tom Swearingen, Doug Dickison, Betsy Borrow, acct supers; Betti Fujikado, controller; Ron Sandilands, creative director; Richard Block, planning director; David Verklin, media director; Elton Welke, director pr; Bernie Hafeli, copywriter. Employes: 50.

Phone: (206) 382-5500.

Lockhart & Pettus, New York, reported gross income of $1,650,000 in 1985 on billings of $11,000,000. In 1984, it reported gross income of $1,285,000 on billings of $8,570,000.

The agency's 1985 U.S. volume consisted of $8,700,000 in media and $2,300,000 in materials and services. Its 1984 U.S. volume consisted of $6,360,000 in media and $2,210,000 in materials and services.

Billings breakdown: Newspapers 6%, magazines 20%, radio 34%, network tv 10%, spot tv 22%, outdoor 8%.

Top execs: Keith E. Lockhart; Theodore D. Pettus, exec vp. Employes: 25.

Phone: (212) 725-2828.

Loeffler Mountjoy, Charlotte, N.C., formerly Loeffler Marley Mountjoy, reported gross income of $1,004,963 in 1985 on billings of $6,703,000. In 1984, it reported gross income of $1,131,375 on billings of $7,546,000. The agency did not breakdown its U.S. volume.

In 1985, the agency gained: Carolina Mirror Corp; Direct Express Courier Services; Jonathan's Restaurant; McLeod Hospital; Charlotte Transit System. It lost: Piggly Wiggly Carolina Corp; South Carolina Federal.

Billings breakdown: Newspapers 20%, magazines 2%, radio 10%, spot tv 55%, outdoor 1%, business papers 3%, point of sale 1%, Yellow Pages 2%, direct mail 2%, telemarketing 1%, free-standing inserts 1%, other 2%.

Top execs: William G. Loeffler, president; James W. Mountjoy, vp. Employes: 20.

Phone: (704) 554-7141. ☑

J.P. Lohman Organization, New York, reported gross income of $1,240,000 in 1985 on billings of $8,250,000. In 1984, it reported gross income of $1,109,000 on billings of $7,400,000.

The agency's 1985 and 1984 U.S. volumes were both in media.

In 1985, the agency gained: EQK Realty Investors; Park Tower Realty; Greiner-Maltz Co.

Billings breakdown: Newspapers 20%, magazines 20%, collateral 35%, pr 25%.

Top execs: Arthur J. Lohman, president, creative director; Patricia W. Rich, senior acct super; Claire Lukacs, director graphics services; Joanne M. Spettell, director admin services. Employes: 18.

Phone: (212) 661-9700. ☑

Lois Pitts Gershon Pon/GGK, New York, reported gross income of $7,950,000 in 1985 on billings of $63,000,000. In 1984, it reported gross income of $6,780,000 on billings of $54,672,000.

The agency's 1985 U.S. volume consisted of $54,329,000 in media and $8,671,000 in capitalized fees. Its 1984 U.S. volume consisted of $44,000,000 in media and $10,672,000 in capitalized fees.

In 1985, the agency gained: Harrah's Marina Casino Hotel; Murjani Intl, Coca-Cola Clothes, Lois Jeans, Tommy Hilfiger; Greek Natl Tourist Organization; WABC-TV, Gannett Corp, *USA Weekend*, corp. It lost: Carrier Corp; WPIX-FM.

Billings breakdown: Newspapers 12%, magazines 17%, radio 10%, network tv 7%, spot tv 38%, cable tv 3%, outdoor 2%, business papers 3%, transit advertising 1%, direct response tv 4%, other 3%.

Top execs: George Lois, chmn, creative director; William Pitts, vice chmn, mktg, acct; Richard Gershon, president, media, admin; Dale Pon, Richard Lewis, exec vps, acct. Senior vps—Neil Brownlee, copy; Dennis Mazzella, Kurt Weihs, co-creative directors; James Feigenbaum, Leslie Fenn, Dwight Davis, acct; John De Angelis, finance. Vps—Ralph Tuzzo, senior art director; Robert McCann, traffic; James Mooney, print production; Chris Crowley, tv production. Employes: 78.

Phone: (212) 757-6700. ☑

Robert Lombardi Advertising, New York, had estimated gross income of $483,000 in 1985 on billings of $2,993,078. The agency did not provide figures for 1984.

The agency's 1985 U.S. volume consisted of $857,972 in media, $1,292,525 in materials and services and $842,581 in capitalized fees.

In 1985, the agency gained: Italgold, (jewelry); Gemological Institute of America.

Billings breakdown: Business papers 40%, point of sale 5%, direct mail 10%, catalogs 40%, direct response magazines 5%.

Top execs: Robert Lombardi, president; Howard Koerpel, exec vp. Employes: 11.

Phone: (212) 302-0900.

Long, Haymes & Carr, Winston-Salem, N.C., reported gross income of $6,311,600 in 1985 on billings of $42,600,000. In 1984, it reported gross income of $6,159,300 on billings of $41,500,000.

The agency's 1985 U.S. volume consisted of $26,650,000 in media, $7,075,000 in materials and services and $8,875,000 in capitalized fees. Its 1984 U.S. volume consisted of $28,000,000 in media, $6,700,000 in materials and services and $6,800,000 in capitalized fees.

In 1985, the agency gained: Hanes Hosiery, Isotoner pantyhose; L'Eggs prods, Gitano pantyhose; Hanes Knitwear, Bill Blass underwear; Wix Corp, Wix Auto Filters.

Billings breakdown: Newspapers 19%, magazines 17%, supplements 1%, radio 4%, network tv 22%, spot tv 9%, outdoor 1%, business papers 7%, sales promo 14%, direct mail 3%, service fees 3%.

Top execs: Joseph A. Haymes Jr., president-ceo; Curtis E. Long, chmn; Austin H. Carr, senior exec vp; Donald N. Adams, Loren L. Chamberlain, Robert E. Fly, Robert F. Graham, exec vps. Senior vps—Robert S. Fellows II; Pat N. Thomas, treasurer; Erling S. Tonnes. Employes: 120.

Phone: (919) 765-3630. ☑

Lord, Sullivan & Yoder, Marion, O., reported gross income of $5,107,278 in 1985 on billings of $36,476,494. In 1984, it reported gross income of $5,070,395 on billings of $36,105,161.

The agency's 1985 U.S. volume consisted of $12,370,040 in media, $4,748,041 in materials and services and $19,358,414 in capitalized fees. Its 1984 U.S. volume consisted of $13,124,307 in media, $4,725,004 in materials and services and $18,255,850 in capitalized fees.

Included in the agency's figures were returns from its offices in Marion, O., and DesMoines, Ia.

In 1985, the agency gained: Money Station; Iowa State Lottery Commission; Westinghouse Furniture Systems; Saint Anthony Medical Center; U.S. Chemical & Plastics. It lost: National Pork Producers Council; Blue Cross/Blue Shield; McCurdy Seed Co.; Pioneer Communications; Dana World Trade.

Billings breakdown: Newspapers 20.2%, magazines 2.4%, radio 20%, spot tv 29.2%, cable tv 0.7%, outdoor 1.5%, business papers 21.1%, farm publications 2.2%, transit advertising 1.1%, point of sale 1.3%, Yellow Pages 0.2%, direct mail 0.1%.

Top execs: Robert E. Sullivan, president, treasurer. Senior vps—Robert D. Ackerman, client services; Robert L. Bender, art, production; Kent T. Zimmerman, operations mgr (Des Moines Office). Employes: 103 in 2 offices.

Phone: (614) 387-8500. ☑

Lorsch Group, Los Angeles, reported gross income of $5,300,000 in 1985 on billings of $34,400,000. In 1984, it reported gross income of $6,300,000 on billings of $39,000,000.

The agency's 1985 U.S. volume consisted of an estimated $20,300,000 in media and $14,100,000 in materials and services. Its 1984 U.S. volume consisted of $23,000,000 in media, $16,000,000 in materials and services.

Included in the agency's figures were returns from subsidiary:

- Bob Lorsch & Friends

In 1985, the agency gained: Memtech, distributor of Memorex brand audio and video tapes and accessories; Medivision, outpatient eye surgery; Embassy Home Entertainment Corp; Tropicana Hotel & Casino (Atlantic City); Green Giant, frozen entrees; American Honda Motors, safety div, recreation div; Taco Bell.

Billings breakdown: Newspapers 30%, magazines 20%, supplements 10%, radio 10%, spot tv 5%, outdoor 5%, direct mail 10%, other 10%.

Top execs: Robert H. Lorsch, president-ceo; Lester Boxer, director; Debbie Rosten, vp; Brent Caines, senior art director; Greg Gleicke, cfo. Employes: 26.

Phone: (213) 856-0808.

Louis & Saul Intl., Santa Monica, Cal., reported gross income of $4,300,000 in 1985 on billings of $30,688,000. In 1984, it reported gross income of $3,200,000 on billings of

$21,450,000.

The agency's 1985 U.S. volume consisted of $26,103,000 in media, $850,000 in materials and services and $1,531,000 in capitalized fees. Its 1984 U.S. volume was all in media.

Included in the agency's figures were returns from subsidiaries:
- Gold Promotions
- Louis & Saul/Arizona

The agency did not consolidate subsidiaries:
- Sports Marketing Group, sales promo
- Advantage Group, barter adv
- Santa Monica Group, market rsch

In 1985, the agency gained: Chantal Cosmetics; RNC Capital Mgmt; American Hawaiin Cruise Lines; Marc's Drug Stores; Los Angeles Mart; Sahara Hotel & Resort; Indian Wells Properties; Regal Oil; BioGard Products; Coastal Insurance; Edmund G. "Pat" Brown Institute for Public Affairs; Product Research Chemical Co. It lost: Jet America Airlines.

Billings breakdown: Newspapers 15%, magazines 30%, supplements 5%, radio 10%, network tv 5%, spot tv 15%, outdoor 10%, business papers 5%, other 5%.

Top execs: Peter Summers, chmn exec board; Jerome Wolf, cfo. Presidents—Saul Fruchthendler, ceo; Ray Ramano, Gold Promotions; William Weinberger, Sports Mktg Group; Stan Rich, Santa Monica Group. Louis Goldberg, exec vp, creative director; Michael Levitt, senior vp-gm. Bruce Friedlander, mng director-Advantage Group. Vps—Mark Alexander, media director; Harris Goldstein, rsch; Jed West, Tina Hopkins, mgmt supers; Marcel Diraison, intl; Carl Overr, art super; Lauriann House, operations. Employes: 34.

Phone: (213) 393-0507. ☑

Luckie & Forney, Birmingham, Ala., had estimated gross income of $7,400,000 in 1985 on billings of $47,961,214. In 1984, it had estimated gross income of $5,724,000 on billings of $37,150,063.

The agency's 1985 U.S. volume consisted of $29,945,738 in media, $8,035,569 in materials and services and $9,979,907 in capitalized fees. Its 1984 U.S. volume consisted of $24,108,227 in media, $5,749,846 in materials and services and $7,291,990 in capitalized fees.

In 1985, the agency gained: Godfather's Pizza (Ala, Fla, Miss, Ga); Mrs. Stratton's Salads; Drummond Coal, mktg, rsch; SONAT, pr. It lost: Jacks Fast Foods; Forum Group; Kindercare, Med Central div.

Billings breakdown: Newspapers 19%, magazines 15%, radio 6%, spot tv 59%, outdoor 1%.

Top execs: Robert E. Luckie Jr., chmn-ceo; Frank Lee, president-coo; John Forney, vice chmn. Employes: 98.

Phone: (205) 879-2121.

Lundmark Advertising & Design, Kansas City, had estimated gross income of $207,000 in 1985 on billings of $1,200,000. In 1984, it had estimated gross income of $158,000 on billings of $920,000.

The agency's 1985 U.S. volume consisted of $200,000 in media and $1,000,000 in materials and services. Its 1984 U.S. volume consisted of $150,000 in media and $770,000 in materials and services.

Billings breakdown: Magazines 10%, business papers 5%, point of sale 60%, direct mail 25%.

Top exec: Fred Trent, president. Employes: 6.

Phone: (816) 842-5236.

Lyons, Wilmington, Del., reported gross income of $1,925,000 in 1985 on billings of $18,379,000. In 1984, it reported gross income of $1,867,000 on billings of $15,550,000.

The agency's 1985 U.S. volume consisted of $2,789,000 in media, $3,198,000 in materials and services and $12,392,000 in capitalized fees. Its 1984 U.S. volume consisted of $1,965,000 in media, $2,827,000 in materials and services and $10,758,000 in capitalized fees.

Included in the agency's figures were returns from subsidiary:
- 810 Studio

Not included in the agency's figures were returns from its LSI Publishing, greeting cards.

In 1985, the agency gained: Hunter Douglas Architectural Products; Graniteville Mills; Brandywine Park Condominiums.

Billings breakdown: Newspapers 10%, magazines 40%, radio 10%, point of sale 10%, direct mail 15%, catalogs 15%.

Top execs: William N. Spiker, chmn; Joseph P. Foran, president. Employes: 67.

Phone: (302) 654-6146. ☑

MacMahon Advertising, Orlando, had estimated gross income of $343,000 in 1985 on billings of $2,543,260. In 1984, it had estimated gross income of $299,000 on billings of $1,952,434.

The agency's 1985 U.S. volume consisted of $915,247 in media, $402,024 in materials and services and $1,225,989 in capitalized fees. Its 1984 U.S. volume consisted of $600,949 in media, $212,806 in materials and services and $1,138,679 in capitalized fees.

In 1985, the agency gained: Peabody Hotel; Central Florida Physicians Health Plan; Photo Plastic Products. It lost: Crawford Equipment & Engineering; Florida Hospital; D'Lites; Hood Tractor Co.

Billings breakdown: Newspapers 7%, magazines 5%, radio 28%, spot tv 12%, outdoor 17%, business papers 31%.

Top execs: James R. MacMahon, president. Vps—William E. Ryerson, creative services; Alexis C. McGrath, acct services. Employes: 12.

Phone: (305) 894-7060.

MacNamara, Clapp & Klein, New York, reported gross income of $4,055,000 in 1985 on billings of $27,046,850. In 1984, it reported gross income of $2,850,000 on billings of $19,009,500.

The agency's 1985 and 1984 U.S. volume was all in capitalized fees.

In 1985, the agency gained: Fleischmann Distilling, gin, vodka, El Toro tequila, LTD Canadian, Denara Vodka, Plymouth Gin; IMI.

Billings breakdown: Newspapers 2%, magazines 9%, supplements 1%, radio 12%, network tv 55%, spot tv 15%, cable tv 5%, free-standing inserts 1%.

Top execs: Jeff Clapp, president; Exec vps—Frank MacNamara, media; Don Klein, creative director. Jack Wheaton, senior vp, acct mgmt. Employes: 27.

Phone: (212) 206-8484. ☑

Maher/Hartford, Hartford, Conn., had estimated gross income of $3,800,000 in 1985 on billings of $25,000,000. In 1984, it had estimated gross income of $3,400,000 on billings of $22,600,000.

In 1985, the agency gained: Kaman Corp; Taylor Rental; Eastern States Exposition, Big E; FITCO, importer of fish prods; Prague's. It lost: Sound Playground.

Billings breakdown: Newspapers 12%, magazines 12%, radio 20%, spot tv 20%, outdoor 4%, business papers 8%, point of sale 12%, Yellow Pages 1%, direct mail 2%, free-standing inserts 5%.

Top execs: E. Ray Maher, president-ceo, creative director. Exec vps—Stanton P. Beaghen, gm; Eugene Sheehan, assoc creative director. Senior vps—Jeffrey Maker, pr director; John Pastor, media director; William Pratt, acct super; Dean Lang, cfo. Employes: 30.

Phone: (203) 549-4630.

Malek Group, New York, had estimated gross income of $344,704 in 1985 on billings of $2,259,219. In 1984, it had estimated gross income of $219,739 on billings of $1,685,680.

The agency's 1985 U.S. volume consisted of $482,250 in media, $304,166 in materials and services and $1,472,803 in capitalized fees. Its 1984 U.S. volume consisted of $551,087 in media, $166,789 in materials and services and $967,804 in capitalized fees.

In 1985, the agency gained: Greer Software Associates; New York Institute of Finance; Madison Green Personnel. It lost: HSF, chinese restaurant; Harzfeld & Stern.

Billings breakdown: Newspapers 28, magazines 20%, point of sale 50%, Yellow Pages 1%, free-standing inserts 1%.

Top execs: Judith Malek, president; Frances Cohen, secretary, treasurer. Employes: 6.

Phone: (212) 684-6103.

Mallof, Abruzino & Nash Marketing, Lombard, Ill., had estimated gross income of $630,000 in 1985 on billings of $4,200,000. In 1984, it had estimated gross income of $480,000 on billings of $3,200,000.

Billings breakdown: Newspapers 50%, magazines 5%, supplements 10%, radio 20%, spot tv 10%, outdoor 5%.

Top exec: Edward G. Mallof, president. Employes: 14.

Phone: (312) 964-7722.

Malone Advertising, Akron, O., reported gross income of $5,000,000 in 1985 on billings of $33,350,000. In 1984, it reported gross income of $4,200,000 on billings of $28,014,000.

Included in the agency's figures were returns from offices in Austin, Tex., and Charlotte, N.C.

In 1985, the agency gained: Family Dollar; Tel-Man; State of Ohio Economic Devel; Systemation; Belden & Blake; Price Waterhouse; American Physician Services; 1986 U.S. Savings Bond Volunteer Committee; Financial Partners Intl; Radiation Disposal Systems. It lost: Wendy's (regional franchisee).

Billings breakdown: Newspapers 5%, magazines 7%, radio 7%, spot tv 56%, outdoor 2%, point of sale 4%, direct mail 4%, catalogs 8%, other 7%.

Top execs: H.P. Stitzlein, chmn-ceo; B.L. Malone, president-coo. Senior vps: W.L. Ebner, creative director; R. Hall; R.W. Dill. Employes: 110 in 3 offices.

Phone: (216) 376-6148.

Mandabach & Simms, Chicago, had estimated gross income of $7,860,000 in 1985 on billings of $52,400,000. In 1984, it had estimated gross income of $8,500,000 on billings of $56,900,000.

The agency did not provide a volume breakout. Included in the agency's figures were returns from its offices in New York City, Mansfield, O., Emeryville, Cal., and Ft. Lauderdale.

Top execs: Irwin Simms, president-ceo; Lee Lippman, Sheldon Kahn, exec vps; Robert J. Maszka, senior vp, finance. Employes: 136 in 5 offices.

Phone: (312) 902-1300.

MAP Advertising, Springfield, Mo., reported gross income of $384,704 in

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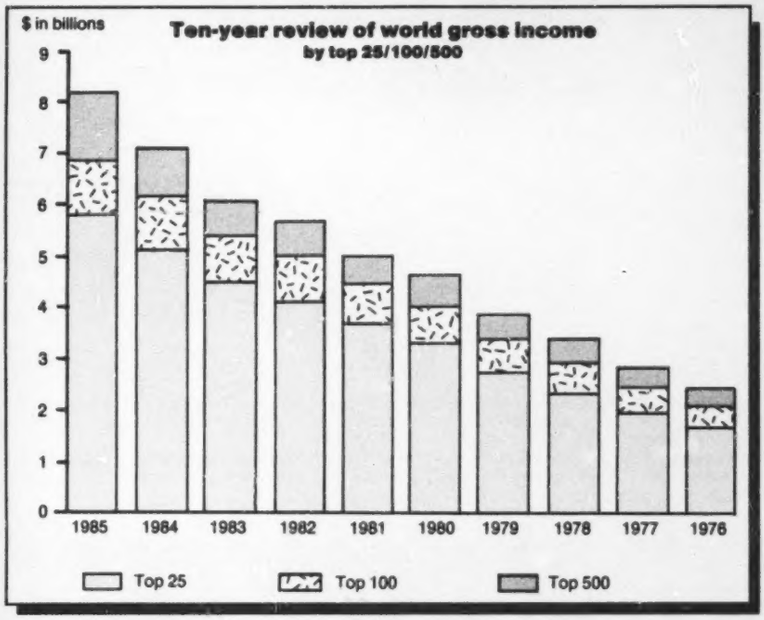
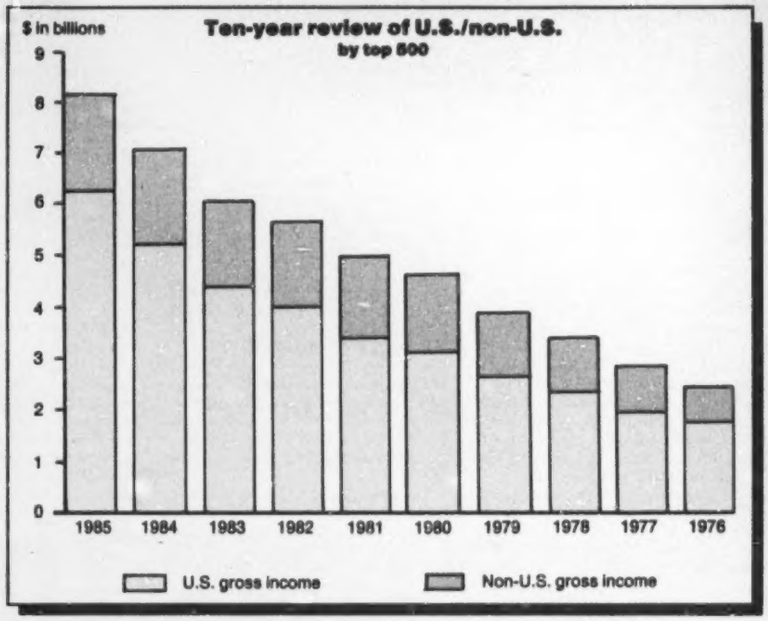




1985 on billings of $4,008,242. In 1984, it reported gross income of $496,556 on billings of $3,689,110.

The agency's 1985 U.S. volume consisted of $1,927,528 in media, $58,450 in materials and services and $2,022,264 in capitalized fees. Its 1984 U.S. volume consisted of $1,517,958 in media, $69,309 in materials and services and $2,101,843 in capitalized fees.

In 1985, the agency gained: America's Heartland Council, tourism; Bi-Rite Directories; Eureka Springs-North Arkansas Railway; McLean Hotels; Ebenezer's Eatery & Drinkery; Howard Johnson Lodge (Birmingham, Ala., Biloxi, Miss., Bloomington, Minn., Erlanger, Ky., Hattiesburg, Miss., Lenexa, Kan., Mill Valley, Cal., Mobile, Ala., New Orleans, Sacramento, Springfield, Mo., Topeka, Kan., Tulsa, Okla.); Ramada Hotel (Springfield, Mo.).

It lost: Ramada Inn (Joplin, Mo.); Coach House Best Western (Springfield, Mo.) P.J. Brennans Prime Rib House.

Billings breakdown: Newspapers 10%, magazines 15%, radio 16%, spot tv 35%, cable tv 3%, outdoor 1%, business papers 6%, point of sale 2%, Yellow Pages 2%, direct mail 2%, free-standing inserts 8%.

Top execs: Joseph H. Straughan Jr., chmn; Raymond D. Bradshaw, president; Kenneth E. Lay, exec vp. Employes: 20.

Phone: (417) 866-2779. ☑

MARC & Co., Pittsburgh, reported gross income of $4,600,000 in 1985 on billings of $30,800,000. In 1984, it reported gross income of $4,100,000 on billings of $27,000,000.

The agency's 1985 U.S. volume consisted of $16,000,000 in media, $5,500,000 in materials and services and $9,300,000 in capitalized fees. Its 1984 U.S. volume consisted of $12,400,000 in media, $3,300,000 in materials and services and $11,300,000 in capitalized fees.

In 1985, the agency gained: PPG Place; American Hardware Supply Co.; Equibank; Herr's Foods; Sears Roebuck & Co. (northeast and northwest groups).

Billings breakdown: Newspapers 19%, radio 21%, spot tv 56%, outdoor 4%.

Top execs: Louis J. Caramone, ceo. Senior vps—Anthony L. Bucci, director client services; Norbert J. Sieber, director operations; Cynthia L. Zeth, creative services; Gary P. Boens, mgmt super. Vps—Edward L. Fine, creative director; John J. Harpur, media director; Stuart M. Zolot, finance; James P. Werbel, mgmt super.
Employes: 80.
Phone: (412) 562-2000. ☑

MARCOA Direct Advertising, Chicago, had estimated gross income of $6,372,000 in 1985 on billings of $36,100,000. In 1984, it had estimated gross income of $6,195,000 on billings of $35,100,000.

In 1985, the agency gained: Bally Fitness prods; Bradford Exchange; Cabot Corp, E-A-R div; Hammacher Schlemmer; Intl Shoe; Madison Pharmacy Associates; Motorola, commercial mkts div; Prestige Group; Rand-McNally; VITA-MIX Corp. It lost: Montgomery Ward; Xerox, business prods div.

Billings breakdown: Business papers 11%, point of sale 3%, direct mail 33%, catalogs 8%, direct response tv 10%, direct response radio 1%, direct response newspapers 13%, direct response magazines 19%, telemarketing 2%.

Top execs: David Hefter, president; Ronald Perrella, exec vp, mgmt super. Senior vps—David King, mgmt super; Robert Patterson, creative director, art; Michael McCarthy, creative director, copy. Employes: 70.

Phone: (312) 454-0660.

Marcus Advertising, Cleveland, reported gross income of $2,857,138 in 1985 on billings of $20,020,006. In 1984, it reported gross income of $2,358,796 on billings of $15,726,656.

The agency's 1985 U.S. volume consisted of $13,987,624 in media, $1,384,066 in materials and services and $4,648,316 in capitalized fees. Its 1984 U.S. volume consisted of $12,016,899 in media, $1,015,358 in materials and services and $2,694,399 in capitalized fees.

In 1985, the agency gained: Open Pantry food stores; HGM Hilltop Realtors; Cleveland State University. It lost: Expositions.

Billings breakdown: Newspapers 13%, magazines 11%, radio 19%, spot tv 45%, outdoor 4%, transit advertising 2%, other 6%.

Top execs: Donald Marcus, chmn-

Ten-year gross income review of top 25/100/500 agencies

	Worldwide gross income					U.S. gross income					Non-U.S.
	Top 25		Top 100		Top 500	Top 25		Top 100		Top 500	Top 500
Year	Gross income	$ as % of top 500	Gross income	$ as % of top 500	Gross income	Gross income	$ as % of top 500	Gross income	$ as % of top 500	Gross income	Gross income
1985	$5,781.9	70.7	$6,870.1	84.0	$8,174.6	$3,999.4	63.9	$5,030.3	80.3	$6,262.2	$1,912.4
1984	5,115.3	72.2	6,162.1	86.9	7,089.8	3,377.4	64.5	4,374.0	83.5	5,237.2	1,852.6
1983	4,463.0	73.7	5,381.4	88.9	6,055.9	2,850.0	64.4	3,736.3	84.4	4,425.4	1,630.6
1982	4,086.4	72.0	4,999.9	88.1	5,676.1	2,461.7	61.4	3,319.9	82.7	4,012.4	1,663.7
1981	3,682.5	73.6	4,447.4	88.9	5,003.0	2,134.9	62.3	2,847.1	83.1	3,425.1	1,577.9
1980	3,313.0	71.3	3,990.6	85.9	4,645.0	1,839.8	58.6	2,467.2	78.5	3,141.3	1,503.7
1979	2,771.7	71.5	3,395.0	87.6	3,877.3	1,566.4	58.8	2,149.9	80.7	2,662.8	1,214.5
1978	2,341.5	68.7	2,935.8	86.2	3,407.5	1,311.3	56.1	1,855.8	79.4	2,336.7	1,070.8
1977	1,954.7	68.9	2,453.5	86.4	2,838.5	1,106.7	56.3	1,570.8	79.9	1,965.2	873.3
1976	1,667.6	67.8	2,094.6	85.2	2,458.7	983.3	55.7	1,396.7	79.1	1,765.3	693.4

Ten-year total billings review of top 25/100/500 agencies

	Worldwide total billings					U.S. total billings					Non-U.S.
	Top 25		Top 100		Top 500	Top 25		Top 100		Top 500	Top 500
Year	Total billings	$ as % of top 500	Total billings	$ as % of top 500	Total billings	Total billings	$ as % of top 500	Total billings	$ as % of top 500	Total billings	Total billings
1985	$39,297.1	70.4	$46,805.7	83.9	$55,805.5	$25,742.7	62.2	$32,880.2	79.5	$41,371.8	$14,433.6
1984	34,635.5	71.9	41,879.3	87.0	48,152.8	22,874.3	64.2	29,781.9	83.6	35,604.6	12,548.1
1983	30,103.8	73.2	36,484.3	88.7	41,122.3	19,188.4	63.8	25,378.2	84.3	30,092.9	11,029.4
1982	27,596.5	71.9	33,843.1	88.2	38,369.4	16,713.5	61.8	22,400.8	82.9	27,036.2	11,333.2
1981	23,920.4	72.4	29,261.1	88.6	33,039.1	14,330.3	62.4	19,096.2	83.1	22,979.9	10,059.2
1980	22,345.9	70.7	27,013.5	85.5	31,601.6	12,463.8	57.8	16,833.3	78.1	21,552.5	10,049.1
1979	18,826.4	71.2	23,060.6	87.2	26,436.0	10,687.8	58.6	14,655.0	80.4	18,235.6	8,200.4
1978	15,745.4	68.5	19,714.3	85.7	22,997.5	8,879.9	54.9	12,568.4	77.7	16,184.7	6,812.7
1977	13,209.5	68.8	16,527.4	86.1	19,206.6	7,548.2	54.0	10,692.5	76.5	13,986.0	5,220.6
1976	11,257.9	67.9	14,062.3	84.8	16,579.2	6,617.4	55.7	9,359.9	78.7	11,887.5	4,691.7

NOTE: Dollar figures in millions

ceo; Harvey Scholnick, president-coo; Donald Campbell, William Greenwald, exec vps; Andrew Meldrum, James Reed, senior vps. Employes: 40.
Phone: (216) 461-8000.

Margeotes Fertitta & Weiss, New York, reported gross income of $4,712,000 in 1985 on billings of $27,488,000. In 1984, it reported gross income of $3,465,000 on billings of $19,467,000.

In 1985, it had net income of $170,000, compared with $49,000 in 1984.

The agency's 1985 U.S. volume consisted of $17,802,000 in media, $4,237,000 in materials and services and $5,449,000 in capitalized fees. Its 1984 U.S. volume consisted of $11,173,000 in media, $3,310,000 in materials and services and $3,427,000 in capitalized fees.

In 1985, the agency gained: Dansk Intl Design; Lazare Kaplan; Hearst Corp; Macallan Scotch; Charles Heidseick Champagne.

Billings breakdown: Newspapers 12%, magazines 50%, radio 8%, spot tv 11%, outdoor 5%, business papers 5%, transit advertising 2%, point of sale 2%, direct mail 5%.

Top execs: John Margeotes, chmn, creative director; George A. Fertitta, president-coo; John Weiss, exec vp; Robert S. Berman, chmn exec committee; Paul Donaher, vp acct services; Barbara DiLorenzo, vp creative services; Nevah Assang, vp production services; Valerie Muller, director media services. Employes: 48.
Phone: (212) 620-3838.

Maris, West & Baker, Jackson, Miss., reported gross income of $1,800,842 in 1985 on billings of $12,011,615. In 1984, it reported gross income of $1,974,966 on billings of $13,173,026.

The agency's 1985 U.S. volume consisted of $2,008,096 in media, $614,987 in materials and services and $9,388,532 in capitalized fees. Its 1984 U.S. volume consisted of $2,164,521 in media, $999,323 in materials and services and $10,009,182 in capitalized fees.

Also included in the agency's figures were returns from its New Orleans office.

In 1985, the agency gained: Mississippi Power & Light; Prescription Cabinet; MS-LA Broadcast (WNTZ); Catfish Assn; Trammell Crow, real estate; WYHT Radio; Wesley Health Service; Cashiers; Southern Beverage Co.; Hope Farms; East Ford; Jackson Convention & Visitors Bureau; TMC, Sun Light Mgmt; Charles River Mgmt; Suburban American Co.

Billings breakdown: Newspapers 23.8%, magazines 16.9%, radio 7.9%, spot tv 36.9%, outdoor 11.6%, other 2.9%.

Top execs: Gerrit A. Maris, president; Norman L. West, exec vp; Harry C. Brown, vp-secretary. Employes: 32 in 2 offices.
Phone: (601) 362-6306.

MarketAide, Salina, Kan., reported gross income of $631,892 in 1985 on billings of $4,241,607. In 1984, it reported gross income of $733,093 on billings of $4,995,542.

The agency's 1985 U.S. volume consisted of $347,887 in media, $1,082,368 in materials and services and $2,811,352 in capitalized fees. Its 1984 U.S. volume consisted of $411,344 in media, $1,499,463 in materials and services and $3,084,735 in capitalized fees.

Billings breakdown: Newspapers 8%, magazines 1%, radio 16%, spot tv 23%, outdoor 1%, business papers 15%, farm publications 15%, point of sale 1%, direct mail 20%.

Top execs: Gary D. Ray, chmn-ceo; Russell C. Norwood, president. Employes: 15.
Phone: (913) 825-7161.

Marketing Directions, Newport Beach, Cal., reported gross income of $1,360,312 in 1985 on billings of $8,872,781. In 1984, it reported gross income of $1,326,503 on billings of $7,749,661.

The agency's 1985 U.S. volume consisted of $1,256,681 in media, $1,005,556 in materials and services and $6,610,544 in capitalized fees. Its 1984 U.S. volume consisted of $913,398 in media, $760,440 in materials and services and $6,075,823 in capitalized fees.

In 1985, the agency gained: American Abbey Homecare; Inland Health Plan; Riverside Community Hospital; Mallinckrodt Critical Care; Radiation Sterilizers; Vari-X Inc. It lost: PacifiCare Health Plan; Memorial Hospital of Glendale.

Billings breakdown: Newspapers 4%, magazines 2%, medical journals 28%, radio 2%, spot tv 2%, outdoor 1%, business papers 5%, direct mail 13%, collateral 43%.

Top execs: Richard L. Lawrence, chmn; Michael B. Cole, president; James J. Lawrence, exec vp. Vps—Timothy J. Friday, acct service; Diane E. Manning, finance. Employes: 25.
Phone: (714) 752-6211.

Marketing Group, Fort Washington, Pa., had estimated gross income of $1,100,000 in 1985 on billings of $5,093,620. In 1984, it had estimated gross income of $916,000 on billings of $4,315,485.

The agency's 1985 U.S. volume consisted of $367,870 in media, $1,487,465 in materials and services and $3,238,285 in capitalized fees. Its 1984 U.S. volume consisted of $312,565 in media, $1,421,630 in materials and services and $2,581,290 in capitalized fees.

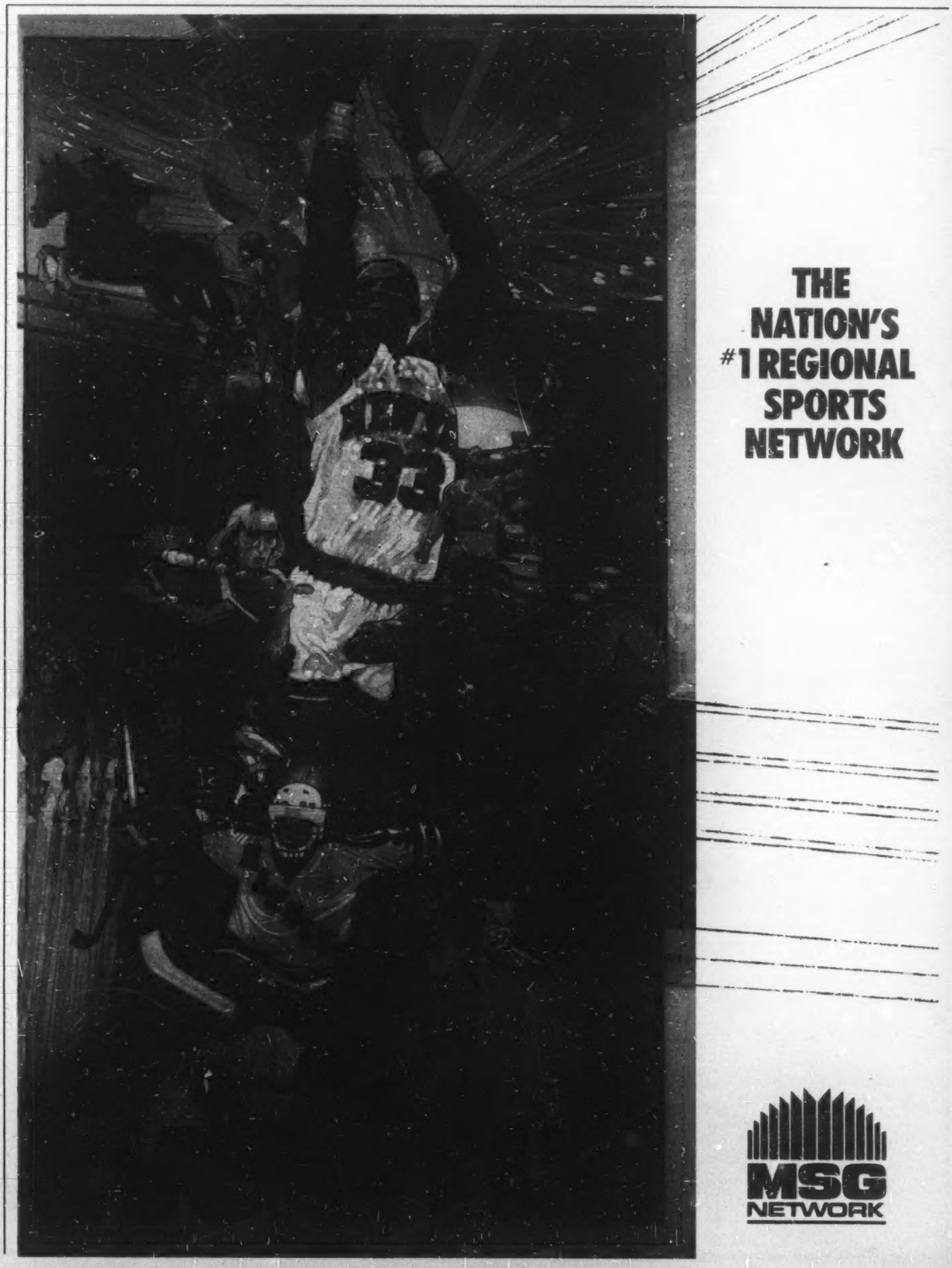
In 1985, the Marketing Group gained: Consolidated Assn Plans; United Microsystems; Healthcare Mgmt Counselors; Healthcare Computer Systems; Meridian Development Corp; Miles Homes.

Billings breakdown: Newspapers 12%, magazines 25%, radio 2%, spot tv 4%, cable tv 5%, business papers 10%, direct mail 15%, catalogs 20%, direct response newspapers 3%, direct response magazines 4%.

Top execs: James Notte, president; Robert Dean, exec vp; Robert Miller, creative director. Employes: 19.
Phone: (215) 628-2121.

Quirks and quakes

Norman, Craig & Kummel, which changed its name to NCK Organization and billed more than $430 million in 1982, primarily in international markets, merged with Foote, Cone & Belding in August, 1983. The acquisition was seen by European ad agency watchers as a major coup for FCB, which had been beset with problems there.



Marketing Laboratory, Danbury, Conn., reported gross income of $72,166 in 1985 on billings of $511,792. In 1984, it reported gross income of $55,134 on billings of $389,005.

The agency's 1985 U.S. volume consisted of $48,381 in media, $26,659 in materials and services and $436,752 in capitalized fees. Its 1984 U.S. volume consisted of $97,695 in media, $21,308 in materials and services and $270,002 in capitalized fees.

In 1985, the agency gained: Jewel D'Or; *Business Digest of Greater Danbury*; Publishers Gallery; Bristol-Barnett; Hasler-Tel Co. It lost: Housatonic Valley Tourism Commission.

Billings breakdown: Newspapers 8%, magazines 21%, medical journals 18%, supplements 13%, radio 13%, business papers 11%, direct mail 3.

Top execs: Directors—Allen Flouton, president; Ham Mattoon, exec vp; Frank Kemp; Constance McManus; Ella Flouton, secretary. Employes: 6.

Phone: (203) 426-1402. ☑

Marketing Resources, Lenexa, Kan., reported gross income of $1,650,000 in 1985 on billings of $11,000,000. In 1984, it reported gross income of $1,095,000 on billings of $7,300,000.

In 1985, it had net income of $250,000, compared with $164,250 in 1984.

The agency's 1985 U.S. volume consisted of $2,741,700 in media, $2,588,800 in materials and services and $5,669,500 in capitalized fees. Its 1984 U.S. volume consisted of $1,779,000 in media, $1,185,500 in materials and services and $4,335,500 in capitalized fees.

In 1985, the agency gained: Kenworth Truck Co.; Ebonite Intl, bowling balls; Molla, leisure furniture; Brauer Bros. Mfg Co., holsters and gun cases.

Billings breakdown: Newspapers 9%, magazines 5%, radio 6%, spot tv 6%, outdoor 2%, business papers 9%, point of sale 4%, Yellow Pages 2%, direct mail 32%, catalogs/collateral 7%, other 18%.

Top execs: Frank G. Weyforth, chmn,president; Tom Hyder, exec vp; Holly Moore, vp-acct service; Alan Hunsaker, Ken Karnstedt, senior vps-acct supers. Vps—Terry Burnside, creative director; Ann Lotko, media director; Susan Perrin, prod director; Robert Nederman, merch; Robert Higney, mktg director; Lori Hisle, controller. Tom Brick, acct super. Employes: 63.

Phone: (913) 492-9494.

Marketing Support, Chicago, reported gross income of $3,383,234 in 1985 on billings of $30,397,854. In 1984, it reported gross income of $3,382,388 on billings of $21,577,882.

The agency's 1985 U.S. volume consisted of $1,997,581 in media, $3,206,009 in materials and services and $25,194,264 in capitalized fees. Its 1984 U.S. volume consisted of $2,712,176 in media, $3,460,741 in materials and services and $15,404,905 in capitalized fees.

In 1985, the agency gained: Alpina/Castor, chain saws; Bird Inc., vinyl siding; Intermatic, timers; Fedders, room air conditioners; Connor, kitchen cabinets; Emerson Builder, prods div; Kanaflex Corp; Natl Bedding Retail Selling Event. It lost: Racine Industries; American Lock.

Billings breakdown: Newspapers 13%, magazines 11%, supplements 4%, radio 11%, network tv 11%, spot tv 13%, outdoor 2%, business papers 13%, point of sale 13%, Yellow Pages 1%, direct mail 3%, catalogs 4%, telemarketing 1%.

Top execs: David L. Weiner, president; Kenneth M. Chakiris, exec vp. Employes: 48.

Phone: (312) 565-0044. ☑

Marquardt & Roche, Stamford, Conn., reported gross income of $2,431,322 in 1985 on billings of $17,760,946. In 1984, it reported gross income of $2,307,796 on billings of $16,830,768.

The agency's 1985 U.S. volume consisted of $2,566,656 in media, $2,497,712 in materials and services and $12,696,578 in capitalized fees. Its 1984 U.S. volume consisted of $2,461,343 in media, $2,065,397 in materials and services and $12,304,028 in capitalized fees.

Included in the agency's figures were returns from its public relations office.

In 1985, the agency gained: ICL North America; Physicians Health Services.

Billings breakdown: Newspapers 15%, magazines 7%, radio 15%, spot tv 10%, cable tv 2%, business papers 26%, direct mail 10%, pr, collateral 15%.

Top execs: James Marquardt, president; Edwin Roche, exec vp. Employes: 45.

Phone: (203) 327-0890. ☑

Martin Agency, Richmond, Va., reported gross income of $7,813,712 in 1985 on billings of $52,104,522. In 1984, it reported gross income of $6,700,000 on billings of $44,700,000. In 1985, it had net income of $252,610, compared with $338,000 in 1984.

The agency's 1985 U.S. volume consisted of $21,642,817 in media, $4,213,187 in materials and services and $26,248,518 in capitalized fees. Its 1984 U.S. volume consisted of $22,200,000 in media, $6,000,000 in materials and services and $16,500,000 in capitalized fees.

Included in the agency's figures were returns from its offices in Virginia Beach and Jacksonville, Fla.

In 1985, the agency gained: Union Trust Bancorp; Pet Foods; Life of Va; Palm Beach Tourism; Bunker Hill; Nixdorf Computers.

Billings breakdown: Newspapers 16%, magazines 39%, radio 20%, spot tv 21%, outdoor 4%.

Top execs: David N. Martin, chmn; Harry M. Jacobs, Jr., vice chmn; Donald R. Just, president; James R. Hughes, Jr., exec vp. Senior vps—John B. Adams, Jr., acct mgmt; Stephen H. Martin, mktg services; Ralph L. Thompson, finance. Employes: 124 in 3 offices.

Phone: (804) 254-3400. ☑

Martin-Williams, Minneapolis, reported gross income of $6,125,000 in 1985 on billings of $54,666,000. In 1984, it reported gross income of $5,266,000 on billings of $45,103,000.

The agency's 1985 U.S. volume consisted of $19,761,000 in media, $4,150,000 in materials and services and $30,755,000 in capitalized fees. Its 1984 U.S. volume consisted of $17,028,000 in media, $3,763,000 in materials and services and $24,312,000 in capitalized fees.

In 1985, the agency gained: Ciba-Geigy, agricultural prods; Abbott-Northwestern Hospitals, LifeSpan; HealthLink Hospitals; Washington Square Advisors; 3M, household prods div; Marigold Foods; WLTE-FM; IDS/American Express; Harold's, specialty store. It lost: Donaldson's Dept Stores; Fairview Hospitals; 3M, OH&SP; 3M, Scientific Anglers; LaRosa Pasta prods.

Billings breakdown: Newspapers 9.3%, magazines 10.9%, radio 3.1%, network tv 21.7%, spot tv 22.1%, outdoor 5.6%, business publications 21.9%, farm publications 5.4%.

Top execs: David Floren, president; Tom Weyl, exec vp, creative director. Employes: 84.

Phone: (612) 340-0800.

Mason & Madison, New Haven, Conn., had estimated gross income of $1,830,000 in 1985 on billings of $12,200,000. In 1984, it had estimated gross income of $1,665,000 on billings

Top agencies' media billings as % of Ad Age 500

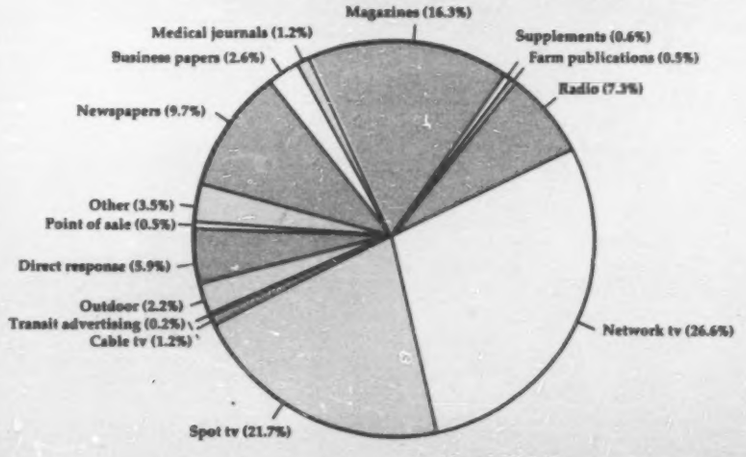
Media	Top 25 agencies U.S. billings 1985	1984	% chng.	$ as % of top 500 U.S. billings 1985	1984	Top 100 agencies U.S. billings 1985	1984	% chng.	$ as % of top 500 U.S. billings 1985	1984	Top 500 agencies U.S. billings 1985	1984	% chng.
Newspapers	$1,659.2	$1,529.0	8.5	48.1	50.9	$2,243.7	$2,067.4	8.5	65.0	68.8	$3,451.8	$3,006.7	14.8
Business papers	225.6	210.2	7.3	24.8	26.1	336.8	306.7	9.8	37.1	38.2	908.2	804.0	13.0
Medical journals	131.9	87.1	51.4	32.2	28.0	136.0	87.1	56.1	33.2	28.0	409.5	311.6	31.4
Magazines	3,257.5	2,836.9	14.8	56.2	58.2	4,321.8	3,700.0	16.8	74.6	75.9	5,794.7	4,877.2	18.8
Supplements	132.5	96.2	37.8	59.8	52.3	161.7	128.0	26.3	72.9	69.6	221.7	183.9	20.6
Farm publications	66.0	64.6	2.1	40.9	41.0	71.2	66.8	6.6	44.1	42.3	161.5	157.8	2.3
Radio	1,193.9	948.5	25.9	46.4	46.9	1,641.2	1,294.7	26.8	63.8	64.0	2,572.2	2,022.6	27.2
Network tv	7,485.6	7,025.2	6.6	79.3	82.1	8,720.6	8,001.7	9.0	92.4	93.6	9,439.0	8,551.8	10.4
Spot tv	4,397.5	3,701.5	18.8	57.0	58.7	5,825.0	4,898.7	18.9	75.5	77.7	7,710.2	6,301.2	22.4
Cable tv	270.3	181.8	48.7	65.2	68.5	344.2	223.8	53.8	83.0	84.4	414.8	265.3	56.4
Transit advertising	8.0	12.0	(32.9)	12.4	20.8	35.2	39.6	(11.1)	54.4	68.8	64.7	57.5	12.5
Outdoor	443.1	464.9	(4.7)	56.6	62.4	584.2	600.7	(2.8)	74.6	80.6	783.3	745.7	5.0
Direct response*	825.9	507.0	62.9	39.6	38.3	1,197.7	734.5	63.1	57.5	55.5	2,084.3	1,323.3	57.5
Point of sale	57.8	26.7	116.8	31.8	19.8	81.7	58.7	39.1	45.0	43.6	181.5	134.6	34.8
Other	738.0	511.7	44.2	59.0	53.7	816.2	617.1	32.3	65.2	64.8	1,251.8	952.5	31.4
TOTALS	20,892.7	18,203.2	14.8	58.9	61.3	26,517.3	22,825.6	16.2	74.8	76.9	35,449.1	29,695.7	19.4

NOTE: Dollar figures in millions

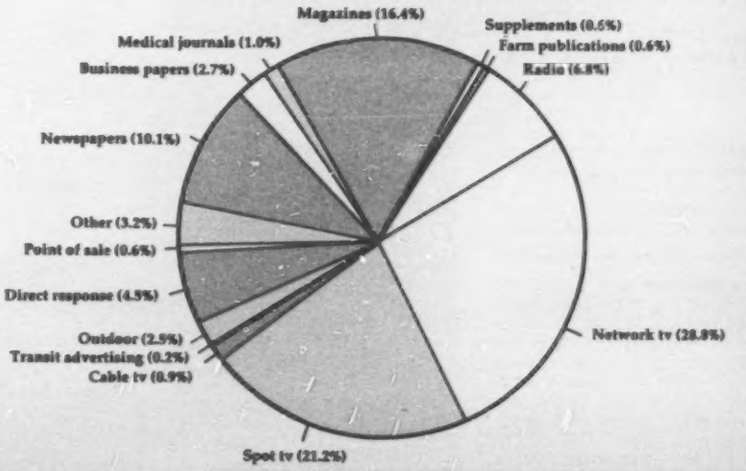
* Direct response includes Yellow Pages, direct mail, catalogs, direct response tv, direct response radio, direct response newspaper, direct response magazine, telemarketing and free-standing inserts.

Media totals for agency subsidiaries are not included in parent totals if subsidiaries are broken out in separate profiles in this issue.

Top 500 agencies' U.S. media billings as a % of $35.5 billion total in 1985



Top 500 agencies' U.S. media billings as a % of $29.7 billion in 1984



of $11,100,000.

Included in the agency's figures were returns from subsidiary:

• Coates Public Relations

The agency also includes its Stamford, Conn., office in its totals.

In 1985, the agency gained: Community Health Care Plan; KC-101 radio; Hi G, Military specification relays; MetLife Capital Credit Corp; Advocate Newspapers. It lost: Airpax, relays and components.

Billings breakdown: Newspapers 25%, magazines 38%, supplements 1%, radio 11%, network tv 5%, spot tv 6%, outdoor 2%, business papers 4%, transit advertising 1%, direct mail 7%.

Top execs: Charles Mason, president-ceo; Russ Madison, exec vp, creative director. Senior vps—Harry Viens, director acct services; Randall Coates, exec director, Coates Public Relations. Mark Vogt, vp-assoc creative director. Employes: 33 in 2 offices.

Phone: (203) 393-1101.

Jack Mathis Advertising, Libertyville, Ill., reported gross income of $195,213 in 1985 on billings of $1,301,916. In 1984, it reported gross income of $201,895 on billings of $1,346,354.

The agency's 1985 U.S. volume consisted of $452,919 in media, $101,817 in materials and services and $747,180 in capitalized fees. Its 1984 U.S. volume consisted of $461,114 in media, $104,783 in materials and services and $780,457 in capitalized fees.

Billings breakdown: Business papers 32%, direct mail 17%, direct response magazines 2%, literature, brochures 49%.

Top execs: Jack Mathis, president; Dene Hoffman, exec vp. Employes: 3.

Phone: (312) 367-1826.

J.D. Mathis & Co., Baltimore, reported gross income of $846,500 in 1985 on billings of $6,247,000. In 1984, it reported gross income of $531,250 on billings of $3,840,700.

The agency's 1985 U.S. volume consisted of $3,244,100 in media, $868,500 in materials and services and $2,134,400 in capitalized fees. Its 1984 U.S. volume consisted of $1,800,000 in media, $640,000 in materials and services and $1,400,700 in capitalized fees.

In 1985, the agency gained: Joe Curran For Attorney General; ManTech Mathetics; ManTech Services Corp; SCF; SEED Software; Wye Group. It lost: MUSE Software.

Billings breakdown: Newspapers 17%, magazines 25%, radio 10%, spot tv 40%, outdoor 2%, business papers 3%, point of sale 1%, direct mail 2%.

Top execs: James D. Mathis, president-ceo; Stevens D. Cline, senior vp, acct services.

Employes: 12.

Phone: (301) 837-7171. ☑

May/Partners, Seattle, had estimated gross income of $563,000 in 1985 on billings of $3,750,000. In 1984, it had estimated gross income of $405,000 on billings of $2,700,000. The agency did not provide a volume breakout.

In 1985, the agency gained: Domino's Pizza (Northwest region); Southcenter Shopping Mall; Tacoma Stars Indoor Soccer; Telepage Northwest. It lost: Crowne Plaza Hotel (Seattle); EMF Corp.

Billings breakdown: Newspapers 28%, magazines 10%, supplements 5%, radio 27%, spot tv 22%, cable tv 1%, outdoor 1%, business papers 5%, transit advertising 1%.

Top execs: D. Ryan Hixenbaugh, president; Edmund F. Joella, vp; William C. Gohde, creative director; Jan Niendorf, media director. Employes: 16.

Phone: (206) 624-7870.

McCaffery & Ratner, New York, reported gross income of $3,540,000 in 1985 on billings of $23,400,000. In 1984, it reported gross income of $2,517,000 on billings of $18,168,000.

The agency's 1985 U.S. volume consisted of $15,600,000 in media, $2,797,500 in materials and services and $5,002,500 in capitalized fees. Its 1984 U.S. volume consisted of $11,500,000 in media, $3,000,000 in materials and services and $3,668,000 in capitalized fees.

In 1985, the agency gained: Vipont Labs, Viadent toothpaste; Ann Klein II, fragrances and cosmetics; ISI, publications and information services.

Billings breakdown: Newspapers 22%, magazines 32%, supplements 1%, radio 11%, network tv 2%, spot tv 16%, outdoor 3%, business papers 3%, point of sale 3%, direct mail 3%, catalogs 2%.

Top execs: Samuel I. Ratner, chmn; William McCaffery, president. Senior vps—Sheila McCaffery, art; Jay Cheek, copy. Suzanne Altfeld, group vp, copy. Employes: 36.

Phone: (212) 661-8940.

McCarron, Kane, Ross & Tanzmann, Pasadena, Cal., had estimated gross income of $770,000 in 1985 on billings of $5,126,578. In 1984, it had estimated gross income of $585,000 on billings of $3,896,598.

The agency did not break out its volume.

Billings breakdown: Business papers 60%, collateral 40%.

Top execs: Raymond E. McCaroon, president; Paul Kane, art director; James Ross, acct services; Richard Tanzmann, creative director. Employes: 12.

Phone: (818) 578-1211.

McDougall Associates, Peabody, Mass., reported gross income of $1,372,100 in 1985 on billings of $9,548,700. In 1984, it reported gross income of $1,139,400 on billings of $8,311,900.

The agency's 1985 U.S. volume consisted of $1,454,900 in media, $689,400 in materials and services and $7,404,400 in capitalized fees. Its 1984 U.S. volume consisted of $1,441,700 in media, $562,400 in materials and services and $6,307,800 in capitalized fees.

In 1985, the agency gained: ITS Inhalation Therapy; Lowell Systems; IRA Oldsmobile; Watts Regulator.

Billings breakdown: Newspapers 30%, magazines 40%, radio 20%, spot tv 5%, outdoor 5%.

Top execs: Michael McDougall, chmn; Daniel McDougall, president; Philip Hureau, treasurer. Employes: 37.

Phone: (617) 532-6500. ☑

McFarland & Drier, Miami, had estimated gross income of $3,915,000 in 1985 on billings of $26,100,000. In 1984, it had estimated gross income of $3,000,000 on billings of $20,000,000.

The agency did not provide volume breakouts.

In 1985, the agency gained: Westinghouse Electric Corp, Coral Ridge Properties div; Courtelis Co., Fall's Shopping Mall; Greater Miami Convention & Visitors Bureau; Metro-Dade Transportation Admin; Florida East Coast Properties, Venetia div. It lost: Sheraton Bell Harbour/Palm Coast.

Billings breakdown: Newspapers 20%, magazines 5%, radio 10%, network and spot tv 50%, outdoor 2%, direct mail 5%, other 8%.

Top execs: William E. Drier, president; William C. McFarland, secretary, treasurer; John Nuccio, Gerri Donnelly, Arthur Foster, Dan Bennett, Dave Romano, vps. Employes: 33.

Phone: (305) 858-6757.

McFarland Group, Elm Grove, Wis., reported gross income of $61,000 in 1985 on billings of $6,567,950. In 1984, it reported gross income of $735,000 on billings of $5,834,500.

In 1985, it had net income of $61,000, compared with $58,800 in 1984.

The agency's 1985 U.S. volume consisted of $2,500,000 in media, $1,500,000 in materials and services and $2,567,950 in capitalized fees. Its 1984 U.S. volume consisted of $2,000,000 in media, $1,500,000 in materials and services and $2,334,500 in capitalized fees.

The agency did not consolidate McFarland Group Plus.

In 1985, the agency gained: Kuhn S.A. Savern France; Gielow's Lawn & Garden; New Esch OPE; Western Devel Corp; Greenfield Fashion Center; Brookfield Fashion Center. It lost: Greysoft.

Billings breakdown: Newspapers 15%, magazines 15%, radio 15%, spot tv 25%, business papers 5%, farm publications 15%, direct mail 5%, catalogs 5%.

Top execs: Mike McFarland, president; Byron Foster, senior vp; Jan Penlesky, media, admin vp. Employes: 14.

Phone: (414) 786-5891. ☑

Robert McKim & Co., Los Angeles, reported gross income of $655,000 in 1985 on billings of $5,951,500. In 1984, it reported gross income of $365,900 on billings of $4,730,000.

The agency's 1985 U.S. volume consisted of $1,550,000 in media, $1,400,000 in materials and services and $3,001,500 in capitalized fees. Its 1984 U.S. volume consisted of $776,000 in media, $1,286,000 in materials and services and $2,668,000 in capitalized fees.

In 1985, the agency gained: Watt Industries; Allegretti & Co.; Metmor; Pacific Financial Cos. It lost: Allegretti & Co.

Billings breakdown: Newspapers 15%, magazines 15%, network tv 16%, spot tv 10%, outdoor 7%, business papers 15%, point of sale 5%, Yellow Pages 3%, direct mail 5%, catalogs 7%, free-standing inserts 2%.

Top exec: Evelyn Schlaphoff, vp. Employes: 20.

Phone: (213) 382-2358.

McKinney Inc., Philadelphia, reported gross income of $3,977,000 in 1985 on billings of $26,389,000. In 1984, it reported gross income of $5,547,738 on billings of $38,769,000.

The agency's 1985 U.S. volume consisted of $6,161,000 in media, $2,172,000 in materials and services and $18,056,000 in capitalized fees. Its 1984 U.S. volume consisted of $8,984,000 in media, $3,773,000 in materials and services and $26,012,000 in capitalized fees.

Included in the agency's figures were returns from its offices:

• McKinney/Midatlantic, Philadelphia
• McKinney Great Lakes, Cleveland
• McKinney/Mid America, Chicago
• McKinney Public Relations, Philadelphia
• McKinney/New England, Boston
• McKinney/Gulf Coast, Houston

The agency did not consolidate Matrix Intl, inquiry mgmt services.

In 1985, the agency gained: North American Refractories; Zaytran; Health Corp of Ohio; West Midlands Industrial Devel Assn. It lost: Flambeau prods; Magnetrol; Rollins Terminals; Gilbert/Commonwealth.

Billings breakdown: Newspapers 3%, magazines 1%, radio 2%, business papers 88%, Yellow Pages 1%, direct mail 5%.

Top execs: George G. Thompson, chmn; Frank W. Callahan, president. Employes: 76 in 3 offices.

Phone: (215) 751-9611.

McKone & Co., Fort Worth, Tex., had estimated gross income of $2,540,000 in 1985 on billings of $16,934,000.

The agency did not provide figures for 1984.

In 1985, the agency gained: Aero Spatiale General Aviation; Turbomeca; Loboflor; Wing Industries; V.T. Industries; Krestmark.

Billings breakdown: Radio and spot tv 20%, business papers 80%.

Top execs: Peter McKone, president. Vps—George Puskar, media; Paul Rafferty, pr; Steve Maxfield, creative; Jerry Gladysz, Bob Kowynia, acct supers. Employes: 62.

Phone: (214) 594-7001.

McLean-Stewart Advertising, San Mateo, Cal., reported gross income of $1,500,000 in 1985 on billings of $10,000,000. In 1984, it reported gross income of $1,335,000 on billings of $8,900,000.

McLean-Stewart merged with Wenger Associates during 1985.

The agency's 1985 U.S. volume consisted of $5,300,000 in media, $4,300,000 in materials and services and $400,000 in capitalized fees. Its 1984 U.S. volume consisted of $4,900,000 in media and $4,000,000 in materials and services.

In 1985, the agency gained: Bay City Flowers; SamTrans; California Collectibles; Smiths Mens Stores; S.F. Prevention Project. It lost: Verilink; Microbot; Ergo Systems.

Billings breakdown: Newspapers 10%, magazines 10%, radio 15%, spot tv 45%, outdoor 5%, Yellow Pages 10%, direct mail 5%.

Top execs: Presidents—R.A. "Sandy" McLean Jr., MSA/WA; Lee Wenger, Wenger Associates. William Stewart Hart, chmn, MSA/WA. Employes: 19 in 2 offices.

Phone: (415) 570-5888. ☑

M.E.D. Communications, Woodbridge, N.J., reported gross income of $6,300,000 in 1985 on billings of $54,821,000. In 1984, it reported gross income of $5,865,000 on billings of $50,119,000.

The agency's 1985 U.S. volume consisted of $7,500,000 in media, $5,300,000 in materials and services and $42,021,000 in capitalized fees. Its 1984 U.S. volume consisted of $6,000,000 in media, $5,000,000 in materials and services and $39,119,000 in capitalized fees.

In 1985, the agency gained: Sandoz Pharmeuticals, Parlodel, Zaditen; Forest Pharmaceuticals, analgesics; Berlex Laboratories, antiarrhythmics.

Billings breakdown: Medical journals 20%, supplements 25%, direct mail 5%, other 50%.

Top execs: Robert Portman, president; David I, Portman, exec vp. Senior vps—Tom Rosenwald, director client services; Fanita Taskier, scientific services; Skip Hurley, co-creative director; Ed Cohen, creative director. Employes: 93.

Phone: (201) 636-6600.

Melgar Nordlinger Inc., New York, had estimated gross income of $247,700, of which $54,700 was non-U.S. contribututions, in 1985 on billings of $1,652,140. In 1984, it had estimated gross income of $320,015, of which $30,015 was non-U.S. contributions, on billings of $2,135,500.

The agency's 1985 U.S. volume of $1,286,960 consisted of $460,000 in media, $240,000 in materials and services and $586,960 in capitalized fees. Its 1984 U.S. volume of $1,935,400 consisted of $750,000 in media, $380,000 in materials and services and $800,000 in capitalized fees.

The agency opened an office in North Miami Beach, Fla., on March 5 of this year.

In 1985, the agency gained: Dalico, clocks; Ultra Optix; Creative Optix; Millennium, shower telephones; LSI, track lights. It lost: Zelco, small appliances, "The itty bitty book light"; Maxim, kitchen appliances; Wonder, flashlights and batteries.

Billings breakdown: Magazines 85%, radio 5%, point of sale 10%.

Top execs: Mildred Nordlinger, president; Fabian Melgar, vp-creative director. Employes: 22 in 2 offices.

Phone: (212) 686-4430.

Menaker & Paul, Chicago, reported gross income of $865,000 in 1985 on billings of $5,834,900. In 1984, it reported gross income of $856,335 on billings of $5,641,500.

In 1985, it had net income of $217,000, compared with $214,000 in 1984.

The agency's 1985 U.S. volume consisted of $2,300,000 in media, $400,000 in materials and services and $3,134,900 in capitalized fees. Its 1984 U.S. volume consisted of $2,250,000 in media, $390,000 in materials and services and $3,001,500 in capitalized fees.

In 1985, the agency gained: Canteen Corp; Keebler Co., new prods; Sara Lee Corp.

Billings breakdown: Newspapers 15%, magazines 35%, supplements 2%, radio 8%, spot tv 20%, cable tv 2%, outdoor 3%, business papers 10%, transit advertising 5%.

Top execs: Warren M. Menaker, president; William W. Paul, exec creative director. Employes: 10.

Phone: (312) 266-1177. ☑

Messer & Susslin & Others, Pearl River, N.Y., had estimated gross income of $300,000 in 1985 on billings of $2,000,000. In 1984, it had estimated gross income of $263,000 on billings of $1,750,000.

In 1985, the agency gained: Plus USA Corp; Reactive Systems Corp, Q System; Tele Vue Corp; Memron.

Billings breakdown: Newspapers 30%, magazines 35%, medical journals 5%, radio 20%, cable tv 10%, point of sale 5%, catalogs 5%.

Top execs: Daniel W. Susslin, president; Kristine Rice, vp; Warren Hafer, copy director; Rita Sherry, media director; Eileen McLaughlin, art director. Employes: 9.

Phone: (914) 735-3030.

R.L. Meyer Advertising, Milwaukee, reported gross income of $953,089 in 1985 on billings of $5,788,759. In 1984, it reported gross income of $1,081,554 on billings of $8,365,533.

In 1985, it had net income of $54,525, compared with a net loss of $79,034 in 1984.

The agency's 1985 U.S. volume consisted of $2,212,806 in media, $864,092 in materials and services and $2,711,861 in capitalized fees. Its 1984 U.S. volume consisted of $5,175,862 in media, $613,664 in materials and services and $2,576,007 in capitalized fees.

In 1985, the agency gained: Blood Center of Southeastern Wis.; Dominick's Fine Foods; First Financial Savings. It lost: WVTV-TV.

Billings breakdown: Newspapers 4%, magazines 2%, radio 24%, spot tv 34%, direct response 36%.

Top exec: Robert L. Meyer, president.

Employes: 16.

Phone: (414) 933-3344. ☑

Milici Valenti Smith Park Advertising, Honolulu, a subsidiary of Doyle Dane Bernbach Group, reported gross income of $3,526,614 in 1985 on billings of $23,511,936. In 1984, it reported gross income of $2,509,742 on billings of $16,732,450. The agency was formerly Milici/Valenti Advertising.

The agency's 1985 U.S. volume consisted of $12,726,803 in media, $9,080,181 in materials and services and $1,704,952 in capitalized fees. Its 1984 U.S. volume consisted of $9,271,704 in media, $6,516,212 in materials and services and $944,534 in capitalized fees.

In 1985, the agency gained: Western Ilikai Hotel; Marine Culture Enterprise. It lost: Pizza Hut (Hawaii); Hawaiian Electric; First Interstate Bank; Mid Pacific Airlines.

Billings breakdown: Newspapers 25%, magazines 14%, radio 12%, spot tv 35%, business papers 13%, stadium sign 1%.

Top exec: Frank Valenti, president. Employes: 73.

Phone: (808) 536-0881.

Quirks and quakes

Louis R. Wasey left college to work at the 1904 World's Fair in St. Louis with the idea to operate a hotel arrival service. The plan worked and through a series of cultivated acts he ended up at agency Lord & Thomas, where he met W.T. Jefferson and C.R. Erwin. Wasey & Jefferson was founded out of that friendship in 1914 in Chicago. Later the agency became Erwin, Wasey & Jefferson when Mr. Erwin came aboard, and was shortened several years later when Mr. Jefferson left. Building itself into the 73rd largest agency 10 years ago, Erwin, Wasey & Co. merged with SSC&B in 1979 just prior to Interpublic Group of Cos.' buyout of SSC&B.

Miller Advertising, New York, reported gross income of $8,000,000 in 1985 on billings of $48,700,000. In 1984, it reported gross income of $6,000,000 on billings of $39,200,000.

The agency's 1985 U.S. volume consisted of $43,000,000 in media, $700,000 in materials and services and $5,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $34,000,000 in media, $500,000 in materials and services and $4,700,000 in capitalized fees.

Included in the agency's figures were returns from its offices in Needham, Mass., and Hempstead, N.Y.

Billings breakdown: Newspapers 60%, magazines 4%, radio 15%, spot and cable tv 15%, outdoor 2%, business papers 2%, transit advertising 2%.

Top execs: Leonard J. Miller, chmn; Robert Miller, president. Employes: 120 in 3 offices.

Phone: (212) 929-2200. ☑

Miller-Reid, Chattanooga, had estimated gross income of $4,800,000 in 1985 on billings of $32,000,000. In 1984, it had estimated gross income of $3,900,000 on billings of $26,000,000.

The agency did not provide volume breakout. Included in the agency's figures were returns from its offices in Atlanta, Baton Rouge, Dallas, Denver, Houston, Orlando and Phoenix.

Billings breakdown: Newspapers 10%, magazines 5%, radio 15%, spot tv 60%, outdoor 5%, other 5%.

Top execs: W. Kent Keasler, president; Ken Work, exec vp; Tom Rudy, James O. Kennedy, Steve Bennett, Teresa Fey, vps; George Jackson, controller, treasurer. Employes: 67 in 8 offices.

Phone: (615) 756-2131.

William Mills, Advertising & Marketing, Atlanta, reported gross income of $532,056 in 1985 on billings of $2,499,710. In 1984, it reported gross income of $418,022 on billings of $1,988,073.

The agency's 1985 U.S. volume consisted of estimated $581,226 in media, $827,272 in materials and services and $1,091,212 in capitalized fees. Its 1984 U.S. volume consisted of $296,544 in media, $630,999 in materials and services and $1,060,530 in capitalized fees.

In 1985, the agency gained: Steinman & Co.; Check Printers; Label America; Supermarket Radio. It lost: First Nationwide Network.

Billings breakdown: Newspapers 5%, magazines 65%, radio 5%, business papers 10%, Yellow Pages 5%, direct mail 10%.

Top execs: William E. Mills Jr., president; Eloise B. Mills, corp secretary, media director; Herb Morgan, exec art director. Employes: 12.

Phone: (404) 261-4900. ☑

Mills Hall Walborn & Associates, Cleveland, reported gross income of $1,375,000 in 1985 on billings of $14,500,000. In 1984, it reported gross income of $1,240,000 on billings of $13,200,000.

In 1985, it had net income of $60,000, compared with $48,000 in 1984.

The agency's 1985 U.S. volume consisted of $8,465,000 in media, $2,200,000 in materials and services and $3,835,000 in capitalized fees. Its 1984 U.S. volume consisted of $8,400,000 in media, $1,800,000 in materials and services and $3,000,000 in capitalized fees.

The agency did not consolidate subsidiary:

• Captive Audience TV, closed circuit tv systems

In 1985, the agency gained: Peoples Savings & Loan Assn; WQAL; Darien Lake, theme park; Commerce Exchange Bank.

Billings breakdown: Newspapers 37%, radio 17%, spot tv 35%, cable tv 1%, outdoor 4%, business papers 1%, transit advertising 1%, direct mail 1%, direct response tv 1%, direct response radio 1%, telemarketing 1%.

Top execs: Bruce C. Walborn, ceo; Michael A. Mooney, president; Alfred J. Hall, exec vp. Employes: 25.

Phone: (216) 464-7500. ☑

Milis Marketing, Rancho Dominquez, Cal., reported gross income of $185,000 in 1985 on billings of $1,250,250. In 1984, it reported gross income of $185,000 on billings of $1,300,250.

The agency's 1985 U.S. volume consisted of $850,000 in media, $350,000 in materials and services and $50,250 in capitalized fees. Its 1984 U.S. volume consisted of $1,000,000 in media, $250,000 in materials and services and $50,250 in capitalized fees.

Billings breakdown: Newspapers 15%, magazines 65%, business papers 15%, direct mail 5%.

Top exec: Ezra Millstein, president. Employes: 4.

Phone: (213) 604-0777.

Mintz & Hoke, Avon, Conn., reported gross income of $4,425,000 in 1985 on billings of $29,500,000. In 1984, it reported gross income of $4,104,377 on billings of $27,362,513.

The agency's 1985 U.S. volume consisted of $1,016,000 in media, $58,000 in materials and services and $28,426,000 in capitalized fees. Its 1984 U.S. volume consisted of $733,960 in media, $30,973 in materials and services and $26,597,580 in capitalized fees.

In 1985, the agency gained: General Electric, construction equipment business operations; ConnectiCare HMO; Springfield Institution for Savings; Connecticut Honda Dealers, media buying; WHCT-Channel 18. It Lost: Otis Elevator, pr; Diamond Sales Co., Card Gallery.

Billings breakdown: Newspapers 13%, magazines 7%, radio 15%, spot tv 30%, cable tv 3%, outdoor 1%, business papers 26%, transit advertising 1%, point of sale 1%, Yellow Pages 1%, direct mail 1%, free-standing inserts 1%.

Top execs: Joseph Hoke, president, creative director-ceo; Alan Mintz, chmn; Dale Kessel, exec vp, gm. Senior vps—Tim Adams, Stephen G. Sullivan, acct mgmt; Dik Haddad, assoc creative director; James C. Steuer, mktg. John F. Mennis, cfo. Employes: 90.

Phone: (203) 678-0473. ☑

Howard H. Monk & Associates, Rockford, Ill., reported gross income of $1,287,411 in 1985 on billings of $8,586,334. In 1984, it reported gross income of $958,702 on billings of $7,409,590.

The agency's 1985 U.S. volume consisted of $1,039,541 in media, $362,096 in materials and services and $7,184,697 in capitalized fees. Its 1984 U.S. volume consisted of $770,575 in media, $411,588 in materials and services and $6,227,427 in capitalized fees.

In 1985, the agency gained: Alpine Aviation; Anderson Packaging; Black Bros. Co.; Clinicare HMO; Clinton Electronics; Kysor of Byron; Rockford Automation; Rockford Memorial Hospital; Rockford Visitors & Convention Bureau; Wisconsin Knife Works; Versa/Tek, Milwaukee Cylinder div.

Billings breakdown: Newspapers 2%, magazines 80%, radio 5%, spot tv 5%, cable tv 2%, outdoor 3%, direct mail 3%.

Top execs: William C. Kirschner, chmn; E. Daniel Bors Jr., president; Robert J. Silletti, exec vp. Employes: 30.

Phone: (815) 964-4631.

More Direct, Minneapolis, reported gross income of $2,620,000 in 1985 on billings of $17,500,000. In 1984, it reported gross income of $2,400,000 on billings of $16,000,000.

In 1985, the agency gained: Automated Data Processing; ADP (Canada); Canon typewriters. It lost: Midwest Photo; Lennox; Corewall.

Billings breakdown: Direct marketing 100%.

Top execs: Mark Morris, president; Jesse Taggart, exec vp; Norman Dodd, Al Paulson, vps. Employes: 40.

Phone: (612) 872-1616. ☑

Morris Direct Marketing, New York, had estimated gross income of $55,000 in 1985 on billings of $362,060. In 1984, it reported gross income of $22,102 on billings of $147,420.

The agency's 1985 U.S. volume consisted of $30,559 in media, $37,201 in materials and services and $294,300 in capitalized fees. Its 1984 U.S. volume was all in capitalized fees.

In 1985, the agency gained: List Technology Systems Group; Ben Marketing; Women In Data Processing; American Mgmt Assn; Yourdon Software Engineering Corp. It lost: Polytechnic Institute of NY.

Billings breakdown: Newspapers 30%, magazines 40%, point of sale 10%, direct mail.

Top exec: Kenneth P. Morris, president. Employes: 2.

Phone: (914) 793-1724. ☑

Morrow Lewis & Kelley, New York, reported gross income of $275,000 in 1985 on billings of $1,600,000. In 1984, it reported gross income of $366,112 on billings of $1,500,000.

In 1985, it had net income of $44,000, compared with $60,169 in 1984.

The agency's 1985 U.S. volume consisted of $600,000 in media, $800,000 in materials and services and $200,000 in capitalized fees. Its 1984 U.S. volume consisted of $500,000 in media, $800,000 in materials and services and $200,000 in capitalized fees.

In 1985, the agency gained: Evan & Lewis Ltd. It lost: Barrie House Coffee Co.

Billings breakdown: Magazines 60%, radio 20%, business papers 10%, point of sale 10%.

Top execs: William Lewis, president; Carol Lewis, vp. Employes: 5.

Phone: (212) 245-7646.

Eric Mower & Associates, Syracuse, reported gross income of $9,308,505 in 1985 on billings of $54,372,110. In 1984, it reported gross income of $8,042,931 on billings of $50,167,984.

The agency's 1985 U.S. volume consisted of $16,381,137 in media, $12,509,078 in materials and services and $25,481,895 in capitalized fees. Its 1984 U.S. volume consisted of $15,872,231 in media, $11,120,318 in materials and services and $23,175,435 in capitalized fees.

Included in the agency's figures were returns from its office in New York City.

In 1985, the agency gained: ALCOA, wire, rob and bar div; Applied Research Laboratories; Dierckx Equipment Corp; Family Media, *World Tennis* magazine; Haviland & Co.; Imagination Inc., children's apparel; Lord West Formal Wear; Oomphies; F.X. Matt Brewing Co.; The Pyramid Cos.; McKenzie's frozen foods; Salada foods; Jack Nicklaus, sportswear; Sante Vineyards. It lost: Christian Dior for men; Syracuse Newspapers; Foot-Joy; Great Vintners; Albert Nipon; Slazengers.

Billings breakdown: Newspapers 14%, magazines 37%, radio 9%, network tv 7%, spot tv 17%, outdoor 1%, point of sale 3%, direct mail 10%, collateral 2%.

Top execs: Eric Mower, chmn-ceo. Senior vps—Francis T. Nichols, cfo; Deborah Subbarao, operations; Jay Quinn, client services. Employes: 150 in 2 offices.

Phone: (315) 472-4703. ☑

MRI Advertising Agency, Bala Cywnyd, Pa., formerly Mel Richman Inc., reported gross income of $4,250,000 in 1985 on billings of $28,500,000. In 1984, it reported gross income of $3,750,000 on billings of $25,000,000.

The agency's 1985 U.S. volume consisted of $13,000,000 in media, $5,500,000 in materials and services and $10,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $12,000,000 in media, $5,000,000 in materials and services and $8,000,000 in capitalized fees.

In 1985, the agency gained: Commonwealth Natl Bank; CDI Temporary Services; Our Lady of Lourdes Medical Center; Symtech; Diamond Mgmt Systems; Telebrokers; Fischer & Porter Projects; Hershey Park, creative. It lost: Valley Forge Military Academy.

Billings breakdown: Newspapers 20%, radio 25%, spot tv 25%, business papers 5%, other 25%.

Top execs: Henry J. Kozlowski, president. Exec vps—Richard Keith, creative director; Richard Booth, cfo. Senior vps—Frank Mercurio, mgmt super; William Graham, media services. Employes: 70 in 2 offices.

Phone: (215) 667-8900.

MSA Advertising, Philadelphia, reported gross income of $572,600 in 1985 on billings of $3,553,476. In 1984, it reported gross income of $504,150 on billings of $3,361,000.

In 1985, it had net income of $124,700, compared with $82,300 in 1984.

The agency's 1985 U.S. volume consisted of $2,080,500 in media, $320,400 in materials and services and $1,152,576 in capitalized fees. Its 1984 U.S. volume consisted of $1,830,500 in media, $301,219 in materials and services and $1,229,281 in capitalized fees.

In 1985, the agency gained: Sherwood Communications; Fischer Publishing; Fidelity Distributors.

Billings breakdown: Newspapers 17.6%, magazines 17.1%, radio 2.6%, business papers 35%, point of sale 2.8%, direct mail 24.9%.

Top exec: Michael Schwartz, president. Employes: 9.

Phone: (215) 546-8000.

MSSM, New York, reported gross income of $3,900,000 in 1985 on billings of $26,000,000. In 1984, it reported gross income of $3,300,000 on billings of $22,000,000.

In 1985, it had net income of $410,000, compared with $375,000 in 1984.

The agency's 1985 U.S. volume consisted of $23,000,000 in media and $3,000,000 in materials and services. Its 1984 U.S. volume consisted of $20,000,000 in media and $2,000,000 in materials and services.

The agency did not consolidate subsidiary:

• Fox/MSSM, direct response

In 1985, the agency gained: Solomon Equities, real estate; Albow Beach, hotel resort.

Billings breakdown: Newspapers 30%, magazines 30%, radio 10%, spot tv 20%, cable tv 2%, outdoor 1%, business papers 5%, transit advertising 2%.

Top execs: John C. Martin, president; Robert S. Sturtevant, Daniel Marshall, David Bannister, Robert Hildt, exec vps; Peter Kempson, senior vp. Employes: 35.

Phone: (212) 832-3750.

Mullen Advertising, Prides Crossing, Mass., reported gross income of $3,015,150 in 1985 on billings of $20,101,000. In 1984, it reported gross income of $2,250,100 on billings of $15,000,657.

The agency's 1985 U.S. volume consisted of $12,976,000 in media, $2,325,000 in materials and services and $4,800,000 in capitalized fees. Its 1984 U.S. volume consisted of $9,726,500 in media, $1,153,490 in materials and services and $4,120,667 in capitalized fees.

In 1985, the agency gained: Maserati Automobiles USA; Puma USA; Raben Publishing, *Ultrasport, Bicycling Guide, Walking* magazine; Javelin Software Corp; Near East Foods; U.S. Trust Co. It lost: Total Communications; New England Journal of Medicine; Interactive Data Corp.

Billings breakdown: Newspapers 10%, magazines 40%, supplements 10%, network tv 15%, cable tv 2%, outdoor 15%, farm publications 2%, point of sale 1%, catalogs 5%.

Top execs: James X. Mullen, president. Senior vps—Joseph M. Grimaldi, director client services; Paul Silverman, creative director; Steve Haesche, art director. Vps—Edward Boches, copy; John Doyle, senior art director; Ray V. Belles, acct director; Carin Warner, pr director; Jeanne Ridgway, finance. Employes: 40.

Phone: (617) 927-7222.

Muller Jordan Weiss, New York, reported gross income of $6,750,000, of which $175,000 was non-U.S. contribututions, in 1985 on billings of $44,982,500. In 1984, it reported gross income of $6,717,920, of which $216,016 was non-U.S. contributions, on billings of $43,644,846.

The agency's 1985 U.S. volume of 43,257,000 consisted of $29,337,000 in media, $6,500,000 in materials and services and $7,420,000 in capitalized fees. Its 1984 U.S. volume of $41,940,606 consisted of $28,113,280 in media, $6,466,848 in materials and services and $7,360,478 in capitalized fees.

Included in the agency's figures were returns from its office in St. Louis.

In 1985, the agency gained: Amalgamatee Bank of NY; Aamco Transmissions, NY metro dealers; Paramount Television. It lost overseas: Tuco Products, PAG Seeds (Canada).

Billings breakdown: Newspapers 3%, magazines 17%, radio 10, network tv 8%, spot tv 31%, outdoor 1%, business papers 12%, farm publications 11%, direct mail 3%, catalogs 4%.

Top execs: John T. Jordan, chmn-ceo; Jane Maas, president. Exec vps—Frank B. Muller, treasurer; Andrew M. Weiss. Employes: 107 in 3 offices.

Phone: (212) 399-2700.

S. Gunnar Myrbeck & Co., Norwell, Mass., had estimated gross income of $1,470,000 in 1985 on billings of $9,400,000. In 1984, it had estimated gross income of $1,210,000 on billings of $7,787,710.

The agency's 1985 U.S. volume consisted of $1,400,000 in media, $2,000,000 in materials and services and $6,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $1,236,000 in media, $1,776,000 in materials and services and $4,775,710 in capitalized fees.

In 1985, the agency gained: Boston Whaler, work boats for commercial use; Avedis Zildjian Co., cymbals; Biltrite Corp, rubber and shoe prods. It lost: United Electric Controls Co.

Billings breakdown: Newspapers 10%, magazines 70%, radio 10%, outdoor 5%, transit advertising 5%.

Top execs: S. Gunnar Myhrbeck, chmn; Robert H. Brandt, president; Aristides Viegas, vice chmn; Betty C. Georgaklis, asst treasurer. Employes: 25.

Phone: (617) 871-2730.

Frank C. Nahser Inc., Chicago, reported gross income of $2,335,944 in 1985 on billings of $17,309,686. In 1984, it reported gross income of $2,228,923 on billings of $17,459,355.

The agency's 1985 U.S. volume consisted of $10,442,692 in media, $1,612,082 in materials and services and $5,254,912 in capitalized fees. Its 1984 U.S. volume consisted of $9,940,373 in media, $2,004,640 in materials and services and $5,514,342 in capitalized fees.

Included in the agency's figures were returns from its office in Milwaukee.

In 1985, the agency gained: Ameri-

Quirks and quakes

Poised on the brink of growth and change was the small agency, MacManus, John & Adams, appearing on the agency income chart in 1976. In 1934, Theodore F. MacManus initiated what was to be a half century of agency mergers in forming a partnership with Waldermar Alfred Paul (W.A.P.) John and James Randolph Adams. The agency metamorphosed into D'Arcy-MacManus & Masius following several mergers. And although Mr. MacManus died in 1939, his name remained on the agency door until its most recent merger with Benton & Bowles last summer and the adoption of the name, D'Arcy Masius Benton & Bowles.

can Institute of Real Estate Appraisers; Merlin Mufflers; Moore Business Center.

Billings breakdown: Newspapers 2%, magazines 39%, radio 12%, network tv 10%, spot tv 2%, outdoor 1%, business papers 26%, transit advertising 1%, Yellow Pages 7%.

Top execs: Frank B. Nahser, president-ceo; R. Bruce Marsh, exec vp; Andrew A. Vallozzi, president, Frank C. Nahser of Wisconsin. Employes: 41 in 2 offices.

Phone: (312) 845-5000.

Needham & Grohmann, New York, reported gross income of $2,254,046 in 1985 on billings of $16,492,880. In 1984, it reported gross income of $2,435,749 on billings of $17,063,980.

In 1985, it had net income of $25,685, compared with $96,664 in 1984.

The agency's 1985 U.S. volume consisted of $9,959,691 in media, $2,247,427 in materials and services and $4,285,762 in capitalized fees. Its 1984 U.S. volume consisted of $10,050,321 in media, $2,867,233 in materials and services and $4,146,426 in capitalized fees.

Included in the agency's figures were returns from its office in Pompano Beach, Fla.

In 1985, the agency gained: Abela Hotels; Days Inn (New York); Marbella Club; Pocono Manor Resort & Conference Center; Pocono Mountain Vacation Bureau; Sheraton Meadowlands.

Billings breakdown: Newspapers 35%, magazines 47%, radio 5%, outdoor 3%, business papers 10%.

Top exec: Howard A. Heinsius, president-ceo. Employes: 52 in 2 offices.

Phone: (212) 245-6200.

Newmark Posner Mitchell, New York, had estimated gross income of $3,384,000 in 1985 on billings of $21,986,850. In 1984, it had estimated gross income of $2,587,000 on billings of $17,283,400.

The agency's 1985 U.S. volume consisted of $18,380,000 in media, $3,240,000 in materials and services and $366,850 in capitalized fees. Its 1984 U.S. volume consisted of $15,100,000 in media, $2,050,000 in materials and services and $133,400 in capitalized fees.

The agency did not consolidate:

- Business Counselors Corp.

Billings breakdown: Newspapers 86%, magazines 5%, radio 5%, spot tv 1%, business papers 1%, point of sale 1%, direct mail 1%.

Top execs: Sidney Posner, president; Peter S. Posner, exec vp; Nick Chavin, Lanny Lambert, Richard Pines, senior vps. Employes: 56.

Phone: (212) 867-3900.

Newton Associates, St. Davids, Pa., reported gross income of $401,919 in 1985 on billings of $2,939,529. In 1984, it reported gross income of $400,000 on billings of $2,933,816.

The agency's 1985 and 1984 U.S. volumes were all in media.

In 1985, the agency gained: Athena Controls; Beta Products; Erta, engineering plastics; Hathaway Corp; Inolex Chemical Co.; Performance Technologies; Provident Indemnity Life Insurance Co.; Rouse/Chamberlain; Philadelphia Concrete Structures. It lost: Associates Lead; M. Buten & Sons; Pennsylvania Electric Co.; Rochester Instrument Systems.

Billings breakdown: Newspapers 19%, magazines 43%, radio 24%, spot tv 12%, outdoor 2%.

Top execs: Jon Newton, president; Harry A. Streamer, LeRoy H. Keeler, Jr., vps. Employes: 10.

Phone: (215) 964-9300. ☑

New Trend Advertising, Teterboro, N.J., reported gross income of $582,588 in 1985 on billings of $3,243,812. In 1984, it reported gross income of $535,287 on billings of $3,035,668.

It had net income of $80,000 in both 1985 and 1984.

The agency's 1985 U.S. volume consisted of $953,159 in media, $89,553 in materials and services and $2,201,100 in capitalized fees. Its 1984 U.S. volume consisted of $868,159 in media, $99,809 in materials and services and $2,067,700 in capitalized fees.

In 1985, the agency gained: The 7 Santini Bros.; Direct Audio/Video.

Billings breakdown: Newspapers 35%, magazines 2%, supplements 1%; radio 15%, spot tv 40%, business papers 1%, point of sale 3%, Yellow Pages 1%, direct mail 1%, free-standing inserts 2%, special signs 1%.

Top exec: Geri Boxer, president. Employes: 12.

Phone: (201) 288-8565. ☑

New-Venture Advertising, Los Angeles, reported gross income of $630,000 in 1985 on billings of $4,405,500. In 1984, it reported gross income of $600,000 on billings of $3,008,800.

In 1985, it had net income of $195,000, compared with $185,000 in 1984.

The agency's 1985 U.S. volume consisted of $3,090,000 in media, $315,000 in materials and services and $1,000,500 in capitalized fees. Its 1984 U.S. volume consisted of $1,225,000 in media, $850,000 in materials and services and $933,800 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- New-Venture Financing
- New-Venture Public Relations
- New-Venture Telemarketing

In 1985, the agency gained: *Intl Gymnast*; Los Angeles Craft & Folk Art Museum; California Professional Savings. It lost: Audio-Video Outlets.

Billings breakdown: Newspapers 25%, magazines 25%, supplements 8%, radio 10%, spot tv 12%, outdoor 10%, direct mail 10%.

Top execs: Doug Hedlund, president, creative director; Wendy Berke, media director; Cheryl Guice, art director; Ann Evans, copy writer. Employes: 7.

Phone: (213) 473-1547. ☑

Nicholson Kovak Huntley & Welsh, Kansas City, Mo., estimated gross income of $1,080,000 in 1985 on billings of $7,200,000. In 1984, it reported gross income of $699,459 on billings of $5,100,000.

The agency's 1985 U.S. volume consisted of an estimated 4,104,000 in media and $3,096,000 in capitalized fees. Its 1984 U.S. volume consisted of an estimated $2,754,000 in media and $2,346,000 in capitalized fees.

In 1985, the agency gained: Missouri Public Service; PPG Industries, additional assignments; Concepts Marketing, additional assignments; Fairbanks Morse Pump; Midwest Quality Glove; Property Co. of America.

Billings breakdown: Newspapers 2%, spot tv 9%, business papers 11%, farm publications 30%, direct mail 6%, collateral 42%.

Top execs: F. Peter Kovac, president; Paul J. Welsh, exec vp; John R. Nicholson, vp, secretary; Clarence Foxworthy, treasurer; Dan Belcher, vp acct services. Employes: 29.

Phone: (816) 753-8881.

Noble & Associates, Springfield, Mo., reported gross income of $5,246,491 in 1985 on billings of $36,400,711. In 1984, it reported gross income of $3,652,771 on billings of $25,604,102.

The agency's 1985 U.S. volume consisted of $13,859,184 in media, $3,787,295 in materials and services and $18,754,232 in capitalized fees. Its 1984 U.S. volume consisted of $9,633,554 in media, $2,610,525 in materials and services and $13,360,023 in capitalized fees.

Included in the agency's figures were returns from its office in Chicago.

In 1985, the agency gained: J.R. Simplot Co.; Natl Pork Producers; R.T. French, commercial prods div; EFCO Corp.

Billings breakdown: Newspapers 5%, magazines 20%, radio 1%, network tv 34%, spot tv 34%, outdoor 1%, free-standing inserts 5%.

Top execs: Robert B. Noble, president-ceo; Terry H. Fisher, Jon T. Baker, John F. Morrison, exec vps. Employes: 115 in 2 offices.

Phone: (417) 882-5050. ☑

North Castle Partners, Greenwich, Conn., a subsidiary of Foote, Cone & Belding Communications, reported gross income of $6,850,000 in 1985 on billings of $43,602,000. In 1984, it reported gross income of $6,059,200 on billings of $43,509,000.

The agency's 1985 U.S. volume consisted of $23,150,000 in media, $3,600,000 in materials and services and $16,852,000 in capitalized fees. Its 1984 U.S. volume consisted of $22,000,000 in media, $3,500,000 in materials and services and $18,009,000 in capitalized fees.

In 1985, the agency gained: Arnold Foods Co.; Champale, Champale Malt Liquor, Metbrau beer, Black Horse; Ocean Spray Cranberries, cranberries, non-beverage prods. It lost: Joseph E. Seagram & Sons.

Billings breakdown: Newspapers 6%, magazines 17%, radio 19%, network tv 6%, spot tv 47%, outdoor 5%.

Top execs: William L. Ballard, chmn; Lynn Andrew Rotando, president; Barrington Boardman, vice chmn; Robert N. Lelle, Hal Rosen, co-creative directors; Leonard Farraguzzi, exec vp. Employes: 45.

Phone: (203) 622-1122. ☑

NPC & Associates, Lanham, Md., reported gross income of $138,368 in 1985 on billings of $922,758. In 1984, it had estimated gross income of $56,300 on estimated billings of $360,529.

The agency's 1985 U.S. volume consisted of $25,650 in media, $14,000 in materials and services and $883,108 in capitalized fees. Its 1984 U.S. volume consisted of $145,407 in media, $15,000 in materials and services and $200,122 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- NPC & Associates Public Relations

The agency also consolidated results from its office in Baltimore.

In 1985, the agency gained: Modular Devel Systems; Trahan, Burden & Charles, minority advisor for Maryland State Lottery; First Stop Auto Insurance; NAACP Baltimore. It lost: American Nursing Service.

Billings breakdown: Newspapers 38%, magazines 8%, medical journals 2%, radio 20%, spot tv 4%, business papers 15%, point of sale 10%, Yellow Pages 2%, direct mail 1%.

Top exec: Nathaniel Pope Jr., president. Employes: 7 in 2 offices.

Phone: (301) 731-5355. ☑

Nutrition Marketing, Englewood, N.J., reported gross income of $170,000 in 1985 on billings of $1,533,400. In 1984, it reported gross income of $140,000 on billings of $1,033,400.

The agency's 1985 U.S. volume consisted of $1,400,000 in media and $133,400 in capitalized fees. Its 1984 U.S. volume consisted of $900,000 in media and $133,400 in capitalized fees.

In 1985, the agency gained: Nutrition Industries; Weight Watchers mayonnaise, margarine, cheese.

Billings breakdown: Radio 15%, free-standing inserts 85%.

Top execs: Robert M. Harris, president; Cecily Harris, vp; Susan Harris, secretary. Employes: 3.

Phone: (201) 568-9300.

Oldfield Davis, Dallas, reported gross income of $1,079,878 in 1985 on billings of $9,867,763. In 1984, it reported gross income of $965,666 on billings of $8,512,287.

The agency's 1985 U.S. volume consisted of $1,579,809 in media, $1,085,168 in materials and services and $7,202,786 in capitalized fees. Its 1984 U.S. volume consisted of $1,069,095 in media, $1,002,200 in materials and services and $6,440,992 in capitalized fees.

In 1985, the agency gained: Bob Moore Construction Co.; Wier & Associates, engineers; Intl Investment Advisors; Hunt Properties; Trammell Crow Co. It lost: Dimension Cos.

Billings breakdown: Newspapers 15%, magazines 35%, radio 23%, spot tv 5%, outdoor 10%, point of sale 2%, direct mail 10.

Top execs: Co-owners—Holly M. Oldfield, president; Rachel Mostert Davis, vp. Employes: 16.

Phone: (214) 526-6581.

O'Sullivan Advertising/Public Relations, Morristown, N.J., reported gross income of $1,391,738 in 1985 on billings of $12,295,753. In 1984, it reported gross income of $1,085,120 on billings of $8,914,630.

In 1985, it had net income of $215,930, compared with $62,391 in 1984.

The agency's 1985 U.S. volume consisted of $9,278,253 in media and $3,018,500 in materials and services. Its 1984 U.S. volume consisted of $6,103,723 in media and $2,810,907 in materials and services.

Included in the agency's figures were returns from subsidiary:

- Graphics 14

In 1985, the agency gained: NMR of America, magnetic resonance images; Amcest Corp, Persys div; Bel Piaese Inc., cheese imports; Diocese of Mutuchen; Stauff Mfg; AT&T; Pamco; Teck Art Plastics. It lost: Norland Products; H.P. Mktg.

Billings breakdown: Newspapers 5%, magazines 50%, radio 2%, spot tv 3%, point of sale 15%, direct mail 25%.

Top execs: Owen M. O'Sullivan, president. Vps—Larry Stern, creative director; Dianne Enger, media director; Sheldon Axler, gm; Dick Young, acct super. Employes: 24.

Phone: (201) 267-1440.

Packo, Mitchell, Hanson & Comer, Toledo, O., reported gross income of $1,252,525 in 1985 on billings of $8,203,400. In 1984, it reported gross income of $809,105 on billings of $5,295,600.

In 1985, it had net income of $80,000, compared with $55,000 in 1984.

The agency's 1985 U.S. volume consisted of $550,000 in media, $850,000 in materials and services and $6,803,400 in capitalized fees. Its 1984 U.S. volume consisted of $190,000 in media, $570,000 in materials and services and $4,535,600 in capitalized fees.

Included in the agency's figures were returns from its division:

- Packo Photo

In 1985, the agency gained: Welles-Bowen, insurers, realtors; Ed Schmidt Pontiac; Hillcrest Hotel. It lost: St. Vincent's Tennyson Center.

Billings breakdown: Newspapers 18%, magazines 7%, radio 20%, network tv 50%, cable tv 5%.

Top execs: Lee Comer, president; Mark Mitchell, exec vp; James G. Mihaly, treasurer. Employes: 28 in 2 offices.

Phone: (419) 243-7600. ☑

Palm DeBonis Russo, Bloomfield, Conn., reported gross income of $722,860 in 1985 on billings of $4,289,600. The agency did not report in 1984.

The agency's 1985 U.S. volume consisted of $2,060,245 in media, $935,375 in materials and services and $1,293,980 in capitalized fees.

In 1985, the agency gained: Greater Hartford Open, PGA golf tournament; Foodservice Concepts; Valley Health Plan; Allstate Insurance; Landmark Bank. It lost: Allstate Insurance.

Billings breakdown: Newspapers 14%, magazines 29%, radio, network tv, spot tv and cable tv combined 8%, production 49%.

Top execs: Charles Palm, chmn-ceo; Robert R. Russo, president; Richard L. DeBonis, Barry J. Palm, senior vps. Employes: 12.

Phone: (203) 242-6258. ☑

Paolin & Sweeney, Cherry Hill, N.J., reported gross income of $2,517,978 in 1985 on billings of $11,235,803. In 1984, it reported gross income of $1,822,390 on billings of $8,511,620.

In 1985, it had net income of $45,100, compared with $509 in 1984.

The agency's 1985 U.S. volume consisted of $2,430,731 in media, $1,198,664 in materials and services and $7,606,408 in capitalized fees. Its 1984 U.S. volume consisted of $2,028,891 in media, $995,992 in materials and services and $5,486,737 in capitalized fees.

In 1985, the agency gained: Diamond Beach; Greentree Mortgage; Home Unity Mortgage; Integrated Resources; Scarborough Corp; Suzuki Motor Corp. It lost: N.J. State Bar Assn; Cambridge Intl; Horst Devel.

Billings breakdown: Newspapers 30%, magazines 12%, radio 17%, spot tv 22%, outdoor 7%, point of sale 4%, direct mail 8%.

Top execs: John R. Paolin, president; Thomas B. Sweeney, exec vp. Employes: 30.

Phone: (609) 667-7700. ☑

Parker Group, St. Louis, reported gross income of $506,629 in 1985 on billings of $3,357,683. In 1984, it reported gross income of $324,094 on billings of $2,160,693.

The agency's 1985 U.S. volume consisted of $2,400,000 in media, $644,193 in materials and services and $313,490 in capitalized fees. Its 1984 U.S. volume consisted of $1,500,000 in media, $527,293 in materials and services and $133,400 in capitalized fees.

In 1985, the agency gained: Century Electric Co.; Pantera's Pizza Restaurants; Grandpa's Discount Stores; Boating Center; Bo Beuckman Ford-Yugo. It lost: Leader Lincoln Mercury; Illini Federal Savings & Loan.

Billings breakdown: Newspapers 15%, magazines 10%, radio 25%, spot tv 15%, outdoor 2%, business papers 5%, point of sale 4%, Yellow Pages 3%, direct mail 10%, catalogs 8%; direct response magazines 3%.

Top execs: Larry Parker, president-ceo; Thomas K. Costello, exec vp. Employes: 13.

Phone: (314) 361-2000. ☑

Parsons, Friedmann & Central, Boston, reported gross income of $417,411 in 1985 on billings of $3,924,099. In 1984, it reported gross income of $393,374 on billings of $3,029,825.

The agency's 1985 U.S. volume consisted of $692,406 in media, $1,456,353 in materials and services and $1,775,340 in capitalized fees. Its 1984 U.S. volume consisted of $598,041 in media, $550,277 in materials and services and $1,881,507 in capitalized fees.

Included in the agency's figures were returns from its offices in Glen, N.H., and Manchester, N.H.

In 1985, the agency gained: Franchi Group, real estate-tennis clubs; American Jewish League, fundraising; Standard Data, software; Plycraft, furniture. It lost: Akko, acrylic accessories; Wildcat Mountain.

Billings breakdown: Newspapers 20%, magazines 3%, radio 5%, spot tv 3%, outdoor 1%, business papers 55%, transit advertising 1%, point of sale 1%, direct mail 11%.

Top execs: Robert F. Friedmann,

Quirks and quakes

Levine, Huntley, Schmidt & Beaver appeared on the charts 10 years ago as Levine, Huntley, Schmidt, Plapler & Beaver, an agency begun as a direct mail house for soft goods (dresses primarily) producers in 1922 under brothers Mervin and Jesse Levine. In 1965, the agency began its transition to a general consumer agency as Bob Schmidt joined as account super, eventually becoming a partner of Mervin Levine, who had bought out his brother. Then came partner, Chet Huntley of Huntley and Brinkley news team fame. Rechristened Levine, Huntley, Schmidt Inc., the agency added Larry Plapler and Allan Beaver, two creatives, in 1972. This partnership lasted until 1982 when Mr. Plapler left to open his own shop.

president, treasurer; Camille M. Wilding, asst treasurer, office mgr. Employes: 11 in 3 offices.
Phone: (617) 266-4310. ☑

Patchen Brownfeld Inc., Advertising, Phoenix, reported gross income of $955,982 in 1985 on billings of $8,815,964. In 1984, it reported gross income of $1,089,385 on billings of $8,989,553.

The agency's 1985 U.S. volume consisted of $6,769,644 in media, $992,460 in materials and services and $1,053,860 in capitalized fees. Its 1984 U.S. volume consisted of $7,321,636 in media, $896,865 in materials and services and $771,052 in capitalized fees.

In 1985, the agency gained: Continental Homes; Phoenix & Valley of the Sun Convention & Visitors Bureau; Ryerson Co. It lost: Great Western Bank.

Billings breakdown: Newspapers 33%, magazines 10%, radio 25%, spot tv 15%, outdoor 12%, direct mail 5%.

Top execs: Steve Patchen, president; Fred Brownfeld, exec vp. Employes: 26.
Phone: (602) 274-7707. ☑

Gerald Patlis Advertising, New York, reported gross income of $318,000 in 1985 on billings of $2,120,000. In 1984, it reported gross income of $427,500 on billings of $2,850,000.

The agency's 1985 U.S. volume consisted of $1,500,000 in media, $400,000 in materials and services and $220,000 in capitalized fees. Its 1984 U.S. volume consisted of $1,900,000 in media, $650,000 in materials and services and $300,000 in capitalized fees.

In 1985, the agency gained: Claudia Collette perfumes; Dong Woo, antique clock reproductions. It lost: Katharine Gibbs; Berlitz Translation Services.

Billings breakdown: Newspapers 40%, magazines 30%, Yellow Pages 3%, direct mail 17%, direct response tv 5%, direct response radio 5%.

Top execs: Gerald Patlis, president; Stanley Waldman, vp. Employes: 7.
Phone: (212) 759-6400.

Patterson Advertising Agency, Topeka, Kan., reported gross income of $885,012 in 1985 on billings of $5,909,333. In 1984, it reported gross income of $870,369 on billings of $5,804,056.

The agency's 1985 U.S. volume consisted of $1,842,422 in media, $658,502 in materials and services and $3,408,409 in capitalized fees. Its 1984 U.S. volume consisted of $1,962,726 in media, $646,914 in materials and services and $3,194,416 in capitalized fees.

Included in the agency's figures were returns from subsidiary:
• First Impressions, printing

In 1985, the agency gained: OhSe meat prods. It lost: Kansas Farm Bureau Insurance.

Billings breakdown: Newspapers 22%, radio 18%, spot tv 39%, outdoor 1%, business papers 10%, other 10%.

Top executives: Duane T. Patterson, chmn; Donald M. Shurtz, president. Employes: 22.
Phone: (913) 266-3636. ☑

Pearlman Wohl Inc., Los Angeles, reported gross income of $1,089,000 in 1985 on billings of $10,663,800. In 1984, it reported gross income of $637,000 on billings of $5,807,000.

In 1985, it had net income of $131,000, compared with $70,000 in 1984.

The agency's 1985 U.S. volume consisted of $9,210,000 in media, $520,000 in materials and services and $933,800 in capitalized fees. Its 1984 U.S. volume consisted of $4,930,000 in media, $310,000 in materials and services and $567,000 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:
• Wally Inc., commercial production
• Aspen Marketing Group, pr

In 1985, the agency gained: Halispechts Lighting; Amitee Cosmetics; Northern California Buick Dealers Assn; Vista Nohl Devel. It lost: Lamps Plus.

Billings breakdown: Newspapers 5%, magazines 5%, radio 10%, spot tv 45%, outdoor 6%, business papers 1%, point of sale 2%, Yellow Pages 2%, direct mail 7%, catalogs 2%, direct response tv 4%, direct response radio 2%, direct response newspapers 1%, other 8%.

Top execs: Daniel L. Pearlman, president-ceo; Wally B. Wohl, chmn-creative director; Alan M. Berger, senior vp, director mktg services. Employes: 13.
Phone: (213) 277-4684. ☑

Penchina, Selkowitz, New York, reported gross income of $3,100,000 in 1985 on billings of $23,009,100. In 1984, it reported gross income of $2,900,000 on billings of $20,101,250.

The agency's 1985 U.S. volume consisted of $17,266,000 in media, $2,275,000 in materials and services and $2,668,000 in capitalized fees. Its 1984 U.S. volume consisted of $14,600,000 in media, $2,150,000 in materials and services and $2,201,100 in capitalized fees.

In 1985, the agency gained: New York Times Co., New York Videotex div; E.R. Squibb & Sons, ConvaTec div.

Billings breakdown: Newspapers 12%, magazines 28%, radio 2%, network tv 38%, spot tv 10%, cable tv 5%, outdoor 3%, direct mail 2%.

Top execs: Arthur Selkowitz, president; Steven Penchina, chmn, creative director. Senior vps—Gordon Bennett, exec art director; Rochelle Klein, copy super; Steven Brookstein, acct director. Julie Pinkwater, vp-media director. Employes: 22.
Phone: (212) 980-6677.

Penny/Ohlmann/Neiman, Dayton, O., reported gross income of $1,909,536 in 1985 on billings of $14,858,909. In 1984, it had estimated gross income of $1,690,435 on billings of $13,154,000.

The agency's 1985 U.S. volume consisted of $3,500,429 in media, $1,910,112 in materials and services and $9,448,368 in capitalized fees. Its 1984 U.S. volume consisted of $5,447,000 in media, $110,000 in materials and services and $7,597,000 in capitalized fees.

Included in the agency's figures were returns from subsidiary:
• Telad Intl, Yellow Pages

But the agency did not consolidate subsidiary:
• P/O/N Products Mktg
• P/O/N Services Mktg

Billings breakdown: Newspapers 20%, magazines 10%, radio 13%, spot tv 17%, cable tv 1%, outdoor 2%, business papers 9%, point of sale 8%, Yellow Pages 7%, direct mail 5%, catalogs 4%, free-standing inserts 4%.

Top execs: Walter Ohlmann, president-ceo; Robert Penny, chmn; Ralph Neiman, exec vp. Employes: 46.
Phone: (513) 278-0681. ☑

Penny & Speier, Houston, formerly Penny & Pengra, reported gross income of $1,873,746 in 1985 on billings of $15,061,253. In 1984, it reported gross income of $1,918,812 on billings of $16,014,278.

The agency's 1985 U.S. volume consisted of $3,575,868 in media, $1,325,594 in materials and services and $10,159,791 in capitalized fees. Its 1984 U.S. volume consisted of $4,262,700 in media, $1,603,326 in materials and services and $10,148,252 in capitalized fees.

In 1985, the agency gained: Juarez Restaurants; Flakey Jake's Hamburger; New Territory; Homecraft Devel; Natl Cremation Society. It lost: Brown & Root; Enclave, land devel; Oyster Point.

Billings breakdown: Newspapers 22.5%, magazines 16.8%, radio 7.6%, spot tv 13.5%, outdoor 17.3%, business papers 4.5%, point of sale 3.6%, direct mail 2.9%, collateral 11.3%.

Top execs: C.R. Penny, chmn; Stephen S. Speier, president. Employes: 32.
Phone: (713) 965-0331. ☑

Peterson-Morris, Minneapolis, had estimated gross income of $765,000 in 1985 on billings of $5,100,000. In 1984, it had estimated gross income of $700,000 on billings of $4,700,000.

The agency did not break out its volume.

In 1985, the agency gained: Cardio-Pace Medical, heart pacemakers; Centex Homes; Control Data, Business & Technology Centers and Correction Systems; SED Systems, agricultural electronics; Gift Creations Concepts, mktg services for gift retailers; Bonanza Restaurants; Hubbard Broadcasting; KSTP radio and tv; Geertson Seed Farm/Wrangler alfalfa; Stuart Corp, real estate devel. It lost: Hiner Homes.

Top execs: Jack Morris, president, creative director; Harlan Stoehr, senior vp. Employes: 14.
Phone: (612) 331-8000.

Phillips-Ramsey Co., San Diego, reported gross income of $7,584,800 in 1985 on billings of $50,590,600. In 1984, it reported gross income of $5,581,200 on billings of $37,226,600. In 1985, it had net income of $125,200, compared with $46,600 in 1984.

The agency's 1985 U.S. volume consisted of $17,720,900 in media, $7,340,700 in materials and services and $25,529,000 in capitalized fees. Its 1984 U.S. volume consisted of $13,163,700 in media, $2,521,300 in materials and services and $21,541,600 in capitalized fees.

Included in the agency's figures were returns from its offices in Los Angeles and Phoenix.

In 1985, the agency gained: Safeway Stores Inc. (Southern Cal.); Celestron Intl; Genstar Arizona Devel; Honeywell, large computer prods div; Lynx Precision Golf Equipment; Economic Devel Corp of San Diego; Koll Company (Southern Cal.); Koll Construction Co.; Pacific Southwest Airlines mktg programs; Scripps Clinic & Rsch Foundation; Maricopa Foundation for medical care. It lost: Butterfield Devel Corp; Inter-Tel; Daiwa Corp; DiGiorgio Devel Co; American Medical Intl, western div.

Billings breakdown: Newspapers 19%, magazines 9%, radio 21%, spot tv 46%, outdoor 4%, transit advertising 1%.

Top execs: Richard D. Brooks, president-ceo; R. Page Jones, chmn. Exec vps—Richard T. Badami, gm (Los Angeles); Winfield L. Holden III, gm (Phoenix); Robert J. Kwait, creative director; Robert F. Lewis, secretary. Employes: 122 in 3 offices.
Phone: (619) 574-0808.

Pihas, Schmidt, Westerdahl Co., Portland, Ore., reported gross income of $2,143,582 in 1985 on billings of $15,047,778. In 1984, it reported gross income of $1,743,300 on billings of $12,842,160.

The agency's 1985 U.S. volume consisted of $5,449,737 in media, $3,084,521 in materials and services and $6,513,520 in capitalized fees. Its 1984 U.S. volume consisted of $3,555,005 in media, $2,608,695 in materials and services and $6,678,460 in capitalized fees.

In 1985, the agency gained: Oregon State Lottery; Kentucky Fried Chicken (Spokane); Bonneville Power Admin; City of Klamath Falls; CAPS Auto Supplies; Coors; SEH America; Mercy Medical Center. It lost: Elmer's Pancake & Steak House; Today's American Builder; Products Mgmt Group; Red Steer Restaurants, Papa Aldo's; Wacker Siltronics; Micro Centers of America.

Billings breakdown: Newspapers 16%, magazines 2.5%, supplements 6.5%, radio 17%, spot tv 38%, cable tv 0.5%, outdoor 1.5%, business papers 0.5%, transit advertising 0.5%, point of sale 5.5%, Yellow Pages 0.5%, direct mail 0.5%, collateral 10%, research 0.5%.

Top Execs: John Pihas, president; Ron Schmidt, exec vp; Edward Westerdahl II, chmn; Cliff Engel, senior vp. Employes: 50.
Phone: (503) 228-4000.

Pinne, Garvin, Herbers & Hock, San Francisco, reported gross income of $2,459,635 in 1985 on billings of $17,715,747. In 1984, it reported gross income of $3,420,537 on billings of $19,026,255.

In 1985, it had net income of $37,188, compared with $30,274 in 1984.

The agency's 1985 U.S. volume consisted of $6,189,382 in media, $2,232,325 in materials and services and $9,294,040 in capitalized fees. Its 1984 U.S. volume consisted of $8,513,166 in media, $3,525,890 in materials and services and $6,987,199 in capitalized fees.

In 1985, the agency gained: Mandarin Hotel (San Francisco); Infomax; Comm, network software technology; Dasoft Design, CAD software; Malvern Manor, executive retreat. It lost: OCLI, optical coating materials; HP Microwave Group; Bay Area Teleguide.

Billings breakdown: Newspapers 15%, magazines 55%, supplements 5%, radio 5%, outdoor 7%, business papers 10%, direct mail 3%.

Top execs: Robert A. Pinne, chmn-creative director; Donald A. Hebers, president-ceo; Frederick Murphy, senior vp-copy. Vps—John R. Pelkan, client services; James J. Lewis, cfo; Pierre Jacot, exec art director. Employes: 36.
Phone: (415) 956-4210.

Poindexter Associates, Roanoke, Va., reported gross income of $524,193 in 1985 on billings of $3,799,477. In 1984, it reported gross income of $492,553 on billings of $3,758,668.

The agency's 1985 U.S. volume consisted of $1,788,136 in media, $423,274 in materials and services and $1,588,067 in capitalized fees. Its 1984 U.S. volume consisted of $1,874,451 in media, $439,882 in materials and services and $1,444,335 in capitalized fees.

In 1985, the agency gained: Shenandoah's Pride, dairy prods.

Billings breakdown: Newspapers 32%, magazines 7%, radio 15%, spot tv 38%, outdoor 5%, direct mail 3%.

Top execs: Dale Poindexter, president; Lee Garth, exec vp, assoc creative director; Herb Weaver, vp-operations; Dave Purdum, art director, assoc creative director; Marty Ryan, media director; Kathy Poff, production mgr, traffic mgr. Employes: 12.
Phone: (703) 345-2400.

Point Communications, Dallas, reported gross income of $2,544,967 in 1985 on billings of $17,567,856. In 1984, it reported gross income of $2,476,088 on billings of $17,202,769.

The agency's 1985 U.S. volume consisted of $5,912,229 in media, $2,278,627 in materials and services and $9,377,000 in capitalized fees. Its 1984 U.S. volume consisted of $4,992,929 in media, $2,988,732 in materials and services and $9,221,108 in capitalized fees.

The agency did not consolidate subsidiary:
• Type & Stat Place

The agency closed its Denver office on Dec. 31, 1984, after being in that market 10 years.

In 1985, the agency gained: Schlitz; DePalma-Korsmeier. It lost: Cottage Collections; Justin Boot; Prism Hotel; Pinetree Computer.

Billings breakdown: Newspapers 17%, magazines 4%, radio 16%, spot tv 47%, outdoor 1%, business papers 11%, Yellow Pages 3%, annuals & specials 1%.

Top execs: Bill R. Neale, president; Willard B. Moon, exec vp; Anthony J. Fedele, senior vp, creative production. Employes: 43.
Phone: (214) 851-1100.

Poller & Jordan Advertising, Miami, had estimated gross income of $394,000 in 1985 on billings of $2,626,158. In 1984, it had estimated gross income of $412,000 on billings of $2,746,133.

In 1985, it reported net income of $51,483, compared with $66,874 in 1984.

The agency's 1985 U.S. volume consisted of $1,097,522 in media, $343,071 in materials and services and $1,185,565 in capitalized fees. Its 1984 U.S. volume consisted of $992,123 in media, $375,835 in materials and services and $1,378,175 in capitalized fees.

In 1985, the agency gained: Courtesy Ford; U.S. Ballroom Championships; Florida Bar Assn; Batch Air; Airmark Engines. It lost: Florida No Fault Insurance.

Billings breakdown: Newspapers 20%, magazines 25%, radio 5%, spot tv 50%.

Top execs: Robert H. Poller, president; Gerald R. Green, vp-treasurer. Employes: 7.
Phone: (305) 856-7500. ☑

Popejoy & Fischel Advertising Agency, Dallas, had estimated gross income of $2,250,000 in 1985 on billings of $15,000,000. The agency had estimated gross income of $2,100,000 in 1984 on estimated billings of $14,000,000.

The agency did not break out its volume.

Billings breakdown: Newspapers 24%, magazines 13%, radio 7%, spot tv 26%, outdoor 5%, direct mail 2%, catalogs 18%, other 5%.

Top execs: Bert Fischel, president; Gerald Popejoy, chmn. Employes: 40 in 2 offices.
Phone: (214) 233-8461.

Posey & Quest, Greenwich, Conn., reported gross income of $2,500,000 in 1985 on billings of $21,700,000. In 1984, it reported gross income of $2,050,000 on billings of $16,500,000.

The agency's 1985 U.S. volume consisted of $4,700,000 in media, $2,800,000 in materials and services and $14,200,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,150,000 in media, $2,350,000 in materials and services and $11,000,000 in capitalized fees.

Included in the agency's figures were returns from its office in New York City.

In 1985, the agency gained: Hughes Laboratories; Beiersdorf Medical div, Aquaphor ointment; Beiersdorf Suncare line, Nivea. It lost: SONECOR systems div, SNET.

Billings breakdown: Newspapers 10%, magazines 40%, radio 10%, spot tv 38%, cable tv 2%.

Top execs: James H. Quest, president-ceo; Chester L. Posey, chmn; Joe Genova, exec vp, creative director. Vps—Robert L. Liddel, director media, programing; Matt Tokatlian, finance. Employes: 30 in 2 offices.
Phone: (203) 531-4900. ☑

Potter Hazlehurst, East Greenwich, R.I., reported gross income of $2,235,560 in 1985 on billings of $16,503,896. In 1984, it reported gross income of $2,053,942 on billings of $15,599,762.

In 1985, it reported net income of $37,588, compared with $69,832 in 1984.

The agency's 1985 U.S. volume consisted of $5,517,053 in media, $1,595,466 in materials and services and $9,391,377 in capitalized fees. Its 1984 U.S. volume consisted of $5,702,392 in media, $1,902,819 in materials and services and $7,994,551 in capitalized fees.

Billings breakdown: Newspapers 15%, magazines 55%, radio 1%, spot tv 10%, outdoor 2%, business papers 17%.

Top execs: Thomas E. Hazlehurst,

Quirks and quakes

Helfgott, Towne & Silverstein was No. 85 ten years ago. Principal, Mike J. Helfgott, however, became inactive and new partner, Steve Rotter, moved in and tagged his name to the end and Helfgott was erased from the title. Leslie H. Towne and D. William Silverstein are other principals in the 19-year-old agency.

president; Herbert C. Sawyer, exec vp, treasurer; Nathaniel Frothingham, Michael F. Moore, senior vp. Employes: 49.
Phone: (401) 885-4300.

Praco Ltd., Colorado Springs, reported gross income of $591,243 in 1985 on billings of $3,852,294. In 1984, it reported gross income of $657,188 on billings of $4,306,693.

The agency's 1985 U.S. volume consisted of $833,666 in media, $512,714 in materials and services and $2,505,914 in capitalized fees. Its 1984 U.S. volume consisted of $719,270 in media, $430,955 in materials and services and $3,156,467 in capitalized fees.

In 1985, the agency gained: Jocque Shops; Antlers Hotel; Aspens retirement community; Citizen's Cable. It lost: Shuck Corp.

Billings breakdown: Newspapers 35%, magazines 16%, radio 19%, spot tv 15%, outdoor 7%, transit advertising 1%, point of sale 2%, direct mail 5%.

Top execs: James W. Hall, president; Nechie T. Hall, exec vp, secretary; Geri Vanderwarren, vp-treasurer. Employes: 13.
Phone: (303) 473-0704. ☑

PR Associates, Akron, O., reported gross income of $1,512,000 in 1985 on billings of $10,352,000. In 1984, it reported gross income of $1,800,000 on billings of $9,850,000.

The agency's 1985 U.S. volume consisted of $2,165,000 in media, $950,000 in materials and services and $7,237,000 in capitalized fees. Its 1984 U.S. volume consisted of $2,200,000 in media, $650,000 in materials and services and $7,000,000 in capitalized fees.

In 1985, the agency gained: BF Goodrich, aerospace and defense div; Namco Controls; O&M Folders; General Extrusions.

Billings breakdown: Magazines 65%, radio 10%, spot tv 10%, point of sale 3%, Yellow Pages 7%, direct mail 5%.

Top execs: Paul L. Schmitz, president; Alan R. Kliskey, exec vp. Employes: 35.
Phone: (216) 928-8000.

Price/McNabb Advertising, Asheville, N.C., reported gross income of $3,502,107 in 1985 on billings of $19,993,200. In 1984, it reported gross income of $2,513,306 on billings of $15,185,000.

The agency's 1985 U.S. volume consisted of $10,775,200 in media and $9,218,000 in materials and services. Its 1984 U.S. volume consisted of $8,811,000 in media and $6,374,000 in materials and services.

Included in the agency's figures were returns from subsidiaries:
- Price/McNabb Direct Mktg
- Price/McNabb Public Relations

The agency also consolidated returns for its offices in Raleigh and Charlotte, N.C., and Columbia, S.C.

In 1985, the agency gained: Adams-Millis Corp; Spinaltor Corp; DG Mouldings; Collins & Aikman; Premier Quilting; Durham Life Broadcasting; American Enka Corp; Memorial Mission Hospital. It lost: McDonald's (Eastern N.C., Chattanooga).

Billings breakdown: Newspapers 10%, magazines 20%, radio 20%, spot tv 30%, outdoor 10%, business papers 10.

Top execs: Charles R. Price Jr., chmn. Presidents—George W. Krichbaum Jr. (Raleigh); Robert B. Boettcher (Asheville); Ronald C. Campana, Price/McNabb Direct. Harris J. Fields, exec vp, creative services; Craig Jackson, senior vp, creative services. Vps—William E. Berdahl, acct super; Judy L. Dalton, media services; S. Christopher Starin, gm (Charlotte); Peter F. Lloyd, gm (Columbia); Thomas E. Eppes, gm-pr. Employes: 78 in 4 offices.
Phone: (704) 254-7461. ☑

QLM Associates, Princeton, N.J., reported gross income of $1,551,622 in 1985 on billings of $22,945,557. In 1984, it reported gross income of $1,165,339 on billings of $17,341,005.

In 1985, it had net income o
$201,711, compared with $133,841 i
1984.

The agency's 1985 U.S. volume co
sisted of $451,876 in media an
$22,493,681 in capitalized fees. It
1984 U.S. volume consisted o
$254,719 in media and $17,086,286 i
capitalized fees.

In 1985, the agency gained: Sun
shine Bakers; Fondis; Data Dynamics

Billings breakdown: Newspaper
2%, magazines 5%, point of sale 29%
free-standing inserts 11%, collater
materials 53%.

Top execs: W.R. Lipsky, president
Vps—L.A. Quintman, creative; J.A
Mitchell, operations; D.T. Sullivan
new business. W. Westbo, creativ
director. Employes: 31.
Phone: (609) 683-1177. ☑

Qually & Co., Chicago, reporte
gross income of $401,335 in 1985 o
billings of $3,280,000. In 1984, it re
ported gross income of $422,875 o
billings of $3,100,000. The agency di

Saatchi passes JWT Group in income

Saatchi & Saatchi Co. continued its upward spiral among agency groups in 1985, stepping ahead of JWT Group in world gross income with a 37% increase, but remaining distant to No. 1 Interpublic Group of Cos.

The Saatchi & Saatchi surge to No. 2 came primarily through acquisition and the inclusion of nonadvertising units only on the income side of the ledger. JWT Group remained No. 2 in terms of capitalized billings—which reflect only the advertising side of a group's performance—with $3.82 billion compared with Saatchi's $3.19 billion.

Unlike an agency's fee income, nonadvertising returns are not capitalized. Fees are capitalized by multiplying them by 6.67 to arrive at an equivalent to media billings. The multiplier treats the fee income as if it were the 15% commission earned from media billings.

Interpublic remained No. 1 in income and billings with $707.4 million and $4.75 billion, respectively, in 1985 for a year-to-year increase of 15% for both.

The Saatchi group piled up the gross income in nonagency acquisitions and activity, including returns from market research units, Yankelovich, Skelly & White and Clancy Shulman, and pr unit, Rowland Co. The group also purchased Grandfield Rork Collins, ranked the 20th largest agency in the U.K. going into 1985, and Hayhurst, No. 12 in Canada.

The agency units of Interpublic, relatively quiet for a number of years, have become active. The group's Marschalk Campbell-Ewald Worldwide unit broke up in the beginning of 1986 as Marschalk merged with Lowe Howard-Spink, the U.K. agency previously linked with Campbell-Ewald.

The resulting agency, named Lowe Marschalk, gathered several other Campbell-Ewald units around it to build a network with billings estimated at $550 million. Interpublic kept a 38.1% interest in the network.

Again at the first of the year, McCann-Erickson purchased Sieber & McIntyre, the Chicago medical agency that recorded gross income of $12.3 million on billings of $82.3 million in 1985.

The holding companies are not ranked in this issue because they are not agencies. The accompanying chart illustrates how they line up against agencies in this issue, many of which are their own subsidiaries.

Interpublic Group of Cos.

Interpublic, New York, reported gross income of $707,406,000, of which $366,708,000 was non-U.S. contributions, in 1985 on billings of $4,746,558,000. In 1984, it reported gross income of $615,356,000, of which $300,373,000 was non-U.S. contributions, on billings of $4,124,252,000.

The group did not break out its 1985 U.S. volume of $2,272,456,000 or 1984 U.S. volume of $2,100,936,000.

Included in the agency's figures were returns from agencies:
- McCann-Erickson
- McCann-Erickson Intl
- Campbell-Ewald Co.
- Campbell-Ewald Intl
- Lowe Marschalk
- Clinton E. Frank Inc.
- SSC&B Inc.
- SSC&B:Lintas Intl
- Dailey & Associates.

Effective Jan. 1, 1986, Lowe Marschalk Worldwide was formed as a joint venture between Interpublic and Lowe Howard-Spink U.K. The new network consists of the Lowe Howard-Spink Marschalk agency in London, many of the former Campbell-Ewald Intl agencies and an interest in Lowe Marschalk in the U.S. The new network is publicly traded on the London Stock Exchange under the Lowe Howard-Spink & Bell plc name.

Top execs: Philip H. Geier Jr., chmn-ceo; Eugene P. Beard, exec vp, finance, operations, cfo. Senior vps—Edward A. Garba, treasurer; Edwin A. Kiernan Jr., genl counsel, secretary; C. Kent Kroeber, human resources; Charles A. Mittelstadt, Center for Advertising Services; Henry Strock, controller; Arthur E. Wilen, devel, professional services.

Employes: 13,026 in 1985 compared with 12,745 in 1984.

JWT Group

JWT Group, New York, reported gross income of $572,077,000, of which $217,393,000 was non-U.S. contributions, in 1985 on billings of $3,817,376,000. In 1984, it reported gross income of $531,161,000, of which $218,236,000 was non-U.S. contributions, on billings of $3,543,728,000.

The group's 1985 U.S. volume of $2,365,745,000 and 1984 U.S. volume of $2,087,208,000 was all in media.

Included in the agency's figures were returns from subsidiaries:
- J. Walter Thompson USA with offices in Atlanta, Chicago, Detroit, Los Angeles, New York, San Francisco and Washington
- Brouillard Communications with offices in New York and Pittsburgh
- Thompson Recruitment Advertising with headquarter in Los Angeles and offices in 25 major cities
- Lord, Geller, Federico, Einstein with offices in New York and Boca Raton, Fla.
- Simmons Market Research Bureau, New York
- Hill & Knowlton Inc. with offices in Chicago, Los Angeles, New York and Washington.

U.S. billings breakdown: Newspapers 9.1%, magazines 14.1%, medical journals 1.1%, radio (network and spot) 5.5%, network tv 34.8%, spot tv 19.8%, cable tv 1.3%, outdoor 1.2%, business papers, farm publications and transit advertising 1.4%, direct mail 0.9%, other 10.8%.

Top execs JWT Group: Don Johnston, chmn, ceo, chmn of exec committee; Hugh P. Connell, exec vp, secretary; Glen A. Dell, exec vp, finance and admin; Denis Lanigan, vice-chmn and ceo, J. Walter Thompson Co.; Loet A. Velmans, chmn, president and ceo, Hill & Knowlton Inc.; Kenneth A. Drucker, senior vp-treasurer; Ronald A. Kovas, exec vp.

Employes: 9,800 worldwide in 268 offices; 4,600 in the U.S. in 99 offices.
Phone: (212) 210-7000.

Mickelberry Corp.

Mickelberry Corp., New York, is comprised of C&W Group, Laurence, Charles, Free & Lawson, New York, and Calvillo, Shevack & Partners, New York. Combined, the three reported gross income of $91,121,000 in 1985 on billings of $626,900,000. In 1984, the group reported gross income of $96,050,000 on billings of $655,000,000.

The agency's 1985 U.S. volume consisted of $528,800,000 in media, $53,900,000 in materials and services and $44,200,000 in capitalized fees. Its 1984 estimated U.S. volume consisted of $556,700,000 in media, $56,500,000 in materials and services and $41,800,000 in capitalized fees.

During the year, the four Cunningham & Walsh agencies were placed under C&W Group, New York. LCFL added the surname of Tom Lawson. Mr. Lawson came over from then Rosenfeld, Sirowitz & Lawson as president.

The McDonald's business soon followed from RS&L. Calvillo, Shevack & Partners is the merger of LCF&S and Nadler & Larimer. Both Arch Nadler and Robert Larimer, founders, retired with the merger. LCF&S had spun off from Laurence, Charles & Free, in 1983, taking with it the Adidas sports shoes business.

Top execs: James Marlas, founder, chmn; Richard J. Diamond, president; Franklin D. Roosevelt Jr., chm of exec committee.

Saatchi & Saatchi Co. plc

Saatchi & Saatchi Co. plc, New York, reported gross income of $583,879,900, of which $271,231,900 was non-U.S. contributions, in 1985 on billings of $3,190,813,100. In 1984, it reported gross income of $426,201,241, of which $209,495,908 was non-U.S. contributions, on billings of $2,390,350,018.

The group's 1985 U.S. volume was $1,418,340,000 and its 1984 U.S. volume was $1,152,662,333. Volume figures were not broken down.

Included in the agency's figures were returns from subsidiaries:
- Saatchi & Saatchi Compton Worldwide, which includes two big entities Saatchi & Saatchi Compton, New York, and Saatchi & Saatchi Group U.K., the latter including nine agencies throughout the U.K.
- Rumrill-Hoyt, New York
- Fairfax, New York
- Cochrane Chase, Livingston, New York
- Klemtner, New York
- McCaffrey & McCall, New York
- Irv Koons Associates, New York
- Mayo Infurna Design, New York
- Hoffman York, New York
- Kleid Co., New York
- Hay Group (advertising only), New York
- Yankelovich, Skelly & White, New York
- Clancy Shulman, Westport, Conn.
- Rowland Co., New York
- BTD Directory Management
- Agencies in more than 40 countries outside the U.S. and the U.K.

Saatchi during 1985 purchased Rowland Co., a leading pr firm in New York, and Hayhurst Advertising in Canada and Grandfield Rork Collins in the U.K. In February, 1986, its U.K. subsidiary, Dorland Advertising, merged with Dancer Fitzgerald Sample to create DFS Dorland Worldwide. The combined network has total billings of $1.2 billion. Also in February, the principals at Saatchi's opinion research company, Yankelovich, Skelly & White, left to form their own research company as YS&W was being merged into Clancy Shulman, Westport, Conn., another Saatchi company. Clancy is involved in more traditional market research, while YS&W assesses political and social change.

Saatchi & Saatchi Co. plc consolidates only on its income side the nonadvertising activity of the Hay Group, a management consulting company.

Weightman Group

Weightman Group, Philadelphia, formed in 1985, had estimated gross income of $11,000,000 in 1985 on billings of $80,100,000.

The group is an amalgam of:
- Weightman Inc., the Philadelphia agency
- Schaefer Advertising, Valley Forge
- Roska Direct Marketing, North Wales, Pa.
- Weightman PR, Philadelphia
- Woodward & Schaefer, Valley Forge.

Weightman Advertising is by far the dominant partner in the group with gross income of $6,650,000 in 1985 on billings of $50,825,000.

Top execs: Charles Coffey, chairman, ceo; John Goodchild, president coo; David Jordan, vice-chmn, cfo A.O. Schaefer, president, Schaefer Advertising; Jon Roska, president, Roska

Agency groups lead top agencies

($ in millions)

World rank	U.S. rank*	Group/Agency	World gross income 1985	% change 1985-1984	U.S. gross income 1985	% change 1985-1984
1	2	Interpublic Group of Cos.	$707.4	15.0	$340.7	14.9
2	4	Saatchi & Saatchi Co. plc	583.9	37.0	312.7	27.1
3	1	JWT Group	572.1	7.7	354.7	13.4
4	3	Young & Rubicam	536.0	11.7	340.6	5.4
5	5	Ogilvy Group	481.1	14.3	307.2	13.6
6	6	Ted Bates Worldwide	466.0	9.8	287.5	9.2
7	8	J. Walter Thompson Co.	450.9	8.8	251.2	15.8
8	13	Saatchi & Saatchi Compton Worldwide	440.9	30.6	169.7	7.8
9	7	BBDO International	377.0	10.8	274.0	16.6
10	17	McCann-Erickson	345.2	18.1	173.0	5.5

* Foote, Cone & Belding International is No. 9 with $213.7 million; D'Arcy Masius Benton & Bowles is No. 10 with $197.5 million; Grey Advertising is No. 11 with $183.2 million; Leo Burnett is No. 12 with $179.2 million; Doyle Dane Bernbach International is No. 14 with $168.6 million; Bozell & Jacobs/Kenyon & Eckhardt is No. 15 with $165.7 million; Marschalk Campbell-Ewald is No. 16 with $127.2 million

NOTE: Agency group Mickelberry Corp. ranked No. 20 worldwide and No. 18 in the U.S. among U.S. agencies with its gross income of $91.1 million in 1985; Weightman ranked No. 85 among both worldwide and U.S. agencies and groups with its gross income of $11 million.

not break out its volume.

In 1985, the agency gained: Business Volunteers for the Arts; *Crain's Chicago Business*; Forcrest Foods; Financial Shares Corp. It lost: Marsh Stencil Machine Co.

Billings breakdown: Newspapers 10%, magazines 5%, radio 20%, network tv 5%, spot tv 30%, business papers 10%, transit advertising 5%, point of sale 5%, direct mail 5%, other 5%.

Top execs: Robert Qually, president, creative director; Robb Ross, acct super; Michael Iva, media, rsch director; Fred Saleh, mktg; Holly Thomas, creative super. Employes: 8.

Phone: (312) 944-0237. ☑

L. Quillin & Associates, La Crosse, Wis., reported gross income of $207,687 in 1985 on billings of $1,240,750. In 1984, it reported gross income of $199,157 on billings of $1,129,607.

In 1985, it reported a net loss of $2,671, compared with net loss $15,773 in 1984.

The agency's 1985 U.S. volume of $1,240,750 consisted of $244,401 in media, $216,327 in materials and services and $780,022 in capitalized fees. Its 1984 U.S. volume of $1,129,607 consisted of $238,603 in media, $297,598 in materials and services and $593,406 in capitalized fees.

In 1985, the agency gained Klien Insurance Group; W.A. Roosevelt's, plumbing supplies; Cabinet Factory. It lost: Coulee State Bank; Winona Industries.

Billings breakdown: Newspapers 10%, magazines 15%, radio 15%, spot tv 12%, outdoor 2%, direct mail 10%, catalogs 33%.

Top execs: Lawrence J. Quillin, president; Wayne W. Krause, exec vp. Employes: 6.

Phone: (608) 788-8292. ☑

Quinn & Johnson/BBDO, Boston, a BBDO direct marketing subsidiary, reported gross income of $7,396,931 in 1985 on billings of $49,312,873. In 1984, it reported gross income of $7,172,577 on billings of $47,817,181.

The agency's 1985 U.S. volume consisted of $38,806,343 in media, $4,485,949 in materials and services and $6,020,581 in capitalized fees. Its 1984 U.S. volume consisted of $35,611,940 in media, $9,376,014 in materials and services and $2,829,227 in capitalized fees.

The agency plans to merge in September with Ingalls Associates, another Boston-based agency. The new agency will be called Ingalls, Quinn & Johnson. Included in the agency's figures were returns from subsidiary:

• Q&J/BBDO, Philadelphia

In 1985, the agency gained: Citizens Bank; Key Corp; First New Hampshire Banks; Knapp Shoes. It lost: Harvard University Press; Providence Journal Bull.

Billings breakdown: Newspapers 10%, magazines 20%, supplements 1%, radio 5%, network tv 10%, spot tv 17%, outdoor 1%, point of sale 3%, direct mail 3%, direct response newspapers 8%, direct response magazines 2%, production 20%.

Top execs: Richard C. Garrison, president; Edwin P. Carboni, exec vp. Employes: 110 in 2 offices.

Phone: (617) 262-5800.

Jules Rabin Associates, Valley Stream, N.Y., reported gross income of $795,000 in 1985 on billings of $4,650,000. In 1984, it reported gross income of $720,000 on billings of $4,200,000.

Quirks and quakes

Warwick, Welsh & Miller, No. 32 in 1976, has evolved into Warwick Advertising of today. Tragedy struck the agency in 1975 with the death of Robert Miller to pneumonia at the age of 47. John F Welsh retired in 1981 after 40 years with the agency, leaving John P. Warwick to solo. Warwick was head of the agency known as Warwick & Legler when Messrs. Miller and Welsh came aboard in 1972.

The agency's 1985 and 1984 U.S. volumes were all in media.

In 1985, the agency gained: Royalty Motors; WLIG-TV 55; Home Pride Industries; LeMarque Watch Co. It lost: Nassau Community College.

Top execs: Jules W. Rabin, president; Melvin Weber, exec vp; Melvin Kaplan, vp; Beatrice Mertz, comptroller. Employes: 19.

Phone: (516) 561-9160.

Rathke Blair Korns & Frost, Rockford, Ill., reported gross income of $743,363 in 1985 on billings of $5,641,333. In 1984, it reported gross income of $823,080 on billings of $6,503,661.

The agency's 1985 U.S. volume consisted of $1,100,539 in media, $636,109 in materials and services and $3,904,685 in capitalized fees. Its 1984 U.S. volume consisted of $1,441,123 in media, $848,145 in materials and services and $4,214,393 in capitalized fees.

In 1985, the agency gained: Premier Financial Services; Karlberg European TanSpa, *Rockford Magazine*. It lost: United Bancorporation; CherryVale Mall; System Seven; Clock Tower Inn.

Billings breakdown: Newspapers 12%, magazines 14%, radio 15%, spot tv 14%, outdoor 11%, business papers 13%, farm publications 14%, direct mail 7%.

Top execs: Brian R. Blair, president; John A. Frost, exec vp. Employes: 11.

Phone: (815) 226-9130. ☑

David L. Rawle Associates, Charleston, S.C., had estimated gross income of $750,000 in 1985 on billings of $5,000,000. In 1984, it had estimated gross income of $713,000 on billings of $4,687,000.

Billings breakdown: Newspapers 21%, magazines 16%, radio 17%, spot tv 34%, outdoor 7%, point of sale 1%, direct mail 4%.

Top execs: David L. Rawle, president; Lee Leslie, vp; Linda Milam, media director; Dennis Heckler, art director. Employes: 18.

Phone: (803) 577-7327.

Red Baron Inc., Minnetonka, Minn., reported gross income of $1,811,600 in 1985 on billings of $16,144,300. The agency did not report for 1984.

The agency's 1985 U.S. volume consisted of $8,752,400 in media, $1,028,300 in materials and services and $6,363,600 in capitalized fees.

In 1985, the agency gained: Arby's; Country Club Markets; Fairmont Hydraulics; Komo Machine; Super Radiator. It lost: Wendy's (Minnesota); Pannekoeken Huis Restaurants; Jack & Jill; McKids.

Billings breakdown: Magazines 16%, radio 12, spot tv 71%, outdoor 1%.

Top exec: Barron B. Boe, president. Employes: 34.

Phone: (612) 933-2040. ☑

Reeds Farris Lewis & Maisel, Los Angeles, reported gross income of $1,033,494 in 1985 on billings of $6,637,190. In 1984, it reported gross income of $1,089,175 on billings of $7,196,214.

In 1985, it reported net income of $46,400, compared with $222,436 in 1984.

The agency's 1985 U.S. volume consisted of $1,393,459 in media, $976,927 in materials and services and $4,266,804 in capitalized fees. Its 1984 U.S. volume consisted of $1,281,466 in media, $984,786 in materials and services and $4,929,962 in capitalized fees.

In 1985, the agency gained: Damac Products, computer cabinetry; Eastern Cabinet & Furniture; MAG Security Products; Sierracin Thermal Systems; Terry Hinge & Hardware Co.; Zephyr Mfg. It lost: Anderson Desk; Mercury Aerospace Fasteners; Microdot Inserts, fasteners.

Billings breakdown: Newspapers 6%, magazines 13%, spot tv 4%, business papers 24%, point of sale 13%, direct mail 17%, catalogs 23%.

Top exec: Robert A. Reeds, president. Employes: 14.

Phone: (213) 874-2801.

Reimel Carter Advertising, Philadelphia, reported gross income of $2,450,000 in 1985 on reported billings of $16,100,000. In 1984, it reported gross income of $2,200,000 on billings of $14,525,000.

The agency's 1985 U.S. volume consisted of $9,015,000 in media, $1,422,000 in materials and services and $5,663,000 in capitalized fees. Its 1984 U.S. volume consisted of $8,791,000 in media, $1,472,000 in materials and services and $4,262,000 in capitalized fees.

In 1985, the agency gained: Acorn Devel Corp; Carey-Pacifico Limousine; Health Corp of America; World Life & Health Insurance Co. of Pa.; Mita Leasing Corp; Philadelphia Bar Assn; Bucks County Office Center. It lost: Liberty Bell Race Track; Keystone Race Track.

Billings breakdown: Newspapers 43%, magazines 4%, radio 31%, spot tv 15%, outdoor 6%, transit advertising 1%.

Top execs: T.L. Reimel, president; Edward P. Carter, exec vp. Vps—Laurence L. Bazar, finance, operations; Judith M. Titch, media director; Mark von Zech, art director. Senior vps—David M. Rackow, creative director; Karen L. Conner, acct service. Employes: 35

Phone (215) 735-3200.

Ribnick & Associates, Houston, reported gross income of $180,000 in 1985 on billings of $900,000. It did not report for 1984. In 1985, it had net income of $50,000.

Top exec: Jerry J. Ribnick, president. Employes: 7.

Phone: (713) 952-3089.

Rice+Woolward, San Francisco, reported gross income of $1,410,016 in 1985 on billings of $9,233,300. In 1984, it reported gross income of $672,806 on billings of $3,192,500.

The agency's 1985 U.S. volume consisted of $2,692,500 in media, $960,000 in materials and services and $5,580,800 in capitalized fees. Its 1984 U.S. volume consisted of $1,200,000 in media, $540,000 in materials and services and $2,651,300 in capitalized fees.

In 1985, the agency gained: Bay Area Cellular Telephone; MJB Coffee's "Spring Rice Promotion"; Datacopy, desktop publishing; R.C. Brown & Co., financial services.

Top execs: Kingsley L. Rice Jr., chmn; Iain Woolward, president. Employes: 15.

Phone: (415) 346-3100.

Richard & Edward's, New York, had estimated gross income of $9,200,000 in 1985 on billings of $61,000,000. In 1984, it had estimated gross income of $7,000,000 on billings of $46,000,000.

The agency's 1985 and 1984 U.S. volumes were all in media.

Included in the agency's figures were returns from subsidiary:

• Richard & Edward's PR

In 1985, the agency lost: Matchbox Toys; Riegel Textile Corp; Takara Corp.

Billings breakdown: Magazines 2%, network tv 8%, spot tv 90%.

Top execs: Richard Schwarzchild, president; Edward Mandrell, exec vp, creative director; Shelly Hirsch, senior vp, media director. Employes: 27.

Phone: (212) 557-1600.

Richardson, Myers & Donofrio, Baltimore, reported gross income of $8,295,000 in 1985 on billings of $53,500,000. In 1984, it reported gross income of $7,420,264 on billings of $49,468,425.

The agency's 1985 U.S. volume consisted of $36,500,000 in media, $9,950,000 in materials and services and $7,050,000 in capitalized fees. Its 1984 U.S. volume consisted of $34,590,705 in media, $9,772,869 in materials and services and $5,104,851 in capitalized fees.

In 1985, the agency gained: ICI Americas; Dept of Economic and Community Devel; State of Maryland; Wilmington Trust Co.; Bachman Co.; Delaware Distributors; Eagle's Eye; Waterford Crystal, pr. It lost: Rhone-Poulenc; Curtis Paper; Kirk-Stieff; A.S. Abell; Handy-Harman; Natl Fruit.

Billings breakdown: Newspapers 15%, magazines 33%, network tv 48%, outdoor 4%.

Top execs: Hal Donofrio, president. Exec vps—Tyson Janney; Chris Hartman, gm, pr. Senior vps—Jamie Rice, George Corrigan, co-mgrs (Philadelphia); J. Patrick McCaffrey, finance, admin; Dick Sands; Bill Nimtz. Lou Gunshol, creative director. Employes: 115 in 2 offices.

Phone: (301) 576-9000.

Robinson, Yesawich & Pepperdine, Orlando, reported gross income of $3,944,015 in 1985 on billings of $26,303,985. In 1984, it reported gross income of $2,754,749 on billings of $18,372,495.

The agency's 1985 U.S. volume consisted of $5,188,673 in media and $21,115,312 in capitalized fees. Its 1984 U.S. volume consisted of $3,361,220 in media and $15,011,275 in capitalized fees.

Included in the agency's figures were returns from offices in New York, Irvine, Tex., and Fort Myers, Fla.

In 1985, the agency gained: Belleview Biltmore Resort & Spa; Mississippi Mgmt; The Reach, resort; Wyndham Hotel Northwest Austin; Radisson Suite Resort; Holiday Inns; Condado Plaza Hotel & Casino.

Billings breakdown: Newspapers 15%, magazines 40%, supplements 15%, radio 5%, spot tv 5%, outdoor 5%, business papers 10%, direct mail 5%.

Top execs: John E. Robinson, chmn; Peter C. Yesawich, president; James Pepperdine, senior vp. Employes: 61 in 4 offices.

Phone: (305) 896-8787. ☑

Roggers, French & Co., Irvine, Cal., reported gross income of $1,558,988, of which $263,038 was non-U.S. contribututions, in 1985 on billings of $10,400,000. In 1984, it reported gross income of $1,322,313, of which $224,011 was non-U.S. contributions, on billings of $8,762,730.

The agency's 1985 U.S. volume of $8,641,000 consisted of $4,980,000 in media, $993,000 in materials and services and $2,668,000 in capitalized fees. Its 1984 U.S. volume of $7,211,112 consisted of $4,201,882 in media, $948,200 in materials and services and $2,061,030 in capitalized fees.

In 1985, the agency gained: Citicorp Retail Services; Ricci Silver. It lost: Micom Systems.

Billings breakdown: Newspape s 3%, magazines 42%, radio 13%, network tv 6%, spot tv 11%, cable tv 4%, outdoor 7%, business papers 7%, transit advertising 1%, point of sale 2%, direct mail 4%.

Top execs: William C. French, president. Vps—Carol L. Malek, admin; Charles Thomas, acct services; Jane Roggers, retail services; David McMichael, creative. Employes: 28 in 2 offices.

Phone: (714) 261-6122. ☑

Rolf Werner Rosenthal, New York, a subsidiary of Ogilvy Group, reported gross income of $8,415,000, of which $365,000 was non-U.S. contributions, in 1985 on billings of $56,000,000. In 1984, it reported gross income of $8,400,000, of which $360,000 was non-U.S. contributions, on billings of $55,900,000.

The agency's 1985 U.S. volume consisted of $9,575,000 in media, $8,575,000 in materials and services and $37,850,000 in capitalized fees. Its 1984 U.S. volume consisted of $13,200,000 in media, $7,200,000 in materials and services and $35,500,000 in capitalized fees. Its non-U.S. contributions only appeared in income.

Included in the agency's figures were returns from subsidiary:

• World Health Communications

In 1985, the agency gained: Marion Laboratories, Cardizem; Boehringer Ingelheim, Atrovent; Plough, Correctol, St. Joseph's Aspirin. It lost: Lederle Laboratories, Pipracil, Minocin.

Billings breakdown: Newspapers 2%, magazines 5%, medical journals 78%, radio 1%, spot tv 1%, cable tv 2%, point of sale 2%, direct mail 2%, telemarketing 2%, free-standing inserts 4%, other 1%.

Top execs: Rolf W. Rosenthal, chmn-ceo; Ronald J. Souza, president-coo; Charles W. Riegle, vice chmn, RWR, president, World Health Communications. Senior vps—Sylvio A. deRouin, creative director; Philip T. Brady, Thomas L. Harrison, client services; Stephen Haber, gm, World Health Communications. Employes: 104.

Phone: (212) 684-0909.

Rollheiser Holland Kahler Associates, Omaha, reported gross income of $1,800,000 in 1985 on billings of $12,000,000. It did report in 1984 or break out 1985 volume.

In 1985, the agency gained: HP Smith Ford; Old Mill Toyota; Natl Auto, a Saab, Subaru and Mazda dealer in Omaha.

Billings breakdown: Newspapers 20%, magazines 10%, radio 10%, spot tv 20%, outdoor 10%, business papers 30%.

Top execs: Jay Rollheiser, chmn; Richard D. Holland, vice-chmn; Jeffrey R. Kahler, president; Michael Deacon, senior vp; Gary Jeffords, Mary Rook, Robert Seitzer, Mary Cady, vps. Employes: 21.

Phone: (402) 592-7300.

Rose & Brosse Advertising, New York, reported gross income of $465,000 in 1985 on billings of $4,400,000. In 1984, it reported gross income of $300,000 on billings of $4,600,000.

The agency's 1985 U.S. volume consisted of $2,100,000 in media, $1,900,000 in materials and services and $4,000,000 in capitalized fees. Its 1984 U.S. volume consisted of $1,500,000 in media, $800,000 in materials and services and $2,300,000 in capitalized fees.

In 1985, the agency gained: Boston Properties; Rose Associates; Silverstein Properties; Staten Island Teleport; Orda Mgmt; Lincoln Equities; Israel Taub Properties; Mystic Office Center. It lost: ABKO Properties; Huberth & Peters Real Estate; Interior Design Center.

Billings breakdown: Newspapers 70%, magazines 15%, business papers 5%, direct mail 10%.

Top execs: Philip L. Rose, president. Exec vps—Leslie F. Brosse; Evelyn Rose, creative director. Vps—Krishna Kirk, media; Saundra Crane, mkt rsch. Mitchell Yerzy, asst to president; Mary Pavlicek, controller. Employes: 11.

Phone: (212) 686-1007. ☑

Ross Advertising, Peoria, Ill., reported gross income of $1,057,170 in 1985 on billings of $7,874,349. In 1984, it reported gross income of $1,259,060 on billings of $10,093,638.

In 1985, it had net income of $49,446, compared with $163,046 in 1984.

The agency's 1985 U.S. volume consisted of $1,245,619 in media, $717,996 in materials and services and $5,910,734 in capitalized fees. Its 1984 U.S. volume consisted of $2,000,000 in media, $1,200,000 in materials and services and $6,893,638 in capitalized fees.

In 1985, the agency gained: Bartlow Bros, Korn Top meat prods; Lamont, wicker housewares prods; Fluid Systems; Natl Seal Co.; Source Centers; Batterlite-Whitlock; Merchants Bancorp. It lost: Central States Coca-Cola Bottling Co.

Billings breakdown: Newspapers 8%, magazines 38%, radio 10%, spot tv 36%, outdoor 3%, farm publications 5%.

Top execs: A. Wayne Flittner, president. Exec vps—Ken Westerdale, creative director; Fred Kowalske, operations. Employes: 25.

Phone: (309) 691-4436.

Ruhr/Paragon, a merger in 1985 of Chuck Ruhr Advertising and Paragon Advertising & Public Relations, both of Minneapolis, reported gross income of $6,431,000 in 1985 on billings of $46,977,100.

The agency's 1985 U.S. volume consisted of $19,240,000 in media, $6,552,600 in materials and services and $21,184,500 in capitalized fees.

In 1984, Paragon reported gross income of $4,178,000 on billings of $30,343,000. Chuck Ruhr Advertising did not report for that year, although in 1983 it reported gross income of $2,820,000 on billings of $22,790,900.

The merged agency in 1985 gained: Bermans; Chabot Mgmt; Wendys Restaurants, Pannekoeken Huis Restaurants; G. Heileman-Schmidt beer; Twin City Federal; Dayton-Hudson, Target Stores div; Internatural Design; Crown Auto; Knutson Mortgage. It lost: Cub Foods; GNB Batteries; Our Own Hardware; Rogers Cablesystems; Sheldahl; Varitonic Systems; Keebler, new prod devel; Pillsbury Co., Tortino's Pizza, microwave prods; Schweigert.

Billings breakdown: Newspapers 20%, magazines 10%, radio 13%, network tv 30%, spot tv 12%, cable tv 2%, outdoor 5%, farm publications 2%, direct mail 2%, catalogs 2%, other 2%.

Top execs: Charles Ruhr, chmn; Robert Jones, president-ceo; E.L. Nelson, senior vp. Vps—Paul Jones, Robert Thacker, media directors; Jeffrey Novak, finance; Arleen Kulis, production services; George Fulton, director rsch; Bonnie Boomer, human resources; Roland Comstock, pr. Employes: 90.

Phone: (612) 332-4565.

Sacks & Rosen Advertising, New York, reported gross income of $5,470,000 in 1985 on billings of $31,000,000. In 1984, it reported gross income of $4,942,000 on billings of $28,000,000.

Total volume was in media for both years. Included in the agency's figures were returns from subsidiary:

- Response Strategems

In 1985, the agency gained: Autospa; Creative Specialties Ltd., Snoopy grooming aids; Dermablend Corrective Cosmetics; Sherle Wagner custom bath prods; Melville Corp, This End Up Furniture Corp. It lost: Hamilton Watch Co.

Billings breakdown: Newspapers 7%, magazines 35%, supplements 10%, radio 5%, spot tv 25%, business papers 3%, direct mail 10%, direct response newspapers 2%, direct response magazines 3%.

Top execs: Leonard Sacks, president; Michael Rosen, exec vp. Vps—David Griffing, Amy Gold, creative directors; Jonathan Bond, account services. Gerald Jacobs, comptroller; Bruce Bublick, director finance. Employes: 48.

Phone: (212) 986-4004.

Murray Salit & Associates, New York, reported gross income of $1,095,000 in 1985 on billings of $7,300,000. In 1984, it reported gross income of $930,000 on billings of $6,200,000.

The agency's 1985 U.S. volume consisted of $6,100,000 in media and $1,200,000 in materials and services. Its 1984 U.S. volume consisted of $5,200,000 in media and $1,000,000 in materials and services.

In 1985, the agency gained: Ellen Tracy, dresses; TTX Fabrics; American Traditions Neckwear; BASF Fibers. It lost: Lord West Formalwear.

Billings breakdown: Newspapers 5%, magazines spot tv 30%, business papers 10%, direct mail 5%.

Top execs: Murray H. Salit, president; Charles J. Auerbach, exec vp; Ben Zalman, secretary, treasurer. Employes: 14.

Phone: (212) 661-7300.

Salvati Montgomery Sakoda, Santa Ana, Cal., reported gross income of $1,486,284 in 1985 on billings of $9,913,514. In 1984, it reported gross income of $1,097,712 on billings of $7,321,739.

In 1985, it had net income of $125,450, compared with $45,091 in 1984.

The agency's 1985 U.S. volume consisted of $402,101 in media, $2,878,932 in materials and services and $6,632,481 in capitalized fees. Its 1984 U.S. volume consisted of $346,913 in media, $2,367,977 in materials and services and $4,606,849 in capitalized fees.

In 1985, the agency gained: Yamaha Corp, electronic keyboard div; Weight Watchers Inc. (Orange, San Bernardino, Riverside, San Diego; Volt Temporary Services. It lost: Wynn Oil Co.; Vita Fresh Vitamins.

Billings breakdown: Newspapers 20%, magazines 20%, radio 15%, spot tv 10%, business papers 10%, point of sale 3%, direct mail 2%, catalogs 10%, other 10%.

Top execs: Philip J. Salvati, president; Scott A. Montgomery, Ken A. Sakoda, exec vps. Employes: 21.

Phone: (714) 966-0200. ☑

Sawyer Riley Compton, Gainesville, Ga., reported gross income of $1,637,916 in 1985 on billings of $18,558,491. In 1984, it reported gross income of $1,262,704 on billings of $15,802,038.

The agency's 1985 U.S. volume consisted of $5,515,797 in media, $1,857,531 in materials and services and $11,185,163 in capitalized fees. Its 1984 U.S. volume consisted of $4,933,124 in media, $1,547,943 in materials and services and $9,320,971 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- The Waters Group, project work
- Sawyer Riley Compton Public Relations

In 1985, the agency gained: AVL Scientific Corp; McKibbon Brothers; Chateau Elan; MITSDT Engineering & Shipbuilding Co.; Fieldale Corp; JSW Corp; Roper Pump Co. It lost: Atlantic Steel Co.

Billings breakdown: Newspapers 3%, magazines 1%, radio 15%, spot tv 24%, outdoor 1%, business papers 40%, farm publications 11%, point of sale 1%, direct mail 4%.

Top execs: L. Gordon Sawyer, chmn; Franklin C. Compton, president; Richard W. Riley, exec vp; S. Jack Waters, president, The Waters Group; Louis G. Sawyer, senior vp; Sandra K. Whitaker, Jim Steadman, vps. Employes: 36.

Phone: (404) 532-6285. ☑

Saxe Mitchell, Woodbury, N.Y., reported gross income of $425,000 in 1985 on billings of $2,807,000. In 1984, it reported gross income of $508,000 on billings of $3,345,000.

The agency's 1985 U.S. volume consisted of $2,640,000 in media and $167,000 in materials and services. Its 1984 U.S. volume consisted of $3,120,000 in media and $225,000 in materials and services.

In 1985, the agency gained: United Cerebral Palsey Center. It lost: 5-Boro Oldsmobile Dealers.

Billings breakdown: Newspapers 65%, magazines 5%, radio 5%, spot tv 20%, outdoor 2%, catalogs 3%.

Top exec: Mitchell Laub, president. Employes: 12.

Phone: (516) 364-9595.

Peter Scannell Inc., New York, reported gross income of $724,730 in 1985 on billings of $4,833,774. In 1984, it reported gross income of $262,000 on billings of $1,748,063.

The agency's 1985 U.S. volume consisted of $348,636 in materials and services and $4,485,141 in capitalized fees. Its 1984 U.S. volume consisted of $310,558 in materials and services and $1,437,505 in capitalized fees.

In 1985, the agency gained: Chemical Bank; Sears Roebuck & Co.; American Express Co., American Express Travel-Related Services, American Express Bank, Shearson Lehman Bros. It lost: Warren Gorham Lamont.

Billings breakdown: Newspapers 10%, magazines 10%, collateral 80%.

Top execs: Peter Scannell, Carol Savage, David Lee, principals. Employes: 7.

Phone: (212) 947-3822.

Schaefer Advertising, Valley Forge, Pa., part of the Weightman Group, Philadelphia, reported gross income of $3,800,000 in 1985 on billings of $25,350,000. In 1984, it reported gross income of $3,300,000 on billings of $20,300,000.

The agency's 1985 U.S. volume consisted of $11,380,000 in media, $2,330,000 in materials and services and $11,640,000 in capitalized fees. Its 1984 U.S. volume consisted of $8,700,000 in media, $1,750,000 in materials and services and $9,850,000 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

- Woodward & Schaefer, pr

In 1985, the agency gained: Bell Atlantic, Sorbus div; Applied Computer Products; Trane Air Conditioning; Beacon Hospitality; Medifac; Phytec; Princeton Graphic Systems; FMC, automotive services div; Thomas Jefferson Hospital.

Billings breakdown: Newspapers 10%, magazines 10%, radio 25%, network tv 8%, business papers 35%, direct mail 12.

Top execs: A.O. Schaefer Jr., president. Vps—Frank McDonald, creative director; Charles Ferrare, Thomas F. O'Neill, mgmt supers; Helene Sperka, broadcast production; Ernest G. Felici, gm; John Ciotti, treasurer; Donald Racer, media director. Jim Bruno, president, Woodward & Schaefer. Employes: 65.

Phone: (215) 254-7000.

Scharer Associates, Great Neck, N.Y., had estimated gross income of $1,444,000 in 1985 on billings of $9,627,340. In 1984, it had estimated gross income of $1,327,000 on billings of $8,849,620.

The agency's 1985 U.S. volume consisted of $7,213,000 in media and $2,414,540 in capitalized fees. Its 1984 volume consisted of $6,942,000 in media and $1,907,620 in capitalized fees.

Not included in the agency's figures were returns from subsidiaries:

- GNP Mgmt, mktg consultants
- Mktg Promotion Associates
- Jayne Associates, sales promo

In 1985, the agency gained: Fenton Mktg Associates.

Billings breakdown: Newspapers 18%, point of sale 2%, direct mail 30%, catalogs 2%, direct response magazines 36%, free-standing inserts 12%.

Top execs: Si Scharer, president; Vivian Scharer, exec vp; Porter Wilson, treasurer; Jonathan Scharer, creative director; Clare Baird, acct exec. Employes: 17.

Phone: (516) 829-8400. ☑

Scharfberg & Associates, Jenkintown, Pa., reported gross income of $1,750,000 in 1985 on billings of $11,527,650. In 1984, it reported gross income of $1,475,000 on billings of $9,809,700.

The agency's 1985 U.S. volume consisted of $9,050,000 in media, $510,000 in materials and services and $1,967,650 in capitalized fees. Its 1984 U.S. volume consisted of $8,004,000 in media, $405,000 in materials and services and $1,400,700 in capitalized fees.

In 1985, the agency gained: Wholesale Furniture Distributors; Family Health Care. It lost: Pirelli Tires; Servico, hotel mgmt; Showcase Stores.

Billings breakdown: Newspapers 20%, magazines 5%, radio 20%, spot tv 30%, cable tv 5%, outdoor 3%, business papers 2%, transit advertising 2%, point of sale 5%, direct mail 5%, telemarketing 3%.

Top execs: Sheldon Scharfberg, president; R.S. Menapce Jr., exec vp; Doug Scharfberg, vp. Employes: 27.

Phone: (215) 885-7050. ☑

Schein/Blattstein Advertising, New York, reported gross income of $1,590,000 in 1985 on billings of $14,943,400. In 1984, it reported gross income of $1,510,000 on billings of $14,351,150.

The agency's 1985 U.S. volume consisted of $3,942,000 in media, $5,532,000 in materials and services and $5,469,4000 in capitalized fees. Its 1984 U.S. volume consisted of $3,886,000 in media, $5,496,000 in materials and services and $4,969,150 in capitalized fees.

The agency did not consolidate subsidiary:

- SBA Lists, mailing list management and brokerage

In 1985, the agency gained: New York Yankees; Petroleum Mgmt; *Florida Trend; Georgia Trend.* It lost: Sailor Publications; Miningham & Oellerich.

Billings breakdown: Newspapers 20%, magazines 20%, radio 5%, spot tv 15%, business papers 5%, transit advertising 5%, direct mail 30%.

Top execs: Eliot DeY. Schein, president; Joel J. Blattstein, exec vp. Employes: 14.

Phone: (212) 758-1555. ☑

Schenkein & Associates, Englewood, Colo., reported gross income of $1,802,000 in 1985 on billings of $12,195,000. In 1984, it reported gross income of $1,406,000 on billings of $9,575,000.

In 1985, it reported net income of $57,000, compared with $58,000 in 1984.

The agency's 1985 U.S. volume consisted of $927,000 in media, $62,000 in materials and services and $11,206,000 in capitalized fees. Its 1984 U.S. volume consisted of $720,000 in media, $671,000 in materials and services and $9,575,000 in capitalized fees.

In 1985, the agency gained: *The Denver Post*; Dain Bosworth, brokerage; Colorado Lottery; Intrawest Banks; Hunter Douglas, window coverings; MINIBANK, automatic tellers; Oxford Properties. It lost: PWP Homes; Inventive Packaging; World of Computers.

Billings breakdown: Newspapers 10.3%, magazines 8.8%, radio 15.4%, spot tv 21.9%, outdoor 8.9%, transit advertising 7.0%, point of sale 3.7%, direct mail 13%, catalogs 11%.

Top execs: Robert A. Schenkein, president. Vps—Carl R. Kay, pr; Jeanne E. Hathaway, creative. Employes: 33.

Phone: (303) 790-1723. ☑

Schey Advertising, Houston, had estimated gross income of $3,450,000 in 1985 on billings of $23,000,000. The agency did not provide figures for 1984.

In 1985, the agency gained: Capital Bank; Careflex Corp; Century Investments; J.T. McCord; Monarch Homes.

Billings breakdown: Newspapers 14%, magazines 6%, radio 15%, tv 34%, outdoor 3%, business papers 1%, point of sale 5%, direct mail 5%, collateral 17%.

Top execs: Richard Schey, chmn; Jack S. Hamilton, president. Employes: 38.

Phone: (713) 522-8300.

Jerome H. Schmelzer & Associates, Cleveland, reported gross income of $194,600 in 1985 on billings of $1,789,410. In 1984, it reported gross income of $136,500 on billings of $1,407,920.

In 1985, it had net income of $30,100, compared with $1,400 in 1984.

The agency's 1985 U.S. volume consisted of $224,000 in media, $78,000 in materials and services and $1,487,410 in capitalized fees. Its 1984 U.S. volume consisted of $163,000 in media, $71,000 in materials and services and $1,173,920 in capitalized fees.

In 1985, the agency gained: Gross Builders; Forest City-Babin Co.; Dyer-Rothenfeld Financial Corp; Cleveland Trade Network; Crusader Office Products; Transcon Builders.

Billings breakdown: Newspapers 21%, magazines 18%, radio 23%, business papers 8%, transit advertising 1%, direct mail 7%, catalogs 4%.

Top exec: Jerome H. Schmelzer, president. Employes: 10.

Phone: (216) 696-5550. ☑

Ken Schmidt Co., Milwaukee, reported gross income of $1,425,000 in 1985 on billings of $8,995,000. In 1984, it reported gross income of $1,415,000 on billings of $8,031,000.

The agency's 1985 U.S. volume consisted of $4,767,500 in media, $1,875,700 in materials and services and $2,351,800 in capitalized fees. Its 1984 U.S. volume consisted of $3,942,000 in media, $1,822,500 in materials and services and $2,266,500 in capitalized fees.

In 1985, the agency gained: Toyota Industrial Engine Operations; 3M Animal Care prods; Solvay Veterinary; Custom Farm Seed, waxy corn, dent corn, soybeans, alfalfa, variety nutrient consulting. It lost: Andis Co.

Billings breakdown: Newspapers 2%, magazines 56%, radio 2%, spot tv 2%, farm publications 29%, direct mail 5%, free-standing inserts 4%.

Top execs: Kenneth W. Schmidt, chmn-ceo; Cecil M. Hunt, president. Employes: 28.

Phone: (414) 224-0210.

Scott & Scott Advertising, Northbrook, Ill., reported gross income of $30,000 in 1985 on billings of $200,000. The agency did not report for 1984.

The agency's 1985 U.S. volume was all in media.

Billings breakdown: Newspapers 50%, magazines 30%, business papers 20%.

Top exec: R.J. Scott, president. Employes: 2.

Phone: (312) 564-4488. ☑

Sefton Associates, Grand Rapids, Mich., had estimated gross income of $2,600,000 in 1985 on billings of $17,540,000. In 1984, it had estimated gross income of $2,400,000 on billings of $16,206,000.

The agency's 1985 U.S. volume consisted of $3,000,000 in media, $1,200,000 in materials and services and $13,340,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,000,000 in media, $1,200,000 in materials and services and $12,006,000 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Sefton Associates Public Relations
- Sefton Assoicates Employe Communications Safety Incentive Programs

In 1985, the agency gained: Westinghouse Furniture Systems; Peet Packing Co.; Saint Mary's Health Services. It lost: Whiting Corp; Danly Machine Corp; Process Equipment Corp.

Billings breakdown: Newspapers 5%, magazines 42%, radio 7%, network tv 5%, spot tv 12%, cable tv 1%, outdoor 2%, transit advertising 2%, point of sale 3%, direct mail 18%, catalogs 3%.

Top execs: G. William Sefton, chmn; James E. Stevens, president; David D. Teater, Guy E. Greene, exec vps; Gary W. Petertyl, Rudolph N. Carlson Jr., Michael W. Nickel, Richard T. Lang, senior vps. Employes: 41 in 2 offices.

Phone: (616) 957-0600.

Semel/Kaye & Co., Northbrook, Ill., reported gross income of $900,263 in 1985 on billings of $6,225,419. In 1984, it reported gross income of $822,581 on billings of $5,660,694.

In 1985, it had net income of $400,393, compared with $393,152 in 1984.

The agency's 1985 U.S. volume consisted of $615,932 in media, $1,723,252 in materials and services and $3,886,235 in capitalized fees. Its U.S. in 1984 volume consisted of

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Quirks and quakes

Ammirati & Puris, No. 54 this year, was founded in 1973 as Ammirati (Ralph), Puris (Martin), AvRutick (Julian), 50% owned by its principals and 50% Y&R. AvRutick returned in 1979 to Y&R which by then had sold its half back to the principals. Ammirati and Puris are Carl Ally alumns.

$384,324 in media, $1,544,712 in materials and services and $3,731,658 in capitalized fees.

The agency did not consolidate Semel/Kaye Public Relations or Semel/Kaye Outdoor.

In 1985, the agency gained: Dynapro; Cutter Furniture; Foremost Machinery Co.; Brunswick Corp. GPE Controls div; Jameson Home Products Co.; Firex Corp.; QL Inc.; Geo. T. Schmidt Co.; Product Identification Corp. It lost: Airways Car Rentals.

Billings breakdown: Newspapers 5%, medical journals 5%, outdoor 5%, business papers 20%, Yellow Pages 3%, direct mail 20%, catalogs 22%, telemarketing 5%, other 15%.

Top execs: Richard L. Kaye, president-chmn; Charles E. Semel, vice chmn. Employes: 20.

Phone: (312) 564-8860.

Shaffer/MacGill & Associates, Chicago, reported gross income of $1,742,345 in 1985 on billings of $11,787,046. In 1984, it reported gross income of $1,572,311 on billings of $9,777,312.

The agency's 1985 U.S. volume consisted of $5,209,540 in media, $2,060,342 in materials and services and $4,517,164 in capitalized fees. Its 1984 U.S. volume consisted of $4,612,720 in media, $1,455,085 in materials and services and $3,709,507 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

• CoAMS, co-op adv/admin inquiry tracking analysis

In 1985, the agency gained: Applied Power, automotive collision repair and service equipment; Dorman Products, automotive and hardware accessories; Dupli-Color Products Co., touch-up paints; Everco Industries, automotive cooling, heating & power steering parts; IPC/HUTH, exhaust system prods and equipment. Co-op adv for Kohler Co., bathroom prods; SK Tools; Soft Sheen prods; 3M, co-op adv for automotive and household prods. It lost: Turtle Wax, co-op adv.

Billings breakdown: Newspapers 20%, magazines 5%, radio 15%, spot tv 20%, business papers 30%, point of sale 2%, Yellow Pages 2%, direct mail 6%.

Top execs: Jerome B. Shaffer, president. Senior vps—Bert Grout, acct services; Larry Heisler, creative; Dick Jones, field services. Gms—Rick Lattanzio, CoAMS; Renne Dulkin, foreign language. Employes: 41 in 2 offices.

Phone: (312) 467-0920. ☑

Shaller Rubin & Winer, New York, reported gross income of $4,630,000 in 1985 on billings of $30,400,000. In 1984, it reported gross income of $4,570,000 on billings of $29,900,000.

The agency's 1985 U.S. volume consisted of $18,600,000 in media, $5,600,000 in materials and services and $6,290,000 in capitalized fees. Its 1984 U.S. volume consisted of $18,400,000 in media, $5,500,000 in materials and services and $6,000,000 in capitalized fees.

In 1985, the agency gained: Halley Optical Corp; Licor 43; NTX Industries; Citibank, special assignment; Becton Dickinson Inc., public safety div; Jermar Beer Importing Co. It lost: Excel Wood prods.

Billings breakdown: Newspapers 5%, magazines 10%, supplements 5%, radio 15%, network tv 10%, spot tv 45%, cable tv 5%, business papers 5%.

Top execs: Mel Rubin, Milt Shaller, co-chmns; Arnold Winer, president-ceo; Mike Reid, exec vp, creative director. Senior vps—Noreen Kremer, finance; Peter Noto, creative director. Vps—Ben Garrett, mktg; Alan Hamburger, creative services; Robert Storch, media director. Employes: 45.

Phone: (212) 598-6900.

Sharp Hartwig, Seattle, reported gross income of $1,895,630 in 1985 on billings of $13,347,184. In 1984, it reported gross income of $1,342,135 on billings of $7,278,940.

The agency accounted for $13,200,000 of total billings in 1985 and $8,400,000 in 1984. The remainder came from consolidated subsidiaries:

• Sharp Hartwig Public Relations
• Sharp Hartwig Direct
• Sharp Hartwig Video

In 1985, the company reported a net income of $100,054, compared with $48,204 in 1984.

The 1985 U.S. volume consisted of $9,209,849 in media, materials and services and $4,137,335 in capitalized fees. The 1984 U.S. volume consisted of $5,227,535 in media, materials and services and $2,051,405 in capitalized fees.

In 1985, the agency gained: CX Systems, photofinishing equipment and service; Bio-Control; Seattle Steel; Downtown Seattle Assn.; INTERMEC Corp; Cemro Co., real estate; Farwest Taxi; RESOLVE, drug/alcohol rehabilitation; SuperShirts; American Chamber Life Insurance, group health insurance; Seattle Art Museum. It lost: COMM+Systems; DATA I/O.

Billings breakdown: Newspapers 9%, magazines 55%, radio 9%, spot tv 3%, cable tv 0.5%, outdoor 0.9%, business papers 0.6%, farm publications 0.3%, transit advertising 2%, point of sale 0.7%, direct mail 18%, catalogs 1%.

Top execs: David L. Sharp, president; Cynthia Hartwig, exec vp, creative director; Richard M. Pattison, coo. Employes: 35 in 1 offices.

Phone: (206) 282-6242. ☑

Sheldon Fredericks Advertising, New York, reported gross income of $553,000 in 1985 on billings of $5,296,370. In 1984, it reported gross income of $482,000 on billings of $5,297,945.

In 1985, it reported a net income of $103,000, compared with $101,000 in 1984.

The agency's 1985 U.S. volume consisted of $3,067,000 in media, $822,000 in materials and services and $1,407,370 in capitalized fees. Its 1984 U.S. volume consisted of $3,345,000 in media, $888,000 in materials and services and $1,064,945 in capitalized fees. In 1985, the agency gained: Sunbeam Structures, greenhouse mfr.

Billings breakdown: Newspapers 30%, magazines 22%, radio 12%, network tv 4%, spot tv 17%, business papers 6%, direct mail 9%.

Top exec: Frederick S. Schwartz, president. Employes: 19.

Phone: (212) 867-0110. ☑

Shepler & Co., Hickory, N.C., reported gross income of $372,060 in 1985 on billings of $2,092,817. In 1984, it reported gross income of $79,791 on billings of $1,340,345.

In 1985, it reported net income of $190,782, compared with $32,340 in 1984.

The agency's 1985 U.S. volume consisted of $269,328 in media, $272,774 in materials and services and $1,550,715 in capitalized fees. Its 1984 U.S. volume consisted of $107,335 in materials and services and $1,233,010 in capitalized fees.

Billings breakdown: Business papers 35%, point of sale 15%, direct mail 5%, catalogs 45%.

Top execs: Larry B. Shepler, president-ceo; Judith B. Shepler, exec vp. Senior vps—Douglas J. Mohl, creative director; Donald C. Jackman, acct services. Employes: 6.

Phone: (704) 322-5807. ☑

Sherwood & Schneider, New York, had estimated gross income of $3,570,000 in 1985 with billings of $23,800,000. In 1984, it had estimated gross income of $3,470,000 with billings of 23,100,000.

The agency's 1985 U.S. volume consisted of $21,800,000 in media and $2,000,000 in materials and services. Its 1984 U.S. volume consisted of $21,100,000 in media and $2,000,000 in materials and services.

In 1985, the agency gained: El Greco, Crayons Apparel. It lost: Walt Disney.

Billings breakdown: Newspapers 6%, magazines 30%, radio 5%, network tv 6%, spot tv 46%, cable tv 1%, outdoor 2%, business papers 1%, direct mail 3%.

Top execs: Marvin Schneider, chmn-ceo; Lew Sherwood, president; Brendan Hawk, exec vp; Edward Zurndorfer, Carl Bielby, seniors vps. Employes: 40.

Phone: (212) 486-8800.

Shipley Associates, Wilmington, Del., reported gross income of $681,475 in 1985 on billings of $4,517,940. In 1984, it reported gross income of $636,710 on billings of $4,221,190.

The agency's 1985 U.S. volume consisted of $1,820,000 in media, $150,000 in materials and services and $2,547,940 in capitalized fees. Its 1984 U.S. volume consisted of $1,700,000 in media, $140,000 in materials and services and $2,381,190 in capitalized fees.

In 1985, the agency gained: American Express Credit Corp; Formosa Plastics Corp.

Billings breakdown: Newspapers 31%, magazines 5%, radio 20%, spot tv 10%, cable tv 5%, outdoor 4%, business papers 3%, transit advertising 1%, direct mail 2%, free-standing inserts 19%.

Top execs: Samuel L. Shipley, president; Norman Borish, exec vp; Geraldine M. Hutchison, senior vp; Jack Parry, vp. Employes: 12.

Phone: (302) 652-3051. ☑

Siddall, Matus & Coughter, Richmond, reported gross income of $2,710,620 in 1985 on billings of $15,221,254. In 1984, it reported gross income of $1,821,274 on billings of $13,849,466.

In 1985, it had net income of $144,670, compared with $94,695 in 1984.

The agency's 1985 U.S. volume consisted of $9,253,857 in media, $2,529,192 in materials and services and $3,438,205 in capitalized fees. Its 1984 U.S. volume consisted of $6,839,973 in media, $1,640,890 in materials and services and $5,368,603 in capitalized fees.

Included in the agency's figures were returns from the public relations office in McLean, Va.

In 1985, the agency gained: First American Savings Bank. It lost: Sperry Corp electronic systems, recruitment adv program.

Billings breakdown: Newspapers 28%, magazines 22%, radio 17%, spot tv 31%, outdoor 2%.

Top execs: John N. Siddall, chmn-ceo; Stanley Matus, president; Peter J. Coughter Jr., exec vp; Donna Weaver, senior vp. Employes: 43 in 2 offices.

Phone: (804) 788-8011. ☑

Siesel Co., New York, had estimated gross income of $2,300,000 in 1985 on billings of $15,007,100. In 1984, it had estimated gross income of $2,100,000 on billings of $13,750,600.

The agency's 1985 U.S. volume consisted of $5,420,000 in media, $920,000 in materials and services and $8,667,100 in capitalized fees. Its 1984 U.S. volume consisted of $5,030,000 in media, $850,000 in materials and services and $7,870,600 in capitalized fees.

In 1985, the agency gained: Wilderness Log Homes; Van Pelt Furniture; Falcon Products; Iittala Finnish Glass; Jiffy Lube Intl; Stik-Trim Industries. It lost: IDCNY; Forox Corp.

Billings breakdown: Newspapers 13%, magazines 44%, radio 5%, business papers 30%, point of sale 4%, catalogs 4%.

Top execs: Alfred J. Siesel, president; Daniel Siesel, exec vp. Senior vps—Roger Kafka; Frances Lyons; Claire Coleman, director pr. Employes: 35.

Phone: (212) 759-6500.

Silberman Whitebrow Dolan, Philadelphia, reported gross income of $1,890,000 in 1985 on billings of $12,600,000. In 1984, it reported gross income of $1,530,000 on billings of $10,200,000.

The agency's 1985 U.S. volume consisted of $7,450,000 in media, $1,250,000 in materials and services and $3,900,000 in capitalized fees. Its 1984 U.S. volume consisted of $4,935,000 in media, $2,665,000 in materials and services and $2,600,000 in capitalized fees.

In 1985, the agency gained: Atlantic Capital Resources; Baldwin Piano & Organ Co.; Bell Savings Bank; Weight Watchers of Eastern Pennsylvania; Coronation Cultured Pearls, Health-Win Co. It lost: Rustler Steak Houses; HMO Pennsylvania/New Jersey.

Billings breakdown: Newspapers 7%, magazines 8%, supplements 2%, radio 19%, spot tv 48%, cable tv 1%, outdoor 8%, business papers 3%, transit advertising 2%, point of sale 1%, direct response tv 1%.

Top execs: Eli Silberman, president; Leo J. Dolan Jr., exec vp; Harold Smith Ziebelman, senior vp. Employes: 22.

Phone: (215) 665-1202. ☑

Simms & McIvor, Bound Brook, N.J., reported gross income of $1,767,000 in 1985 on billings of $12,187,000. In 1984, it reported gross income of $1,642,000 on billings of $11,350,000.

The agency's 1985 U.S. volume consisted of $936,000 in media, $1,813,000 in materials and services and $9,438,000 in capitalized fees. Its 1984 U.S. volume consisted of $612,000 in media, $1,733,000 in materials and services and $9,005,000 in capitalized fees.

The agency did not consolidate its subsidiary:

• Synergetics, venture interagents

In 1985, the agency gained: Medical Economics; Becton Dickinson, Vacutainer div; Wampole Diagnostics; Schering Veterinarian; Reliance Insurance.

Billings breakdown: Magazines 25%, cable tv 2%, point of sale 5%, direct mail 13%, catalogs 2%, telemarketing 3%, sales aids 50%.

Top execs: Patrick J. McIvor, president; Gene E. Holle, exec vp, acct services. Vps—Doug Barton, creative director; Stan Cohen production. Employes: 36.

Phone: (201) 560-1410. ☑

Simons Michelson Zieve, Troy, Mich., reported gross income of $3,300,000 in 1985 on billings of $18,450,000. In 1984, it reported gross income of $2,950,000 on billings of $16,557,000.

The agency's 1985 U.S. volume consisted of $12,378,000 in media, $1,505,825 in materials and services and $4,566,175 in capitalized fees. Its 1984 U.S. volume consisted of $11,372,000 in media, $1,275,000 in materials and services and $3,910,000 in capitalized fees.

In 1985, the agency gained: Ladbroke Racing Corp; Jackson Alliance for Business; Ziebart Corp; Sentry Mortgage Corp; Mickey Thompson Entertainment Group. It lost: NuVision.

Billings breakdown: Newspapers 24%, magazines 14%, radio 20%, spot tv 30%, outdoor 6%, transit advertising 1%, point of sale 2%, Yellow Pages 2%, direct mail 1%.

Top execs: Morton Zieve, chmn; James A. Michelson, president; Evelyn J. Keller, exec vp. Employes: 50.

Phone: (313) 649-5600. ☑

Skirboll & Garber Advertising, Pittsburgh, reported gross income of $859,498 in 1985 on billings of $6,975,201. In 1984, it reported gross income of $783,450 on billings of $5,766,565.

The agency's 1985 U.S. volume consisted of $4,605,000 in media, $907,697 in materials and services and $1,462,504 in capitalized fees. Its 1984 U.S. volume consisted of $3,816,900 in media, $683,820 in materials and services and $1,265,845 in capitalized fees.

In 1985, the agency gained: Amarraca Food Stores; Merry Oldsmobilers (Rochester); Cherrington Inn & Conference Center; Pittsburgh Technical Institute; Pittsburgh Automobile Trade Assn. It lost: Triangle Tech Schools.

Billings breakdown: Newspapers 30%, radio 15%, spot tv 45%, other 10%.

Top execs: Stanley G. Skirboll, president; George E. Garber, exec vp. Vps—William David Kosick, director pr; Gilbert Barrington, director sales promo; Andrea London, creative director. Employes: 18.

Phone: (412) 471-1090. ☑

Slater Hanft Martin, New York, reported gross income of $5,847,000 in 1985 on billings of $38,981,000. In 1984, it reported gross income of $5,414,000 on billings of $36,093,300.

The agency's 1985 U.S. volume consisted of $31,007,600 in media, $5,228,900 in materials and services and $2,744,500 in capitalized fees. Its 1984 U.S. volume consisted of $28,710,700 in media, $4,534,000 in materials and services and $2,848,600 in capitalized fees.

In 1985, the agency gained: Cushman & Wakefield; Dreyfus Corp; 575 Fifth Avenue Associates; Lifetime, cable tv network; Oral Rsch Laboratories; Renwick of Canada, fine leather goods; Sidari Corp, imported pasta and specialty foods; Takara Toys Corp, Robotic Time Machines. It lost: Citibank Focus; Konica U.S.A.

Billings breakdown: Newspapers 9%, magazines 33%, radio 4%, network tv 47%, spot tv 6%, cable tv 1%.

Top execs: Gerald Martin, chmn; Adam Hanft, president, creative director. Exec vps—Donald Slater, creative director; Gary Roberts, coo. William J. Lahr III, senior vp-cfo. Employes: 56.

Phone: (212) 674-3100.

Smith, Badofsky & Raffel, Chicago, reported gross income of $1,369,970 in 1985 on billings of $15,824,024. In 1984, it reported gross income of $934,987 on billings of $8,370,299.

The agency's 1985 U.S. volume consisted of $6,108,409 in media, $2,205,008 in materials and services and $7,510,607 in capitalized fees. Its 1984 U.S. volume consisted of $2,899,788 in media, $1,257,932 in materials and services and $4,212,579 in capitalized fees.

In 1985, the agency gained: WMAQ-TV; Great Frame Up Systems; Roosevelt University; *Chicago* magazine; Natl Housewares Mfg Assn. It lost: Coe Laboratories; The Suitery; Plywood Minnesota (Ill.).

Billings breakdown: Newspapers 24%, magazines 5%, supplements 1%, radio 22%, spot tv 35%, outdoor 1%, business papers 5%, transit advertising 2%, point of sale 1%, direct mail 4%.

Top execs: Robert J. Smith, president; Jack Badofsky, vp-creative director; William D. Raffel, exec vp. Employes: 25.

Phone: (312) 661-1500.

Smith Burke & Azzam, Baltimore, reported gross income of $4,700,000 in 1985 on billings of $37,100,000. In 1984, it reported gross income of $4,500,000 on billings of $33,500,000.

In 1985, it had net income of $900,000, compared with $1,200,000 in 1984.

The agency's 1985 U.S. volume consisted of $15,780,000 in media, $2,900,000 in materials and services and $18,420,000 in capitalized fees. Its 1984 U.S. volume consisted of $12,300,000 in media, $2,600,000 in materials and services and $18,600,000 in capitalized fees.

In 1985, the agency gained: Playboy Intl, *Playboy* magazine; News World Communication, *Insight* magazine; W. Bell & Co.; Inabnit Communications, *European Travel, Life* magazine; Western Development. It lost: Marriott/Roy Rogers.

Billings breakdown: Newspapers 8.1%, magazines 2%, supplements 0.5%, radio 9%, network tv 16%, spot tv 49%, outdoor 2.6%, business papers 1.5%, point of sale 0.5%, direct mail 10.8%.

Top execs: Joseph McD. Burke, chmn; Barry L. Smith, president; Eugene Azzam, exec vp, creative director. Senior vps—Roger L. Gray, cfo; Graham V. Kirk, director mktg; Jeffrey

Millman, creative director. Employes: 51.
Phone: (301) 727-4306. ☑

Smith Greenland, New York, reported gross income of $6,190,000 in 1985 on billings of $41,020,000. In 1984, it reported gross income of $6,050,000 on billings of $40,099,000.

The agency's 1985 U.S. volume consisted of $30,663,300 in media, $3,620,000 in materials and services and $6,736,700 in capitalized fees. Its 1984 U.S. volume consisted of $29,920,000 in media, $3,910,000 in materials and services and $6,269,000 in capitalized fees.

In 1985, the agency gained: New York City Industrial Devel Agency, public finance. It lost: Wellington Importers; Kidde, Farberware div.

Billings breakdown: Newspapers 20%, magazines 41.4%, radio 5.2%, spot tv 10.3%, outdoor 10.2%, business papers 3.7%, transit advertising 1%, direct mail 2.7%, other 5.5%.

Top execs: Leo Greenland, chmn, ceo; Norman Goluskin, president; Murray Platte, Bert Rosenberg, exec vps. Senior vps—Oscar Haffner, cfo; Murray Klein, creative director; Harry Wenthen, acct service; Beryl Seidenberg, media; Grace Healey, rsch. Employes: 100.
Phone: (212) 757-3200.

Smith, Kaplan, Allen & Reynolds Advertising, Omaha, reported gross income of $1,350,770 in 1985 on billings of $9,005,145. In 1984, it reported gross income of $1,194,022 on billings of $7,960,150.

The agency's 1985 U.S. volume consisted of $6,354,345 in media, $1,342,553 in materials and services and $1,308,247 in capitalized fees. Its 1984 U.S. volume consisted of $6,034,849 in media, $1,176,260 in materials and services and $749,041 in capitalized fees.

In 1985, the agency gained: Omaha Airport Authority; Bluffs Run, dog track; Western Devel Corp; Freezer Services; Peony Park, amusement park; Dataline. It lost: Smith Enterprises.

Billings breakdown: Newspapers 10%, magazines 13%, radio 15%, network tv 5%, spot tv 30%, outdoor 5%, business papers 3%, farm publications 2%, transit advertising 1%, point of sale 2%, Yellow Pages 1%, direct mail 1%, other 12%.

Top execs: H. Wayne Smith, president, treasurer; Ronald N. Kaplan, exec vp, secretary. Employes: 38.
Phone: (402) 330-0110.

J. Richard Smith Ltd., Old Bethpage, N.Y., had estimated gross income of $2,900,000 in 1985 on billings of $19,200,000. In 1984, it had estimated gross income of $2,150,000 on billings of $14,196,030.

The agency's 1985 U.S. volume consisted of $12,000,000 in media, $1,500,000 in materials and services and $5,789,560 in capitalized fees. Its 1984 U.S. volume consisted of $8,015,000 in media, $785,000 in materials and services and $5,396,030 in capitalized fees.

In 1985, the agency gained: Bank of Babylon; Consumer Vitamins; Bernie's, retail; Country Respiratory; A&O Surgical. It lost: L.I. Hondas; Salvage City.

Billings breakdown: Newspapers 29%, magazines 13%, supplements 7%, radio 17%, spot tv 19%, cable tv 2%, point of sale 1%, direct mail 7%, free-standing inserts 5.

Top execs: Gerald Smith, president; Wayne Gastman, senior vp; Sandra Smith, secretary, treasurer; Michael Smith, vp-acct services. Employes: 29.
Phone: (516) 293-8700.

Smith & Yohle, Kansas City, Mo., reported gross income of $803,928 in 1985 on billings of $5,362,200. In 1984, it reported gross income of $944,964 on billings of $6,302,910.

The agency's 1985 U.S. volume consisted of $1,926,086 in media, $1,048,808 in materials and services and $2,387,306 in capitalized fees. Its 1984 U.S. volume consisted of $2,195,017 in media, $1,260,030 in materials and services and $2,847,863 in capitalized fees.

In 1985, the agency gained: Gas Service of Kansas City. It lost: AmeriSource, retail computer stores; UTS-Midwest Group.

Billings breakdown: Newspapers 15%, magazines 6%, supplements 1%, radio 25%, spot tv 38%, outdoor 2%, point of sale 1%, direct mail 12%.

Top execs: Karl J. Yehle, president; Harold Smith, chmn. Employes: 20.
Phone: (816) 842-4900. ☑

Soderberg & Associates, Seattle, reported gross income of $695,909 in 1985 on billings of $5,397,448. In 1984, it reported gross income of $591,327 on billings of $4,270,130.

In 1985, it had net income of $57,904, compared with a net loss of $21,181 in 1984.

The agency's 1985 U.S. volume consisted of $2,857,627 in media, $910,280 in materials and services and $1,629,541 in capitalized fees. Its 1984 U.S. volume consisted of $1,969,284 in media, $1,237,568 in materials and services and $1,063,278 in capitalized fees.

In 1985, the agency gained: Computer Mgmt Services; University Chevrolet; Vance Hotels. It lost: KTZZ-TV; Southgate Ford.

Billings breakdown: Newspapers 9%, magazines 15%, radio 33%, spot tv 18%, cable tv 13%, outdoor 3%, transit advertising 3%, point of sale 5%, catalogs 1%.

Top exec: P. Stanley Soderberg. Employes: 15.
Phone: (206) 285-2070. ☑

Soghigian & Macuga Advertising, Washington D.C., reported gross income of $1,582,602 in 1985 on billings of $10,058,020. In 1984, it reported gross income of $844,592 on billings of $6,968,610.

In 1985, it had net income of $109,121, compared with $86,046 in 1984.

The agency's 1985 U.S. volume consisted of $9,102,350 in media, $482,100 in materials and services and $473,570 in capitalized fees. Its 1984 U.S. volume consisted of $6,400,150 in media, $315,000 in materials and services and $253,460 in capitalized fees.

Included in the agency's figures were returns from its office in New York City.

In 1985, the agency gained: Inter-Continental Hotels; Willard Hotel; Meritor Savings Bank; Rouse Co. It lost: Jim Coleman Cadillac; AudioKrafters; Fort Magruder Inn.

Billings breakdown: Newspapers 20%, magazines 20%, radio 10%, spot tv 10%, point of sale 5%, direct mail 10%, direct response newspapers 15%, direct response magazines 10%.

Top execs: Harant Soghigian, chmn; Sarah A. Macuga, president; Bill Hilderbrand, cfo. Vps—Tom Simmons, Jim Higgins, assoc creative directors; Jess Johnson, acct mgr. Employes: 22 in 2 offices.
Phone: (202) 337-5151. ☑

Sommer Inc., Paramus, N.J., reported gross income of $1,600,000 in 1985 on billings of $10,663,650. In 1984, it reported gross income of $1,473,800 on billings of $9,827,700.

In 1985, it had net income of $282,400, compared with $265,284 in 1984.

The agency's 1985 U.S. volume consisted of $5,147,000 in media, $2,215,000 in materials and services and $3,301,650 in capitalized fees. Its 1984 U.S. volume consisted of $4,690,000 in media, $2,002,000 in materials and services and $3,135,700 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:
- Sommer Public Relations
- Sommer Marketing Research

In 1985, the agency gained: Brother Intl, computer printer; HHB Softron, computer printer. It lost: Unimax Switch.

Billings breakdown: Newspapers 7%, magazines 89%, spot tv 2%, outdoor 2%.

Top execs: Bernard Sommer, president; Dominic Mauro, exec vp; William Brennan, vp. Employes: 22.
Phone: (201) 587-9707. ☑

Neal Spelce Communications, Austin, Tex., reported gross income of $1,189,300 in 1985 on billings of $7,928,700. In 1984, it reported gross income of $1,345,800 on billings of $8,974,800.

The agency's 1985 U.S. volume consisted of $2,197,300 in media, $1,149,500 in materials and services and $4,581,900 in capitalized fees. Its 1984 U.S. volume consisted of $2,048,100 in media, $1,278,400 in materials and services and $5,648,300 in capitalized fees.

Top execs: Neal Spelce, chmn-ceo; William Bennett Spelce, vice chmn; Carolyn Buford, C. Lynn Dobson, Lloyd Sheep, vps; D. Childress, creative director. Employes: 30.
Phone: (512) 476-4644.

Spencer Bennett Nowak, Seemonk, Mass., reported gross income of $2,450,000 in 1985 on billings of $16,543,000. In 1984, it reported gross income of $1,557,000 on billings of $10,441,000.

The agency's 1985 U.S. volume consisted of $3,274,000 in media, $2,644,000 in materials and services and $10,625,000 in capitalized fees. Its 1984 U.S. volume consisted of $2,434,000 in media, $2,117,000 in materials and services and $5,890,000 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:
- SBN-Public Relations
- SBN-Marketing

In 1985, the agency gained: Hardigg Industries; Monsanto Polymer prods; NEPTCO; Amperex; Avanti Communications; GE Datel; SAB Nife; Weslock. It lost: Davis-Standard; Windmoeller & Hoelscher Corp.

Billings breakdown: Newspapers 5%, magazines 10%, radio 2%, business papers 40%, Yellow Pages 2%, direct mail 5%, catalogs 36%.

Top execs: Sheldon D. Spencer, chmn; Edward G. Nowak Jr., president; Richard E. Donnelly, exec vp; Glenn M. Spencer, senior vp. Employes: 55 in 2 offices.
Phone: (617) 336-5801. ☑

Franklin Spier Inc., New York, a subsidiary of BBDO International, reported gross income of $3,030,000 in 1985 on billings of $20,210,000. In 1984, it reported gross income of $3,014,000 on billings of $20,094,000.

The agency's 1985 U.S. volume consisted of $13,209,000 in media, $2,452,000 in materials and services and $4,549,000 in capitalized fees. Its 1984 U.S. volume consisted of $12,630,000 in media, $2,628,000 in materials and services and $4,836,000 in capitalized fees.

Included in the agency's figures were returns from subsidiary:
- Spier/BBDO

In 1985, Franklin Spier gained: Avon Books. Spier/BBDO gained: New World Pictures; Roundabout Theatre Co. Franklin Spier lost: St. Martins Press; Berkeley Publishing.

Billings breakdown: Newspapers 40%, magazines 19%, radio 10%, network tv 2%, spot tv 6%, cable tv 1%, outdoor 2%, business papers 5%, transit advertising 2%, point of sale 2%, direct mail 3%, direct response newspapers 3%, direct response magazines 5%.

Top execs: Franklin Spier—Alix Nelson, president-ceo; David Cathers, exec vp, director client services. Vps—Robert Adler, cfo; Dorsey Gray, mgmt super; Robert Grekin, director print and broadcast production; Philip Cimo, exec art director; Kenneth Atkatz, assoc creative director. Spier/BBDO—Tom Wells, president; George Grant, vp-acct mgr, creative super. Employes: 41.
Phone: (212) 679-4441.

Spiro & Associates, Philadelphia, reported gross income of $6,470,000 in 1985 on billings of $52,516,000. In 1984, it reported gross income of $6,301,000 on billings of $51,270,000.

The agency's 1985 U.S. volume consisted of $16,534,560 in media, $5,795,440 in materials and services and $30,186,000 in capitalized fees. Its 1984 U.S. volume consisted of $15,960,000 in media, $5,216,000 in materials and services and $30,094,000 in capitalized fees.

In 1985, the agency gained: Infotron; Greenwood Corp; Star States Mortgage Corp; Comcast; Pinehurst Hotel & Country Club; Morgard, pr; Suburban Genl Hospital; Reliance Insurance Group. It lost: First Pennsylvania Bank; Princess Hotels.

Billings breakdown: Newspapers 22%, magazines 24%, radio 17%, spot tv 23%, outdoor 2%, business papers 6%, Yellow Pages 2%, direct mail 4%.

Top execs: Walter A. Spiro, chmn-ceo; Harry A. Egbert, vice chmn; Norman R. Tissian, president; Nelson M. Fellman Jr., Gerald D. Oakes, exec vps. Senior vps—Timothy S. Denison; Gordon G. Lawrence; H. Robert Lesnick; Bernice Slosburg; Herbert Smith; Robert L. Wolf; Charles Bofinger, asst to the chmn. Employes: 104.
Phone: (215) 923-5400.

Starmark, Chicago, reported gross income of $2,750,300 in 1985 on billings of $16,407,631. In 1984, it reported gross income of $1,818,765 on billings of $10,914,000.

The agency's 1985 U.S. volume consisted of $4,875,000 in media, $1,932,500 in materials and services and $9,600,131 in capitalized fees. Its 1984 U.S. volume consisted of $3,296,500 in media, $1,214,300 in materials and services and $9,600,131 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:
- Adfacts, research/inquiry fulfillment
- Studio on Franklin
- Starmark Public Relations Group

The agency also consolidated returns from its office in Denver.

In 1985, the agency gained: Ball Aerospace Systems Divisions; Honeywell Digital Product Center; ITW/Linx; Illinois Tool Works, Magnflux div: Honeywell Singai Procession Technologies; Natl Marine Manufacturers Assn; HNG/Internorth, Norchem div. It lost: BBC Metrawatt Goerz.

Billings breakdown: Newspapers 2%, magazines 24%, radio 3%, spot tv 3%, business papers 8%, point of sale 4%, Yellow Pages 5%, direct mail 14%, catalogs 10%, direct response newspapers 4%, telemarketing 3%, free-standing inserts 4%, research-sales literature 16%.

Top execs: Dan L. Estes, ceo-creative director; Peggy Nordeen, president. Vps—Matthew P. Geyer, partner, acct services; Dennis J. Faltis, acct services; Sue Ann Hoover, acct services (Denver). Employes: 30 in 2 offices.
Phone: (312) 922-3388. ☑

Steele, Stoltz & Associates, Pocatello, Ida., reported gross income of $359,890 in 1985 on billings of $3,015,679. In 1984, it reported gross income of $302,637 on billings of $1,766,548.

In 1985, it reported net income of $27,006.

The agency's 1985 U.S. volume consisted of $902,203 in media, $358,068 in materials and services and $1,755,408 in capitalized fees. Its 1984 U.S. volume consisted of $664,803 in media, $210,343 in materials and services and $891,402 in capitalized fees.

In 1985, the agency gained: McDonald's (southeast Idaho); George Martin Textiles; Twin Falls Bank & Trust Co.

Billings breakdown: Newspapers 10.8%, magazines 35.4%, radio 26.1%, spot tv 25.6%, outdoor 2.1%.

Top execs: Kenneth F. Stoltz, president; James F. Steele, chrmn. Employes: 8.
Phone: (208) 233-7206. ☑

Stephan & Brady, Madison, reported gross income of $2,161,069 in 1985 on billings of $16,628,470. In 1984, it reported gross income of $2,114,524 on billings of $15,471,640.

The agency's 1985 U.S. volume consisted of $4,260,572 in media, $1,506,430 in materials and services and $10,861,468 in capitalized fees. Its 1984 U.S. volume consisted of $4,242,783 in media, $1,420,355 in materials and services and $9,808,502 in capitalized fees.

In 1985, the agency gained: Wisconsin Dairies. It lost: Wisconsin Dept of Business Devel.

Billings breakdown: Newspapers 21%, magazines 10%, medical journals 2%, supplements 1%, radio 6%, spot tv 16%, outdoor 1%, business papers 23%, farm publications 2%, point of sale 3%, direct mail 9%, catalogs/collateral 6%.

Top execs: Hugh Brady, chmn-ceo; Jack Ragel, president-coo; Frank Fueger, senior vp. Employes: 40.
Phone: (608) 241-4141.

Stern Advertising, Pepper Pike, O., had estimated gross income of $3,750,000 in 1985 on billings of $25,000,000. In 1984, it had estimated gross income of $3,450,000 on billings of $23,000,000. The agency did not break out volume for either year.

Top execs: William J. Stern, president; Tom Traynor, Jim Cohan, senior vps. Employes: 55.
Phone: (216) 464-4850.

Stern/Monroe Advertising, Dallas, reported gross income of $4,600,000 in 1985 on billings of $30,700,000. In 1984, it reported gross income of $4,243,000 on billings of $28,300,000.

The agency did not provide volume breakdowns.

In 1985, the agency gained: Holiday Inn, Crowne Plaza Hotels div; Frito-Lay; Fuddruckers Hamburger Restaurants; Murray Financial Corp; Republic Health Corp; Johnson & Johnson, Surgikos div. It lost: Pizza Inn Restaurants.

Billings breakdown: Newspapers 15%, magazines 35%, radio 10%, network tv 20%, spot tv 20%.

Top execs: Lawrence N. Stern, president; Jim Hradecky, creative director; Lee Andrews, Michael Gallant, Barbara Pijot, Tom Stumpf, acct supers; Tom Bolger, media director; Mac Young, print production mgr; Paula Jarrell, broadcast production mgr; Fran Vinson, mgr-accounting; Mary O'Brien, mgr-admin. Employes: 52.
Phone: (214) 871-7171. ☑

Stern Walters/Earle Ludgin, Chicago, a subsidiary of Ted Bates, reported gross income of $3,834,862 in 1985 on billings of $30,709,101. In 1984, it reported gross income of $4,184,135 on billings of $32,387,647.

The agency's 1985 U.S. volume consisted of $14,919,048 in media, $3,237,213 in materials and services and $12,552,840 in capitalized fees. Its 1984 U.S. volume consisted of $17,008,627 in media, $2,951,363 in materials and services and $12,427,657 in capitalized fees.

In 1985, the agency gained: Radio Steel Mfg Co.; Spring Air Co., mattresses. It lost: Elkay Mfg. Co.; Squirt & Co.

Billings breakdown: Newspapers 3%, magazines 18%, radio 15%, network tv 17%, spot tv 40%, outdoor 1%, business papers 6%.

Top execs: Gerald J. Stern, chmn; William Quigley Jr., president; Don Costello, vice-chmn, director creative services; Eileen M. Healy, exec vp, finance, admin. Senior vps—Richard Bach, director mktg, rsch services; William Casey, Maryanne Friend; Scott Schiave; William Thomas, mgmt reps. Kathleen Harrington, vp-creative director; Al Pierce, creative director; Don Kaminsky, media director. Employes: 66 in 2 offices.
Phone: (312) 642-4990.

STG Marketing Communications, Fairfield, Conn., reported gross income of $1,061,000 in 1985 on billings of $7,513,000. In 1984, it reported gross income of $1,060,000 on billings of $7,098,088.

In 1985, it reported net income of $51,075, compared with $51,108 in 1984.

The agency's 1985 U.S. volume consisted of $1,510,195 in media, $986,967 in materials and services and $5,015,840 in capitalized fees. Its 1984 U.S. volume consisted of $2,138,520 in media, $298,200 in materials and services and $4,661,368 in capitalized fees.

Billings breakdown: Newspapers 5%, medical journals 5%, radio 5%, business papers 85%.

Top execs: George Tibbau, president; Edwin Galog, Bob Grunenwald, George Crosby, vps. Employes: 20.

Phone: (203) 579-1640.

Stiegler, Wells & Brunswick, Bethlehem, Pa., had estimated gross income of $1,880,000 in 1985 on billings of $9,646,853. In 1984, it had estimated gross income of $1,420,000 on billings of $8,394,300.

In 1985, it reported net income of $4,809, compared with a net loss of $20,460 in 1984.

The agency's 1985 U.S. volume consisted of $1,528,373 in media, $1,267,664 in materials and services and $6,850,816 in capitalized fees. Its 1984 U.S. volume consisted of $1,353,856 in media, $1,199,025 in materials and services and $5,841,419 in capitalized fees.

In 1985, the agency gained: Barebo; Binney & Smith; Cybotech; Easton Hospital; Pennsylvania Medical Society; Philips Electronics Instruments; Victaulic Co. of America; Warren Communications. It lost: Security Bank & Trust.

Billings breakdown: Newspapers 8%, magazines 36%, radio 6%, spot tv 5%, outdoor 2%, point of sale 3%, direct mail 8%, collateral 18%, audio visual 12%, trade show 2%.

Top execs: Ernie G. Stiegler, chmn; Daniel C. Wells, president; Paul E. Brunswick, Ernie R. Stiegler, exec vps; Michael J. Chomik, senior vp. Employes: 36.

Phone: (215) 866-0611. ☑

Stogel Cos., New York, formerly Philip Stogel Inc., had estimated gross income of $2,350,000 in 1985 on billings of $15,097,439. In 1984, it had estimated gross income of $2,300,000 on billings of $14,711,170.

The agency's 1985 U.S. volume consisted of $10,069,802 in media, $3,177,637 in materials and services and $1,850,000 in capitalized fees. Its 1984 U.S. volume consisted of $9,601,150 in media, $3,440,020 in materials and services and $1,670,000 in capitalized fees.

Figures only include those of former Stogel agency. Stogel Cos. now includesSweet & Co., Mount Morris, Ill., with which Stogel merged in 1985. Stogel will assume all billings and operatings of Sweet Group the end of 1986. During 1985, Stogel signed working agreements with J. Scarkino Co. of Pasadena, Cal., and Intermart Systems of Tokyo.

In 1985, the agency gained: Turnbury Commons; Rocoton Corp; Ventura Travelware.

Billings breakdown: Newspapers 8%, magazines 45%, supplements 2%, radio 4%, network tv 10%, spot tv 2%, outdoor 3%, transit advertising 7%, point of sale 2%, direct mail 2%, production 15%.

Top exec: Ray Solomon, senior vp. Employes: 40.

Phone: (212) 302-5500.

Stolz Advertising Co., St. Louis, reported gross income of $3,212,129 in 1985 on billings of $19,471,484. In 1984, it reported gross income of $2,786,631 on billings of $16,303,666.

The agency's 1985 U.S. volume consisted of $14,975,039 in media, $1,958,843 in materials and services and $2,537,602 in capitalized fees. Its 1984 U.S. volume consisted of $11,565,939 in media, $1,726,942 in materials and services and $3,010,785 in capitalized fees.

Included in the agency's figures were returns from offices in St. Louis, Springfield, Mo., and Bloomington, Ill.

In 1985, the agency gained: Admiral, entertainment and dining center; Brod-Dugan, paint, wallpaper and home improvements; Cabot, Cabot & Forbes; Laclede Communications; Movies To Go; Mills Properties.

Billings breakdown: Newspapers 5%, magazines 6%, radio, tv 86%, outdoor 3%.

Top execs: John F. Eyler, chmn; Glennon D. Jamboretz, president; Marvin I. Gold, exec vp, director of creative services. Employes: 59 in 3 offices.

Phone: (314) 863-0005.

Stone, August & Co., Birmingham, Mich., reported gross income of $2,710,000 in 1985 on billings of $17,800,089. In 1984, it reported gross income of $1,840,995 on billings of $14,930,820.

The agency's 1985 U.S. volume consisted of $8,743,717 in media, $2,346,932 in materials and services and $6,709,440 in capitalized fees. Its 1984 U.S. volume consisted of $6,854,069 in media, $2,053,448 in materials and services and $6,023,303 in capitalized fees.

In 1985, the agency gained: N.B.D. Affiliates; Weight Watchers (Louisiana, Jacksonville, Ottawa, Arkansas); Rath BlackHawk Bacon & Hams; Health Alliance Plan. It lost: Pharmor; Mackinac Hotel; Guaranty Federal Savings.

Billings breakdown: Newspapers 32%, magazines 1%, radio 11%, spot tv 56%.

Top execs: Ronald Stone, chmn; James August, president. Exec vps—Tom Ficher, gm; William Ford, creative director. Sandra Grossman, treasurer. Senior vps—Harry Goldberg; Dick Sabaugh, director pr. Employes: 40.

Phone: (313) 646-9200. ☑

Stone & Simons Advertising, Southfield, Mich., reported gross income of $4,035,545 in 1985 on billings of $24,390,000. In 1984, it reported gross income of $2,438,120 on billings of $16,080,000.

The agency's 1985 U.S. volume consisted of $16,310,890 in media, $3,688,416 in materials and services and $4,390,694 in capitalized fees. Its 1984 U.S. volume consisted of $10,990,658 in media, $1,852,030 in materials and services and $3,237,312 in capitalized fees.

Included in the agency's figures were returns from its office in Chicago.

In 1985, the agency gained: Bil Mar Foods; Lever Bros., Butter Match brand; Wendy's Intl (Chicago, Milwaukee, Madison, Fond Du Lac markets). It lost: Security Bank.

Billings breakdown: Newspapers 9%, magazines 7%, radio 18%, network tv 26%, spot tv 18%, cable tv 1%, outdoor 1%, business papers 3%, transit advertising 1%, point of sale 0.5%, Yellow Pages 0.5%, direct mail 5.0%, catalogs 3%, direct response newspapers 3%, direct response magazines 0.5%, free-standing inserts 3.5%.

Top execs: Charles G. Stone, president-ceo; Sarah Martin, treasurer; Christopher Gaffield, Robert Sorock, exec vps, acct services. Employes: 54 in 2 offices.

Phone: (312) 358-4800.

Storey Berman & Freer, Chicago, reported gross income of $980,000 in 1985 on billings of $6,822,000. In 1984, it reported gross income of $755,000 on billings of $5,034,000.

The agency's 1985 U.S. volume consisted of $4,807,000 in media, $1,060,000 in materials and services and $955,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,400,000 in media, $794,000 in materials and services and $840,000 in capitalized fees.

In 1985, the agency gained: Avery Intl, Thermark div; Ibico Inc.

Billings breakdown: Newspapers 10%, magazines 25%, radio 15%, spot tv 20%, business papers 25%, direct mail 5%.

Top execs: Jane C. Storey, Robert A. Berman, William B. Freer, directors. Employes: 14.

Phone: (312) 822-9715.

Sturm Communications, Chicago, reported gross income of $1,398,100 in 1985 on billings of $9,435,100. In 1984, it reported gross income of $1,117,300 on billings of $8,325,900.

The agency's 1985 U.S. volume consisted of $627,200 in media, $919,600 in materials and services and $7,888,300 in capitalized fees. Its 1984 U.S. volume consisted of $496,700 in media, $932,000 in materials and services and $6,897,200 in capitalized fees.

In 1985, the agency gained: AT&T Medical Diagnostic Systems, COMMVIEW; American Annson, Annsonlink; Medical Credit Corp, Healthline; Compass Healthcare Plans; North Mississippi Medical Center; United Health Services; Memorial Medical Center; East Liverpool City Hospital. It lost: Ingalls Memorial Hospital.

Billings breakdown: Newspapers 33%, magazines 13%, radio 21%, spot tv 18%, outdoor 10%, transit advertising 5%.

Top execs: Arthur C. Sturm Jr., president-ceo; David C. Loveland, vp-director acct services; Ken Lavetter, creative director; Steven R. Braver, director finance, admin. Employes: 25.

Phone: (312) 943-1881.

Sullivan Higdon & Sink, Wichita, reported gross income of $2,398,018 in 1985 on billings of $18,992,064. In 1984, it reported gross income of $1,923,697 on billings of $14,746,958.

The agency's 1985 U.S. volume consisted of $3,774,022 in media, $2,403,585 in materials and services and $12,814,457 in capitalized fees. Its 1984 U.S. volume consisted of $2,351,348 in media, $2,766,702 in materials and services and $9,628,908 in capitalized fees.

In 1985, the agency gained: Dixon Industries, mowers; Koch Engineering Co.; Jeppesen Sanderson, aviation manuals; Lasertrak, flight planning and navigation computers. It lost: American Water Purification; Capital Systems; Health Care Plus; Fiskars, Screwball div; United Beechcraft of Wichita.

Billings breakdown: Newspapers 11%, magazines 0.5%, radio 1.7%, spot tv 5.3%, outdoor 3.5%, business papers 77.5%, transit advertising 0.5%.

Top execs: Wendell R. Sullivan, Allan K. Higdon, B. Vaughn Sink, exec committee members. Employes: 48.

Phone: (316) 263-0124. ☑

Summit Advertising, Norfolk, Va., reported gross income of $783,739 in 1985 on billings of $3,449,008. In 1984, it reported gross income of $653,819 on billings of $2,559,375.

The agency's 1985 U.S. volume consisted of $1,044,719 in media, $368,832 in materials and services and $2,035,457 in capitalized fees. Its 1984 U.S. volume consisted of $848,093 in media, $311,870 in materials and services and $1,399,412 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

• Summit Research

In 1985, the agency gained: American Kitchen Co; Seamodal; Parkway Pontiac/Volvo/Isuzu; Coastal Virginia Bank; Electronic Computer Programming Institute; Electronic Systems. It lost: Equity Industries.

Billings breakdown: Newspapers 25%, magazines 15%, radio 10%, spot tv 25%, cable tv 3%, outdoor 15%, direct mail 5%, free-standing inserts 2%.

Top execs: Harry E. Padgett, chmn; J. Edward Watson III, president. Employes: 15.

Phone: (804) 625-1677. ☑

Sutton Communications, New York, reported gross income of $1,700,000, of which $200,000 was non-U.S. contribututions, in 1985 on billings of $14,000,000. In 1984, it reported gross income of $1,600,000, of which $200,000 was non-U.S. contributions, on billings of $11,000,000.

The agency's 1985 U.S. volume of $14,000,000 consisted of $1,500,000 in media, $1,000,000 in materials and services and $10,000,000 in capitalized fees. Its 1984 U.S. volume of $11,000,000 consisted of $1,000,000 in media, $500,000 in materials and services and $800,000 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

• Infocus, special projects/consulting

It also consolidated its office in Northbrook, Ill.

In 1985, the agency gained: Abbott Diagnostics; Abbott Laboratories; Ayerst Intl; Lifetime Medical TV.

Billings breakdown: Magazines 5%, medical journals 50%, direct mail 30%, collateral material 15%.

Top execs: Glenn DeSimone, president; Norton Bramesco, exec vp; Stan Dornfest, Kinton Hall, Nancy Larsen, Steve Spittel, vps; Roy Weidemann, gm, Infocus. Employes: 28 in 2 offices.

Phone: (212) 682-7090. ☑

Symon & Hilliard, New York, reported gross income of $1,300,500 in 1985 on billings of $8,674,335. In 1984, it reported gross income of $1,020,300 on billings of $6,805,401.

The agency's 1985 U.S. volume consisted of $3,114,890 in media and $5,559,445 in capitalized fees. Its 1984 U.S. volume consisted of $1,585,459 in media and $5,219,942 in capitalized fees.

In 1985, the agency gained: Blume-Vasquez, lawyers. It lost: Levinson-Conover, lawyers.

Billings breakdown: Magazines 22%, network tv 60%, spot tv 10%, cable tv 2%, business papers 6%.

Top execs: James Symon, chmn; Anthony Hilliard, vice-chmn. Employes: 14.

Phone: (212) 505-0688. ☑

Tal Inc., Erie, Pa., reported gross income of $1,652,962 in 1985 on billings of $11,019,750. In 1984, it reported gross income of $1,280,325 on billings of $8,535,500.

The agency's 1985 U.S. volume consisted of $4,200,000 in media, $650,000 in materials and services and $6,169,750 in capitalized fees. Its 1984 U.S. volume consisted of $3,500,000 in media, $700,000 in materials and services and $4,335,000 in capitalized fees.

Included in the agency's figures were returns from other offices in Lancaster, Pa., and Buffalo.

In 1985, the agency gained: RCA, new prods div; CCTV Systems; Capitol prods; Aluminum Doors & Windows; Lancaster Osteopathic Hospital; Buffalo Columbus Hospital.

Billings breakdown: Newspapers 14%, magazines 22%, medical journals 7%, radio 10%, spot tv 21%, business papers 2%, point of sale 2%, direct mail 7%, free-standing inserts 12%.

Top execs: M. Tal Hindson, president; Dan F. Duda, Bill Donovan, directors. Employes: 36 in 3 offices.

Phone: (814) 838-4505. ☑

Taylor Brown & Barnhill, Houston, had estimated gross income of $525,000 in 1985 on billings of $3,500,000. In 1984, it had estimated gross income of $375,000 on billings of $2,800,000. The agency did not break out its volume.

In 1985, the agency gained: Houston Eye Clinic; Texas Beverages Packers; KTHT-TV Channel 67.

Billings breakdown: Newspapers 1%, magazines 1%, radio 21%, spot tv 75%, cable tv 0.5%, outdoor 1%, direct mail 0.5%.

Top execs: N.D. Brown, president-ceo; Larry Taylor, chmn; Steve Barnhill, vice chmn, creative director; Patsy Perrault, exec vp, media director; John Zimmerman, vp creative director. Employes: 32.

Phone: (713) 877-1220.

TCI Advertising, Stamford, Conn., reported gross income of $1,209,615 in 1985 on billings of $9,330,274. In 1984, it reported gross income of $1,320,317 on billings of $9,958,843.

The agency's 1985 U.S. volume consisted of $2,569,133 in media, $931,388 in materials and services and $5,829,753 in capitalized fees. Its 1984 U.S. volume consisted of $2,949,61 in media, $1,145,935 in materials an services and $5,863,297 in capitalize fees.

In 1985, the agency gained: 3M Media Services; 3M Media Network Control Data Corp. It lost: Aurage Systems Corp.

Billings breakdown: Newspaper 10%, magazines 30%, supplements 3% radio 2%, business papers 40%, poin of sale 5%, direct mail 5%, catalogs 5%

Top execs: Michael F. Murphy, pres ident; William P. Kennedy, exec vp creative director; Jack Willimott, vp Employes: 22.

Phone: (203) 327-9900.

G. Temple Associates, Southfield Mich., reported gross income o $1,347,000 in 1985 on billings o $5,776,000. In 1984, it reported gro income of $1,127,000 on billings o $4,696,000.

In 1985, it had net income o $20,000, compared with $25,000 i 1984.

The agency's 1985 U.S. volume con sisted of $564,000 in media, $770,00 in materials and services an $4,442,000 in capitalized fees. Its 198 U.S. volume consisted of $460,000 i media, $554,000 in materials and ser vices and $3,682,000 in capitalize fees.

Included in the agency's figures wer returns from subsidiary:

• Wide Angle Productions, films

In 1985, the agency gained: Alle gheny Industries, Sciaky, Bra-Cor ITW, Woodworth div; Atlas Automa tion.

Billings breakdown: Magazines 75% direct mail 25%.

Top execs: Gerald L. Temple, presi dent; Eric C. Doherty, treasurer, vp Employes: 14.

Phone: (313) 557-5044. ☑

Don Tennant Co., Chicago, re ported gross income of $3,550,000 i 1985 on billings of $34,500,000. I 1984, it reported gross income o $3,500,000 on billings of $32,133,000.

The agency's 1985 U.S. volume con sisted of $29,940,000 in media $1,372,000 in materials and service and $3,188,000 in capitalized fees. It 1984 U.S. volume consisted o $28,029,000 in media, $1,753,000 i materials and services and $2,351,00 in capitalized fees.

In 1985, the agency gained: Sara Le Corp, Superior coffee, gourmet prod Lotte USA; Nestle SA/Libby McNe & Libby, new prods; Joliet Feder Savings.

Billings breakdown: Newspaper 2%, magazines 3%, radio 0.3%, ne work tv 49%, spot tv 44%, Yello Pages 1%, other 0.5%.

Top execs: Don Tennant, chmn Elizabeth Harrington, president-ce Denis Naylor, exec vp-creative direc tor; Ronald Fierman, cfo. Employe 30.

Phone: (312) 644-4600.

Tepe, Hensler & Westerkamp Cincinnati, reported gross income o $823,000 in 1985 on billings o $6,372,5000. In 1984, it reported gro income of $736,900 on billings o $5,606,400.

The agency's 1985 U.S. volume con sisted of $2,358,200 in media $720,000 in materials and services an $3,294,300 in capitalized fees. Its 198 U.S. volume consisted of $1,677,30 in media, $675,500 in materials an services and $3,253,600 in capitalize fees.

In 1985, the agency gained: Addi tion Recovery Corp, Drug Depen dency Treatment; Natl Arthritis Fou dation, assistance program fo arthritis; Woodview Regional Hosp tal; Interlake. It lost: Family Medic Centers.

Billings breakdown: Newspaper 6%, magazines 13%, radio 20%, spot t 11%, outdoor 3%, business paper 37%, direct mail 2%, other 8%.

Top exec: John Tepe. Employes: 17

Phone: (513) 241-0100. ☑

Christopher Thomas Associ ates, Garden City, N.J., reporte

gross income of $2,100,000 in 1985 on billings of $14,633,500. In 1984, it reported gross income of $1,325,000 on billings of $8,300,250.

In 1985, it had net income of $950,000, compared with $506,250 in 1984.

The agency's 1985 U.S. volume consisted of $14,000,000 in media, $300,000 in materials and services and $333,500 in capitalized fees. Its 1984 U.S. volume consisted of $7,500,000 in media, $300,000 in materials and services and $500,250 in capitalized fees.

In 1985, the agency gained: Mill-Max Mfg; Iskra Electronics; Better Home Heat Councils of Massachusetts and Delaware Valley. It resigned: Logic Audio and Raphan Carpet.Billings breakdown: Newspapers 8%, magazines 10%, radio 38%, spot tv 29%, cable tv 4%, transit advertising 4%, direct mail 3%, direct response newspapers 2%, free-standing inserts 2%.

Top execs: Christopher B. Santry, president; Thomas M. Petrocine, exec vp; Russel Petrocine, vp-client services, acct exec. Employes: 22.

Phone: (516) 794-2400.

Ted Thomas Associates, Philadelphia, had estimated gross income of $3,300,000 in 1985 on billings of $22,000,000. In 1984, it had estimated gross income of $2,550,000 on billings of $17,000,000.

The agency did not report volume breakdowns.

Included in the figures were returns from its offices in Newport Beach, Cal., and New York City.

In 1985, the agency gained: Smith-Kline & French Laboratories, Cefizox.

Billings breakdown: Medical journals 85%, radio 5%, direct mail 10%.

Top execs: Robert D. Ritchie, president; David F. Dodd, exec vp. Employes: 38 in 3 offices.

Phone: (215) 564-3400. ☑

Thompson Agency, Charlotte, reported gross income of $933,665 in 1985 on billings of $7,225,545. In 1984, it reported gross income of $822,911 on billings of $6,236,916.

The agency's 1985 U.S. volume consisted of $4,000,000 in media, $1,000,000 in materials and services and $2,225,545 in capitalized fees. Its 1984 U.S. volume consisted of $3,800,000 in media, $750,000 in materials and services and $1,686,916 in capitalized fees.

Billings breakdown: Newspapers 25%, magazines 8%, radio 15%, spot tv 35%, outdoor 5%, point of sale 12%.

Top execs: Joseph F. Thompson, president; Paul Bell, John Schwabacher, William Futterer, vps. Employes: 21.

Phone: (704) 333-8821. ☑

Three Arts, Cedar Rapids, Ia., had estimated gross income of $932,000 in 1985 on billings of $6,214,447. In 1984, it had estimated gross income of $608,000 on billings of $4,053,000.

The agency did not consolidate returns from subsidiary:

- Promotion Specialists

In 1985, the agency gained: Kraloy Multifittings; Vigortone Product Co.

Billings breakdown: Newspapers 1%, magazines 34%, radio 12%, spot tv 24%, outdoor 5%, farm publications 24%.

Top execs: Stanton L. Priske, chmn; Daniel S. Perkins, president-ceo; Larry D. Buchanan, senior vp, creative director; Thomas J. Wychoff, exec vp-coo. Employes: 19.

Phone: (319) 365-7572.

Townsend Agency, Arlington Heights, Ill., reported gross income of $1,046,364 in 1985 on billings of $6,450,517. In 1984, it reported gross income of $920,345 on billings of $6,100,121.

The agency's 1985 U.S. volume consisted of $63,960 in media, $571,017 in materials and services and $5,815,540 in capitalized fees. Its 1984 U.S. volume consisted of $369,988 in media, $168,227 in materials and services and $5,561,906 in capitalized fees.

Billings breakdown: Magazines 1%, direct mail 91%, catalogs 8%.

Top execs: Philip S. Walkenshaw, president; Gary G. Tillery, vp. Employes: 18.

Phone: (312) 981-9010. ☑

Trahan, Burden & Charles, Baltimore, reported gross income of $3,717,015 in 1985 on billings of $24,780,100. In 1984, it reported gross income of $3,035,716 on billings of $20,238,113.

The agency's 1985 U.S. volume consisted of $14,371,908 in media, $3,131,222 in materials and services and $7,276,970 in capitalized fees. Its 1984 U.S. volume consisted of $11,619,124 in media, $2,408,633 in materials and services and $6,210,356 in capitalized fees.

In 1985, the agency gained: Ort's, Less bread; Estimation; Kirk Stieff, Silversmiths; Baltimore Spice Co.; Baltimore Equitable Society; Baltimore Blast Soccer Associates. It lost: D&F Office Furniture; WCBM radio.

Billings breakdown: Newspapers 10%, magazines 10%, radio 20%, spot tv 45%, cable tv 5%, outdoor 2%, business papers 5%, point of sale 1%, direct mail 2%.

Top execs: Edward A. Trahan, chmn; Robert I. Matz, president. Exec vps—Thomas L. Burden, Allan F. Charles, Mark Allen, Sandra S. Hillman. Employes: 55.

Phone: (301) 347-7500. ☑

Tri-State Advertising, Warsaw, Ind., reported gross income of $679,360 in 1985 on billings of $4,529,074. In 1984, it reported gross income of $625,207 on billings of $4,186,070.

The agency's 1985 U.S. volume consisted of $2,178,373 in media, $788,524 in materials and services and $1,562,177 in capitalized fees. Its 1984 U.S. volume consisted of $1,991,010 in media, $561,009 in materials and services and $1,634,051 in capitalized fees.

In 1985, the agency gained: C-E Raymond Combustion Engineering; Logansport Machine Co.; Hotpack Corp.

Billings breakdown: Newspapers 2%, magazines 1%, radio 1%, spot tv 1%, business papers 40%, farm publications 4%, Yellow Pages 1%, direct mail 5%, catalogs 20%, ad prod, pr, sales promo 25%.

Top execs: William L. Kreicker, president; E. Tweed Robinson, senior vp.

Employes: 16.

Phone: (219) 267-5178.

Tromson Monroe Advertising, New York, reported gross income of $2,500,000 in 1985 on billings of $17,000,000. In 1984, it reported gross income of $2,000,000 on billings of $14,000,000.

The agency did not break out its U.S. volume.

In 1985, the agency gained: Lucyan Beach Resort & Casino; Golden Tulip Aruba Caribbean Hotels.

Billings breakdown: Newspapers 60%, magazines 10%, trade magazines 20%, radio and network tv 5%, spot tv 5%.

Top execs: Mario Trombone, president-ceo; Ilse Trombone, senior vp-coo; Michael Youngman, senior vp, mktg director client services; Marianne Jacob, controller; Oscar Kolb, exec vp, pr group.

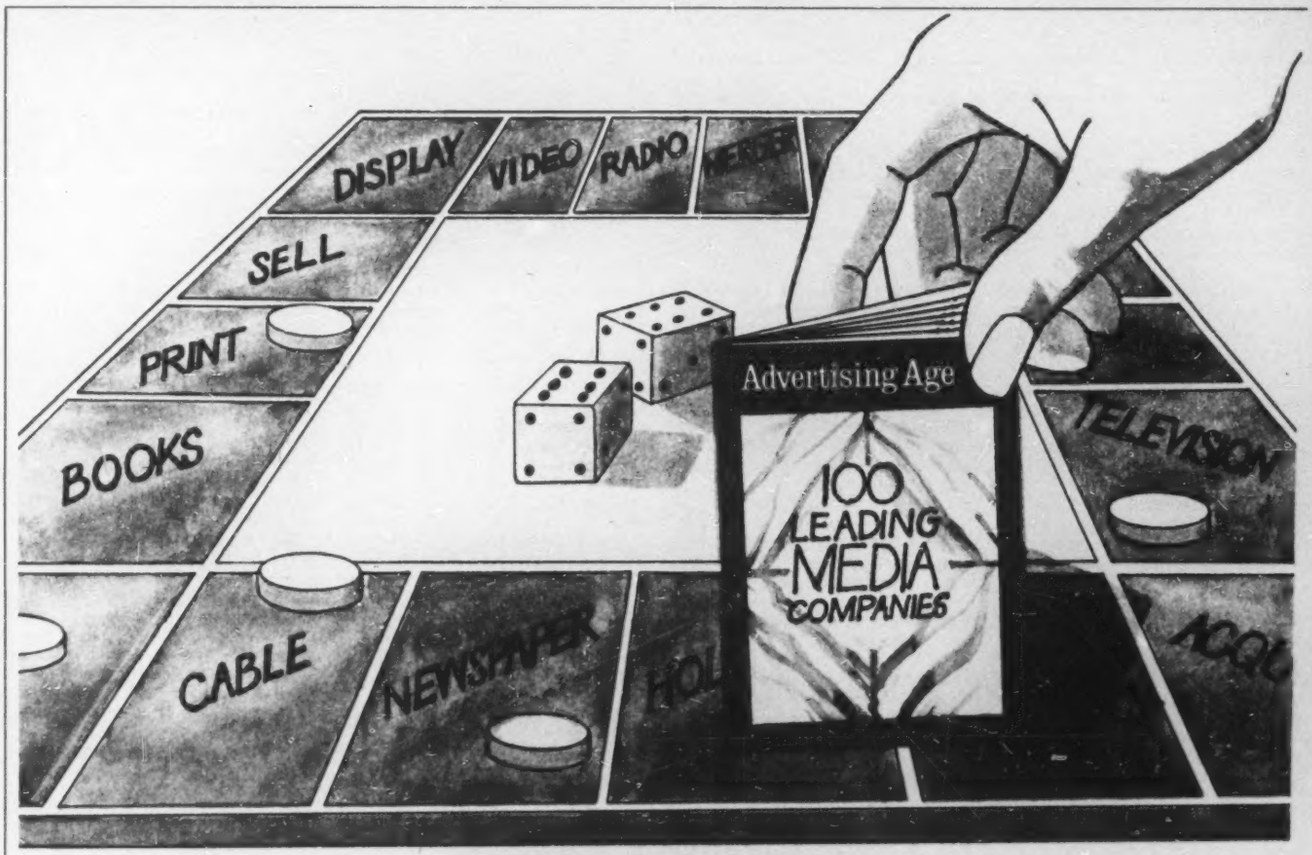
Employes: 26.

Phone: (212) 752-8660.

Tyoer Fultz Bellack, Palo Alto, Cal., reported gross income of $3,699,197 in 1985 on billings of $31,614,615. In 1984, it reported gross income of $5,177,739 on billings of $44,278,939.

In 1985, it registered a loss of $257,564, compared with a gain of $158,367 in 1984 in net income.

The agency's 1985 U.S. volume consisted of $5,781,543 in media, $1,170,526 in materials and services and $24,662,546 in capitalized fees. Its U.S. volume in 1984 consisted of



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$8,039,669 in media, $1,719,284 in materials and services and $34,519,989 in capitalized fees.

In 1985, the agency gained: Adaptec; ALPS America; Calma Co; Digital Rsch; ELXSI: Fortune Systems; Identix; Jacuzzi; Maxim; Racal Vadic; Schlage Lock; Sophia; Silicon Solutions Corp; XCI Inc; Xidex. It lost: Gould; Fortune Systems; Intelledex; Jacuzzi; NEC Electronics; Megatest Corp; Western MicroTech; Zehntel.

Billings breakdown: Newspapers 5%, magazines 95%.

Top execs: Del L. Tycer, chmn; Robert D. Fultz, president; Daniel W. Bellack, exec vp, secretary, treasurer. Employes: 45.

Phone: (415) 856-1600. ☑

Umphenour & Martin, Atlanta, reported gross income of $1,535,966 in 1985 on billings of $10,818,518. In 1984, it reported gross income of $1,270,018 on billings of $8,745,074.

In 1985, it had net income of $137,237, compared with $130,119 in 1984.

The agency's 1985 U.S. volume consisted of $3,772,121 in media, $2,224,467 in materials and services and $4,821,930 in capitalized fees. Its 1984 U.S. volume consisted of $3,759,831 in media, $2,032,114 in materials and services and $2,953,129 in capitalized fees.

In 1985, the agency gained: Keynestone Regional Health Care System; AmeriPlan Health Services; Fulton Federal Savings & Loan Assn.

Billings breakdown: Newspapers 15%, magazines 5%, radio 12%, spot tv 20%, outdoor 5%, transit advertising 3%, point of sale 10%, direct mail 5%, free-standing inserts 25%.

Top execs: Russell V. Umphenour Jr., chmn; Margaret Ann Martin, president. Employes: 18.

Phone: (404) 939-6820. ☑

Unger Associates, Atlanta, reported gross income of $1,605,037 in 1985 on billings of $10,700,250. In 1984, it reported gross income of $1,436,475 on billings of $8,980,240.

The agency's 1985 U.S. volume consisted of $8,666,125 in media, $1,533,875 in materials and services and $500,250 in capitalized fees. Its 1984 U.S. volume consisted of $7,221,771 in media, $1,278,229 in materials and services and $480,240 in capitalized fees.

Included in the agency's figures were returns from offices in Washington D.C., and Irvine, Cal.

Billings breakdown: Newspapers 35%, magazines 3%, radio 35%, spot tv 5%, cable tv 4%, outdoor 1%, business papers 12%, point of sale 1%, direct mail 4%.

Top execs: Robert M. Unger, president; Kathryn Unger, senior vp; Mark Havard, vp, director operations (Washington D.C.). Employes: 28 in 2 offices.

Phone: (404) 892-1555.

UniWorld Group, New York, reported gross income of $3,767,441 in 1985 on billings of $35,542,187. In 1984, it reported gross income of $2,739,825 on billings of $27,082,562.

The agency's 1985 U.S. volume consisted of $11,451,819 in media, $4,137,744 in materials and services and $19,952,624 in capitalized fees. Its 1984 U.S. volume consisted of $7,530,629 in media, $3,478,608 in materials and services and $16,073,325 in capitalized fees.

The agency did not consolidate subsidiaries:

- UniWorld Production
- UniWorld Public Relations

In 1985, the agency gained: Seven-Up; Adolph Coors; American Assn of Retired Persons; Eastman-Kodak; Lincoln-Mercury. It lost: Chevron USA; General Motors.

Billings breakdown: Newspapers 15%, magazines 30%, radio 15%, network tv 10%, spot tv 20%, outdoor 5%, business papers 5%.

Top execs: Byron Lewis, chmn-ceo; Herbert Kemp, president-coo. Senior vps—William Allen, director creative services; Cecilia Foster, director admin services. Employes: 55 in 3 offices.

Phone: (212) 564-0066. ☑

Valentine-Radford, Kansas City, Mo., reported gross income of $8,519,007 in 1985 on billings of $59,659,148. In 1984, it reported gross income of $6,954,754 on billings of $50,657,060.

The agency's 1985 U.S. volume consisted of $24,226,277 in media, $11,072,650 in materials and services and $24,360,221 in capitalized fees. Its 1984 U.S. volume consisted of $24,692,804 in media, $8,649,950 in materials and services and $17,314,306 in capitalized fees.

Included in the agency's figures were returns from its office in St. Louis.

In 1985, the agency gained: United Telespectrum; Missouri State Lottery; Information Line; Dodson Insurance; Natl Corngrowers Assn; Traffic Safety Now—Missouri. It lost: Fred Pryor Seminars; North Supply Co.

Billings breakdown: Newspapers 13%, magazines 5%, radio 12%, network tv 6%, spot tv 28%, cable tv 1%, outdoor 2%, farm publications 25%, Yellow Pages 8%.

Top execs: G.W. Hawley, chmn; R.A. Brooks, president; R.C. Lang, exec vp; R.L. Langford, C.L. Curtic, senior vps. Employes: 145 in 2 offices.

Phone: (816) 842-5021. ☑

Van Brunt & Co. Advertising, New York, reported gross income of $3,020,000, of which $420,000 was non-U.S. contributions, in 1985 on billings of $27,643,000. In 1984, it reported gross income of $2,900,000, of which $450,000 was non-U.S. contributions, on billings of $26,695,000.

The agency's 1985 U.S. volume of $20,143,000 consisted of $11,073,000 in media, $2,067,000 in materials and services and $7,003,500 in capitalized fees. Its 1984 U.S. volume of $18,885,000 consisted of $9,875,000 in media, $3,450,000 in materials and services and $5,670,000 in capitalized fees.

Included in the agency's figures were returns from subsidiaries:

- Van Brunt/Mahta, travel mktg
- Van Brunt/Schaeffer, pr

In 1985, the agency gained: Group Voyages, Globus-Gateway, Cosmos Tourma, travel agencies; *New York Newsday*; Sarne, handbags mfr; Avianca; Calinda Hotels. It lost: *Metro Sunday* newspaper; *New York Newsday*; *Town & Country*; *Colonial Homes*.

Billings breakdown: Newspapers 18%, magazines 24%, radio 16%, spot tv 18%, business papers 10%, transit advertising 6%, direct mail 8%.

Top execs: Edwin Van Brunt, chmn; Albert Van Brunt, president; Howard Karp, exec vp, co-creative director; Robert Gass, director media; William D. Buckley, director broadcast; P.F. Mahta, president, mktg, mgmt div; Philip Growick, senior vp, acct group super; Lou Garcia, vp Van Brunt/Schaeffer, pr div; Frank A. Caporaso, controller; Burton Zeiner, senior vp, acct group mgr; Carl Van Brunt, exec vp, co-creative director; Dot Smith, corp secretary. Employes: 38.

Phone: (212) 949-1300.

Vance-Mathews, Beaumont, Tex., reported gross income of $1,465,696 in 1985 on billings of $12,996,821. In 1984, it reported gross income of $1,714,814 on billings of $14,419,057.

In 1985, it reported net income of $53,128, compared with net loss of $55,903 in 1984.

The agency's 1985 U.S. volume consisted of $4,492,991 in media, $2,468,547 in materials and services and $6,035,283 in capitalized fees. Its 1984 U.S. volume consisted of $5,366,776 in media, $2,354,814 in materials and services and $6,697,467 in capitalized fees.

Included in the agency's figures were returns from offices in Houston and Dallas.

The agency did not consolidate subsidiary:

- M.V.I., recording studio

In 1985, the agency gained: Conn's, retail appliances; J. Walker, retail stores; 12 & Under, toy stores. It lost: American Medical Intl, central div; Versailles, real estate; Beauty Built Homes; Plautz Corp.

Billings breakdown: Newspapers 25%, magazines 2%, supplements 1%, radio 30%, spot tv 28%, cable tv 0.5%, outdoor 7%, business papers 0.5%, transit advertising 1%, direct mail 1.5%, other 3%.

Top execs: Tom Vance, chmn; Herschel R. Mathews, president; David Laster, senior vp; Rick L. Nobles, vp; Ralph E. Likins, vp-controller. Employes: 32 in 3 offices.

Phone: (409) 898-1313.

Peter Vane Advertising, New York, reported gross income of $846,000 in 1985 on billings of $5,644,000. In 1984, it reported gross income of $737,000 on billings of $4,916,000.

The agency's 1985 U.S. volume consisted of $1,731,000 in media, $605,000 in materials and services and $3,308,000 in capitalized fees. Its 1984 U.S. volume consisted of $1,190,000 in media, $511,000 in materials and services and $3,215,000 in capitalized fees.

Billings breakdown: Business papers 5%, direct mail 60%, direct response newspapers 5%, direct response magazines 30%.

Top execs: Peter K. Vane, president; Penelope A. Vane, exec vp; Rudy Duenzl, senior vp; Steve Dosro, vp-creative director; Mary Devine, treasurer. Employes: 14.

Phone: (212) 679-8260. ☑

VanSant, Dugdale & Co., Baltimore, reported gross income of $4,559,450 in 1985 on billings of $30,396,334. In 1984, it reported gross income of $4,147,999 on billings of $27,653,327.

The agency's 1985 U.S. volume consisted of $23,273,087 in media, $3,572,080 in materials and services and $3,551,167 in capitalized fees. Its 1984 U.S. volume consisted of $21,400,007 in media, $2,944,767 in materials and services and $3,308,553 in capitalized fees.

Included in the agency's figures were returns from offices in Baltimore and Philadelphia.

In 1985, the agency gained: Mobile Phone Cellular Network of Philadelphia; Columbia Medical Plan; Metropolitan Hospital. It lost: Hardee's Inc. (regional-area I); State of Maryland, Dept of Economic & Community Devel.

Billings breakdown: Newspapers 14%, magazines 18%, radio 6%, network tv 2.5%, spot tv 20%, outdoor 1%, business papers 18%.

Top execs: Kenneth E. Mayhorne, chmn, president. Senior vps—Sheldon T. Taule, media; J. Stanley Paulus, creative director; Andrew B. Babb, assoc creative director; E. Patrick McDonough, financial, admin; C. Barry Truax, client plans, rsch; James R. Williams, business devel. Employes: 65 in 2 offices.

Phone: (301) 539-5400. ☑

Venet Advertising, New York, reported gross income of $9,456,000 in 1985 on billings of $63,040,000. In 1984, it reported gross income of $8,124,300 on billings of $54,162,000.

The agency's 1985 U.S. volume consisted of $36,563,200 in media, $10,086,400 in materials and services and $16,390,400 in capitalized fees. Its 1984 U.S. volume consisted of $30,168,200 in media, $10,128,300 in materials and services and $13,865,500 in capitalized fees.

Included in the agencies figures were offices in Union, Trenton and Cranford, N.J.

In 1985, the agency gained: Brick Church Appliance; Media Horizons; To-Fitness; Newark Star Ledger; Ultra Bancorp; General Spice; Alpha Wire; Bunzl. It lost: Hudson Vitamins; Technical Publications.

Billings breakdown: Newspapers 23%, magazines 2%, supplements 5%, radio 23%, spot tv 40%, cable tv 2%, outdoor 2%, transit advertising 1%, free-standing inserts 2%.

Top execs: Zal Venet, chmn, president; George A. Coscia, president (NJ); Murray Skurnik, exec vp (NY); John Fortune, Jack Maged, senior vps (NY); Saul Margulies, treasurer; Dotty Stofik, secretary. Employes: 203 in 4 offices.

Phone: (212) 489-6700.

Vicom Associates, San Francisco, reported gross income of $5,350,060 in 1985 on billings of $50,326,732. In 1984, it reported gross income of $5,370,944 on billings of $50,248,375.

The agency's 1985 U.S. volume consisted of $5,751,562 in media, $8,890,670 in materials and services and $35,684,500 in capitalized fees. Its 1984 U.S. volume consisted of $7,506,168 in media, $6,918,011 in materials and services and $35,824,196 in capitalized fees.

In 1985, the agency gained: Shur Medical Corp; Forest Labs; Merck Sharp Dohme, Timoptic; Syntex Labs, Gardrin; Upjohn, Cleocin-T; Childrens' Hospital; Colgate-Palmolive, Protex. It lost: Collagen Corp.

Billings breakdown: Medical journals 40%, cable tv 5%, direct mail 20%, sales literature 35%.

Top execs: Robert W. Buechert, chmn-ceo; Reginald A. Bowes, vice chmn; Thomas C. Spooner, president-coo; Lester A. Barnett, exec vp, creative director; Lawrence Wolhiem, senior vp, director client services. Employes: 60 in 2 offices.

Phone: (415) 391-8700. ☑

John Volk Co., Chicago, reported gross income of $1,138,601 in 1985 on billings of $7,657,629. In 1984, it reported gross income of $1,062,865 on billings of $7,515,973.

The agency's 1985 U.S. volume consisted of $1,926,503 in media, $517,387 in materials and services and $5,213,739 in capitalized fees. Its 1984 U.S. volume consisted of $2,108,150 in media, $2,126,790 in materials and services and $3,281,035 in capitalized fees.

In 1985, the agency gained: Heartland Lysine; Kewanee Farm Equipment; Moorman Mfg Co., pr; Nitragin Co.; Rynne Mktg Group. It lost: MDM Cattle Co.; U.S. Sweetener Producers Group.

Billings breakdown: Newspapers 8%, medical journals 2%, radio 12%, business papers 7%, farm publications 71%.

Top execs: John Volk, president. Vps—Mary Kowalzyck, pr; Tom Wright, assoc creative director; John Larkin, acct super; Margaret O'Brien, business mgr. Employes: 17.

Phone: (312) 787-7117. ☑

Waldbillig & Besteman, Madison, Wis., reported gross income of $1,921,960 in 1985 on billings of $15,118,215. In 1984, it reported gross income of $1,730,916 on billings of $13,906,455.

The agency's 1985 U.S. volume consisted of $2,915,200 in media, $1,902,000 in materials and services and $10,301,015 in capitalized fees. Its 1984 U.S. volume consisted of $2,560,000 in media, $1,845,000 in materials and services and $9,501,455 in capitalized fees.

In 1985, the agency gained: Alexander Co.; Gilson Medical Electronics; Dental Assn; HMO of Wis.; Russell Marina; Olympia Village. It lost: Monroe Specialty Co.

Billings breakdown: Newspapers 11%, magazines 3%, radio 11%, spot tv 9%, cable tv 1%, outdoor 2%, business papers 16%, farm publications 5%, point of sale 8%, direct mail 12%, print collateral, a/v 22%.

Top execs: William J. Waldbillig, president; Robert H. Besteman, exec vp, creative director. Vps—Michael F. Knapstein, director of acct service; Thomas J. Senatori, art dept mgr; David A. Genschaw, controller. Employes: 38.

Phone: (608) 238-4767.

Steve Walker & Associates, Ft. Lauderdale, reported gross income of $2,343,000 in 1985 on billings of $15,150,000. In 1984, it reported gross income of $2,102,000 on billings of $13,590,000.

In 1985, it had net income of $290,000, compared with $273,000 in 1984.

The agency's 1985 U.S. volume consisted of $7,950,000 in media, $1,520,000 in materials and services and $5,680,000 in capitalized fees. Its 1984 U.S. volume consisted of $7,100,000 in media, $1,270,000 in materials and services and $5,220,000 in capitalized fees.

In 1985, the agency gained: Dade/Broward Nissan Dealers Assn; Broward County, mass transit div; Coral Cadillac; Cenvill, Wynmoor devel; Marriott Orlando World Center. It lost: Six Flags Atlantis; Discom Securities.

Billings breakdown: Newspapers 25%, magazines 15%, radio 15%, spot tv 30%, cable tv 2%, outdoor 2%, business papers 2%, transit advertising 2%, Yellow Pages 1%, direct mail 2%, catalogs 1%, free-standing inserts 3%.

Top execs: Jack Drury, ceo; John Drury, president; Stan Harris, creative partner; Pat Nolan, exec vp. Employes: 34.

Phone: (305) 731-1600. ☑

Wardrop Murtaugh Temple & Frank, Chicago, reported gross income of $2,266,000 in 1985 on billings of $13,400,000. In 1984, it reported gross income of $1,728,900 on billings of $12,800,000.

In 1985, it had net income of $113,500, compared with $107,000 in 1984.

The agency's 1985 U.S. volume consisted of $6,880,000 in media, $5,120,000 in materials and services and $1,400,000 in capitalized fees. Its 1984 U.S. volume consisted of $6,650,000 in media, $4,876,000 in materials and services and $1,274,000 in capitalized fees.

In 1985, the agency gained: American Paging Co.; Howard & Sons, meat producers; Littman Brothers. It lost: Civic Center for Performing Arts.

Billings breakdown: Newspapers 15%, magazines 10%, radio 35%, spot tv 20%, business papers 8%, point of sale 2%, direct mail 10%.

Top execs: John C. Wardrop, president; Philip R. Murtaugh, exec vp; Marvin H. Frank, senior vp; John Temple, vp-creative director; Robert J. Milhizer, treasurer. Employes: 20.

Phone: (312) 750-9200.

Warner, Bicking & Fenwick, New York, reported gross income of $2,845,852 in 1985 on billings of $18,640,008. In 1984, it reported gross income of $2,345,989 on billings of $15,517,220.

The agency's 1985 U.S. volume consisted of $6,798,680 in media, $1,013,250 in materials and services and $10,828,078 in capitalized fees. Its 1984 U.S. volume consisted of $5,351,200 in media, $721,300 in materials and services and $9,444,720 in capitalized fees.

The agency did not consolidate subsidiaries:

- Communications Research
- TRIAD Computer Systems

In 1985, the agency gained: Martin Marietta Data Systems; Protocol Message Mgmt Centers; *Managing Automation*; Konica USA.

Quirks and quakes

The Creamer half of HBM/Creamer started out as Creamer-Colarossi in 1967 under president Donald E. Creamer and Ben Colarossi. It added Basford to the title in 1974 reflecting its parent's name (Basford Inc.) since its founding. In 1976, it became Creamer/FSR from its merger with Fuller & Smith & Ross. George Lois came over from Lois Holland Callaway in 1977 to make it Creamer Lois/FSR, but left a year later shortening the title to Creamer Inc. Mr. Colarossi also left for Griswold-Eshleman in 1978. It then became HBM/Creamer through its merger in 1983 with Boston-based Humphrey Browning & MacDougall.

Billings breakdown: Newspapers 5%, magazines 25%, radio 5%, spot tv 10%, business papers 15%, point of sale 5%, direct mail 10%, sales promo 25%.

Top execs: John E. Warner, chmn; Andrew Morris, president; John F. Bicking, treasurer-cfo; Michael Buri, vp. Employes: 26.

Phone: (212) 759-7900.

Warren/Kremer Advertising, New York, reported gross income of $3,314,755, of which $29,755 was non-U.S. contributions, in 1985 on billings of $23,985,000. In 1984, it reported gross income of $2,483,275, of which $18,275 was non-U.S. contributions, on billings of $15,900,000.

In 1985, the agency gained: Americana—Americana Hotels, Dutch Resort Hotel, Eden II, Great Gorge, Host Farm Resort; Continental Cos., Cherry Hill Inn; Inter-Continental Hotels; Loews Hotels & Resorts; Marriott Hotels, Hanover Marriott, JFK Airport Marriott, Seaview Country Club Resort; Rank Hotels; Grande Collection of Hotels; Bon Ami Cleanser; Buccellati Silver Ltd; Faultless Starch; Government of Israel Coins & Medals; MOMO Designs; Salir Italian Mirrors. It lost: Eden Roc Hotel; St. Lucia Tourist Board; Loews Ventana Canyon Resort; Trelawny Beach Hotel.

Billings breakdown: Newspapers 26%, magazines 35%, radio 5%, network tv 2%, outdoor 4%, business papers 15%, transit advertising 1%, point of sale 5%, direct mail 7%.

Top execs: Peter Warren, president; John H. Pollok, exec vp; Sydney J. Cohn, senior vp; Jane Nielson, vp. Employes: 51.

Phone: (212) 686-2914. ☑

Webb & Associates, Lafayette, Cal., reported gross income of $718,804 in 1985 on billings of $3,210,062. In 1984, it reported gross income of $714,479 on billings of $3,312,009.

In 1985, it had a loss of $30,798, compared with a gain of $47,069 in net income in 1984.

The agency's 1985 U.S. volume consisted of $1,295,442 in media, $774,186 in materials and services and $1,140,434 in capitalized fees. Its 1984 U.S. volume consisted of $1,184,164 in media, $959,544 in materials and services and $1,168,301 in capitalized fees.

In 1985, the agency gained: Decision Devel Corp; Hyundai America; Seton Medical Center. It lost: Price Dealership Group.

Billings breakdown: Newspapers 50%, magazines 20%, medical journals 2%, radio 13%, outdoor 7%, farm publications 5%, direct mail 3%.

Top exec: John M. Webb, president. Employes: 14.

Phone: (415) 283-1733. 5

Weightman Inc. Advertising, Philadelphia, reported gross income of $6,650,000 in 1985 on billings of $50,825,000. In 1984, it reported gross income of $6,188,000 on billings of $41,255,000.

Volume in both years was attributed to media.

Weightman Advertising is the lead agency in the newly formed Weightman Group, which billed an aggregate 80,100,000 in 1985. *(See agency group story for group members.)*

In 1985, the agency gained: SL Industries; SL Waber; SL Lube; SL Abrasives; Invisible Fence; ALPO Pet Insurance; Blue Cross, pr project; ARCO Building Products, Advanced Materials div, ARCO, ARCOGraph Inc.; Hunt Mfg Co., Bienfang Papers, Horizon, Art Products. It lost: None.

Billings breakdown: Newspapers 10%, magazines 15%, radio 6%, network tv 60%, outdoor 2%, business papers 5%, Yellow Pages 1%, other, 1%.

Top execs: Charles Coffey, chairman-coo; John C. Goodchild, president-coo; David Jordan, vice chmn-cfo; Senior vps—William Lunsford, creative director; Jack Burke, Hop Gwyn, Douglas K. Schores, Mark Plamondon, mgmt supers; Neil Harrison, media dir. Employes: 125.

Phone: (215) 561-6100.

S.J. Weinstein Associates, New York, reported gross income of $3,140,000 in 1985 on billings of $15,029,000. In 1984, it reported gross income of $2,437,000 on billings of $10,280,790.

The agency's 1985 U.S. volume consisted of $856,000 in media, $1,500,000 in materials and services and $12,673,000 in capitalized fees. Its 1984 U.S. volume consisted of $830,000 in media, $1,200,000 in materials and services and $8,250,790 in capitalized fees. Figures are for fiscal years ending Sept. 30 for both years.

In 1985, the agency gained: Abbott Diagnostics, AIDS test, blood banks, Instruments.

Overseas, it gained: Farmitalia Carlo Erba, Minidiab, Tolmicen, Sermion, Ketfiprim.

Billings breakdown: Magazines 50%, point of sale 5%, direct mail 20%, other 25%.

Top execs: Stephen J. Weinstein, president; Mel H. Getzoff, exec vp; Richard C. Siegel, senior vp; Barry R. Frankel, vice president, mgmt super. Employes: 27.

Phone: (212) 206-0222. ☑

Weiser Group, Chicago, reported gross income of $1,809,044 in 1985 on billings of $12,192,110. In 1984, it reported gross income of $1,885,305 on billings of $12,880,578. Figures are for fiscal years ending March 31, 1985 and May 31, 1984.

In 1985, it reported net income of $92,706, compared with $81,829 in 1984.

The agency's 1985 U.S. volume consisted of $2,806,098 in media, $974,488 in materials and services and $8,411,524 in capitalized fees. Its 1984 U.S. volume consisted of $3,350,248 in media, $878,159 in materials and services and $8,652,171 in capitalized fees.

Included in the agency's figures were returns from its New York City office.

In 1985, the agency gained: PC Quote. It lost: Knight-Ridder Business Information Services.

Billings breakdown: Newspapers 5%, magazines 35%, radio 1%, spot tv 1%, cable tv 1%, outdoor 1%, business papers 45%, farm publications 10%, transit advertising 1%.

Top execs: Michael L. Weiser, president; Raymond D. Minkus, Jeffrey Kratz, senior vps. Employes: 24 in 2 offices.

Phone: (312) 368-1500. ☑

Wendt Advertising, Great Falls, Mont., reported gross income of $876,102 in 1985 on billings of $5,854,143. In 1984, it reported gross income of $675,051 on billings of $4,508,688.

The agency's 1985 U.S. volume consisted of $2,142,904 in media, $660,234 in materials and services and $3,051,005 in capitalized fees. Its 1984 U.S. volume consisted of $1,523,401 in media, $653,402 in materials and services and $2,331,885 in capitalized fees.

Included in the agency's figures were returns from its Spokane, Wash., office.

In 1985, the agency gained: Columbia Lighting; Farmers & Merchants Bank; Western Family Foods, Spokane div, canned foods; Pizza Hut, local promo; American Simmental Assn, Cattle Breed Assn; Bozeman, Sirco; Montana Dept of Commerce, winter travel promo; Norwest Corp. It Lost: Farm Credit Services.

Billings breakdown: Newspapers 27%, magazines 40%, radio 7%, spot tv 16%, outdoor 4%, farm publications 5%, Yellow Pages 1%.

Top execs: Stanley F. Meyer, president; Mary C. Tietjen, exec vp; Robert L. Lindborg, senior vp. Employes: 23 in 2 offices.

Phone: (406) 452-8581. ☑

West & Brady, Greenbelt, Md., reported gross income of $316,122 in 1985 on billings of $2,396,850. In 1984, it reported gross income of $339,978 on billings of $2,240,337.

The agency's 1985 U.S. volume consisted of $1,250,262 in media, $207,205 in materials and services and $939,383 in capitalized fees. Its 1984 U.S. volume consisted of $735,648 in media, $240,384 in materials and services and $1,264,305 in capitalized fees.

In 1985, the agency gained: Sir Walter Raleigh Restaurants; Pennmark Condominiums.

Billings breakdown: Newspapers 44.3%, magazines 23.4%, radio 26.6%, direct mail 5.7%.

Top exec: Gerald T. Brady, president, chmn. Employes: 10.

Phone: (301) 441-8707. ☑

West, Morris, Davis & Muender, Rockford, Ill., formerly West, Gentry & Morris, reported gross income of $852,000 in 1985 on billings of $7,715,543. In 1984, it reported gross income of $885,000 on billings of $7,561,350.

The agency's 1985 U.S. volume consisted of $1,643,555 in media, $389,148 in materials and services and $5,682,840 in capitalized fees. Its 1984 U.S. volume consisted of $1,327,100 in media, $398,000 in materials and services and $5,836,250 in capitalized fees.

Billings breakdown: Newspapers 5%, magazines 82%, radio 5%, spot tv 5%, outdoor 3%.

Top execs: Robert A. West, chmn; William B. Morris, president. Vps—Don Davis, creative director; Percy Muender, Joe Ubben, vps. Employes: 10.

Phone: (815) 968-5552.

Wettstein/Bolchalk Advertising & PR, Tucson, reported gross income of $1,021,950 in 1985 on billings of $6,833,320. In 1984, it reported gross income of $867,466 on billings of $5,785,992.

In 1985, it had net income of $35,724, compared with $38,216 in 1984.

The agency's 1985 U.S. volume consisted of $2,359,025 in media, $589,100 in materials and services and $3,885,195 in capitalized fees. Its 1984 U.S. volume consisted of $2,077,594 in media, $370,746 in materials and services and $2,390,480 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

• Public Relations Dept

In 1985, the agency gained: Paragon Homes (Phoenix); Scottsdale Subaru; Jim Click Nissan; KRQ Radio, nationwide communications; Tucson Realty & Trust. It lost: Precision Toyota; BoSa Donuts; Harlow's Nursery.

Billings breakdown: Newspapers 50%, magazines 6%, supplements 1%, radio 17%, spot tv 8%, outdoor 2%, business papers 14%, Yellow Pages 1%, direct mail 1%.

Top execs: Earl R. Wettstein, chmn; Michael T. Bolchalk, president. Employes: 35 in 2 offices.

Phone: (602) 745-8221. ☑

White, Good & Co., Mt. Gretna, Pa., reported gross income of $488,451 in 1985 on billings of $3,054,968. In 1984, it reported gross income of $320,588 on billings of $2,191,089.

In 1985, it reported net income of $60,934, compared with $40,001 in 1984.

The agency's 1985 U.S. volume consisted of $999,552 in media, $325,555 in materials and services and $1,729,861 in capitalized fees. Its 1984 U.S. volume consisted of $34,713 in media, $285,875 in materials and services and $1,870,501 in capitalized fees.

In 1985, the agency gained: F&M Trust Co.; Homedco; Peoples Natl Bank; Star States Leasing; Market Metrics. It lost: Commonwealth Natl Bank; Turkey Hill Dairy.

Billings breakdown: Newspapers 32%, magazines 14%, radio 8%, spot tv 23%, outdoor 7%, business papers 5%, point of sale 1%, Yellow Pages 4%, direct mail 4%, catalogs 2%.

Top execs: Robert F. Good, president; Ann S. White, exec vp. Employes: 10.

Phone: (717) 964-3616. ☑

Edwin Bird Wilson, New York, reported gross income of $5,231,819 in 1985 on billings of $40,138,765. In 1984, it reported gross income of $4,820,000 on billings of $35,273,578.

The agency's 1985 U.S. volume consisted of $20,892,177 in media, $5,524,370 in materials and services and $13,722,218 in capitalized fees. Its 1984 U.S. volume consisted of $20,994,150 in media, $5,394,903 in materials and services and $8,934,525 in capitalized fees.

In 1985, the agency gained: Matthew Bender & Co.; Natl Football League Properties; Ricoh Cameras; First Fidelity Bank; Konica USA, pr; Sankyo Deiki Mfg Co., pr. It lost: Northeast Savings Bank.

Billings breakdown: Newspapers 30%, magazines 35%, radio 7%, network tv 5%, spot tv 7%, cable tv 1%, outdoor 3%, business papers 12%.

Top execs: Delano W. Ladd Jr., chmn; James N. Harvey, president; Hubert J. Donlon, vice-chmn. Employes: 80.

Phone: (212) 684-5220.

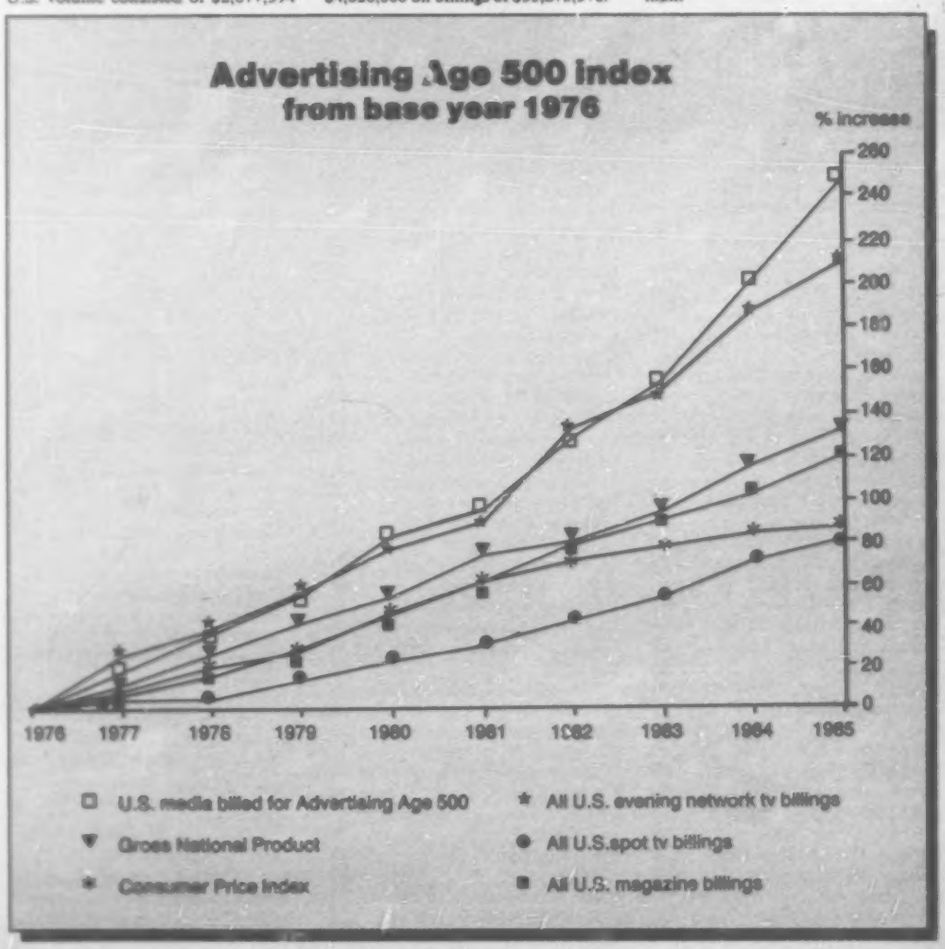
Wilson, Frank & Associates, San Diego, reported gross income of $358,302 in 1985 on billings of $2,272,453. In 1984, it reported gross income of $320,906 on billings of $2,418,550.

The agency's 1985 U.S. volume consisted of $951,028 in media, $535,720 in materials and services and $785,705 in capitalized fees. Its 1984 U.S. volume consisted of $890,821 in media, $435,770 in materials and services and $1,091,959 in capitalized fees.

In 1985, the agency gained: Therold Industries; DeLoux Schools of Cosmotology.

Quirks and quakes

What's in a name, anyway? Calet, Hirsch & Spector was once the DKG Advertising Inc. named Agency of the Year in 1976 by Advertising Age. Its evolution began as Kurnit, Geller Associates, which merged with Delehanty & Frankel to become Delehanty, Kurnit & Geller. (Geller is Norman Geller of Lord, Federico, Geller & Einstein.) It was shortened to DKG, which at the time of the Agency of the Year kudos, was headed by exec vps, Neil Calet and Peter Hirsch, and Lawrence Spector, president, and Shepard Kurnit, chairman.



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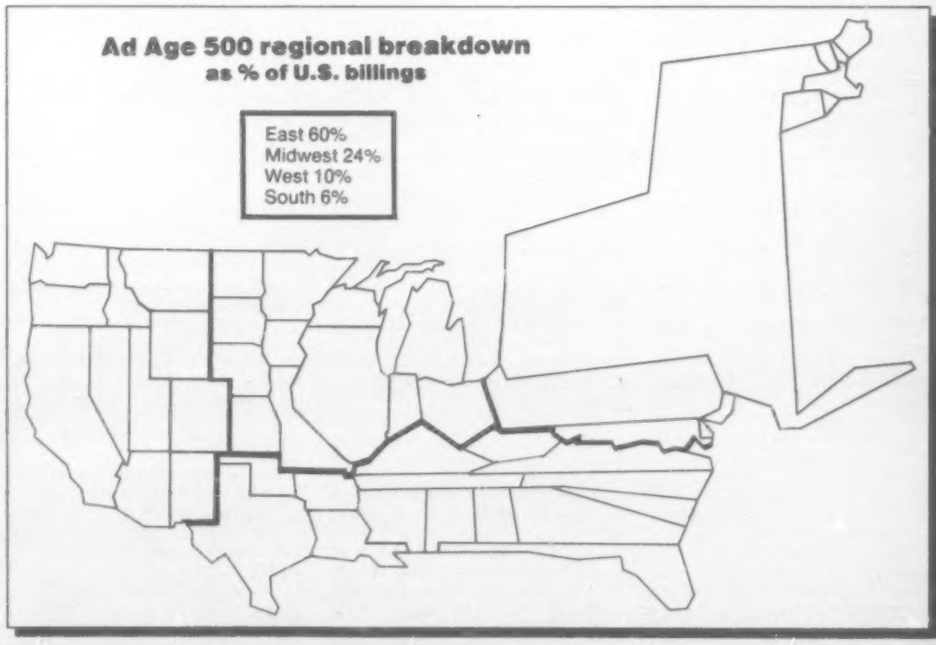

Billings breakdown: Newspapers 55%, radio 26%, outdoor 8%, production, printing 11%.

Top execs: Thomas Wilson, president; Martha S. Frank, senior vp. Employes: 10.

Phone: (619) 297-3355. ☑

Wimmershoff & Associates, Westwood, Cal., reported gross income of $1,442,861 in 1985 on billings of $9,619,076. In 1984, it reported gross income of $1,010,449 on billings of $6,758,442.

In 1985, it reported net income of $235,186, compared with $127,317 in 1984.

The agency's 1985 U.S. volume consisted of $3,122,286 in media, $1,296,858 in materials and services and $5,199,932 in capitalized fees. Its 1984 U.S. volume consisted of $1,383,988 in media, $1,139,864 in materials and services and $4,234,590 in capitalized fees.

Billings breakdown: Magazines 30%, medical journals 5%, radio 10%, spot tv 30%, business papers 15%, direct mail 10%.

Top execs: Alfred Wimmershoff, chmn-ceo; Chip Wimmershoff, president; Gilbert Bob, Jack Dane, Lynn Harvey, vps.

Employes: 20.

Phone: (201) 664-3220.

Winius-Brandon Advertising, Bellaire, Tex., reported gross income of $2,421,394 in 1985 on billings of $24,496,913. In 1984, it reported gross income of $1,518,891 on billings of $19,174,767.

In 1985, it had net income of $411,636, compared with $334,156 in 1984.

The agency's 1985 U.S. volume consisted of $12,104,200 in media, $1,740,390 in materials and services and $10,652,323 in capitalized fees. Its 1984 U.S. volume consisted of $9,424,311 in media, $1,122,345 in materials and services and $8,628,111 in capitalized fees.

In 1985, the agency gained: Houston Symphony Orchestra; Hyatt Regency West Houston; Lifeco Travel Services; Chamber of Commerce (McAllen, Tex.).

Billings breakdown: Newspapers 10%, magazines 9%, radio 22%, spot tv 36%, cable tv 3%, outdoor 6%, transit advertising 8%, point of sale 2%, Yellow Pages 1%, direct mail 2%, catalogs 1%.

Top execs: Art Casper, chmn, president; Ed Kennard, exec vp, creative director; Harold Green, senior vp-cfo; Dan Japhet, Roger Beckstead, Steve Haber, Louise Bradford, Alice Chadwell, vps. Employes: 52.

Phone: (713) 666-1765. ☑

Winkler McDermott Winkler, New York, reported gross income of $675,264 in 1985 on billings of $4,177,395. The agency did not report for 1984.

The agency's 1985 U.S. volume consisted of $348,191 in media, $639,327 in materials and services and $3,189,877 in capitalized fees.

In 1985, the agency gained: Unilease Computer Corp; Robert Woolridge & Co.; Software RepairShop.

Billings breakdown: Magazines 88%, direct mail 12%.

Top execs: Robert K. Winkler, chmn-creative director; Arlene G. Winkler, president, acct super. Vps—John Pitt, copy chief; Patty B. Nalle, exec art director. Employes: 16.

Phone: (212) 673-2500. ☑

Don Wise & Co., New York, had estimated gross income of $975,000 in 1985 on billings of $6,500,000. In 1984, it had estimated gross income of $900,000 on billings of $6,000,000.

In 1985, the agency gained: Koret, leather handbags.

Billings breakdown: Newspapers 5%, magazines 60%, radio 10%, business papers 15%, point of sale 5%, direct mail 5%.

Top exec: Donald Wise, president, creative director.

Employes: 15.

Phone: (212) 371-3333.

Witherspoon & Associates, Fort Worth, Tex., reported gross income of $2,701,174 in 1985 on billings of $15,632,808. In 1984, it reported gross income of $1,953,020 on billings of $11,102,805.

In 1985, it had net income of $310,698, compared with $93,406 in 1984.

The agency's 1985 U.S. volume consisted of $4,430,578 in media, $1,498,952 in materials and services and $9,703,278 in capitalized fees. Its 1984 U.S. volume consisted of $3,146,702 in media, $1,064,592 in materials and services and $6,891,510 in capitalized fees.

Included in the agency's figures were returns from subsidiary:

• Ad Group One, Fort Worth, Tex.

In 1985, the agency gained: Burlington Northern Railroad; Westwood Mortgage; Fort Worth Convention & Visitors Bureau; Sproles-Woodard; Western Services Crop. It lost: Texas Turnpike Authority.

Billings breakdown: Newspapers 28%, magazines 4%, radio 25%, outdoor 3%, business papers 38%, Yellow Pages 1%, direct mail 1%.

Top execs: Roger Rienstra, president; Preston Figley, exec vp. Employes: 49 in 2 offices.

Phone: (817) 335-1373.

Wolkoff Advertising, Albany, N.Y., had estimated gross income of $613,000 in 1985 on billings of $3,976,720. The agency did not report for 1984.

The agency's 1985 U.S. volume consisted of $1,900,000 in media, $636,000 in materials and services and $1,440,720 in capitalized fees.

In 1985, new clients the agency gained: N.Y. State Dept of Agriculture & Markets; Capital Cablevision; Turf Inn; Capital/Saratogian Region, tourism.

Billings breakdown: Newspapers 20%, magazines 15%, medical journals 3%, radio 23%, spot tv 13%, cable tv 1%, outdoor 5%, transit advertising 1%, direct mail 4%, miscellaneous 14%.

Top execs: Stewart I. Sacklow, president; Harriette Sacklow, vp. Employes: 14 in 2 offices.

Phone: (518) 869-4846. ☑

Womack/Claypoole Advertising, Dallas, reported gross income of $611,998 for eleven months of 1985 on billings of $4,082,027.

The agency's 1985 U.S. volume consisted of $1,556,517 in media and $2,525,510 in capitalized fees.

The agency was part of the Womack/Claypoole/Griffin group with offices in four Texas cities which split up into four operating entities in May, 1984.

Units are also located in Lubbock, Odessa and San Antonio.

In 1985, the agency gained: Control Technology; Permian Rsch; Intl Power Machines.

Billings breakdown: Newspapers 15%, radio 5%, spot tv 5%, business papers 65%, direct mail 5%, telemarketing 5%.

Top execs: William R. Claypoole, president; Vicki D. Hummel, secretary, treasurer. Employes: 13.

Phone: (214) 634-1234.

Wooding & Housley, Providence, R.I., reported gross income of $1,056,000 in 1985 on billings of $7,000,000. In 1984, it reported gross income of $1,170,000 on billings of $6,000,000.

In 1985, it had net income of $45,000, compared with $53,000 in 1984.

The agency's 1985 U.S. volume consisted of $1,445,000 in media and $5,555,000 in capitalized fees. Its 1984 U.S. volume consisted of $3,200,000 in media, $1,860,000 in materials and services and $940,000 in capitalized fees.

In 1985, the agency gained: Coleman Footgear; Edwards & Angell; Kenney Window Fashions; Klockner-Moeller; Roosevelt & Cross/R.I. It lost: Thermo Electron Web Systems Inc.

Billings breakdown: Newspapers 5%, magazines 30%, radio 5%, outdoor 5%, business papers 45%, point of sale 5%, direct mail 5%.

Top execs: Principals—Benjamin E. Wooding, president; John Housley, vp. Employes: 22.

Phone: (401) 272-9494. ☑

Wray/Ward Advertising, Charlotte, N.C., reported gross income of $1,485,707 in 1985 on billings of $9,723,064. In 1984, it reported gross income of $1,288,081 on billings of $8,716,507.

In 1985, the agency gained: Celanese Fibers; Siecor Corp, optical fibers. It lost: Bunker Hill Foods; Canned Foods.

Billings breakdown: Newspapers 21%, magazines 15%, radio 7%, spot tv 45%, outdoor 1%, business papers 11%.

Top execs: Charles W. Wray Jr., president, treasurer; Robert L. Ward, exec vp, secretary; Sylvia J. Cope, senior vp. Employes: 21.

Phone: (704) 332-9071. ☑

Wyble Advertising, Millville, N.J., reported gross income of $1,764,748 in 1985 on billings of $7,567,353. In 1984, it reported gross income of $1,712,798 on billings of $7,401,054.

The agency's 1985 U.S. volume consisted of $1,863,013 in media, $717,034 in materials and services and $4,987,306 in capitalized fees. Its 1984 U.S. volume consisted of $2,287,200 in media, $742,123 in materials and services and $4,371,731 in capitalized fees.

Included in the agency's figures were returns from its Reston, Va., office.

Billings breakdown: Newspapers 11%, magazines 20%, supplements 1%, radio 1%, outdoor 1%, business papers 47%, farm publications 1%, point of sale 1%, direct mail 12%, catalogs 6%, direct response newspapers 1%.

Top execs: Gene Wyble, chmn; Henry E. Wyble, president. Employes: 23 in 2 offices.

Phone: (609) 825-3403. ☑

Yaffe & Co., Southfield, Mich., reported gross income of $2,748,530 in 1985 on billings of $16,511,067. In 1984, it reported gross income of $1,502,552 on billings of $10,002,817.

The agency's 1985 U.S. volume consisted of $10,070,019 in media, $1,796,000 in materials and services and $4,645,048 in capitalized fees. Its 1984 U.S. volume consisted of $5,668,762 in media, $810,475 in materials and services and $3,523,580 in capitalized fees.

In 1985, the agency gained: Art Van Furniture; ABC Appliance Co.; Diamond Acceptance Corp; Sparrow Hospital. It lost: Servico; Kay & Kay Tile Co.

Billings breakdown: Newspapers 20%, magazines 1%, radio 34%, spot tv 40%, cable tv 2%, outdoor 3%.

Top execs: Fred Yaffe, chmn-ceo. Senior vps—Robert Popa, pr; Michael Morin, client services. Employes: 38.

Phone: (313) 552-7800.

Yardis Advertising, Bryn Mawr, Pa., a subsidiary of Yardis Corp., had estimated gross income of $300,000 in 1985 on billings of $2,000,000. In 1984, it had an estimated gross income of $300,000 on billings of $2,000,000.

The agency did not break down its U.S. volume or media billings.

Top exec: Raymond Rosenberg, president. Employes: 6.

Phone: (215) 527-6550.

Richard Yeager Associates, Moorestown, N.J., reported gross income of $626,412 in 1985 on billings of $4,364,072. In 1984, it reported gross income of $549,104 on billings of $3,846,595.

The agency's 1985 U.S. volume consisted of $549,502 in media, $449,962 in materials and services and $3,364,608 in capitalized fees. Its 1984 U.S. volume consisted of $465,423 in media, $447,559 in materials and services and $2,933,613 in capitalized fees.

In 1985, the agency gained: West Laurel Hill; South Jersey Port Corp; United Vision Care.

Billings breakdown: Newspapers 25%, magazines 25%, radio 7%, business papers 20%, point of sale 6%, direct mail 11%, other 6%.

Top execs: Richard A. Yeager, president; Phillip J. Guagnano, vp-acct service. Employes: 12.

Phone: (609) 235-5768. ☑

Yellow Pages Marketing Services, Mequon, Wis., reported gross income of $4,767,000, of which $91,000 was non-U.S. contributions, in 1985 on billings of $31,211,000. In 1984, it reported gross income of $3,752,000, of which $88,000 was non-U.S. contributions, on billings of $25,025,000.

The agency's 1985 U.S. volume of $30,586,000 was all in media. Its 1984 U.S. volume of $24,438,000 was all in media.

Included in the agency's figures were returns from the offices in Milwaukee, Chicago, Cleveland, Houston, Kansas City, Los Angeles, Minneapolis and New York.

Billings breakdown: Yellow Pages, 100%.

Top execs: R.C. Miller, president; R.B. Kennedy, J.F. Ponce, senior vps; H.B. Harper, M.D. Brown, D.J. Madison, R.N. Magnolia, K.L. Smith, J.S. Miller, R.M. Tuchalski, A.J. Kosack, vps. Employes: 84 in 8 offices.

Phone: (414) 241-8600. ☑

Baron & Zaretsky Advertising, New York, reported gross income of $2,400,000 in 1985 on media billings of $13,250,000. In 1984, it reported gross income of $1,695,000 on media billings of $11,300,000.

In 1985, the agency gained: *Good Housekeeping*, Cosrich Inc. (Vidal Sassoon nail care, Old Spice grooming aids, Jean Nate bath implements); LNP Engineering Plastics, Intl Circulation Distributors (Hearst Corp). Lost: Lucille Roberts, Pavion Cosmetics.

Billings breakdown: Newspapers 30%, magazines 30%, radio 10%, spot tv 10%, business papers 20. Top execs: Kenneth D. Baron, president; Burton Zaretsky, exec vp.Employes: 23.

Phone: (212) 677-1747.

Zechman & Associates, Chicago, reported gross income of $2,429,101 in 1985 on billings of $16,621,162. In 1984, it reported gross income of $1,904,334 on billings of $6,179,885.

In 1985, it had net income of $1,176,779, compared with $1,027,997 in 1984.

The agency's 1985 U.S. volume consisted of $13,723,001 in media and $2,898,161 in materials and services. Its 1984 U.S. volume consisted of $3,321,061 in media and $6,179,885 in capitalized fees.

In 1985, the agency gained: Dept of Commerce & Community Affairs, Illinois Office of Tourism, Film & Economic Devel; Dovebar Intl; Exchange Natl Bank of Chicago. It lost: Amdek Corp, computer peripherals.

Billings breakdown: Newspapers 6%, magazines 18%, medical journals 1%, radio 28%, spot tv 44%, outdoor 2%, business papers 1%.

Top execs: Jan E. Kechman, president, creative director; Philip D. Davis, senior vp. Employes: 27.

Phone: (312) 346-0551.

Zeta Media, Falls Church, Va., had estimated gross income of $670,000 in 1985 on billings of $4,270,060. In 1984, it had estimated gross income of $537,000 on billings of $3,371,100.

The agency's 1985 U.S. volume consisted of $1,482,000 in materials and services and $4,270,060 in capitalized fees. Its 1984 U.S. volume consisted of $1,170,000 in materials and services and $2,201,100 in capitalized fees.

Included in the figures were returns from its Juno Beach, Fla., office.

In 1985, the agency gained: Palm Beach Festival, performing arts organization; Riverfront Groves; Gracewood Fruit Co.; Good Samaritan Hospital, educational seminars for physicians.

Billings breakdown: Newspapers 1%, magazines 1%, direct mail 97%, catalogs 1%.

Top execs: Marianne Parrish, president; Lawrence B. Swim, exec vp. Employes: 8 in 2 offices.

Phone: (703) 556-9793. ☑

Zubi Advertising Services, Miami, had estimated gross income in 1985 of $1,014,000 on billings of $6,525,000. In 1984, it had estimated gross income of $910,000 on billings of $5,840,500.

The agency's 1985 U.S. volume consisted of $4,427,960 in media, $1,325,000 in materials and services and $772,040 in capitalized fees. Its 1984 U.S. volume consisted of $4,128,000 in media, $1,340,500 in materials and services and $372,000 in capitalized fees.

In 1985, the agency gained: American Check; Interdevco/Coral Lakes; Masters Beer; Interfirst Financial Group.

Billings breakdown: Newspapers 15%, magazines 5%, radio 30%, spot tv 30%, outdoor 5%, point of sale 5%, direct mail 10%.

Top exec: Teresa A. Zubizarreta, president. Employes: 12.

Phone: (305) 854-6807.

Zylke & Associates, Northbrook, Ill., reported gross income of $1,640,252 in 1985 on billings of $11,732,338. In 1984, it reported gross income of $1,611,078 on billings of $10,745,890.

The agency's 1985 U.S. volume consisted of $3,723,536 in media, $1,287,723 in materials and services and $6,721,079 in capitalized fees. Its 1984 U.S. volume consisted of $3,471,380 in media, $1,453,889 in materials and services and $5,820,621 in capitalized fees.

In 1985, the agency gained: Angus Chemical; Bee Chemical; Cultour; UNOCAL, Aptech div.

Billings breakdown: Business papers 60%, farm publications 1%, direct mail 20%, other 19%.

Top execs: Ralph B. Zylke, president; Charles H. Puls, exec vp. Employes: 27.

Phone: (312) 498-9300.

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Monday, March 31, 1986

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Now each Monday : Special Report

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NEWSPAPER

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CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

HIGHLIGHTS

Network order changeth 1
CBS Inc. last week rebuffed a $3.7 billion buyout offer from oilman billionaire Marvin Davis, but the price of staying independent will continue to escalate. The Davis bid, in fact, put into sharper focus the fact that all three major tv networks—CBS, NBC and ABC—are in the process of putting traditions behind them.

NBC Olympic deal signed 1
NBC signed to broadcast the 1988 Summer Olympics from Korea, but the revenue-sharing plan in the agreement is being termed a "face-saving" device for the Koreans. Sources said NBC does not expect to pay more than $300 million.

Baseball's family pitch 3
There is no doubt this is Major League Baseball's year of the family. Nearly every team is making a pitch to lure mom, dad and the kids into stadiums. The family concept is being used to counter baseball's well publicized drug problems. It also is the hook baseball marketers believe will increase attendance.

Opel win free for Troost 3
General Motors last week announced it is moving the $24 million-to-$28 million Adam Opel account in Germany from McCann-Erickson, its agency for the last 57 years, to Troost Lowe-Marschalk, which did not even pitch for the account.

L'Envie suit settled 6
S.C. Johnson & Son and Cosmair have agreed on new labeling and advertising disclaimers to settle a lawsuit that jeopardized Johnson's $12 million launch of its L'Envie by Agree Parfum shampoo and conditioner line.

P&G goes liquid 12
Procter & Gamble's decision to test-market a liquid version of its Cheer laundry detergent indicates that major soap companies now agree with consumers that liquids are the detergent market's future.

Tom's Maine chance 71
Although Tom's of Maine may have started out as a lark, it is becoming, if not big business, nothing to brush off.

Retailers get small 83
Two of the nation's top retailers last week announced expansion plans based on a "Smaller is better" philosophy. Sears, Roebuck & Co. said that this year it will open up to 50 paint-and-hardware stores, part of a new emphasis on developing smaller-scale specialty outlets. Rival Montgomery Ward & Co. said it will convert 117 of its current stores, about 40% of its chain, to "Seven Worlds of Ward's" specialty stores.

NEW PRODUCTS

Milking calcium 28
Calcium is fast becoming the "mineral of the month," finding its way into many product offerings. As always, the question is: Is it here to stay?

FEATURES

A Walz with a reel 40
Had David Ogilvy made sinus medicine sound more appealing, Ken Walz might not have left advertising for video production. And Mr. Walz would not have produced the "Girls Just Want to Have Fun" music video that made Cyndi Lauper a pop phenomenon and made him what he is today: One of the most accomplished music video producers and an outspoken critic of advertising's attempts to mimic music video style in commercials.

INTERNATIONAL

Japanese cigaret tax 58
Foreign tobacco marketers in Tokyo are facing a new excise tax on cigarets that is expected to seriously hurt their efforts to carve out a bigger slice of the $14.8 billion Japanese cigaret market.

Relaxed U.K. client conflict 58
British advertisers, caught in a wave of corporate mergers like those in the U.S., are relaxing their attitudes about client conflict. They are redefining "conflict" as a situation in which a marketer's agency handles a product in direct competition with the marketer's own, rather than an agency merely handling other accounts for a rival.

More tv ads in India 59
Despite an ongoing controversy over the role of tv, tv advertising has arrived in India and is expected to grow dramatically in the next five years. Today there are 5.2 million tv sets reaching 50 million people at peak times, compared with about 450,000 sets 10 years ago.

OTHER NEWS

A $1 million-a-week coupon misredemption ring, busted March 12 by U.S. Postal Service inspectors in Florida, was run by a group of conmen who for several years tried to get legitimate coupon clearinghouses to participate in the scheme, USPS says. Page 10.

McIlhenny Co., citing increased competition in what is being called a "cut-throat category," is spicing up its media mix for Tabasco hot sauce, suggesting it as an alternative to salt. Page 22.

The Securities & Exchange Commission plans to issue guidelines aimed at preventing consumer confusion over ads from investment companies offering Ginnie Mae funds. Page 32.

The hard-core sports fan is no less interested in sports than he was five years ago, but the "light" sports fan is defecting to alternative programs in increasing numbers, according to a study by Campbell-Ewald on the future of tv sports. Page 39.

Chicago's long tradition of afternoon newspapers has been revived with plans to begin a weekday business tabloid called *Daily Market Digest*. Page 65.

Fresh from success in the Mexican specialty foods market, Pet Inc. will find the sauce even spicier when it squares off against established competitors in the fast-growing $1.8 billion Italian-foods market. Page 82.

The availability of three Oscar-winning movies on videocassette is putting the big chill on Hollywood's traditional ad push for Academy Award films this year. Only Universal Pictures, with "Out of Africa," plans extra network tv and page ads in major newspapers. Page 83.

CAMPAIGNS BREAKING

Kellogg Co. April 1 puts Garfield the Cat bicycle stickers in 50 million boxes of Apple Jacks, Corn Pops, Fruit Loops, Honey Smacks and Raisin Bran cereals. Leo Burnett USA, Chicago, handles the $1.5 million promo (AA, Jan. 27).

SPECIAL REPORT

Tv commercial production is changing with new, expanded roles for directors and higher costs of production. Special Report looks at these issues and provides a directory of tv commercial production houses in the U.S.

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Grey to fly with airline account

By GARY LEVIN

Northwest Orient Airlines has picked incumbent Grey Advertising, Minneapolis, to handle its combined U.S. passenger account —estimated to be worth in excess of $50 million—following Northwest's acquisition of Minneapolis-based Republic Airlines (AA, Jan. 27).

Dancer Fitzgerald Sample, New York, which had held the $25 million Republic account, also had pitched for the combined assignment (AA, Feb. 17). Northwest's decision for Grey leaves Dancer open to pursue other airline business.

The consolidation "allows for advance planning of the merged airlines' launch advertising pro-

(Continued on Page 86)

Bergin: Eased off Coke biz

By STEWART ALTER

NEW YORK—It wasn't John Bergin's idea to start up his own agency within McCann-Erickson. He would have preferred remaining the top creative exec on the Coca-Cola account.

But Coca-Cola felt differently. The client had McCann gently ease Mr. Bergin off its business, and McCann accommodated both Coke and Mr. Bergin by setting up the John Bergin Group, a team of top creatives who will hunt for new business and troubleshoot on McCann accounts.

Mr. Bergin, who earlier had played a major role both at BBDO in the development of the "Pepsi generation" cam-

(Continued on Page 86)

West Coast news

E. & J. Gallo eyes black audience

E. & J. Gallo Winery, Modesto, Cal., is for the first time reviewing advertising agencies specializing in the black market concerning an undisclosed assignment. The nation's largest winery is in preliminary talks with at least three. They include: ICAN, Marina Del Rey; J. Melvin Muse & Co., Santa Ana, and TDJT Communications, San Francisco. Gallo declined comment.

Chiat/Day senior vp-director of

(Continued on Page 86)

News spotlight powers Tylenol ad recall

Visibility increases after poisoning

By JULIE FRANZ

Consumers often confuse what they see in advertising with what they see on the nightly news, and such has been the case with Johnson & Johnson's Tylenol.

Tylenol's share of first mentions last month in ADVERTISING AGE's adWatch survey of advertising awareness zoomed 12.1 percentage points to 33.7% after remaining relatively unchanged for the past year.

As has happened before, both to Tylenol and other consumer products, advertising awareness was boosted by events unrelated to advertising.

Advertising for Tylenol was pulled from the air Feb. 11, one day after a New York woman died after taking cyanide-tainted capsules of Extra-Strength Tylenol.

The pain reliever remained the subject of public scrutiny for several weeks as capsules were removed from store shelves across the country and replaced by caplets.

The chairman of J&J's McNeil Consumer Products Co. unit appeared in a tv commercial that broke Feb. 19, one day before the monthly adWatch survey was completed, asking consumers to trade in their Tylenol capsules for Tylenol caplets.

Brand advertising, which, ironically, shows testimonials from contented users, resumed March 7. Saatchi & Saatchi Compton, New York, handles.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name ads in a variety of product categories that first come to mind from all seen, heard or read in the previous 30 days.

In February, 1,000 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

Also making headlines in February—although hardly as ominous as those relating to Tylenol—was Burger King's recently ended "Herb" campaign. BK president Jay Darling called the campaign a disappointment except for the increased awareness Herb gave the chain (AA, March 24).

And Herb did help No. 2 Burger King's ad awareness. In February, 23% of the 1,000 consumers polled named Burger King first when asked to name the first **fast-food** ad that came to mind. That represented a five-percentage-point increase over the January results, when BK was named first by 18% of those surveyed.

BK's share of first mentions has been steadily rising since Herb hit the airwaves in late November, climbing 12.9 points from November through February.

Conversely, McDonald's share of ad awareness has dropped 9.4 points from November through February—a time when McDonald's was spending an average $5 million a week on tv advertising for its McD.L.T. sandwich.

Last month, Big Mac's share of first mentions in the aided fast-food category fell 5.7 percentage points to 39.6%. McDonald's launched a pool of five new McD.L.T. spots during the Jan. 26 Super Bowl XX telecast.

Wendy's International's advertising remains No. 3 with 9.5% of first mentions. Hardee's Food Systems is No. 4 with 2.7% of first mentions, and Jack in the Box reappeared in the top five for the first time in nine months with 1.2% of first mentions.

In the **soft-drink** category, Pepsi-Cola's share of first mentions climbed 9.4 points to 32.9%, putting the brand in the driver's seat for the first time since April, 1985, when its popular "New generation" campaign featuring singer Lionel Richie first aired.

Once again it's a star-studded approach that has put Pepsi in the No. 1 position for ad awareness among soft-drink marketers.

Spots featuring actor Michael J. Fox fashioning a can of Pepsi from a paper photocopy broke Feb. 2. It was followed Feb. 10 by a spot entitled "Telekinesis," showing a group of students prompting another student to move a Coke can by thinking of refreshment. Instead, an entire Pepsi machine rises in the air.

Pepsi has a chance to make even greater gains against Coke in the March survey, because the campaign's two-minute spot featuring "Miami Vice" star Don Johnson and rocker Glenn Frey broke during the Grammy Awards telecast Feb. 25, five days after the Febru-

(Continued on Page 71)

SOUTHERN CALIFORNIA'S BEST MARKET IS ITS WORST KEPT SECRET

Orange County, Southern California's most affluent market with a median household income 29% higher than Los Angeles, is now a national advertising target. In 1985, its leading newspaper — The Orange County Register — carried more full-run daily advertising than any other newspaper...in the nation.

Source: Media Records, Inc., 1985

THE ORANGE COUNTY Register
METROGROUP

The *only* way to influence Southern California's best market.

Represented Nationally by Cresmer, Woodward, O'Mara & Ormsbee, Inc.

PEOPLE

Discover The Discovery Channel.

Nature. Science. History. Technology. World explorations. Human Adventure. Twelve hours a day The Discovery Channel offers the best entertaining non-fiction programming the world has to offer.

Finally, America's most elusive television audience has a network to call its own.

The Discovery Channel. Only on cable. Catch it!

THE DISCOVERY CHANNEL

adWatch

(Continued from Page 4)

ary adWatch survey was taken.

Coca-Cola, whose score fell 4.6 points to 30% of first mentions, dropped into an unaccustomed second-place slot.

But it also is poised for an awareness comeback: New commercials for Coke ("Catch the wave"), Coca-Cola Classic ("Red, white and you") and diet Coke (more stars bopping to "Just for the taste of it") broke the week of Feb. 19, too late to make a mark in February's survey data but just in time to make trouble for Pepsi.

Seven-Up Co.'s "Feels so good comin' down" campaign for 7UP so far has had little effect on the brand's share of top-of-mind ad awareness.

Its advertising remained No. 3 in the category with 4.1% of first mentions.

Diet Coke keeps the No. 4 spot with 2.1% last month, while Coca-Cola Co.'s Sprite is again No. 5 with 1.9% of first mentions.

Competitors continued to fight it out for air travelers in the airline category by offering lower and lower fares.

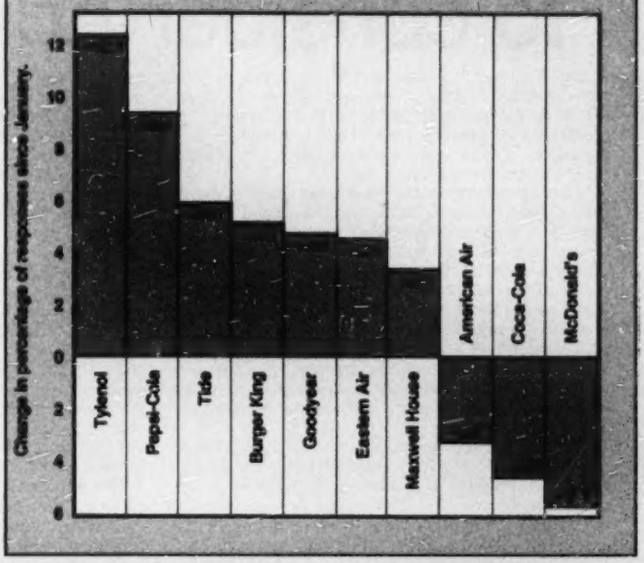
Eastern Air Lines' share of first mentions rose 4.5 points to 15.3%, putting it in first place ahead of United with 14.7% of first mentions.

American fell into third, dropping 3.2 points to 8.4%.

The top 10 best recalled (unaided) ads in February were for, in descending order, Burger King, McDonald's, Tylenol, Coca-Cola, Pepsi, Ford, Miller/Miller Lite, Budweiser/Bud Light (Anheuser-Busch), Wendy's and Procter & Gamble's Tide.#

February winners and losers

Questions: Of all the advertising for [product category] you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.



Louw's expands into multimedia training network

Fort Lee, N.J.—Louw's Management Corp., a communication skills training company whose client list includes 16 major advertising agencies, will expand its operation to offer a multimedia training network of educational activities, such as video and audio training programs.

New-business development skills in communications will be one of the emphases.#

For more information or data, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Tom's of Maine rolls natural antiperspirant

Joins successful toothpaste

By NANCY GIGES

Although Tom's of Maine may have started out as a lark, it is becoming, if not big business, nothing to brush off.

The Kennebunk, Me.-based company, which was born when the Chappell family left Philadelphia for a more basic life style (AA, July 15), is introducing an all-natural antiperspirant nationally in April and expanding the ad campaign that has enabled Tom's all-natural toothpaste to lay claim to the No. 5 position in the dentifrice category in Portland, Me.

Although Tom's has run magazine ads nationally on a limited basis for the toothpaste, it has focused most of its efforts on a radio and Sunday supplement campaign in Portland. The company spent, at a national rate of about $3 million, tens of millions of dollars less than the leading brands.

But with that effort, the brand grew to surpass all of the smaller products, trailing only Procter & Gamble's Crest, Colgate-Palmolive Co.'s Colgate, Beecham Products' Aqua-fresh and Lever Bros.' Aim. The brand's share has grown from less than 1% to nearly 3%.

That advertising is set to break in Boston in April, Providence and Hartford in June, Washington in July and San Francisco in September. For next year, the company has set its sights on the Big 3 metropolitan areas: New York, Chicago and Los Angeles.

Company general manager John Eldredge said the same creative, which was produced in-house, will be used for some time because it will be new to those areas. The company uses Vitt Media International, New York, for placement.

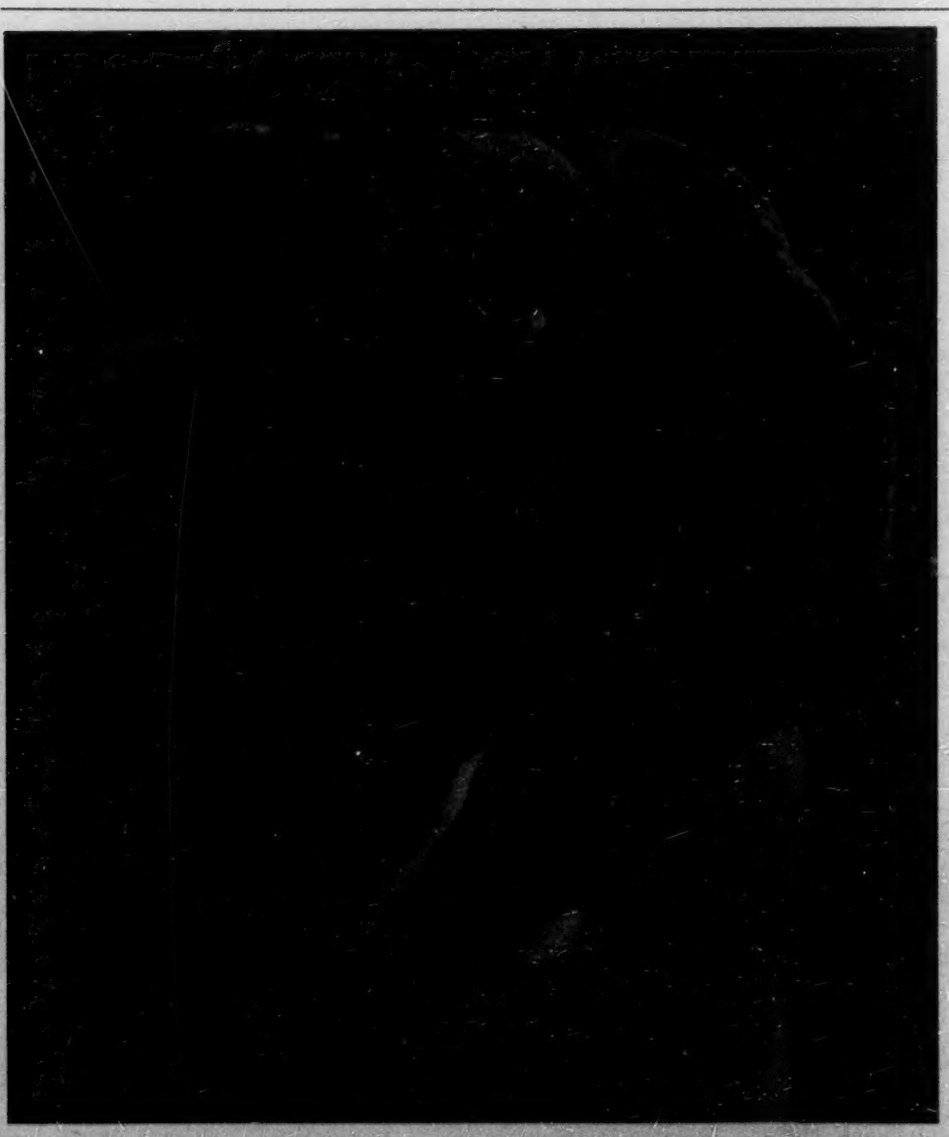
Tom's of Maine aims its products and advertising at what Mr. Eldredge called the "societally conscious and experiential" consumer, running on classical, news/talk and album-oriented-rock radio stations.

In Portland, Tom's will replace its test campaign for toothpaste with another for the antiperspirant and, if successful, it will roll into the expansion markets in conjunction with the toothpaste advertising. The two products will very likely be promoted together at that time, Mr. Eldredge said.

Even though Tom's is introducing its all-natural antiperspirant nationally with no advertising, Mr. Eldredge said getting shelf space has not been much of a problem, especially after the company gained experience in struggling for space on the dentifrice shelves in the midst of the plaque/tartar war.#

Prism pay-tv relocates

Bala-Cynwyd, Pa.—Prism, a regional movie and sports pay-tv service, has moved to 225 City Line Ave., 19004.



bull·dog

\'bůl-dog\ *n.* 1: a muscular, tenacious breed marked by vigor, known to be both tough and smart. 2: *pl.* a group of tenacious, determined, savvy people who are winners at what they do.

Dailies fare best with December ad sales

By WILLIAM F. GLOEDE

NEW YORK—The ADVERTISING AGE Flash Report of newspaper advertising investments showed December was a better month for the 29 measured major-market dailies than for the industry as a whole. Advertisers in 16 major categories increased spending 17.3% compared with December, 1984, levels, to $398.1 million.

Department stores led the way in dollar volume with a 19.7% increase to $145.7 million; but general-merchandise stores followed closely with a 25.7% increase to $71.9 million.

Food stores spending was up 17.3% to $32.7 million, and radio-tv-records dealers were up 33.3% to $34.1 million.

One national classification, new passenger cars, soared 52.3% to $16.9 million, and a pair of financial categories, banks and trust companies and stock, bond and investment houses, were up 40% to $6.1 million and up 39.4% to $1.7 million, respectively.

Losing categories included alcoholic beverages, down 7.3% to $5 million; computers, equipment and services, down 27.6% to $6.5 million; public service utilities and commissions, down 36.3% to $6.7 million, and publishing and media, down 0.2% to $9.9 million.

The Flash Report is based on measurements of advertising in 16 categories in 29 daily and 23 Sunday newspapers in 15 major markets.#

FLASH REPORT: Newspaper advertising investment for December

December 1985		IN 100 THOUSANDS IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR	1 2 3 4 5 6 7 8 9 1 5 10 15 20 25 30 35 40 45 50 55 60 65 70 75 80 85 90 95 100 105 110	1985	1984	ACTUAL $ G OR L	% G OR L
Amusements	1985		$33,942,834	$31,388,106	+2,554,728	+8.1
	1984					
Computer stores & supplies	1985		8,865,556	8,400,961	+464,595	+5.5
	1984					
Department stores	1985		145,710,789	121,753,055	+23,957,714	+19.7
	1984					
Food stores	1985		32,687,878	27,856,891	+4,830,987	+17.3
	1984					
Radio, tv, phonographs, records	1985		34,074,355	25,564,244	+8,510,111	+33.3
	1984					
General merchandise stores	1985		71,892,993	57,192,504	+14,700,489	+25.7
	1984					
Alcoholic beverages	1985		5,011,318	5,406,256	−394,938	−7.3
	1984					
Cameras, photo supplies & services	1985		1,697,441	1,373,827	+323,614	+23.6
	1984					
Computers, equipment & services	1985		6,536,135	9,032,258	−2,496,123	−27.6
	1984					
Public service utilities & communications	1985		6,666,379	10,471,065	−3,804,686	−36.3
	1984					
Publishing & media	1985		9,928,255	9,948,432	−20,177	−0.2
	1984					
Cigarets	1985		8,903,579	7,056,668	+1,846,911	+26.2
	1984					
Airlines	1985		8,078,323	7,953,162	+125,161	+1.6
	1984					
Passenger cars-new	1985		16,925,560	11,109,959	+5,815,601	+52.3
	1984					
Banks & trust companies	1985		6,130,761	4,378,627	+1,752,134	+40.0
	1984					
Stock, bond & investment houses	1985		1,657,487	1,188,896	+468,591	+39.4
	1984					

This Flash Report of newspaper advertiser investments, compiled for ADVERTISING AGE by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Pet faces hot fight in Italian-foods market

By JULIE FRANZ

Fresh from success in the Mexican specialty foods market, Pet Inc. will find the sauce even spicier when it squares off against established competitors in the fast-growing, $1.8 billion Italian-foods market.

St. Louis-based Pet, a unit of I.C. Industries, will start testing a 30-item line of Italian food (AA, March 3) under the Italian Market banner in June in Kansas City and Omaha.

It will be dishing up its new products on a table already set with places for Chesebrough-Pond's, Campbell Soup, Prince, Hershey, Borden's and R.T. French—and where elbows are flying. The Italian category grew 9% in sales last year.

Pet plans to field entries in most segments of the category, with retail prices ranging from 99¢ to $2.59. A company spokesman declined to match prices to specific items, but retail sources said items will be priced comparably with other premium Italian products.

Pet's Italian Market line includes 10 different dry pasta items (such as nested spinach fettuccini and angel hair pasta), 14 canned and bottled sauces (including Alfredo, Pesto and Marscala) and six "menu completers," including two antipasti salads and two Italian-style, shelf-stable custard dessert items.

Frozen entrees could be added, said grocery group president James Matson, although no frozen items initially are planned. The $673 million Italian frozen entree market grew 14% last year.

The Italian Market line will receive spot tv, magazine, newspaper and coupon support beginning in mid-June via Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis. Mr. Matson said he expects the products to test for at least six months before moving national.

Competition could be keenest in the $847 million sauce market, which grew 9% last year, thanks to an already intense battle between Chesebrough-Pond's Ragu spaghetti sauce and Campbell Soup's Prego spaghetti sauce. Ragu holds a 49.4% market share, Prego 30.1%, and Prince's two brands, Aunt Millie's and Prince, hold a combined 6% share.

Campbell Soup will stir the segment even more in July by beginning national distribution of its Fresh Chef Italian Sauces line of jarred, refrigerated spaghetti sauces. The line includes Alfredo, White Clam, Bolognese and Classic Tomato flavors and could include Pesto and Red Clam varieties by yearend.

Campbell began testing in Buffalo and Rochester, N.Y., last April and moved into Denver, Philadelphia and St. Louis in January (AA, Feb. 10).

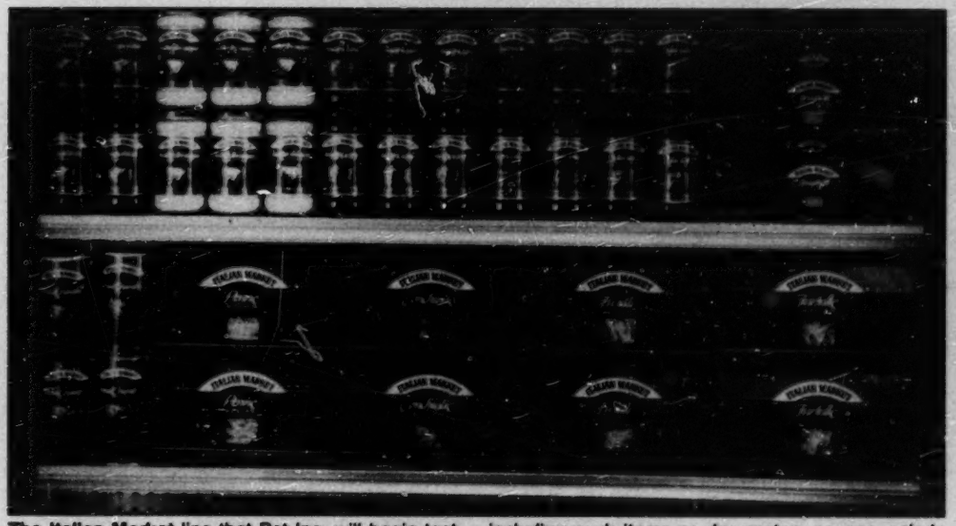
Campbell's product addresses the emergence of more elegant Italian food popularized in restaurants, said Marty Buchalski, Fresh Chef product manager. "Basic [spaghetti] sauces sell better with large families. We're using specialized sauces to get at smaller households," he said.

Spot tv, radio and coupons, via Needham Harper Worldwide, New York, support.

The Fresh Chef refrigerated brand also includes a line of salads, among them an Italian pasta salad and a line of soups in a jar.

Prince Co., Lowell, Mass., in February began testing a three-item line of Classico Pasta Sauces, based on three regions in Italy, in Albany, N.Y. The sauces are packaged in mason jars and retail for $1.69 (14 ozs.) and $2.99 (26 ozs.).

Prince also has begun testing a six-item line of President's Silver Award dry pasta (AA, Feb. 24) in varieties targeted to consumers with more exotic tastes, the company said. Testing is in New England, New York, Chicago and Detroit, with national distribution planned for July. Print in gourmet magazines, via Venet Advertising, New York, supports, although tv may be added to the media mix in September.



The Italian Market line that Pet Inc. will begin test-marketing in June encompasses 30 different items, including such items as dry pastas, sauces, salads and desserts.

The $852 million dry pasta market grew only 3% last year and is mostly made up of regional brands. The closely competitive market is led by Hershey Foods Corp. with a 17% market share for its six brands. In the No. 2 spot is CPC International's Mueller brand with a 15.6% share, but Borden's five brands are closing in, boosting their share last year to 15% from 11.9%.

Rochester, N.Y.-based R.T. French Co. is adding a twist by introducing a line of dry toppings for pasta and salads. French's Pasta Toss combines grated cheese, other dairy products, herbs and spices (AA, March 17).

French pioneered the market for sauce mixes in an envelope 30 years ago. Pasta Toss is an extension of that concept, but it stands alone rather than acts as a food additive. The four-flavor line is packaged in a cardboard shaker-bottle, like grated Parmesan cheese toppings, and retails for $1.59 per 3-oz. bottle. Each bottle contains 12 to 16 servings.

Network tv for Pasta Toss begins in June and runs through December. Magazine ads and couponed, freestanding newspaper inserts, via J. Walter Thompson USA, New York, also are part of the $10 million rollout.

By entering the Italian market, Pet is attempting to duplicate its success in the $1 billion Mexican food market, where its Old El Paso brand holds a 20% market share.

IC Industries' chairman William Johnson told a group of industry analysts in February it is looking for new products and acquisitions that would "strengthen Pet as a specialty food marketer." The company's 80-item Old El Paso line will move into international markets this year, including Europe and the far East, he said.

Pet has been testing a line of Old El Paso frozen entrees called Festive Dinners in regional markets since last spring (AA, May 20). Spot tv and couponing, themed "A great new change of place," via Grey Advertising, New York, support.#

Monday, April 7, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Infighting at Xerox behind ouster of Needham

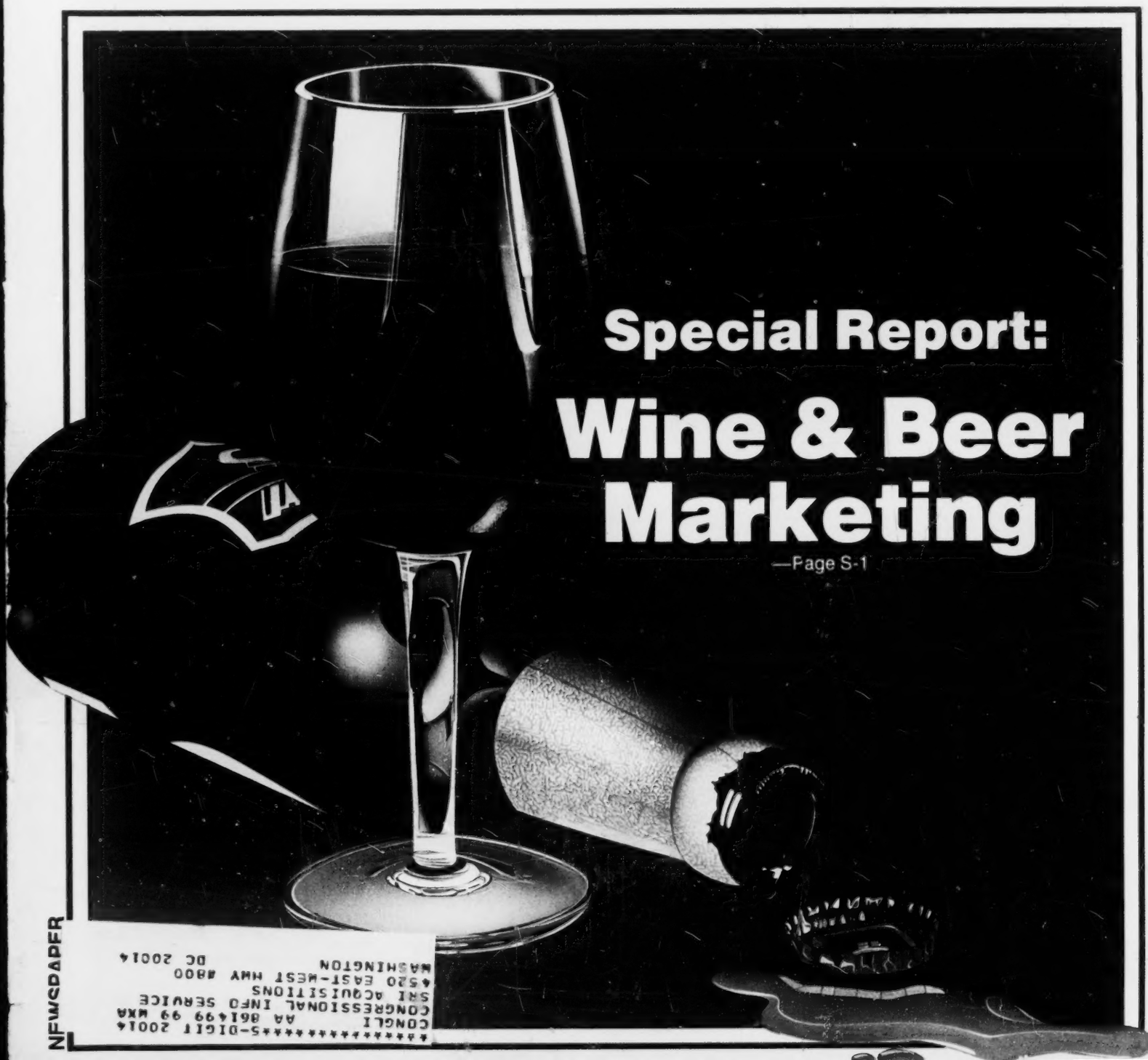
— Page 1

Hill, Holliday makes move toward public stock offering

— Page 3

UPC codes checking out new upscale retail market

— Page 3



Special Report:

Wine & Beer Marketing

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NEWSPAPER
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CONGRESSIONAL INFO SERVICE
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WASHINGTON DC 20014

HIGHLIGHTS

Nets on Nielsen's case 1
A.C. Nielsen Co., under pressure from the Big 3 tv networks, is considering reversing its decision to drop diaries this September in favor of the electronic people meter. Nielsen will present to all three networks the cost of running the diaries for another year, and if the networks pick up the tab, Nielsen will publish both diary and people meter results for the 1986-87 broadcast year.

Xerox clash led to Needham exit 1
A collision of cultures between Xerox Corp.'s corporate and products advertising groups apparently left its marketing in a stalemate that could only be resolved by dismissing Needham Harper Worldwide and starting fresh.

A public occurrence 3
Public ownership of ad agencies will take a new twist when Hill, Holliday, Connors, Cosmopulos comes to the market. HHCC would be the first regional agency to sell stock publicly.

Whittle, Moffitt split 3
The decision by Chris Whittle and Phillip Moffitt to split ownership of 13-30 Group and Esquire Magazine Group ends a partnership of nearly two decades, during which they built a student magazine into a $115 million empire.

Kurnit the advocate 6
After deciding the "most meaningful" thing he has done in his long advertising career was a public service campaign for high blood pressure that helped reduce strokes among black women, Shep Kurnit will leave the general agency business to concentrate on advocacy.

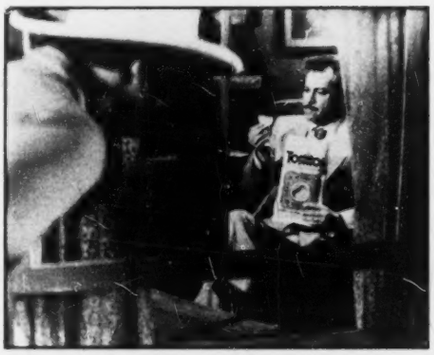
Holding on to Huggies 12
Kimberly-Clark Corp. continues searching for new products that can lessen the company's financial dependence on its successful Huggies line while trading on the Huggies name.

Rating the agencies' tv picks 24
It was as tough for ad agency experts to predict how viewers would respond to the new-for-fall 1985-86 prime time series as it is for handicappers to pick winners at the racetrack. But now that the winners are apparent, it can be seen that some pickers did well, and some didn't.

Champale branches out 34
Champale malt liquor is expanding beyond its working-class base with a slick, $3.5 million ad campaign breaking April 7 featuring a stable of sophisticated "party animals." The campaign, the first since Champale Inc. moved its account to North Castle Partners, attempts to grab more of the upscale 21-to-34-year-old segment.

CATEGORY REVIEW

Heating up breakfast 4
Rather than allow fast-food chains to take over the breakfast market, frozen-food marketers are making the breakfast entree category one of the fastest-growing sections of grocers' freezers.



FEATURES

Tracy a hit for Tostitos 40
An unlikely combination of Tostitos and beer, a shootout and dead men stands behind last year's Clio-winning campaign, done by Tracy-Locke, for Frito-Lay's Tostitos snack chips. It put spokesman Fernando Escandon smack dab in the middle of scenes from "Leave It to Beaver," "Dragnet" and "Mr. Ed."

Making food come alive 52
When Hirotsugu Aoki plays with his food, he gets paid for it. This man can make a kaiser roll that cowers, a chicken that towers, a lobster that reaches out for a hug. His job is to make the impossible seem cute.

NEW PRODUCTS

Ice cream's comin' 88
Warmer temperatures last month had people thinking early about summer, and food marketers did their part to inspire such thoughts with the news that at least 10 new ice cream or frozen novelty items are on the way.

INTERNATIONAL

Y&R after Ford U.K. account 62
Young & Rubicam is believed to be targeting the $30 million Ford U.K. account now with Ogilvy & Mather, following its gain of the $40 million Ford account from J. Walter Thompson Co. in Germany.

Muggeridge decries advertising 63
If you're looking for a scathing view of modern advertising and media, listen to 83-year-old Malcolm Muggeridge, world famous British journalist and author.

Canadians on Madison Avenue 63
Mediabec, a Montreal advertising agency, and Germain, a Toronto shop, are mounting aggressive plans to tap into the lucrative U.S. market, and hope to establish a name for themselves on Madison Ave. within the next two years.

OTHER NEWS

CPM, a $140 million Chicago-based media-buying agency, is acquiring the Media Connection, a New York market research boutique, to become a full-service marketing/media company. Page 4.

The jury is still out on Quaker Oats Co.'s test of a series of four health-related tv spots for its cereal. The commercials claim Quaker oatmeal helps reduce blood cholesterol, and they link high cholesterol levels with heart disease. Page 34.

Amana Refrigeration last week broke its first brand-image advertising in five years and perhaps its timeliest campaign ever. The appliance maker launched a series of five 30-second spots less than a week after two of its competitors announced plans for the industry's second major merger in a month. Page 39.

Scientific American Inc.'s decision to post a for-sale sign was an acknowledgment of pressures ranging from disappointing advertising results to business-side turnover to the mergermania that has seen many other privately held publishers bought by larger concerns. Page 79.

The Chiat/Day award count kept mounting at the Advertising Club of Los Angeles' 20th annual Belding Awards. The agency received 12 of the 35 Belding bowls awarded. Page 91.

CAMPAIGNS BREAKING

Ralston Purina today breaks its $11 million network tv campaign for Ghostbusters cereal, a children's presweetened cereal. A 50¢-off newspaper freestanding insert also breaks today. MCA Advertising, New York, handles (AA, Feb. 10).

The Sporting News, St. Louis, today breaks a 16-week summer baseball campaign featuring Chicago White Sox pitcher Tom Seaver and Atlanta Braves outfielder Dale Murphy. Ads via Clark Direct Marketing, New York, appear on spot and cable tv (AA, Dec. 16).

SPECIAL REPORT

Wine and beer marketers are scrambling to keep consumption on at least an even keel. Beer and wine consumption was down slightly in 1985 compared with 1984, even while producers were spending more on advertising. Special Report examines tactics such as wine tastings and special events sponsorships used to promote sales.

Cover illustration by Ted Gadecki.

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UT plans to bring accounts together

By STEWART ALTER

United Technologies Corp., a $16 billion diversified corporation with many divisional ad agencies, plans to bring all its advertising together at one location and assign it to a single agency.

"We will consolidate all of our division advertising at corporate offices beginning in 1987," and plan "to appoint a single agency for all U.S. advertising at the corporation," said Gerald Nason, advertising manager.

Except for Carrier Corp., all of UT's advertising is in the business-to-business category. While some sources said the total budget for the consolidated account would expand to about $25 million, Mr. Nason maintained that was "sub-

(Continued on Page 92)

ARCO pumps go automatic

By BRIAN LOWRY

LOS ANGELES—Atlantic Richfield Co. will implement the first fully automated debit-card system at 575 of its 1,700 AM/PM Mini-markets in June.

The nation's sixth-largest gasoline distributor is installing automated teller machines, which don't require a clerk, on service islands at gas stations in California and Nevada. The balance of ARCO's locations, in California, Arizona, Washington and Oregon, will add the atms in 1987. ARCO is the No. 1 gas marketer in its five-state operating territory.

The cooperating banks, providing a customer base of 15 million cards, include Bank-

(Continued on Page 94)

West Coast news

Pioneer to merge accounts

Pioneer Electronics Corp., Long Beach, Cal., will consolidate its total $10 million-to-$12 million account at one of its two agencies, Dancer Fitzgerald Sample, Torrance, Cal., which now handles audio products, or Altschiller Reitzfeld, New York, video products. The consumer electronics marketer will hear presentations from the two contenders this week. At the same time, DFS resigned the $1 million-plus Tatung Co. of America account, fearing possible

(Continued on Page 92)

CATEGORY REVIEW: FROZEN BREAKFASTS

Hottest breakfasts are found in freezer

Food marketers fight fast-food

By JULIE FRANZ

Rather than allow fast-food chains to take over the breakfast market, frozen food marketers are making the breakfast entree category one of the fastest-growing sections of grocers' freezers.

Sales of frozen breakfast entrees have skyrocketed during the last five years, up 154.6% to $103.1 million in 1985 compared with 1980, according to Time Inc.'s Selling Areas-Marketing Inc. Total frozen breakfast-food sales, including entrees, french toast, pancakes and waffles, rose to $339.2 million last year, up 93% from 1980.

Last year alone, frozen breakfast-entree sales rose 29%, while the total category grew 18%. Frozen breakfast entrees, french toast and pancakes and toaster items have led the list of hot breakfast categories, while frozen quiche and pancake batter and frozen pastry item sales are down, according to SAMI.

ConAgra Frozen Food Cos. and I.C. Industries' Pet Inc. are test-marketing entries in the category and others are expected to join, if only to keep Campbell Soup from building an insurmountable lead. Sales of Camden, N.J.-based Campbell's Great Starts frozen breakfasts—marketed under its Swanson's name—rose 18% last year to $50 million, giving the brand nearly a 50% share of the frozen breakfast-entree market and a 33% share of the total frozen breakfast category. (Great Starts tonnage sales grew 107% from August, 1981, to July, 1985, the company says.)

Campbell had frozen breakfast entrees in some form for almost 15 years before repositioning the line in 1984 and branding it with the Great Starts name. The brand now has two lines: Full entrees and breakfast sandwiches.

The entrees cover the traditional breakfast foods, including pancakes and sausage, french toast and sausage and scrambled eggs with potatoes and sausage. The line has been getting advertising support in general ads for Swanson frozen foods, but will receive its own spot tv and print promotion this year, said Archie van Beuren, Great Starts' marketing manager. The line is priced in the $1.19-to-$1.29 range.

The four-item breakfast sandwich line will move into national distribution this year from regional distribution in the Central states, Mr. van Beuren said. The line includes two English muffin-based products and two biscuit-based products. Ogilvy & Mather, New York, handles the Great Starts brand.

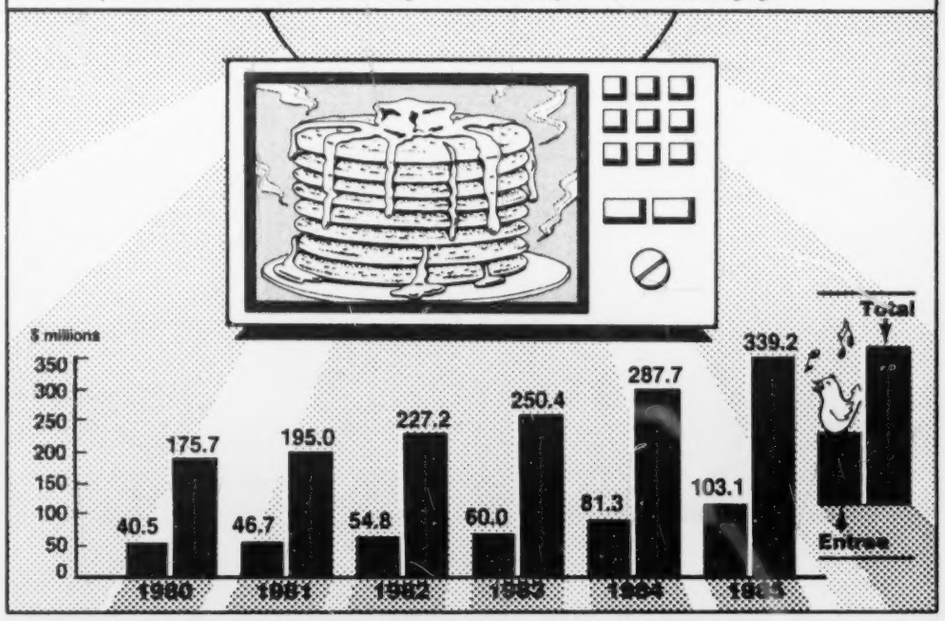
Campbell already is seeing competition from ConAgra, which is testing Banquet Cafe Classics, and Pet Inc.'s test of Downyflake Breakfast Classics. Mr. van Beuren says he expects others to join. Food marketers "look for the big-growth categories from SAMI and then run into each other getting into the market," he said.

Chicago-based Quaker Oats is a logical competitor with its Aunt Jemima frozen products, Mr. van Beuren said. R.J. Reynolds Indus-

(Continued on Page 98)

Frozen breakfast food market shares

Frozen breakfast entree sales are heating up, growing 155% in the past five years to $103.1 million in 1985. Total frozen breakfast product sales have increased 93%, hitting $339.2 million last year. *Source: Advertising Age.*



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Media-buying agency seeks to expand role

CPM acquires researcher

By VERNE GAY

CPM, a $140 million Chicago-based media-buying agency, is acquiring the Media Connection, a New York market research boutique, to become a full-service marketing/media company.

The move is unusual and risky. Media-buying agencies traditionally have taken a back-seat role in their clients' marketing plans, instead preferring to concentrate on media planning and buying.

The risk is CPM's intention to play a central role in developing its clients' over-all marketing and creative strategies. That would represent a direct challenge to its clients' agencies. CPM also has several agencies as clients.

"There are very few clients who have turned to us for media planning—they usually turn to their agencies," said CPM president Norman Goldring. "We're taking a proactive stance to become the marketing agency of record."

Agencies have failed to supply adequate marketing information to their clients, said Larry Silverman, formerly president of Media Connection and now exec vp-director of marketing for the merged entity. That's because agencies' profit structures are "dramatically opposed to efficient media buying," he contended.

As a result, agencies produce media plans without insight into a product's marketing needs, he argued. CPM's strategy is to develop a client's marketing plan "that buys against competitors and potential buyers rather than just against 'body counts,'" and ultimately to have a role in developing the creative, Mr. Silverman said.

"Agencies haven't developed or funded enough marketing expertise," Mr. Silverman said. "Why? Because their business is based on their percentage fee. If a client had the choice of spending $50 or $50,000 on a creative storyboard, they'll spend $50,000 because they think that will get them the best."

CPM's move comes at a time when some other media-buying services are stepping up efforts to enhance their services, specifically marketing functions.

New York-based Vitt Media, for example, offers clients a "second-opinion" service that monitors marketing or media campaigns.

Western International Media Corp., Los Angeles, creates tv syndication ad vehicles for its clients.

CPM, which handles some of the media buying for Upjohn Co., Beecham Cosmetics, Walgreen Co. and General Electric Co.'s appliance division, is buying the Media Connection for about $1.8 million.

The small company, founded 4½ years ago by Mr. Silverman, a one-time agency executive, specializes in a research system that determines product use on a neighborhood basis in cities, relying heavily on the Prizm research system.

In a recent project for Canandaigua Wine Co.'s Sun Country Wine Coolers, MC determined wine cooler consumption habits based on life-style and geographic patterns. The creative campaign, by Towne, Silverstein, Rotter, New York, was ultimately based on the research.

U.S. NewsWatch

Marketing news from regional centers across the country

ST. LOUIS—**KangaROOS USA** is marketing Chicago Bears' William Perry-inspired "Refrigerator" shoes to retailers for the back-to-school season. Kenrick Advertising handles.

BOSTON—**Infoplus** this fall will introduce Yellow Pages Plus in eastern Massachusetts and Rhode Island. The directory includes a central telephone number that consumers can call for prerecorded information about advertisers. Ingalls, Quinn & Johnson handles.

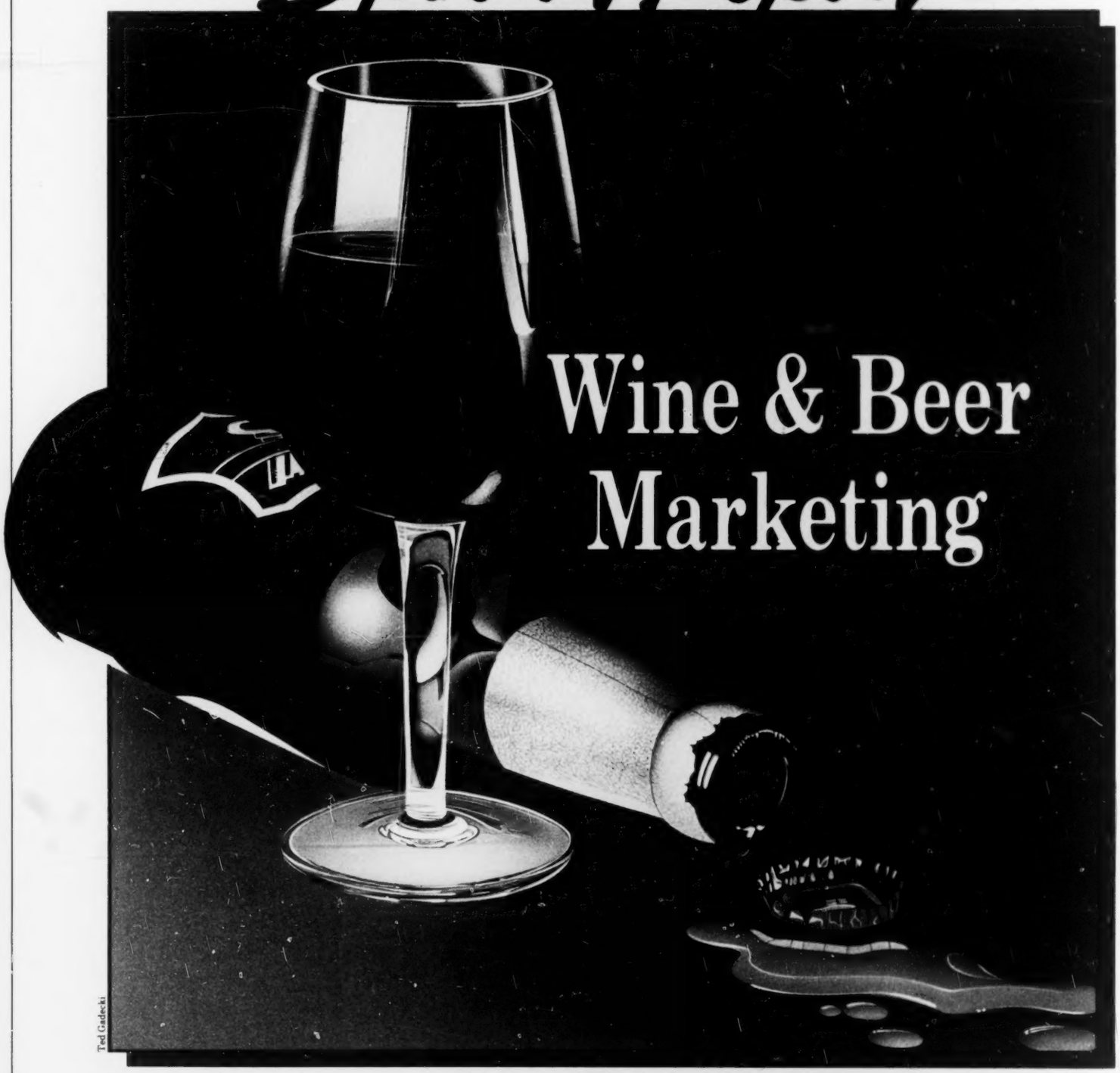
DEERFIELD, ILL.—**Duraclean International**, a carpet and upholstery cleaning service, airs its first tv spot next week in Cleveland; Flint, Mich., and Tampa, Fla., via A. Eicoff & Co., Chicago.

NEW YORK—**Philip Morris Inc.** said a coalition of tobacco marketers, restaurateurs, retailers and labor groups is being formed here to oppose a proposed local anti-smoking ordinance.

NORWALK, CONN.—**Campbell Soup Co.'s** Pepperidge Farm is testing in Colorado and Florida American Collection, five types of chunky cookies. PF is testing frozen, cholesterol-free pound cake

(Continued on Page 76)

Special Report



Wine & Beer Marketing

Ted Gadecki

Drop in consumption a sour note for industries

By Len Strazewski

Consumption tells the tale and the story is not a happy one for wine and beer marketers.

Americans are drinking more soft drinks, 44.5 gals. per capita in 1985, up from 42.4 gals. in 1984, and more bottled water, 5.2 gals. per capita in 1985, up from 4.6 gals. in 1984, according to beverage industry analyst John C. Maxwell of Laidlaw Ansbacher in New York.

But they are drinking less beer, 23.8 gals. per capita in 1985 compared with 24.0 in 1984, and about the same amount of wine, 20.1 gals. in 1985 compared to 20.0 gals. in 1984.

And the wine and beer industries are spending more just to keep the consumers they have. Advertising expenditure figures for the first six months of 1985, compiled by *Impact*, an industry newsletter based in New York, show both wine and beer producers spending more than 17% ahead of the 1984 pace.

Beer advertisers led with about $269.5 million in the first half of 1985, up 17.9% from the similar period in 1984. Wine advertisers spent $67.3 million in the first half, up 17.5% from the similar period in 1984.

Of the two beverage categories, the wine industry seems to be in the better position. The total U.S. wine market, as measured in the sale of 9-liter cases, increased during the first half of 1985, to 113.2 million cases, up 3.6% from the similar period in 1984, according to *Impact*.

However, wine industry sources are not proud of the results. Most of the growth in the category was a result of the rapid growth of wine coolers, a fruit juice and wine blend. Excluding wine cooler sales, the total wine market shrunk 7%, to 96.8 million cases, in the first half of 1985, and excluding wine cooler advertising, total wine in-

(Continued on Page S-2)

Scott Hume, Advertising Age Chicago bureau chief, and reporter Patricia Winters also contributed to this story.

Alcoholic beverage ad expenditures
First six months 1985*
(thousands of dollars)

Category	1985	Per cent change
Wine	$67,302.8	17.4%
Distilled spirits	114,232.0	−4.7
Beer	269,508.7	17.9
Total	$451,043.5	11.2%

*Includes media in LNA seven media total (network radio, spots, network and cable tv, magazines, outdoor and newspaper supplements), which does not contain data on spot radio or newspapers

Source: LNA, BAR and Impact Databank

Consumption drop a sour note

(Continued from Page S-1)
dustry advertising fell 15.3%, to $46.8 million, for the first half of 1985.

The cooler market grew 216%, to 16.4 million cases in the first half of 1985 and though wine cooler production helped soak up excess U.S. wine, wine industry leaders do not believe the product reflects greater consumer interest in wine.

"When the smoke clears, even though wine coolers are using up a fair amount of wine, they are not really part of the wine market," says Jack Davies, chairman of the Wine Institute, San Francisco, and owner of Schramsberg Vineyards and Cellars, Calistoga, Cal. "Wine coolers are marketed like beer and, properly, they are more allied with the beer market."

Additional market research conducted by New York-based research company Oxtoby-Smith for the Wine Institute and released only to the California wine trade indicates that, excluding wine cooler drinkers and very occasional table wine drinkers, consumers are showing less interest in wine.

Only about 35% of the adult population drinks wine at least monthly and of that group, 43% are drinking less wine and only 26% are drinking more wine. Over a five-year period, however, frequency of consumption is up, but compared with last year, frequency of consumption is flat.

And, according to portions of the study read to Advertising Age, only a little more than half of the regular wine consumers say wine is their preferred alcoholic beverage, and 40% say wine is "not as special as it used to be."

The wine industry has few plans to fight slipping consumption, but some wine makers say steps must be taken to improve distribution. If more quality products reach consumers, they believe consumption will increase.

"We have got to start providing more support to our distribution system, and even though the net effect will be to raise the costs of production, it may be time for wineries to buy some national advertising," says Allen Hemphill, president of Chateau St. Jean Vineyards & Winery, Kenwood, Cal.

Chateau St. Jean plans to increase promotional spending and may unveil a national advertising campaign in 1987.

Though the beer industry reports similar consumption problems, the domestic brewing industry is still huge. U.S. brewers sold 180 million bbls. in 1985, or more than 5.6 billion gals. of beer.

And according to recently released sales statistics compiled by *Impact* for the top 10 beer brands, which account for 66.5% of the U.S. beer market, sales for 1985 rebounded over the previous year. Total sales of the top 10 was 121.9 million bbls., up 3.8% from 1984. St. Louis-based Anheuser-Busch led producers with substantial gains among three of its labels in the top 10 with its largest seller, Budweiser, up 3.8%, Busch up 18.5% and Bud Light the leading gainer with an increase of 31.7%.

Only three labels lost sales, an improvement over 1984, when six of the top 10 reported losses. The biggest loser was Miller High Life from Miller Brewing Co., Milwaukee, down 11.7%; Stroh's from Stroh Brewery Co., Detroit, down 5.7%, and A-B's Michelob, off 1.5%.

Two other beer market segments, imports and microbreweries, are both reporting substantial gains. Microbrewery production has nearly quadrupled from 27,000 bbls. in 1984 to 90,000 bbls. in 1985 and observers expect continued growth this year.

Brand statistics for imported beer in 1985 are not yet available, but according to "Beer Marketers Insights," a West Nyack, N.Y.-based brewing industry newsletter, the imported beer segment in 1985 showed a healthy 10% growth, to 245.4 million cases and 4% of U.S. beer sales. Heineken, imported by Van Munching & Co., New York, probably held its traditional rank as the nation's best selling import.

The fastest growing import, according to "Beer Marketers Insights," is Corona Extra, imported by Barton Brands, Chicago *(see related story)*.

The brand battles continue with very few changes in marketing strategy to combat slipping consumption; however, major labels are increasing their commitments to sports promotion as well as their ad spending *(see related story)*.

Beer marketers put most of their increased ad spending into tv, which was up 14.8%, to $240.3 million, in the first half of 1985, and network radio, which was up 32.8%, to $4.3 million. Beer marketers, however, reduced over-all outdoor advertising spending 23.2%, to $5.6 million for that period.

Wine advertising analysis

First six months 1985 vs. 1984 (thousands of dollars)

Category	1985	Per cent change
Total wine	67.0	17.4%
Less wine coolers	20.5	+
Total wine less coolers	46.7	−15.3

Sources: LNA, BAR, Impact Databank

Wine coolers propel market

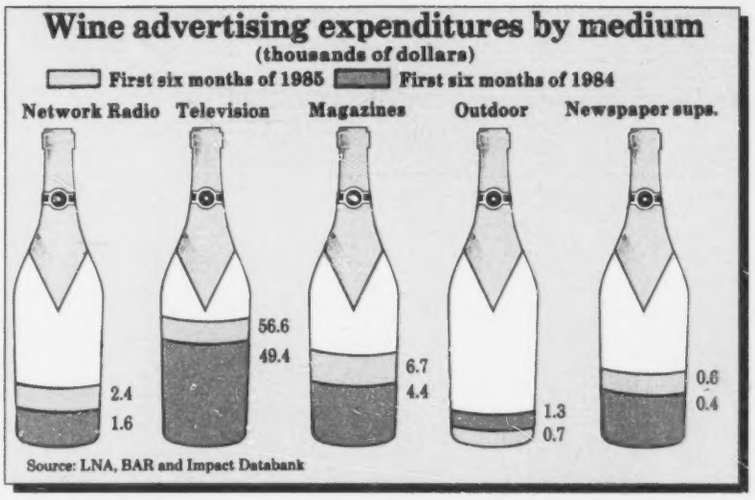
First six months 1985 vs. 1984 (millions of cases)

Category	1985	Change
Total wine market	113.2	3.6%
Wine coolers	16.4	216.0
Total wine less coolers	96.8	−7.0

Source: Impact Databank

Wine advertising expenditures by medium

(thousands of dollars)



Source: LNA, BAR and Impact Databank

Top 10 U.S. brews

(millions of bbls.)

Brand	1985	Change
1 Budweiser	45.9	3.8%
2 Miller Lite	18.7	3.9
3 Miller High Life	12.1	−11.7
4 Coors	8.5	1.2
5 Old Milwaukee	7.5	5.6
6 Michelob	6.4	−1.5
7 Busch	6.4	18.5
8 Coors Light	6.0	27.7
9 Bud Light	5.4	31.7
10 Stroh's	5.0	−5.7

Source: Impact Databank

Top 10 wine advertisers

First six months, 1985 vs 1984 (thousands of dollars)

Company	1985	1984	Per cent change
1 Jos. E. Seagram & Sons	$16,647.1	$ 7,020.6	137.1%
2 Villa Banfi, U.S.A.	8,750.2	7,214.0	21.3
3 E & J Gallo Winery	8,539.4	14,117.1	−39.5
4 California Cooler*	6,431.1	1,375.7	+
5 Heublein Inc.	5,937.6	9,195,9	−35.4
6 Almaden Vineyards	3,047.1	5,761.7	−47.1
7 Canandaigua Wine Co.	2,862.3	951.0	201.0
8 Brown-Forman	2,776.1	1,043.9	165.9
9 Schieffelin	2,487.9	515.7	+
10 Renfield Importers	2,345.1	1,237.7	84.1

*Purchased by Brown-Forman, July, 1985 Source: LNA, BAR and Impact Databank

Exchange rate boosts imported wine prices in U.S.

By Claire Wilson

American wine lovers will find fewer French wine imports at slightly higher prices this year —thanks to a 30% drop in the exchange rate of the U.S. dollar.

Import prices had been low as the U.S. dollar hit an all-time high in early 1985. As a result, imported wine sales also hit new highs in 1984 and early 1985.

Imported wine accounted for 59.9 million cases in 1984, up 8.8% from 1983, and the category had 25.8% of the over-all wine market, according to New York-based *Impact*, an industry newsletter. Statistics for the first six months of 1985 indicate an almost equal shipment pace.

But the latest currency fluctuations are reversing this trend, industry sources say. As a result, French imported wine prices will be higher.

"The decline of the dollar will undoubtedly have a negative effect because the American market is so very price sensitive," says Philippe Heilbronner, chairman of RNSA, Paris, holding company for Nicolas, one of France's largest distributors of wines and spirits. Nicolas had $10 million in retail sales in the U.S. in 1985 from 300,000 cases shipped.

The import market in the U.S. will be even more competitive than it was in 1985, sources say. French wines will be competing with Italian wines for space on U.S. retail shelves. Also, California wines will grow more competitive with imports.

The currency fluctuations also may affect the French domestic market. Americans, industry sources say, will be able to afford to export. Wine coolers may even make an appearance in France.

Some trends, however, mitigate the impact of the price increases for French marketers.

The hardest hit segment of the market will be the lower price wines, whose profitability is based on volume. While these lower price French table wines have gained some market share in the U.S. in recent years, the majority of French wines imported to the U.S. are higher quality, higher price wines.

In 1985, the wholesale value of French table wines exported to the U.S. was $45 million, while exports of premium wines, not including Champagnes, were valued at $280 million, says Olivier Desforges, sales and marketing manager at Societe Des Vins De France (SVF) in Paris, the country's largest wine marketers. SVF has about 11% of the wine market in France, followed closely by Nicolas. SVF had U.S. retail sales of about $2.9 million in 1985 from 80,000 cases shipped.

American premium wine lovers are not likely to give up their fine French wines because of small price changes, he says.

Last year's releases were considered particularly good in quantity and quality, so producers increased prices, even before the sinking of the dollar. As a result, French wine producers appear only mildly concerned about slackening U.S. wine sales; however, they are concerned about a shift in wine consumption.

U.S. over-all wine consumption, excluding booming wine coolers, is down, and consumption in traditional wine countries, such as France and Italy, is also down. However, countries not traditionally strong wine consumers, such as the U.K. and Japan, are increasing consumption.

If French wine producers want any growth in the U.S. in 1986, they had better expand brand marketing and advertising, Mr. Desforges says.

French producers have benefited from the strong dollar through opportunity selling and have not established firm positions in the market, he says. Few French wines have any kind of strong brand identity that will keep them selling with consumers despite seesawing prices.

In general, wine marketers are small companies or chateaus with no money for advertising, he says.

The situation is not likely to change soon and SVF only recently has begun to market its brands in France. The company, acquired by spirits marketer Pernod Richard last year, plans to concentrate on export marketing eventually.

Claire Wilson is an Advertising Age correspondent in Paris.

Mexican brews the hot category in imports

By Patricia Winters

In 1979, when John Travolta was a box-office smash and disco was king, Chicago-based Barton Brands received the assignment of importing to the U.S. a popular Mexican beer called Corona Extra brewed by Cerveceria Modelo S.A.

> ***"In the imported beer field, it's a great advantage to be close to the main markets in the United States."***
>
> **Paul Lohmeyer**
> **All Brands**

Barton revamped Corona's dusty, surrealistic image to a sleeker, more upscale look. A brown bottle with gold foil label replaced the long-necked clear bottle with blue painted label. But after two years in the market, the product failed.

"We had virtually no success at all," says Ellis Goodman, Barton Brands president and chief executive officer.

So Barton returned to the original look and image of Corona for a test in Texas in 1981, when the western look was sweeping the country. The brand started to catch on. Today, the entire Mexican import category is skyrocketing.

Corona is the fastest growing imported beer in the U.S. and the No. 1 Mexican imported beer, even though it is is not yet distributed along the East Coast. Last year, Corona moved from eighth to fifth on the top 10 best selling imported beer list, surpassing longtime Mexican import leader Dos Equis, brewed by Cerveceria Moctezuma S.A. Sales of Corona jumped from 1.7 million cases in 1984, to 5.2 million cases last year, according to "Beer Marketers Insights," an industry newsletter based in West Nyack, N.Y. The brand has surpassed imported beer king Heineker, brewed by Heineken Brouwerijen B.V. and imported by Van Munching Co., New York, as the most popular import in Texas and is coming close to toppling other brands in Southern California.

"I've been in this business for 25 years, and I've never seen anything like it," Mr. Goodman says.

With little advertising, and in some cases only regional distribution, the Mexican import segment is booming. While the imported beer segment in 1985 showed a healthy 10% growth to 245.4 million cases, about 4% of the total beer market, Mexican imports grew 67% to 11.3 million cases, according to "Beer Marketing Insights."

While much of that growth can be attributed to Corona, marketers of Corona's chief Mexican competitors—Dos Equis and Tecate, brewed by Cerveceria Cuauhtemoc S.A. — also report sales increases.

"It's just one of those crazy things that no one really understands," says Benjamin Steinman, "Beer Marketing Insights" executive editor. "And the trend doesn't seem to have peaked."

The trend is blazing eastward. All Brand Importers, New York, which imports Dos Equis, Superior and Noche Buena east of the Mississippi (Moctezuma Imports handles brands west of the Mississippi), says 1985 was its best year for the brands.

Increased travel to Mexico has helped build awareness. Many who sample beer such as Corona or Dos Equis while traveling in Mexico continue to drink the brands at home, importers say, and Mexico's close proximity to the U.S. doesn't hurt.

"In the imported beer field, it's a great advantage to be close to the main markets in the United States," says Paul Lohmeyer, All Brands president. "I think there's also a growing awareness about how good Mexican beer is, and there's quite an interest in Mexican food and spicy food in general."

With all the elements working in favor of the Mexican segment, marketers have decided now is the time to beef up advertising and promotion. Barton Brands expects to spend $3 million to support Corona, while chief competitors Wisdom Import Sales Co., marketer of Tecate, and Moctezuma Imports, marketer of Dos Equis, both located in Irvine, Cal., intend to spend about $4 million to back their Mexican brands.

Both Wisdom and Moctezuma are hoping to capitalize on Corona's success with similarly positioned brands.

Barton Brands launches print, radio and outdoor advertising in major western markets in April featuring the theme "Cross the border to Corona Extra—Mex-

Brian Lowry, a Los Angeles-based Advertising Age reporter, also contributed to this story.

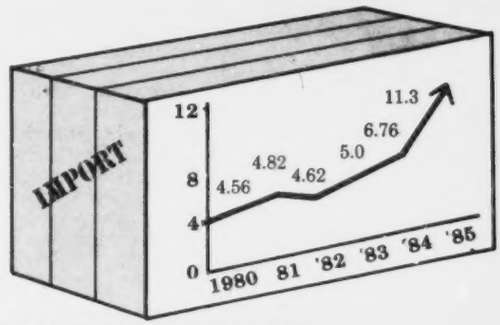
If this is your idea of the perfect customer...

Mexican import Corona isn't keeping quiet about being the most popular import in Texas, even surpassing the import beer king Heineken.

ico's Number One beer" via Dawson, Johns & Black, Chicago.

Last year's campaign, using the same theme, was pulled soon after launch because demand for the beer was exceeding supply. Barton now says its supply situation is under control, and it is slowly moving the brand eastward toward national distribution. Barton now sells Corona in about 22 states west of the Mississippi and will move into some East Coast markets this year. Barton expects sales of about 7.5 million to 8 million cases in 1986.

Mexican beer imports rise
(in millions of cases)



Source: Beer Marketer's INSIGHTS, W. Nyack, N.Y.

Barton will continue to focus on its key 21-to-34-year-old consumer segment. Last year Barton signed singer-songwriter Jimmy Buffet as spokesman and sponsored his nationwide tour. This year's radio spots will feature an original Buffet song for Corona.

"Our strategy is to position Corona as being what Mexico is all about," says Michael Mazzoni, Barton exec vp and general manager. "We are associating Corona with the best things in Mexico."

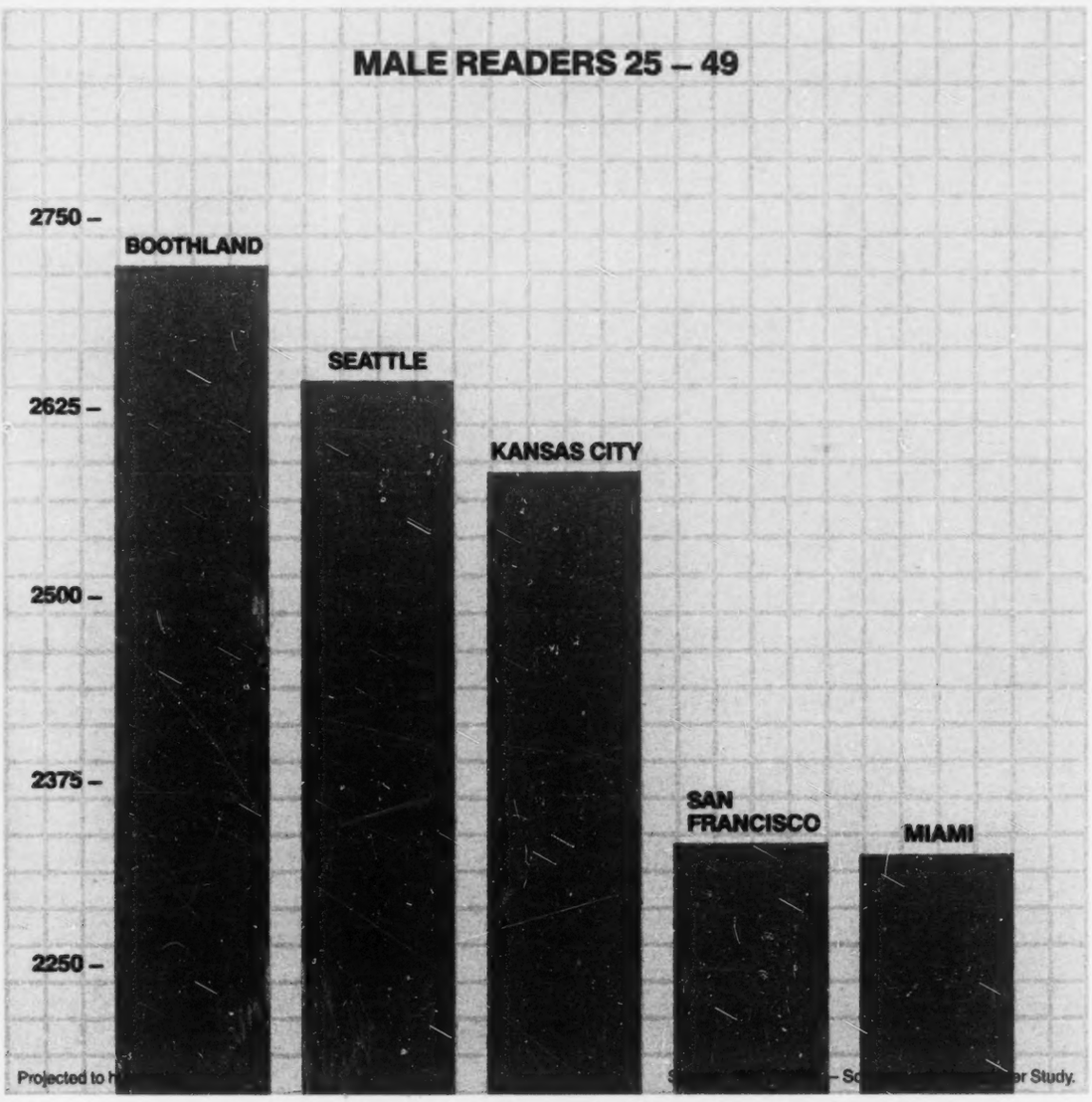
While sales of all Mexican brands were up last year, some industry observers believe Dos Equis sales in the West were hurt by Corona. Perhaps as a result, Moctezuma has developed its own dual strategy for growth. The company is broadening the target audience for Dos Equis, the nation's second best selling Mexican beer, while at the same time taking a rifle-shot approach for its new import, Hussong's Cerveza Clara, which is positioned directly at Corona.

> ***"Our feeling this year is to go for a younger base . . . . We want to bring new, entry-level beer consumers into the fold."***
>
> **Martin Johnson**
> **Moctezuma**

The strategy is backed by new creative developed by Moctezuma's new agency, Grey Advertising, Los Angeles.

"The industry is so competitive, we felt it was time for a new creative thrust for Dos Equis," says Martin Johnson, Moctezuma marketing director. Dos Equis will focus more on radio and outdoor than on print advertising, he says. Dos Equis strategy is to set itself apart from all other Mexican beers. Once a hot trendy beer like Corona, the brand is now mature

(Continued on Page S-10)



look at how well we deliver the male.

Neither rain, nor snow, nor gloom of night can keep Booth from delivering the male to our advertisers. After all, Boothland is America's 13th largest concentration of men between the ages of 25 and 49. And with over 250,000 readers in this category, a Booth buy will easily overshadow quite a few of those so-called "big" cities. For more information on the kind of male delivery no one can complain about, call Booth at (313) 540-5600. Represented nationally by Newhouse Newspapers.

Ann Arbor News · Bay City Times · Flint Journal · Grand Rapids Press
Jackson Citizen Patriot · Kalamazoo Gazette · Muskegon Chronicle · Saginaw News

newspapers booth

Mexican the hot category

(Continued from Page S-9)

enough to go for a broader, more-lasting consumer base, Mr. Johnson says.

In 1984, the latest published comparable statistics available, Dos Equis was listed as the nation's seventh largest selling imported beer with sales of 2.4 million cases.

Dos Equis already has a strong consumer base among the 25-to-49-year-old segment and will now target minimum age drinkers.

"Our feeling this year is to go for a younger base while still supporting our loyal base," Mr. Johnson says. "We want to bring new, entry-level beer consumers into the fold."

Radio spots that broke in March feature the theme "Drink for Taste, Not Trends." In the spot, a man who has been out of the singles scene for several years goes to a bar to order a Dos Equis.

"In the late 1970s, Dos Equis had its Corona run; it was the trendy beer," Mr. Johnson says. "But it's above the trend now."

Hussong's, which Moctezuma introduced in Southern California in September, was backed by spots with the slogan "We imported the fun, not the federales."

However, the spots were cancelled after complaints from consumers and Mexican radio stations.

The spots featured a comical pair of Mexican police who fear distribution of Hussong's north of the border will cost them their jobs.

Mr. Johnson says the beer, which is aimed at minimum age drinkers, has done particularly well in Southern California and and several other western states.

The brand is now available in 14 states with Denver, Colo., the easternmost market. "Its popularity will spread north and then east; that's how Corona did it," he says.

Wisdom also will do battle with new advertising for Tecate, its flagship brand, and Bohemia, via its new agency Bozell, Jacobs, Kenyon & Eckhardt, Los Angeles. Howlett-Berner & Associates, Newport Beach, Cal., former agency on these brands, will continue to handle Wisdom's Carta Blanca.

Mark Theise, Wisdom marketing services director, says radio and outdoor advertising for both Tecate and Bohemia will break in May to coincide with the Spanish holiday *Cinco de Mayo*.

Moctezuma is taking a new tack with Dos Equis, setting the mature import apart from all other Mexican beers.

Tecate, which is sold in a can, appeals to the minimum age drinker, as well as to a strong Hispanic base. The brand is supposed to be consumed with salt and lime, and this will be emphasized in advertising, Mr. Theise says.

Tecate was the 10th best selling imported beer in 1984 with sales of 1.6 million cases, according to *Market Watch*, New York, an industry trade magazine.

Wisdom, which did not disclose more recent figures, reports sales of all its Mexican brands showed an increase of 27% in 1985.

Wisdom's Bohemia is positioned against Dos Equis' 25-to-49-year-old consumer base. A heavier tasting beer, the brand will be positioned as "the Heineken of Mexican beer," Mr. Theise says.

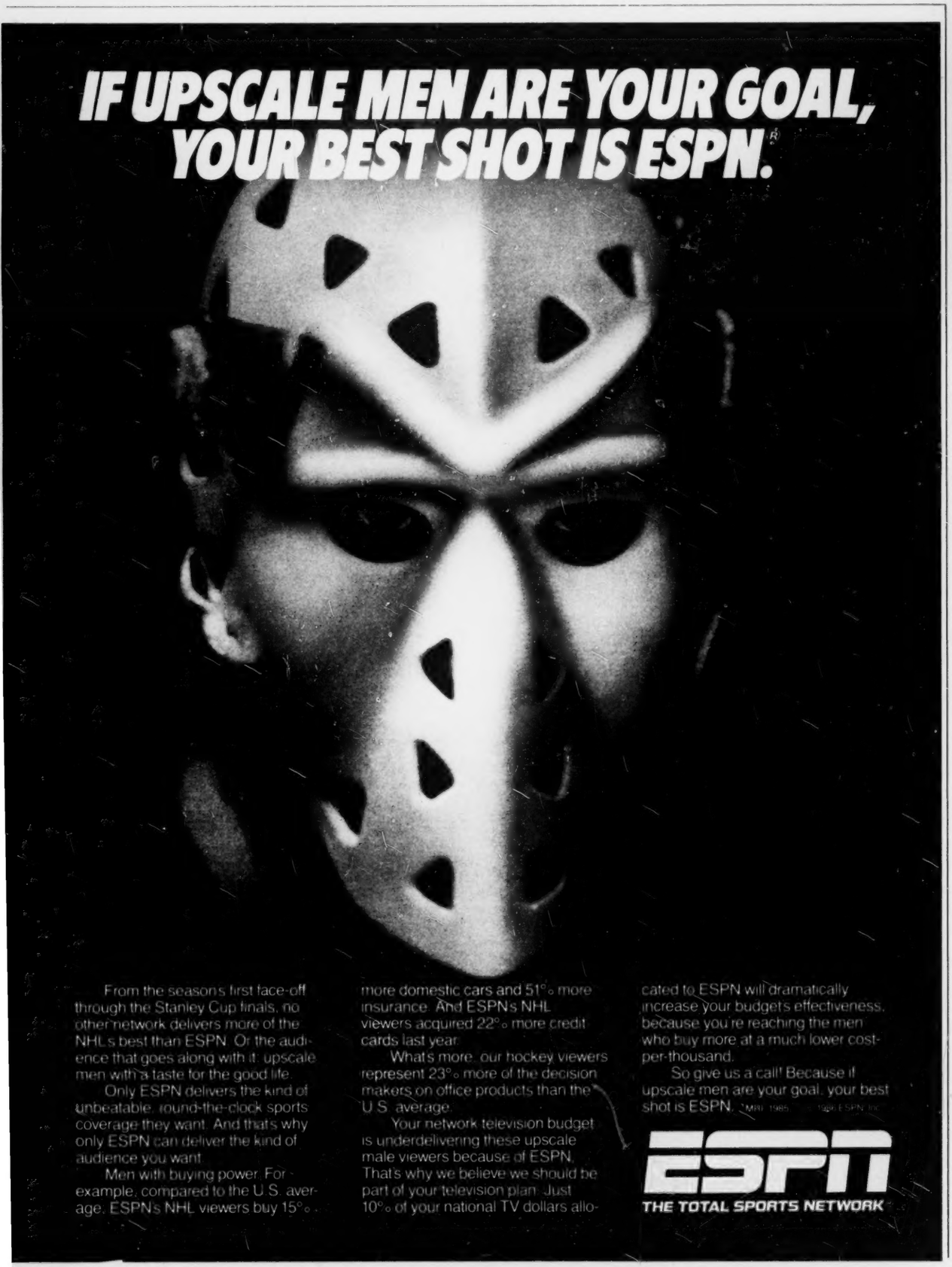
In its effort to grab a greater share of Corona's sales success, the company is marketing Chihuahua, a clear-bottled brew with colorful packaging and a label with a train on it.

While Chihuahua receives only promotional support, Mr. Theise says the imported brand has done well among younger consumers.

Whether the popularity of Mexican beer is a fad or a long-term trend is anyone's guess. But with sales mounting, marketers say they aren't going to sit around.

"The Mexican category is growing by leaps and bounds, but there's so much competition in imports right now, it's hard to say what will happen," Mr. Theise says.

"But we anticipate it growing for at least another five years."


IF UPSCALE MEN ARE YOUR GOAL, YOUR BEST SHOT IS ESPN.
From the season's first face-off through the Stanley Cup finals, no other network delivers more of the NHL's best than ESPN. Or the audience that goes along with it: upscale men with a taste for the good life.
Only ESPN delivers the kind of unbeatable, round-the-clock sports coverage they want. And that's why only ESPN can deliver the kind of audience you want.
Men with buying power. For example, compared to the U.S. average, ESPN's NHL viewers buy 15% more domestic cars and 51% more insurance. And ESPN's NHL viewers acquired 22% more credit cards last year.
What's more, our hockey viewers represent 23% more of the decision makers on office products than the U.S. average.
Your network television budget is underdelivering these upscale male viewers because of ESPN. That's why we believe we should be part of your television plan. Just 10% of your national TV dollars allocated to ESPN will dramatically increase your budget's effectiveness, because you're reaching the men who buy more at a much lower cost-per-thousand.
So give us a call! Because if upscale men are your goal, your best shot is ESPN.
SMRI 1985 1986 ESPN, Inc.
ESPN
THE TOTAL SPORTS NETWORK

Wanted: One international creative chief

By JOHN O'TOOLE

"I want to be an international creative director," the student said to me. "What do I have to do?"

The question was so bizarre that I was unable to come up with an adequate answer at the time or for weeks after. Does such a job exist? If not, should it?

Those two questions are somewhat easier than the student's. I don't think there is such a thing as an international creative director at present. What Barry Day does at McCann-Erickson comes close, but it seems more troubleshooting than creative directing.

Should there be such a function? I can think of at least three reasons why there should be.

First, it would provide a competitive advantage to those agencies that will emerge as the global giants of the '90s. Volume growth, geographic dispersion and merging are draining them all of any creative distinction they might have garnered in early years.

The contending colossi, whatever their number, should offer advertisers some kind of choice; each should distinguish itself by means of a creative point of view. Unless they enjoy the presence of a founder who, like David Ogilvy, will nag some creative consistency into a far-flung collection of offices, they will need international creative directors.

Second, multinational and global advertisers would benefit from such professionals in the agencies they hire to apply global leverage to effective advertising ideas. An international creative director is more likely to get an imported idea tried than is an international account director, and the international creative director is more qualified to make judgments about executional alterations suggested

O'TOOLE TALK

for cultural compatibility.

Third, there would be a benefit for national clients, too. An international creative director could add substantially to the creative firepower in a local office. Coming from a major advertising market such as the U.S. or the U.K., he or she might contribute a dimension of experience and talent unavailable or unaffordable locally.

With so many advantages accruing, one might expect to see international creative directors popping up in all the big agencies.

But the trouble is the job borders on the impossible. Furthermore, the qualities it would require are found in very few.

Directing creative operations in more than one office of a single country is demanding enough. The cultural and transportational and communicational complexities of multinational work multiply those demands geometrically.

A candidate for such a job would have to bring, in addition to an extraordinary memory for names, faces, numbers, campaigns and exchange rates, a creative reputation that commands attention.

Leadership is a given, but it must be of the variety that wins loyalty and compliance by being confident, firm and better than anyone else's. It must be seen as help rather than interference.

Since the international creative director will be absent most of the time, he or she must be able to influence local creative decisions without impairing the ability of local creative directors to find brilliant solutions on their own.

The candidate's formal education would most likely be liberal arts. If a fascination with mankind's history and cultures and thought didn't precede a fascination with business and advertising, it's probably too late.

The kinds of conversations that spin out into the night in foreign cities are unlike those heard on Madison or Michigan Avenues. One's contributions to those conversations, one's demonstrated interest, can be the difference between success and failure.

For similar reasons, the candidate must have a working knowledge of the languages spoken in the most important offices. Even though most of the people in those offices speak English, ability in their languages is minimum evidence of a commitment to understanding their countrymen and their cultures.

Besides, the advertising is done in the local tongue, and no one has a right to comment on, much less direct, headlines or copy or broadcast dialog he doesn't understand.

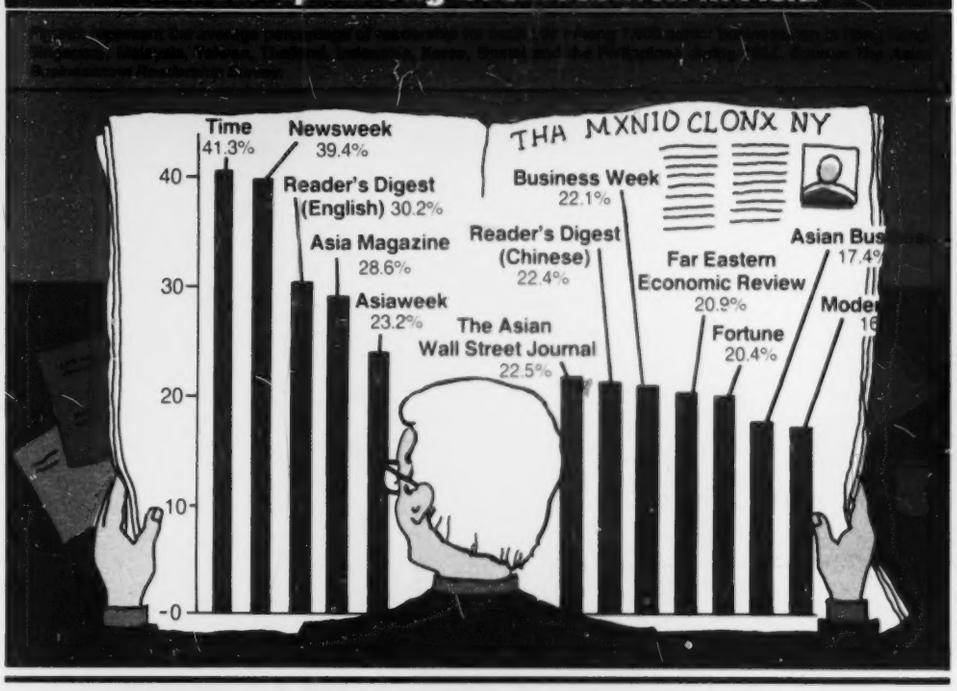
Finally, the candidate must possess remarkable physical stamina. Overseas flights are exhausting, and a country-per-day schedule soon saps the vigor of the heartiest.

I would like to think such people exist. Without them, the creative focus in major agencies will continue to be local and no one—neither client nor agency nor consumer nor the industry—will reap any creative reward from all the bigness and globalness.

I would also like to think that the student who asked me the question that started all this turns out to be one of those people.

Mr. O'Toole is the former chairman of Foote, Cone & Belding. He writes a regular column on creativity for the International section of Advertising Age.

Readership among businessmen in Asia



Y&R gunning for Ford in the U.K.

By LAUREL WENTZ

London—Young & Rubicam is believed to be targeting the $30 million Ford U.K. account, now with Ogilvy & Mather, following its gain of the $40 million Ford account from J. Walter Thompson Co. in Germany (AA, March 24).

But Y&R's goal may be more difficult to achieve than the agency believes.

Those who think Y&R has a good chance to get the U.K. account pointed to Ford's up-and-down market share in the U.K.

"Ford hasn't been doing as well as they've done in the past in the U.K.," said Nick Mustoe, manager of the General Motors Corp. account at Lowe Marschalk Worldwide here. "They're doing a lot more discounting to buy market share—it looks like distress marketing."

Ford still is the U.K. market leader, with a 26.1% market share in January and February, but GM's U.K. subsidiary, Vauxhall Motors, has climbed steadily within striking distance, to 18.1%.

Other sources said Y&R's chances are slim. A Ford source in Detroit said the company is satisfied with O&M's work in the U.K., particularly with a new campaign that will break this year.

Also, Ford's U.K. subsidiary cherishes its right to appoint its own agency locally and is loyal to O&M, Ford's agency here since 1975, sources said.

In any battle for Ford's account, Y&R's U.K. chairman, John Banks, should emerge as a key figure.

Two-and-a-half years ago, Mr. Banks was the management supervisor for the Ford account at O&M. Many believe he was hired away by Y&R during an earlier attempt to woo Ford in the U.K., but Y&R executives denied it.

"Y&R had high hopes at the time that the combination of Y&R's high standing in the U.S. for its work on Lincoln-Mercury, and the acquisition of John Banks with his Ford U.K. experience would land them the business," said a source here close to Y&R.

"There were some presentations, but essentially the European bosses of Ford were more interested in Y&R than the Ford U.K. people were.

"He [Mr. Banks] went into the presentation, and Ford's U.K. management thought very poorly of the guy who had been telling them O&M's work was best, standing up wearing a Y&R hat," said the same source. "The reaction was 'Over our dead bodies' will Y&R ever get the Ford business as long as Mr. Banks is involved."

Mr. Banks denied that he was working for Y&R here to get the Ford U.K. account, and said, "I joined Y&R Europe as head of client service. . .and that's what I did for nine months."

Other sources agreed that in a showdown the outcome could depend on the relative strengths and influences of a local pro-O&M faction and a pro-Y&R faction at the European or international level.

"Ford in Britain has always been run very autonomously, more than any of the other Ford of Europe subsidiaries," said a competing adman. "I think part of that independence is keeping their own ad agency. The problem Y&R has is that it's an international Ford agency."

Which agency ends up with the account, he said, "depends on which factions are in the ascendancy."

Canadian radio spots may grow

By DAN REMINGTON

Montreal—Canadians could be hearing a lot more radio spots if new proposals from the Canadian Radio-Television & Telecommunications Commission are adopted.

Under the new rules, all restrictions on advertising time on am radio and restrictions on the number of ads allowed per hour on fm stations would be eliminated for a two-year trial period.

In addition, beer, wine and spirits advertisers would no longer be forced to clear scripts for commercials with the CRTC before they are aired. However, regulations forbidding alcohol producers from promoting drinking would remain.

The proposals are "part of the commission's long-standing efforts to lighten the regulatory burden and place a greater emphasis on a supervisory rather than a regulatory role," said CRTC chairman Andre Bureau, chairman of the CRTC, which is Canada's version of the Federal Communications Commission in the U.S. "The commission expects the radio industry to adopt its own guidelines."

A rule forcing am stations to devote 30% of airtime to Canadian content remains, but only 7% Canadian content would be required on ethnic stations.

The commission is inviting comment on the proposals and will make a final decision after May 1.

But while the CRTC is considering opening up the radio airwaves, it is also looking into restricting certain tv ads.

The agency is now awaiting the results of a consumers' poll on whether celebrities should be prohibited from appearing in alcoholic-beverage commercials in Quebec (AA, Feb. 17).

Brewers in Quebec favor a voluntary code of ethics for such advertising rather than new, government-imposed regulations.

Newspaper Advertising MRCS/SAU Inches

January 1986 vs. January 1985

	1986 Full Run	1986 Part Run	1985 Full Run	1985 Part Run
AKRON, OH				
Beacon Journal (E)	73,977	28,752	83,057	22,454
Beacon Journal (S)	49,931	11,781	55,530	3,876
Grand Total	123,908	40,533	138,587	26,330
NOTE: Part run figures supplied by publisher to Media Records.				
ATLANTA, GA				
Constitution (M)	146,895	39,740	146,308	38,238
Journal (E)	154,686	47,520	151,983	38,817
Journal & Constitution (S)	107,185	31,716	99,436	29,788
Journal & Constitution (Sat)	35,986	——	31,150	——
Grand Total	444,752	119,976	427,877	106,843
NOTE: Constitution Morning and Journal Evening published five days a week only.				
BALTIMORE, MD				
News American (S)	19,900	2,597	23,845	2,639
News American (E)	31,008	5,461	34,125	8,863
Sun (M)	102,944	——	101,061	1,310
Sun (E)	81,146	——	87,763	1,310
Sun (S)	109,587	15,512	110,322	14,265
Grand Total	344,585	23,570	357,116	28,387
NOTE: Record Evening published five days a week only.				
BERGEN COUNTY, NJ				
Record (E)	129,199	19,912	128,823	16,128
Record (S)	110,987	20,384	99,992	15,055
Grand Total	239,186	40,296	228,815	31,183
NOTE: Record Evening published five days a week only.				
BOSTON, MA				
Herald (M)	58,047	——	39,223	——
Herald (S)	20,546	10,134	17,153	10,639
Globe (M)	133,090	6,181	123,186	6,775
Globe (S)	153,070	16,207	151,634	8,436
Grand Total	364,753	32,522	331,196	25,850
BUFFALO, NY				
News (AD)	82,608	13,439	89,639	15,179
News (S)	51,168	6,494	51,242	5,651
Grand Total	138,776	19,933	140,881	20,830
CAMDEN, NJ				
Courier Post (E)	107,434	18,595	91,011	13,691
Courier Post (S)	48,526	3,610	44,472	1,492
Grand Total	155,960	22,205	135,483	15,183
CHARLOTTE, NC				
News (E)	——	——	66,973	——
Observer (M)	110,302	——	109,172	——
Observer (S)	61,635	——	60,889	——
Grand Total	171,937	——	237,034	——
NOTE: News Evening ceased publication November 1, 1985. Part run figures not available.				
CHICAGO, IL				
Sun-Times (M)	132,157	72,625	113,742	47,154
Sun-Times (S)	60,554	19,883	50,414	23,385
*Tribune (M)	138,593	225,954	144,733	187,652
*Tribune (S)	143,687	87,709	145,356	71,615
NOTE: Tribune figures supplied by publisher to Media Records. 1986 figures represent advertising for 12/30/85 to 2/2/86. Tribune All Day changed to Morning publication effective August 19, 1985.				
CINCINNATI, OH				
Enquirer (M)	141,604	4,126	141,035	4,471
Enquirer (S)	97,944	10,301	82,982	3,886
Post (E)	61,716	7,343	66,464	17,426
Grand Total	301,264	21,770	290,481	25,783
CLEVELAND, OH				
Plain Dealer (M)	117,714	22,449	124,722	16,679
Plain Dealer (S)	78,987	3,110	82,118	3,715
Grand Total	196,701	25,559	206,840	20,394
DALLAS, TX				
News (M)	255,554	7,809	264,524	14,358
News (S)	138,742	5,648	135,603	8,917
Times Herald (AD)	199,988	25,888	216,773	14,545
Times Herald (S)	100,802	5,372	101,699	6,450
Grand Total	695,086	44,717	718,599	44,270
DENVER, CO				
Rocky Mt. News (M)	239,733	2,419	265,338	——
Rocky Mt. News (S)	71,791	347	69,868	——
Post (M)	162,663	3,066	163,550	5,111
Post (S)	89,517	488	92,391	1,387
Grand Total	563,704	6,320	591,147	6,498
DETROIT, MI				
Free Press (M)	90,548	24,195	83,991	32,442
Free Press (S)	45,048	19,897	38,435	23,228
News (AD)	121,531	38,767	124,947	33,970
News (S)	78,654	20,957	73,164	19,084
Grand Total	335,781	103,816	320,537	108,724
FORT LAUDERDALE, FL				
News & Sun-Sentinel (S)	88,567	——	97,631	——
Sun-Sentinel (M)	280,009	——	290,931	——
Grand Total	368,576	——	388,562	——
NOTE: Part run figures not available. Morning figures include the Saturday Edition.				
FORT WAYNE, IN				
Journal Gazette (M)	64,214	——	66,120	——
Journal Gazette (S)	52,077	——	41,742	——
News Sentinel (E)	67,523	——	75,716	——
Grand Total	183,814	——	183,579	——
NOTE: Part run figures not available.				
GREENWICH/STAMFORD, CT				
Time (E)	65,206	300	68,937	——
Time (S)	38,114	——	36,717	——
Advocate (E)	77,905	2,256	80,591	——
Advocate (S)	40,680	——	37,285	——
Grand Total	221,905	2,556	223,530	——
HARTFORD, CT				
Courant (M)	127,780	22,124	124,464	22,914
Courant (S)	72,766	81,411	74,612	72,797
Grand Total	200,546	103,535	199,076	95,711
HONOLULU, HI				
Advertiser (M)	109,669	——	113,385	——
Star-Bulletin (E)	105,549	——	108,388	——
Star-Bulletin & Advertiser (S)	66,139	——	58,556	——
Grand Total	281,357	——	280,329	——
HOUSTON, TX				
Chronicle (AD)	199,702	30,057	255,573	30,609
Chronicle (S)	108,412	13,753	116,520	17,629
Post (M)	147,320	26,926	160,920	33,216
Post (S)	68,861	7,074	57,114	19,485
Grand Total	524,295	77,810	588,127	100,939
LONG BEACH, CA				
Press Telegram (M)	102,721	42,826	95,389	——
Press Telegram (S)	46,450	1,286	40,868	——
Grand Total	149,171	44,112	136,257	——
NOTE: 1985 Part run figures not available.				
LONG ISLAND, NY				
Newsday (E)	153,876	38,037	140,420	34,805
Newsday (S)	83,012	41,415	74,682	43,547
Grand Total	236,888	79,452	215,102	78,352
LOS ANGELES, CA				
Times (M)	272,748	246,337	268,116	223,608
Times (S)	151,712	83,601	161,792	71,197
Herald-Examiner (M)	67,866	4,444	52,069	11,033
Herald-Examiner (S)	15,267	2,303	12,100	2,745
Grand Total	507,593	336,685	494,077	308,583
LOS ANGELES/SAN FERNANDO VALLEY, CA				
News (M)	190,084	24,502	159,786	31,650
News (S)	70,870	29	62,194	10,758
Grand Total	260,954	24,531	221,980	42,408
***LOS ANGELES/TORRANCE, CA**				
Breeze (E & S)	191,446	——	174,156	——
Grand Total	191,446	——	174,156	——
NOTE: Figures supplied by publisher to Media Records.				
***LOUISVILLE, KY**				
Courier Journal (M)	82,958	41,897	84,585	39,981
Courier Journal (S)	53,472	40,575	49,275	31,589
Times (E)	72,463	45,991	77,429	52,952
Grand Total	208,893	128,463	211,289	124,522
NOTE: Figures supplied by publisher to Media Records.				
MIAMI, FL				
Herald (M)	148,487	——	164,446	——
Herald (S)	82,425	——	86,256	——
News (E)	53,790	——	59,608	——
Grand Total	284,702	——	310,310	——
NOTE: Part run figures not available.				
MINNEAPOLIS, MN				
Star & Tribune (AD)	90,967	16,636	96,918	19,303
Star & Tribune (S)	109,972	1,504	96,783	402
Star & Tribune (Sat)	20,399	——	19,617	——
Grand Total	221,338	18,140	213,318	19,705
***NASHVILLE, TN**				
Banner (E)	90,779	——	98,868	——
Tennessean (M)	91,977	——	99,236	——
Tennessean (S)	67,610	——	65,663	——
Grand Total	250,366	——	263,767	——
NOTE: Figures supplied by publisher to Media Records.				
NEW BRUNSWICK, NJ				
Home News (E)	69,969	45	68,422	——
Home News (S)	44,737	2,263	45,616	1,660
Grand Total	114,706	2,308	114,038	1,660
NEW YORK, NY				
Times (M)	146,763	14,089	137,487	14,358
Times (S)	167,373	61,350	164,273	62,343
News (M)	54,261	72,401	53,913	89,525
News (S)	31,637	51,280	29,913	47,538
Post (AD)	52,914	936	48,718	866
Grand Total	452,948	200,056	434,304	214,630
NEWARK, NJ				
Star Ledger (M)	173,786	4,991	167,474	5,551
Star Ledger (S)	151,014	15,251	139,287	12,599
Grand Total	324,800	20,242	306,761	18,150
OAKLAND, CA				
Tribune (M)	88,904	60,203	79,654	45,469
Tribune (S)	41,068	18,754	36,683	17,044
Grand Total	129,972	78,957	116,337	62,513
OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY				
Blade-Tribune (E)	80,990	3,923	——	——
Blade-Tribune (S)	36,288	——	——	——
Grand Total	117,278	3,923	——	——
NOTE: 1985 figures not available.				
ORANGE COUNTY, CA				
Register (AD)	297,007	61,506	276,262	68,074
Register (S)	99,286	5,491	103,908	5,684
Grand Total	396,293	66,997	380,170	73,758
PHILADELPHIA, PA				
Inquirer (M)	128,274	31,613	139,140	35,221
Inquirer (S)	105,463	19,389	108,253	17,180
News (E)	66,746	1,225	65,569	3,406
Grand Total	300,483	52,227	312,962	55,807
***PHOENIX, AZ**				
Arizona Republic (M)	240,738	12,847	201,314	9,767
Arizona Republic (S)	195,539	12,936	192,403	9,912
Gazette (E)	129,964	——	128,809	——
Grand Total	566,241	25,783	522,526	19,679
NOTE: Figures supplied by publisher to Media Records.				
***ST. LOUIS, MO**				
Post Dispatch (M)	87,787	29,532	71,934	27,490
Post Dispatch (S)	89,544	——	87,622	——
Grand Total	177,331	29,532	159,556	27,490
NOTE: Figures supplied by publisher to Media Records.				
ST. PAUL, MN				
Pioneer Press Dispatch (AD)	70,795	——	84,695	——
Pioneer Press Dispatch (S)	75,742	——	73,786	——
Grand Total	146,537	——	158,481	——
NOTE: Part run figures not available.				
SAN ANTONIO, TX				
Express-News (AD)	123,993	23,149	116,585	10,237
Express-News (S)	69,562	15,912	72,464	8,403
Express-News (Sat)	34,186	——	33,727	——
Light (AD)	120,120	25,251	107,526	25,951
Light (S)	63,250	11,928	68,066	10,824
Light (Sat)	28,033	——	30,931	——
Grand Total	439,144	76,240	429,299	55,415
NOTE: Light All Day published five days a week only.				
SAN DIEGO, CA				
Union (M)	199,604	24,491	187,969	9,581
Union (S)	101,995	——	96,228	——
Tribune (E)	210,271	25,351	195,862	9,913
Grand Total	511,870	49,842	480,059	19,494
SAN FRANCISCO, CA				
Chronicle (M)	122,286	58,031	121,558	54,695
Examiner & Chronicle (S)	70,535	22,218	69,211	23,954
Grand Total	192,821	80,249	190,769	78,649
SAN JOSE, CA				
Mercury News (AD)	272,205	25,645	274,865	24,433
Mercury News (S)	124,249	——	114,841	——
Grand Total	396,454	25,645	389,506	24,433
SHREVEPORT, LA				
Journal (E)	79,758	2,254	77,895	5,640
Times (M)	98,625	6,169	97,837	10,930
Times (S)	53,350	2,229	50,290	5,425
Grand Total	231,733	10,652	226,022	21,995
***STATE COLLEGE, PA**				
Centre Times (E)	53,118	2,177	68,481	3,794
Centre Times (S)	20,899	220	16,932	——
Grand Total	74,017	2,397	85,413	3,794
NOTE: Figures supplied by publisher to Media Records.				
SYRACUSE, NY				
Herald Journal (E)	70,297	18,425	75,474	24,477
Herald American (S)	39,431	25,478	39,934	20,262
Post-Standard (M)	63,935	20,169	64,934	24,315
Grand Total	173,663	64,072	180,342	69,054
***TAMPA, FL**				
Tribune (AD&S)	245,300	85,331	287,319	79,486
Grand Total	245,300	85,331	287,319	79,486
NOTE: Figures supplied by publisher to Media Records.				
***TOLEDO, OH**				
Blade (E)	76,286	——	88,615	——
Blade (S)	65,626	——	61,240	——
Grand Total	141,912	——	149,855	——
NOTE: Figures supplied by publisher to Media Records.				
WASHINGTON, DC				
Post (M)	241,687	27,439	238,180	24,713
Post (S)	127,573	14,490	127,442	12,883
Grand Total	369,260	41,929	365,622	37,596
Alexandria Journal (M)	56,635	119	49,909	——
Prince George's Journal (M)	48,282	74	44,715	263
Montgomery Journal (M)	50,549	74	45,551	——
Fairfax Journal (M)	57,085	203	51,446	——
Arlington Journal (M)	56,544	119	50,895	——
NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.				
WESTCHESTER ROCKLAND, NY				
Reporter Dispatch (E)	66,411	9,468	65,382	12,326
Reporter Dispatch (S)	59,271	12,830	47,205	6,508
Grand Total	125,682	22,298	112,587	18,834
WICHITA, KS				
Eagle-Beacon (M)	79,341	——	109,037	——
Eagle-Beacon (S)	66,225	——	51,180	——
Grand Total	145,566	——	160,217	——
NOTE: Part run figures not available.				

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

Century 21 campaign homes in on No. 1

By BRIAN LOWRY

IRVINE, CAL.—Century 21 Real Estate Corp. is committing a third of its annual $25 million network tv budget to a new second-quarter campaign reasserting its No. 1 status in the single-family segment.

The real estate network is spending more money than ever before to undercut the advertising claims of competitors, such as Sears, Roebuck & Co.'s Coldwell, Banker Real Estate Group, Los Angeles, and ERA Real Estate, Shawnee, Kan., that they occupy the top spot.

Those claims involve "distorting figures," charged Century 21 senior vp-marketing Bruce Oseland.

For example, Coldwell, Banker is the nation's No. 1 corporate real estate agent, though its share of the single-family dwellings segment is estimated at 5.6%.

Century 21 claims it has an 11.4% share of the single-family segment —more than twice that of any competitor.

Single-family homes are estimated to represent 56% of the entire $25 billion residential and commercial real estate market.

The No. 1 label is a vital part of Century 21's marketing strength, Mr. Oseland said. "All our research tells us that most people like to do business with a real estate company that is already the most successful in the area," he said.

The three new 30-second spots, airing tonight on CBS-TV's "Newhart" and "Cagney & Lacey," continue the company's 2-year-old "Put No. 1 to work for you" theme.

"Who sells more homes than anyone else?" a blues-style singer asks in the campaign's centerpiece ad. The commercial uses images of a wide spectrum of homes that Century 21 sells.

"We think this spot will clear up any consumer confusion generated by our competition," said Martha Barrett, director-advertising.

Another spot, entitled "Power to move," shows a legion of gold-coated Century 21 agents surrounding a home, accompanied by a musical score, literally hoisting the home off the ground. "No one's got the power to move real estate like Century 21," actor James Coburn says in the voiceover.

"Power to move" doesn't use the "Put No. 1 to work" line because it also will air in foreign markets where the company isn't No. 1. Century 21 is already in Japan, France and Canada and will enter Australia for the first time this year, Mr. Oseland said.

The final spot continues the "agent as hero" format of previous campaigns.

Metropolitan Life Insurance, New York, acquired Century 21 last year (AA, Aug. 26). McCann-Erickson, Los Angeles, handles the account, in concert with McCann executive creative director John Bergin in New York.

Century 21 tv ads boast of its agents' "power to move" homes.

The account team includes Dennis Foley, executive creative director; Terri Krausse, art director; Deborah Sirulnik, associate creative director-copywriter; Kim Carlson, account supervisor, and Jim Foley, vp-management supervisor. Directors included Haskell Wexler, Richard Loncraine and Ron Lieberman.#

13-30

(Continued from Page 3)

by July 1.

In a joint interview last week, both men stressed their parting was amicable.

"To say we've never said a harsh word would be a joke," Mr. Whittle said, "because people have heard us shouting through doors. People change, times change, companies change. It's best to recognize that and move on."

Added Mr. Moffitt, who continues as EMG's president, ceo and editor-in-chief: "There's some point, if you're an entrepreneur, you just go build on your own ...Now we can each set our own priorities and choose challenges significant to us as individuals."

P. Moffitt C. Whittle

After meeting at the University of Tennessee, the two men and some friends began publishing *Nutshell*, an annual magazine distributed free to college students, in fall, 1969. The next year, they and a larger group formed 13-30 Corp., so named because its media projects would appeal to those in that age range.

In May, 1979, by which time 13-30 had become profitable and entered other special markets, Messrs. Whittle and Moffitt took a gigantic step up in class by buying, with ANH's help, *Esquire*.

During the four-plus years it took them to move *Esquire* back into the black, many members of the marketing and media communities here derided the efforts of what they termed "the boys."

But they soon earned respect, not to mention ad dollars, as they simultaneously expanded 13-30's and *Esquire*'s operations.

The former company expanded its presence in the educational market and entered the business, health and entertainment fields.

The latter made entries into book publishing, poster centers and video.

Along the way, of course, there have been miscues, including abortive efforts in film and tv, and overambitious growth estimates, such as a 1983 projection of $200 million-to-$250 million in revenues by '87 to '88.

After the splitup, Messrs. Whittle and Moffitt said, each intends to focus on fields he is already in, not competing directly with the other.

EMG will be "launching a series of magazines in the next few years," said Mr. Moffitt. Word is due later this month on the first, believed to be *New York Woman*, the initial title in what sources say is a planned network of regional women's magazines.

Whittle Communications will "continue in the specialized media field," said Mr. Whittle, "launching four to six new vehicles a year," as well as entering related areas.

Following are the financial details of the restructuring:

Mr. Moffitt, ANH and EMG will acquire Mr. Whittle's interests and rights in EMG, save for a small share, for about $10 million. Mr. Moffitt, EMG's largest shareholder, will become controlling shareholder. ANH will hold the second largest block of shares, followed by EMG's top management, such as Alan Greenberg, exec vp-group publisher, and original 13-30 investors. Mr. Whittle will resign his operating duties, but continue as chairman until 1988.

Mr. Whittle and ANH will acquire Mr. Moffitt's interests in 13-30, as well as those of the company's 29 other investors, for $30 million in cash and notes. At that time, 13-30 will be converted from a corporation to a limited partnership called Whittle Communications, in which Mr. Whittle and ANH will be general partners, with the former controlling operations, and about 30 top executives, such as president-ceo Nicholas Glover, as limited partners. Mr. Moffitt will resign his operating duties, but will retain the title of co-founder until 1988 and will buy a limited partnership in Whittle Communications.#

Breakfast

(Continued from Page 4)

tries, Winston-Salem, N.C., may dabble in the category through its Morton frozen-food brand, Pet Inc. group president Raymond Felitto said.

He said Minneapolis-based Pillsbury could enter the market through its Green Giant brand and that H.J. Heinz Co., Pittsburgh, could enter through its Weight Watchers brand.

ConAgra's Frozen Food Co. is testing Banquet Cafe Classics, a premium-price line of omelet-based entrees. In so doing, ConAgra is taking a gamble, industry sources say. Campbell Soup's Mr. van Beuren allows that the frozen omelet is the slowest seller in the Great Start line, because, he says, people "don't realize what excellent quality you can get from a frozen egg."

ConAgra Frozen believes its omelets will overcome any similar resistance because they have "flair," said Nick Rago, president of ConAgra Frozen Food Cos., St. Louis. Cafe Classics give consumers "the opportunity to have a unique breakfast in six to ten minutes in the microwave," Mr. Rago said, and are "unique" enough to make a good meal any time of day.

The Cafe Classics line includes items such as San Francisco Crepes filled with spinach, cheese and sausage, Crepes Manhattan filled with ham and cheese and served with escalloped apples and a Crabmeat Omelet. The entrees retail for between $2.79 and $3.

Cafe Classics began selling into grocery stores in January in six test markets: Albany, Boston, Dallas, Denver, Florida and Hartford. Its $22.5 million (nationally projected) media schedule kicked off Jan. 27 with tv spots themed "Seven light meals for people who eat anytime they can find time." Fallon McElligott Rice, Minneapolis, handles.

St. Louis-based Pet Inc.'s entry capitalizes on its Downyflake name, which has the largest share of the frozen waffle category, a leadership position that prompted it to enter with its own frozen breakfast entree. The company calls its entry "a defensive measure so other frozen breakfast-entree entries don't take our waffle share away and an offensive measure to grab additional business," Mr. Felitto said.

Downyflake Breakfast Classics this month began selling into grocery stores in Milwaukee and two other unnamed markets. The five-item line is priced in the $1.35-to-$1.50 range between Swanson Great Starts and Banquet Cafe Classics.

The product will receive spot tv and couponed freestanding newspaper insert support via Grey Advertising, New York.

Fast-food chains played a major role in making the public aware of breakfast again by pumping dollars into breakfast advertising, said Campbell Soup's Mr. van Beuren. Fast-food chains "took the general awareness of breakfast and put some punch behind it."

Chains such as Burger King and McDonald's Corp. have begun strengthening their breakfast menus with new products and bolstering their ad budgets accordingly (AA, Feb. 24). Breakfast already accounts for 20% of McDonald's sales while Burger King told a group of industry analysts in February it's aiming at breakfast being 10% of sales, up from 6% to 7% now.

In the $120 billion restaurant industry, breakfast sales were up 7.4% last year while industrywide sales rose only 3.1%, according to the National Restaurant Assn.

"Restaurants are usually the precursors of what's happening in the supermarket," said Pet Inc.'s Mr. Felitto. Restaurant trends also heighten grocery retail buyers' interest in new-food categories, which can be good when shelf space is tight, he added.

The rise of the dual-income household and increased microwave penetration have created a "positive environment for convenient, frozen breakfasts," he added.

The frozen breakfast-entree category could see "a 100%-to-200% upside before it flattens out," Mr. van Beuren predicted. "As people become more and more aware of being able to get a good, tasty breakfast from a microwave oven, sales will multiply."

Making people aware of the improved quality of frozen breakfasts is the big issue. As more players enter the market, and thus more ad dollars are spent, the problem will solve itself, Mr. van Beuren added.

Quality is another factor that could make or break the category, Pet Inc.'s Mr. Felitto said. If frozen food makers can match or surpass the quality of a fast-food breakfast, the category could hit $400 million in five years, he said.

Lucrily the demographics of a fast-food breakfast eater and a frozen breakfast-entree eater are different enough to provide real growth opportunities for the frozen segment, Mr. Felitto said. Fast-food is oriented more toward adolescents, teens and young adults as a "treat experience" while frozen breakfasts are aimed at the 24-to-49-year-old "upscale yuppie" audience—a group that is less likely to eat fast-food.#

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Monday, April 14, 1986

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

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Disinflation brings change to consumer buying habits

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P&G hoists sheets 3
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Einstein's theory of relativity 42
Advertising and stand-up comedy have a lot in common to Cliff Einstein, president-creative director, Dailey & Associates, Los Angeles. With Mr. Einstein's background, it's understandable that he links the two endeavors. The 46-year-old agency veteran is the son of the late comedy great Harry Einstein, who performed as "Parkyakarkas" on Eddie Cantor's radio program in the 1930s and '40s. He also has two brothers in the field, comedian/motion picture director Albert Brooks and tv writer/producer/performer Bob Einstein of the comedy show "Bizarre."

Another benevolent dictator 44
John O'Toole, recently retired as chairman of the board of Foote, Cone & Belding Communications, shares the story of his start in advertising and his views on the industry in the latest part of the Benevolent Dictators series.

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Saatchi & Saatchi, the U.K.-based advertising and communications conglomerate, appears to be moving key parts of its financial operation to the U.S. At the same time, the agency has reportedly expressed an interest in buying the Michael K. Deaver & Associates public relations company.

Norway smokers ignore ad ban 82
The cigaret ad ban, a hot topic in the U.S., appears to have had little effect on tobacco consumption in Norway, which was the first free-market country to totally ban tobacco advertising in 1975.

Canadian magazines flourish 83
Canadian magazine publishers are diving head-first into the life styles of the marginally rich and the not-at-all famous. This spring, Canadian yuppies are deluged with publications that will tell them what to wear, where to wear it and what to eat while wearing it.

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Security concerns among some U.S. members led the National Advertising Agency Network last week to cancel its semiannual meeting scheduled later this month in Monte Carlo. Page 6.

Ralston Purina Co.'s $1.42 billion planned acquisition of the Eveready and Energizer battery brands from Union Carbide Corp. is being called a "classic buy" in the food industry by Wall Street analysts. Page 12.

The mushrooming pizza battle is being carried to the streets, with Pizza Hut and its two fastest-growing competitors planning to open 2,000 new outlets during 1986. Page 26.

Beatrice Cos.' ill-fated "Monday night winning lineup" sweepstakes promotion is getting its day in court, and the outcome could determine the future of such consumer contests. Page 34.

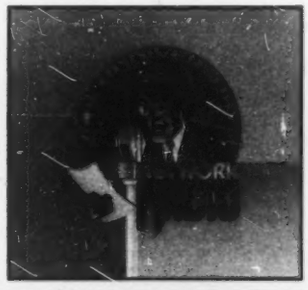
In the spring, few men's fancies turn to thoughts of mowing the lawn. But lawn mower marketers are trying to soften the blow by advertising easy-to-use features of this year's models. Page 38.

The U.S. Postal Service has done a flip-flop on classifying cosmetics color strips, opening the way for use of the strips in magazine subscription copies. Page 40.

Saab-Scania is cautiously breaking a new marketing trail with a second car line, trying to attract more mainstream customers without losing its distinctive appeal. Page 99.

Firestone Tire & Rubber Co. is turning a third of its 1,400 company-owned retail stores into high-performance tire centers that will market competitive brands as well as its own. Page 109.

North American Philips Corp., New York, has shifted from high-tech to low-key for a new tv and print campaign for its Norelco household products. Ads for Norelco electric shavers and irons feature a couple casually discussing the products in different rooms of their home. Page 111.



SPECIAL REPORT

It's been 60 years since commercial network radio broadcasting burst on the scene. In that time, network radio has blossomed, suffered setbacks with the arrival of tv and found new vitality recently. Ad revenues for 1985 totaled $328.7 million, up 14% from 1984. Network radio executives are working to see those good times keep rolling.

Cover art by Glenn Laferman.

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Coke's slump perils McCann

By NANCY GIGES

Two fast-food chains' decisions to serve Coca-Cola Classic rather than new Coke calls into question the long-term viability of the reformulated product, which could mean a billings loss of up to $50 million for Coke agency McCann-Erickson.

Oak Brook, Ill.-based McDonald's Corp., Coca-Cola's largest customer, last week said its 7,000 U.S. outlets will switch to Coca-Cola Classic as the chain's sole cola. However, nearly 500 Canadian McDonald's will stay with Coke. About 1,300 other foreign stores never switched from the original formula, now known in the U.S. as Coke Classic.

Additionally, the 2,600-store

(Continued on Page 112)

DDB eyes Reynolds' cigarets

By WILLIAM F. GLOEDE

NEW YORK—Doyle Dane Bernbach reportedly held "very preliminary discussions" with R.J. Reynolds Tobacco Co. concerning one or more of RJR's cigaret brands after DDB decided to resign creative responsibility for three Brown & Williamson Tobacco Co. brands.

DDB's decision to resign B&W, announced April 8, came after B&W management slashed media spending on two of those brands, according to Peter Falcone, president of DDB, New York.

"Media spending got whacked" on B&W's flagship Kool brand and its Viceroy line, said Mr. Falcone. "We're real

(Continued on Page 112)

West Coast news

Jack in the Box keeps old name

Jack in the Box, the San Diego-based fast-food chain, has decided against plans to convert the chain to the Monterey Jack's name, after unsuccessful tests of the new moniker in Albuquerque, Beaumont, Tex., Seattle and St. Louis. To inform customers of its decision to stick to the original Jack in the Box name, the 800-unit chain will start tv commercials in those cities. Explaining that the test didn't work, droll spokesperson Dan Gilvezan will add, "I'm not going to

(Continued on Page 116)

Black & Decker steaming into iron battle

By PAT McGEEHAN

Black & Decker Corp. is pressing ahead in its battle to defend the hefty market share it inherited with the 1984 purchase of General Electric's housewares division by breaking a tv spot this week for its new top-of-the-line irons.

Although GE-branded products have ruled the estimated $325 million iron category with more than a 40% market share, major competitors are drawing a bead on the category with hopped-up models and beefed-up ad budgets. Sunbeam, West Bend, Hamilton Beach and Norelco also are highlighting new iron offerings in their 1986 ad campaigns.

Towson, Md.-based B&D must remove the GE name from its products within a year, and has saved irons—the toughest fight in its rebranding effort—for last.

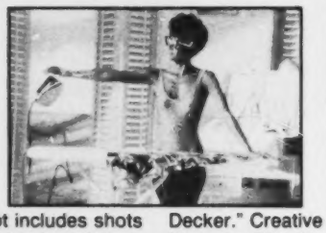
It is doing so with an entirely new game plan. B&D fired BBDO, New York, its domestic agency of record for consumer products, and hired McCann-Erickson to implement a drastically different strategy (AA, Feb. 3).

B&D's striking 30-second tv spot, the first work from McCann, plays up the GE heritage with a jingle that repeatedly intones, "GE irons are now Black & Decker," while a woman in a hot pink bathing suit irons. The spot focuses on B&D's new automatic-shut off electronic model.

B&D has not made reference to GE in previous ads.

A print ad breaking in May magazines carries the headline "Mother told me never buy anything but a GE iron. That's why I got a Black & Decker."

Black & Decker said it plans to spend at least $10 million, and $20 million if necessary, this year in broadcast and print support for its irons. B&D won't disclose its companywide 1986 ad budget but said its spending level for household products in the crucial holiday selling season will be comparable to last year when, it says, it spent about $20 million.



Black & Decker Corp.'s new tv spot includes shots of a woman in a hot pink bathing suit ironing while an upbeat jingle intones, "GE irons are now Black & Decker." Creative credits at McCann-Erickson, New York, are Dick Mercer, creative supervisor; art director: Joseph Staluppi; producer: Maria Currea.

B&D views the 1986 conversion of GE irons and toaster ovens, another category leader, as a new and important phase of the brand-transition process. That's why it reviewed agencies and altered course, said Ken Homa, vp-marketing, U.S. household products group.

Many of the ads produced by BBDO last year as part of B&D's highly touted $100 million campaign, including spots for Spacemaker cordless kitchen appliances, were "right on target" and will run again this spring, Mr. Homa said. B&D also is developing a new ad strategy for its Dustbuster cordless hand-held vacuum line. Those ads will appear in the fall.

Ads for new products introduced last week at the International Housewares Exposition in Chicago, including a mini-food processor, a one-cup coffee maker and a kitchen fire extinguisher, will break in the fall.

The prime contender for GE's small appliance crown is Oak Brook, Ill.-based Sunbeam Appliance Co., now No. 2 in irons behind GE.

Sunbeam, which shook up the industry last year with the overwhelming success of its Oskar mini-food processor, faces a double-edged challenge: The company is aggressively stalking B&D/GE's leadership position in several categories while defending Oskar's market share against a host of copycat products.

Sunbeam's iron market share has grown by 50% since 1983, said Gary Oppito, the company's marketing director.

"We've targeted the iron business as a key objective," Mr. Oppito said. "It represents a tremendous opportunity to gain volume, and we are going after it very aggressively. We're not looking to do a comparative story in our ads; we won't use an us-versus-them approach."

Bill Miller, an analyst who follows B&D for Baltimore-based Legg Mason Wood Walker, sees Sunbeam as a benefactor of the brand conversion. "This has certainly given Sunbeam an opportunity, and Sunbeam has done a super job with it. Ultimately Black & Decker will establish a good presence but it's going to be a tough fight."

A 30-second spot for Sunbeam's Monitor iron and a split-30 for Monitor and its Mixmaster mixer

(Continued on Page 111)

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Security concerns quash ad meet

By LISA E. PHILLIPS

NEW YORK—Security concerns among some U.S. members led the National Advertising Agency Network last week to cancel its semi-annual meeting scheduled later this month in Monte Carlo.

The meeting was to have been held in conjunction with NAAN's European counterpart, the nine-member European Assn. for Marketing, Advertising & Public Relations.

Cancelations and inquiries from some of the group's 45 U.S. members led to the change, said NAAN president Bob Purcell.

"We felt it wasn't prudent to stage a meeting on the Mediterranean right now," he explained.

Mr. Purcell declined to reveal the number of cancelations received, but said concern increased following a bomb blast that killed four Americans on a Trans World Airlines jet over Greece earlier this month (AA, April 7).

The Monte Carlo meeting had been set since 1983. Its agenda will be carried over to NAAN's second 1986 convention, scheduled for Salt Lake City this fall.#

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CORRECTIONS & CLARIFICATIONS

- Dancer Fitzgerald Sample, New York, which incorrectly projected that CBS would edge NBC in the fourth-quarter Nielsen ratings war (AA, April 7, P. 24), said that its internal projection on the full season had NBC leading.
- Wheeler Inc., Astoria, N.Y., is a privately owned company with its own fleet of 10 trucks. Prestige Panels, a division of Vehicle Displays Inc., New York, has its own fleet of painted-panel trucks and is a separate company. The two were incorrectly identified in a photo caption (AA, April 7, P. 93).
- Vic Olesen & Partners, Los Angeles, handles Schlitz brand for Stroh Brewery Co., Detroit, which signed Lyle Alzado as Schlitz spokesman for an upcoming $5 million campaign (AA, March 24, P. 8).
- In the stories announcing the three finalists for selection as ADVERTISING AGE Agency of the Year (AA, March 29, P. 4), though the home offices were given, the award goes to the agency's entire U.S. operation. The finalists are Foote, Cone & Belding; Hill, Holliday, Connors, Cosmopulos, and Levine, Huntley, Schmidt & Beaver.
- Capitalized billings for Manus Services, Seattle, were reported incorrectly by the agency (AA, March 24, P. 100). Its 1985 billings were $10 million, up 19% from 1984.#

Steady revenue rise creates confidence

By Laurie Freeman

Despite the lingering perception on the part of some advertisers that it is "musical wallpaper" or "a second tier medium," network radio appears to be living up to its ad campaign of a few years ago.

The truth of that campaign's tag line—"Radio is red hot"—surfaces in the medium's rising revenue totals. According to a New York-based Radio Network Assn. report, network radio's revenues were up 21% to $21.4 million in January from $17.7 million in January, 1985. Billings were up 9.5% in the first two months of this year over the similar period last year; growth projections for the first half of 1986 range from 12% to 18% more than the figures for the same period last year.

These statistics are not revolutionary; they merely perpetuate a trend. Billings more than doubled and revenues increased 68% from 1980 to 1985, according to the RNA. The networks gained 14% to $328.7 million in 1985, up from $288 million the previous year. This was 5% to 7% of all dollars spent on radio advertising in 1985, says Bob Lobdell, president-executive director of RNA.

With all of this good news, "musical wallpaper" comments may seem cruel or at least unusual. However, as one industry wag says, while a double-digit growth rate is phenomenal, New York tv stations alone billed double the network radio industry's total last year.

Still, radio network executives—apparently the Rodney Dangerfields of media—are pleased. The reason is continuity.

"Usually, [sales] are like a roller coaster, up one quarter and down the next," says Lou Severine, vp-sales, ABC Radio Networks, New York. "It's rare that sales are up every quarter, yet we've been strong since about this time last year."

The marketplace has gone through the roof, says Charles Trubia, senior vp, director-radio at Ted Bates Advertising/New York. And the shift has been in favor of the adult networks. "They have sold out before their juniors," he says.

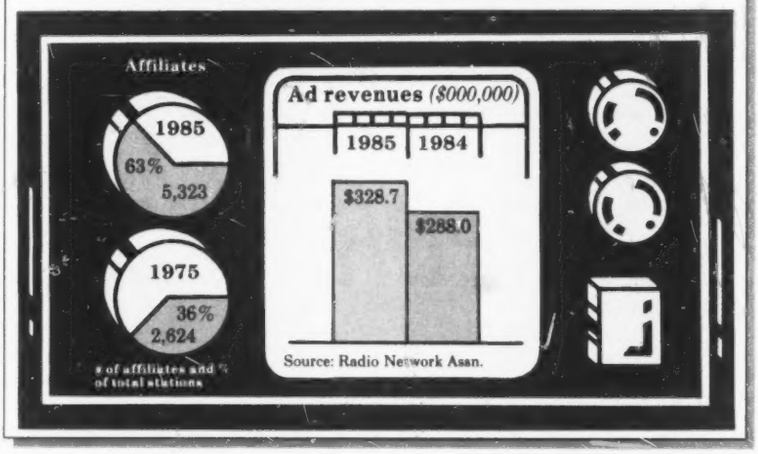
Myriad reasons explain radio's strong showing this 60th anniversary year. More stations are signing up for network-originated programing. On the average quarter hour, two out of three radio listeners are tuned to an affiliate of the 18 RADAR-monitored networks—a figure that does not even include long-form program listenership. According to the RNA, the number of affiliated stations has increased from 2,624 in 1975 to 5,323 in 1985, or from 36% of all commercial stations in 1975 to 63% in 1985.

As the number of affiliates has boomed so has the amount of new syndicated radio shows, opening more advertising opportunities to companies eager to reach new markets. "There's a network for everyone, from age 12 to death," Mr. Severine says.

In fact, advertisers appear to be buying radio's numbers in record numbers. "There's a lot of advertiser confidence in radio that the medium will do the job," says Dick Brescia, senior vp, CBS Radio Networks. "There are a lot more base advertisers using radio. They're satisfied with the medium, and some, like Sears,

(Continued on Page S-8)

Billings rise as affiliates grow



Nets work niches to blend into media mix

Network radio executives suffer no delusions of their position in the media pile. They aren't wasting time with visions of grandeur based on what once was for their industry. They have found their niche and their selling points and are hammering them home to media buyers.

Radio's advantages of reach and frequency are played up by the networks. When jousting for position with tv, they stress lower costs and more narrowly defined audiences.

"The nets are finding they can appeal to an advertiser by stressing the increased exposure he'll get on radio," says Bob Lobdell, executive director, New York-based Radio Network Assn. "Many people, especially in the desirable upper-income, high demographic group, are light tv viewers and can be reached via radio."

Advertisers are not necessarily turning away from tv, they're just discovering radio, says Stephen Youlios, vp-sales, CBS Radio Networks, New York. "Years ago you just went for tonnage of bodies when making a radio buy," he says. "Today you can zero in on a key demographic like men aged 25 to 54."

Although the networks continue to battle the "second-rate media label," more advertisers are softening their attitudes and considering using network radio, says Stephen Soule, vp-sales, NBC Radio Networks, New York. "Radio people who give a damn are constantly trying to get more advertisers into radio. It's part of what we do on a continuing basis," he says.

"When we began offering special concerts and programing, the initial advertiser response was high. It was an exciting new vehicle," Mr. Soule says. "Now, the response is beginning to mature and we have to find our niche."

From an agency viewpoint, it's the client who decides whether to use radio, says Alan Jurmain, vp, group director-media planning and operations, SSC&B:Lintas Worldwide, New York. For new product categories, like wine coolers, radio is believed to be the best media choice to build awareness of the product because of its lower costs, frequency and demographics, he says.

Youth networks, like CBS' RadioRadio, are attractive to advertisers like S.C. Johnson & Son, which targets Agree shampoo to 18-to-34-year-old women, says Leon Luxemberg, director-network relations, J. Walter Thompson USA, New York.

"Some clients are difficult to sell radio to; others love the frequency," Mr. Jurmain says. "For the beer and soft drink companies, radio is a great vehicle, but the downside is it's not tv, which can offer sight, sound and motion."

Most network radio executives acknowledge their medium is considered a secondary buy, but insist it is no longer an afterthought in media plans. More often than not, radio is used to support a print or tv campaign, helping to build frequency into the plan.

"Advertisers are finding they're getting better results when they use radio with magazines or tv," says Lou Severine, vp-sales, ABC Radio Networks, New York. "They see the effectiveness of radio."

Richard Wittstadt, senior vp-media director, Young & Rubicam/Dentsu, New York, says his agency does not use network radio to a large extent, although it is buying youth-oriented radio and tv combinations, such as "Saturday Night Live" and CBS' RadioRadio, for client Hawaiian Punch. "The efficiencies are dramatic," he says. "A network radio schedule with good reach can run about one-seventh the cost of prime-time tv."

Once cited as radio's biggest threat, network tv's use of smaller ad units has not put as much pressure on radio sales as originally feared. "I don't see anyone dropping radio because 15s are available," says Richard Brescia, senior vp-general manager, CBS Radio Networks.

Although many say 15-second tv spots will entice some smaller advertisers, tv still is priced out of many advertisers' reach. "It's hard to judge the impact of 15s because tv advertising, particularly prime time, is still expensive," Mr. Severine says. "If tv got to the point where it was really affordable, then it would be a big problem."

Fifteen-second spots don't make that much difference, says Gary Jensen, vp-marketing, Bolton Research Corp., Philadelphia. Radio, both local and network, is more affordable for small or medium-size companies and has the advantage of reaching the desired target audience, he says. "Tv is more expensive and its audience is scattered."

Sixty years ago, radio ruled the airwaves. Although tv changed that, the radio networks are determined to bring back some of the glory days—whether or not it's at the expense of their "sister" medium.

Laurie Freeman with Linda Cecere reporting from New York

Linda Cecere, who profiled CBS Radio Networks in this Special Report, also contributed to this story.

and sports formats, CBS, NBC, ABC and Mutual developed a new definition of what constituted a network. No longer seeking to fill the broadcasting day with block programing, networks moved to diversify their appeal, servicing local outlets with news on the hour, coverage of popular sporting events, special feature reports and short commentary pieces.

The networks helped turn fm radio, long overlooked in commercial radio, into a major programing force by the mid-1970s.

By the next decade, networks were targeting audiences through specialized packages such as Information, Talkradio, Rock Radio and Direction, four of ABC Network's seven networks. They also created ad hoc arrangements, like the network of U.S. outlets organized by CBS to broadcast the World Series to Spanish speakers.

If today national network radio reaches up to 90% of the U.S. and generates record profits, it is a testimony to the adaptability of national broadcasters. If newer commercial operations—like Westwood One and United Stations, as well as cable radio networks—continue to succeed, it is further testimony to the depth of the niche their predecessors discovered and to their ability to realize the potentials of modern technology.

The nickel of a nickel

Citing network radio's 5% share of all radio advertising and radio's 6% share of all media dollars, NBC Radio president Randy Bongarten says, "We're a nickel of a nickel medium."

1985 media expenditures
($000,000)

Sources: McCann-Erickson estimates, F. Eberstadt, Radio Network Assn.

Unwired networks work to unplug rivals' shares

By Cara S. Trager

The battle lines are drawn. Unwired radio networks not only have sharpened their marketing swords but also have strengthened their ranks in a continuing effort to take market share and business away from their greatest competitor: Wired networks.

This is a pure marketing battle, one based solely on dollars. While the major wired radio networks, like ABC, NBC and CBS, do business with their affiliated stations in terms of programing, the unwired network-station relationship has nothing to do with programing and everything to do with advertising sales.

In fact, about 60% of an unwired network's station list typically "have some type of wired network affiliation for programing and/or sales," says Stu Olds, vp-manager of New York-based Katz Radio Network. "Line network affiliation is really a programing service relationship." The station-unwired network affiliation is strictly a dollar relationship, he says.

Cara S. Trager is a frequent contributor to Special Report.

Unwired radio networks, basically sales representative organizations, have been operating for 25 years. However, they have made a determined effort to become more powerful players in the radio business in the past two to three years.

Unwired radio networks represent just 11% of total spot radio billings, but their revenues are growing. According to industry sources, unwired networks' billings increased from $55 million in 1984 to about $72 million in 1985—or about 22% of the traditional networks' revenues of $328.7 million. Unwired network executives estimate their companies will generate between $85 million and $100 million in billings in 1986.

Their growth has much to do with their joining forces, offering agencies and advertisers a greater number of stations and markets from which to choose. The alliances gave sales representative groups a competitive edge over each other and the strength to take on the wired networks.

The mega-unwired networks started taking root in late 1982, with the emergence of Internet, a sales umbrella organization for stations represented today by Weiss & Powell, McGavren Guild Radio Networks, Hillier-Newmark-Wechsler & Howard, Major Market Radio and Durpetti & Associates. Internet, New York, currently represents about 1,100 stations.

Other unwired radio networks soon consolidated. Katz Radio Network, a combined sales organization for Katz Radio, Christal Radio Network and Republic Radio, represents about 600 stations. Supernet, the New York-based umbrella organization for Eastman Radio Network, Torbet Network, Selcom Radio Network and Masla Radio, represents more than 1,100 stations, and Blair Represented Network, New York, represents about 300 stations.

The primary result of the mergers is that unwired networks, with their vast station representation, have made extensive spot radio buying less cumbersome. "All research shows that radio is difficult to buy," says William L. Stakelin, president and chief executive officer of the Radio Advertising Bureau, New York. "We view unwired as another way to package and sell radio and make it easier for the client and agency."

Vincent Gardino, general sales manager at WOR in New York, agrees. "Unwired radio networks are, frankly, an extension of spot radio to simplify matters for the agencies."

One person in a media department can deal with one person at a network, says Mike Hillstrom, national sales manager of WGN-AM, Chicago. The networks make it possible "to buy 200 stations and receive one invoice," he says. For their efforts, unwired networks receive a 15% commission from the radio station after agency commission is paid.

But unwired network executives say their role goes beyond that of a one-stop spot radio shop. Frequently they help agencies and clients design media plans, selecting the markets and stations to meet specific marketing requirements. They continuously update detailed information concerning the psychographics, demographics and ranking of each station they represent.

The flexibility to tailor station selection, unwired radio executives say, gives them a competitive edge over wired networks, which in most cases are a package deal—offering advertisers all or none of their stations. There's currently no opportunity to pick and choose stations represented by wired networks, Katz' Mr. Olds says.

"Unwired provides a service to national advertisers that they didn't have before," says Daniel Flamberg, senior vp-communciations, RAB. "It's all-encompassing, custom-designed planning, and it's the difference between going to a restaurant that serves a la carte or one that only has a complete dinner package."

But unwired networks do more than plan which courses will be served on the media menu. They also develop comprehensive merchandising programs on the local level. Although local radio tie-ins have long been a radio tradition, unwired networks have the advantage of exploiting the benefits of their daily contact with their represented stations.

"Unwired provides an opportunity to buy the most creative media and marketing effort with the least amount of headaches, because someone else does all the work," Mr. Flamberg says.

Erica Farber, vp-general manager of Interep Marketing Service, a division of Interep, the umbrella organization for Internet Radio Network, views unwired networks as a way to "provide stations with the tools to compete with other media."

Ms. Farber says unwired networks are "providing a service to station owners' needs and providing those services," says Bob Mahlman, president of Mahlman Co., a Bronxville, N.Y., media brokerage company.

"It works both ways, the key being that the network is assured the affiliate is doing what he has promised the network he'd do, and the network is supplying the services promised," he says. "The better the network serves the affiliated radio station, the greater the probability the radio station won't deviate from the network."

It all adds up to new reasons to affiliate, says RNA's Mr. Lobdell. "And it gives advertisers a new reason to buy spots.

"The stations themselves are responding to a more competitive marketplace, carving out more narrow market statements," he says. "To do that, they need services that make them unique, that will set them apart. In the 1950s, almost every station was following the 'Top 40' format, distinguished only by their on-air personalities. Now, an easy way to assume a new identity is to sign up for a national network service."

Not only has the competition among ABC, CBS and NBC for affiliate stations increased, but the battle also is fierce between the Big 3 and the growing number of syndicators. Syndicators are able to offer programing that appeals to narrow slices of a target audience.

"A lot of people have come to the conclusion that providing programing to radio stations is a good business to be in," says Stephen Soule, vp-sales, NBC Radio Networks, New York.

"Much of that's due to the change in distribution from land lines to satellites. Satellites have

Steady revenue rise creates confidence

(Continued from Page S-5)

Roebuck & Co., are spending more." The reason more companies have turned to network radio is they have a lot more choice and greater cost efficiency than in the past, says Robert Hosking, president, CBS Radio division.

Kim Armstrong, director-advertising, AT&T Communications, says she books an "enormous" amount of time on the networks for both consumer and business spots.

"We know what we're getting from the networks in terms of a broad reach and excellent frequency at a good cost per thousand," she says.

Measures to judge network radio effectiveness vary, although some rules of thumb have been imprinted. A good level for two networks could be achieved with an average rating of 50 points, says Stephen Youlios, vp-sales, CBS Radio Networks. A radio rating point measures the size of audience against the over-all population in a market as opposed to number of households.

A buy of four to seven networks requires a minimum rating of 100 points to 125 points to be considered effective, Mr. Youlios says. "Anything below that would jeopardize frequency and penetration in a market."

Ted Bates' Mr. Trubia agrees. "Any buy below 50 points is meaningless," he says. "You've got to dig up a storm."

One agency negotiator says a network's affiliate strength and not cost per rating point should determine a media plan.

Those plans should include multiple network buys, says Laurie Reinadorf, associate media director, J. Walter Thompson USA, New York. "Coverage by any one network is erratic at best," she says. "So you've got to buy multiple networks including the unwired, even though they're more expensive."

Most important, CBS' Mr. Brescia says, is agencies and advertisers now know what they are getting for their money. "Ad agencies believe the networks are working harder with stations to make sure that [commercial] reporting is done as accurately and quickly as possible." Mr. Brescia refers to the strict policing of station affidavits, a result of the 1983 RKO Radio Networks scandal.

The network—since bought by Dick Clark and renamed United Stations—overbilled clients $5.9 million for spots that never ran or ran in poorly rated programs. The ad agencies involved, including Young & Rubicam, Ogilvy & Mather, Needham Harper Worldwide and Wells, Rich, Greene, were given the option to pick up cash credits, make-goods or both. The incident prompted other radio networks to examine their own billing procedures, bolstering the industry's accountability.

"RKO is behind us now, I hope," Mr. Brescia says. "We're healthier in the long run because agencies are asking tough questions of the networks and we have to answer them."

Network executives also say communication between the networks and their affiliate stations is improving, resulting in an industry that is more responsive in recognizing station needs and developing new programing.

"It's because networks are serving their stations better. The networks are listening to

The companies and agencies that fuel radio's fire

Top 5 agencies in 1985 radio billings

($000,000)

1.	Bozell, Jacobs, Kenyon & Eckhardt	$156.2
2.	D'Arcy Masius Benton & Bowles	126.1
3.	J. Walter Thompson Co.	91.3
4.	BBDO Intl.	89.6
5.	Young & Rubicam	89.5

Top 5 companies in 1984 network radio billings

($000,000)

1.	AT&T	$16.3
2.	Cotter & Co.	10.2
3.	Jeffrey Martin Inc.	8.9
4.	U.S. Government	8.6
	Sears, Roebuck & Co.	8.6
5.	Warner-Lambert Co.	8.1

Sources: Advertising Age, Leading National Advertisers

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wired as a "middle-person" between agency and station in designing and implementing on-air product giveaways, call-in promotions or celebrity appearances.

"We try to see what's good for the station and advertiser, because we realize that what works in Philadelphia may not work in Baltimore," Ms. Farber says.

Flexibility is the byword of unwired radio networks—and a major point of difference to wired networks. "Unwired offers clout and control," says Ellen Hulleberg, president of McGavren Guild.

With unwired radio networks, "we won't sell your snow tires in Miami," says Marty Damin, manager-network operations at Eastman Radio. "Instead, we'll give you the 40 stations that make sense for your product."

That kind of control also extends to timing. "With unwired, you not only select stations you want, but you can provide different copy for each and have it run at different times and at different starting dates," Ms. Hulleberg says.

Unwired networks also offer guaranteed clearance. "One of the reasons an agency goes to unwired is that you are assured your communication will run at the time you want, and you pay for that," says Frank McDonald, exec vp, director-media and marketing services at Cunningham & Walsh, New York. "When you buy wired, there could be clearance problems, and that's reflected in the price." He estimates an ad placed on a wired network costs about half as much as one placed on unwired networks.

Some industry executives say that buying through an unwired network can be cheaper than buying spot radio. Katz' Mr. Gilds estimates advertisers buying radio stations in groupings can enjoy savings of 2% to 15%, depending upon the markets, stations and demographics. "There is some kind of savings because the agency has more leverage against the network because of the big dollars involved," he says.

Says a key industry insider: "The rate stations get as part of unwired is sometimes lower than the spot rate."

WGN's Mr. Hillstrom disagrees. "That was the whole premise of attracting advertisers to unwired six to seven years ago, when unwired was designed to compete with wired, which is cheaper. At that time, unwired reps would try to finagle lower rates, but that's not true today," he says.

"Advertisers are smart enough to know that cheaper isn't always better, and that quality stations will not sell time at discount rates."

For the stations, unwired radio networks "create new dollars for radio that ordinarily would have gone to tv, print or outdoor advertising," he says. "It's not taking away from wired, which is alive and well, but it's developing dollars from other sources."

At WGN, unwired accounted for about 8% of its national business in 1985. This year, Mr. Hillstrom says he expects that percentage to climb to 12% and to 15% in 1987. "In unwired, everyone is a winner," he says. "There's no downside."

Cunningham & Walsh's Mr. McDonald doesn't necessarily agree, saying some unwired networks—because of their vast station representation and their responsibility to sell those stations—tend to toss in a station that may not be appropriate.

An executive at an unwired network answers such allegations by saying it is the agency's burden to check the validity of a suggested schedule.

"An agency has the choice of not buying the list if he [the buyer] chooses not to."

Others say the appropriateness of a radio station is more a subjective than objective matter. "It's really a matter of opinion," Ms. Hulleberg says. "You can't force a station [into a schedule], and a salesperson who does that and puts things under the rug [risks losing] trust, and business disappears."

In an atmosphere as charged as radio—where unwired networks must battle for dollars against wired and spot, not to mention other media forms—unwired networks are determined to increase business.

had the greatest impact on the youth-oriented networks. Land lines were acceptable for voice, but satellite delivery brought clean air quality and a great signal."

Increasingly, the lines are blurring between "traditional" network radio and syndication. Networks are syndicating programs and syndicators are buying networks. Culver City, Cal.-based Westwood One, for example, now owns the Mutual Radio Network.

"Network radio now means syndication, yet it's hard to imagine syndication without network radio," says Alan Jurmain, vp, group director-media planning and operations, SSC&B:Lintas Worldwide, New York. "Syndication has more advantages, allowing a station to custom design their own programing."

The larger programing inventory allows agencies and their clients to reach finer target segments via network offerings. "With so many options and the reasonable cost of radio, an agency can build a good plan with a lot of reach to go with the frequency," Mr. Brescia says.

More program development, new network services and possible mergers among syndicators and networks all are in the planning stages. While they say they appreciate the current growth curve, most executives say sales will settle down to a steady 8% to 10% growth rate.

"We [the networks] used to consider ourselves ambulance chasers," Mr. Severine says. "We'd see a brand on their last few dollars and we'd get them to put it in radio. Those days now are gone."

MEET THE BELIEVERS

NETWORK RADIO'S TOP 25 IN 1985

SEARS ROEBUCK & COMPANY
WARNER LAMBERT & COMPANY
AT&T
ANHEUSER BUSCH COMPANIES
COTTER & COMPANY
TRIANGLE PUBLICATIONS, INC.
PROCTER & GAMBLE COMPANY
GENERAL MOTORS CORPORATION
NABISCO BRANDS, INC.
K-MART CORPORATION
WHIRLPOOL CORPORATION
FORD MOTOR COMPANY
U.S. GOVERNMENT
KELLY SERVICES, INC.
THE GOODYEAR TIRE & RUBBER COMPANY
CHESEBROUGH PONDS, INC.
STATE FARM MUTUAL INSURANCE COMPANY
TANDY CORPORATION
INTERNATIONAL BUSINESS MACHINES CORPORATION
M & M MARS, INC.
SCHERING PLOUGH CORPORATION
HARRIS CORPORATION
GEORGE A. HORMEL & COMPANY
STERLING DRUG COMPANY
FLORISTS' TRANSWORLD DELIVERY ASSOCIATION

These 25 corporations led the list of 407 which invested $328,708,708. to advertise 613 products and services in network radio during 1985.

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RNA

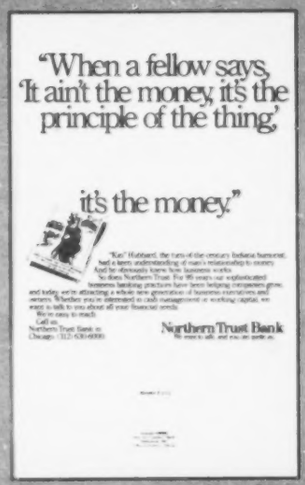
Radio Network Association, Inc.
51 E 42nd St., N.Y., NY 10017

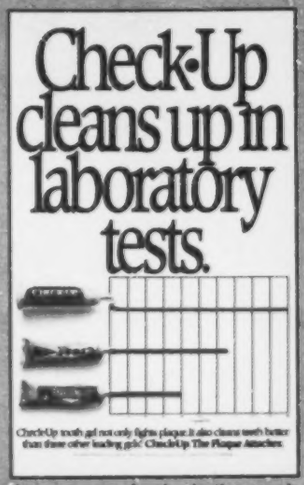
RNA members: ABC Radio Networks, CBS Radio Networks, NBC Radio Networks, Satellite Music Networks, Transtar Radio Networks, United Stations Radio Networks, Westwood One Radio Networks.

Source: Special tabulation for RNA by Ernst & Whinney.

BEST OF PRESS

This ad from Northern Trust Bank in Chicago, via J. Walter Thompson USA, Chicago, uses an appropriate aphorism from Indiana humorist Kin Hubbard to draw the reader's attention to the bank's business services. It works. Creative director and copywriter: Marion Howington; art director: Curt Johnson; illustrator: Gregory Manchess.



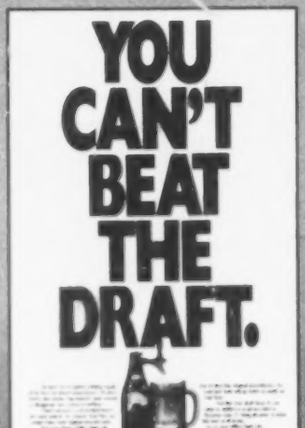

Check-Up cleans up in laboratory tests.
Check-Up tooth gel not only fights plaque. It also cleans teeth better than those other leading gels. Check-Up. The Plaque Attacker.

A great use of color in the graph appearing in this ad for Minnetonka Inc., Chaska, Minn.

Check-Up tooth gel, via Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis, put it over the top in the Best of Press judging. Creative director: Bert Gardner; copywriter: Dick Thomas; art director: Greg Byers; photographer: Bill Gale.

Best of Press invites agencies, clients and newspapers to submit ads for review. Submissions should be sent to William F. Gloede in AA's New York bureau.

The illustration, "excuses" and headline grabbed our attention in this ad. Scali, McCabe, Sloves, New York, is the agency. Copywriters: Tessa Super, David Stukas; art director: Mike Thomas.



A clever headline and illustration make this ad from Backer & Spielvogel, New York. Creative directors: Dave Clark, Hello Gonzalez; art director: Shelton Scott; copywriter: Larry Lalkan; photographer: Jerry Friedman.

This ad for Apple Computer's, Cupertino, Cal., LaserWriter Plus via Chiat/Day, Los Angeles, is a textbook example of a long-copy ad. The combination of graphic elements and type makes it easy on the eye. There's also an example of what the thing does, fit neatly among other important documents. Creative director: Lee Clow; art director: Steve Beaumont; copywriter: David Lubars; photographers: Bob Stevens, Bo Hylen, Dan Wolfe.

FLASH REPORT: Newspaper advertising investment for January

CATEGORIES	YEAR	DOLLARS 1986	DOLLARS 1985	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	1986	$29,008,091	$23,556,356	+5,452,545	+23.1
	1985				
Computer stores & supplies	1986	3,901,268	4,347,521	-446,253	-10.3
	1985				
Department stores	1986	53,451,985	52,268,718	+1,183,247	+2.2
	1985				
Food stores	1986	30,049,945	27,022,489	+3,027,456	+11.2
	1985				
Radio, tv, phonographs, records	1986	18,294,980	13,915,493	+4,379,487	+31.5
	1985				
General merchandise stores	1986	22,616,031	21,070,168	+1,545,863	+7.3
	1985				
Alcoholic beverages	1986	1,013,115	610,221	+402,894	+66.0
	1985				
Cameras, photo supplies & services	1986	52,236	223,036	-170,800	-76.6
	1985				
Computers, equipment & services	1986	623,826	2,865,795	-2,241,969	-78.2
	1985				
Public service utilities & commissions	1986	3,348,859	5,520,999	-2,172,141	-39.3
	1985				
Publishing & media	1986	11,507,906	9,223,216	+2,284,690	+24.8
	1985				
Cigarets	1986	4,370,588	4,300,367	+70,221	+1.6
	1985				
Airlines	1986	13,815,174	15,185,846	-1,370,672	-9.0
	1985				
Passenger cars-cars	1986	19,352,977	13,810,057	+5,542,910	+40.1
	1985				
Banks & trust companies	1986	7,805,337	6,711,830	+1,093,507	+16.3
	1985				
Stock, bond & investment houses	1986	2,181,798	1,372,917	+808,881	+58.9
	1985				

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Newspaper ad spending jumps 19%

New York—Advertisers in January boosted their ad spending in 29 major-market newspapers by 19.1%, or $220.9 million, from a year ago, according to the Advertising Age Flash Report of Newspaper Advertising Investments.

Eleven of 16 measured categories showed increases in January from January, 1985, with major percentage gains coming from amusements, up 23.1% to $29 million; radio-tv-phonographs-records, up 31.5% to $18.3 million, and alcoholic beverages, up 66% to $1 million.

Categories registering growth also included new passenger cars, up 40.1% to $19.3 million; publishing and media, up 24.8% to $11.5 million, and stock, bond and investment houses, up 58.9% to $2.2 million.

Other categories with gains: Department stores, up 2.2% to $53.4 million; food stores, up 11.2% to $30 million; general-merchandise stores, up 7.3% to $22.6 million; cigarets, up 1.6% to $4.4 million, and banks and trust companies, up 16.3% to $7.8 million.

Categories registering declines in January compared wih January, 1985, included computer stores and supplies, down 10.3% to $3.9 million; cameras, photo supplies and services, down 76.6% to $52,236; computers, equipment and services, down 78.2% to $623,826; public service utilities and commissions, down 39.3% to $3.3 million, and airlines, down 9% to $13.8 million.

The Flash Report, prepared by Media Records Inc. here, is based on measurements of advertising in 16 categories in 29 daily and 23 Sunday newspapers in 15 major markets.#

The strong impact of the illustration and a good headline to boot make this ad for the BMW L7, Montvale, N.J., via Ammirati & Puris, New York. Creative director: Joe O'Neill; art director: Jerry Whitley; copywriters: Joe O'Neill, David Tessler; photographer: Jeffrey Zwart.

Ad pages in farm publications for 3 months, 1986-85

Year-to-date figures for U.S. and Canadian publications reporting to Advertising Age

	Pages Jan - Mar - 1986	Jan - Mar - 1985
— Canadian —		
Country Guide		
Eastern Edition	120.0	144.3
National Edition	221.4	276.1
Western Edition	140.1	178.9
Le Bulletin des Agriculteurs	249.3	232.3
Total Group	**700.8**	**831.6**
% change	**– 15.7%**	
— Dairy & livestock —		
Beef Extra (11X)	30.3	45.3
Beef Magazine A	168.9	223.3
Beefweek	134.1	144.5
The Cattleman	274.4	345.2
Dairy	81.3	81.1
Dairy Extra (11X)	50.0	40.8
Dairy Herd Management	48.0	81.5
Drovers Journal (52X) A	—	—
Farm Progress Hog Producer	24.8	18.4
Feedlot Management	41.6	76.4
Florida Cattleman	197.5	209.5
Hoards Dairyman (23X) A	173.0	209.6
Hog Extra (10X)	47.1	30.3
Hog Farm Management	33.2	56.3
National Hog Farmer	210.5	213.6
Pork '86	—	—
Southern Beef Producer (8X)	40.9	60.1
Southern Hog Producer (6X) A	—	—
Total Group	**1,555.6**	**1,835.6**
% change	**– 15.3%**	
— Fruit & vegetable —		
American Fruit Grower	155.3	153.4
American Vegetable Grower	154.8	151.1
Citrus & Vegetable	152.6	149.9
Total Group	**462.7**	**454.4**
% change	**+1.8%**	
– General farm publications —		
American Agriculturist	81.5	96.6
California Farmer (21X) A	162.1	202.0
Farm Futures A	196.0	187.5
Farm Industry News (10X)	211.0	225.8
Farm Journal Inc.		
Farm Journal (14X)	266.3	274.2
Top Producer	60.8	51.6
Florida Grower & Rancher	89.7	90.8
Farmer-Stockman Unit		
Oklahoma Farmer-Stockman	32.3	38.2
Texas Farmer-Stockman	34.0	30.9
Harvest Publishing Unit		
Kansas Farmer (21X)	213.7	218.1
Michigan Farmer (21X)	191.1	219.7
Missouri Ruralist (21X)	239.8	265.6
Ohio Farmer (21X)	241.5	298.8
Pennsylvania Farmer (21X)	171.9	208.4
High Plains Journal		
Colorado	521.4	505.8
Eastern Kansas (52X)	511.9	529.1
Nebraska	505.4	526.5
Oklahoma-Texas	504.1	502.2
Western Kansas	563.0	564.4
Irrigation Age (10X) A	62.9	74.2
Kentucky Farmer	102.7	113.9
Lancaster Farming (52X)	1,875.9	1,638.0
Midwest Farm Paper Unit (24X)		
The Farmer	303.7	365.1
Indiana Edition	323.7	428.5
Nebraska Farmer	388.8	442.1
Prairie Farmer A	342.7	460.4
Wallaces Farmer (24X) A	323.9	408.9
Wisconsin Agriculturist (24X)	214.0	250.0
Pecan South (6X)	21.9	18.6
Progressive Farmer A	258.0	246.0
Specialized Agricultural Publications		
Coastal Plains Farmer (8X)	51.0	35.7
Flue Cured Tobacco Farmer (9X)	52.5	44.7
Peanut Farmer (9X)	45.3	37.9
Successful Farming A	278.3	278.4
Tennessee Farmer	50.8	53.3
Western Unit Farm Magazines		
Arizona Farmer-Stockman	67.2	72.5
Colorado Rancher & Farmer (5X)	105.3	121.2
Northwest Unit Farm Magazines (24X)		
Idaho Farmer-Stockman	180.9	199.0
Montana Farmer-Stockman	234.4	284.0
Oregon Farmer-Stockman	139.6	160.9
Utah Farmer-Stockman	100.0	143.9
Washington Farmer-Stockman	147.0	165.7
Wisconsin Agriculturist	214.0	250.4
Total Group	**10,468.0**	**11,079.5**
% change	**– 5.5%**	
— Poultry —		
Broiler Industry	183.6	164.0
Poultry Digest	58.8	43.2
Poultry Tribune	57.5	58.9
Poultry & Egg News	—	—
Poultry Times	—	—
Southeast Edition	—	—
Southwest Edition	—	—
Northeast/Midwest	—	—
Pacific Edition	—	—
Poultry & Egg Mktg	—	—
Total Group	**299.9**	**266.1**
% change	**+ 12.7%**	

(X) Represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions.

Faberge follows ABC in sidelining Namath

By PAT SLOAN

NEW YORK—After being waived by ABC-TV's "Monday Night Football," Joe Namath has been cut from the Faberge team as well.

"There's nothing doing with him as far as I'm concerned," said Faberge chairman Dan Manella. Added company president Steve Manenti in a separate interview, "Namath is being phased out because of the ABC thing and also because of some ads he did in Florida for a racetrack that were not right for our image."

This is expected to end the football Hall of Famer's on-again, off-again status at Faberge. Last year, exec vp-marketing Bill Tauriello said Mr. Namath's commercial use was being reconsidered.

After ABC assigned the former New York Jets quarterback as its football color commentator, Faberge announced it would be using him in a special campaign for Brut, which was supposed to break this May (AA, Feb. 25, '85, *et seq.*).

Messrs. Manella and Manenti's comments preceded a press conference to announce that "Knots Landing" star Donna Mills had been named Faberge's fashion and beauty director, a role that will include endorsing Aqua Net hair products in a $9 million print and tv campaign from Faberge agency of record Bozell, Jacobs, Kenyon & Eckhardt.

Faberge's total ad budget is $25 million this year, up 15% from last year, Mr. Manella said.

Even without Mr. Namath, there will still be a new Brut campaign in several weeks with a budget of $5 million-plus. This campaign will run in conjunction with the current "Smells like a man" theme.

Although Mr. Manella said the new campaign would be "thematic" and not involve a spokesman "per se," he said it will still use a "box-office star in a thematic sweepstakes and ad campaign."

Mr. Manella would not identify this box-office name but noted no former product endorsers associated with Faberge would ever again be used in advertising.

The exception is Cary Grant, who was not really an endorser but a member of the Faberge board when McGregor Corp. acquired the company in 1984. Mr. Grant continues to make personal appearances for Faberge and could become involved in advertising. But Mr. Manella maintained the actor won't be a part of this new campaign.

Mr. Manella also noted that in the retail marketplace consumers remain confused about the difference between the Brut fragrance and lower-price Brut 33 toiletries line.

He would not say what Faberge might do to clarify the product lines or whether it might discontinue one of them.

Faberge management already has sold off Ceramic Glaze Nail Color, a company it reacquired in late 1984 as an entree into the color cosmetics business.

A decision has been made to concentrate on toiletries and fragrances for now, Mr. Manella said. However, Ms. Mills alluded last week to a cosmetics line that would carry her name. Mr. Manenti said such a line is "a possibility."

Mr. Manella said that he would like to see Faberge acquire a beauty company by yearend.

Faberge, which last year had sales of $273 million and pretax profits of $32.3 million, had at one time tried to buy Halston from Max Factor, Mr. Manella said. "We would like to buy a company that's a fragrance house, because right now we feel we're more in the toiletry than fragrance field," he said.

As earlier reported, Faberge is reintroducing in the mass market Tigress and Tigress Musk, in addition to its Aphrodisia for men, Woodhue for women and Kiku for women fragrance lines.

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*Source: Erdos & Morgan, 1985.

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Monday, April 21, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

International needs spur Backer, LKP consolidations

— Page 1

Cosby speaks, Hutton listens, industry waits for old magic

— Page 1

Libyan terror fallout spreads to worldwide ad community

— Page 3

FOREIGN AGENCY INCOME REPORT

NEWSPAPER

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HIGHLIGHTS

Agency moves 1
The stories behind the major agency moves of the week: Saatchi & Saatchi Co.'s purchase of Backer & Spielvogel came about in part because B&S' leaders sensed that its lack of international offices had become a greater liability than ever. B&S was excluded from major new-business pitches because it did not have overseas offices. Meanwhile, Foote, Cone & Belding Communications, whose New York office has suffered significant account setbacks, has converted those losses into an opportunity to triple its presence in the Big Apple through the acquisition of Leber Katz Partners.

The fear factor 3
Fear of terrorism, sharpened by the U.S. bombing of Libya last week, is changing personal conduct and business practices worldwide, and that includes the advertising and marketing communities.

A taxing situation 3
An Internal Revenue Service ruling limiting the deductibility of packaging costs could have far-reaching implications for package-goods marketers. But food and consumer products companies say they aren't going to go down without a fight.

In the swim 4
After two years without getting near the water, swimwear marketers are diving into the spring sales season with swimsuits tailored to women who have left their teen years behind. Leading manufacturers are catering to women aged 20 to 40 with fashionable one-piece suits that feature figure-contouring darts, silhouette-softening ruffles and high-cut leg openings intended to draw the eye upward, making legs look longer and thighs slimmer.

Powerful medicine 6
Add Ogilvy & Mather—and by the end of this year probably Doyle Dane Bernbach as well—to the rapidly growing ranks of agencies with new, specialized consumer/medical units. Fueled by vast changes in the booming healthcare marketing field, hybrid agencies are being born that specialize in promoting healthcare products and services directly to consumers rather than medical professionals.

Barnyard battle 24
Holly Farms Poultry and Perdue Farms, locked in a feather-flying battle over who has the leanest low-fat chicken, are now squawking over false ad claims.

Scaling up 35
Washington Post executive editor Ben Bradlee is bringing his paper's Sunday magazine out of the bargain basement with a redesigned book he hopes will attract national advertisers. Mr. Bradlee plans a smaller, glossy book to replace the *Post's* current magazine—originally designed for "people who read with their lips," he said, and filled with budget ads.

Nothing to bubble over 86
The once-sparkling champagne category may be going flat as over-all consumption fell slightly last year for the first time in this decade. Early estimates show total champagne/sparkling wine consumption was down almost 2% in 1985. The leveling off was attributed to continued consumption declines of domestic brands, paired with a slowdown in the import segment.

Too much of a good thing? 102
Large-scale fund-raising events such as Live Aid or FarmAid are becoming more common every day. But some ad and tv executives are concerned that the sheer number of these new events, coupled with a fatigue factor, might undermine interest in the fund-raisers.

NEW PRODUCTS

Innovation on the rise 22
Although the number of new-product introductions slumped 7% in 1985, the big marketers have become more innovative. That's the conclusion of Innovation Index, a new-product innovation service of Initiatives Group. The Index indicating level of innovations shows a rise to 16.4% in 1985, up from 9.5% a year earlier.

INTERNATIONAL

Lowe's the best 60
Lowe Howard-Spink Marschalk's outstanding creative work through 1985 in print and tv for clients such as Vauxhall Motors Ltd. (General Motors Corp.), Heineken beer, Toys "R" Us and the British Broadcasting Corp. led to its selection as Advertising Age's International Agency of the Year. In the same section, beginning on Page 63, the Foreign Agency Income Report covers 911 agencies in 71 countries giving information on gross income and billings for 1985 and 1984.

OTHER NEWS

Suncare marketers hope to turn the tables on cosmetics marketers by promoting skin conditioning in ads for tanning and protective products. Page 4.

The emergence of several former prescription allergy remedies on drugstore shelves is prompting more advertising from all major entries in this $125 million segment. Page 26.

ConAgra last week welcomed Campbell-Mithun to its agency roster by assigning the shop its mysterious new brand of premium frozen dinners and a related canned meat line. Page 32.

Channels of Communications in its March issue introduces a new look, courtesy of those busy magazine makeover artists, Walter Bernard and Milton Glaser; an increased frequency, 10 times a year instead of every other month, and a revamped editorial focus on the business of the electronic media. Page 35.

Meredith Corp. is plotting new moves in the magazine market while still digesting its $92 million purchase of *Ladies' Home Journal*—its largest ever—from Family Media. The company will target what it considers a newfound niche in the growing "mature market" with *Grandparents*, slated for a January debut under the *Better Homes & Gardens* umbrella. Page 114.

With President Reagan saluting their "robust" economic health, the nation's radio and tv broadcasters last week expressed little interest in surrendering any financial or regulatory gains. Page 115.

Eastman Kodak Co. says its moving away from its "America" theme with computer animation, lively music and quick-cut editing for its new $35 million campaign introducing improved 35mm film under the Kodacolor VR-G name. Page 119.

Military recruiters apparently are coming up empty-handed in their latest efforts to entice major agencies to challenge shops that hold multi-million-dollar military ad contracts. Page 125.

SPECIAL REPORT

Business publications prosper or suffer with the industries they cover. And as markets become more segmented, the magazines serving those categories target smaller, more defined audiences. Special Report looks at the business press, which reported a 16% increase in ad revenue in 1985 for 139 business publications while ad pages declined 2%.

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BJK&E unit cut by steak house

By SCOTT HUME

Ponderosa has moved the $21 million assignment for its steak house division to Lowe Marschalk, New York, from USAdvertising, the shop spun off from Bozell, Jacobs, Kenyon & Eckhardt, New York.

The shift is the third agency move in little more than a year for Ponderosa and a blow to BJK&E, which had created USAdvertising in order to retain Quaker State Motor Oil and Ponderosa, two accounts put in conflict by the merger (AA, Jan. 20). Kenyon & Eckhardt had the Ponderosa business; Bozell & Jacobs handled McDonald Corp.'s co-op accounts in Atlanta, Chicago, Houston and New Orleans. Earlier this month,

(Continued on Page 124)

Is Kraft returning to freezer?

By JULIE FRANZ

Chicago—Kraft Inc. may be eyeing a spot in grocers' freezer cases.

Food-industry insiders last week speculated that such a plan may be behind Foote, Cone & Belding's abrupt resignation of approximately $10 million in business from Sara Lee Corp.'s Kitchens of Sara Lee unit, assignments the agency concluded were on an inevitable, long-range "collision course" with its estimated $30 million Kraft account.

"The long-term direction of the Kraft Venture Group and the direction of Sara Lee are on a collision course," said Greg Blaine, FCB deputy general

(Continued on Page 120)

West Coast news

New PSA exec holds campaign

Pacific Southwest Airlines, San Diego, has suspended indefinitely a new tv ad drive featuring actor Ned Beatty and has its agency, Della Femina, Travisano & Partners, Los Angeles, at work on a new, less-humorous execution. The move follows the appointment of a new vp-marketing at the carrier, John Siefert, a 23-year veteran of Eastern Air Lines, most recently vp-reservations and telephone sales. Mr. Siefert replaces Bill Roy, who resigned ear-

(Continued on Page 120)

Ogilvy joins consumer-medical ad trend

Healthcare explosion leads to hybrids

By STEWART ALTER

Add Ogilvy & Mather—and by the end of this year probably Doyle Dane Bernbach as well—to the rapidly growing ranks of agencies with new, specialized consumer/-medical units.

Fueled by vast changes in the booming healthcare marketing field, hybrid agencies are being born that specialize in promoting healthcare products and services directly to consumers rather than to their traditional targets: The medical professionals.

O&M is the only agency not to use the affiliation of its medical subsidiary, Rolf Werner Rosenthal, when it formed O&M HealthCare. The new unit became a formal entity this year after an informal startup in '85.

More typically, these units are offshoots of the medical units, which specialize in reaching doctors and other medical professionals, *e.g.*, Medicus Consumer Communications, launched earlier this year by D'Arcy Masius Benton & Bowles' Medicus Intercon.

J. Walter Thompson USA has reorganized and renamed its medical advertising operation, creating J. Walter Thompson Healthcare. It includes both JWT's Deltakos medical agency and a new consumer division.

Vince Trovati, formerly an exec vp-group director of Young & Rubicam's Sudler & Hennessey, has joined as head of the new combined operation, while Robert Belinoff, who has had his own healthcare marketing company, joins to head the new consumer division. Jack Stevens remains in charge of Deltakos.

"There is dynamic change in the industry," said Bert Metter, vice-chairman of JWT USA, to whom healthcare operations report. "Clients are looking for fresh approaches and new thinking."

Said O&M Healthcare senior vp-general manager Doug Bruce, "From a business standpoint, healthcare is going through an enormous growth period. We're seeing companies that never advertised their over-the-counter products starting to do so, and products that were Rx-only now going over the counter."

Arthur Rosen, exec vp-director, Young & Rubicam's Sudler & Hennessey Consumer Group, the first in this field in 1981, gave a few examples of ethical products that had gone otc—Benadryl allergy medication and Benylin cough syrup—and otc products that had begun to advertise for the first time—Mylanta and Maalox antacids.

"To this, one could add dozens," Mr. Rosen added. "We're talking about a phenomenon."

Among other factors fueling the growth of this field, Mr. Rosen mentioned the role of technology in developing new classes of products, such as in-home pregnancy and ovulation tests, and new healthcare delivery systems, such as optical centers and weight-control centers. Another area is Health Maintenance Organizations, which doubled their advertising expenditures in a year to become a $100 million ad category in 1985 (AA, Dec. 30).

And as still another factor, he cited the "growth of patient information as a whole category," meaning companies that are running corporate-type campaigns in which they discuss a condition or disease generally, but stick to Food & Drug Administration guidelines by not mentioning the product they are marketing as the cure.

This approach "doesn't make sense for a tired product or a product with 15% to 20% of the market," said William Castagnoli, president, Medicus Intercon North America, "but when you're really the dominant force, you can expand the market and get a major share of that expansion." Medicus' most notable client in this area is Merrell-Dow's Nicorette, a prescription gum to help people quit smoking; the company runs ads that talk about quitting without mentioning Nicorette.

All of this is expected to lead toward the eventual advertising, direct to consumers, of prescription pharmaceuticals by name. The FDA has encouraged companies to

(Continued on Page 125)

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Target: Adults 25–54
Reach: 91%
Frequency: 5.7
GRPS: 519

Houston Chronicle
Houston's primary advertising investment.

Sources: 1985 Selden Continuing Market Study, Houston PMSA. Local estimates. Chronicle schedules use 6 ads (4 daily, 2 Sat., 2 Sun.). Broadcast budget: 70% TV, 30% radio. Represented by Sawyer Ferguson Walker. jbr

CORRECTIONS & CLARIFICATIONS

- Ultimus Inc., Chicago, created the freestanding newspaper insert for Miles Laboratories' new Glass Works vinegar-based cleaner (AA, April 7, P. 3).
- Marie Germain, founder and president of Germain Advertising, Toronto, should have been identified on second reference as Ms. Germain (AA, April 7, P. 63).
- Capitalized billings for Hal Langerman, Center Square, Pa., were reported incorrectly by the agency (AA, March 24, P. 100). Its 1985 billings were $5.6 million, up 19.1% from 1984.
- The publisher of *Princess Style* (AA, March 31, P. 60) is Tiffany Communications, Beverly Hills, Cal.
- Western Airlines' series of celebrity-endorsement spots (AA, March 31, P. S-8) was directed by Steve Dollinger of Los Angeles-based Coast Productions.
- Joe Pytka left Rick Levine Productions to form his own company, not the other way around (AA, March 31, P. S-9). Also, Barbara Moscarello's name was misspelled.
- Jack Sheasby is staff director at Swell Pictures in Chicago (AA, March 31, P. S-13), which offers film-to-tape transfer services.

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colors "the dullest, plainest things in the world." So he began the society in 1982.

A column in the university's newspaper turned his efforts into a minor *cause celebre*. "It started as, well, something to do. But then I found that a lot of other people were concerned [about the red candy's plight]. With word of mouth, and some press coverage, it just snowballed."

Today, the nonprofit society boasts a worldwide membership of 390. A $2.97 lifetime membership fee includes: Five sheets of official letterhead, five official envelopes and one official wallet-sized membership card. A newsletter is a possibility.

"The feedback from Mars has been wishy-washy," Hethmon says, although he's pleased Mars sold green and red M&Ms-type candies at Christmas. Still, he'll "stick with it until regular red M&Ms are back."

Cecelia Reed

Weaver's software turns touch of keyboard into patterned softwear

Your clothes may never look the same. Or your sofa. Or your sheets.

Thanks to computer-assisted weaving, artists like New Yorker Lois Bryant can design wilder fabrics than ever before. The artists, in turn, sell their prototypes to the textile industry, which reproduces them for use in fashion and decorating.

Bryant designs for Knoll and SunarHauserman office furniture and Brunschwig & Fils home decorative fabrics. She also teaches one of country's first computer weaving courses at the Parsons School of Design, New York.

Without a personal computer, the 31-year-old weaver explains, designing a pattern means first drawing it by hand on graph paper using little x's. If artists want to see what the pattern will really look like, they must prepare the loom and weave a couple of inches. This can take hours.

With a computer program, however, drawing the design is as simple as punching in *xxx*. For Bryant, who lives and works in a spacious downtown Manhattan loft, her IBM personal computer means more than just a convenient drawing board. It means quick access to hundreds of possibilities.

Normally, each different line of the woven design requires threading through an individual "harness," or screen, attached to a treadle.

These treadles hang like organ pedals under the loom. Although Bryant's loom has 18 treadles, she could only reach about five with ease.

Still, the more treadles, the richer the weave, but more than once, she admits, "The number of treadles would go into my aesthetic decision."

The computer allows her to "press" the equivalent of hundreds of treadles from her keyboard. She has already designed one cloth requiring 200 of them. When she looks at her precomputer work now, she groans, "It's so *simple*." With the new technology, "We're going to see a lot of fancy weaves we didn't see five years ago."

Lenore Skenazy

Anne Adler

Lois Bryant uses a weaver-friendly personal computer to design fabrics. She teaches the art at Parsons in New York.

Beta's presence growing dim in videotape market

In the videocassette recorder format race, VHS is leaving Beta at the gate.

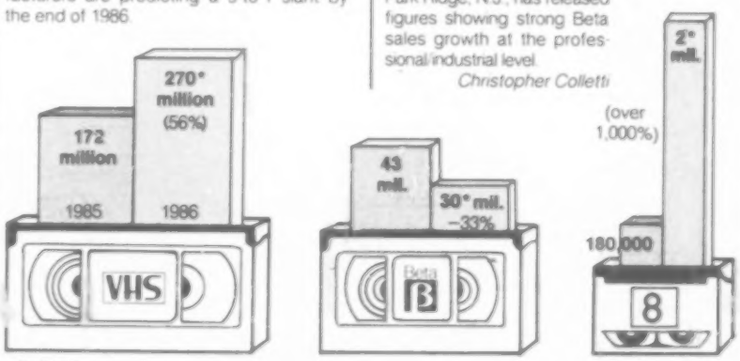
According to reports released from the recent International Tape/Disc Assn.'s annual seminar in Palm Springs, Cal., the consensus was that VHS and 8mm shares of blank videotape sales will continue to grow at the expense of Beta. In 1985, the VHS to Beta ratio was 4-to-1. Tape manufacturers are predicting a 9-to-1 slant by the end of 1986.

Also, sales of 8mm videotapes, introduced in 1984 by Eastman Kodak, Rochester, N.Y., continue to rise at a dramatic rate. Manufacturers who attended the trade seminar, including representatives of TDK Electronics, Tandy Corp., Sony Corp. and BASF Corp., are predicting sales of 2 million units in 1986.

Not surprisingly, video store owners are curtailing their supplies of Beta videocassettes. The nation's largest video rental chain, Portland, Ore.-based National Video, is reorganizing its Beta rentals so only one franchise in each area will handle Beta. The 185-store Network Video chain, based in Sarasota, Fla., has dropped its Beta format and so have others, including Video Paradise, Boston, and Turtles Records and Tapes, Atlanta.

But there are still some Beta fans out there. The magnetic tape division of Sony, Park Ridge, N.J., has released figures showing strong Beta sales growth at the professional/industrial level.

Christopher Colletti



*estimate
1985 figure for 8mm is in thousands
Source: International Tape Disc Association, Advertising Age

Child's play reflects signs of the times: Toys, records deal with abuse, abduction, drugs

You might say it's a sign of the times.

Many toys, games, books and records targeted at kids today have progressed way beyond mere childish diversions. In fact, some of them are downright sobering. A number of marketers have introduced products designed to teach youngsters about such issues as child abuse, drugs and traffic safety.

Playmore, New York, which has sold more than 6 million "It's O.K. to Say No to Drugs" coloring and activity books since 1985, now has added "The Pros Say It's O.K. to Say No to Drugs!"

The coloring books feature such Major League Baseball stars as New York Yankee Dave Winfield.

Tele-Story Products, Chatsworth, Cal., is offering records and audiotapes titled "Straight Talk for Kids" on child abduction, which features Bill Cosby, and "Say No to Drugs & Alcohol," which features Soleil Moon Frye, tv's Punky Brewster.

Fort Lauderdale-based Child Awareness Inc.'s The Child Awareness Game, is a board game in which kids must answer questions about potentially risky situations in order to advance their playing pieces.

Thousands of parents have said yes to buying "It's O.K. to Say No" coloring and activity books for children from Playmore, New York.

Other new products on the market have more to do with parental peace of mind than fun and games: Identibears is a do-it-yourself identification and fingerprint kit from Kamar International, Torrance, Cal. Teddy Tagums from Playline, Northfield, Ill., are child ID tags in the form of blue plastic bears that can be attached to clothing.

When did playtime become so serious?

James P. Forkan

HIT LIST

Currents compiles the nation's current entertainment favorites below.

Movies

1. **Police Academy 3** - Warner Bros. (2 wks.)
2. **The Money Pit** - Universal
3. **April Fool's Day** - Paramount
4. **Gung Ho** - Paramount
5. **Hannah and Her Sisters** - Orion
6. **The Color Purple** - Warner Bros.
7. **Pretty in Pink** - Paramount
8. **Down & Out in Beverly Hills** - Touch
9. **Just Between Friends** - Orion
10. **Sleeping Beauty** - Buena Vista

Provided April 14 by Variety

Books

1. **Fit for Life,** Harvey and Marilyn Diamond, Warner (13 weeks at No. 1)
2. **Bourne Supremacy,** Robert Ludlum, Random House
3. **Callanetics,** Callan Pinckney, Morrow
4. **Bus Nine to Paradise,** Leo Buscaglia, Morrow
5. **Lake Wobegon Days,** Garrison Keillor, Viking
6. **Mammoth Hunters,** Jean M. Auel, Crown
7. **You're Only Old Once,** Dr. Suess, Random
8. **Be Happy Attitudes,** Robert Schuller, Word
9. **Lie Down with Lions,** Ken Follett, Morrow
10. **Seasons of Heart,** Cynthia Freeman, Putnam

Provided April 15 by B. Dalton

Network tv

1. **The Cosby Show** - NBC (23 wks.)
2. **Movie: Return to Mayberry** - NBC
3. **Family Ties** - NBC
4. **Murder, She Wrote** - CBS
5. **Cheers** - NBC
6. **Who's the Boss?** - ABC
7. **60 Minutes** - CBS
8. **Golden Girls** - NBC
9. **Dynasty** - ABC
10. **Moonlighting (tie)** - ABC
10. **Perfect Strangers** - ABC

A.C. Nielsen rankings April 7-13

Videocassettes

1. **Fonda's New Workout** - KLHV (1 wk.)
2. **Return of the Jedi** - CBS/Fox
3. **Beverly Hills Cop** - Paramount
4. **Fonda's Workout** - KLHV
5. **Pinocchio** - Disney
6. **Rambo: First Blood Part 2** - Thorn/EMI/HBO
7. **Silverado** - RCA/Columbia
8. **The Goonies** - Warner Bros.
9. **Best of John Belushi** - Warner Bros.
10. **Fonda's Prime Time** - KLHV

Reprinted from April 19 Billboard

Record albums

1. **Whitney Houston,** Arista (7 weeks)
2. **Heart,** Capitol
3. **5150,** Van Halen, Warner Bros.
4. **Promise,** Sade, Portrait
5. **Falco 3,** Falco, A&M
6. **Pretty in Pink,** soundtrack, A&M
7. **The Ultimate Sin,** Ozzy Osbourne, CBS/Epic
8. **Scarecrow,** John Cougar Mellencamp, Riva
9. **Dirty Work,** The Rolling Stones, Columbia
10. **Brothers in Arms,** Dire Straits, Warner Bros.

Reprinted from April 19 Billboard

Music videos

1. **U.S.A. for Africa (A Salute to 60's Rock),** John Cougar Mellencamp, John Cougar Mellencamp, dir., Riva (2 weeks)
2. **What You Need,** INXS, Richard Lowenstein, dir., Atlantic
3. **Addicted to Love,** Robert Palmer, Terrence Donovan, dir., Island/Atlantic
4. **Harlem Shuffle,** Rolling Stones, Ralph Bashki, dir., Rolling Stones/Columbia
5. **Rough Boy,** ZZ Top, Steve Barron, dir., Warner Bros.
6. **Kiss,** Prince and the Revolution, Rebecca Blake, dir., Paisley Park/Warner
7. **I Can't Wait,** Stevie Nicks, Marty Callner, dir., Modern/Atlantic
8. **These Dreams,** Heart, Jeff Stein, dir., Capitol
9. **This Could be the Night,** Loverboy, Dominic Sena, dir., Columbia
10. **Nikita,** Elton John, Russel Mulcahy, dir., Geffen/Warner Bros.

Top 10 for the week of April 11 as seen on MTV: Music Television.

1986 EDITION

FOREIGN AGENCY INCOME

Y&R group holds on to top spot

By DENNIS CHASE

Young & Rubicam, the biggest agency group in the world for the second year in a row, lengthened its lead over the rest of the pack in 1985.

According to Advertising Age's annual Foreign Agency Income survey of 911 agencies in 71 countries, the Y&R group's 1985 gross income was $536 million, or 11.7% ahead of 1984. The group's billings similarly rose, to $3.58 billion.

Y&R's gross income was $55 million ahead of second-place finisher, the Ogilvy Group, and $63 million ahead of Dentsu, Japan's biggest agency, which finished third. In 1984, Dentsu was supplanted as the world's biggest agency for the first time in 11 years, when Y&R sneaked in by a gross income margin of only $11.6 million.

The strong U.S. dollar in 1985 continued to help U.S. agencies and hurt foreign shops. Also, Dentsu, which leads all agencies in billings, calculates gross income at 13.5% of billings, but Y&R uses 15%.

The Ogilvy Group's strong showing, caused by a 14.3% increase in worldwide billings, moved the group from fourth to second place in the rankings. Much of this gain was attributed to a growth in new business, both in the U.S. and abroad.

New agency combinations also caused a reshuffling. In 1984, D'Arcy MacManus Masius was the 13th-biggest worldwide agency group, and Benton & Bowles was 16th. This year, DMM would have ranked No. 16, and B&B would have been No. 18, if listed separately. Instead, the combined agency ranked No. 9 in 1985.

Bozell, Jacobs, Kenyon & Eckhardt was the 16th-largest agency group in 1985, but separately Bozell & Jacobs would have ranked about No. 22, and Kenyon & Eckhardt would have ranked about No. 27—very close to their 1984 rankings.

Non-U.S. agencies also are making inroads. U.K.-based Saatchi & Saatchi Compton Worldwide moved up one place, to No. 6, overtaking BBDO International.

Saatchi & Saatchi is close to supplanting J. Walter Thompson Co. as the world's fifth-largest agency, and the holding company, Saatchi & Saatchi Co. PLC, this year jumped past the JWT Group in the rankings of holding companies for the first time. Interpublic Group of Cos. remains the world's largest agency holding company, with $707.4 million in gross income, compared with Saatchi's $583.9 million.

GGK Holding, a Swiss-based agency group, also moved into the list for the first time, at No. 45.

The 1986 rankings will reflect further inroads by foreign agencies. The takeover of Dancer Fitzgerald Sample by Dorland Advertising in the U.K., part of the Saatchi & Saatchi group, creates an agency with a gross income of $148 million now. That would have put them No. 18 on the 1985 list, if the takeover had occurred in 1985.

The new Lowe Marschalk Worldwide agency, made up of Lowe Howard-Spink Marschalk Ltd. in the U.K. and the Marschalk Campbell-Ewald foreign network, is expected to make the list of top 50 agency groups in 1986.

Japanese agencies that do not have strong shops outside Japan seem to be suffering because of the slowdown in Japanese advertising expenditures. Hakuhodo, the second-largest agency in Japan, saw gross income grow only $1.2 million, and is in danger of falling behind SSC&B:Lintas.

Similarly, Asatsu and Daiko grew slowly, but Dai-Ichi Kikaku went from 30th to 26th place, largely because of its increased investment in the U.S., Taiwan and Korea.

U.S. agencies with a large percentage of billings abroad did well in 1985. TBWA, with 73.4% of its billings outside the U.S., moved from No. 38 to No. 34. HCM, with 66.9% of its billings abroad, moved up from No. 26 to No. 25 *(see Page 82)*. Both Y&R's and O&M's foreign billings grew faster than their domestic billings last year.

By contrast, agencies with a declining percentage of non-U.S. billings fared less well. Leo Burnett Co.'s share of foreign billings out of its total billings fell from 34.7% to 32%; BBDO International, from 30.5% to 27.3%, and Foote, Cone & Belding, from 26.5% to 24.7%. All of these agencies fell in the rankings in 1985.#

Mr. Chase is the international editor of Advertising Age.

AGENCY INCOME REPORT

World's top 50 ad agency groups in 1985

Rank*		Agency	Gross income	Billings
1.	(1)	Young & Rubicam[1]	536.0	3.58 bill.
2.	(4)	Ogilvy Group[2]	481.1	3.32 bill.
3.	(2)	Dentsu Inc.	473.1	3.62 bill.
4.	(3)	Ted Bates Worldwide[3]	466.0	3.11 bill.
5.	(5)	J. Walter Thompson Co.[4]	450.9	3.01 bill.
6.	(7)	Saatchi & Saatchi Compton Worldwide[5]	440.9	3.03 bill.
7.	(6)	BBDO International[6]	377.0	2.52 bill.
8.	(8)	McCann-Erickson Worldwide[7]	345.2	2.30 bill.
9.	(—)	D'Arcy Masius Benton & Bowles[8]	319.5	2.18 bill.
10.	(9)	Foote, Cone & Belding Communications[9]	284.2	1.90 bill.
11.	(10)	Leo Burnett Co.	269.4	1.87 bill.
12.	(11)	Grey Advertising	259.3	1.73 bill.
13.	(12)	Doyle Dane Bernbach Group[10]	231.8	1.67 bill.
14.	(14)	Hakuhodo International	198.9	1.53 bill.
15.	(15)	SSC&B:Lintas Worldwide[11]	190.9	1.30 bill.
16.	(—)	Bozell, Jacobs, Kenyon & Eckhardt[12]	173.7	1.22 bill.
17.	(17)	Marschalk Campbell-Ewald Worldwide[13]	150.1	1.00 bill.
18.	(21)	Eurocom Group[14]	129.1	866.3
19.	(18)	Needham Harper Worldwide	127.1	847.3
20.	(19)	Dancer Fitzgerald Sample[15]	121.5	879.3
21.	(20)	N W Ayer	114.5	826.4
22.	(22)	Wells, Rich, Greene	97.2	648.1
23.	(24)	Publicis International	80.3	543.5
24.	(25)	William Esty Advertising	76.5	510.0
25.	(26)	HCM	75.0	500.3
26.	(30)	Dai-Ichi Kikaku	67.3	480.8
27.	(27)	Ketchum Communications	62.9	417.5
28.	(28)	Daiko Advertising	58.1	488.3
29.	(29)	Backer & Spielvogel	57.8	385.1
30.	(32)	Tokyu Advertising	52.6	446.8
31.	(33)	C&W Group	51.0	339.9
32.	(36)	Scali, McCabe, Sloves	50.2	334.7
33.	(34)	Campbell-Mithun	49.8	331.8
34.	(38)	TBWA	49.6	330.9
35.	(40)	Roux Seguela Cayzac & Goudard[16]	41.5	286.7
36.	(36)	HBM/Creamer	47.4	318.0
37.	(39)	Ross Roy	46.5	310.0
38.	(—)	Chiat/Day	44.1	294.3
39.	(46)	Belier Group	43.9	293.1
40.	(41)	DYR Worldwide	41.5	286.7
41.	(40)	Tracy-Locke	40.0	272.3
42.	(—)	Geers Gross	38.1	257.0
43.	(42)	Della Femina Travisano & Partners	36.7	245.0
44.	(47)	MPM Propaganda	36.7	146.8
45.	(—)	GGK Holding	35.8	250.1
46.	(50)	Wunderman, Ricotta & Kline	35.3	235.6
47.	(37)	Yomiko Advertising	35.0	257.5
48.	(43)	Leber Katz Partners	33.7	290.6
49.	(45)	Laurance, Charles, Free & Lawson	33.3	235.0
50.	(49)	Asatsu	32.9	257.4

Included in figures

[1]**Young & Rubicam:** Creswell, Munsell, HCM (49%); Stone & Adler; Wunderman, Ricotta & Kline; Sudler & Hennessey; DYR (joint venture with Dentsu); Cato Johnson; Sive Associates; Rives, Smith, Baldwin; Zemp/Y&R

[2]**Ogilvy Group:** O&M Direct Response; Scali, McCabe, Sloves; Rolf Werner Rosenthal; Cole & Weber

[3]**Ted Bates Worldwide:** William Esty Co.; AC&R Advertising; Campbell-Mithun; Diener/Hauser/Bates Co.; McDonald & Little; Sawdon & Bess Advertising; Stern/Walter Earle Ludgin

[4]**J. Walter Thompson Co.:** JWT Group, the agency's holding company, showed world gross income of $572.1 million on billings of $3.82 billion, which included contributions from JWT USA; Brouillard Communications; Thompson Recruitment Advertising; Lord, Geller, Federico, Einstein; Simmons Market Research and Hill & Knowlton.

[5]**Saatchi & Saatchi Compton Worldwide:** includes Saatchi & Saatchi Compton Inc., Saatchi & Saatchi Group U.K.; Rumrill Hoyt; BTD Directory Management; Fairfax; Cochrane Chase, Livingston; Klemtner; McCaffrey & McCall; Irv Koons Assoc.; Mayo Infurna Design; Hoffman York; Kleid Co.; Hay Group (advertising only). The holding company, Saatchi & Saatchi plc, reported world gross income of $583.9 mill. on billings of $3.19 bill.

[6]**BBDO International:** Carsvetta Allen Kimbrough; Waring & LaRosa; Tracy-Locke; Lavey/Wolff/Swift; Doremus & Co.; Quinn & Johnson; Franklin Spier; Frank J. Corbett; MARCOA Direct Advertising; Blair/BBDO; GM DuBois; Hannaford Co.; RC Communications; Telerx Marketing.

[7]**McCann-Erickson Worldwide:** McCann-Erickson is part of the Interpublic Group of Cos., New York, which reported world gross income of $707.4 million on billings of $4.75 billion.

[8]**D'arcy Masius Benton & Bowles:** D'Arcy McManus & Masius merged with Benton & Bowles in mid-year.

Included also are Manning, Selvage & Lee and Medicus Intercon Intl.

[9]**Foote, Cone & Belding Communications:** Lewis, Gilman & Kynett; Albert Frank-Guenther Law; North Castle Partners; Vicom Associates; Deutsch, Shea & Evans; Smith-Hemmings-Gosden.

[10]**Doyle Dane Bernbach Group:** York, Alpern; Cargill, Wilson & Acree; Fletcher/Mayo Associates; Kallir, Philips, Ross; Milici, Valenti, Smith, Park; Bernard Hodes Advertising; Rapp & Collins; Direct Response Group.

[11]**SSC&B:Lintas Worldwide:** Part of Interpublic Group of Cos. (see footnote 7)

[12]**Bozell, Jacobs, Kenyon & Eckhardt:** Bozell & Jacobs, acquired in 1985 by Lorimar Inc., was merged with Lorimar-owned Kenyon & Eckhardt Jan. 2, 1986.

[13]**Marschalk Campbell-Ewald Worldwide:** On Jan. 1, 1986, Lowe Marschalk became the new name of Marschalk Campbell-Ewald, when Marschalk joined with Lowe Howard-Spink, London, an agency until that date linked with Interpublic's Campbell-Ewald. Interpublic has 38.1% ownership in the new network.

[14]**Eurocom Group:** Eurocom, Paris has 51% equity in HCM; 20% in Geers Gross Advertising; 45% of the Belier Group and has affiliation agreements with Boase Massimi Pollitt, London and Norton Publicidade, Sao Paulo.

[15]**Dancer Fitzgerald Sample:** The agency's gross income and billings do not reflect the purchase by Dorland Advertising, which is owned by Saatchi & Saatchi Co., of DFS in 1986.

[16]**Roux Seguela Cayzac & Goudard:** Roux, Seguela, Cayzac & Goudard Group, Paris, includes offices in the U.K., Netherlands, Belgium, Austria, Germany, Switzerland, Italy, Spain, RSCG Export (Saudi Arabia, Ivory Coast, French Caribbean) and RSCG TCB (The Creative Business), London.

*Parentheses indicate 1984 rank. Figures, in millions ($) are based on total equity interest in foreign shops.

Source: compiled by Advertising Age

Agency	City	Gross income 1985	Gross income 1984	Per cent change income	Billings 1985	Billings 1984	Gross income 1985	Billings 1985	Employes 1985	Employes 1984	Employes Per cent change	Number offices
			($000)			($000)	($000; national currency)					
ARGENTINA												**Exchange rate: 1.602 austral**
J. Walter Thompson Argentina	Buenos Aires	4,079.1	1,001.6	N/A	27,195.6	6,677.5	A2,546.3	A 16,976.0	137	137	0.0	1
Gowland Publicidad	Buenos Aires	3,543.6	2,478.0	N/A	14,562.2	9,912.0	2,212.0	9,090.0	84	82	2.0	N/A
Ricardo De Luca Publicidad	Buenos Aires	2,523.2	780.3	N/A	16,821.0	5,202.0	1,575.0	10,500.0	100	105	- 5.0	1
Ortiz Scopesi y Cia.	Buenos Aires	1,957.4	364.2	N/A	11,214.5	2,037.1	1,221.9	7,000.3	74	91	- 19.0	1
Casares, Grey & Asociados	Buenos Aires	1,890.4	635.8	N/A	12,608.7	4,240.8	1,180.0	7,870.6	69	76	- 9.0	2
David Ratto S.A.	Buenos Aires	1,778.2	470.2	N/A	7,644.7	2,025.9	1,110.0	4,772.0	67	79	- 15.0	1
Lautrec Publicidad	Buenos Aires	1,566.8	1,445.0	N/A	6,260.6	5,780.0	978.0	3,908.0	N/A	N/A	N/A	N/A
McCann-Erickson	Buenos Aires	1,334.5	372.8	N/A	8,900.7	2,486.3	833.0	5,556.0	66	63	5.0	N/A
Yuste Publicidad	Buenos Aires	1,310.4	1,286.4	N/A	6,331.1	5,722.3	818.0	3,952.0	56	56	0.0	N/A
Pragma/FCB	Buenos Aires	1,194.3	259.0	N/A	7,966.1	1,727.6	745.5	4,972.6	55	62	- 11.0	1
Leo Burnett-Argentina	Buenos Aires	1,171.1	186.5	N/A	7,764.9	1,244.0	731.0	4,847.0	34	39	- 13.0	1
Verdino Funes Straschnoy & Dreyfus	Buenos Aires	1,236.7	254.6	N/A	4,702.4	1,035.1	772.0	2,935.4	42	40	5.0	1
H.G.S. y Asociados	Buenos Aires	953.2	N/A	N/A	4,766.0	N/A	595.0	2,975.0	18	N/A	N/A	1
Young & Rubicam de Argentina	Buenos Aires	851.3	164.0	N/A	4,822.0	5,149.0	531.4	3,008.9	24	19	26.0	N/A
N W Ayer/Argentina	Buenos Aires	839.6	404.3	N/A	4,661.0	1,664.4	524.1	2,909.5	35	34	3.0	1
Lintas-Argentina	Buenos Aires	815.9	245.1	N/A	6,413.3	1,975.5	509.3	4,003.3	43	46	- 7.0	1
Johnson/B&B de Publicidad	Buenos Aires	809.0	828.2	N/A	4,600.9	4,468.0	505.0	2,872.0	30	28	7.0	1
Cicero/Ted Bates Publicidad	Buenos Aires	594.0	147.4	N/A	4,489.1	1,449.1	370.8	2,802.2	40	48	- 17.0	1
Colonnese y Asociados	Buenos Aires	N/A	N/A	N/A	4,730.7	7,600.0	N/A	1,952.0	49	62	- 21.0	1
AUSTRALIA												**Exchange rate: 0.7284 A dollar**
George Patterson	Sydney	29,000.0	26,000.0	12.0	189,000.0	167,000.0	A$40,000.0	A$260,000.0	446	442	1.0	4
Clemenger Australia	Melbourne	27,526.7	23,349.6	18.0	172,041.6	145,935.2	37,790.6	236,191.1	488	484	1.0	12
Ogilvy & Mather	Melbourne	18,644.0	14,575.3	28.0	124,356.0	97,217.4	25,596.0	170,725.0	452	418	8.0	14
Monahan Dayman Adams	Melbourne	18,064.3	17,515.4	3.0	112,902.0	109,471.3	24,800.0	155,000.0	401	413	- 3.0	N/A
USP Needham	Sydney/Melbourne	15,955.6	13,569.1	18.0	106,425.1	90,573.7	21,905.0	146,108.0	244	249	- 2.0	5
McCann-Erickson	Sydney	15,704.0	13,014.0	21.0	104,746.0	86,803.0	21,559.0	143,799.0	344	347	- 1.0	N/A
DMB&B	Sydney	14,837.0	14,792.0	0.0	97,869.0	97,480.0	20,369.0	134,362.0	316	295	7.0	8
Young & Rubicam	Sydney	14,836.1	12,684.0	17.0	99,176.0	4,602.0	20,368.0	135,871.1	333	250	33.0	4
Fortune Communication Holdings	Sydney	13,220.5	11,472.3	15.0	88,136.4	76,482.0	18,150.0	121,000.0	340	304	112.0	5
Leo Burnett Ltd.	Sydney	10,534.0	10,178.0	3.0	70,225.0	67,886.9	14,461.0	96,441.0	225	232	- 3.0	5
J. Walter Thompson	Sydney/Melbourne	10,002.6	8,561.5	17.0	66,687.1	57,079.8	13,732.2	91,552.8	206	195	6.0	2
Lintas Ltd.	Sydney	7,804.0	5,935.0	31.0	56,972.0	38,858.7	10,714.0	78,216.0	116	117	- 1.0	1
Neville Jeffress Advertising	Sydney	7,648.2	4,377.3	75.0	50,988.0	29,181.9	10,500.0	70,000.0	250	132	89.0	N/A
Foote, Cone & Belding	Sydney	6,048.4	6,486.2	- 7.0	40,342.8	43,267.0	8,303.7	55,385.5	112	111	1.0	3
The Weston Co.	Sydney	5,681.5	2,884.5	97.0	37,876.0	16,024.8	7,800.0	52,000.0	165	65	154.0	5
Saatchi & Saatchi Compton	Melbourne/Sydney	5,080.4	4,495.0	13.0	33,192.2	30,119.3	6,974.7	45,568.6	35	26	35.0	2
Mojo	Sydney	4,210.0	3,980.0	6.0	27,081.0	26,547.0	5,780.0	38,552.0	53	53	0.0	1
Connaghan & May Ayer	Sydney/Melbourne	3,966.1	3,483.9	14.0	23,194.4	20,086.0	5,444.9	31,843.0	71	65	9.0	3
Grey Advertising	Sydney	3,903.7	4,000.1	- 2.0	26,037.8	26,680.6	5,359.3	35,746.8	54	75	- 28.0	1
Doyle Dane Bernbach	Sydney	3,240.7	3,369.6	- 4.0	17,590.9	19,510.9	4,449.0	24,150.0	77	77	0.0	5
DFS Australia	Sydney/Melbourne	3,168.5	2,840.8	12.0	21,123.6	16,024.8	4,350.0	29,000.0	70	52	35.0	2
Magnus Nankervis & Curl	Sydney	2,829.8	2,120.4	33.0	17,686.3	13,252.5	3,885.0	24,281.0	64	45	42.0	N/A
Hertz Walpole Campbell-Ewald	Sydney	2,424.0	1,715.0	41.0	16,168.0	11,439.0	3,328.0	22,198.0	N/A	N/A	N/A	N/A
Thomson White & Partners	Melbourne	2,372.3	1,550.7	53.0	13,249.8	9,739.6	3,258.0	18,190.4	30	27	11.0	2
Dalziel Harper & Grey	Melbourne	1,924.4	1,542.8	25.0	12,836.0	10,290.1	2,642.0	17,622.1	38	36	6.0	2
Pope & Kiernan & Black	Sydney	1,774.7	1,613.9	10.0	11,741.8	11,076.3	2,436.4	16,120.0	32	28	14.0	1
Harris Robinson Courtenay	Sydney/Brisbane	1,629.3	1,489.4	9.0	11,180.9	9,352.7	2,236.8	15,350.0	42	31	35.0	2
Scali, McCabe, Sloves	Melbourne	1,078.7	897.2	20.0	6,201.2	4,605.9	1,480.9	8,513.5	24	25	- 4.0	1
HHCC International	Sydney	508.1	257.2	98.0	3,389.0	1,715.5	697.6	4,652.7	7	6	17.0	1
DYR	Melbourne	451.0	82.0	450.0	2,557.0	533.0	619.8	3,510.4	15	6	150.0	1
Lintas:Dailey	Melbourne	294.0	N/A	N/A	1,665.0	N/A	404.0	2,287.0	5	N/A	N/A	1
AUSTRIA												**Exchange rate: 0.0475 schilling**
GGK Wien	Vienna	2,760.0	2,247.0	23.0	18,406.0	14,986.0	Sch58,100.0	Sch387,500.0	50	42	19.0	1
Demner & Merlicek	Vienna	2,527.0	1,913.3	32.0	16,855.1	13,015.0	53,200.0	354,844.0	39	35	11.0	1
McCann-Erickson	Vienna	2,298.0	2,083.0	10.0	15,328.0	13,894.0	48,387.0	322,741.0	48	43	12.0	N/A
SSC&B:Lintas Vienna	Vienna	2,136.0	2,225.3	- 4.0	16,798.0	16,398.0	44,969.0	353,650.0	39	41	- 5.0	1
Ogilvy & Mather	Vienna	1,539.5	1,176.9	31.0	10,268.3	7,849.8	32,410.0	216,175.0	37	33	12.0	2
Young & Rubicam	Vienna	1,520.0	1,125.0	35.0	10,138.0	7,503.0	31,996.0	213,404.9	38	27	41.0	1
Die Sieber	Vienna	1,458.3	1,249.3	17.0	9,726.5	8,336.3	30,700.0	204,769.0	24	23	4.0	1
Werbeagentur Wirz	Vienna	1,425.0	1,425.0	0.0	9,504.8	9,504.8	30,000.0	200,100.0	15	15	0.0	1
Team Austria	Vienna	1,400.0	1,200.0	17.0	9,400.0	8,300.0	29,700.0	198,100.0	23	22	5.0	1
J. Walter Thompson	Vienna	1,248.0	1,246.0	0.0	8,320.0	8,307.0	26,268.0	175,129.0	26	35	- 25.0	1
R.W. Eggert Werbeagentur	Vienna	1,021.5	926.3	10.0	6,811.5	6,165.5	21,500.0	143,400.0	17	16	6.0	1
Gould, Cargill & Cie.	Vienna	997.5	950.0	5.0	6,697.5	6,365.0	21,000.0	141,000.0	20	20	0.0	1
Doyle Dane Bernbach Werbeagentur	Vienna	940.5	1,063.4	- 12.0	6,274.8	7,087.0	19,800.0	132,100.0	22	22	0.0	1
DMB&B	Vienna	923.3	772.9	19.0	6,156.0	5,153.8	19,437.0	129,600.0	19	19	0.0	1
Grey Austria	Vienna	874.0	712.5	23.0	5,829.6	4,752.4	18,400.0	122,728.0	29	20	45.0	3
Publicis Wien	Vienna	833.0	896.0	- 7.0	7,196.0	7,419.0	17,540.0	151,501.0	21	20	5.0	1
Marketing Studio/FCB	Vienna	584.3	588.1	- 1.0	3,897.0	3,922.3	12,300.0	82,041.0	17	18	- 6.0	1
Dr. Puttner & Bates	Vienna	118.0	107.8	10.0	831.3	707.8	25,000.0	175,000.0	26	28	- 7.0	2
Target Werbung und Verkaufsforderung	Vienna	40.0	38.0	5.0	267.0	253.0	837.0	5,580.0	1	2	- 50.0	1
Campbell-Ewald Werbeagentur	Vienna	16.0	24.0	- 33.0	107.0	160.0	341.0	2,274.0	N/A	N/A	N/A	N/A
BAHRAIN												**Exchange rate: 2.6521 dinar**
Intermarkets-Bahrain	Bahrain	769.1	901.7	-15.0	5,251.2	5,993.7	BD290.0	BD1,980.0	18	22	- 18.0	1

With Argentinian agencies, AA altered its procedure of determining an agency's "real growth" (applying 1985 exchange rates to 1984 returns) because it primarily shows the impact of inflation in that economy. Dollar figures for 1984 are based on the average annual exchange rate (.0289) for that year.

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985	Employes 1985	Employes 1984	Per cent change	Numl offic
BARBADOS												Exchange rate: 0.505 B doll
Corbin Compton	Bridgetown	462.9	472.3	- 2.0	2,940.9	3,122.4	B$916.7	B$5,823.6	14	18	- 22.0	N/A
BELGIUM												Exchange rate: 0.0165 B fra
McCann-Erickson (Belgium)	Brussels	5,908.0	4,490.0	32.0	39,406.0	29,948.0	BF3358,078.0	BF2.39 bill.	130	125	4.0	N/A
DMB&B	Brussels	5,655.4	5,731.6	- 1.0	37,721.4	38,111.4	342,750.0	2.29 bill.	N/A	N/A	N/A	N/A
HHD Ogilvy & Mather	Brussels	5,157.1	4,111.0	25.0	N/A	N/A	312,550.6	N/A	119	93	28.0	1
Lintas Brussels,	Brussels	3,551.0	3,636.0	- 2.0	23,687.0	24,250.0	215,231.0	1.44 bill.	71	77	- 8.0	1
Young & Rubicam Belgium	Brussels	3,271.0	3,090.0	6.0	21,818.0	20,610.0	198,255.0	1.30 bill.	68	71	- 4.0	N/A
Dechy-HCM	Brussels	3,136.7	2,612.3	20.0	20,922.0	17,424.0	190,105.0	1.27 bill.	77	71	8.0	1
J. Walter Thompson	Brussels	3,120.5	2,725.2	15.0	20,804.1	18,169.1	189,119.0	1.26 bill.	54	50	8.0	1
VVL/BBDO Group	Brussels	2,874.0	2,349.0	22.0	19,173.0	15,661.0	174,182.0	1.16 bill.	69	60	15.0	3

Notes to individual listings

GENERAL

Advertising Age encountered problems this year with the worldwide mailing of the questionnaires for the Foreign Agency Income issue. There may be some agencies that didn't receive it and therefore are not listed in this issue. AA will make sure next year that everyone will receive the questionnaire in plenty of time. At the same time, if agencies are not on our mailing list and would like to be listed in next year's issue, please write to Ilse Cermak, Foreign Agency Income editor, 740 Rush St., Chicago, Ill. 60611

Young & Rubicam does not report billings. Figures listed for Y&R billings throughout the charts are AA estimates

ARGENTINA

David Ratto, part of BBDO Intl

Lautrec Publicidad, affiliated with DFS Dorland Worldwide

H.G.S. Asociados, formerly affiliated with N W Ayer

Australia

AUSTRALIA

George Patterson, part of Ted Bates Worldwide. Figures include The Campaign Palace, Jamieson House and Marketforce

Clemenger Australia, part of BBDO Intl

Monahan Dayman Adams consists of offices in Victoria, New South Wales, Western Australia, MDA Mattingly, MDA Direct, MDA Recruitment, Yardley Logan, MDA Maher, Chandler Hambleton Mier, Foster Nunn Loveder and MDA Tasmania

Young & Rubicam figures include Burson-Marsteller

DFS Australia, 50% equity held by DFS Dorland Worldwide

Fortune Communication Holdings, affiliated with DFS Australia

Weston Co., part of Fortune Communication Holdings. Gross income AA estimates

Mojo, DMB&B holds 70% equity in the agency

Magnus Nankervis & Curl merged with Doyle Dane Bernbach March 1, 1986

Hertz Walpole Campbell-Ewald is owned 48% by Interpublic Group of Cos.

Thomson White, part of Clemenger BBDO

Harris Robinson Courtenay, part of Clemenger/BBDO

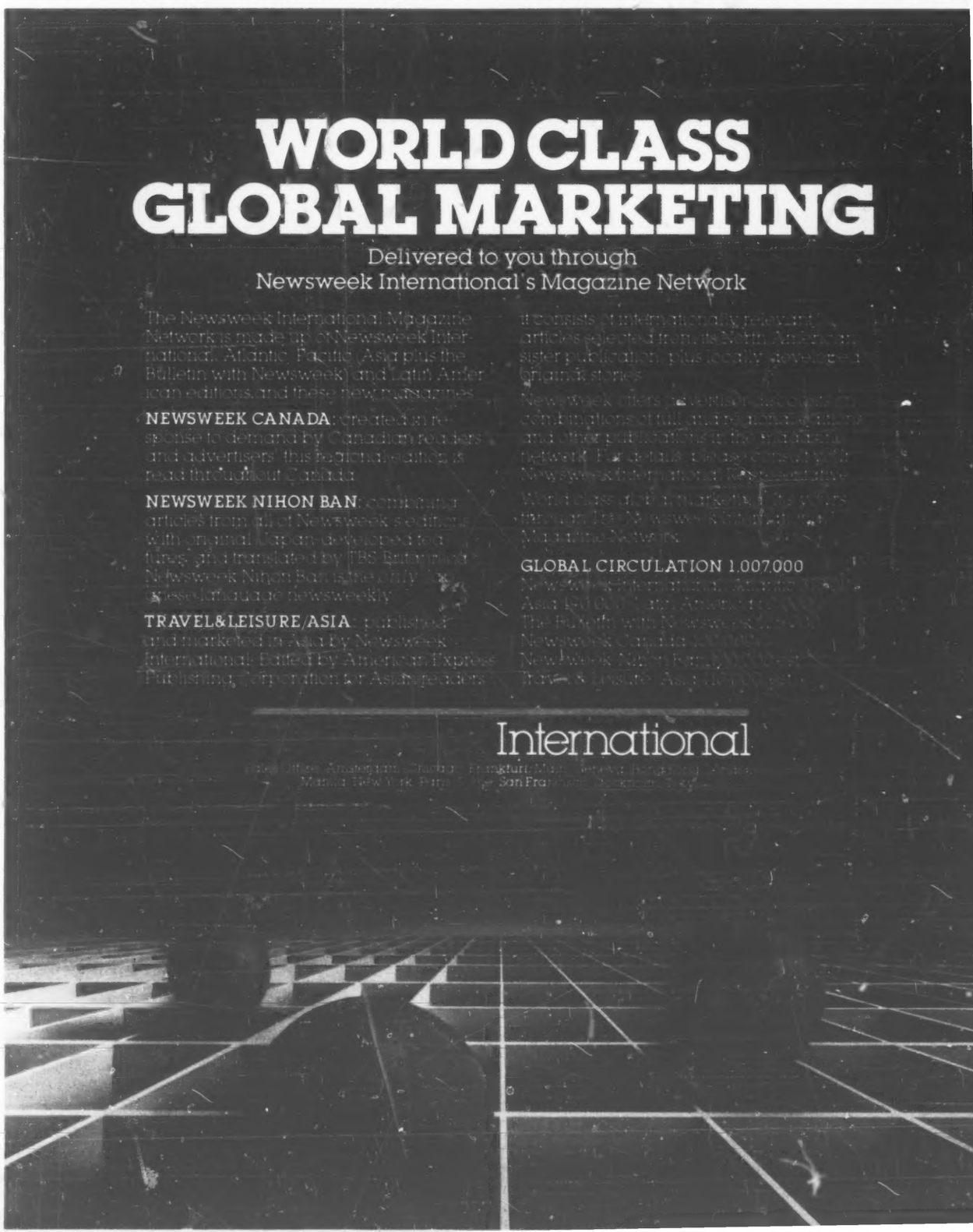
DYR, 1984 billings are AA estimates

AUSTRIA

Ogilvy & Mather, includes figures for O&M Direct

Die Sieber, part of Saatchi & Saatchi

(Continued on Page 67)



1986 EDITION

FOREIGN AGENCY INCOME

BELGIUM-BRITAIN

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985 ($000; national currency)	Employes 1985	Employes 1984	Employes Per cent change	Number offices
Troost Campbell-Ewald	Brussels	2,651.0	2,632.0	1.0	17,682.0	17,555.0	160,651.0	1.07 bill.	63	62	2.0	N/A
Impact-FCB	Brussels	2,447.0	2,254.0	9.0	16,321.3	15,034.1	148,301.5	989,171.0	62	57	9.0	1
DDB	Brussels	2,276.9	1,864.1	22.0	15,186.9	12,435.4	137,994.0	920,420.0	51	43	19.0	1
Publicis	Brussels	2,178.0	1,161.5	1.0	14,520.0	14,438.0	132,000.0	880,000.0	53	55	- 4.0	1
Grey	Brussels	2,145.0	1,942.1	10.0	14,348.9	12,991.8	129,998.0	867,000.0	48	42	2.0	1
RSCG Garbarski	Brussels	1,748.8	1,639.5	7.0	12,088.6	10,820.7	105,994.8	732,690.1	N/A	N/A	N/A	1
HCM Bruxelles	Brussels	1,682.5	2,096.6	- 20.0	11,633.7	14,183.2	102,740.0	705,000.0	40	46	- 15.0	1
Ted Bates	Brussels	1,657.0	1,541.0	8.0	11,058.0	10,846.0	100,473.0	670,155.0	42	41	2.0	1
Partner/SSCW	Brussels	1,653.4	1,425.9	16.0	11,028.3	9,680.0	100,207.0	668,381.0	50	48	4.0	1
Leo Burnett-Belgium	Brussels	1,628.0	1,404.4	16.0	10,855.0	9,987.0	98,674.0	657,860.0	37	34	9.0	1
LVH-Alliance	Brussels	1,561.0	1,405.0	11.0	10,406.6	9,366.9	94,606.0	630,706.6	39	38	3.0	1
TBWA Belgium	Brussels	1,154.0	660.0	75.0	8,012.0	4,537.5	69,951.0	485,576.0	22	16	38.0	1
MCW	Brussels	990.0	825.0	20.0	6,633.0	4,983.0	60,000.0	402,000.0	32	26	23.0	1
Moussault Ayer	Antwerp	461.1	462.2	4.0	3,225.9	3,081.3	29,154.7	197,329.5	14	14	0.0	1
BERMUDA												**Exchange rate: 1.00 B dollar**
Advertising Associates/Compton	Hamilton	445.0	354.0	26.0	3,327.0	2,360.3	445.0	3,327.0	19	22	- 14.0	1
BRAZIL												**Exchange rate: 0.000218 cruzeiro**
MPM Propaganda	Sao Paulo	36,688.5	32,060.7	N/A	146,754.2	128,240.0	Cr168.30 bill.	Cr673.18 bill.	935	927	1.0	13
Alcantara Machado, Periscinoto Comunicacoes	Sao Paulo	31,142.2	30,696.4	N/A	124,568.7	122,785.6	142.85 bill.	571.2 bill.	442	442	0.0	3
Salles/Inter-Americana	Sao Paulo	25,288.0	25,584.0	N/A	101,152.0	102,335.0	116.00 bill.	464.00 bill.	500	487	3.0	3
DPZ-Duailibi Petit Zaragoza	Sao Paulo	19,881.6	16,590.0	N/A	79,352.0	66,500.0	91.20 bill.	364.80 bill.	375	366	2.0	3
J. Walter Thompson Publicidade	Sao Paulo	18,541.8	15,892.8	N/A	123,674.1	105,957.3	85.05 bill.	567.31 bill.	393	378	4.0	2
Standard, Ogilvy & Mather	Sao Paulo	16,911.5	14,939.8	N/A	59,553.5	59,147.3	77.58 bill.	273.18 bill.	402	355	13.0	3
Denison Propaganda S.A.	Sao Paulo	16,568.0	14,063.0	N/A	73,350.2	62,259.9	76.00 bill.	336.47 bill.	285	303	- 6.0	3
McCann-Erickson Publicidade	Sao Paulo	14,268.0	13,580.9	N/A	95,168.0	90,584.7	65.46 bill.	436.55 bill.	366	348	5.0	N/A
Norton Publicidade	Sao Paulo	11,990.0	15,750.0	N/A	47,960.0	63,000.0	55.00 bill.	220.00 bill.	366	393	- 7.0	7
CBBA/Propeg	Sao Paulo	10,905.0	8,295.0	N/A	45,780.0	31,780.0	50.02 bill.	210.00 bill.	375	336	12.0	5
Pao de Acucar Publicidade	Sao Paulo	9,592.0	7,352.1	N/A	31,174.0	39,148.2	44.00 bill.	143.00 bill.	258	227	14.0	10
Young & Rubicam do Brasil	Sao Paulo	9,195.0	6,090.0	N/A	61,331.0	40,369.0	42.20 bill.	281.34 bill.	275	150	83.0	N/A
SGB Publicidade	Rio de Janeiro	6,932.0	4,557.0	N/A	46,213.0	22,785.0	31.80 bill.	211.90 bill.	180	173	4.0	1
SSC&B:Lintas Brasil	Sao Paulo	6,038.4	4,033.1	N/A	27,682.6	17,231.1	27.70 bill.	126.98 bill.	160	156	3.0	1
Lage, Stabel/BBDO	Sao Paulo	5,166.0	4,515.0	N/A	20,666.0	18,511.5	23.70 bill.	94.80 bill.	94	89	6.0	2
Leo Burnett Publicidade	Sao Paulo	3,593.0	3,407.0	N/A	23,957.0	22,713.0	16.48 bill.	109.89 bill.	81	79	3.0	1
Scali, McCabe, Sloves Propaganda	Sao Paulo	1,994.5	N/A	N/A	7,403.3	N/A	9.15 bill.	33.96 bill.	113	N/A	N/A	2
Caio Domingues & Associados	Sao Paulo	1,720.0	1,505.0	N/A	8,521.5	6,839.4	7.89 bill.	39.09 bill.	65	72	-10.0	2
GTM&C	Sao Paulo	1,690.2	1,605.1	N/A	9,836.9	9,431.2	7.75 bill.	45.12 bill.	70	61	15.0	2
GGK Sao Paulo	Sao Paulo	1,624.0	1,540.0	N/A	10,833.0	10,269.0	7.45 bill.	49.69 bill.	44	35	26.0	1
FCB/Siboney Publicidade	Sao Paulo	1,615.2	933.8	N/A	10,773.1	6,230.0	7.41 bill.	49.42 bill.	53	61	- 13.0	1
Esquire Propaganda	Rio de Janeiro	1,082.0	1,918.9	N/A	4,720.0	6,850.0	4.96 bill.	21.65 bill.	46	42	10.0	2
Profissionais de Propaganda Reunidos	Sao Paulo	142.0	N/A	N/A	946.8	N/A	651,129.0	4.34 bill.	7	N/A	N/A	1
BRITAIN												**Exchange rate: 1.2648 pounds**
Saatchi & Saatchi UK	London	74,724.4	60,128.0	24.0	489,730.0	341,622.5	£59,080.0	£387,199.6	1,800	1,500	20.0	N/A
J. Walter Thompson Co.	London	36,000.0	32,300.0	11.0	240,700.0	216,000.0	28,500.0	190,300.0	695	689	1.0	2
Dorland Advertising	London	26,560.0	19,350.0	37.0	177,000.0	129,000.0	21,000.0	140,000.0	500	365	37.0	1
DMB&B	London	23,511.0	29,288.0	- 20.0	156,792.0	208,352.0	18,589.0	123,966.0	465	637	- 27.0	1
Ogilvy & Mather	London	21,991.3	19,284.1	14.0	141,320.2	124,073.4	17,387.2	111,733.3	364	342	6.0	1
McCann-Erickson	London	19,382.0	14,889.0	23.0	129,278.0	99,310.0	15,324.0	102,211.0	351	293	20.0	N/A
Boase Massimi Pollitt	London	18,972.0	16,189.4	17.0	107,887.4	97,263.0	15,000.0	85,300.0	240	204	18.0	1
Young & Rubicam	London	18,481.5	14,238.5	30.0	122,862.7	99,139.7	14,612.2	97,140.0	551	460	20.0	N/A
Grey Advertising	London	15,784.0	10,573.7	49.0	105,284.0	70,526.8	12,480.0	83,241.6	186	153	22.0	1
KMP Humphreys Bull Barker	London	15,178.0	4,856.2	69.0	101,184.0	35,287.9	12,000.0	80,000.0	221	N/A	N/A	1
Collett, Dickenson, Pearce	London	14,657.0	12,296.3	19.0	99,033.8	86,230.0	11,588.4	78,300.0	220	219	1.0	1
Ted Bates Ltd.	London	14,459.2	12,554.4	15.0	81,579.6	79,808.9	11,432.0	64,500.0	226	233	- 3.0	1
Davidson Pearce	London	14,337.8	12,223.9	17.0	95,585.0	81,492.0	11,336.0	75,573.0	213	205	4.0	1
Geers Gross Advertising	London	14,100.0	13,500.0	4.0	87,000.0	85,600.0	11,147.5	68,782.2	N/A	N/A	N/A	2
Foote, Cone & Belding	London	13,121.8	14,246.6	- 8.0	87,522.3	95,024.8	10,374.6	69 198.5	252	339	- 26.0	2
Lowe Howard-Spink Campbell-Ewald	London	12,620.0	10,952.0	15.0	84,175.0	73,050.0	9,978.0	36,553.0	N/A	N/A	N/A	N/A
Charles Barker	London	12,398.2	11,597.6	7.0	82,654.7	77,317.2	9,802.5	65,350.0	675	633	7.0	6
Wight Collins Rutherford Scott	London	11,952.3	8,309.7	44.0	79,682.0	55,398.2	9,450.0	63,000.0	165	120	38.0	1
Leo Burnett Ltd.	London	11,343.0	12,600.0	- 10.0	75,622.0	84,003.0	8,968.0	59,730.0	200	242	- 18.0	1
Lintas	London	11,005.0	8,813.1	25.0	83,209.0	63,565.0	8,701.0	65,788.0	211	203	4.0	4
Doyle Dane Bernbach Ltd.	London	10,750.8	11,572.9	- 7.0	71,334.7	77,152.8	8,500.0	56,400.0	243	244	0.0	2
Royds Advertising	Manchester	9,656.7	8,025.2	20.0	64,378.3	53,501.0	7,635.0	50,900.0	247	222	11.0	2
Allen Brady and Marsh	London	9,624.5	12,170.5	- 21.0	64,163.3	81,136.9	7,609.5	50,730.0	192	277	- 31.0	1
Abbott, Mead, Vickers/SMS	London	8,837.2	5,701.3	55.0	63,265.3	41,189.4	6,987.0	50,020.0	118	106	11.0	1
McCormick Publicis	London	8,651.0	7,652.0	13.0	57,675.0	50,971.0	6,840.0	45,600.0	172	177	- 3.0	2
Allen Brady & Marsh	London	8,292.0	10,925.5	- 24.0	54,601.8	66,323.1	6,556.0	43,170.3	197	244	- 19.0	1
AAP Ketchum Ltd.	London	7,727.9	5,832.8	32.0	51,519.0	38,885.0	5,944.5	39,630.0	93	101	- 8.0	1
BBDO	London	6,830.0	5,439.0	26.0	57,295.0	52,110.0	5,400.0	45,300.0	89	86	3.0	1
Moxon, Dolphin & Kerby	London	6,641.5	5,765.0	15.0	27,699.1	23,019.4	5,251.0	21,900.0	62	56	11.0	1
TBWA	London	6,333.0	4,951.7	28.0	42,223.0	33,011.3	5,007.2	33,383.0	67	67	0.0	1
Reeves Robertshaw Needham	London	6,116.6	4,679.8	31.0	41,608.1	31,220.3	4,836.0	32,897.0	102	82	24.0	2
Gold Greenlees Trott	London	5,944.6	4,047.4	47.0	37,311.6	23,525.3	4,700.0	29,500.0	102	71	43.0	N/A
Cogent Elliott	London	5,691.6	4,363.6	30.0	37,944.0	29,090.4	4,500.0	30,000.0	130	100	30.0	N/A

1986 EDITION

FOREIGN AGENCY INCOME

BRITAIN

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985	Employes 1985	Employes 1984	Employes Per cent change	Number offices
Valin Pollen	London	5,596.7	3,832.3	46.0	37,311.6	25,549.0	4,425.0	29,500.0	145	102	42.0	1
Chetwynd Haddons	London	5,023.9	3,831.1	31.0	31,999.4	24,281.0	3,972.1	25,300.0	N/A	95	N/A	N/A
Woodyer Hutson & Chapman	London	4,837.9	4,553.3	6.0	32,252.4	30,355.2	3,825.0	25,500.0	46	50	- 8.0	N/A
HCM Horner Collis & Kirvan	London	4,831.0	3,060.0	58.0	41,485.4	25,738.7	3,820.0	32,800.0	76	50	52.0	1
Yellowhammer Advertising	London	4,667.1	3,244.2	44.0	31,114.1	21,628.1	3,690.0	24,600.0	89	68	31.0	1
Bartle Bogle Hegarty	London	4,430.0	3,162.6	40.0	29,720.0	20,490.0	3,500.0	23,500.0	55	41	34.0	1
Fletcher, Shelton, Delaney	London	3,951.2	3,437.7	15.0	23,272.3	21,881.0	3,124.0	18,400.0	45	52	- 13.0	1
Colman RSCG	London	3,934.8	3,497.6	13.0	28,155.7	23,958.6	3,112.4	22,271.2	N/A	N/A	N/A	1
LansdownEuro	London	3,035.5	2,909.0	4.0	20,237.8	19,394.6	2,400.0	16,000.0	57	55	4.0	1
Leagas Delaney Partnership	London	2,844.5	2,198.2	29.0	18,972.0	14,671.7	2,249.0	15,000.0	56	64	- 13.0	1
Butler Dennis Garland Kenyon & Eckhardt	London	2,824.5	2,968.5	- 5.0	17,611.0	18,510.3	2,233.2	13,923.7	65	68	- 4.0	1
ARC-Everett's	London	2,681.4	2,694.0	0.0	17,884.8	17,969.1	2,120.0	14,140.4	66	75	- 12.0	1
Garratt Baulcombe Associates	Nottingham	2,641.8	2,773.3	- 5.0	17,621.6	18,498.1	2,088.7	13,931.8	101	125	- 19.0	2

Notes

(Continued from Page 65)

Compton Worldwide
Team Austria, part of BBDO Intl
Gould Cargill & Co., part of Grey International, acquired in 1985
Dr. Kossdorff & Partner, affiliated with Needham Harper Worldwide, which holds 6% equity
Target Werbung, part of J. Walter Thompson Co.

BELGIUM

HHD Ogilvy & Mather, billings figures not supplied
Young & Rubicam figures include Wunderman and Burson-Marsteller
Partner/SSCW, part of Saatchi & Saatchi Compton Worldwide
MCW, affiliated with Bozell, Jacobs, Kenyon & Eckhardt

BRAZIL

Norton Publicidade, affiliated with Eurocom International
CBBA/Propeg, affiliated with J. Walter Thompson Co.
Young & Rubicam figures include Cato-Johnson and Burson-Marsteller
SGB Publicidade, affiliated with Saatchi & Saatchi Compton Worldwide
Scali, McCabe, Sloves was not owned by Ogilvy & Mather/SMS in 1984
Esquire, affiliated with DFS Dorland Worldwide
Standard Ogilvy & Mather also shows agencies for direct response, promotions and public relations in Sao Paulo for a total 1985 gross income of $2,322,000 and billings of $12,055,485

BRITAIN

Saatchi & Saatchi Group UK includes Garrison Cowley, RPG Gloucester, Acme Media, Sales Promotion Agency, Downton, Crawford Halls and Grandfield Rork Collins. Dorland Advertising and KMP Humphreys Bull & Barker are listed separately
J. Walter Thompson Co. has an office in Manchester
Ogilvy & Mather Intl. figures would have increased by $7,039,800 (gross income) and $34,479,800 (billings) if O&M Direct, O&M Public Relations, Kingsway Media Services, O&M Intl Media, Creative Services Unit and Foster, Turner & Benson would have been included in the total
Chase Massimi Pollitt 1985 and 1984 gross income figures are AA estimates
Young & Rubicam would have shown 1985 gross income of $24,642,100 and billings of $163,984,600 if Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller had been included in the totals
Pollett, Dickenson, Pearce is part of Luxembourg-based CDP International SA
Davidson Pearce 1985 and 1984 gross income figures are AA estimates
Others Gross Advertising figures do

(Continued on Page 71)

There's only one leader.

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BusinessWeek
A FRESH START FOR EUROPE
Cheaper oil is only part of it. A new breed of executive is already propelling the Continent out of the economic doldrums. Freed from past dogmas, thriving on risk and fresh investment, they are reviving old companies and putting their stamp on new ventures. The critical question: Can business and government put it all together this time?

COMPARISON CHART

		BUSINESS WEEK INTERNATIONAL	ECONOMIST	FINANCIAL TIMES	FORTUNE INTERNATIONAL	INTERNATIONAL HERALD TRIBUNE	INTERNATIONAL MANAGEMENT	WALL STREET JOURNAL
SENIOR EXECUTIVES								
European Businessman Readership Survey	✓	$.32	$.69	$.89	$.62	$9.02	$.41	$2.65
Pan European Survey III	✓	$.14	$.24	$.40	$.23	$2.11	$.15	$6.00
International Financial Managers in Europe Readership Survey	✓	$10.42	$16.94	$29.01	$17.93	$258.93	$21.29	$38.33
Asian Businessman Readership Survey	✓	$.14	$.26	n.a.	$.22	$1.14	n.a.	$.40
CHIEF EXECUTIVES								
European Businessman Readership Survey	✓	$1.20	$2.83	$4.07	$2.12	$27.36	$1.50	$9.06
Pan European Survey III	✓	$.84	$1.41	$2.90	$1.32	$13.72	$1.35	$6.00
International Financial Managers in Europe Readership Survey	✓	$93.65	$209.25	$372.09	$123.59	$1,715.43	$219.27	$292.63
Asian Businessman Readership Survey	✓	$.37	$.64	n.a.	$.62	$3.05	n.a.	$1.06
Chief Executives in Europe Readership Survey	✓	$8.26	$17.25	$29.47	$14.79	$161.93	$14.89	$29.12

COST EFFICIENCIES based on Full Page 1986 EUROPE EDITION rates where available (except for ABRS which is based on ASIA EDITION rates where available).
RATES based on U.S. $ RATE CARDS (except INTERNATIONAL MANAGEMENT which is based on $2.09 U.S./Swiss Francs).
Figures based on 4/color cost per reader.

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INTERNATIONAL BusinessWeek

986 EDITION

FOREIGN AGENCY INCOME

BRITAIN-COLOMBIA

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985 ($000; national currency)	Employes 1985	Employes 1984	Employes Per cent change	Number offices
Kirkwood Alliance	London	2,272.0	1,941.0	17.0	14,123.0	11,491.0	1,796.0	11,166.0	32	36	- 11.0	1
GGK London	London	2,024.0	1,518.0	33.0	13,407.0	10,118.0	1,600.0	10,600.0	50	40	25.0	1
Ogilvy & Mather Partners	London	1,987.8	1,712.8	16.0	12,970.7	11,121.1	1,571.7	10,255.1	25	32	- 22.0	1
Aspect, Hill, Holliday	London	1,853.4	2,270.2	- 18.0	12,362.2	15,142.2	1,465.3	9,773.6	80	40	100.0	1
McCann-Erickson Harrison Advertising	London	1,821.0	3,146.0	- 42.0	12,146.0	20,984.0	1,440.0	9,605.0	23	36	- 36.0	N/A
Anderson & Lembke	London	1,400.0	1,200.0	17.0	8,600.0	7,900.0	1,107.4	6,802.6	N/A	N/A	N/A	1
Primary Contact	London	1,372.3	1,318.9	4.0	8,340.4	7,892.2	1,735.7	10,548.9	60	64	- 6.0	1
Ogilvy & Mather Scotland	Glasgow	1,340.9	1,253.1	7.0	8,433.2	7,809.0	1,060.2	6,667.7	43	37	16.0	3
Intermarkets Europe	London	341.5	336.4	2.0	2,403.1	2,327.2	270.0	1,900.0	14	11	27.0	1
CANADA											**Exchange rate: 0.7405 C dollar**	
Foster Advertising	Toronto	18,918.2	15,529.7	22.0	126,184.4	102,583.1	C$25,547.9	C$170,404.3	511	N/A	N/A	N/A
J. Walter Thompson	Toronto	18,907.0	18,514.0	2.0	126,047.0	123,427.0	25,533.0	170,220.0	420	417	1.0	4
MacLaren Advertising	Toronto	17,772.0	18,105.2	- 2.0	118,480.0	120,701.5	24,000.0	160,000.0	N/A	N/A	N/A	N/A
McKim Advertising	Toronto	17,623.9	16,600.0	16.0	151,062.0	144,693.7	23,800.0	204,000.0	390	379	3.0	N/A
Ogilvy & Mather	Toronto	17,154.0	14,406.4	19.0	114,414.0	96,099.1	23,165.0	154,509.0	327	274	19.0	10
Young & Rubicam	Toronto	13,842.0	11,251.0	23.0	92,326.0	75,043.0	18,705.0	124,640.0	265	225	18.0	3
Vickers & Benson	Toronto	11,551.8	10,104.7	14.0	77,012.0	65,904.5	15,600.0	104,000.0	290	277	10.0	N/A
Baker Lovick	Toronto	11,535.6	11,039.7	4.0	76,942.5	73,634.9	15,578.2	103,906.2	235	223	5.0	6
McCann-Erickson Canada	Toronto	10,357.0	10,257.0	1.0	69,081.0	68,414.0	13,986.0	93,287.0	198	205	- 3.0	N/A
Cossette Communication-Marketing	Montreal	10,052.3	9,571.8	5.0	67,015.3	63,811.8	13,575.0	90,500.0	245	225	9.0	4
Ronalds-Reynolds & Co.	Toronto	9,271.0	9,750.0	- 5.0	58,620.0	49,842.0	12,520.0	79,164.0	211	206	2.0	3
Saffer Cravit & Freedman	Toronto	8,515.8	6,516.4	31.0	62,202.0	48,132.5	11,500.0	84,000.0	170	N/A	N/A	N/A
Saatchi & Saatchi-Compton Hayhurst	Toronto	8,330.6	8,034.0	4.0	66,645.0	66,300.0	11,250.0	90,000.0	149	141	6.0	3
Leo Burnett Co.	Toronto	8,150.0	7,770.0	5.0	54,336.0	51,797.0	11,006.0	73,377.0	158	146	8.0	2
Ted Bates Advertising	Toronto	7,835.0	6,643.0	18.0	52,265.0	44,583.0	10,580.0	70,580.0	156	141	11.0	2
Grey Advertising	Toronto	6,786.7	5,479.7	24.0	45,267.2	36,549.6	9,165.0	61,120.6	129	114	13.0	2
Foote, Cone & Belding	Toronto	5,227.7	5,173.8	1.0	34,868.5	34,509.3	7,059.6	47,087.7	92	115	- 20.0	1
D'Arcy Masius Benton & Bowles Canada	Toronto	4,985.0	4,159.8	20.0	35,638.6	28,551.9	6,732.0	48,127.8	100	87	15.0	N/A
Scali, McCabe, Sloves—Canada	Toronto	4,722.9	3,329.9	43.0	30,748.9	23,396.8	6,448.6	41,983.7	106	64	66.0	2
Grant Tandy	Toronto	4,347.1	4,038.3	8.0	28,981.0	26,922.3	5,870.5	39,137.1	75	77	- 3.0	3
R.T. Kelley	Hamilton/Toronto	3,112.3	3,036.0	3.0	20,652.0	19,560.5	4,203.0	27,889.3	74	84	- 12.0	2
Publim	Quebec	2,843.5	1,984.5	43.0	17,772.0	12,440.4	3,840.0	24,000.0	42	32	31.0	2
Kert Advertising	Toronto	2,640.0	2,441.4	8.0	18,200.0	17,773.0	3,564.0	24,578.0	46	46	0.0	3
Doyle Dane Bernbach	Toronto	2,608.2	2,654.0	- 2.0	17,179.9	17,053.4	3,522.2	23,200.3	56	51	10.0	1
Ambrose, Carr, De Forest & Linton	Toronto	2,567.5	2,345.6	9.0	17,586.9	16,068.1	3,467.2	23,750.0	40	40	0.0	1
Ian Roberts	Toronto	2,471.3	2,033.2	22.0	16,533.8	13,811.0	3,337.4	22,327.9	54	46	17.0	4
Francis, Williams & Johnson	Calgary	2,400.0	1,930.0	24.0	16,300.0	12,700.0	3,300.0	22,000.0	76	65	17.0	3
Needham Harper of Canada	Toronto	2,150.0	2,460.5	- 13.0	14,348.2	20,513.0	2,905.0	19,376.4	55	53	4.0	1
SSC&B:Lintas	Toronto	2,123.5	1,423.6	49.0	14,163.5	9,495.5	2,867.6	19,127.9	48	31	55.0	1
Enterprise Advertising Associates	Toronto	1,942.0	2,220.0	- 13.0	12,947.0	14,800.0	2,622.0	17,480.0	35	30	17.0	2
Leveille, Benton & Bowles	Montreal	1,562.5	1,263.3	24.0	11,144.5	8,445.4	2,110.0	15,050.0	38	32	19.0	1
BrandAid	Toronto	1,480.0	N/A	N/A	2,580.0	N/A	2,000.0	17,000.0	8	N/A	N/A	1
Grey Ronalds Smith	Toronto	1,325.5	1,420.6	- 7.0	8,841.0	9,475.7	1,790.0	11,939.3	22	24	- 8.0	2
Campbell-Ewald (Canada)	Toronto	1,213.0	858.0	41.0	8,091.0	5,723.0	1,638.0	10,925.0	23	14	64.0	N/A
Bozell, Jacobs, Kenyon & Eckhardt	Toronto	1,174.8	958.2	23.0	8,886.0	6,294.3	1,586.5	12,000.0	25	21	19.0	2
Cardon, Rose	Toronto/Montreal	1,013.0	947.8	7.0	6,146.0	5,924.0	1,369.0	8,300.0	19	N/A	N/A	2
Paul, Phelan and Perry	Toronto	844.2	644.2	31.0	5,627.8	4,294.9	1,140.0	7,600.0	20	20	0.0	2
Germain Advertising	Toronto	433.2	266.6	62.0	2,888.0	1,772.0	585.0	3,900.0	12	10	20.0	1
CHILE											**Exchange rate: 0.0068 peso**	
J. Walter Thompson Chilena	Santiago	2,371.3	1,563.7	52.0	15,809.1	10,425.1	Ps348,713.3	Ps2.32 bill.	130	109	19.0	1
McCann-Erickson (Chile)	Santiago	1,450.0	833.0	74.0	9,672.0	5,556.0	213,304.0	1.42 bill.	65	57	14.0	N/A
Publiart/BBDO	Santiago	1,369.5	925.8	48.0	9,130.1	6,168.4	201,399.5	1.34 bill.	55	52	6.0	1
Azocar, Morrison, Walker	Santiago	1,020.6	735.1	39.0	6,807.2	4,903.3	150,081.3	1 bill.	40	35	14.0	1
SSC&B:Lintas Worldwide	Santiago	925.0	789.4	17.0	6,169.5	5,265.6	136,024.0	907,279.3	66	61	8.0	1
Promoplan	Santiago	883.4	686.9	29.0	5,453.0	4,581.8	129,909.1	801,908.3	63	61	3.0	1
Grey Chile	Santiago	642.6	516.0	25.0	4,286.3	3,442.0	94,502.6	630,332.4	43	42	2.0	1
Northcote/Ogilvy & Mather	Santiago	642.6	334.2	92.0	4,284.0	2,229.2	94,500.0	630,000.0	43	30	43.0	1
Young & Rubicam de Chile	Santiago	506.0	391.0	29.0	3,375.0	2,610.0	74,412.0	496,327.5	37	33	12.0	1
Porta Publicidad	Santiago	491.9	225.8	117.0	3,281.3	1,505.8	72,332.0	482,454.0	27	18	50.0	1
Epoca/Ted Bates	Santiago	452.5	367.3	23.0	3,018.1	2,450.0	66,542.7	443,839.8	27	27	0.0	1
Israel & de Bianchi	Santiago	431.5	326.7	32.0	2,883.3	2,178.9	63,450.0	423,021.0	34	28	21.0	1
Leo Burnett Co.-Chile	Santiago	415.0	270.0	54.0	2,764.0	1,800.6	60,959.0	406,414.0	34	32	6.0	1
Hermosilla, Zegers	Santiago	395.0	245.0	61.0	2,635.0	1,635.0	58,110.0	387,594.0	28	26	8.0	1
Baumlis Publicidad	Santiago	111.6	75.3	48.0	624.3	276.2	16,415.5	91,813.9	14	12	17.0	1
Martel Publicidad	Santiago	49.4	41.0	20.0	777.7	614.5	7,262.9	114,364.8	24	24	0.0	1
COLOMBIA											**Exchange rate: 0.0079 peso**	
Leo Burnett Colombia	Bogota	2,377.0	2,668.9	- 10.0	15,846.0	17,793.6	Ps300,863.0	Ps2.00 bill.	119	130	- 8.0	1
Atenas/BBDO	Bogota	2,145.1	1,373.3	56.0	10,883.0	7,974.8	271,539.0	1.38 bill.	85	81	5.0	1
Atlas Publicidad	Bogota	2,117.2	1,698.5	25.0	12,155.7	11,329.4	268,000.0	1.79 bill.	129	120	8.0	1
McCann-Erickson (Colombia)	Bogota	1,952.0	1,886.0	3.0	13,020.0	12,580.0	247,091.0	1.65 bill.	82	88	- 7.0	N/A
Puma Compton Colombia	Bogota	1,757.0	1,611.8	10.0	7,346.0	7,326.4	222,405.1	929,873.4	67	65	4.0	2
G. Meza & Ted Bates	Bogota	1,338.4	957.6	40.0	8,927.0	6,386.9	169,415.0	1.13 bill.	70	65	8.0	1
Centrum	Bogota/Cali	1,248.0	1,066.5	17.0	6,400.0	5,925.0	158,000.0	810,000.0	72	85	- 15.0	2
Esfera Publicidad	Bogota	963.8	600.4	61.0	4,826.9	3,002.0	122,000.0	611,000.0	51	42	21.0	1
Jaime Uribe & Asociados	Medellin	951.1	721.5	32.0	6,340.7	4,809.9	120,393.0	802,620.0	45	45	0.0	1
Contacto Publicidad	Bogota/Cali-Valle	876.9	855.6	2.0	5,850.0	5,703.8	111,000.0	740,000.0	N/A	60	N/A	2
Publicidad Artefilme	Cali	530.3	510.7	4.0	3,537.3	3,406.2	67,131.0	447,764.0	20	18	11.0	1

1986 EDITION

FOREIGN AGENCY INCOME

COSTA RICA
CYPRUS

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985 ($000; national currency)	Employes 1985	Employes 1984	Per cent change	Number offices
COSTA RICA												**Exchange rate: 0.0192 colon**
Alberto H. Garnier	San Jose	1,152.7	878.4	31.0	5,220.6	3,808.5	C60,037.3	C271,905.3	99	98	1.0	1
McCann-Erickson Centroamericana	San Jose	997.0	692.0	44.0	6,650.0	4,616.0	51,937.0	346,420.0	41	38	8.0	N/A
FCB/Siboney	N/A	303.6	292.5	4.0	2,024.9	1,950.7	15,811.8	105,465.0	25	23	9.0	1
APCU de Costa Rica	San Jose	235.2	215.2	9.0	1,568.1	1,434.6	12,250.0	81,670.8	17	14	21.0	1
CURACAO												**Exchange rate: 0.5586 florin**
R.J. Dovale Advertising	Willemstad	296.5	287.2	3.0	1,218.5	1,267.3	FL530.8	FL2,181.1	15	15	0.0	1
CYPRUS												**Exchange rate: 1.77 C pound**
Impact/BBDO International	Nicosia	3,900.0	3,600.0	8.0	29,800.0	28,200.0	C£2,203.5	C£16,837.0	108	115	- 6.0	5

Notes

(Continued from Page 67)

not include GG, New York

Lowe Howard-Spink Campbell-Ewald, the agency's name was changed in October, 1985, to Lowe Howard-Spink Marschalk Ltd. The worldwide network is called Lowe Marschalk Worldwide, in which the Interpublic Group of Cos. holds 38.3% equity

Charles Barker Group would have shown 1985 gross income of $26,100,000 and billings of $172,100,000 if Charles Barker Human Resources, Charles Barker Lyons, Owen Wade Delmonte, Rapier Services and Charles Barker Black & Gross had been included in the totals

SSC&B:Lintas figures include SSC&B:Lintas Overseas, Presight and Spectrum

Moxon, Dolphin & Kerby, part of Ted Bates Worldwide

Woodyer Hutson & Chapman gross income figures for both years are Advertising Age estimates. The agency is part of Bozell, Jacobs, Kenyon & Eckhardt Fletcher, Shelton, Delaney, which is part of Ted Bates Worldwide

LansdownEuro, part of J. Walter Thompson Co.

ARC Everett's, part of Grey Advertising

Garratt Baulcombe, part of Foote, Cone & Belding

Primary Contact, part of Ogilvy & Mather Intl

Figures for Royds London/Manchester, Yellowhammer, Valin Polin and Cogent Elliott are AA estimates

CANADA

Carder Gray, which purchased a portion of Vickers & Benson/Ayer and operates under its own name, did not wish to release financial information

MacLaren Advertising gross income figures for both years are AA estimates

Young & Rubicam figures include Wunderman and Burson-Marsteller

Vickers & Benson gross income figures for both years are AA estimates

Ronalds-Reynolds, affiliated with DFS Dorland Worldwide

Baker Lovick, BBDO Intl holds a minority share in the agency

Enterprise Advertising, affiliated with J. Walter Thompson Co.

Cardon, Rose gross income figures for both years are AA estimates

Saffer, Cravit & Freedman figures exclude data for SC&F's Chicago office

(Continued on Page 82)

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Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985 ($000; national currency)	Employes 1985	Employes 1984	Employes Per cent change	Number offices
DENMARK												**Exchange rate: 0.0926 kroner**
Ted Bates A/S	Copenhagen	7,261.0	4,427.0	64.0	48,760.0	28,201.0	DKr78,409.0	DKr526,566.0	177	94	88.0	3
Henriksen & Sieling/BBDO-Group	Copenhagen	4,017.1	2,743.6	46.0	27,680.0	19,169.0	43,381.0	298,924.0	66	51	29.0	4
scan-ad reklamebureau	Aarhus	3,611.4	2,881.3	25.0	13,890.0	10,735.0	39,003.0	150,000.0	N/A	110	N/A	N/A
Young & Rubicam Copenhagen	Copenhagen	3,099.0	2,277.0	36.0	20,670.0	15,185.0	33,469.0	223,215.3	73	59	24.0	N/A
Ogilvy & Mather	Copenhagen	2,693.0	2,231.0	21.0	16,693.0	14,241.0	29,079.0	180,272.0	70	65	8.0	2
Gutenberghus Reklamebureau	Copenhagen	2,283.0	2,197.0	4.0	16,274.0	15,540.0	24,654.0	175,745.0	63	64	- 2.0	N/A
Lintas	Copenhagen	2,137.2	1,705.0	25.0	14,699.0	11,758.5	23,079.9	158,736.6	41	37	11.0	1
Lyre & Valbo Reklamebureau	Copenhagen	1,742.1	1,302.5	34.0	11,871.6	8,126.4	18,813.0	128,203.0	40	33	21.0	1
Thomas Bergsoe A.S.	Copenhagen	1,481.7	2,176.1	- 32.0	9,260.0	13,612.2	16,002.4	100,000.0	17	56	- 70.0	1
Pro Reklame/Marketing	Copenhagen	1,390.6	N/A	N/A	4,670.4	N/A	15,017.0	50,436.0	N/A	N/A	N/A	N/A
NP/Grey	Egaa (Aarhus)	1,296.4	867.9	49.0	8,647.0	5,789.2	14,000.0	93,380.0	24	23	4.0	1
D'Arcy MacManus Masius	Copenhagen	1,290.0	1,155.0	12.0	10,611.0	8,819.0	13,929.0	114,586.0	38	38	0.0	1
Leo Burnett-Denmark	Copenhagen	1,242.0	1,087.3	14.0	8,279.0	7,252.3	13,410.0	89,404.0	31	27	15.0	1
McCann-Erickson A/S	Copenhagen	1,009.1	841.1	20.0	6,730.0	5,609.0	10,897.0	72,683.0	25	25	0.0	N/A
Lockey/FCB A/S	Copenhagen	1,005.1	1,110.9	- 9.0	6,703.8	7,409.6	10,853.8	72,394.7	29	28	4.0	1
Gorm Larsen, Benton & Bowles	Copenhagen	974.9	774.1	26.0	6,467.8	5,551.3	10,528.5	69,847.1	25	20	25.0	1
Innovation	Copenhagen	931.7	1,509.2	- 38.0	6,394.0	10,061.1	10,062.0	69,050.0	22	28	- 21.0	1
Grey Denmark	Copenhagen	897.0	921.1	- 3.0	6,748.0	6,019.0	9,684.0	72,867.0	19	19	0.0	1
J. Walter Thompson	Copenhagen	811.2	1,040.0	- 22.0	5,408.0	6,933.9	8,759.8	58,401.8	20	22	- 9.0	1
DMM/Ipsen & Parmo	Copenhagen	705.0	227.0	N/A	5,483.0	1,816.0	7,616.0	59,406.0	15	13	15.0	1
Egeberg	Copenhagen	611.2	556.3	10.0	4,906.0	4,318.2	6,600.3	52,980.6	18	20	- 10.0	1
Weber & Sorensen	Aarhus	373.2	531.1	- 30.0	2,407.6	3,426.0	4,030.0	26,000.0	27	23	17.0	1
Berg & Lyhne Reklamebureau	Copenhagen	300.0	484.8	- 38.0	2,000.2	3,231.7	3,240.0	21,600.0	21	16	31.0	1
DOMINICAN REPUBLIC												**Exchange rate: 1.00 dollar**
Young & Rubicam Damaris	Santo Domingo	3,675.0	2,025.0	81.0	24,512.0	13,507.0	3,675.0	24,512.0	94	76	24.0	N/A
McCann-Erickson Dominicana	Santo Domingo	1,152.0	870.0	32.0	7,684.0	5,803.0	1,152.0	7,684.0	27	25	8.0	N/A
FCB/Siboney	Santo Domingo	268.1	195.7	37.0	1,788.2	1,305.1	268.1	1,788.2	21	16	31.0	1
Leo Burnett-Dominican Republic	Santo Domingo	248.0	300.0	- 17.0	1,656.0	2,167.0	248.0	1,656.0	20	19	5.0	1
Leon/Aife/MFP	Santo Domingo	229.0	199.0	15.0	1,526.7	1,326.7	229.0	1,526.7	14	16	- 13.0	1
DUBAI												**Exchange rate: 0.2722 dirham**
Intermarkets U.A.E.	Dubai	1,333.8	1,345.0	- 1.0	8,400.0	8,200.0	DHS4,900.0	DHS30,900.0	26	26	0.0	N/A
Inca Tanvir Advertising	Sharjah, U.A.E.	838.4	815.2	3.0	3,810.8	4,083.0	3,080.0	14,000.0	26	25	4.0	1
Thompson Advertising Middle East	Dubai	790.7	266.8	196.0	5,271.9	1,778.5	2,905.0	19,367.7	27	18	50.0	1
ECUADOR												**Exchange rate: 0.0104 sucre**
Norlop Thompson	Guayaquil	1,699.9	1,269.9	34.0	11,333.1	8,466.6	S163,449.9	S1.09 bill.	92	97	- 5.0	1
McCann-Erickson (Ecuador)	Guayaquil	1,078.0	672.0	60.0	7,190.0	4,482.0	103,655.0	691,379.0	50	46	9.0	N/A
Veritas Publicitaria	Guayaquil	760.4	459.3	66.0	4,173.4	2,638.2	73,412.0	434,030.6	51	36	42.0	2
Artefilme S.A.	Guayaquil	388.4	450.1	- 14.0	2,590.3	3,002.2	37,341.0	249,064.0	35	35	0.0	2
EGYPT												**Exchange rate: 1.2055 E pound**
Advertising & Marketing Associates, Leo Burnett	Cairo	476.0	364.1	31.0	3,173.0	2,740.0	E£395.0	E£2,632.0	N/A	N/A	N/A	1
Intermarkets Egypt	Cairo	409.9	343.6	19.0	2,600.0	2,400.0	340.0	1,820.0	12	10	20.0	N/A
EL SALVADOR												**Exchange rate: 0.17 colon**
McCann-Erickson	San Salvador	270.0	157.0	72.0	1,801.0	1,047.0	C1,591.0	C10,612.0	31	22	41.0	N/A
APCU de El Salvador	San Salvador	110.5	102.0	8.0	736.7	680.0	650.0	4,333.6	9	8	13.0	1
FINLAND												**Exchange rate: 0.1587 markka**
Oy Liikemainonta-McCann	Helsinki	5,540.4	4,936.0	18.0	36,960.0	32,923.0	Fmk34,911.7	Fmk232,853.3	110	103	7.0	N/A
Mainosyhtyma Oy	Helsinki	4,524.0	4,695.0	- 4.0	35,069.0	35,572.0	28,506.0	220,978.0	139	162	- 15.0	4
Oy Mainos Taucher Reklam	Helsinki	4,432.5	3,761.9	18.0	33,652.3	28,558.1	27,930.0	212,050.4	127	138	- 8.0	2
Mainostoimisto Oy Sek	Helsinki	4,411.9	3,523.1	25.0	38,734.5	30,930.6	27,800.0	244,074.0	N/A	102	N/A	1
Turkama & Kumppanit Oy Mainostoimisto	Helsinki	4,300.0	4,047.0	6.0	28,998.0	28,360.0	27,100.0	182,700.0	N/A	107	N/A	2
Anderson & Lembke	Helsinki	4,100.0	3,800.0	8.0	25,000.0	23,900.0	25,834.1	157,525.0	N/A	N/A	N/A	N/A
Markkinointi Viherjuuri	Helsinki	4,041.0	3,761.0	7.0	27,143.0	25,491.0	25,465.0	171,032.0	93	87	7.0	1
Mainosrengas Oy	Helsinki	3,745.0	3,200.0	17.0	19,200.0	18,100.0	23,600.0	121,000.0	116	109	6.0	1
Finnad-Bates	Helsinki	3,610.4	2,963.2	22.0	24,083.7	19,764.8	22,752.0	151,756.0	79	84	- 6.0	5
Erva-Latvala Oy	Helsinki	3,412.1	2,967.7	15.0	22,758.4	19,794.5	21,500.0	143,405.0	98	90	9.0	2
Lintas Oy	Helsinki	2,814.7	2,495.7	13.0	18,782.2	15,921.4	17,735.8	118,350.2	66	65	2.0	1
Tehomainos-J. Walter Thompson Oy	Helsinki	2,444.0	2,222.0	10.0	11,696.2	10,744.0	15,400.0	73,700.0	63	70	- 10.0	1
MK-Mainos Oy	Helsinki	2,184.7	1,714.0	27.0	25,432.6	19,943.7	13,766.0	160,256.0	N/A	75	N/A	2
Kauppamainos Oy	Helsinki	1,856.8	1,428.3	30.0	15,885.3	12,083.7	11,700.0	100,096.7	N/A	25	N/A	1
Suomen Ilmoituskeskus Oy	Helsinki	1,772.5	1,485.9	19.0	14,640.7	12,705.7	11,169.0	92,254.0	38	48	- 21.0	1
Ogilvy & Mather Oy	Helsinki	1,731.3	1,279.6	35.0	12,891.2	9,948.0	10,909.2	81,229.9	42	43	- 2.0	1
Markkinointi Topitorma Oy	Helsinki	1,714.0	1,380.7	24.0	11,450.1	10,645.6	10,800.0	72,149.5	41	39	5.0	N/A
Interplan	Helsinki	1,645.2	1,234.0	33.0	10,481.9	10,283.4	10,367.0	66,048.3	40	45	- 11.0	1
Juniormainos Oy	Helsinki	1,395.5	1,187.1	18.0	16,535.0	13,100.0	8,793.5	104,190.0	53	48	10.0	1
Oy Valotorni	Helsinki	1,246.0	1,099.8	13.0	8,345.9	7,605.0	7,851.6	52,589.4	38	37	3.0	1
Oy AC-Mainos Ab	Helsinki	1,105.3	1,557.8	- 29.0	8,583.1	11,801.2	6,965.0	54,084.0	33	41	- 20.0	1
Mainostoimisto LSM Oy	Turku	968.0	814.8	19.0	5,692.0	5,037.0	6,100.0	35,868.0	28	29	- 3.0	1
Markkinointiryhma Oy	Helsinki	968.0	651.9	48.0	6,651.8	4,166.4	6,100.0	41,914.4	27	22	23.0	1
DMB&B Finland	Helsinki	793.0	746.4	6.0	5,287.0	4,976.0	4,997.0	33,313.0	20	19	5.0	1

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985	Employes 1985	Employes 1984	Employes Per cent change	Number offices
Mainoskentta Oy	Tampere	430.4	626.1	- 22.0	3,269.2	4,173.8	3,090.0	20,600.0	36	37	- 11.0	1
Markkinamainos Oy	Helsinki	674.5	698.3	- 3.0	2,904.2	3,063.0	4,250.0	18,300.0	19	19	0.0	N/A
Liikekonsultit Oy	Helsinki	251.8	277.6	- 9.0	2,571.2	2,265.0	1,586.4	16,201.6	9	9	0.0	1
Mainos Kunnas Oy	Helsinki	174.6	174.6	0.0	1,164.0	1,164.0	1,100.0	1,100.0	7	7	0.0	1
FRANCE												**Exchange rate: 0.1093 franc**
Publicis Conseil	Paris	47,155.0	40,666.0	16.0	318,537.0	268,540.0	FF431,430.0	FF2.91 bill.	1040	1009	3.0	14
Belier	Neuilly	33,937.7	30,068.4	13.0	226,364.2	200,556.4	310,500.0	2.07 bill.	792	653	21.0	16
Roux Seguela Cayzac & Goudard	Paris	30,713.3	22,406.5	37.0	202,642.2	149,741.0	281,000.0	1.85 bill.	N/A	N/A	N/A	N/A
HCM France	Paris	25,685.5	22,406.5	15.0	171,322.3	149,451.4	235,000.0	1.57 bill.	533	530	1.0	15
Young & Rubicam France	Paris	16,478.0	12,660.0	30.0	109,908.0	84,440.0	150,774.0	1.01 bill.	379	340	11.0	N/A
Saatchi & Saatchi Compton	Paris	13,990.4	8,124.9	72.0	93,316.0	60,876.3	128,000.0	853,760.0	230	250	- 8.0	8
Boulet Dru Dupuy Petit	Paris	13,553.2	7,651.0	77.0	N/A	N/A	124,000.0	N/A	245	75	227.0	2
Doyle Dane Bernbach	Paris	13,274.2	12,591.4	5.0	109,015.3	89,988.2	121,447.0	997,395.0	241	237	2.0	3
Ecom/Univas	Paris	12,908.3	11,498.4	12.0	86,090.0	76,687.0	118,100.0	787,727.0	218	229	- 5.0	3
FCA	Paris	10,613.0	8,306.8	28.0	70,788.9	55,415.1	97,000.0	647,657.0	183	155	18.0	4
Homsy Delafosse	Paris	10,602.1	7,651.0	39.0	69,952.0	59,622.0	97,000.0	640,000.0	N/A	45	N/A	N/A
Lintas Paris	Paris	9,196.5	8,970.6	3.0	62,821.3	62,167.3	84,140.0	574,760.0	138	129	7.0	1
Futurs	Neuilly	9,181.2	7,760.3	18.0	61,208.0	51,589.6	84,000.0	560,000.0	170	185	- 8.0	1
CFRP-Alliance	Paris	8,306.8	6,553.0	27.0	55,196.5	43,920.0	76,000.0	505,000.0	88	80	10.0	1
Ogilvy & Mather	Paris	8,090.0	7,000.0	16.0	54,000.0	46,600.0	74,000.0	493,000.0	138	128	8.0	1
J. Walter Thompson	Paris/Lyon	7,961.6	7,904.2	1.0	53,080.2	52,697.6	72,842.0	485,637.6	169	178	- 5.0	2
TBWA	Paris	7,794.0	5,172.6	51.0	51,987.0	34,500.5	71,310.0	475,636.0	99	96	3.0	1
McCann-Erickson	Paris	7,771.0	6,141.0	27.0	51,833.0	40,960.0	71,102.0	474,250.0	133	123	8.0	N/A
FCB/Effi	Neuilly	7,439.0	5,268.0	41.0	49,616.0	35,138.0	68,058.0	453,947.0	148	125	18.0	2
O.D.I.C.	Paris	6,885.9	6,831.3	1.0	61,208.0	45,564.4	63,000.0	560,000.0	N/A	N/A	N/A	N/A
Polaris/DFS	Paris	6,558.0	4,590.6	43.0	43,720.0	30,604.0	60,000.0	400,000.0	100	102	- 2.0	1
Synergie	Paris	5,924.0	5,410.4	9.0	46,185.0	43,720.0	54,200.0	450,000.0	111	107	4.0	1
Ted Bates	Paris	5,900.0	4,680.0	26.0	N/A	N/A	54,000.0	N/A	112	156	- 28.0	1
DMB&B	Paris	5,693.0	4,840.0	18.0	29,301.9	29,842.4	52,086.0	268,087.0	94	95	- 1.0	2
Impact S.A.	Paris	4,952.6	4,676.4	6.0	33,033.9	31,191.6	45,312.1	302,231.5	101	100	1.0	1
Grey	Paris	4,889.9	4,901.7	0.0	32,615.3	32,694.1	44,738.0	298,402.0	93	101	- 8.0	4
CLM/BBDO	Paris	4,123.0	3,645.0	13.0	27,544.0	25,358.0	37,720.0	252,000.0	79	83	- 5.0	1
GGK International	Paris	4,119.0	2,901.0	42.0	27,473.0	19,350.0	37,688.9	251,378.0	52	29	79.0	1
Fusion	Paris	3,574.1	2,885.5	24.0	23,839.3	19,246.4	32,700.0	218,109.0	102	93	10.0	1
Initiatives Media	Paris	3,370.2	3,123.0	8.0	22,477.0	20,803.6	30,834.0	205,663.0	40	39	3.0	3
Ayer France et Associes	Paris	3,191.2	891.1	258.1	19,901.0	5,000.9	29,196.3	182,076.7	52	21	148.0	1
M.A.O.	Neuilly	3,169.7	2,145.5	31.0	21,313.5	16,504.3	29,000.0	195,000.0	44	39	13.0	1
R&D France Campbell-Ewald	Paris	2,777.0	2,186.0	27.0	18,423.0	14,581.0	25,411.0	169,491.0	N/A	N/A	N/A	N/A
Ogilvy Defrenois Direct	Paris	2,738.0	2,160.0	27.0	18,254.0	14,400.0	25,051.0	167,007.0	40	31	29.0	1
Leo Burnett-France	Paris	2,372.0	2,577.3	- 8.0	814.05	18,377.0	21,702.0	144,687.0	35	64	- 45.0	1
Capricorne/AGEPI	Lyon	2,186.0	1,748.8	25.0	14,580.6	11,664.5	20,000.0	133,400.0	61	48	27.0	2
Unicom	Cesson Sevigne	2,131.4	1,858.1	15.0	14,216.1	12,393.5	19,500.0	130,065.0	60	60	0.0	2
Publi-Est	Metz	1,803.5	1,639.5	10.0	13,662.5	10,935.5	16,500.0	125,000.0	50	50	0.0	2
Dassas Jaglin Walhain-Needham	Paris	1,694.2	1,257.0	35.0	11,300.0	8,393.3	15,500.0	103,385.0	34	27	26.0	1
D.10	Toulouse	1,639.5	1,311.6	25.0	10,935.5	8,748.4	15,000.0	100,050.0	48	40	20.0	2
Sprint	Paris	1,581.6	1,411.4	12.0	10,506.1	9,343.2	14,470.0	96,140.0	33	29	14.0	1
Eldorado	Paris	1,530.2	1,311.6	17.0	12,099.5	10,055.6	14,000.0	110,700.0	20	21	- 5.0	1
CPV	Paris	1,508.3	1,514.9	0.0	11,159.5	11,695.1	13,800.0	102,100.0	24	27	- 11.0	1
Cerca	Paris	1,500.0	1,320.0	14.0	N/A	N/A	13,700.0	N/A	33	N/A	N/A	1
Uniconseil	Lyon	1,475.6	1,530.2	- 4.0	9,841.9	10,206.4	13,500.0	90,045.0	38	41	- 7.0	1
Novation	Marseille	1,147.7	1,202.3	- 5.0	7,654.8	8,019.3	10,500.0	70,035.0	27	26	4.0	N/A
McCann-Erickson Universal Media	Paris	1,074.0	736.0	46.0	7,164.0	4,909.0	9,829.0	65,559.0	12	10	20.0	N/A
O.P.F. Univas	Paris	896.0	911.0	- 2.0	4,481.0	4,864.0	8,195.0	41,000.0	24	25	- 4.0	1
Anderson & Lembke	Paris	700.0	N/A	N/A	4,600.0	N/A	6,404.3	42,085.4	N/A	N/A	N/A	1
McCann-Erickson/ Joannis Schneider Conseil	Paris	663.0	483.0	37.0	4,422.0	3,222.0	6,069.0	40,480.0	10	10	0.0	N/A
HHCC International	Paris	510.9	298.4	71.0	3,407.8	1,990.0	4,674.5	31,178.9	10	10	0.0	1
Domino Ketchum	Paris	492.0	285.9	72.0	3,279.0	1,315.1	4,500.0	30,000.0	14	8	75.0	1
Optima	Marseille	448.1	382.6	17.0	2,989.0	2,551.6	4,100.0	27,347.0	9	9	0.0	N/A
GGK Paris	Paris	393.0	N/A	N/A	2,623.0	N/A	3,600.0	24,000.0	8	N/A	N/A	1
Mix Communications	Paris	196.7	N/A	N/A	1,311.7	N/A	1,800.0	12,000.6	9	N/A	N/A	1
Bozell & Jacobs France	Paris	174.9	N/A	N/A	1,169.5	N/A	1,600.0	10,700.0	6	N/A	N/A	1
Publi Service	Neuilly	65.6	76.2	- 14.0	437.2	508.1	600.0	4,000.0	1	1	0.0	1
GERMANY												**Exchange rate: 0.3338 mark**
Team/BBDO	Duesseldorf	24,071.0	22,522.0	7.0	160,553.0	150,223.0	DM72,112.0	DM480,987.0	426	410	4.0	6
SSC&B:Lintas	Hamburg	22,300.0	21,800.0	2.0	148,400.0	145,200.0	66,700.0	444,600.0	404	415	- 3.0	2
McCann-Erickson	Frankfurt	20,350.0	18,216.0	12.0	35,735.0	21,501.0	60,966.0	406,644.0	373	374	0.0	N/A
J. Walter Thompson	Frankfurt	19,045.1	18,970.3	0.0	26,973.5	26,475.3	57,055.3	380,387.8	391	385	2.0	7
Ogilvy & Mather	Frankfurt	16,211.3	13,063.2	24.0	108,075.0	78,088.0	48,537.0	323,740.0	330	252	31.0	7
Grey Duesseldorf	Duesseldorf	14,253.0	13,105.0	9.0	95,069.0	87,410.0	42,700.0	284,809.0	248	239	4.0	4
Young & Rubicam	Frankfurt	13,235.0	12,369.6	7.0	88,277.0	82,390.0	39,705.0	264,477.9	257	256	0.0	4
Saatchi & Saatchi Compton	Frankfurt	11,868.9	7,765.9	53.0	79,125.8	51,777.6	35,556.9	237,045.5	186	144	29.0	3
Doyle Dane Bernbach	Duesseldorf	11,817.2	11,530.5	2.0	78,820.5	76,908.2	35,402.0	236,131.0	244	238	3.0	3
Wilkens Ayer	Hamburg/Frkft	10,254.3	N/A	N/A	72,294.0	N/A	30,720.0	216,579.0	216	N/A	N/A	2
GGK Werbeagentur	Duesseldorf	8,512.0	8,312.0	2.0	56,746.0	55,411.0	25,500.0	170,000.0	144	152	- 5.0	2
Luerzer, Conrad & Leo Burnett	Frankfurt	8,485.0	7,654.4	11.0	56,566.0	54,775.0	25,418.0	169,462.0	143	137	4.0	1
TBWA	Frankfurt	7,730.1	5,197.6	49.0	51,534.0	37,728.0	23,158.0	154,386.0	101	81	25.0	3
R.W. Eggert	Duesseldorf	7,357.0	8,589.0	N/A	56,746.0	57,288.8	22,040.0	147,000.0	199	175	14.0	1
Heye Needham & Partner	Munich	6,869.9	5,838.5	18.0	45,830.0	38,954.5	20,581.0	137,300.0	129	115	12.0	3

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985 ($000; national currency)	Employes 1985	Employes 1984	Per cent change	Number offices
Ted Bates Werbeagentur	Frankfurt	6,556.0	6,147.0	7.0	43,729.0	35,383.0	19,641.0	131,005.0	130	124	5.0	1
Scholz & Friends	Hamburg	6,308.8	5,407.6	17.0	42,092.2	36,050.4	18,900.0	126,100.0	91	80	14.0	1
Baums, Mang und Zimmermann	Duesseldorf	6,089.0	5,327.4	14.0	40,591.0	35,516.0	18,240.0	121,602.0	106	83	28.0	1
Spiess & Ermisch	Duesseldorf	5,975.0	5,057.1	18.0	39,755.6	33,713.8	17,900.0	119,100.0	81	68	19.0	N/A
HCM	Duesseldorf	5,875.0	5,775.0	2.0	39,188.0	38,487.0	17,600.0	117,400.0	86	85	1.0	1
von Mannstein Gruppe	Solingen	5,674.6	5,164.6	10.0	37,886.3	34,448.2	17,000.0	113,500.0	88	85	3.0	4
Guenter Blaese	Stuttgart	5,607.8	5,192.3	8.0	37,985.6	34,615.1	16,800.0	112,000.0	114	111	2.0	N/A
Troost Campbell-Ewald	Duesseldorf	5,552.0	5,734.0	- 3.0	37,320.0	38,246.0	16,631.0	110,929.0	135	160	- 16.0	N/A
Acon	Cologne	5,407.6	5,097.1	6.0	35,916.9	33,980.8	16,200.0	107,600.0	74	68	9.0	N/A
Intensiv Marketing	Nuernberg	5,140.5	4,539.7	13.0	34,381.4	30,208.9	15,400.0	103,000.0	73	72	1.0	3
FCB Deutschland	Frankfurt	5,110.0	5,494.0	- 7.0	34,090.0	36,640.0	15,312.0	102,131.0	87	122	- 29.0	3
DMB&B	Hamburg	4,845.1	4,430.2	9.0	32,317.0	29,548.0	14,515.0	96,815.0	103	102	1.0	1
MWI Markenwerbung International	Hamburg	4,414.0	4,506.3	- 2.0	29,440.0	30,057.0	13,223.0	88,197.0	85	96	- 11.0	1
Boebel, Adam, Benton & Bowles	Frankfurt	4,316.0	6,005.0	- 28.0	28,787.0	40,054.0	12,930.0	86,241.0	108	167	- 35.0	2
Consell Partners	Frankfurt	3,504.0	N/A	N/A	23,377.7	N/A	10,500.0	70,035.0	50	N/A	N/A	1
DFS&R	Munich	3,404.8	3,474.9	- 2.0	22,698.4	23,165.7	10,200.0	68,000.0	76	78	-3.0	N/A
Hildmann, Simon, Rempen & Schmitz/SMS	Duesseldorf	2,611.4	2,718.9	- 4.0	17,357.6	20,028.0	7,823.2	52,000.0	47	47	0.0	1
Springer & Jacoby Werbeagentur	Hamburg	2,300.0	1,570.0	46.0	15,200.0	10,500.0	6,800.0	45,400.0	37	28	18.0	2
Durana Ketchum	Frankfurt	2,036.0	2,003.0	2.0	13,586.0	13,419.0	6,100.0	40,700.0	20	22	-9.0	1
Dorland	Berlin	1,936.0	1,452.0	33.0	13,018.2	9,680.2	5,800.0	39,000.0	36	27	33.0	N/A
Erdmann & Partner	Duesseldorf	1,835.9	1,800.0	2.0	12,183.7	12,016.8	5,500.0	36,500.0	29	29	0.0	1
Hakuhodo	Duesseldorf	1,835.9	1,552.2	18.0	12,183.7	10,347.8	5,500.0	36,500.0	31	26	19.0	N/A
RSGG, Butter, Rang	Duesseldorf	1,435.3	30.0	N/A	9,580.1	200.3	4,300.0	28,700.0	30	3	N/A	1
Kastner & Partner	Frankfurt	801.1	598.5	34.0	5,341.0	3,991.9	2,400.0	16,001.0	15	10	50.0	1
HHCC	Frankfurt	738.2	272.1	171.0	4,924.1	1,814.8	2,211.6	14,744.2	17	8	113.0	1
Wirz & Hafner Werbeagentur	Frankfurt	682.9	522.2	31.0	4,875.8	3,655.5	1,700.0	12,138.0	10	9	11.0	1
Handley, Smith & Partners	Duesseldorf	150.0	411.6	- 64.0	1,000.0	2,744.2	449.4	2,996.0	5	5	0.0	1
GHANA											Exchange rate: 0.017 cedi	
Lintas Ghana	Accra	55.1	52.0	6.0	334.0	316.0	C3,240.0	C19,674.0	16	16	0.0	N/A
GREECE											Exchange rate: 0.0074 drachma	
Spot/Thompson	Athens	1,673.0	1,247.0	34.0	14,845.0	10,360.0	Dr226,063.0	Dr2.01 bill.	52	57	- 9.0	1
Bold Advertising	Athens	1,487.4	1,073.0	39.0	10,411.8	7,548.0	201,000.0	1.41 bill.	51	48	6.0	1
Euro-Leo Burnett S.A.	Athens	1,021.0	349.2	192.0	6,807.0	2,329.4	137,967.0	919,826.0	54	34	59.0	1
Ikon/DD/BBDO	Athens	1,013.8	744.	36.0	6,762.4	4,962.5	137,006.7	913,835.0	54	54	0.0	1
Ted Bates	Athens	848.8	843.6	1.0	5,505.9	5,434.8	114,700.0	744,041.0	41	50	- 18.0	2
Olympic Advertising	Athens	820.7	636.0	29.0	5,476.0	4,242.3	110,900.0	740,000.0	33	27	22.0	1
Lintas Greece	Athens	808.6	511.9	58.0	5,860.8	3,709.3	109,267.0	792,000.0	32	27	19.0	N/A
Adel-Compton S.A.	Athens	799.2	643.6	24.0	5,328.0	4,045.1	108,000.0	720,000.0	37	37	0.0	1
Alector Advertising	Athens	674.1	612.7	10.0	4,958.0	4,403.0	91,100.0	670,000.0	36	36	0.0	1
McCann-Erickson	Athens	639.0	550.0	17.0	4,262.0	3,669.0	86,362.0	576,035.0	32	35	- 9.0	N/A
Gnomi/FCB	Athens	509.6	507.0	1.0	3,398.7	3,382.0	68,859.0	459,290.0	41	39	5.0	1
Producta/Univas	Athens	436.0	414.0	5.0	2,908.0	2,664.0	59,000.0	352,000.0	31	28	11.0	1
Lamda Alpha	Athens	392.4	393.4	0.0	2,645.5	3,155.0	53,030.6	357,497.8	21	21	0.0	3
Grafis Advertising	Athens	378.0	245.7	54.0	2,581.1	1,638.4	52,500.0	348,800.0	25	22	14.0	1
DMB&B Ergon	Athens	318.0	278.0	14.0	2,035.0	1,776.0	43,000.0	275,000.0	22	22	0.0	1
Geo II Advertising	Athens	247.0	94.4	161.0	1,581.3	769.7	33,383.0	213,693.0	12	15	- 20.0	1
Grant Hellas	Athens	70.3	42.2	67.0	467.0	280.0	9,500.0	63,000.0	5	6	17.0	1
GUATEMALA											Exchange rate: 1.00 dollar	
McCann-Erickson Centroamericana	Guatemala City	1,045.0	668.0	56.0	6,970.0	4,456.0	$1,045.0	$6,970.0	45	39	15.0	N/A
APCU Thompson	Guatemala City	1,035.0	825.0	25.0	6,900.3	5,500.3	1,035.0	6,900.3	42	42	0.0	1
Concepto	Guatemala City	421.0	N/A	N/A	1,210.0	N/A	421.0	1,210.0	22	23	- 4.0	N/A
Publimerca	Guatemala City	350.0	396.5	-1 2.0	1,750.0	1,927.0	350.0	1,750.0	22	20	10.0	1
FCB/Siboney	Guatemala	300.8	247.3	22.0	2,006.4	1,649.7	300.8	2,006.4	32	29	10.0	1
HONDURAS											Exchange rate: 0.3921 lempira	
McCann-Erickson Centroamericana	Tegucigalpa	405.0	315.2	28.0	2,701.0	2,101.0	L1,032.0	L6,883.0	23	21	10.0	N/A
APCU de Honduras	Tegucigalpa	165.0	196.4	- 16.0	1,100.1	1,309.2	420.8	2,805.5	18	14	29.0	2
HONG KONG											Exchange rate: 0.1283 HK dollar	
Ogilvy & Mather	Hong Kong	4,688.5	3,561.0	32.0	31,272.2	23,752.0	HK$36,543.1	HK$243,742.8	125	111	13.0	1
Leo Burnett Ltd.	Hong Kong	3,949.5	3,700.0	7.0	26,331.0	24,678.4	30,783.0	205,230.0	150	123	22.0	1
Ted Bates Ltd.	Hong Kong	2,890.0	2,630.0	10.0	19,245.0	17,320.5	22,500.0	150,000.0	95	96	- 1.0	1
DYR Ltd.	Hong Kong	2,826.0	2,707.0	4.0	17,466.0	8,371.0	22,025.6	136,134.1	88	95	- 7.0	2
McCann-Erickson	Hong Kong	2,635.0	2,204.0	20.0	17,575.0	14,701.0	20,535.0	136,968.0	90	92	-2.0	N/A
J. Walter Thompson	Hong Kong	2,250.0	1,439.0	56.0	15,000.0	9,593.0	17,537.0	117,000.0	77	52	48.0	1
Saatchi & Saatchi Wong Lam	Hong Kong	1,789.8	1,027.3	74.0	11,931.9	6,848.6	13,950.0	93,000.0	58	52	12.0	1
Tse Needham & Standard	Hong Kong	1,370.6	1,306.0	5.0	9,142.1	8,711.5	10,683.0	71,255.6	66	64	3.0	1
People & Grey Advertising	Hong Kong	1,251.7	1,235.5	1.0	8,348.8	8,240.8	9,756.0	65,040.0	50	45	11.0	1
Foote, Cone & Belding	Hong Kong	1,242.7	759.1	64.0	8,288.7	5,063.3	9,685.7	64,603.9	45	41	10.0	1
SSC&B:Lintas	Hong Kong	1,163.0	703.0	65.0	8,035.0	5,140.0	9,066.0	62,627.0	39	23	70.0	1
Modern Advertising	Hong Kong	877.6	763.4	15.0	5,850.5	5,103.8	6,840.0	45,600.0	33	31	6.0	1
Meridian Advertising	Hong Kong	825.5	862.5	- 4.0	5,505.8	5,617.1	6,433.8	42,913.4	33	28	18.0	1
Far East-Ketchum Advertising	Hong Kong	808.0	770.4	5.0	5,389.0	4,475.9	6,300.0	42,000.0	35	35	0.0	1
Kenyon & Eckhardt	Hong Kong	806.0	611.0	32.0	5,373.0	4,072.0	6,279.0	41,881.0	42	44	- 5.0	1
Doyle Dane Bernbach	Hong Kong	781.2	1,161.9	- 33.0	4,494.1	6,331.4	6,089.2	35,027.9	41	47	- 13.0	1
Hong Kong (FE) Advertising	Hong Kong	755.0	321.0	135.0	5,034.5	2,139.0	5,883.0	39,240.0	33	22	50.0	1

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985 ($000; national currency)	Employes 1985	Employes 1984	Per cent change	Number offices
DMB&B	Hong Kong	732.8	807.8	- 9.0	5,089.0	5,848.7	5,711.8	39,671.3	34	39	- 13.0	N/A
Results Hong Kong	Hong Kong	705.6	600.4	18.0	4,706.1	4,004.5	5,499.3	36,680.7	27	27	0.0	1
3A Publicity 'n Promotions	Hong Kong	658.2	717.2	- 8.0	4,387,9	4,092.8	5,130.0	34,200.0	N/A	31	N/A	N/A
Synergie Communications	Hong Kong	522.4	436.7	20.0	3,484.1	2,912.9	4,071.3	27,155.6	32	24	33.0	1
BBDO	Hong Kong	445.8	554.8	- 20.0	3,119.3	3,958.9	3,474.8	24,312.9	34	33	3.0	1
Chuo Senko Advertising	Hong Kong	372.1	513.2	- 27.0	2,501.9	3,849.0	2,900.0	19,500.0	17	24	- 29.0	1
HHCC International	Hong Kong	332.2	83.9	296.0	2,216.0	559.8	2,586.6	17,252.4	6	4	50.0	1
INDIA											**Exchange rate: 0.081 rupee**	
Hindustan Thompson Associates	Bombay	4,420.6	3,454.7	28.0	29,470.5	23,031.0	Rs54,575.0	Rs363,833.3	589	589	0.0	1
Lintas India	Bombay	3,439.0	2,881.4	19.0	22,935.0	19,219.0	42,451.0	283,147.0	235	234	0.0	4
Rediffusion Advertising	Bombay	2,203.2	1,660.5	33.0	14,693.0	11,072.0	27,200.0	181,400.0	133	116	15.0	5
Ogilvy Benson & Mather	Bombay	2,165.0	1,782.5	21.0	14,432.0	11,889.0	26,736.0	178,240.0	288	281	2.0	5
R.K. Swamy Advertising Associates	Madras	1,765.8	1,506.6	17.0	11,745.0	10,044.0	21,800.0	145,000.0	252	248	2.0	N/A
Ulka Advertising India	Bombay	1,640.3	1,336.5	23.0	10,935.0	8,910.0	20,250.0	135,000.0	N/A	264	N/A	N/A
Advertising & Sales Promotion	New Delhi	1,609.8	1,462.3	10.0	8,943.2	8,127.5	19,873.8	110,410.0	295	297	- 1.0	7
Everest Advertising	Bombay	1,578.2	1,157.2	36.0	10,526.8	8,528.6	19,484.0	129,961.0	209	186	12.0	4
Chaitra Advertising	Bombay	1,449.9	N/A	N/A	9,679.5	N/A	17,900.0	119,500.0	215	N/A	N/A	N/A
Sista's Private Ltd.	Bombay	1,213.6	810.5	50.0	8,100.0	4,761.3	15,000.0	100,000.0	N/A	N/A	N/A	6
daCunha Associates	Bombay	730.0	620.0	18.0	4,830.0	4,160.0	9,015.5	59,650.0	46	43	7.0	3
Marketing Advertising Associates	Bangalore	668.3	406.0	38.0	4,455.0	3,240.0	8,250.0	55,000.0	155	145	7.0	4
Trikaya Advertising	Bombay	560.0	503.0	11.0	3,120.0	2,750.0	6,900.0	38,550.0	93	92	1.0	4
Creative Unit	Bombay	548.0	388.0	42.0	3,660.0	2,590.0	6,770.0	45,170.0	49	50	- 2.0	2
Contract Advertising	Bombay	322.4	176.6	83.0	2,144.9	1,173.7	3,980.0	26,480.0	66	36	83.0	2
INDONESIA											**Exchange rate: 0.0009 rupiah**	
CITRA:Lintas Indonesia	Jakarta	2,081.2	1,875.5	11.0	13,881.1	12,509.8	Rup2.29 bill.	Rup15.25 bill.	80	72	11.0	1
P.T. Bates Mulia Indonesia	Jakarta	1,000.0	1,000.0	0.0	7,010.0	7,010.0	1,100.0	7,700.0	48	50	- 4.0	1
Perwanal DMM	Jakarta	464.1	421.2	10.0	2,668.2	2,279.1	509,981.4	2.93 bill.	38	33	15.0	1
IRELAND											**Exchange rate: 1.0388 I pound**	
McConnells Advertising	Dublin	2,508.7	2,301.5	9.0	16,724.7	15,343.1	I£2,415.0	I£16,100.0	104	98	6.0	2
O'Kennedy-Brindley	Dublin	1,620.6	1,413.6	15.0	9,003.3	7,853.3	1,560.1	8,667.0	48	48	0.0	1
Arks Alliance	Dublin	1,535.3	1,699.5	- 10.0	9,905.0	11,281.4	1,478.0	9,535.0	38	48	- 21.0	1
Hunter Advertising	Dublin	1,534.1	1,152.2	33.0	8,522.9	6,392.7	1,476.8	8,204.6	35	31	13.0	1
Wilson Hartnell Advertising	Dublin	1,524.1	1,357.9	12.0	10,154.7	9,056.9	1,467.2	9,786.0	54	59	- 8.0	1
O'Keeffes	Dublin	1,381.9	998.9	38.0	6,805.6	6,033.8	1,330.3	6,551.4	28	27	4.0	2
Brian Cronin & Associates	Dublin	1,287.6	1,138.6	13.0	8,583.6	7,590.5	1,239.5	8,263.0	23	23	0.0	1
Bell Advertising	Dublin	1,206.9	1,152.3	5.0	8,050.3	7,685.5	1,161.9	7,749.6	47	41	15.0	1
Young Advertising	Dublin	1,038.8	831.0	25.0	7,063.8	5,505.6	1,000.0	6,800.0	30	28	7.0	1
Doherty Advertising	Dublin	497.3	415.1	20.0	3,899.9	3,256.1	478.7	3,754.2	23	21	10.0	N/A
ISRAEL											**Exchange rate: 0.00177 shekel**	
Dahaf	Tel Aviv	2,100.0	1,650.0	27.0	14,000.0	11,000.0	2,100.0	14,000.0	84	84	0.0	N/A
Wimmer, Tamir, Cohen (Jacobson)	Tel Aviv	1,800.0	2,100.0	- 14.0	12,000.0	14,000.0	1,800.0	12,000.0	45	45	0.0	N/A
Avnat, Karmon, Shifrin, Na'Aman	Tel Aviv	1,650.0	1,800.0	- 8.0	11,000.0	12,000.0	1,650.0	11,000.0	35	35	0.0	N/A
Pirsum Tal	Tel Aviv	1,500.0	1,500.0	0.0	10,000.0	10,000.0	1,500.0	10,000.0	35	35	0.0	N/A
Gitam	Tel Aviv	1,470.0	1,875.0	- 22.0	9,800.0	12,500.0	1,470.0	9,800.0	60	60	0.0	N/A
Warshabski, Frielich	Tel Aviv	900.0	N/A	N/A	6,000.0	N/A	900.0	6,000.0	30	30	0.0	N/A
Eylon	Tel Aviv	645.0	615.0	5.0	4,300.0	4,100.0	645.0	4,300.0	30	30	0.0	N/A
Bing Lineal	Tel Aviv	570.0	450.0	27.0	3,800.0	3,000.0	570.0	3,800.0	30	28	7.0	N/A
OK	Tel Aviv	300.0	405.0	- 26.0	2,000.0	2,700.0	300.0	2,000.0	22	26	- 15.0	N/A

U.S. dollar figures were provided by the Israeli agencies listed.

ITALY											**Exchange rate: 0.00052 lira**	
McCann-Ericson Italiana	Milan	15,869.4	12,907.1	23.0	105,846.0	86,090.0	IL30.52 bill.	IL203.56 bill.	271	250	8.0	N/A
J. Walter Thompson Italia	Milan	11,793.5	10,020.9	18.0	78,627.3	66,809.2	22.68 bill.	151.21 bill.	199	184	8.0	2
Foote, Cone & Belding	Milan	11,482.0	8,660.3	33.0	76,584.8	58,298.7	22.08 bill.	147.28 bill.	190	183	4.0	3
Armando Testa	Turin	11,284.0	8,580.0	32.0	75,920.0	60,320.0	21.70 bill.	146.00 bill.	205	189	8.0	4
Young & Rubicam Italia	Milan	11,014.0	8,193.0	34.0	73,463.0	54,650.0	21.20 bill.	141.30 bill.	179	153	17.0	N/A
Italia/BBDO	Milan	8,580.0	7,488.0	15.0	57,200.0	49,920.0	16.50 bill.	110.00 bill.	112	92	22.0	8
Ata Univas	Milan	8,334.0	7,031.2	19.0	55,588.0	46,898.0	16.03 bill.	106.90 bill.	100	105	- 5.0	3
TBWA Italia	Milan	7,296.0	6,750.0	8.0	55,707.0	45,000.0	14.00 bill.	107.10 bill.	109	104	5.0	2
Livraghi, Ogilvy & Mather	Milan	6,804.1	4,743.0	43.0	42,241.2	31,466.2	12.17 bill.	81.23 bill.	126	104	21.0	2
Milano & Grey	Milan	6,136.0	4,622.8	33.0	42,380.0	31,772.0	11.80 bill.	81.50 bill.	89	81	10	2
MAC	Milan/Rome	5,788.1	2,432.4	138.0	41,288.0	16,224.0	11.13 bill.	79.40 bill.	102	45	127.0	2
SSC&B:Lintas Worldwide	Milan	5,482.7	5,026.6	9.0	39,651.3	35,349.6	10.54 bill.	76.25 bill.	122	116	5.0	1
Saatchi & Saatchi Compton	Milan	5,226.0	4,134.0	26.0	34,840.0	27,560.0	10.05 bill.	67.00 bill.	90	90	0.0	2
Canard Advertising	Turin	5,200.0	3,640.0	43.0	33,800.0	26,000.0	10.00 bill.	65.00 bill.	62	50	24.0	1
Benton & Bowles Italia	Milan	4,897.1	4,442.0	10.0	32,663.7	29,628.2	9.42 bill.	62.81 bill.	106	100	6.0	3
CBC S.R.L.	Milan	4,732.0	4,139.2	14.0	31,564.0	27,612.0	9.10 bill.	60.70 bill.	69	67	3.0	2
RSCG Mezzano Costatini Mignani	Milan	4,160.0	2,600.0	60.0	26,560.0	16,640.0	8.00 bill.	53.00 bill.	50	30	67.0	1
Ted Bates & Co.	Milan	3,712.0	2,639.0	41.0	29,703.0	20,832.0	7.14 bill.	57.12 bill.	70	52	35.0	1
P.T. Needham	Milan	3,530.5	2,650.0	33.0	19,800.0	17,160.0	6.79 bill.	38.00 bill.	37	43	- 14.0	1
Campbell-Ewald Pirella-Gottsche	Milan	3,143.0	N/A	N/A	20,964.0	N/A	6.04 bill.	40.31 bill.	59	N/A	N/A	N/A
Publinter Ayer	Milan	3,046.7	2,447.1	25.0	21,882.1	18,432.4	5.86 bill.	42.08 bill.	59	45	31.0	3
Leo Burnett-Italy	Milan	3,120.0	2,444.0	28.0	20,799.0	18,776.0	6.00 bill.	40.00 bill.	64	56	14.0	1
B Communications	Milan	2,540.7	2,315.9	10.0	20,326.8	18,352.4	4.90 bill.	39.09 bill.	41	41	0.0	1
CPV, K&E Italiana	Milan	2,444.0	2,373.2	3.0	17,420.0	15,704.0	4.70 bill.	33.50 bill.	53	55	- 4.0	3
CGSS/K&E	Turin	2,378.5	1,268.7	87.0	15,223.0	9,667.8	4.57 bill.	29.28 bill.	30	25	20.0	1

1986 EDITION

FOREIGN AGENCY INCOME

ITALY-MALAYSIA

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985	Employes 1985	Employes 1984	Employes Per cent change	Number offices
HCM	Milan/Turin	2,027.0	1,753.0	16.0	15,652.0	12,636.0	3.90 bill.	30.10 bill.	38	43	- 12.0	2
Rizzi/GGK	Milan	1,726.0	821.0	110.0	12,363.0	5,980.0	3.32 bill.	23.78 bill.	27	9	200.0	1
Publicis Milano	Milan	1,319.0	1,083.0	22.0	8,958.0	8,489.0	2.54 bill.	17.23 bill.	27	26	4.0	1
Gandin e Associati	Milan	1,274.0	N/A	N/A	7,800.0	N/A	2.45 bill.	15.00 bill.	20	N/A	N/A	1
DDB Italia	Milan	992.7	795.0	25.0	6,619.3	5,299.9	1.91 bill.	12.73 bill.	12	17	- 29.0	1
Pubblimarket/Alliance	Milan	923.0	749.3	24.0	7,384.0	5,512.0	1.78 bill.	14.20 bill.	21	23	- 9.0	1
Dorland Italiana	Milan	832.0	650.0	28.0	6,360.0	5,000.0	1.60 bill.	10.60 bill.	29	31	- 6.0	2
Centro Media	Milan	732.0	768.7	- 5.0	4,882.7	5,127.0	1.41 bill.	9.39 bill.	13	13	0.0	1
Pubbli Dan Wirz	Milan	587.6	572.0	3.0	4,196.4	4,004.0	1.13 bill.	8.07 bill.	13	13	0.0	1
Columbia Marketing	Milan	548.0	504.6	9.0	3,653.5	3,364.4	1.11 bill.	7.03 bill.	12	10	20.0	1
Troost Campbell-Ewald	Milan	259.3	1,442.1	- 82.0	1,728.0	9,618.0	498,558.0	3.33 bill.	0	25	N/A	N/A
IVORY COAST											**Exchange rate: 0.002186 CFA franc**	
Lintas Abidjan	Abidjan	523.4	98.4	431.9	3,491.1	438.2	CFA239,434.0	CFA1.60 bill.	13	12	8.0	1
JAMAICA											**Exchange rate: 0.17 J dollar**	
Dunlop Corbin Compton Associates	Kingston	581.0	478.3	21.0	3,877.0	5,724.1	J$3,419.1	J$22,805.7	37	34	9.0	1
McCann-Erickson (Jamaica)	Kingston	570.0	447.0	28.0	3,802.0	2,981.0	3,350.0	22,345.0	37	36	3.0	N/A
Lindo/FCB	Kingston	211.7	189.3	12.0	1,411.8	1,262.4	1,245.1	8,304.8	26	26	0.0	1
JAPAN											**Exchange rate: 0.004092 yen**	
Dentsu Inc.	Tokyo	473,140.0	456,530.0	4.0	3.62 bill.	3.39 bill.	115.63 bill.	885.50 bill.	5,643	5,582	1.0	32
Hakuhodo Inc.	Tokyo	198,931.0	192,568.7	3.0	1.53 bill.	1.46 bill.	48.61 bill.	374.10 bill.	2,911	2,805	4.0	18
Dai-Ichi Kikaku	Tokyo	67,258.3	58,609.0	14.0	480,825.6	416,482.0	16.44 bill.	117.50 bill.	566	531	7.0	11
Daiko Advertising	Osaka	58,095.7	56,513.8	3.0	488,322.5	463,361.5	14.20 bill.	119.34 bill.	1,375	1,397	0.0	37
Tokyu Advertising Agency	Tokyo	52,632.2	52,522.3	0.0	446,769.3	423,364.8	12.86 bill.	109.18 bill.	711	694	2.0	N/A
Asatsu Inc.	Tokyo	32,940.6	30,690.0	7.0	257,427.7	239,631.6	8.05 bill.	62.91 bill.	600	530	13.0	12
McCann-Erickson Hakuhodo	Tokyo	32,762.0	31,299.0	5.0	218,523.0	208,764.0	8.01 bill.	53.40 bill.	478	486	- 2.0	N/A
Asahi Advertising	Tokyo	31,751.5	29,298.7	8.0	195,218.5	188,518.4	7.76 bill.	47.71 bill.	846	855	- 1.0	29
Dai-Ichi Advertising	Tokyo	26,553.0	24,879.4	7.0	191,630.0	179,350.0	6.49 bill.	46.83 bill.	520	523	- 1.0	N/A
Chuo Senko Advertising	Tokyo	22,915.2	22,997.0	0.0	158,237.6	149,112.5	5.60 bill.	38.67 bill.	305	320	- 5.0	8
Orikomi Advertising	Tokyo	17,856.0	18,129.8	- 2.0	166,192.2	164,248.9	4.36 bill.	40.61 bill.	347	364	- 5.0	5
Man-Nen-Sha	Osaka	17,020.5	17,104.6	0.0	230,593.8	233,373.1	4.16 bill.	56.35 bill.	498	498	0.0	13
J. Walter Thompson Japan	Tokyo	16,707.5	15,854.0	5.0	111,388.8	105,698.9	4.08 bill.	27.22 bill.	323	319	1.0	2
Nihon Keizaisha Advertising	Tokyo	16,608.8	16,017.9	4.0	105,039.1	100,541.8	4.06 bill.	25.67 bill.	454	431	5.0	11
Nippo Marketing & Advertising	Tokyo	14,240.2	12,843.0	11.0	99,931.0	89,000.0	3.48 bill.	24.42 bill.	247	230	7.0	1
Meitsu Advertising	Tokyo	13,684.0	12,877.5	6.0	85,523.0	83,084.0	3.34 bill.	20.90 bill.	275	265	4.0	7
DYR K.K.	Tokyo	12,565.0	11,628.0	8.0	95,959.0	92,767.0	3.07 bill.	23.45 bill.	216	227	- 5.0	1
Standard Advertising	Tokyo/Osaka	9,415.7	9,124.8	3.0	76,864.1	79,346.2	2.30 bill.	18.78 bill.	149	165	- 10.0	2
Grey-Daiko Advertising	Tokyo	6,551.3	6,486.0	1.0	44,627.0	44,185.0	1.60 bill.	10.91 bill.	138	137	1.0	1
Asia Advertising Agency	Tokyo	3,572.3	2,629.2	36.0	12,817.2	9,639.3	872,998.0	3.13 bill.	30	N/A	N/A	N/A
NDC/DFS International	Tokyo	2,985.2	2,022.1	47.0	10,870.7	9,314.2	729,530.0	2.66 bill.	33	30	10.0	1
Leo Burnett-Kyodo	Tokyo	2,506.0	2,015.4	24.0	6,708.0	3,791.0	612,420.0	4.08 bill.	45	33	36.0	1
Ketchum Advertising (Japan)	Tokyo	1,814.4	1,190.7	52.0	12,771.8	8,184.0	443,408.0	3.12 bill.	27	26	4.0	1
D'Arcy Masius Benton & Bowles	Tokyo	1,685.0	1,694.0	- 1.0	22,829.0	22,511.0	411,740.0	5.58 bill.	4	3	33.0	1
Orikomi Bates	Tokyo	1,223.1	1,195.4	2.0	9,661.4	10,066.0	298,899.0	2.36 bill.	26	22	18.0	1
Meitsu BJK&E	Tokyo	982.0	785.7	25.0	6,138.0	4,910.4	240,000.0	1.50 bill.	25	23	9.0	N/A
Dentsu S&H	Tokyo	646.0	480.0	35.0	3,284.0	N/A	157,911.1	802,541.5	11	10	10.0	1
Yomiko DFS International	Tokyo	437.3	295.3	48.0	3,083.3	2,080.4	106,859.0	753,625.0	15	14	7.0	1
Ogilvy & Mather	Tokyo	136.1	N/A	N/A	908.0	N/A	33,269.6	221,908.0	6	N/A	N/A	1
FCB (Japan) Co.	Tokyo	106.3	57.0	86.0	709.0	380.0	25,977.0	173,266.6	6	6	0.0	1
JORDAN											**Exchange rate: 2.8637 J dinar**	
Intermarkets-Jordan	Amman	544.1	343.6	58.0	3,551.0	2,491.4	190.0	1,240.0	17	14	21.0	1
KENYA											**Exchange rate: 0.6 shilling**	
Ogilvy & Mather (Eastern Africa)	Nairobi	642.0	690.5	- 7.0	2,729.7	3,078.0	KSh10,700.0	KSh45,495.5	46	46	0.0	1
McCann-Erickson (Kenya)	Nairobi	595.0	484.0	23.0	3,969.0	3,228.0	9,918.0	66,153.0	35	34	3.0	N/A
KUWAIT											**Exchange rate: 3.5714 K dinar**	
Intermarkets-Kuwait	Kuwait	1,092.8	1,125.0	- 3.0	6,921.4	7,428.5	KD306.0	KD1,938.0	24	24	0.0	1
LEBANON											**Exchange rate: 0.075 pound**	
H&C Leo Burnett	Beirut	1,716.0	963.4	78.0	11,441.0	6,425.7	Leb£22,880.0	Leb£152,541.0	N/A	N/A	N/A	1
Intermarkets-Lebanon	Beirut	975.0	519.8	88.0	3,450.0	2,737.5	13,400.0	74,600.0	32	30	7.0	1
Enterprise Middle East	Athens, Greece	328.0	N/A	N/A	2,187.0	N/A	N/A	N/A	3	N/A	N/A	1
MALAWI											**Exchange rate: 0.57 kwacha**	
Graphic:Lintas Malawi	Blantyre	154.4	123.7	25.0	830.0	796.6	Mkwa271.0	Mkwa1,456.2	23	23	0.0	1
MALAYSIA											**Exchange rate: 0.4080 M dollar**	
Ogilvy & Mather	Kuala Lumpur	3,649.0	3,439.0	6.0	24,340.0	22,941.0	M$8,944.0	M$59,656.0	132	133	- 1.0	1
Ted Bates (Malaysia)	Kuala Lumpur	2,370.0	2,370.0	0.0	15,900.0	15,900.0	5,800.0	39,000.0	71	74	- 4.0	1
PTM Thompson Advertising	Kuala Lumpur	2,162.4	2,162.4	0.0	14,416.7	14,416.7	5,300.0	35,335.0	110	110	0.0	1
AMC Compton	Kuala Lumpur	2,142.0	999.0	114.0	14,280.0	6,658.4	5,250.0	35,000.0	N/A	52	N/A	1
KHK Needham Standard	Kuala Lumpur	2,067.8	1,695.4	22.0	15,647.9	12,967.0	5,068.1	38,352.8	93	82	13.0	1
SSC&B: Lintas	Kuala Lumpur	2,006.0	2,075.4	- 3.0	13,379.8	13,842.9	4,916.6	32,793.7	79	73	8.0	2

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000: national currency)	Billings 1985 ($000: national currency)	Employes 1985	Employes 1984	Employes Per cent change	Number offices
Leo Burnett Co.	Kuala Lumpur	1,910.0	1,872.3	2.0	12,733.0	12,488.5	4,681.0	31,208.0	87	86	1.0	1
McCann-Erickson	Kuala Lumpur	1,237.0	1,141.0	8.0	8,251.0	7,610.0	3,031.0	20,217.0	47	41	15.0	N/A
DYR	Kuala Lumpur	1,211.0	1,192.0	2.0	6,727.0	6,696.0	2,969.1	16,487.7	44	41	7.0	1
Wings Creative	Kuala Lumpur	1,060.8	816.0	30.0	7,507.2	6,568.8	2,600.0	18,400.0	65	51	27.0	1
Kenyon & Eckhardt	Kuala Lumpur	830.0	855.0	- 3.0	5,535.0	5,704.0	2,034.0	13,567.0	48	45	7.0	1
Ronald Quay	Kuala Lumpur	673.2	489.6	38.0	4,080.0	3,060.0	1,650.0	10,000.0	50	40	25.0	1
DFS Malaysia	Kuala Lumpur	600.7	N/A	N/A	3,432.0	N/A	1,472.4	8,412.0	36	N/A	N/A	1
Meridian Advertising	Kuala Lumpur	448.0	412.0	9.0	2,979.0	2,739.0	1,097.0	7,302.0	30	25	20.0	1
Francis Lim, Zulkifli & Ayer	Kuala Lumpur	365.7	357.1	2.0	1,591.4	1,701.1	896.3	3,900.5	26	26	0.0	1
Grant Advertising	Kuala Lumpur	353.4	197.7	79.0	2,123.1	1,211.9	866.2	5,023.6	19	12	58.0	1
MALTA												**Exchange rate: 2.26 pound**
BPC International	Valetta	153.0	96.3	59.0	1,019.3	725.5	M£67.7	M£451.0	20	19	5.0	1
MEXICO												**Exchange rate: 0.00372 peso**
Publicidad Ferrer	Mexico City	7,017.2	3,561.8	97.0	46,781.3	23,745.6	Ps1.89 bill.	Ps12.58 bill.	147	145	0.0	1
McCann-Erickson	Mexico City	5,353.0	2,634.0	103.0	35,705.0	17,569.0	1.44 bill.	9.60 bill.	231	162	43.0	N/A
Noble & Asociados	Mexico City	5,081.6	3,716.7	37.0	14,483.3	9,944.5	1.37 bill.	6.60 bill.	420	431	- 3.0	2
J. Walter Thompson de Mexico	Mexico City	4,829.6	2,754.5	75.0	32,197.2	18,363.4	1.30 bill.	8.66 bill.	193	188	3.0	1
Garcia-Patto Internacional	Mexico City	4,087.9	2,399.4	70.0	27,252.7	23,650.0	1.10 bill.	7.33 bill.	108	92	17.0	4
Panamericana Ogilvy & Mather	Mexico City	3,011.2	2,017.5	49.0	20,084.5	13,456.6	809,456.0	5.40 bill.	132	113	17.0	1
Leo Burnett	Mexico City	2,839.2	1,306.4	117.0	18,929.0	8,714.1	763,218.0	5.09 bill.	106	95	12.0	1
Young & Rubicam	Mexico City	2,049.0	1,396.0	47.0	13,667.0	9,311.0	550,812.0	3.67 bill.	97	96	1.0	1
Paulino Romero	Mexico City	2,000.2	1,265.2	58.0	13,064.6	8,329.1	537,687.0	3.51 bill.	103	90	14.0	1
Iconic	Mexico City	1,848.0	1,004.4	84.0	12,320.1	6,696.0	496,800.0	3.31 bill.	89	85	5.0	1
Doyle Dane Bernbach	Mexico City	1,679.8	967.8	74.0	11,710.2	6,578.2	451,560.0	3.15 bill.	84	81	4.0	1
Dieste, Merino/BBDO	Mexico City	1,567.0	1,007.5	56.0	11,692.7	6,719.7	421,242.0	3.14 bill.	50	40	25.0	1
Publicidad D'Arcy	Mexico City	1,423.3	898.5	58.0	9,319.3	8,996.0	382,602.0	2.51 bill.	77	90	- 14.0	N/A
Kenyon & Eckhardt de Mexico	Mexico City	1,261.6	673.8	87.0	8,719.3	3,940.5	339,140.8	2.34 bill.	42	42	0.0	1
Teran Publicidad	Mexico City	1,075.1	680.8	58.0	4,981.2	3,225.8	289,000.0	1.85 bill.	65	65	0.0	1
Campbell-Ewald	Mexico City	930.0	682.0	36.0	6,203.0	4,549.0	249,904.0	1.67 bill.	59	66	- 11.0	N/A
Ideas y Hechos/Grey	Mexico City	842.9	376.2	124.0	5,283.1	2,343.6	226,577.8	1.42 bill.	42	31	35.0	1
Scali, McCabe, Sloves de Mexico	Mexico City	613.8	429.0	43.0	4,091.9	2,859.7	164,994.8	1.10 bill.	41	43	- 5.0	1
Alcazar Montenegro/Compton	Mexico City	572.0	248.1	130.6	3,813.0	1,653.9	153,759.0	1.03 bill.	30	31	- 3.0	1
Foote, Cone & Belding de Mexico	Mexico City	545.6	415.4	31.0	3,639.1	2,770.5	146,664.9	978,255.1	42	35	20.0	1
SSC&B:Lintas Mexico	Mexico City	326.4	191.1	71.0	2,130.0	1,178.0	87,736.0	572,595.0	25	20	25.0	1
La Compania Bozell & Jacobs	Mexico City	296.4	239.6	24.0	1,992.5	1,449.1	79,682.0	535,623.0	21	23	- 9.0	1
NAMIBIA												**Exchange rate: 0.4179 rand**
SSC&B:Lintas Namibia	Windhoek	11.2	14.1	- 21.0	69.3	76.9	R26.9	R165.7	1	1	0.0	1
NETHERLANDS												**Exchange rate: 0.2956 guilder**
Ogilvy & Mather (Nederland)	Amsterdam	7,203.8	5,823.3	24.0	48,050.0	38,842.0	Dfl24,370.0	Dfl162,550.0	179	144	24.0	6
FHV/BBDO	Amstelveen	6,425.0	5,870.0	9.0	42,832.0	38,526.0	21,736.0	144,900.0	117	109	7.0	1
Prad/Alliance Group	Amsterdam	6,060.0	5,137.8	18.0	40,409.0	34,201.0	20,507.0	136,700.0	88	84	5.0	4
Young & Rubicam B.V.	Amsterdam	5,769.0	4,716.0	2.0	38,479.0	31,453.0	19,499.0	130,174.5	124	105		2
Saatchi & Saatchi	Amsterdam	5,626.7	3,990.6	41.0	37,541.2	26,604.0	19,035.0	127,000.0	95	80	19.0	1
PPGH/Moussault	Amsterdam	5,526.8	3,614.3	53.0	36,864.0	24,107.0	18,697.0	124,709.0	80	57	40.0	N/A
Lintas Netherlands	Amsterdam	5,480.6	5,145.1	7.0	39,488.9	36,253.1	18,540.5	133,589.0	113	118	- 4.0	1
Noordervliet & Winninghoff/ Leo Burnett B.V.	Amsterdam	4,624.4	4,168.0	11.0	30,831.0	30,831.0	15,644.0	104,299.0	91	76	20.0	1
Prins, Meijer, Stamenkovits & van Walbeek	Amsterdam	4,595.0	4,170.0	10.0	30,649.0	27,814.0	15,531.0	103,685.6	62	60	3.0	1
J. Walter Thompson Co.	Amsterdam	4,487.5	4,343.6	3.0	29,918.2	28,958.5	15,181.0	101,211.7	97	85	14.0	2
ARA B.V.	Rotterdam	4,472.0	3,570.0	25.0	29,814.0	23,796.0	15,129.0	100,860.0	60	70	- 14.0	1
McCann-Erickson (Nederland)	Amsterdam	4,458.0	4,359.0	2.0	29,735.0	29,075.0	15,082.0	100,597.0	103	89	16.0	N/A
HCM Netherlands	The Hague	3,991.0	3,577.0	12.0	26,604.0	23,796.0	13,500.0	190,000.0	70	66	6.0	2
DMM/Result	Amsterdam	3,463.0	3,420.0	1.0	23,098.0	22,817.0	11,715.0	78,140.0	70	69	1.0	1
Publicis Intermarco	Amsterdam	3,171.0	3,531.0	- 10.0	21,135.0	23,549.0	10,726.0	71,500.0	76	73	4.0	2
Geudeker Oerlemans & Needham	Amstelveen	3,023.0	2,398.3	26.0	20,163.7	15,996.9	10,226.8	68,212.7	55	58	5.0	2
FCB Netherlands	Amsterdam	2,995.0	2,925.0	2.0	19,979.0	19,510.0	10,133.0	67,587.0	60	82	- 27.0	1
Benton & Bowles	Amsterdam	2,696.9	2,513.6	8.0	17,979.2	16,757.1	9,123.4	60,822.6	55	53	4.0	1
HVR Advertising	Amstelveen	2,542.2	2,496.6	2.0	16,937.9	16,642.3	8,600.0	57,300.0	50	48	4.0	N/A
DDB	Amsterdam	2,258.7	2,244.2	1.0	16,163.7	17,161.6	7,641.0	54,681.0	40	42	- 5.0	2
TBWA	Amsterdam	2,195.0	1,400.0	57.0	17,520.0	17,505.0	7,427.0	59,269.0	34	28	21.0	1
Ayer Group/Netherlands	Amsterdam	2,107.0	2,048.5	3.0	14,046.6	13,656.7	7,127.8	47,518.7	49	45	9.0	4
BBDO Industrieel	Amstelveen	2,010.1	1,448.4	39.0	13,331.6	9,607.0	6,800.0	45,100.0	37	25	48.0	1
Grey Amsterdam	Amsterdam	1,892.7	1,566.1	21.0	12,624.5	10,445.8	6,403.0	42,708.0	48	39	23.0	4
GGK Amsterdam/KVH	Amsterdam	1,862.0	1,748.0	7.0	12,415.0	11,715.0	6,300.0	42,000.0	30	30	0.0	1
Ted Bates	Amsterdam	1,260.7	1,200.7	5.0	9,277.4	9,383.2	4,264.8	31,385.1	33	33	0.0	1
Dorland DFS Holland	Amsterdam	1,241.5	1,330.2	- 7.0	11,232.8	13,449.8	4,200.0	38,000.0	42	58	- 28.0	2
Campbell-Ewald Nederland	Amsterdam	890.0	808.0	10.0	5,936.0	5,388.0	3,011.0	20,083.0	16	20	- 20.0	N/A
Push	Gorinchem	824.6	384.3	114.6	5,500.0	2,563.1	2,789.5	18,606.2	17	10	70.0	1
Klein/Theeuwes/Vandermeulen	Amsterdam	798.1	642.9	24.0	5,320.8	4,286.2	12,700.0	10,000.0	15	12	25.0	N/A
RSCG van Diggele, Janzen, Schoenmaker	Amsterdam	655.8	655.8	0.0	4,437.6	4,328.3	2,216.6	14,999.1	N/A	N/A	N/A	N/A
Impuls/BBDO	Amstelveen	650.3	561.6	16.0	4,315.0	3,665.4	2,200.0	14,600.0	15	11	36.0	1
Bartels/Verdonk	Amstelveen	561.6	N/A	N/A	3,813.2	N/A	1,900.0	12,900.0	11	N/A	N/A	1
NEW ZEALAND												**Exchange rate: 0.4907 NZ dollar**
Colenso Communications	Auckland	4,680.8	3,785.6	24.0	23,403.9	18,928.0	NZ$9,539.0	NZ$47,695.0	N/A	N/A	N/A	2

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985 ($000; national currency)	Employes 1985	Employes 1984	Employes Per cent change	Number offices
J. Inglis Wright Ltd.	Wellington	3,599.7	2,687.6	34.0	18,359.4	13,914.7	7,254.4	37,414.7	98	103	- 5.0	3
Saatchi & Saatchi Compton	Auckland	3,289.2	2,887.8	14.0	16,051.4	13,825.5	6,703.0	32,711.2	80	87	- 8.0	3
MDA Mackay King Advertising	Wellington	2,626.3	1,700.0	54.0	11,594.2	5,803.5	5,185.7	22,942.8	71	55	29.0	2
Dobbs-Wiggins McCann-Erickson	N/A	2,511.0	N/A	N/A	16,748.0	N/A	5,118.0	34,137.0	82	N/A	N/A	N/A
D'Arcy Masius Benton & Bowles	Auckland	2,420.0	2,070.0	17.0	12,543.0	10,671.0	4,935.0	25,561.0	73	72	1.0	2
Ogilvy & Mather	Auckland	2,208.6	1,845.8	20.0	14,731.1	12,311.2	4,500.8	30,021.0	72	80	- 10.0	2
Rialto Advertising	Auckland	1,963.1	1,361.5	44.0	9,815.5	6,807.4	4,000.0	20,003.0	N/A	N/A	N/A	2
J. Walter Thompson New Zealand	Wellington	1,860.3	1,484.9	25.0	11,387.0	9,899.5	3,479.1	23,205.6	45	50	- 10.0	2
Leo Burnett Co.	Auckland	1,739.0	1,570.2	11.0	11,591.0	10,473.5	3,543.0	23,621.0	N/A	N/A	N/A	1
SSC&B: Lintas	Wellington	1,187.0	1,036.0	15.0	6,000.0	5,366.0	2,420.0	12,227.0	40	36	11.0	2
Mainstream/FCB	Auckland	763.3	469.3	63.0	5,091.4	3,130.0	1,555.6	10,375.8	20	14	43.0	1
Ward & Grey Advertising	Auckland	735.1	622.1	18.0	4,903.1	3,008.0	1,498.0	9,991.7	N/A	N/A	1	N/A
Atelier Knowles Marinkovich	Auckland	494.4	460.7	7.0	2,472.2	2,303.7	1,007.6	5,038.2	N/A	N/A	N/A	1
Eagle Marketing Services	Auckland	437.0	206.0	112.0	2,515.0	1,427.0	890,000.0	5,125,000.	11	7	57.0	1
NORWAY												Exchange rate: 0.1194 kroner
Ted Bates	Oslo	9,653.0	8,361.0	15.0	68,218.0	54,993.0	NKr80,847.0	NKr571,341.0	202	195	4.0	1
Forenede Annonsebyraer	Oslo	4,880.4	4,850.9	1.0	31,798.4	30,424.0	40,874.0	266,318.0	108	103	5.0	N/A
B&B A/S	Oslo	4,149.0	3,183.0	30.0	27,700.0	21,240.0	34,750.0	232,000.0	90	80	13.0	4
Ogilvy & Mather Norway	Oslo	3,725.7	3,104.3	20.0	24,346.8	20,147.6	31,203.3	203,909.2	65	60	8.0	1
Scaneco-Young & Rubicam	Oslo	3,547.0	2,692.0	32.0	23,658.0	17,955.0	29,724.0	198,254.0	70	60	17.0	N/A
Lund & Lommer A/S	Oslo	3,358.0	3,073.2	9.0	8,873.0	9,224.8	28,124.0	74,313.0	62	68	- 9.0	3
Reklamens Hus/McCann	Oslo	2,094.0	1,802.0	16.0	13,967.0	12,019.0	17,535.0	116,958.0	44	37	19.0	N/A
Anderson & Lembke	Oslo	2,000.0	1,800.0	11.0	23,900.0	11,400.0	16,750.0	200,162.5	N/A	N/A	N/A	N/A
Heltberg Creative Service	Oslo	1,811.0	1,694.0	7.0	11,806.0	12,307.0	15,170.0	98,879.0	34	39	- 13.0	1
Ottesen Bates	Oslo	1,791.0	849.0	111.0	13,788.0	11,353.0	15,000.0	115,477.0	32	36	- 11.0	1
Myres/Lintas	Oslo	1,244.9	1,115.7	12.0	22,816.9	16,929.4	10,426.0	191,096.0	75	67	12.0	3
Foote Cone & Belding A/S	Oslo	1,223.7	920.3	33.0	8,162.3	6,138.6	10,249.0	68,361.0	22	17	29.0	1
BAB Bates A/S	Oslo	1,191.0	1,408.0	- 15.0	9,344.0	10,680.0	9,987.0	78,259.0	30	42	- 29.0	1
Schjaervan/J.W.T.	Oslo	1,138.9	963.7	18.0	7,593.1	6,425.2	9,538.6	63,593.8	21	21	0.0	1
Jensen-Grey A/S	Oslo	954.1	767.3	24.0	6,364.0	5,117.7	7,991.0	53,300.0	20	21	- 5.0	1
Ekko-Bates A/S	Trondheim	876.0	631.0	39.0	5,697.0	4,420.0	7,340.0	47,712.0	19	18	6.0	1
Birkelid & Lunde	Oslo	730.0	764.0	- 4.0	4,627.0	4,975.0	6,111.0	38,749.0	11	10	10.0	1
Bates Vestfold	Larvik	462.0	549.0	- 16.0	2,690.0	4,439.0	3,870.0	22,529.0	11	10	10.0	1
J.T. Kallevig A.S.	Oslo	350.0	249.2	40.0	2,507.4	1,828.3	2,931.0	21,000.0	7	7	0.0	1
PAKISTAN												Exchange rate: 0.0636 rupee
D.J. Keymer	Karachi	343.5	305.3	13.0	2,290.0	2,035.2	5,400.0	36,000.0	35	30	17.0	3
PANAMA												Exchange rate: 1.00 dollar
Campagnani, Aleman Publicidad	Panama City	1,189.0	1,148.0	4.0	7,927.	7,654.0	$1,189.0	$7,927.0	47	44	7.0	1
McCann-Erickson de Panama	Panama City	1,114.0	1,222.0	1.0	7,430.0	7,484.0	1,114.0	7,430.0	38	42	- 10.0	N/A
APCU de Panama	Panama City	225.0	195.0	15.0	1,500.1	1,300.1	225.0	1,500.1	15	14	7.0	1
PARAGUAY												Exchange rate: 0.00173 guarani
J. Walter Thompson	Asuncion	93.1	63.1	48.0	620.4	420.6	G53,790.0	G358,617.7	9	9	0.0	1
McCann-Erickson	Asuncion	25.0	8.0	213.0	167.0	53.0	14,229.0	94,907.0	0	0	0.0	1
PERU												Exchange rate: 0.000265 sol
J. Walter Thompson Peruana	Lima	2,297.0	1,112.0	106.0	15,314.1	7,413.7	S8.67 bill.	S57.79 bill.	87	90	- 3.0	1
McCann-Erickson Publicidad	Lima	1,948.0	1,021.0	91.0	12,993.0	6,810.0	7.35 bill.	49.04 bill.	75	84	- 11.0	N/A
CIA Nacional de Publicidad	Lima	1,212.8	396.8	205.0	8,085.3	2,645.6	4.58 bill.	30.51 bill.	70	68	3.0	1
Publicistas Asociados	Lima	954.0	715.5	33.0	6,360.0	3,702.1	3.60 bill.	24.00 bill.	51	58	- 12.0	1
Properu Publicidad	Lima	511.9	701.6	- 27.0	2,283.0	3,327.5	1.93 bill.	8.62 bill.	52	60	- 13.0	1
Publicidad Causa	Lima	303.0	N/A	N/A	1,517.0	N/A	1.14 bill.	5.72 bill.	N/A	N/A	N/A	1
Inter Publis	Lima	269.2	346.2	- 22.0	1,346.2	1,730.9	1.02 bill.	5.08 bill.	40	35	14.0	1
Peruana Internacional de Publicidad	Lima	237.0	462.3	- 49.0	1,442.3	3,070 9	894,338.5	5.44 bill.	35	40	- 13.0	1
Atisa Publicidad	Lima	134.3	303.2	- 56.0	726.0	1,639.0	506,791.8	2.74 bill.	35	30	17.0	1
Abril Publicidad	Lima	87.0	132.5	- 34.0	493.0	736.0	328,301.5	1.86 bill.	24	18	33.0	1
PHILIPPINES												Exchange rate: 0.056 peso
J. Walter Thompson	Manila	2,535.9	1,790.2	42.0	16,914.0	11,940.7	Ps45,284.0	Ps301,044.0	195	175	11.0	1
Bates-Alcantara	Manila	1,583.0	1,306.0	21.0	11,526.0	9,545.0	28,270.0	205,830.0	118	120	- 2.0	1
McCann-Erickson	Manila	1,457.0	1,129.0	29.0	9,718.0	7,530.0	26,012.0	173,500.0	128	118	8.0	N/A
Ace-Compton	Manila	1,389.7	778.4	79.0	9,269.1	5,189.2	24,815.4	165,518.7	119	110	8.0	1
Advertising & Marketing Associates	Manila	1,202.5	1,106.3	9.0	8,906.3	8,140.8	21,473.8	159,040.4	190	175	9.0	2
Basic/Foote, Cone & Belding	Manila	1,142.1	720.2	59.0	7,616.9	4,799.8	20,394.2	136,016.8	132	86	53.0	4
Lintas-Philippines	Manila	729.8	533.9	37.0	4,638.8	3,609.4	13,032.0	82,836.0	63	48	31.0	N/A
Hemisphere-Leo Burnett	Manila	647.0	406.2	59.0	4,314.0	3,138.0	11,554.0	77,031.0	69	64	8.0	1
Aspac & Grey	Manila	151.2	N/A	N/A	1,008.5	N/A	2,700.0	18,009.0	30	N/A	N/A	1
PORTUGAL												Exchange rate: 0.00587 escudo
McCann-Erickson/Hora Publicidade	Lisbon	1,766.0	1,142.0	55.0	11,779.0	7,617.0	Esc300,921.0	Esc2.01 bill.	78	70	11.0	N/A
Ciesa-NCK Portugal	Lisbon	1,228.2	1,038.2	18.0	8,192.3	6,924.9	209,238.0	1.40 bill.	78	80	- 3.0	1
Publicis Intermarco	Lisbon	1,085.0	916.0	18.0	5,166.0	4,361.0	184,800.0	880,000.0	66	66	0.0	1
Lintas Lisbon	Lisbon	1,082.1	625.4	73.0	7,723.2	4,109.9	184,341.0	1.32 bill.	54	53	2.0	N/A
J. Walter Thompson	Lisbon	980.4	220.8	344.0	6,536.3	1,472.4	167,018.0	1.11 bill.	72	77	- 6.0	1
FCB Portugal	Lisbon	815.1	432.6	88.0	5,437.0	2,885.2	138,867.0	926,243.0	38	35	9.0	1
Sistema	Lisbon	749.3	584.4	28.0	4,997.4	2,851.0	127,650.2	851,350.0	59	44	34.0	1

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985 ($000; national currency)	Employes 1985	Employes 1984	Per cent change	Number offices
Unitros Portugal	Lisbon	350.3	238.5	47.0	2,076.4	1,397.7	59,078.1	353,730.0	25	24	4.0	1
Doyle Dane Bernbach & Guerreiro Publicidade	Lisbon	217.1	N/A	N/A	1,206.3	N/A	36,989.0	205,497.0	18	N/A	N/A	1
PUERTO RICO												**Exchange rate: 1.00 dollar**
Badillo/Compton	San Juan	9,400.0	7,800.0	21.0	63,000.0	52,000.0	$9,400.0	$63,000.0	59	44	34.0	4
Marti, Flores, Prieto & Wachtel	San Juan	5,429.3	5,346.9	2.0	36,197.1	35,647.8	5,429.3	36,197.1	84	85	- 1.0	N/A
Young & Rubicam Puerto Rico	San Juan	4,245.0	4,033.0	5.0	28,314.0	26,900.0	4,245.0	28,314.0	77	83	- 7.0	N/A
FCB/Siboney/Espasas	San Juan	3,332.2	3,569.6	- 7.0	22,225.7	23,809.5	3,332.2	22,225.7	83	76	9.0	2
McCann-Erickson (Puerto Rico)	San Juan	2,336.0	1,970.0	19.0	15,581.0	13,140.0	2,336.0	15,581.0	51	45	13.0	N/A
Leo Burnett-Puerto Rico	San Juan	1,857.0	1,987.0	- 7.0	12,381.0	13,213.0	1,857.0	12,381.0	40	46	- 13.0	1
BBDO Puerto Rico	San Juan	1,736.6	N/A	N/A	11,577.4	N/A	1,736.6	11,577.4	30	N/A	N/A	1
J.R. Marquina & Associates	Hato Rey	1,600.0	3,900.0	- 59.0	23,330.0	26,000.0	1,600.0	23,330.0	72	65	11.0	1
CPV Advertising	San Juan	333.6	413.6	- 19.0	2,224.0	2,757.0	333.6	2,224.0	12	12	0.0	1
SAUDI ARABIA												**Exchange rate: 0.2767 ryal**
Intermarkets Saudi Arabia	Jeddah	1,826.2	1,779.2	3.0	11,925.8	10,902.0	RI6,600.0	RI43,100.0	28	27	4.0	1
SINGAPORE												**Exchange rate: 0.4533 S dollar**
Ogilvy & Mather	Singapore	2,398.2	2,413.3	- 1.0	15,996.2	16,098.2	S$5,290.6	S$35,288.3	89	79	13.0	1
McCann-Erickson	Singapore	1,800.	1,752.0	3.0	12,006.0	11,686.0	3,970.0	24,480.0	55	54	2.0	N/A
Leo Burnett	Singapore	1,718.0	1,727.5	- 1.0	1,454.0	11,522.4	3,790.0	25,268.0	59	54	9.0	1
Grant Kenyon & Eckhardt	Singapore	1,481.0	1,716.0	- 14.0	10,245.0	11,378.0	3,265.0	22,600.0	62	75	- 17.0	N/A
DYR	Singapore	1,382.0	1,776.0	- 22.0	7,526.0	9,668.3	3,050.1	16,602.7	41	54	- 24.0	1
Adcom & Grey	Singapore	1,130.7	906.6	25.0	7,541.8	6,047.0	2,494.4	16,637.6	42	40	5.0	1
J. Walter Thompson	Singapore	1,113.2	890.6	25.0	7,421.5	5,937.8	2,455.7	16,372.1	43	39	10.0	1
Gartshore Kerr & Lim/BBDO	Singapore	1,031.8	1,489.7	- 31.0	4,848.6	5,992.6	2,276.2	10,696.3	51	55	- 7.0	N/A
Ted Bates	Singapore	1,020.0	990.0	3.0	6,800.0	6,570.0	2,250.0	15,000.0	48	48	0.0	1
Meridian Advertising	Singapore	966.1	1,205.6	- 20.0	6,402.9	8,041.6	2,131.2	14,125.0	40	47	- 15.0	1
SSC&B Lintas S.E.Asia	Singapore	943.0	1,141.0	- 17.0	6,963.0	8,199.0	2,081.0	15,360.0	32	35	- 9.0	1
Quantum:FCB Advertising	Singapore	871.3	938.6	- 7.0	5,811.5	6,260.4	1,922.1	12,820.4	68	66	3.0	3
Saatchi & Saatchi Compton	Singapore	830.8	769.2	8.0	5,336.3	4,895.7	1,832.7	11,772.2	36	34	6.0	1
Needham Standard Intl.	Singapore	747.0	798.1	- 6.0	4,982.7	4,518.9	1,648.0	10,992.2	29	35	- 17.0	1
DDB Advertising	Singapore	436.6	239.0	83.0	2,896.4	1,544.2	963.1	6,389.5	17	14	21.0	1
D'Arcy Masius Benton & Bowles	Singapore	217.0	300.0	- 28.0	1,795.0	2,279.0	479.0	3,959.0	14	19	- 26.0	1
Chuo Senko Advertising	Singapore	85.1	27.5	209.0	674.4	201.4	187.8	1,487.7	4	3	33.0	1
SOUTH AFRICA												**Exchange rate: 0.481 rand**
Grey Phillips Bunton Mundel & Blake	Johannesburg	6,500.6	5,785.2	12.0	43,359.3	38,587.3	R13,514.8	R90,144.1	253	313	- 19.0	N/A
Young & Rubicam South Africa	Capetown	6,390.1	5,474.7	17.0	42,535.0	36,442.0	13,285.0	88,472.8	344	350	- 2.0	N/A
Bates Wells & Associates	Johannesburg	6,187.0	8,964.0	- 31.0	32,939.0	47,650.0	12,862.0	68,481.0	305	302	1.0	6
Ogilvy & Mather, Rightford Searle-Tripp & Makin	Johannesburg	6,119.0	5,961.0	3.0	37,082.0	36,121.0	18,684.0	77,101.0	233	242	- 4.0	2
Lindsay Smithers-FCB Holdings	Sandton	5,471.0	5,266.0	4.0	36,494.0	35,114.0	11,375.0	75,871.0	252	272	- 8.0	4
Klerck & McCormac	Johannesburg	4,539.8	4,536.6	0.0	27,511.4	27,274.0	9,438.2	57,196.2	194	199	- 3.0	4
J. Walter Thompson South Africa	Johannesburg	3,682.5	3,842.5	- 4.0	24,551.1	25,617.9	7,655.9	51,041.8	142	175	- 19.0	2
McCann-Erickson, G. de Villiers & Co.	Johannesburg	3,433.0	1,438.0	139.0	22,898.0	9,591.0	7,138.0	47,610.0	147	151	- 3.0	N/A
SSC&B:Lintas South Africa	Johannesburg	3,361.0	3,329.3	1.0	20,923.6	21,426.2	6,987.5	43,500.3	141	152	- 7.0	3
D'Arcy Masius Benton & Bowles	Sandton	2,500.2	2,242.8	11.0	15,196.6	14,959.6	5,197.9	31,593.7	96	103	- 7.0	2
McCann-Erickson South Africa	Johannesburg	2,412.0	2,915.0	- 17.0	16,088.0	19,443.0	5,015.0	33,450.0	62	66	- 6.0	N/A
Barker, McCormac Advertising	Johannesburg	2,137.5	2,050.1	4.0	12,627.7	12,205.8	4,443.8	26,253.0	108	107	1.0	N/A
Partnership in Advertising	Johannesburg	1,516.6	1,582.7	- 4.0	10,116.0	10,556.3	3,153.1	21,031.3	41	41	0.0	1
Meridian Advertising	Johannesburg	201.0	N/A	N/A	1,218.0	N/A	418.0	2,533.0	13	N/A	N/A	1
SOUTH KOREA												**Exchange rate: 0.00112 won**
Korea First Advertising	Seoul	12,600.8	11,778.3	7.0	77,518.3	72,850.0	W11.25 bill.	W69.21 bill.	300	274	9.0	1
Oricom Inc.	Seoul	11,884.0	11,473.9	4.0	64,229.5	62,307.2	10.61 bill.	57.35 bill.	354	332	7.0	1
Daehong Advertising	Seoul	5,911.4	4,939.2	20.0	49,008.9	40,588.8	5.28 bill.	43.76 bill.	153	128	20.0	1
Korad	Seoul	5,460.0	4,760.0	15.0	40,440.0	35,300.0	4.88 bill.	36.11 bill.	120	100	20.0	1
LG Ad	Seoul	4,925.0	4,334.0	14.0	48,765.0	44,901.0	4.40 bill.	43.55 bill.	185	169	9.0	1
Union Advertising	Seoul	4,323.2	3,382.4	28.0	41,440.0	35,616.0	3.86 bill.	37.00 bill.	168	152	11.0	1
Seoul Agency	Seoul	1,760.0	1,280.0	38.0	18,500.0	17,700.0	1.57 bill.	16.52 bill.	80	65	23.0	1
Nara Advertising	Seoul	1,341.8	1,344.0	0.0	8,945.5	8,960.4	1.20 bill.	7.99 bill.	56	49	14.0	1
Samhee Advertising	Seoul	337.0	235.0	43.0	9,550.0	5,880.0	300,893.2	8.53 bill.	55	35	57.0	1
Dongbang Advertising	Seoul	N/A	2,923.2	N/A	29,210.0	21,180.0	N/A	26.08 bill.	95	75	27.0	1
SPAIN												**Exchange rate: 0.005839 peseta**
J. Walter Thompson S.A.	Madrid/Barcelona	9,329.0	6,546.8	42.0	62,196.4	43,647.2	Ptas1.60 bill.	Ptas10.65 bill.	192	139	38.0	2
Lintas	Madrid	5,866.6	4,974.7	18.0	41,925.3	35,439.2	1.00 bill.	7.18 bill.	105	97	8.0	3
Grupo Bates	Madrid	5,634.6	5,167.5	9.0	37,749.1	34,471.6	965,000.0	6.47 bill.	134	143	- 6.0	5
Tiempo/BBDO	Madrid/Barcelona	5,124.3	4,443.5	15.0	42,349.7	39,336.2	877,600.0	7.25 bill.	95	92	3.0	2
HCM	Madrid/Barcelona	4,729.6	3,643.0	30.0	31,546.4	24,300.0	810,000.0	5.40 bill.	91	93	- 2.0	2
McCann-Erickson	Madrid	4,699.9	4,157.4	13.0	31,355.4	27,676.9	804,915.8	5.37 bill.	N/A	N/A	N/A	N/A
Tandem/DDB	Madrid	4,686.6	4,097.3	14.0	31,244.5	27,326.5	802,630.0	5.35 bill.	102	94	9.0	2
Cid Publicidad	Barcelona	4,601.1	4,157.4	11.0	30,362.8	28,027.2	788,000.0	5.20 bill.	102	110	- 7.0	5
TAPSA	Madrid	4,436.6	2,049.5	117.0	32,290.0	13,663.3	760,000.0	5.53 bill.	70	41	71.0	1
Clarin Publicidad	Madrid	4,167.8	3,637.7	15.0	27,793.6	24,231.9	713,793.0	4.76 bill.	N/A	N/A	N/A	N/A
Bassat, Ogilvy & Mather	Barcelona/Madrid	3,394.0	3,043.2	12.0	22,638.0	20,298.0	581,265.0	3.88 bill.	98	91	8.0	2
Danis/Benton & Bowles	Barcelona	3,386.6	3,036.3	12.0	24,523.8	23,356.0	580,000.0	4.20 bill.	86	92	- 7.0	1
NCK Espanola	Madrid	3,340.2	3,750.7	- 11.0	22,279.3	25,017.1	572,053.0	3.82 bill.	66	78	- 15.0	1

Agency	City	Gross income 1985	Gross income 1984	Per cent change income	Billings 1985	Billings 1984	Gross income 1985	Billings 1985	Employes 1985	Employes 1984	Employes Per cent change	Number offices
		($000)			($000)		($000; national currency)					
MMLB	Madrid	3,328.2	3,941.3	- 16.0	22,188.2	26,275.5	570,000.0	3.80 bill.	34	N/A	N/A	1
Young & Rubicam Espana	Madrid	3,145.0	2,461.0	28.0	20,977.0	16,413.0	538,613.0	3.60 bill.	87	75	16.0	2
Saatchi & Saatchi Compton	Madrid/Barcelona	2,991.7	1,403.6	113.0	19,560.7	10,407.6	512,360.0	3.35 bill.	37	42	- 12.0	2
Arge	Madrid	2,596.5	1,754.0	48.0	16,860.1	12,042.0	444,780.5	2.90 bill.	57	50	14.0	6
Los Tiroleses	Madrid	2,493.3	2,090.4	19.0	20,436.5	15,765.3	427,000.0	3.50 bill.	28	28	0.0	N/A
Contrapunto	Madrid	2,382.3	2,183.8	9.0	15,858.7	14,550.8	408,000.0	2.72 bill.	44	39	13.0	2
Leo Burnett	Madrid	2,195.5	1,995.8	10.0	14,637.0	13,312.3	376,000.0	2.51 bill.	51	54	- 6.0	1
Interalas/DMB&B	Madrid	2,073.0	2,026.0	2.0	13,826.0	13,514.0	355,000.0	2.37 bill.	73	73	0.0	4
Ricardo Perez Asociados	Madrid	1,996.9	1,751.7	14.0	13,137.8	11,678.0	342,000.0	2.25 bill.	21	20	5.0	2
BCK Alliance	Barcelona	1,795.0	1,482.6	21.0	11,970.0	9,867.9	307,000.0	2.05 bill.	25	24	4.0	2
Grey Barcelona	Barcelona	1,372.2	1,354.7	1.0	9,152.6	9,035.9	235,000.0	1.60 bill.	32	32	0.0	2
R.C.P.	Barcelona	1,284.6	1,074.4	20.0	6,604.0	4,969.0	220,000.0	1.13 bill.	22	18	22.0	1
Grey Espana	Madrid	1,237.9	881.7	40.0	8,256.8	5,879.9	212,000.0	1.42 bill.	30	25	20.0	2
Grupo Barro	Madrid	1,173.6	483.3	143.0	7,816.1	2,107.9	201,000.0	1.34 bill.	23	13	77.0	1
Intermarco Publicis	Madrid	1,029.0	888.2	16.0	7,281.0	6,085.0	176,280.0	1.25 bill.	31	25	24.0	2
Ogilvy & Mather Direct	Barcelona	833.4	514.6	62.0	5,558.9	3,432.1	142,733.0	952,029.0	23	11	109.0	2
Vitruvio 30	Madrid	811.0	671.0	21.0	5,407.0	4,473.0	139,000.0	926,000.0	16	15	7.0	1
TBWA Espana	Madrid	780.4	630.6	24.0	5,200.0	4,204.1	133,650.0	891,000.0	21	20	5.0	1
RSCG & Asociados	Madrid	765.1	765.1	0.0	5,377.6	5,049.7	131,031.0	920,967.8	N/A	N/A	N/A	1
EQUIPO 3	Madrid	549.0	321.0	71.0	4,087.0	2,143.0	94,000.0	700,000.0	14	10	40.0	1
GGK Barcelona/Madrid	Barcelona/Madrid	514.0	491.0	5.0	3,427.0	3,275.0	88,000.0	586,900.0	19	27	- 30.0	2
FCB	Madrid	489.3	755.6	- 35.0	3,263.3	5,040.2	83,791.0	558,886.0	1	30	- 97.0	2
RZR	Madrid	339.0	N/A	N/A	2,266.7	N/A	58,200.0	388,194.0	10	N/A	N/A	N/A
ECOM	Madrid	245.2	N/A	N/A	1,751.7	N/A	42,000.0	300,000.0	11	N/A	N/A	1
Kenyon & Eckhardt Espana	Madrid	193.0	N/A	N/A	599.5	N/A	33,053.2	102,665.3	7	N/A	N/A	1
Campbell-Ewald Espanola	N/A	186.4	294.0	- 37.0	1,241.0	1,961.0	31,921.0	212,913.0	8	10	- 10.0	N/A
Bahima, Bozell & Jacobs	Barcelona	97.0	N/A	N/A	646.4	N/A	15,000.0	100,000.0	N/A	N/A	N/A	1
SRI LANKA								**Exchange rate: 0.0367 rupee**				
Grant Kenyon & Eckhardt	Colombo	391.8	257.1	52.0	2,126.5	1,431.2	SLr10,675.5	SLr57,941.9	99	93	6.0	1
Thompson Lanka	Colombo	308.3	192.7	60.0	2,055.3	1,284.6	8,400.0	56,002.8	52	35	49.0	1
Minds Lanka	Colombo	48.4	40.4	20.0	220.2	183.5	1,320.0	6,000.0	19	20	- 5.0	N/A
SWEDEN								**Exchange rate: 0.1147 kroner**				
Ted Bates AB	Stockholm	8,140.0	6,896.0	18.0	59,806.0	51,689.0	SKr70,967.0	SKr521,409.0	166	158	5.0	3
Grey Svenska	Stockholm	7,218.1	5,324.4	36.0	48,145.0	35,514.0	62,930.0	419,743.0	141	130	8.0	8
Annonsbyran Svea	Stockholm	5,803.8	5,011.4	16.0	56,254.0	49,648.6	50,600.0	506,000.0	N/A	N/A	N/A	N/A
Hans Brindfors	Stockholm	5,607.0	3,898.9	44.0	24,999.6	18,661.1	48,884.0	217,956.0	N/A	N/A	N/A	N/A
Andersen & Lembke	Stockholm	4,800.0	4,200.0	14.0	29,500.0	26,800.0	41,846.4	257,181.0	N/A	N/A	N/A	2
Young & Rubicam AB	Stockholm	3,739.0	3,672.0	2.0	24,939.0	24,493.0	32,604.0	217,468.1	91	67	36.0	N/A
Falk & Pihl/DDB	Stockholm	3,524.0	3,797.4	- 7.0	24,169.7	25,316.1	30,723.2	210,720.9	24	24	0.0	1
Ehrenstrahle Intl.	Stockholm	3,342.1	2,828.4	18.0	22,292.0	18,865.4	29,138.0	194,350.0	60	52	15.0	3
Kreativ Information	Stockholm	2,949.5	N/A	N/A	9,221.9	N/A	25,715.0	80,400.0	N/A	N/A	N/A	N/A
Svenska Intermarco Farner	Stockholm	2,916.5	1,918.0	52.0	19,453.0	16,831.1	25,427.0	169,598.0	60	56	7.0	3
HLR/BBDO AB	Stockholm	2,814.4	2,863.4	1.0	21,577.0	21,952.5	24,537.0	188,117.0	43	46	- 7.0	1
Hall & Cederquist	Stockholm	2,706.9	1,766.4	53.0	9,061.3	6,710.0	23,600.0	79,000.0	N/A	N/A	N/A	N/A
Stig Arbman	Stockholm	2,672.5	2,638.1	1.0	12,009.1	11,928.8	23,300.0	104,700.0	N/A	N/A	N/A	N/A
Ogilvy & Mather AB	Stockholm	2,612.0	2,551.2	2.0	17,423.0	18,026.3	22,772.0	151,900.0	54	67	- 19.0	5
Reklam Konsultation	Stockholm	2,475.2	1,551.4	60.0	16,501.0	13,526.0	21,579.3	143,862.0	N/A	N/A	N/A	N/A
Blanking	Stockholm	2,294.0	2,064.6	11.0	17,205.0	14,911.0	20,000.0	150,000.0	50	46	9.0	2
SSC&B:Lintas AB	Stockholm	2,121.5	1,970.9	8.0	11,213.8	10,830.9	18,496.3	97,766.8	46	47	- 2.0	1
DMB&B	Stockholm	1,767.0	1,367.2	29.0	18,681.0	16,156.0	15,408.0	162,864.0	40	40	0.0	1
McCann-Erickson AB	Stockholm	1,724.0	1,453.0	19.0	11,499.0	9,692.0	15,031.0	100,257.0	49	39	26.0	N/A
J. Walter Thompson AB	Stockholm	1,319.2	1,117.3	18.0	8,793.7	7,449.0	11,501.0	76,667.2	24	21	14.0	1
Foote, Cone & Belding	Stockholm	1,231.6	1,435.1	- 14.0	8,214.6	9,801.5	10,737.4	71,618.5	32	30	7.0	2
Sandler Needham	Stockholm	1,170.0	1,376.0	- 15.0	8,262.0	9,176.0	10,200.0	72,034.0	14	10	40.0	1
Nedeby Ayer	Stockholm	715.7	751.0	- 5.0	4,773.9	5,011.1	6,240.0	41,620.8	18	19	- 5.0	1
SWITZERLAND								**Exchange rate: 0.4017 franc**				
McCann-Erickson S.A.	Geneva/Zurich	4,390.0	3,726.0	18.0	29,281.0	24,852.0	SF10,928.0	SF72,890.0	68	70	- 3.0	N/A
GGK Basel/Zurich	Zurich	4,252.0	3,896.0	9.0	28,361.0	26,030.0	10,586.0	70,602.0	69	69	0.0	2
Advico AG	Zurich	4,236.7	3,978.0	7.0	21,555.2	20,344.1	10,574.0	53,660.0	63	52	21.0	1
Adolf Wirz AG	Zurich	4,051.9	3,844.6	5.0	27,026.4	25,646.5	10,087.0	67,280.0	60	59	2.0	4
Young & Rubicam AG	Zurich	3,783.0	3,214.0	18.0	25,233.0	21,439.0	9,420.0	62,830.2	66	68	- 3.0	N/A
Gisler & Gisler/BBDO	Zurich	3,554.2	3,369.5	5.0	23,706.7	22,474.3	8,848.0	59,016.0	62	61	2.0	1
Farner (Publicis Group)	Zurich	3,445.0	3,563.0	- 3.0	22,977.0	23,761.0	8,575.0	57,200.0	62	68	- 9.0	1
Lintas:Zurich	Zurich	2,795.4	2,208.4	27.0	18,645.1	14,730.2	6,958.9	46,415.6	49	46	7.0	1
Doyle Dane Bernbach AG	Zurich	2,626.9	2,950.8	11.0	17,521.5	19,681.8	6,539.5	43,618.3	46	49	- 6.0	1
HCM Switzerland	Zurich	2,513.0	2,290.0	10.0	16,762.0	15,274.0	6,256.0	41,727.0	63	68	- 7.0	2
Schellenberg, Ogilvy & Mather	Zurich	2,430.0	2,001.0	21.0	16,200.0	13,336.0	6,050.0	40,320.0	42	35	20.0	1
Heimann/Unicom	Geneva/Zurich	2,370.0	1,209.0	96.0	16,068.0	8,074.0	5,900.0	40,000.0	43	27	59.0	2
Kloeti Advertising	Zurich	2,229.4	1,896.0	18.0	14,862.9	14,549.6	5,550.0	37,000.0	31	31	0.0	1
Seiler Zurich Werbeagentur	Zollikerberg	2,189.2	2,155.2	2.0	14,602.2	14,414.4	5,012.0	33,430.0	42	33	27.0	1
Aebi und Partner	Zurich	2,088.5	1,526.5	37.0	13,256.1	9,239.1	5,200.0	33,000.0	N/A	N/A	N/A	N/A
Zutter Sommer Marketing	Basel	2,072.0	2,016.5	3.0	14,194.1	14,107.7	5,158.0	35,335.0	28	25	12.0	1
Marsden, Hartmann & Leo Burnett	Zurich	2,024.0	N/A	N/A	13,492.0	N/A	5,038.0	33,588.0	35	N/A	N/A	1
Dieter Jaeggi	Bern/Zurich	2,012.5	1,787.6	13.0	13,416.8	11,930.5	5,010.0	33,400.0	30	N/A	1.0	2
J. Walter Thompson AG	Zurich	1,855.4	1,742.4	6.0	12,375.0	11,616.0	4,620.0	30,815.0	31	30	3.0	1
TBWA	Zurich	1,625.0	1,321.6	23.0	10,839.0	8,815.3	4,045.0	26,983.0	22	22	0.0	1
Barlogis und Jaeggi	Zurich	1,536.9	1,506.4	2.0	10,251.4	10,047.7	3,826.0	25,520.0	33	N/A	N/A	1

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985 ($000; national currency)	Employes 1985	Employes 1984	Employes Per cent change	Number offices
Impuls Werbung	Zurich	1,375.0	1,245.3	10.0	9,142.7	8,837.4	3,423.0	22,760.0	23	N/A	N/A	N/A
BEP	Lausanne	1,253.0	1,145.0	9.0	8,355.0	7,632.0	3,120.0	20,800.0	24	23	4.0	1
RSCG Cash	Geneva	1,093.0	546.5	100.0	7,651.0	4,372.0	2,721.6	19,051.0	N/A	N/A	N/A	N/A
HCM Geneve	Geneva	1,078.0	1,147.0	- 6.0	7,190.0	7,650.0	2,684.0	17,902.0	N/A	20	N/A	N/A
DMB&B	Zurich	924.0	909.0	2.0	6,162.0	6,060.0	2,300.0	15,340.0	18	20	- 10.0	1
Grey Switzerland	Geneva	903.8	755.8	20.0	6,028.5	5,041.5	2,250.0	15,007.5	19	15	27.0	1
Kenyon & Eckhardt S.A.	Geneva	843.6	642.7	31.0	4,981.0	3,776.0	2,100.0	12,400.0	12	10	20.0	1
Quadri & Partner	Zurich	530.0	498.0	6.0	3,535.0	3,374.0	1,320.0	8,800.0	10	10	0.0	1
AD Leo Burnett	Lausanne	513.4	246.6	108.0	3,422.5	1,645.0	1,278.0	8,520.0	13	10	30.0	1
Focus AG	Zurich	206.0	143.0	44.0	1,377.0	953.0	514.0	3,427.0	4	3	33.0	1
TAIWAN												**Exchange rate: 0.0247 T dollar**
Gaynor Associates Intl.	Taipei	874.2	593.9	47.0	5,831.1	3,961.6	T$35,394.0	T$236,078.0	44	33	33.0	1
Hwa Wei & Grey	Taipei	869.0	797.3	9.0	5,796.0	5,318.0	35,180.8	234,655.9	62	N/A	N/A	2
Target Advertising	Taipei	841.2	384.1	119.0	4,403.1	2,694.6	34,055.0	178,264.0	35	27	22.0	1
Stentor Advertising	Taipei	704.0	555.8	27.0	4,693.0	3,705.0	28,500.0	190,000.0	45	40	13.0	1
Leo Burnett Co.	Taipei	318.1	N/A	N/A	2,121.0	N/A	12,880.0	85,871.0	33	N/A	N/A	1
Needham Standard Intl.	Taipei	246.5	166.7	48.0	1,644.4	1,111.5	9,981.0	66,573.0	15	15	0.0	1
THAILAND												**Exchange rate: 0.037 baht**
SSC&B:Lintas	Bangkok	3,913.0	3,494.2	12.0	28,902.0	24,809.0	Bht105,743.0	Bht781,139.0	160	152	5.0	2
Ogilvy & Mather	Bangkok	2,701.2	2,394.2	13.0	17,420.6	15,414.0	73,006.2	470,825.7	136	126	8.0	2
Ted Bates	Bangkok	1,924.0	1,554.0	24.0	12,580.0	10,360.0	52,000.0	340,000.0	121	115	5.0	1
McCann-Erickson	Bangkok	1,478.0	1,348.0	10.0	9,858.0	8,991.0	39,944.0	266,426.0	94	84	12.0	N/A
Leo Burnett Diethelm Advertising	Bangkok	1,397.2	1,391.2	0.0	9,315.0	9,279.3	37,763.0	251,766.0	103	103	0.0	1
Far East Advertising	Bangkok	1,080.0	1,223.3	- 12.0	7,203.0	8,210.0	29,187.0	194,676.0	142	140	1.0	1
Chuo Senko	Bangkok	1,069.3	1,165.5	- 8.0	6,863.5	7,770.0	28,900.0	185,500.0	46	42	10.0	1
J. Walter Thompson Co.	Bangkok	645.6	316.1	104.0	3,660.8	1,792.5	17,450.0	98,941.3	37	26	42.0	1
Amex & Grey	Bangkok	562.4	644.3	- 13.0	4,412.2	4,297.4	15,200.0	119,252.0	56	51	10.0	1
Meridian Advertising	Bangkok	538.9	528.9	2.0	2,596.4	2,272.1	14,564.4	70,173.6	33	32	3.0	1
Thai Image Advertising	Bangkok	479.0	350.0	37.0	2,935.0	2,281.0	12,946.0	79,328.0	62	51	22.0	1
Redford International	Bangkok	459.9	285.1	61.0	3,182.0	1,796.7	12,430.0	86,000.0	28	34	- 18.0	1
Kenyon & Eckhardt	Bangkok	343.3	454.2	- 24.0	2,288.8	3,028.2	9,278.7	61,858.2	N/A	53	N/A	1
Needham Standard International	Bangkok	267.0	205.3	30.0	1,781.0	1,369.3	7,216.7	48,135.6	28	26	8.0	1
DYR Ltd.	Bangkok	216.0	N/A	N/A	870.0	N/A	5,872.2	23,513.5	21	N/A	N/A	1
TRINIDAD												**Exchange rate: 0.415 T dollar**
McCann-Erickson (Trinidad)	Port of Spain	2,844.0	2,656.0	7.0	18,969.0	17,716.0	T$6,853.0	T$45,710.0	78	78	0.0	N/A
Corbin Compton	Port of Spain	851.8	1,074.4	- 21.0	3,893.1	3,884.8	2,052.6	9,380.9	38	41	- 7.0	5
Hernandez/FCB	Port of Spain	752.2	874.8	- 14.0	5,017.4	5,834.9	1,812.6	12,090.2	28	30	- 7.0	1
Kenyon & Eckhardt/ Caribbean Advertising	Port of Spain	601.8	581.0	4.0	2,863.5	2,656.0	1,450.0	6,900.0	25	27	- 7.0	1
TURKEY												**Exchange rate: 0.0021 lira**
Manajans/Thompson	Istanbul	2,170.3	1,691.5	28.0	10,847.4	6,967.3	TL1.29 bill.	TL5.17 bill.	112	106	6.0	2
McCann-Erickson Pars	Istanbul	1,665.1	1,159.2	44.0	11,106.1	6,930.0	792,897.0	5.29 bill.	80	59	36.0	N/A
Cenajans	Istanbul	1,575.0	840.0	88.0	14,532.0	8,190.0	750,000.0	6.92 bill.	85	102	- 17.0	2
Ajans Ada	Istanbul	1,457.1	946.2	35.0	7,833.4	5,050.8	693,981.1	3.73 bill.	75	69	8.0	1
Guzel Sanatlar	Istanbul	1,102.2	N/A	N/A	16,700.0	N/A	524,856.6	7.95 bill.	68	56	21.0	1
Grafika Maya	Istanbul	1,033.2	634.2	63.0	7,560.0	5,222.7	492,000.0	3.60 bill.	63	59	7.0	1

12 Multinational ad agencies

Note: This table makes no distinction between a wholly-owned subsidiary, a joint venture or any other legal arrangement that an agency may have with a host nation. It shows how selected agencies rank by gross income within the national advertising industry.

	YOUNG & RUBICAM	J. WALTER THOMPSON	McCANN-ERICKSON	OGILVY MATHER	LEO BURNETT	TED BATES	BBDO	SSC&B:LINTAS	FOOTE, CONE & BELDING	D'ARCY MASIUS BENTON & BOWLES	GREY ADVERTISING	SAATCHI & SAATCHI
Argentina	14	1	8	4	11	18	6	16	10	17	5	
Australia	8	11	6	3	10	1	2	12	14	7	19	16
Austria	6	10	3	5		18	9	4	17	14	15	7
Brazil	13	6	9	7	17		16	15	22			14
Britain	8	2	6	5	19	12	29	20	15	4	9	1
Canada	6	2	9	5	14	15	8	29	17	18	16	13
Chile	9	1	2	8	18	11	3	5			7	
Colombia		3	4	7	1	6	2		11		8	5
Dom. Republic	1		2		4				3			
Ecuador		1	2	3					4			
Finland		12	1	16		9		11		24		18
France	5	16	18	15	35	23	27	12	19	24	26	6
Germany	7	4	3	5	12	16	1	2	26	27	6	8
Greece		1	10		3	5	4	7	11	15		8
Hong Kong	4	6	5	1	2	3	22	11	10	18	9	7

	YOUNG & RUBICAM	J. WALTER THOMPSON	McCANN-ERICKSON	OGILVY MATHER	LEO BURNETT	TED BATES	BBDO	SSC&B:LINTAS	FOOTE, CONE & BELDING	D'ARCY MASIUS BENTON & BOWLES	GREY ADVERTISING	SAATCHI & SAATCHI
India		1		4		3	5	2				8
Italy	5	2	1	9	22	18	6	12	3	15	10	13
Japan	17	13	7	29	22	25	6		30	24	19	8
Malaysia	9	3	8	1	7	2	10	6				4
Mexico	8	4	2	6	7		12	21	20	13	17	19
Netherlands	4	10	12	1	8	26	2	7	17	14	24	5
New Zealand		9	5	7	10		1	11	12	6	13	3
Norway	5	15	7	4		1		11	12	3	15	14
Singapore	5	7	2	1	3	9	8	11	12	16	6	13
South Africa	2	7	8	4		3		9	5	10	1	6
Spain	15	1	6	11	20	3	4	2	35	21	24	16
Sweden	6	20	19	14		1	11	17	21	18	2	16
Switzerland	5	19	1	11	17		6	8		26	27	13
Thailand	15	8	4	2	5	3	11	1			9	12
Venezuela	9	1	3	2	4				5		8	7

Source: compiled by *Advertising Age*

Agency	City	Gross income 1985	Gross income 1984 ($000)	Per cent change income	Billings 1985	Billings 1984 ($000)	Gross income 1985 ($000; national currency)	Billings 1985	Employes 1985	Employes 1984	Per cent change	Number offices
Rota Advertising	Istanbul	585.5	464.9	26.0	4,836.3	4,084.0	278,825.0	2.30 bill.	46	50	- 8.0	1
Birlesik Reklamcilar	Istanbul	529.2	N/A	N/A	4,410.0	N/A	252,000.0	2.10 bill.	30	N/A	N/A	1
Fulmar Advertising	Istanbul	504.0	315.0	60.0	3,150.0	1,680.0	240,000.0	1.50 bill.	25	23	9.0	1
Merkez Ajans	Istanbul	485.1	265.7	83.0	4,410.0	2,415.0	231,000.0	2.10 bill.	35	33	6.0	1
Yaratim Advertising	Istanbul	392.7	163.8	139.0	2,835.0	1,224.0	187,000.0	1.35 bill.	18	14	29.0	1
Repro A.S.	Istanbul	359.4	291.0	24.0	3,276.6	2,646.0	171,160.0	1.56 bill.	41	42	- 2.0	1
Admar Reklam	Istanbul	354.9	123.9	186.0	3,026.1	1,224.3	169,000.0	1.44 bill.	16	15	7.0	1
Markom Reklam	Istanbul	304.5	134.4	127.0	2,100.0	1,050.0	145,000.0	1.00 bill.	26	18	44.0	1
Aya Reklam	Istanbul	251.3	147.8	70.0	2,284.3	1,344.0	119,655.8	1.09 bill.	35	26	35.0	1
Radar Reklam	Istanbul	249.9	99.3	27.0	2,759.4	1,724.5	119,000.0	1.31 bill.	38	30	27.0	1
Reklam Moran	Istanbul	166.0	205.4	- 19.0	1,509.3	1,866.0	79,056.0	718,690.7	59	52	13.0	1
Reklamevi A.S.	Istanbul	N/A	N/A	N/A	3,203.9	N/A	N/A	1.53 bill.	N/A	N/A	N/A	1
URUGUAY												**Exchange rate: 0.0118 peso**
Impetu Organizacion Publicitaria	Montevideo	800.5	440.3	82.0	3,278.3	1,699.6	Ps67,836.8	Ps277,821.8	59	52	13.0	1
Corporacion Publicitaria	Montevideo	360.0	214.2	68.0	2,090.0	1,427.8	30,510.0	177,127.5	31	35	- 13.0	1
Grey-Uruguay	Montevideo	294.9	194.5	52.0	1,966.9	1,296.7	24,989.9	166,607.9	17	18	- 6.0	1
McCann-Erickson	Montevideo	216.0	117.0	85.0	1,441.0	780.0	18,337.0	122,308.0	15	14	7.0	N/A
J. Walter Thompson	Montevideo	115.6	78.1	48.0	771.0	520.8	9,800.0	65,336.6	11	10	10.0	1
VENEZUELA												**Exchange rate: 0.0752 bolivar**
J. Walter Thompson de Venezuela	Caracas	4,581.0	3,758.5	22.0	30,540.0	25,058.1	Bs60,918.1	Bs405,120.3	162	142	14.0	1
CORPA-Corporacion Publicitaria Nacional	Caracas	4,369.6	3,555.9	23.0	29,985.5	23,988.4	58,106.0	398,743.1	177	142	25.0	3
ABC-McCann Publicidad	Caracas	2,230.0	N/A	N/A	14,874.0	N/A	29,657.0	197,812.0	96	N/A	N/A	N/A
Leo Burnett	Caracas	1,973.0	1,395.6	41.0	13,152.0	9,308.4	26,233.0	174,895.0	75	68	10.0	1
FCB/Siboney/Blanco Uribe	Caracas	1,638.3	1,769.4	- 7.0	10,927.4	11,801.9	21,785.8	145,311.4	89	86	3.0	1
JMC Creatividad Orientada	Caracas	1,319.8	940.1	40.0	8,798.4	6,267.0	17,550.0	117,000.0	45	40	13.0	2
AW/Compton	Caracas	1,081.4	700.9	54.0	6,488.0	4,265.2	14,380.0	86,276.0	36	34	6.0	1
Grey Venezuela	Caracas	764.9	758.9	1.0	5,102.1	5,061.9	10,171.9	67,846.6	40	38	5.0	1
IMC-Young & Rubicam	Caracas	485.0	785.0	- 38.0	3,235.0	5,233.0	6,451.0	43,025.5	36	N/A	N/A	N/A
ZAMBIA												**Exchange rate: 0.143 kwacha**
Young & Rubicam Zambia	Lusaka	106.0	80.0	33.0	07.0	35.0	Zk741.0	Zk4,941.9	17	18	6.0	N/A
ZIMBABWE												**Exchange rate: 0.595 Z dollar**
Michael Hogg/ Young & Rubicam	Harare	927.0	758.0	22.0	6,183.0	5,054.0	Z$1,557.0	Z$10,387.4	75	67	12.0	N/A
Barker McCormac Advertising & Marketing	Harare	833.0	N/A	N/A	3,689.0	N/A	1,400.0	6,200.0	50	50	0.0	1
SSC&B: Lintas	Harare	469.7	433.8	8.0	1,920.6	1,795.0	789.4	3,227.9	36	35	3.0	1

Notes

(Continued from Page 71)

Leveille, B&B DMB&B holds 30% equity in the agency

CHILE

Promoplan, part of Ogilvy & Mather Intl

Azocar, Morrison, Walker affiliated with JWT Group

Israel & de Bianchi, affiliated with DFS Dorland Worldwide

Hermosilla, Zegers, part of BBDO Intl

Baumlis Publicidad, member of IMAA

COLOMBIA

Atlas Publicidad, part of J. Walter Thompson Co.

Centrum Publicitario, affiliated with Ogilvy & Mather Intl

Esfera Publicidad, affiliated with Grey Advertising

Contacto Publicidad, affiliated with DFS Dorland Worldwide

Publicidad Artefilm, part of Foote, Cone & Belding

CYPRUS

Impact/BBDO Intl totals include figures for offices in Beirut, Cairo, Kuwait and Dubai

DENMARK

Ervaco Kobenhavn is part of the Ervaco Group, in which the Interpublic Group of Cos. holds a minority interest. Its figures came in too late for inclusion; gross income and billings for 1985 for the agency were $185,200 and $833,400, respectively

Ted Bates totals include figures for Norgard Mikkelsen and Plan Design, both in Copenhagen

Scan-ad figures for 1985 gross income are AA estimates

Young & Rubicam figures include Wunderman and Cato-Johnson

Thomas Bergsoe figures for 1985 gross income are AA estimates

Bergenholz & Arnesen, affiliated with DFS Dorland Worldwide

Innovation, affiliated with Saatchi & Saatchi Compton. 1984 gross income figure is AA estimate

DMM/Ipsen & Parmo 1984 gross income and billings figures cover August-December, 1984 only

Egeberg, affiliated with SSC&B:Lintas

Weber & Sorensen 1985 gross income figures are AA estimates

Berg & Lyhne 1985 gross income figures are AA estimates

DOMINICAN REPUBLIC

Leon/Aife/MFP, affiliated with J. Walter Thompson Co.

ECUADOR

Veritas Publicitaria, affiliated with Ogilvy & Mather Intl

Artefilme, part of Foote, Cone & Belding

FINLAND

Oy Ervaco is part of the Ervaco Group, in which the Interpublic Group of Cos. has a minority interest. Its figures came in too late for inclusion; 1985 gross income and billings were $1,745,700 and $5,078,400, respectively

Mainostoimisto Oy Sek, MK-Mainos Oy and Kauppamainos: 1985 gross income and billings figures are AA estimates

Turkama & Kumppanit is part of the agency group Advisor Oy, which also includes A.C. Mainos, Markkinointi Topitorma and Suomen Ilmoituskeskus

Interplan, affiliated with Saatchi & Saatchi Compton

Mainoskentta Oy 1985 and 1984 gross income AA estimate

FRANCE

Publicis Conseil includes figures for B.C.A. Publicis, Beverly-Markagri, De Bonneville Orlandini, Edico Publicis, Edip (acquired in 1985), Grand Angle Publicis (1985), Orexa, Oscar Intermarco, Projectis Publicis, Publicis Sante (1985), Publicis Soleil (1985), Siquier Courcelle and Success

Belier consists of Belier Conseil, Rive Gauche, Alice, Inf 14, Gingko, Taurus, Australie, Business, Equateur and six regional agencies. The Eurocom network holds 45% equity in Belier

Roux, Seguela, Cayzac & Goudard figures include Racines, Chevassus Vadon, Glad, Seven and Motivente

Young & Rubicam figures include Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller

Saatchi & Saatchi Compton includes References, Compar, S&SC Ethical, DP Industries, Doping, Club Media, S&SC Direct, Agence MC Groupe 7

BDDP Advertising includes figures for MAFIA, an agency acquired in 1985. The agency does not supply billings figures

ECOM/Univas includes figures for Robert & Partners and New/Robert & Partners

FCA includes figures for Concurrence Moderne, Marianne and FRG Bonjour

O.D.I.C., part of Homsy Delafosse

Polaris/DFS. Bazaine/DFS changed its name following the merger with the regional network Polaris

R&D France Campbell-Ewald. Interpublic Group of Cos. holds 25% equity

Synergie and CPV, part of Bozell, Jacobs, Kenyon & Eckhardt

Ted Bates does not supply billings figures

Impact, part of Foote, Cone & Belding

Initiatives Media and Sprint, part of SSC&B:Lintas

SMS Cascades agency did not submit figures

EUROCOM Group includes Futurs Groupe, Fusion, Capricorne/Agepi, Unicom, Publi-Est, D-10, Eldorado, Uniconseil, Novation, O.P.F. and Optima

GERMANY

Team/BBDO figures also include Team/-Hamburg, Team/Direct, Team/BBDO Berlin, BBDO/Telecom and Selection

J. Walter Thompson Co. includes offices in Duesseldorf, Hamburg, Frankfurt and Basisresearch in Duesseldorf and Frankfurt

Grey Duesseldorf includes Market Horizons, Grey Direct and Gr.A.M.M.

Young & Rubicam includes Wunderman, Cato-Johnson, Sudler & Hennessey and Burson-Marsteller

Saatchi & Saatchi Compton includes Contur and D&H Agentur fuer Direct Marketing

Doyle Dane Bernbach includes DDB Munich, Rapp & Collins and Heinz Drescher

Wilkens Ayer does not show 1984 figures, since the merger of Copartner Ayer and William Wilkens took place in September, 1985

R.W. Eggert is owned 40% by DYR Worldwide. Figures exclude ABC Presse and HF&P

Publicis Intermarco Farner includes offices in Frankfurt, Duesseldorf, Hamburg, Munich and Stuttgart

Heye Needham & Partner includes offices in Munich, Duesseldorf and Hamburg

Von Mannstein Gruppe includes offices in Duesseldorf, Munich and Paris

MWI Markenwerbung, part of Foote, Cone & Belding

Boebel, Adam, Benton & Bowles merged with DMM/Admenting in July, 1985. Figures exclude Ala and MS&L

Consell Partners, part of Grey Advertising

Kastner & Partner, part of Leo Burnett Co.

Wirz & Hafner, 1985 billings are AA estimates

Handley Smith & Partners, part of Bozell, Jacobs, Kenyon & Eckhardt

GREECE

Bold Advertising, associated with Ogilvy & Mather Intl

Euro-Leo Burnett, merger took place mid-'85

Ted Bates includes figures for AC&R Hellas

Lamda Alpha, affiliated with N W Ayer

Grant Advertising & Associates, affiliated with Bozell, Jacobs, Kenyon & Eckhardt, is headquartered in Athens, but does business in Lebanon and, through Hiba Advertising, in Kuwait. Consolidated figures show 1985: $965,000 gross income and $6,404,000 billings

GUATEMALA

APCU Thompson Asociados, Guatemala City, part of J. Walter Thompson Co., is the head office of the APCU Group with offices in five Central American countries

Concepto, part of BBDO Intl

HONG KONG

DYR before July 1, 1984, gross in-

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Notes

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come and billings were reported separately by Dentsu and Young & Rubicam
Meridian Advertising, part of Ogilvy & Mather Intl
Results Hong Kong, part of Ogilvy & Mather Intl
Synergie Communications, part of Bozell, Jacobs, Kenyon & Eckhardt

INDIA

Rediffusion Advertising, affiliated with Ted Bates Worldwide
R.K. Swamy Advertising, affiliated with BDDO Intl
Everest Advertising, affiliated with Saatchi & Saatchi Compton
Sista's, affiliated with DFS Dorland Worldwide. Agency's financial year runs April/March

Jaisons Advertising. Figures arrived too late for inclusion. Gross income and billings figures for 1985 were $1,362,400 and $8,706,600 respectively.

IRELAND

McConnells Advertising gross income for both years AA estimate
Kennedy-Brindley and Hunter Advertising, affiliated with Saatchi & Saatchi Compton
Brian Cronin & Associates gross income for both years AA estimate

ITALY

Young & Rubicam Italia figures include Cato-Johnson and Burson-Marsteller
Italia/BBDO includes Promos/Italia, Rome, Flor/Italia, Florence and Team/Italia in Bologna
Canard Advertising, affiliated with Young & Rubicam
CBC, affiliated with DMB&B, which holds 20% equity
RSCG Mezzano Costatini Mignani, gross income for both years AA estimate
Campbell-Ewald Pirella Gottsche, no 1984 figures available since merger took place last year
B Communications, affiliated with DFS Dorland Worldwide
Pubbli Dan Wirz, part of Wirz Holding, Zurich

JAPAN

Hakuhodo includes figures for offices in Singapore, Malaysia, Thailand, Brazil and Germany
Yomiko Advertising's figures came in too late for inclusion in chart. Gross income for 1985 was $35,019,300 and billings were $257,497,300, which puts the agency in sixth place in the Japanese ranking
Asatsu, part of BBDO Intl
Asahi Advertising, affiliated with Saatchi & Saatchi Compton
Man-Nen-Sha, affiliated with DMB&B
Nippo Marketing & Advertising, affiliated with Ted Bates Worldwide
Meitsu Advertising, affiliated with Bozell, Jacobs, Kenyon & Eckhardt
Standard Advertising, affiliated with Needham Harper Worldwide

LEBANON

Enterprise Middle East, part of Leo Burnett Co. Agency is headquartered in Athens, Greece, but does business in Middle East

MALAYSIA

Wings Creative Consultants, affiliated with BBDO Intl
Meridian Advertising, part of Ogilvy & Mather Intl
Grant Advertising, affiliated with Bozell, Jacobs, Kenyon & Eckhardt

MALTA

BPC International gross income figures both years AA estimate

MEXICO

Arellano Ted Bates did not provide gross income or billings figures
Noble & Asociados DMB&B holds 20% equity in the agency
Iconic, affiliated with DFS Dorland Worldwide

NETHERLANDS

Ogilvy & Mather includes offices in Rotterdam, Drachten, Eindhoven, O&M Direct and O&M Design
Young & Rubicam includes Wunderman, Cato-Johnson and Burson-Marsteller
Prins, Meijer, Stamenkovits & Van Walbeek, part of Y&R, which holds 60% equity
J. Walter Thompson Co. includes figures for Deltakos Europ
Ara, part of BBDO Intl
TBWA revised gross income and billings figures for 1984
Ayer Group includes Strawberry Ayer, Almelo; Kader Ayer, Deventer and Marketwinning Ayer, Amsterdam
Hettinga, de Lang, Possel, de Boers figures came in too late. HLPB showed 1985 gross income of $886,800 on billings of $5,912,000. Both figures are estimates
Push, part of Grey Advertising
Klein/Theeuwes/Van der Meulen, part of Eurocom
Bartels/Verdonk, part of BBDO Intl

NEW ZEALAND

Colenso Communications, part of BBDO Intl
J. Inglis Wright, part of Needham Harper Worldwide
Dobbs-Wiggins McCann-Erickson, 100% ownership was acquired in 1985
Rialto Advertising, part of BBDO Intl
Atelier Knowles Marinkovich, part of BBDO Intl
Eagle Marketing Services, affiliated with DMB&B

NORWAY

Ervaco Norway, part of the Ervaco Group, showed 1985 gross income of $358,200 and billings of $1,194,000. Figures did not arrive in time
Innovation, part of the Forenede Group and affiliated with Saatchi & Saatchi Compton, showed 1985 gross income of $1,189,900 and billings of $8,664,500
Forenede Annonsebyraer has offices in Trondheim, Fredrikstad and Alesund
Scaneco-Young & Rubicam is 60% owned by Y&R
Heltberg Creative Service, part of Ted Bates Worldwide
Schjaervan/JWT was acquired by J. Walter Thompson Co. July, 1985
Birkelid & Lunde, part of Ted Bates Worldwide

PAKISTAN

D.J. Keymer, affiliated with Dentsu Inc. and BBDO Intl

PANAMA

Campagnani, Aleman Publicidad, affiliated with Leo Burnett Co.

PARAGUAY

McCann-Erickson suspended operations during 1985

PERU

CIA, formerly CNP & Grey
Publicistas Asociados, affiliated with BBDO Intl
Publicidad Cause 1985 gross income and billings figures are AA estimates

PHILIPPINES

Advertising & Marketing Associates, part of the Alliance East Group
Aspac & Grey became part of Grey Advertising in 1985

PORTUGAL

J. Walter Thompson Co. included in 1985 gross income and billings are figures for Abrinicio Publicidade, which was acquired in that year by JWT
Sistema, part of Saatchi & Saatchi Compton

PUERTO RICO

Marti, Flores, Prieto & Wachtel, part of J. Walter Thompson Co.
Young & Rubicam includes Burson-Marsteller
J.R. Marquina & Associates, part of DFS Dorland Worldwide
CPV Advertising gross income figures for both years are AA estimates. Agency affiliated with Bozell, Jacobs, Kenyon & Eckhardt

SINGAPORE

Batey Ads bought back the 25% equity it sold to BBDO six years ago. Agency did not report figures for 1985
DYR only began operation in July, 1984
Meridian Advertising, part of Ogilvy & Mather Intl

SOUTH AFRICA

Grey Philips Bunton Mandel & Blake. If Grey Direct, Grey Communications, Grey Rakusin & Associates, Grey Action, Grey Medical, Grey Recruitment, Grey Appointments, Grey Mann and Grey Perspectives were included, total gross income and billings figures for 1985 would have been $8,667,500 and $57,812,200, respectively
Young & Rubicam South Africa includes figures for McKinstry Schonfeldt. Young & Rubicam Inc., New York, has a 51% equity share of Y&R S.A.
Bates Wells & Associates. If Cerca, Diagram, Adgraphics and Adgraphics (Cape) were included, total 1985 gross income and billings would have been $7,003,000 and $37,357,000, respectively
Ogilvy & Mather, Rightford Searle-Tripp Makin figures include Capetown office
Klerck & McCormac, part of Saatchi & Saatchi Compton
BBDO Intl sold its shares of the agency to its South African partners in Sept. 1985

SOUTH KOREA

LG Ad, affiliated with BBDO Intl
Daehong, affiliated with Saatchi & Saatchi Compton
Union Advertising, affiliated with Grey Advertising and Daiko Advertising, Tokyo
Nara Advertising, affiliated with J. Walter Thompson Co.

SPAIN

J. Walter Thompson S.A. includes figures for Grupo de Diseno, which was acquired in 1985 and is now part of JWT Barcelona
HCM, formerly Unitros Spain
McCann-Erickson S.A. 1985 and 1984 figures AA estimates. Agency submitted combined information for M-E and Clarin for both years
Tapsa, affiliated with N W Ayer
Clarin Publicidad 1985 and 1984 figures AA estimates
MMLB 1985 and 1984 gross income figures AA estimates
Young & Rubicam includes Cato-Johnson and Burson-Marsteller
Arge has offices in Barcelona, La Coruna, Alicante, Valencia and Sevilla
Grupo Barro, affiliated with Young & Rubicam
RZR opened March, 1985. Foote, Cone & Belding has minority equity
Campbell-Ewald Espanola was newly formed in 1984
Ogilvy & Mather Direct showed 1985 gross income of $833,410 and billings of $5,558,897

SRI LANKA

Minds Lanka, part of Bozell, Jacobs, Kenyon & Eckhardt

SWEDEN

AB Ervaco, part of the Ervaco Group, headquartered in Stockholm, showed 1985 gross income of $5,620,300 and billings of $11,125,900. Figures did not arrive in time.
Ted Bates AB includes offices in Helsingborg and Goteborg
Grey Svenska includes offices in Goteborg, Halmstad and Malmo and Grey Com, Grey Medical, and Grey Direct in Stockholm and Goteborg
Annonsbyran Svea 1985 billings figures are AA estimate
Young & Rubicam includes Cato-Johnson, Wunderman and Burson-Marsteller
Ehrenstrahle International, part of BBDO Intl. Figures combine the Stockholm and London offices
Blanking, affiliated with Saatchi & Saatchi Compton
Reklam Konsultation gross income figures for both years AD AGE estimates

SWITZERLAND

Adolf Wirz AG also offices in Vienna, Milan and Frankfurt
Young & Rubicam includes Burson-Marsteller
Kloeti Advertising, part of Saatchi & Saatchi Compton
Marsden, Hartmann & Leo Burnett merged in August, 1985
BEP, part of the Publicis Group
Grey Switzerland, formerly Creative Collaboration-Grey
Quadri & Partner, affiliated with Needham Harper Worldwide

TAIWAN

Gaynor Associates, affiliated with J. Walter Thompson Co.
Target Advertising, affiliated with Saatchi & Saatchi Compton
Stentor Advertising, affiliated with BBDO Intl

THAILAND

Far East Advertising, part of Needham Standard International Pacific
Meridian Advertising, part of Ogilvy & Mather Intl
Thai Image Advertising, affiliated with BBDO Intl
Redford International, affiliated with Saatchi & Saatchi Compton

TURKEY

McCann-Erickson/Pars merger took place in 1985
Cenajans, affiliated with Grey Advertising
Guzel Sanatlar, affiliated with Saatchi & Saatchi Compton
Yaratim Advertising, affiliated with Foote, Cone & Belding, which recently acquired a 30% equity share
Repro AS, Aya Reklam, Reklam Moran & Merkez Ajans gross income figures for both years are AA estimates

VENEZUELA

Corpa, part of Ogilvy & Mather Intl
JMC Creatividad Orienta affiliated with DFS Dorland Worldwide
IMC Young & Rubicam Y&R holds 35% equity

ZIMBABWE

Michael Hogg/Young & Rubicam, Y&R holds 25% equity
Barker McCormac Advertising & Marketing, affiliated with Saatchi & Saatchi Compton

How much agencies bill abroad

1985 billings in $000,000

Rank		Agency	Non-U.S billings	% of total billings
1.	(1)	TBWA	243.0	73.4
2.	(3)	HCM	334.9	66.9
3.	(2)	SSC&B:Lintas Worldwide	851.0	65.4
4.	(4)	McCann-Erickson Worldwide	1,468.9	63.8
5.	(6)	Saatchi & Saatchi Compton Worldwide	1,799.7	59.3
6.	(5)	Medicus Intercon International	95.1	59.3
7.	(7)	DYR Worldwide	143.5	50.1
8.	(8)	J. Walter Thompson Co.	1,333.7	44.3
9.	(7)	D'Arcy Masius Benton & Bowles	848.2	38.9
10.	(10)	Ted Bates Worldwide	1,190.4	38.3

Warning: Many agencies did not comply with AD AGE instructions to list an agency's gross income separately from other companies in the group. When we could accurately estimate an agency's gross income, as in the U.K., we have published an AD AGE estimate. In those cases where an agency reported different gross income figures than authorities or publications within a country, we published the locally reported figure.

John Wolfe, assistant international editor, and Ilse Cermak, international copy editor, coordinated International Agency of the Year and Foreign Agency Income reports, with Ellen Mardock, a free-lance designer.

Tim Bell

(Continued from Page 61)

that is inscribed, "From Margaret, with love."

In fact, a competitor recalled the time Mr. Bell opened a business meeting by telling an important client, "When I spoke to Maggie last night, she asked me to pass on her regards."

Mr. Bell is not a founding partner and his name doesn't appear on the agency's masthead, but U.K. ad industry sources agree that his presence undoubtedly adds to the agency's already solid reputation.

The Australian-born Mr. Bell, 44, began his career as a jazz musician but became a media buyer because it paid better.

He was media director at Geers Gross Advertising, a U.K. shop, when Charles Saatchi approached him in 1970 and asked if he wanted to start a new agency with Mr. Saatchi and his brother, Maurice

Mr. Bell signed on and stayed with the Saatchi brothers for the next 14 years, until he teamed up with his old friend, Frank Lowe, in 1985.

"I'd known Frank for 12 years and wanted to work with him, and I no longer wanted to work at Saatchi & Saatchi," Mr. Bell said.#

—Laurel Wentz

CATEGORY REVIEW: CAR-RENTAL COMPANIES

Vacationers hold ticket for car-rental growth

Business travel sector stagnates

By GARY LEVIN

The $4.5 billion car-rental industry, faced with declining profits and soaring insurance costs, is targeting the leisure-travel market as its best avenue for growth.

At the same time, those factors are forcing rental rates upward. Increases between 15% and 20% are expected this year.

Spring campaigns from the four largest car-rental companies—Hertz, Avis, National and Budget—target vacationers in family-oriented tv and print ads. And while print ads continue to focus on pricing, tv spots now fold price information into image-oriented ads.

Some marketers, taking their cue from airlines and hotels, also have begun targeting specific segments—such as senior citizens and government employes—with clubs and discount offers.

The change in marketing focus stems in part from seasonal factors, since vacationers constitute a larger portion of rentals during summer months. But heavier discounting by airlines and hotel chains, coupled with fears generated by overseas terrorism and threats, is prompting many vacationers to stick to the U.S. (AA, March 31, *et seq.*).

Major rental companies hope those factors translate into increased use of domestic car rentals. Syndicated research shows just 21% of all adults rented a car during 1985, but that figure was up substantially from 11% in '82.

Continued growth has some industry executives predicting double-digit sales increases this year.

"The over-all size of the market is still heavily weighed toward the business segment," said Rajiv Tandon, vp-general manager of Minneapolis-based National Car Rental System and president of the American Car Rental Assn., a Washington-based industry trade group. "But [percentage] growth now comes from leisure travelers."

In the fairly stagnant business-rental sector, companies have found it tough to win added sales from corporate clients. "You can't create new business-rental situations," added Dick Dixon, vp-marketing services at Budget Rent a Car Corp., Chicago.

Because most major companies already have lined up corporate clients, "it's a share fight to see who's going to take away from whom," he said.

The "Big 4" companies all are units of much larger conglomerates, so exact sales and profit figures are unavailable. But industry reports show either net losses or huge profit declines in 1985, due mainly to fierce price competition and ballooning liability insurance premiums, which have climbed 70% to 100% in a year for some.

Another major problem for the industry is the soft used-car market, on which rental companies depend to generate cash and rid their fleets of worn-out vehicles.

To recover those costs, both business and leisure travelers this year will likely pay more for the privilege of renting a car. Major companies plan rental price increases of 15% to 20%.

Hertz Corp., New York, retains its "No. 1" designation in practice, though not in the company's advertising, with 32.8% of the airport rental market.

Avis-Rent-A-Car, Garden City, N.Y., is second with 26.2%, while National and Budget rank third and fourth with 20.4% and 16.2%, respectively.

(All other rental companies control just 4.4% of airport rentals.)

Budget will continue using its "America's personal favorite" tag line in print ads aimed at leisure travelers, while maintaining a wholly separate campaign for the business market.

The unit of Transamerica Corp., San Francisco, says it already draws 40% to 50% of its business from vacationers—the highest ratio among major renters—because of its name and image as a low-price company.

"Budget owns the price position in consumers' minds," Mr. Dixon said. "Our marketing thrust and marketing position are not going to change. . .but we'll continue to build more emphasis on the quality part of the equation."

Toward that end—and the goal of increasing its share of the business market—the company on March 27 broke a $2.25 million spring campaign with only its second tv spot in nearly three years (AA, March 24).

The ads introduced a new theme line "We're going your way," and targeted business travelers, highlighting Budget's $39.95-a-day Lincoln Town Car.

The effort is part of Budget's $10 million annual ad spending—a figure unchanged from last year—handled by D'Arcy Masius Benton & Bowles, Chicago.

Car-rental marketers, including Budget, also are seeking growth from "new" niches like the high-performance sports car category. This month Budget was to announce a $44.95-a-day Merkur—a high-performance car imported by Lincoln-Mercury—to be backed by a print campaign to break in May.

Budget also will be mentioned in a Lincoln-Mercury campaign for the model breaking later this month from Young & Rubicam.

National in recent years has seen more of its business come from the leisure market as it and other companies maintain loyalties of corporate clients.

Commercial accounts represent 75% to 80% of National's rentals, including leisure rentals handled through corporate clients.

But the leisure market itself has grown from just 20% of the company's business in 1983 to 31% last year (including corporate clients' vacation bookings).

Part of that growth comes from discretionary travelers such as retired senior citizens, the subject of a new "Silver Opportunities" program to be kicked off May 1 via direct-mail pitches.

The program offers rental discounts and tie-ins with similar offers from companies such as American Airlines and Holiday Inns (AA, March 24).

National also has begun offering a standard $27-a-day rate on subcompacts to all military and government employes, another tactic employed by Holiday and others in the travel and lodging industries.

For the more typical traveler, National planned to break a tv and print campaign May 1 supporting a new one-way rental program, in which cars can be rented in northern cities and dropped off in Florida and other areas.

It also starts a weekly rental special on June 1—supported by tv and print—offering two days free with seven paid rental days.

Campbell-Ewald, Warren, Mich., handles National, which is a unit of Household International, Prospect Heights, Ill.

The company won't disclose its ad budget, but Leading National Advertisers puts non-newspaper ad spending at $12.2 million in 1984 and $11.3 million in the first nine months of '85, the latest period for which figures are available. (Car-rental companies, however, spend heavily in newspapers, advertising not measured by LNA.)

Hertz' new owner, United Airlines parent UAL Inc., Elk Grove Village, Ill., has repositioned the company as a total-service provider. It no longer brags that "Hertz is No. 1," though it can still claim that distinction.

New ads via Scali, McCabe Sloves, New York, are themed "Don't just rent a car, rent a company."

Hertz, purchased last year for $587.5 million from RCA Corp., will spend an estimated $20 million this year on advertising. It spent $10 million on non-newspaper advertising in the first nine months of 1985 and $12.3 million in all of '84, LNA says.

Avis also has stressed service for both business and leisure travelers with its "So easy" tag line via Ted Bates Advertising/New York. It also has launched "SuperValue" rates. One tv spot that started airing in March portrays a young businesswoman renting a car for the first time (AA, March 10), while another broke April 1 aimed at families who think vacation car rentals are too expensive.

Avis spent $7 million on non-newspaper advertising in the first nine months of 1985 and $12 million in all of '84.

Despite price hikes, competition will continue unabated in popular U.S. vacation markets such as California, Florida and Hawaii, with newspaper and tv support emphasizing specific rates and models.

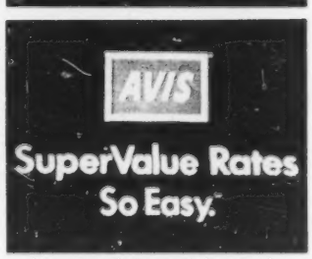
That strategy is used most often by smaller companies such as Alamo Rent-a-Car, Fort Lauderdale, Fla., and Dallas-based American International Rent-a-Car Corp.#

Reporter Lisa E. Phillips in New York contributed to this report.

Airport car-rental marketshares

The car-rental industry's new focus on leisure travelers may spur share increases among leaders in that category. Figures are for year ended Jan. 30, 1986. *Source: Advertising Age.*

Budget Rent a Car Corp. has moved from an exclusively price-oriented ad strategy to an image approach in a new spot that began airing last month (AA, March 24). The effort introduced a new theme line, "We're going your way," via D'Arcy Masius Benton & Bowles, Chicago.



Avis-Rent-A-Car takes a more personal approach to rental-car advertising, stressing new, lower "SuperValue" rates in a "Family Vacation" spot. A couple, photographed in closeup, plans a trip despite a tight budget, with Avis' help.

National Car Rental System is one company targeting specific market segments such as military and government employes. National offers all such workers a $27 daily rate on subcompact rentals with targeted print ads.

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

April

— Art & antiques —

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
American Artist	—	—	—	—
Antiques	—	—	—	—
Art in America	—	—	—	—
Southwest Art	73.8	64.2	264.7	293.2
Total Group	**73.8**	**64.2**	**264.7**	**293.2**
% change		+15.0%		-10.0%

— Auto/cycle/rec. vehicles —

AutoWeek (52X)	132.0	177.5	570.5	502.5
Car & Driver	109.7	116.8	387.6	403.4
Car Collector & Car Classics	12.5	18.2	55.9	77.3
Car Craft	90.9	88.1	271.7	261.0
Circle Track	60.9	50.7	244.7	198.2
Cycle	68.3	80.0	203.8	211.8
Cycle Guide (11X)	71.3	63.0	180.3	156.4
Cycle World	75.5	76.1	214.8	229.4
Dirt Rider	57.9	40.6	174.5	132.4
Dune Buggies & Hot VW's	84.5	85.5	333.0	325.5
Family Motor Coaching	138.3	128.8	643.6	610.1
4 Wheel & Off Road	98.2	84.9	330.6	270.6
Four Wheeler	85.2	90.7	323.4	323.0
Hot Rod	75.8	86.0	237.2	230.1
Motorcyclist	74.0	63.3	205.7	149.4
Motor Trend	66.9	97.8	263.9	289.4
Motorhome Life	104.1	105.0	365.2	382.6
Pick-Ups & Minitrucks	—	—	—	—
Rider	69.5	85.4	196.1	224.5
Road & Track	134.3	130.2	382.4	435.0
3 Wheeling	59.1	56.5	221.5	201.3
Trailer Life	117.1	144.3	458.2	496.4
Total Group	**1,655.3**	**1,937.5**	**6,234.6**	**6,110.5**
% change		-14.5%		+2.0%

— Boating & yachting —

Boating	158.3	170.8	644.0	642.5
Chesapeake Bay	39.5	37.8	141.8	119.8
Cruising World	165.7	146.0	517.1	540.5
Lakeland Boating (10X)	81.7	74.0	279.2	275.7
Motor Boating & Sailing	182.0	171.4	829.0	781.4
Sail	134.2	162.0	484.8	600.2
Small Boat Journal (6X)	60.0	61.5	143.1	103.5
Sport Fishing (6X)	—	—	33.0	—
Trailer Boats (11X)	53.8	45.5	196.0	157.2
Western Boatman (6X)	—	—	94.7	103.6
Yachting	138.5	173.7	617.5	748.3
Total Group	**1,013.7**	**1,042.7**	**3,950.2**	**4,072.7**
% change		-2.8%		-3.0%

— Canadian —

L'Actualite	74.7	88.5	298.7	212.8
Chatelaine				
English Edition A	120.2	102.9	383.4	378.9
French Edition	104.5	82.0	327.8	301.7
City and Country Home (8X)	59.9	42.4	140.7	94.1
City Woman	—	—	—	—
Equinox (6X)	—	—	65.0	45.9
Financial Post A	33.2	38.7	150.6	126.5
Flare A	94.1	71.9	258.7	241.5
Macleans (52X) A	137.0	154.9	535.6	468.4
Montreal Magazine (10X)	36.3	40.5	95.3	125.5
Montreal Ce Mois Ci	42.0	53.0	107.2	142.0
Reader's Digest				
Canadian-English A	88.8	83.8	343.9	301.5
Canadian-French A	64.5	58.3	267.8	234.3
Toronto Life	117.0	102.2	346.2	299.8
Vancouver	87.9	69.5	282.5	254.8
Total Group	**787.1**	**854.9**	**3,539.1**	**3,087.1**
% change		-10.0%		+15.0%

— Civic/fraternal —

American Legion	20.1	23.2	104.1	118.8
Elks (10X)	21.5	19.5	80.2	89.2
Rotarian	15.2	15.3	74.7	60.0
Lion (10X)	5.5	3.0	21.1	19.2
Rotarian	13.0	9.0	55.9	47.7
V F W (11X)	24.7	24.1	113.3	105.5
Total Group	**100.0**	**94.1**	**449.3**	**440.4**
% change		+6.3%		+2.0%

— Comics —

DC Comics	6.0	6.0	25.0	27.5
Marvel Comics Group	6.0	5.0	24.0	24.5
Total Group	**12.0**	**11.0**	**49.0**	**52.0**
% change		+9.1%		-5.8%

— General —

American Health (10X)	53.3	44.6	170.9	153.8
American West (6X)	—	—	—	—
The Atlantic A	66.7	77.0	174.3	207.9
Bon Appetit A	85.6	87.5	323.3	320.1
Changing Times	48.0	45.7	201.0	154.8
Connoisseur	75.4	87.8	240.0	227.4
Consumer's Digest (8X)	13.3	37.2	58.0	83.5
Ebony	96.3	98.9	367.7	343.3
Fifty Plus	52.9	33.8	171.6	133.3
Food & Wine	49.7	39.6	173.0	152.9
Games	17.0	19.0	75.9	67.9
Gourmet	104.5	108.5	326.7	362.7
Home Entertainment (8X)	30.3	33.3	66.2	62.4
Harper's A	20.3	30.8	92.3	108.0
Life	44.7	66.4	194.5	233.3
Modern Maturity (6X)	36.8	48.9	86.6	99.0
Money	129.9	119.1	463.5	457.3
Moneysworth (4X)	10.5	—	20.5	24.8
Mother Earth News (6X)	—	—	—	—
Mother Jones (10X)	15.5	16.7	57.4	45.7
National Geographic	—	—	—	—
Natural History	—	—	—	—
Prevention	66.3	51.9	255.1	238.7
Psychology Today	29.8	24.4	107.9	107.9
Reader's Digest A	—	—	—	—
Saturday Evening Post (9X)	34.7	33.8	110.1	99.3
Signature	45.9	66.4	276.1	221.1
Smithsonian	74.8	107.3	322.8	372.3
Success	30.7	29.7	132.4	115.3
Sylvia Porter's Personal Finance (6X)	39.5	44.4	139.3	79.5
Town & Country	128.2	147.9	454.2	487.2
Travel-Holiday	62.9	63.2	198.8	211.6
Travel & Leisure	96.2	134.8	422.2	446.9
Vanity Fair	43.0	25.3	171.0	117.5
Writer's Digest	24.7	21.4	92.1	85.5
Yankee	73.8	72.1	286.0	275.5
Total Group	**1,644.3**	**1,722.4**	**5,113.7**	**5,892.5**
% change		-5.0%		-13.0%

— Home —

Americana (6X)	35.9	47.5	68.8	87.8
Architectural Digest A	136.3	141.2	436.4	465.3
Better Homes & Gardens	115.1	117.8	412.7	425.2
Colonial Homes (6X)	—	—	—	—
Columbus Monthly-Homes (4X)	30.3	—	52.3	—
Country Home (6X)	53.6	36.6	92.1	67.2
Country Journal	29.2	29.3	107.5	131.1
Country Living	80.6	70.9	296.4	254.3
Dallas/Ft. Worth Home & Garden	90.2	61.0	326.4	228.1
Family Handyman (10X) A	76.1	68.1	262.4	243.7
Flower & Garden (6X)	47.2	45.3	100.8	92.6
Home	64.3	58.0	202.4	205.1
Home Mechanics	69.3	72.6	284.8	275.3
The Homeowner (10X)	35.8	27.8	110.3	91.5
Horticulture	41.2	48.0	167.0	158.0
House Beautiful	98.0	97.7	295.7	297.3
House & Garden	117.8	112.4	354.8	373.9
Houston Home/Garden	107.0	86.0	321.5	314.0
Metropolitan Home	100.3	102.7	238.9	273.9
New Shelter (9X)	43.0	41.0	205.8	215.3
1,001 Home Ideas	40.9	40.4	163.7	154.5
Rodale's Organic Gardening	64.0	64.8	288.9	264.1
Phoenix Home/Garden	80.2	80.8	293.5	280.9
Rx Being Well	—	—	—	—
San Diego Home/Garden	58.8	57.5	254.7	240.1
South Florida Home/Garden	—	—	—	—
Southern Accents (6X)	—	—	—	—
Southern Living	189.0	154.9	563.3	490.7
Sunset Magazine A	167.4	188.9	549.3	549.2
Texas Homes	75.9	76.8	274.2	301.6
Workbench (6X)	—	—	118.7	115.9
Total Group	**1,551.4**	**1,636.9**	**6,439.1**	**5,884.6**
% change		-5.0%		+9.0%

— In-flight & other passenger —

Aboard Group (7) (6X)	—	—	—	—
Alaska Airlines	56.7	56.0	207.8	181.8
American Way (25X)	178.2	175.7	455.0	499.0
East/West Network				
Eastern Review	98.0	97.8	396.8	409.8
Frontier	36.3	25.5	148.3	102.1
Northwest Orient	46.7	42.7	183.8	149.5
Ozark	48.2	45.7	185.6	148.2
PSA Magazine	82.2	81.0	350.5	296.1
Pan Am Clipper	43.2	69.3	188.3	230.5
Republic Scene	61.5	55.3	202.9	178.2
Spirit	99.3	88.8	369.3	345.5
United	100.5	107.8	367.6	355.9
Western's World	61.5	49.3	250.5	223.0
Halsey Publications				
Air Cal	54.0	49.3	184.8	186.4
Delta Sky	102.5	85.2	302.2	289.3
People's Expressions	32.8	—	126.3	—
US Air	50.5	53.7	170.5	192.6
Hawaii (6X)	28.3	26.0	119.2	99.5
Pace	110.2	64.4	367.0	215.4
Presidential Airways (6X)	8.8	—	20.0	—
Southwest Airlines	—	—	—	—
Spirit of Aloha (6X)	28.1	25.7	117.7	98.7
TWA Ambassador	54.9	52.0	180.7	179.0
Total Group	**1,382.4**	**1,205.5**	**4,894.8**	**4,380.5**
% change		+14.7%		+11.7%

— Men's —

Esquire A	—	—	—	—
Firehouse Magazine (13X)	44.4	49.3	169.5	169.1
Gentlemen's Quarterly A	176.8	177.0	597.3	558.1
M	68.3	63.3	224.5	206.8
Penthouse A	—	—	—	—
Playboy A	75.4	70.5	243.5	270.9
Total Group	**364.9**	**360.1**	**1,234.8**	**1,204.9**
% change		+1.0%		+2.0%

— Metropolitan —

Aloha (6X)	—	—	—	—
Atlanta	50.5	61.8	144.5	135.9
Baltimore	89.4	83.4	289.9	294.1
Boston	142.1	151.3	551.9	567.3
California	54.5	69.0	276.8	261.5
Charlotte (10X)	—	—	—	—
Chicago	147.8	161.0	457.6	479.3
Chicago's North Shore	72.6	77.0	284.2	300.6
Cincinnati	65.2	48.4	237.6	214.4
Cleveland	74.4	75.8	266.9	295.7
Coast (38X)	200.4	304.8	708.3	765.5
Columbus Monthly	92.6	76.1	243.4	252.5
Connecticut	99.2	95.0	362.0	341.1
D/Magazine, Dallas/Ft Worth	133.2	133.4	485.5	454.8
Denver	36.4	33.8	132.6	112.1
Detroit Monthly	64.3	49.7	338.5	187.3
Grand Rapids	38.6	51.7	176.8	189.0
Gulfshore Life (10X)	—	—	—	—
Honolulu	61.2	66.0	224.0	229.3
Houston City	67.1	80.2	209.1	279.1
Indianapolis	42.5	39.5	172.5	153.9
Kansas City	—	—	—	—
Los Angeles	150.1	185.3	589.5	642.3
Louisiana Life (6X)	—	—	77.7	117.5
Madison	57.0	46.0	248.0	281.0
Metropolitan Detroit	80.0	59.0	263.3	142.3
Miami Mensual	42.5	37.4	183.5	152.2
Milwaukee	83.0	45.3	261.5	241.4
Minneapolis/St. Paul	111.5	85.8	371.0	387.2
Nashville	38.0	37.0	157.0	129.0
New England Monthly	32.0	23.7	131.9	102.0
New Jersey Monthly	80.7	56.3	303.7	218.6
New Mexico	20.3	39.6	91.4	150.1
Ohio	66.5	56.0	226.3	237.3
Orlando	128.0	126.3	413.5	411.8
Palm Beach Life	74.6	90.4	364.1	443.2
Palm Springs Life	106.7	118.5	544.5	553.8
Philadelphia	130.7	140.2	483.1	512.3
Phoenix	102.6	93.3	407.9	420.1
Pittsburgh	68.6	73.2	228.3	214.7
St. Louis	48.3	58.0	171.0	218.0
San Diego	153.3	163.7	612.3	664.8
San Francisco (6X)	—	—	—	—
San Francisco Focus	104.7	97.0	339.5	323.7
Texas Monthly	121.2	132.7	522.4	420.6
Twin Cities	53.1	58.7	186.6	198.9
Ultra	67.1	88.9	227.6	282.4
The Virginian	—	—	117.0	116.0
Washington (7X)	—	—	78.1	29.5
Washington Dossier (11X)	37.9	50.0	207.2	202.0
The Washingtonian	136.0	144.0	592.0	545.0
Total Group	**3,690.7**	**3,764.2**	**13,962.0**	**13,871.1**
% change		-2.0%		+0.7%

— Movie/romance/radio/tv —

Macfadden's Women's Group				
Modern Romances	18.1	15.5	79.7	68.6
Secrets	18.1	15.5	79.7	68.6
True Confessions	18.1	15.5	79.7	68.6
True Experience	18.1	15.5	79.7	68.6
True Love	18.1	15.5	79.7	68.6
True Romance	18.1	15.5	79.7	68.6
Sterling Women's Group				
Daytime TV	25.8	29.5	99.2	115.0
Modern Screen	15.5	17.5	31.0	29.5
Movie Mirror (6X)	1.0	25.5	16.5	46.0
Soap Opera Stars	16.5	21.5	33.3	39.0
TV Movie Screen (6X)	8.3	7.0	16.6	13.0
TV Picture Life (6X)	5.3	7.0	9.6	13.0
Total Group	**181.0**	**201.0**	**684.4**	**667.1**
% change		-10.0%		+2.6%

— Music/entertainment —

American Film (10X)	—	—	—	—
Audio	58.7	64.0	267.6	303.4
Circus Magazine	—	—	—	—
Dance Magazine	62.8	65.7	232.7	237.0
Musician	52.3	58.0	223.0	226.4
Playbill	40.0	52.5	170.1	194.0
Stereo Review	52.0	32.3	264.5	145.5
Video	69.5	64.7	291.8	302.6
Video Review	61.5	85.1	235.6	256.6
Total Group	**305.7**	**301.5**	**1,464.5**	**1,238.8**
% change		+1.0%		+18.0%

— National Sunday magazines —

Parade (52X)	60.3	52.9	222.8	215.3
Total Group	**60.3**	**52.9**	**222.8**	**215.3**
% change		+14.0%		+3.0%

— Outdoor & sport —

Alaska	61.5	65.3	216.8	201.8
The American Handgunner (6X)	—	—	65.0	68.0
American Hunter	18.3	14.5	70.1	65.4
American Rifleman	20.3	23.0	85.9	95.1
Backpacker (6X)	—	—	44.9	61.0
Bass Master (9X) A	63.7	62.7	304.0	296.3
Bicycling (9X)	90.5	108.4	267.0	299.2
Duck's Unlimited (6X)	—	—	58.3	46.0
Field & Stream	88.1	104.0	360.8	365.1
Fins & Feathers A	45.0	—	173.0	114.3
Fishing World	—	—	112.7	114.2
Florida Sportsman	128.9	125.0	546.6	499.9
Flying	38.2	48.6	140.4	169.5
Golf Digest	98.1	102.7	404.9	415.9
Golf Magazine	64.1	58.7	385.3	376.8

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net, except Los Angeles Times Home Magazine and New York Times Magazine.

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April

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
Gun Dog (6X)	—	—	58.8	46.4
Guns	30.0	25.0	111.0	85.0
Guns & Ammo	47.9	40.8	190.0	157.7
In-Fisherman (6X)	107.0	133.5	272.0	298.0
Muscle & Fitness	114.0	102.0	433.7	427.0
Outdoor Life	92.6	81.1	336.8	319.7
Outside	77.1	65.5	188.6	178.7
Petersen's Hunting	40.2	36.7	162.1	131.7
The Runner	38.3	61.2	123.0	144.2
Runner's World (13X)	42.5	44.1	126.3	139.2
Salt Water Sportsman	94.6	108.2	486.7	386.7
Shooting Times	27.5	27.4	55.8	119.4
Ski (8X) A	40.0	29.3	249.2	215.4
Skiing (7X)	—	—	170.6	203.3
Skin Diver	91.7	76.9	357.2	307.9
Sport	53.0	45.7	169.2	163.0
Sports Afield	72.3	92.6	321.4	349.7
Tennis	83.1	102.3	249.6	287.4
Waterski (8X)	57.0	49.0	102.0	49.0
Western Outdoors (10X)	46.1	68.3	226.3	202.9
Wildfowl (6X)	11.8	—	21.3	—
Windrider (7X)	26.0	36.0	26.0	36.0
World Tennis	33.8	48.8	38.8	138.4
Total Group	**2,032.3**	**2,069.0**	**8,059.6**	**7,831.8**
% change		**-1.8%**		**+2.9%**
— Photography —				
American Photographer	35.8	43.8	145.1	154.5
Petersen's Photographic	24.3	25.0	91.6	101.8
Popular Photography	63.4	89.9	254.4	355.7
Total Group	**123.5**	**158.7**	**491.1**	**612.0**
% change		**-22.2%**		**-19.8%**
— Religious —				
Christian Herald (11X)	28.8	28.8	121.7	121.7
Inside (4X)	95.8	82.9	95.8	82.9
Moody Monthly (11X)	39.0	57.8	194.9	222.3
Today's Christian Woman (6X)	—	—	52.1	77.6
Total Group	**125.0**	**169.5**	**464.5**	**504.5**
% change		**-26.2%**		**-8.0%**
— Science/electronic/mechanic —				
Discover	29.7	30.9	129.4	132.8
Family Computing	34.5	33.9	160.1	190.4
Info World (52X)	159.0	152.0	412.0	434.0
Omni	62.3	61.9	220.8	222.8
Popular Mechanics	95.7	104.0	362.0	371.3
Popular Science	94.2	84.8	303.6	262.4
Science Digest	43.5	21.5	54.7	106.2
Science 86 (10X)	21.1	25.0	71.4	98.9
Scientific American	36.7	56.0	131.0	186.6
Spectrum	86.6	99.8	373.0	429.2
Total Group	**633.3**	**669.8**	**2,218.0**	**2,434.6**
% change		**-5.4%**		**-8.9%**
— Women/fashion/service —				
Bride's Magazine (6X) A	—	—	798.7	713.6
Cosmopolitan A	209.0	210.0	759.0	723.0
Essence	114.3	74.6	324.4	301.9
Family Circle (17X) A	127.6	215.8	552.9	615.4
Family Magazine	57.2	40.7	175.2	147.7
Glamour	217.4	212.2	684.1	662.8
Good Housekeeping A	156.3	150.1	604.8	584.5
Harper's Bazaar	159.7	154.1	557.0	578.9
Health	36.5	35.5	154.5	147.6
Ladies' Home Journal	114.5	114.3	447.2	418.7
Mademoiselle	167.4	159.0	462.9	465.4
McCall's	88.9	94.1	350.8	358.0
Military Lifestyle (10X)	51.3	26.7	234.8	127.2
Modern Bride (6X)	—	—	710.2	703.7
Ms	38.7	52.7	148.5	189.4
New Woman	82.3	53.5	276.4	202.5
Parents A	96.8	93.1	344.9	347.3
Playgirl	36.0	30.8	150.0	134.2
Redbook	81.6	84.8	360.8	357.0
Self	97.8	126.1	357.5	393.8
Seventeen	118.9	132.8	417.4	459.8
Shape	72.5	64.1	275.2	235.3
Soap Opera Digest (26X)	26.2	29.3	82.2	93.9
'Teen Magazine	55.2	49.9	162.9	165.0
True Story A	46.0	43.6	192.6	173.9
Vogue	233.1	258.3	1,033.4	1,078.7
W Magazine	60.8	84.6	462.1	475.8
Weight Watchers	35.5	30.1	140.7	106.3
Woman's Day (16X) A	115.9	209.4	488.8	476.5
The Workbasket (10X)	27.7	32.5	150.0	163.0
Working Mother	68.2	72.3	261.6	281.0
Working Woman	118.7	114.5	395.0	394.1
Total Group	**2,826.1**	**2,840.1**	**12,027.7**	**11,799.4**
% change		**-0.5%**		**+1.9%**
— Youth —				
Boys' Life	12.9	12.3	86.2	65.0
Campus Life (10X)	29.3	35.6	185.2	211.3
Total Group	**42.2**	**47.9**	**271.4**	**276.3**
% change		**-11.9%**		**-1.8%**

March

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
— Business —				
Advantage	73.0	60.0	164.0	145.0
Arizona Bus. Gazette (52X)	41.5	37.3	100.0	88.6
Atlanta Bus. Chronicle (52X)	79.2	44.0	212.7	128.6
Austin Business Journal (52X)	48.9	45.8	142.9	152.1
Baltimore Business Journal	91.0	66.0	200.5	178.0
Barron's (52X)	232.1	202.1	549.1	547.5
Business Atlanta	62.8	76.5	158.9	170.8
Business First of Buffalo	80.9	66.4	178.8	164.3
Business First of Columbus	95.3	68.5	232.1	195.8
Business Journal/Sacramento	45.0	32.0	—	—
Business North Carolina	45.0	37.0	147.5	123.5
Business Week (52X) A	371.5	422.6	847.4	970.8
Business West	29.0	—	—	—
California Business	37.6	55.4	109.8	123.5
Capital Dist. Bus. Review (25X)	40.1	41.8	89.8	112.1
Cincinnati Business Courier	105.4	51.0	218.8	140.7
Corporate Report/Kansas City	37.5	55.6	102.3	153.7
Corporate Report/Minnesota	91.5	103.3	230.9	256.7
Crain's Chicago Bus. (52X)	173.0	140.0	437.0	396.0
Crain's Cleveland Bus. (52X)	64.1	75.8	163.8	207.8
Dun's Business Month	54.8	48.4	132.3	124.4
Financial World (24X)	49.2	38.0	134.6	99.6
Florida Trend (13X)	69.5	77.1	208.7	254.3
Forbes (26X)	256.1	347.7	631.6	744.9
Fortune (26X)	247.7	276.2	535.4	611.5
Frequent Flyer	65.3	67.9	168.6	161.8
Futures (13X)	48.8	54.0	134.0	149.6
Georgia Trend	39.9	—	139.4	—
Grand Rapids Bus. Journal	33.5	14.9	83.6	35.0
Hawaii Business	41.7	43.7	116.5	120.9
High Technology	24.5	31.8	53.2	94.8
Inc. Magazine A	80.9	115.5	214.0	266.3
Income Opportunities	66.7	55.8	145.6	124.9
Industry Week (25X) A	105.5	141.4	230.1	249.6
Indianapolis Bus. Journal (52X)	161.9	110.4	398.5	341.8
Kansas City Bus. Journal	133.4	131.4	329.3	382.0
Manhattan, inc.	70.8	28.7	180.9	78.6
Milwaukee Bus. Journal	126.9	160.0	335.0	360.0
Minnesota Bus. Journal	47.2	49.7	129.3	146.7
New England Bus. (20X) A	103.3	111.2	222.1	242.6
Pacific Bus. News (52X)	128.5	99.0	320.0	281.7
Philadelphia Bus. Journal (52X)	128.4	98.9	312.8	265.4
Pittsburgh Bus. Times (52X)	118.0	61.9	249.2	171.0
Regardie's	134.0	118.0	472.5	421.0
San Jose Bus. Journal	138.8	99.8	278.7	302.0
Savvy	31.8	43.0	78.3	104.0
South Florida Bus. Journal	118.8	78.8	330.3	226.0
St. Louis Bus. Journal (52X)	157.4	149.9	390.2	371.7
Texas Business	53.4	94.9	146.3	205.3
Venture	75.0	61.8	180.5	163.1
Total Group	**2,925.8**	**3,628.3**	**9,851.1**	**8,663.2**
% change		**-19.0%**		**+14.0%**
— National Sunday magazines —				
USA Weekend (52X) A	54.4	45.5	163.0	159.9
Total Group	**54.4**	**45.5**	**163.0**	**159.9**
% change		**+20.0%**		**+1.9%**
— Newspaper Sunday magazines* —				
Boston Globe	267.7	247.7	596.5	540.3
Chicago Tribune	132.0	168.8	255.2	253.5
Cleveland Plain Dealer	69.7	58.3	114.4	119.7
Columbus Dispatch	60.7	66.9	103.6	121.5
Denver Post	50.0	32.6	172.1	164.5
Detroit News	103.0	102.0	239.0	219.0
L.A. Times Magazine	67.3	60.5	174.3	176.2
Louisville Courier-Journal	188.6	198.0	292.5	298.8
Miami Herald	68.8	56.7	136.5	132.3
New York Times Magazine	535.6	641.5	932.0	1,074.6
San Francisco Image	79.2	98.8	171.3	147.6
Seattle Times	68.0	59.0	133.0	110.0
Toledo Blade Magazine	48.2	39.5	113.4	94.4
Washington Post	161.0	165.6	394.5	306.2
Total Group	**1,202.3**	**1,638.5**	**2,244.8**	**3,164.1**
% change		**-27.0%**		**-29.0%**
— Weeklies/bi-weeklies —				
The Advocate (26X)	127.2	94.7	363.2	258.0
Army Times Military Group				
Air Force Times (52X)	206.8	146.3	504.7	414.0
Army Times (52X)	193.2	143.5	470.8	402.3
Navy Times (52X)	221.9	156.6	543.1	447.0
The Blood-Horse (52X)	432.5	499.7	1,296.5	1,466.7
Capper's Weekly (26X)	25.9	25.9	86.3	91.9
Commonweal (22X)	13.1	8.5	32.0	23.2
Golf World (43X)	87.0	81.7	247.5	256.6
Grit (52X) A	25.7	22.5	74.3	70.6
National Journal (50X)	71.5	61.0	139.7	136.0
National Review (25X)	32.3	27.8	86.4	60.5
New Republic (48X)	38.1	32.9	97.4	71.6
New York Magazine (50X)	246.5	236.1	576.9	574.0
New Yorker (52X)	238.4	317.5	528.5	691.3
Newsweek (52X) A	236.6	212.5	569.6	558.2
People (52X)	324.9	281.2	737.4	717.8
Rolling Stone (25X)	125.5	110.1	280.4	240.6
Sporting News (52X)	45.6	36.4	163.8	90.6
Sports Illustrated (52X) A	995.9	187.8	632.0	575.3
Time (52X) A	233.6	213.7	578.8	605.1
TV Guide (52X) A	334.9	351.4	1,019.3	1,061.9
TV Update (52X) C	2,588.0	2,596.0	7,532.0	6,863.0
Us Magazine (26X)	34.2	26.1	122.0	67.1
U.S. News & World Report (52X) A	153.4	143.1	359.5	367.9
Total Group	**6,232.7**	**6,013.0**	**17,052.1**	**16,108.2**
% change		**+3.7%**		**+7.7%**
— Foreign —				
Cosmopolitan Foreign Editions:				
Australia	61.1	36.8	155.4	131.8
Brazil	84.7	40.0	180.9	114.5
France	105.0	127.7	114.5	239.2
Germany	96.5	107.7	217.7	214.7
Great Britain	100.0	96.5	214.5	225.0
Greece	30.0	52.0	95.0	203.3
Holland	64.0	47.8	121.0	124.3
Italy	104.3	61.6	162.5	185.6
Japan	36.0	26.0	162.1	77.0
Cosmopolitan en Espanol:				
Central America	2.3	0.3	6.7	2.3
Colombia	4.5	5.3	17.0	13.3
Mexico	24.2	34.5	46.8	67.7
Peru	—	—	—	2.0
Puerto Rico	3.5	20.0	14.7	52.0
U.S. (Spanish language)	32.5	18.5	62.2	57.2
Venezuela	12.3	13.8	31.7	39.3
Good Housekeeping Foreign Editions:				
Australia	26.2	18.7	78.7	93.7
Great Britain	121.4	124.8	290.6	252.8
Japan	64.3	61.8	159.2	109.3
Buenhogar:				
Central America	—	1.0	2.0	3.0
Chile	1.0	3.0	3.0	5.0
Colombia	23.2	27.0	54.3	59.0
Ecuador	7.0	12.0	25.0	29.0
Mexico	19.3	38.3	48.0	79.5
Peru	3.0	6.0	9.0	15.5
Puerto Rico	8.0	9.0	22.0	19.5
Venezuela	17.3	19.0	48.0	53.5
Geomundo:				
Central America	2.0	3.5	7.0	12.5
Chile	2.0	5.5	7.0	12.5
Colombia	4.0	8.0	16.3	20.5
Ecuador	2.0	2.0	6.0	7.0
Mexico	7.5	4.5	12.5	16.0
Peru	2.0	3.5	5.0	14.5
Puerto Rico	—	4.5	3.0	4.0
Venezuela	13.0	5.0	26.0	26.0
Hombre De Mundo:				
Central America	6.0	2.0	17.0	11.0
Chile	5.0	5.0	14.0	11.0
Ecuador	3.0	3.0	12.0	11.0
Mexico	7.0	7.0	15.0	19.0
Peru	3.0	3.0	9.0	8.0
Puerto Rico	4.0	5.0	10.0	9.0
Venezuela	12.0	10.0	35.0	32.0
Ideas Para Su Hogar:				
Colombia	5.0	7.0	20.7	20.0
Ecuador	3.0	4.0	4.0	10.0
Mexico	1.0	2.2	3.0	10.8
Peru	1.0	2.5	3.0	4.5
Puerto Rico	—	2.0	—	3.0
Venezuela	6.5	14.5	20.5	32.5
Mecanica Popular				
Argentina	3.3	3.2	7.0	9.5
Central America	9.7	10.5	25.3	32.7
Chile	5.0	5.5	14.3	14.2
Colombia	10.5	12.0	41.2	34.0
Mexico	9.5	10.7	23.7	31.0
Peru	9.5	12.0	24.8	37.7
Puerto Rico	8.2	11.5	20.3	35.5
Venezuela	9.0	13.7	26.3	36.5
Vanidades Continental				
Central America	6.5	2.8	21.5	14.2
Chile	2.3	2.3	7.0	8.0
Colombia	34.0	48.7	85.2	103.3
Ecuador	10.0	14.7	36.0	40.0
Mexico	42.7	56.3	98.2	117.8
Peru	3.0	7.7	15.3	25.0
Puerto Rico	19.3	21.7	57.7	78.5
U.S.	43.3	30.7	102.0	94.0
Venezuela	30.3	35.8	75.2	95.8
International Communications:				
African Business	24.8	41.3	102.3	92.6
New African	27.2	10.2	73.0	62.1
The Middle East	10.3	24.8	37.4	68.9
International Management:				
Europe	49.0	47.2	108.3	116.8
Middle East	10.2	17.5	24.7	61.5
Johnston International:				
Alam Attijarat	46.7	48.7	95.6	139.0
Modern Africa (6X)	15.8	11.3	29.1	23.7
Modern Asia (11X)	35.5	21.7	71.0	73.6
Newsweek International A.:				
Atlantic (52X)	88.5	57.4	194.2	165.6
Latin America (52X)	32.9	17.0	74.9	44.6
Pacific (52X)	60.3	47.7	147.7	131.3
Progreso (9X)	6.2	9.3	12.2	24.6
Reader's Digest:				
Arabic	6.5	8.0	12.5	30.0
Asian	139.5	135.5	736.8	495.5
Australian	75.3	66.0	155.6	154.8
Belgian-Flemish	79.5	98.0	154.0	178.5
Belgian-French	53.5	68.0	108.5	133.5
British	42.9	38.9	124.5	120.7
Chinese B	52.0	50.5	290.5	308.0
Danish	28.5	35.8	79.0	88.6
Dutch	26.8	43.0	73.1	108.0
Finnish	49.8	44.0	109.8	81.8
French	14.0	44.3	46.0	126.0
German	71.6	67.2	179.5	185.1
Iberian	—	4.5	0.5	23.5
Indian-English	91.5	104.0	267.0	305.5
Indian-Hindi	14.5	8.5	34.5	29.5
Italian	31.0	33.0	94.0	85.5
Korean	24.3	24.0	77.1	70.5
Latin American:				
Argentina	10.0	14.0	25.5	52.0
Brazil	2.0	4.5	14.0	10.0
Central America	6.0	8.0	13.0	23.0
Chile	7.0	5.5	28.5	27.5
Colombia	2.0	24.0	42.0	59.0
Ecuador	4.0	7.0	14.0	21.0
Mexico	47.6	33.6	99.8	70.6
Peru	6.0	8.0	19.0	26.0
Puerto Rico	4.0	6.0	13.0	14.0
U.P.I.	3.0	5.0	14.0	18.0
U.S. Spanish	7.5	10.5	16.0	24.5
Venezuela	31.0	26.5	76.8	59.5
New Zealand	45.0	48.0	170.0	130.5
Norwegian	10.5	21.5	17.0	44.0
South African	65.0	86.5	198.5	234.5
Swedish	19.5	16.5	42.0	38.0
Swiss-French	29.0	34.0	64.0	59.6
Swiss-German	38.0	46.0	87.0	96.1
Time International:				
Time-Asia	66.3	100.4	165.6	194.2
Time-Atlantic	132.0	102.2	225.2	241.0
Time-Canada	209.0	196.7	482.7	439.3
Time-Latin America	59.9	26.1	122.2	79.7
Time-South Pacific	95.9	124.6	205.8	284.2
Visao (52X)	122.2	113.2	391.5	310.4
Vision/Latin America (26X) A.	24.2	20.0	55.7	50.3
Total Group	**2,435.2**	**2,712.8**	**7,790.6**	**7,620.2**
% change		**-10.0%**		**+2.0%**

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AA photo by Mary Hershey

Jack Connors (l.) and George (Jay) Hill III (c.) of Hill, Holliday, Connors, Cosmopulos, accept award as Agency of the Year for 1985 from Rance Crain, editor-in-chief of Advertising Age, at the first annual Ad Age Awards Dinner in Chicago last week. *(Other photos on Page 88.)*

HHCC tops at AA awards fete

Chicago—Clutching his award statuette and admittedly at a loss for words, George (Jay) Hill III, chairman of Hill, Holliday, Connors, Cosmopulos said he was "deeply honored and astonished" to be receiving the Agency of the Year award at last week's first Advertising Age Awards Dinner here.

The event was sponsored by Advertising Age as a benefit for the Museum of Broadcast Communications, a not-for-profit organization established to collect, preserve, interpret and exhibit historic documentation from the fields of radio, tv and broadcast advertising. Arthur C. Nielsen Jr., chairman of A.C. Nielsen Co., chairs the museum's board of directors.

Boston-based HHCC was selected from among three previously announced finalists for the award, which Advertising Age editor-in-chief Rance Crain said honors "major creative initiative" by an advertising agency. This year's other finalists for the Agency of the Year award were Foote, Cone & Belding, headquartered in Chicago, and Levine, Huntley, Schmidt & Beaver, New York.

Appropriately, the more than 500 agency and client-company executives attending the April 22 dinner gave one of the largest

(Continued on Page 96)

Biggest global agency: DDB-Needham-BBDO

By STEWART ALTER

New York—Doyle Dane Bernbach Group, Needham Harper Worldwide and BBDO International were expected last week to agree to create a new agency holding company that immediately would become the biggest in the world, with billings of more than $5 billion and gross worldwide income of $736 million.

The new group would replace Interpublic Group of Cos., with its $4.7 billion in billings and worldwide gross income of $707 million, as the largest agency holding company. BBDO is the sixth largest U.S.-based agency in the world with $2.5 billion in billings, while DDB is 12th at $1.7 billion and Needham is 16th at $847 million.

It is expected that the holding company would be used to circumvent major account conflicts that would have prevented an outright merger. DDB handles Volkswagen, while Needham handles Honda and BBDO is the agency for Dodge. Needham also has Anheuser-Busch business, while BBDO is agency of record for Stroh Brewery Co.

Sources said late April 25 that the three agencies were preparing an announcement on the new holding company. The agencies had no comment at press time.

The billion dollar French advertising/communications giant Havas is for sale. See Page 3.

DDB's overture to Needham was the second time they have taken a pass at each other in recent months (AA, Sept. 2). DDB's IBM Corp. account no longer is a conflict as it was then, now that the $40 million Xerox Corp. account left Needham, taking away with it a quarter of Needham's New York billings.

Needham, which has been looking for ways to ex-

(Continued on Page 94)

Spirit-based cooler from Seagram

By PATRICIA WINTERS

New York—Joseph E. Seagram & Sons is expected to introduce a line of spirit-based coolers with a name and packaging similar to the new Seagram's Golden Wine Cooler it unveiled April 25 *(see related story on Page 98)*.

Seagram is presenting its new spirit-based Seagram's Golden Spirits line to the trade in some Midwest and Florida markets for a probable summer introduction (AA, March 24).

It is not known whether the line

(Continued on Page 98)

Last Minute News

Armour account returns to BJK&E

Ballwin, Mo.—ConAgra's Armour Frozen Foods unit has shifted its $15 million Dinner Classics and Classic Light account to Bozell, Jacobs, Kenyon & Eckhardt, Dallas, from Fallon McElligott Rice, Minneapolis. FMR gained the account from BJK&E last September after a review (AA, Sept. 9, *et seq.*). BJK&E's Dallas office also handles Armour's $10 million processed meats account. In addition, BJK&E's Chicago office has won the multi-million-dollar corporate account of Gould Inc., Rolling Meadows, Ill. The agency's Boston office got the $2 million account for Gould's Industrial Automation Systems Group. Both accounts previously were at Hill, Holliday, Connors, Cosmopulos, Boston.

Hicks & Greist adds $13M after losing $5M

New York—Hicks & Greist says nine new accounts and new assignments from current clients added during the first quarter topped $13 million in ad and pr billings, offsetting a loss of three accounts billing $5 million. New clients included Gaseteria, a chain of 50 budget-price gas stations (a first-time advertiser), while new assignments included Coty's Lady Stetson and Pfizer's Bonine motion-sickness tablets.

CPC backs Hellman's Light with $30M campaign

Englewood Cliffs, N.J.—CPC International will back its June introduction of Hellman's/Best Foods Light mayonnaise with a $30 million net-

(Continued on Page 8)

RJR sets up media buy unit

By WILLIAM F. GLOEDE

New York—Ohlmeyer Communications Cos., a joint venture between Don Ohlmeyer and Winston-Salem, N.C.-based RJR Nabisco, has consolidated all of RJR Nabisco's national broadcast-media buying under a new unit to be headed by 28-year-old Peter Chrisanthopoulos.

Called RJR Nabisco Broadcast, the new unit of Ohlmeyer will handle $175 million in RJR Nabisco national broadcast billings, including network tv, broadcast syndication and cable. These billings were previously at Ohlmeyer Advertising, one of the five Ohlmeyer Communications operating divisions. Lowe Marschalk continues to handle an estimated $47 million in spot tv for brands that had been under the R.J. Reynolds Industries banner before its merger with Nabisco.

The creation of RJR Nabisco Broadcast represents a continuation of a trend that threatens the traditional agency-client relationship and the 15% commission. Ohlmeyer reportedly is taking a 3% commission on everything it buys on behalf of RJR Nabisco, leaving the affected brand agencies with 12%. Ohlmeyer declined comment on its commission rate.

"Many major advertisers—P&G/Richardson-Vicks, General Foods, RJR Nabisco, Bristol-Myers—now have internal media capabilities that effectively make them competitive to their agencies, and this is another one of those kind of things," said one agency executive who would not speak for attribution.

An analysis performed by the Newspaper Advertising Bureau indicates that P&G, Philip Morris Cos. and RJR Nabisco now account for 10% of all national advertising spending in the U.S.

Mr. Chrisanthopoulos, who

(Continued on Page 98)

Theft, bribe cases surface at Ayer

By STEVEN W. COLFORD and CRAIG REISS

New York—John Bidus, a creative executive at N W Ayer since 1959, pleaded guilty last week to soliciting and receiving $60,000 in kickbacks from a production company in exchange for work on U.S. Army recruiting films that he produced.

The Bidus case was just part of a bad week for Ayer. The agency confirmed April 25 it has pressed embezzlement charges against two former clerks in its accounts payable department.

The size of the loss was not disclosed, but unconfirmed reports placed it at $230,000.

The Bidus case may become more significant if it is seized upon by congressional leaders who, before this case broke, already were moving to open an investigation into the way the military services award their ad contracts.

Mr. Bidus, 58, was fired April 21 from his vp-creative supervisor post after he told Ayer management he had been arrested Dec. 19 for allegedly having accepted $2,000 in marked bills from a supplier.

The money allegedly was forwarded by Sol Leyton, president of

(Continued on Page 94)

NEWSPAPER

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HIGHLIGHTS

Ohlmeyer forms RJR unit 1
Ohlmeyer Communications Cos., a joint venture between Don Ohlmeyer and RJR Nabisco, has consolidated all RJR Nabisco's national broadcast-media buying under a new unit called RJR Nabisco Broadcast. It will handle $175 million in RJR Nabisco national broadcast billings, including network tv, broadcast syndication and cable.

Coolers get spirited 1
Joseph E. Seagram & Sons is expected to introduce a line of spirit-based coolers with a name and packaging similar to its new Seagram's Golden Wine Cooler. Seagram is presenting its new spirit-based Seagram's Golden Spirits line to the trade in some Midwest and Florida markets for a probable summer introduction.

Ibuprofens unchained 3
A flood of new pain killers from big drug advertisers and generic houses is expected to hit the market this fall after American Home Products and Bristol-Myers lose their U.S. marketing exclusivities for over-the-counter ibuprofen-based analgesics.

U.S. car market in for shock 3
Car marketers from Romania, Greece, Taiwan, Spain, Czechoslovakia, Russia—and the only automobile manufacturer in Japan that has not yet entered the U.S.—are planning an early assault on the U.S. market. By 1990, the total number of players, including domestics and joint-venture companies, could be nearly 50. They could change the U.S. marketing environment.

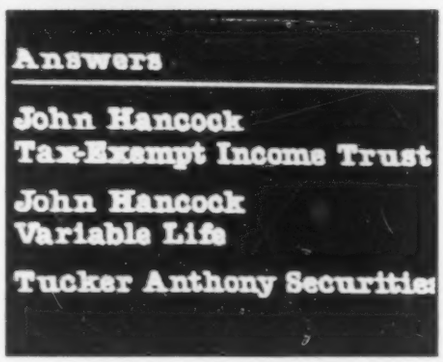
Houston boom busting 6
Why are Houston marketers pessimistic? Oilpatch layoffs helped push the February unemployment rate to 9.6%. Analysts expect the jobless rate to reach 12% by summer as crude oil prices remain volatile. Retail sales are flat, but foreclosures on commercial and residential property aren't; they're running about 80% ahead of last year. Hotel occupancy has dropped to 52%, from 71% in 1980.

Nationwide under scrutiny 12
The U.S. Justice Department by yearend is expected to complete an initial investigation of Nationwide Advertising Service, the nation's largest recruitment agency, after allegations that it selectively overbilled clients for help-wanted ads.

Coke bottler faces suit 27
Co-op advertising exclusivities are at the center of an antitrust suit filed against Coca-Cola Bottling of Memphis. The suit was filed in Memphis last month by Mid-South Beverages, bottler of Pepsi-Cola and other soft drinks.

Putting a brand on clothes 28
Coca-Cola Co.'s decision last year to hang its brand name on casual clothes has prompted other national brand marketers to do the same, suggesting a trend toward product-as-personality.

Thinking big in Boston 36
There aren't too many rules about creating ads at Hill, Holliday, Connors, Cosmopulos. In place of rules, they have enthusiasm and excitement. And there's not too much politics or turf-protection either. And there's no regional, small-time self-image; business feistiness is the counterpart to its internal enthusiasm. Thinking big, and as a result, creating provocative advertising that breaks through the present clutter of production-value slickness by being for and about real people has led the editors of Advertising Age to name HHCC Agency of the Year for 1985. *See subsequent pages for other AA award winners.*



INTERNATIONAL

Detente for marketing? 62
The Soviet Union is making what may be its first serious effort to learn Western marketing techniques. The U.S.S.R., a huge consumer market with no sophisticated advertising industry, and the American Management Assn.'s European division are talking about conducting marketing seminars to bring Soviet managers together with their Western counterparts.

Meet me in Vancouver 63
Organizers of Expo 86, a billion-dollar world's fair extravaganza in Vancouver, are hoping aggressive advertising and high-power corporate sponsorship will help it avoid the financial disasters that befell previous fairs in Knoxville and New Orleans. So far, big-name advertisers such as McDonald's International, Coca-Cola Ltd. and General Motors have signed on. In total, corporate sponsors plan to spend more than $57 million promoting their participation in the fair.

OTHER NEWS

The "Cheerios Kid" is about to join the list of past advertising "spokescharacters" making a comeback. General Mills this fall is bringing back the "Kid," an animated youngster with bulging O's for muscles who last represented Cheerios in the 1950s, hoping to put some punch back in sales. Page 12.

The U.S. Supreme Court has declined to hear a case that might have erased many of the restrictions that some state bar associations impose on lawyer tv advertising. Page 27.

Citizen Watch Co. of America April 26 broke its biggest U.S. campaign, a $15 million effort that will appear in an unusual arena for wristwatches: ABC-TV's "Wide World of Sports 25th Anniversary Special." Page 68.

Citicorp Diners Club's Carte Blanche hopes to gain a little respect in its industry with a $2 million campaign, its first in more than five years. Page 71.

Dole Food Co., seeking to unify its marketing voice, named William Esty Co., New York, to handle its $25 million-plus account. The account had been split between Allen & Dorward and J. Walter Thompson USA.

Gillette Co. will expand its presence in the $3.5 billion haircare market with the national introduction in August of an upscale line of hair-styling aids under the Mink Difference hair plan name. Page 81.

After Six Inc., the world's largest men's formalwear company, is about to send out invitations to scores of companies in hopes of entering more than 20 product categories through licensing. Page 85.

The Supreme Court last week left only a slight opening for nonprofit publishers to escape paying taxes on advertising revenues, but Congress may slam the door shut later this year. The justices unanimously ordered the tax-exempt American College of Physicians, Philadelphia, to pay taxes on ad revenue generated by its monthly magazine. Page 93.

SPECIAL REPORT

Formats are blending as grocery retailers strive to provide warehouse-style dry groceries next to upscale perishables. Special Report profiles the leading marketers and how they are finding success in the traditionally conservative supermarket industry.

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O'Rielly out at McCann in N.Y.

By STEWART ALTER

McCann-Erickson/New York's sudden dismissal last week of Curvin O'Rielly after only eight months as exec vp-creative director here was not as unexpected within as it was a surprise to outsiders.

"I had an inclination something was coming, but I didn't know what," Mr. O'Rielly said after getting word April 23 of the agency's decision. The "tone of the relationship. . .the general feeling" had changed, he added.

No successor has been named yet, and Mr. O'Rielly said he has no present plans, other than to stay on the East Coast.

Mr. O'Rielly described his departure as coming because "basically

(Continued on Page 96)

Is Coke's No. 1 claim real thing?

By JERRY SCHWARTZ and NANCY GIGES

Atlanta—With Pepsi-Cola USA crying foul, Coca-Cola Co. said last week its boast that Coke Classic is back on top of the cola market is based not on sales but consumer research.

A Coca-Cola spokesman said internal research, conducted in March, had asked consumers "What did you drink yesterday?" When Coca-Cola president Donald Keough proclaimed Coke Classic is "once again the No. 1 cola in America" at the company's annual meeting (AA, April 21), he was basing the claim only on that query, not on share of market or sales.

Purchase, N.Y.-based Pepsi

(Continued on Page 98)

West Coast news

Cal. stops new tax on production

A sales tax that would have hit California's tv commercial production companies was rejected 4-to-1 by the California state board of equalization last week. Had the board ratified the proposal, producers of commercials and industrial and education films would have been reclassified as "retailers" and made subject to a 6.5% tax (AA, Feb. 24). A consortium of advertising trade groups had warned that the tax would cripple the state's important commercial pro-

(Continued on Page 96)

Otc ibuprofen leads the charge

New pain relievers abound

By NANCY GIGES

NEW YORK—A flood of new pain killers from big drug advertisers and generic houses is expected to hit the market this fall after American Home Products and Bristol-Myers lose their U.S. marketing exclusivities for over-the-counter ibuprofen-based analgesics.

Depending on each company's objectives, the introductions by major advertisers could be supported by spending exceeding $20 million for each brand, putting more pressure on acetaminophen-based Johnson & Johnson's Tylenol, still recovering from the decision to withdraw Tylenol capsules after a tampering incident (AA, Feb. 17, *et seq.*).

J&J, New Brunswick, N.J., already the market leader in the $1.7 billion analgesic category with Tylenol, has received approval from the Food & Drug Administration to sell an ibuprofen analgesic that would compete directly with AHP's Advil and B-M's Nuprin.

A J&J spokeswoman said if the company's McNeil Consumer Products Co. enters the market, the product would be called Medipren. She said no decision has been made whether to proceed after Sept. 24, when the exclusivity protection expires. The product has not been assigned to an agency, she said.

Other companies whose names have been mentioned as entering the fray include Sterling Drug, marketer of Bayer aspirin and Panadol acetaminophen, and Chattem, whose Pamprin and Premensyn PMS menstrual relief products have been hurt by directly competitive ad claims of the ibuprofen products. Neither company would comment on its plans.

The market also is expected to be bombarded by three increasingly aggressive generic drug houses, Bolar, Par Pharmaceuticals and Zenith Laboratories. These companies, which sell unadvertised drugs primarily on price, have become more sophisticated in their marketing practices and better accepted by the medical community, and thus by consumers.

The big losers are expected to be the aspirin brands, Sterling's Bayer, AHP's Anacin and B-M's Bufferin and Excedrin. Their market shares have been eroding since acetaminophen-based products and the newer ibuprofen ones have begun replacing aspirin as the ingredient of choice among consumers.

AHP and B-M, both New York-based, have had the otc ibuprofen segment of the market to themselves since the ingredient was approved for sale without prescription in 1984. AHP's Advil has captured 6% of the total analgesic market, while B-M's Nuprin has gained 2.5%.

Of the two ibuprofen-based products now

(Continued on Page 96)

ANPA vows action on advertiser needs

By WILLIAM F. GLOEDE

SAN FRANCISCO—The nation's newspapers appear poised for a new era of cooperation with advertisers, especially those placing business nationally.

As the American Newspaper Publishers Assn. celebrated its 100th year at its annual convention here April 19 to 23, its members wrestled with the future of the nation's largest advertising medium and its place in the media world of the 1990s.

Newspapers raked in $25 billion in ad revenues last year, outpacing tv, the No. 2 medium, by more than $4 billion.

A series of committees, acting under an umbrella group called the Future of Advertising Project, which is jointly sponsored by the ANPA and Newspaper Advertising Bureau, delivered their first reports since their formation last year.

"Even though many present conditions are quite positive, ever since the advent of television we have been slowly losing advertising market share and circulation penetration in many cities," said W. Thomas Johnson, publisher-ceo of Times Mirror Co.'s *Los Angeles Times* and the outgoing chairman of the NAB board.

"If we are to remain the nation's No. 1 advertising medium and if we are determined to improve our share of market, we simply must respond more aggressively and more creatively to the changing needs of our readers and our advertisers," Mr. Johnson said.

Separately, the NAB board last week elected Frank Daniels Jr., president-publisher of the *Raleigh* (N.C.) *News & Observer and Times*,

(Continued on Page 97)

World News Roundup

GENEVA—Ted Turner's Friendship Games will not be broadcast in Western Europe by members of the European Broadcast Union. The cartel of public-service stations said last week it would be too expensive for it to broadcast the sports meet being held this summer in Moscow.

COLOGNE—Lufthansa Airlines awarded McCann-Erickson, Frankfurt, its new $7 million account touting service improvements. McCann also handles the airline's international account.

MONTREAL—Imperial Tobacco Ltd., Canada's leading cigaret company, instructed its 3,000 employes to boycott Air Canada in retaliation for the airline's experimental smoking ban on some flights.

JOHANNESBURG—The South African Tourism Board picked Ogilvy & Mather, Rightford Searle-Tripp & Makin to handle its $10 million account. KMP Compton previously handled.

LONDON—Colgate-Palmolive Co. is ending U.K. production of its Snuggles disposable diapers, a former market leader here. Procter & Gamble's Pampers and the French company Peaudouce now hold 60% of the market.

HONG KONG—Wendy's International's only restaurant here closed due to fierce competition from other fast-food chains. When the

(Continued on Page 64)

Expanded World News—P. 64

French eye sale of Havas

By CLAIRE WILSON

PARIS—Havas, the government-controlled communications giant, is up for sale as part of a massive denationalization program by France's recently elected conservative legislature.

Sources said the sale, expected to be completed by the end of the year, will dramatically alter the French advertising scene by bringing to an end Havas' long-standing domination of the industry.

"Without the support of the government and the advantages it means for Havas, they cannot possibly maintain the enormous share of the advertising market they currently control," said a former Havas employe.

The former employe added that

(Continued on Page 97)

U.S. car market set for invasion

Players could reach 50

By RAYMOND SERAFIN

Car marketers from Romania, Greece, Taiwan, Spain, Czechoslovakia, Russia—and the only automobile manufacturer in Japan that has not yet entered the U.S.—are planning an early assault on the U.S. market.

Industry reports suggest up to 10 additional foreign-car companies could make their U.S. debut by 1990, bringing the total number of players, including domestics and joint-venture companies, to nearly 50.

The impact also could change the U.S. marketing environment.

Many marketers are redoubling their efforts to identify niches. Size, function and style will be as important as price in future niche marketing, sources believe. Some of the new marketers will aim at established-but-growing segments, such as utility trucks, two-seaters and sporty sedans, while others hope to create a demand for products as exotic as a $50,000 off-road vehicle.

"Eighteen months ago we were all saying that the industry was going from 25 to 12 companies in the world," said Gerald Greenwald, chairman of Chrysler Motors, the automotive operations group of Chrysler Corp. "Either we're going to get more competitiv. and there aren't going to be 50, or this is going to be a car market that looks dizzy."

Fierce competition in their home markets forces many foreign-based companies already here to rely on U.S. profits to fuel their research and development.

Japanese auto companies earned three-fourths of their 1984 worldwide profits in the U.S., said C.L. King, senior vp-sales for Nissan Motor Corp. USA, Carson, Cal.

New marketers are finding that existing dealers are lining up for franchises. "Most dealers are in an expansionist mood," said a spokesman for the National Automobile Dealers Assn. "They're interested in broadening their economic base and appealing to more

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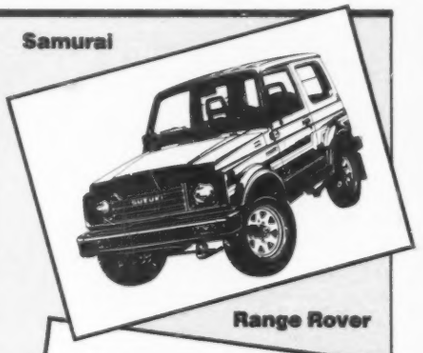

U.S. NewsWatch

Marketing news from regional centers across the country

PALM BEACH, FLA.—**The Palm Beach County tourism department** this week breaks a $1 million print campaign to boost summer occupancy. The ads, via the Martin Agency, Richmond, Va., target seven northeastern markets.

GREENFIELD, MASS.—**Tomsun Foods**, marketer of Jofu, a blend of tofu and fruit, will expand its four-market test to the rest of New England in June. Calet Hirsch Spector, New York, handles.

NEW YORK—**WMCA** today breaks its first tv spots in a decade as part of a $1.5 million campaign. Van Brunt & Co. handles.

DALLAS—**Pizza Inn** today introduces Fresh 'N Fried Chicken in five Springfield, Mo., outlets with a multimedia campaign via Lowe Marschalk, Houston.

ROCHESTER, N.Y.—**Jolt Cola Co.** is testing here a cola drink—which is sweetened by 100% sugar and has twice the caffeine of Coke and Pepsi. Jolt's $100,000 tv, radio and newspaper campaign,

(Continued on Page 78)

ADWATCH

BK ad recall keeps fading

McDonald's still eclipses foes

By JULIE FRANZ

McDonald's has opened another front in the burger wars and appears to have chief rival Burger King off guard.

After McDonald's McD.L.T. campaign trounced Burger King's much-maligned "Find Herb" campaign in advertising top-of-mind awareness, BK has been looking for a way to fight back at the cash register and in consumer recall. It had better hurry.

BK's ad awareness score took a dive last month, as the four-month "Herb" effort ended, dropping 7.7 percentage points to 15.3% of first mentions, according to ADVERTISING AGE's monthly adWatch survey of advertising awareness. McDonald's awareness score, on the other hand, gained 2.8 percentage points. Last month, 42.4% of the respondents asked to name the advertising for a fast-food restaurant that came to mind first said McDonald's.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name ads in a variety of product categories that first come to mind from all seen, heard or read in the previous 30 days.

In March, 1,000 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

McDonald's in March shifted its advertising focus to its breakfast menu, which accounts for about 20% of sales. The ads, via Leo Burnett USA, Chicago, focus on the products' convenience, using the theme "Takin' breakfast by the hand." Similar ads via Burrell Advertising, Chicago, themed "Portable breakfast," are aimed at the black community.

Breakfast spots for Burger King broke in April, after the March adWatch survey had been completed.

BK also is running spots for its new Chicken Tenders, a chicken finger food aimed at stealing share from McDonald's Chicken McNuggets.

Rounding out the fast-food category in third place was Wendy's with 8.8% of first mentions; Hardee's finished in the No. 4 spot with 3.7%, and Pizza Hut's 1.4% of first mentions took fifth.

Despite the ad dollars, a significant percentage of respondents last month came up dry when asked which restaurant advertisement they recalled first: 17.3% of those queried responded "None" or "Don't know."

It may take another month for new advertising from Coca-Cola and Pepsi, the leading soft-drink marketers, to affect ad awareness scores in that category. New campaigns from both brands broke just before the March adWatch survey period, but too early to affect last month's outcome significantly.

Pepsi remains in the lead for the second month among soft-drink brands, with Coke again filling the No. 2 slot. Pepsi's share of first mentions rose slightly (and statistically insignificantly) to 33.5%, while Coke's score similarly inched up to 31.7%.

The 10 best recalled (unaided) ads in March were for, in descending order, Coca-Cola, Pepsi, McDonald's, Burger King, Budweiser/Bud Light, Miller/Miller Lite, Ford, *Sports Illustrated*, Chevrolet and Procter & Gamble's Pampers.

Sports Illustrated's appearance

(Continued on Page 93)

SOUTHERN CALIFORNIA'S BEST MARKET DOESN'T DISCRIMINATE

In Orange County, status cars have their place. So do economy models. As residents of the market with Southern California's highest median household income, Orange Countians often have both. And the Register MetroGroup reaches more of them than any other newspa

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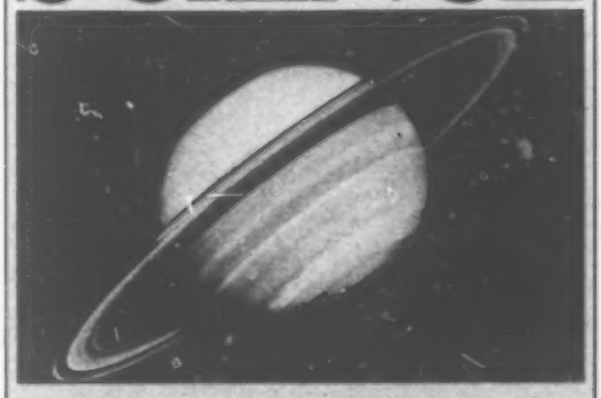

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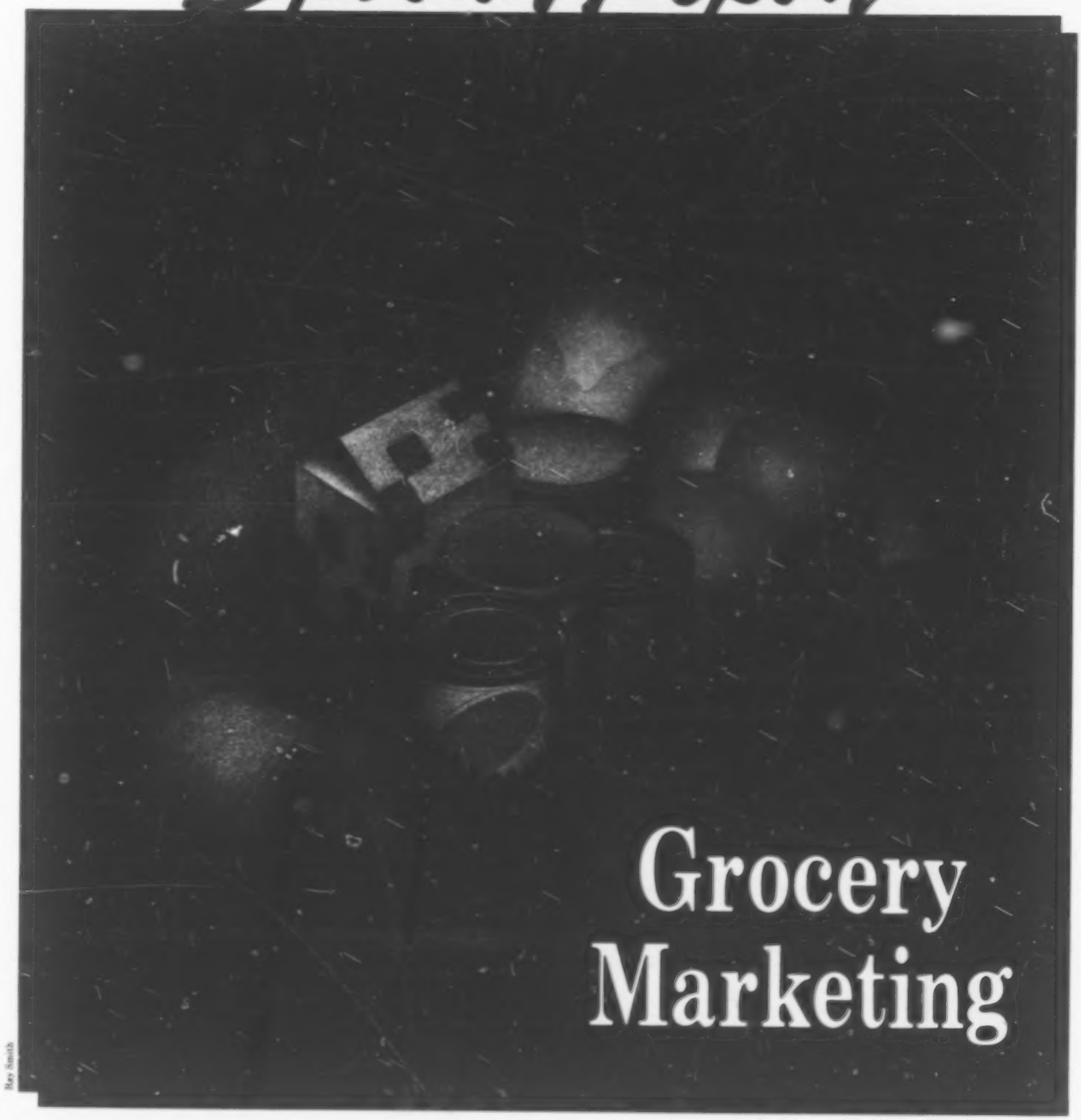


Ray Smith

Grocery Marketing

Supermarket chains work to fill tall order

By Julie Liesse Erickson

The next few years will determine if the retail grocery industry can have its cake and eat it too.

Or, more accurately, supermarket operators will find if they can have upscale perishables alongside low-price dry groceries.

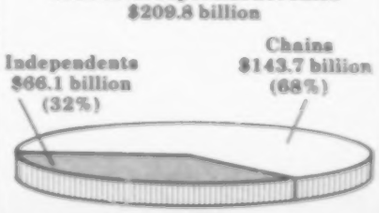
"In the 1950s and 1960s, a chain would create its prototype and open that cookie-cutter store all over its market," says Tim Hammonds, senior vp for the Food Marketing Institute, Washington. "In the '70s and early '80s, we saw the emergence of distinct formats—warehouse stores, gourmet stores, superstores.

"Now we are seeing the formats beginning to blend. Everyone's trying to provide warehouse-style dry groceries with upscale perishables."

It's a risky move for the conservative supermarket industry, which traditionally operates on slim profit margins. (*Progressive Grocer* magazine places the average supermarket's pretax profit at 1.8% in 1985.) But with U.S. population growth slowing and competition coming from everyone—from fast food to department stores to small specialty shops—retail grocers, particularly chains, more than ever need to meet the very specific needs of their customers on a market-by-market basis.

U.S. supermarket sales

1985 total supermarket sales $209.8 billion



Source: Food Marketing Institute

FMI, a trade association with 1,500 corporate members representing 18,000 retail outlets around the world, places 1985 industry sales at $290 billion, up marginally from the previous year. *Progressive Grocer* magazine figures an industrywide sales increase of 4.6% from 1984 to 1985.

Unlike some of its prime competitors for the consumer's food dollar—fast food and convenience stores, for example—the supermarket industry remains outside true chain domination. Figures from the U.S. Department of Agriculture show chains' share of grocery store dollars has remained virtually unchanged for 20 years. *Progressive Grocer* reports chains accounted for

(Continued on Page S-2)

Chains work to fill tall order

(Continued from Page S-1)

49.4% of all U.S. food store sales in 1985—but 11.4% of the total number of retail food outlets. There are 154,000 food outlets in the U.S.; 30,500 of those are supermarkets.

The chain operator does have the advantage of a large base of capital. "It used to be that you could open a grocery store with very little capital of your own," says Ken Partch, editor and publication director for *Supermarket Business*, a Fieldmark Media publication based in New York. "That's just not true today. You need $5 million to $6 million, at the [high end], to open a superstore."

But although *Progressive Grocer* reports 64% of the nation's supermarket chains opened a new store in 1985, "All the big chains are looking at slower growth in an overstored environment," says Frank Pankyo, vp for the Food Institute, Fair Lawn, N.J. "Each chain is looking for a way to break out of the mold—into related fields, into a broader range of goods, including videocassette rental, lawn and garden equipment, liquor, expanded produce and restaurants.

"The ultimate question," he says, "is who is going to supply the needs of the American household?"

To be all things to all people, upscale chains, such as 33-store Randall's in Houston and 127-store Ralphs in Los Angeles, are trying to re-establish themselves as competitively priced. Meanwhile, chains that have made a living by advertising low prices and no-frills service, including Dublin, Cal.-based Lucky Stores and Elmwood Park, N.Y.-based Grand Union Co., are adding on-site bakeries and upscale meat departments. And it's almost taken for granted that each store will feature a selection of non-food departments: Pharmacies, floral shops, banking facilities and the like.

But Mr. Hammonds says it's not true that all supermarkets are destined to look alike. He points to another popular industry trend, what he calls "customizing for the neighborhood"; Safeway Stores, Oakland, Cal., for example, boasts of more than a dozen store formats.

"Where the stores will look different is in the size of their product selection and types of foods each offers," Mr. Hammonds says. "The U.S. is experiencing a celebration of ethnic diversity that isn't going to end soon."

New kinds of in-store service departments also will yield variety—thankfully, according to some observers. "The biggest event of the '80s is that service has come back to the supermarket," Mr. Partch says. "They reacted just in time—supermarkets had become very dull places to shop. There was a terrible sameness from coast to coast."

But although customizing will make stores more responsive to market conditions, it also will make the chain's job more difficult. "There was a time when you could open a grocery store and expect to be successful," says Larry Schaeffer, editorial director for *Progressive Grocer*, a Maclean Hunter Media trade publication based in Stamford, Conn. "Today, you have to make sure each store is positioned properly in its particular market.

"Niche marketing may be a cliche, but it's an accurate one."

In addition, Mr. Hammonds says, "Markets are very different. It's not enough to customize once."

But the traditional strength of a chain is producing similar stores over and over—of having a brand name that elicits certain expectations in the customer's mind. Can chains customize and still remain profitable? "The jury is still out on the flexibility of the chains," Mr. Hammonds says. "How do you manage different formats? Do you use the same name, the same management groups?

"The climate today requires that a very clear and consistent image be projected to consumers—and how do you manage that when you operate several different formats?"

"A customer wants to go to a Kroger or a Safeway and know what to expect," says Charles Handy, director of the U.S. Department of Agriculture's food distribution and marketing research section in Washington.

To clear up confusion over multiple formats under a single chain operator, Mr. Hammonds and others suggest the possibility of multiple brand names or a set of smaller chains under one corporate banner. Some chains already have experience with similar setups: American Stores Co. of Salt Lake City has four separate supermarket divisions, while others, including Giant Food of Landover, Md., operate distinctly different outlets under separate names.

Continuing image advertising campaigns is another way to let customers know what to expect. "Price advertising will always be the key in the supermarket industry, but image ads are getting people in your door," says Mark Pryor, editor of *Food People*, a trade publication covering the southern supermarket business from its Atlanta headquarters.

In early April, Winn-Dixie Stores of Jacksonville, Fla., for example, broke a new tv campaign designed to promote its stores' variety of products and how those products fit into individual shoppers' lives. The campaign represents a major change from the previous more generic, price-oriented ads.

Giant Food, Landover, Md., last fall introduced a series of tv spots that clearly shows customers what they'll find at Giant stores: Fresh fruits, vegetables and meats, plus concerned service and followups to customer comments.

These types of image campaigns reflect broader changes in supermarket advertising.

Supermarkets are tilting their media buys toward more tv ads, and, says Mr. Pryor, this might be at the expense of newspapers. *Progessive Grocer* reports 52% of chain supermarket managers in an early 1986 survey said their use of tv advertising was increasing; only 5% said they were using less tv. And while the magazine reported that only 6% of independent grocers were decreasing their use of tv ads, 11% said they were decreasing their use of newspaper ads.

In addition, Mr. Hammonds says, "The supermarket industry is moving away from manufacturer-driven advertising and toward customer-driven ads. Formerly, supermarket ads were driven by manufacturer allowances, or payments to retailers—resulting in the tombstone ad, with line after line of product names.

"Now you see local ads tailored to shoppers—more store image, more information, more general health and nutrition information.

"Increasingly, ads also feature just a few products, rather than the endless lists of yesteryear," Mr. Hammonds says.

This reflects what he calls "a more equal partnership emerging between manufacturers and retailers. In the past," he says, "customer demand was primarily created by manufacturers, with retailers the vehicle for that demand. Today, because of the information the retailer has and because the stores themselves have an image with consumers, the retailer has become an important consumer for the manufacturer."

Mr. Panyko is more direct. "Today, the flow of power is toward the wholesaler and retailer and away from the manufacturer. "With overstocked stores and scanning systems, the store has the information and the leverage."

But Mr. Handy points out that independent supermarkets have shared this new power with chain operators. "Big wholesalers like SuperValu and Wetterau have given the independent the same buying power and economies that chains have enjoyed," he says. "They provide independents with some of the support services usually found in a chain. And with the independent's lower labor cost, they have a big advantage."

"The relationship between manufacturers and retailers is fundamentally a very cooperative one," says Richard Bryan, vp of Glendinning Associates, Stamford, Conn.-based marketing consultants. "They know they have to work together to get products through the distribution system and out to consumers.

"But it's also an adversarial relationship," Mr. Bryan says. "The manufacturer wants to own the consumer's loyalty for his products, and the retailer wants the consumer to be loyal to his stores. There have been times when manufacturers had the upper hand, but that's not going on any more.

"Retailers, particularly the chains, definitely have strengthened their position."

Fast Facts

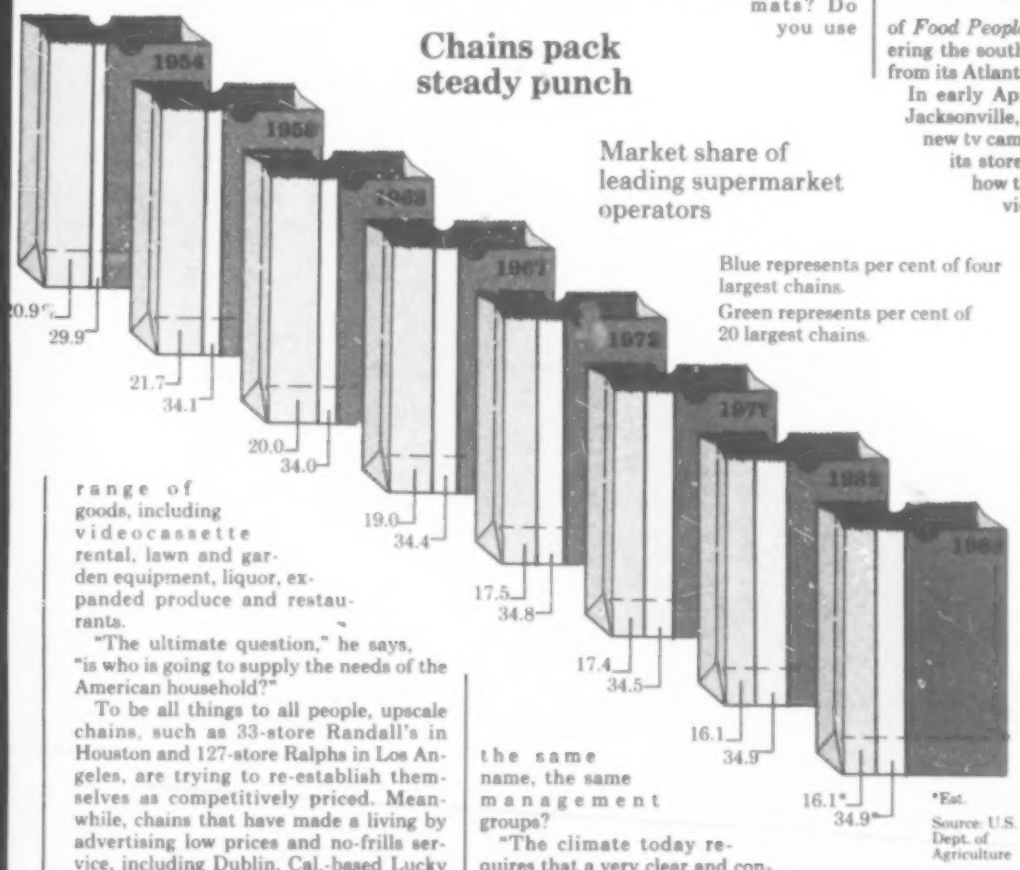
Grocery marketing

- The grocery industry had $300 billion in sales, roughly, (just over $290 billion) in 1985.
- Food store sales account for one-fifth of all retail store sales in U.S.
- Food stores employ 2.6 million people.
- There are 154,000 total food outlets.
- There are 30,500 supermarkets in U.S. (supermarkets are defined as full line food stores with sales of $2 million or more.)
- In 1984 the frozen food department percentage of total store sales averaged 8.1% while 6.6% of total store space was allocated to frozen items.

Source: Food Marketing Institute

Chains pack steady punch

Market share of leading supermarket operators



Blue represents per cent of four largest chains.

Green represents per cent of 20 largest chains.

*Est.

Source: U.S. Dept. of Agriculture

> ***"Each chain is looking for a way to break out of the mold—into related fields, into a broader range of goods, including videocassette rental, lawn and garden equipment . . . ."***
>
> **Frank Pankyo**
> **Food Institute**

Cars

(Continued from Page 3)

buyer segments."

Domestic auto marketers are trying to meet the competition by turning to "captive imports"—cars built by foreign companies for marketing here by domestic companies—from Japan, Germany and Mexico, and joint ventures with foreign-based companies, efforts that are blurring distinctions between domestics and imports.

The niche that many car marketers are looking to fill in the U.S. is the low end, a market segment that includes the 20 million people a year who now buy used cars at an average price of $5,200.

Leading a wave of new, low-end cars into the U.S. is the $3,990 Yugo, a car imported to fill the niche abandoned by the Japanese, who responded to import quotas by moving into higher segments of the market.

The Yugo ad strategy, via Rosenfeld, Sirowitz & Lawson, New York, attempts to position the car as a successor to the Ford Model T and Volkswagen Beetle, with the price tag a start on "the road back to sanity," according to the ads (AA, Aug. 26).

To tap this low-end market, Suzuki of America Automotive Corp., Brea, Cal., began selling the $6,200 Samurai, a jeep-like subcompact, on the West Coast in November (AA, July 8). Its Japanese parent, Suzuki Motor Co. Ltd., makes the three-cylinder Sprint for General Motors Corp.'s Chevrolet division.

Suzuki also plans to bring into the U.S. a version of the car for its own dealer network in 1988. The agency is Keye/Donna/Pearlstein, Los Angeles.

But some in the industry already are predicting that Hyundai Corp. and other Korean companies will dominate the low-end market in the same way that Japanese makers established themselves during the 1970s.

"I think the Japanese will resign the subcompact market to the Koreans," said Jim Harbour, president of Harbour & Associates, Detroit, a manufacturing management consultant.

U.S. importer Hyundai Motor America, Garden Grove, Cal., introduced the $4,995 Excel in February with a network of dealers in 31 states on the two coasts and through the Sunbelt, with a sales goal of 100,000 units in 1986. In March, the company's first full month, it sold 10,342 cars.

That one-month figure surpasses the total of 10,326 cars sold by Yugo since its August introduction through March. "We're still restricted by supply," said Dan Prior, senior vp-sales marketing for Yugo. "We have about 30,000 purchase orders unfilled."

One distinction between the two new importers is that Hyundai opened its U.S. marketing with nine versions of its Excel at different price levels, while Yugo entered the U.S. with only the Yugo GV, but plans to bring in three new models, including a two-seat sports car, by 1990.

Some contend that pricing of the new cars is deceptive. Options can add up to $1,000 to Yugo's $3,990 price, and transportation charges, dealer prep, taxes and title can bring the out-the-door cost to the mid-$5,000s. Early excitement about the product, coupled with its general unavailability, led some dealers to mark up the price several hundred more dollars.

Hyundai's entry was patterned after the typical Japanese strategy of offering a price leader that is not always readily available. While the four-speed manual transmission, five-door hatchback Excel comes

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The U.S. car market invasion

Marketers of foreign cars aiming to penetrate the U.S. market. Source: Advertising Age.

Vehicle Importer	Producer Origin	Intro date	Base price	Ad budget Agency
Yugo GV subcompact Yugo America Inc. Montvale, N.J.	Zavodi Crvena Zastava Yugoslavia	August 1985	$3,990	$ 8 million Rosenfeld, Sirowitz & Lawson
Hyundai Excel subcompact Hyundai Motor America Gardon Grove, Cal.	Hyundai Korea	February 1986	$4,995	$25 million Backer & Spielvogel
Acura, Legend and Integra America Honda Motor Co. Gardenia, Cal.	Honda Motor Co. Japan	March 1986	$9,300-$19,300	$15 million Ketchum Advertising
Suzuki Samurai Suzuki of America Automotive Brea, Cal.	Suzuki Motor Co. Japan	February 1986	$6,200	$10 million Keye/Donna/Pearlstein
Sterling Austin Rover Cars of North America Miami	Austin Rover Britain	Early 1987	$20,000	$20 million Beber Silverstein & Partners
Sesta APV utility Automotive Imports & Marketing Phoenix	Inthelco Greece	Middle 1986	$4,990	$ 3 million Goldsmith & Anscrge
Pinzgauer off-road vehicle Pinzgauer of America Telaford, Pa.	Steyr-Daimler-Puch, A.G. Austria	Fall 1986	$50,000	$ 1 million None yet
Range Rover station wagon Range Rover of North America Saddle Brook, N.J.	Land Rover Ltd. Britain	Late 1986	$40,000	$ 4 million None yet
Dacia No U.S. distributor	Auto Dacia Romania	Late 1986	$3,990 and up	$ 2 million None yet
Daihatsu Charade minicar Daihatsu Motor Co. Los Angeles, Ca. (planned)	Daihatsu-Kogyo Ltd. Japan	1987	Under $5,000	$ 7 million None yet
Skoda subcompact No U.S. distributor	Skoda Czechoslovakia	1987 or later	Under $5,000	$ 6 million None yet
Seat Malaga minicar No U.S. distributor	Seat Spain	1986 or later	Under $5,000	$ 7 million None yet
Lada 2108 minisedan Satra Corp. New York	Lada U.S.S.R.	1986 or later	Under $6,000	$ 4 million None yet
Citroen luxury sedan No U.S. distributor	Peugeot Citroen France	1986 or later	$20,000	$ 6 million None yet

Auto ad accounts moving fast

By JESSE SNYDER

DETROIT—Automobile accounts are up for grabs. Nearly $200 million in accounts has changed hands since November, and more changes may be coming.

Slowing sales and production overcapacity in the U.S. and Europe, a surge of new import entries in the U.S. market and account conflicts from the increasing number of international agency mergers all have contributed to accounts shifting.

"Some auto makers are repositioning and want fresh blood, some agencies are tempted to bail out on weak clients and some marketing executives who missed sales goals are under more pressure to produce," said one agency source. "It's sometimes easier to hire a [new] agency than take the rap yourself."

Domestic car makers are least affected, but U.S. ad shops are right in the thick of the action. Heightened competition also is putting a premium on agency executives with strong auto credentials and creating new opportunities for them.

HCM/New York is the most recent winner in the car-account sweepstakes, picking up the $15 million Peugeot Motors of America national account in competition against Angotti Thomas Hedge and Lord, Geller, Federico Einstein (AA, April 7). HCM already represents the French auto maker in nine other countries, including France.

The agency will pursue dealer group accounts that did not automatically come with the award from Peugeot's Lyndhurst, N.J.-based U.S. arm, says HCM president Robert Schmitterer.

Mr. Schmitterer added: "Great creative agencies are often built on great automotive accounts."

HCM replaces Ogilvy & Mather, which resigned Peugeot to pursue another car account, that Peugeot insiders say is Nissan but which Nissan and O&M deny.

For its part, HCM dumped Italian auto maker Alfa Romeo to pitch and win Peugeot. Both actions, observers say, reflect agency desires to move up in billings or prestige—another factor that is feeding the action here and abroad.

The current car-account shuffle began last fall, when American Motors Corp. pulled its $50 million AMC-Renault account from Grey Advertising and gave it to Saatchi & Saatchi Compton, Southfield, Mich., which already had AMC's $60 million Jeep account. Grey went on to win the $37 million Mitsubishi Motor Sales account away from Cunningham & Walsh.

In addition, executives at Dai Ichi Kikaku, a big Japanese agency partly owned by Mitsubishi Motor's parent company, now say they are going after the account in the U.S.

Jaguar Cars, Leonia, N.J., is looking for a new agency for its $16 million-to-$20 million U.S. account because of a client conflict at incumbent Bozell, Jacobs, Kenyon & Eckhardt (AA, March 13).

The agency already handles Chrysler-Plymouth, which plans to begin marketing a Maserati-built Chrysler $25,000 two-seater in early 1987.

And Alfa Romeo, which already has cleaned house, still is looking for an agency for its $15 million pan-European account. It replaced Marshall Advertising, a London subsidiary of DMB&B, with Swiss-based GGK, London, on the $3 million U.K. account and split the $15 million Italian account between Alberto Cremona, ODC and Mac. CBC previously handled.

In the U.S., Alfa picked Bloom to handle the account HCM resigned. The car maker says the account will grow to $8 million or $10 million with a new sedan being introduced; HCM has described it as a $2 million account.

Last month, Young & Rubicam won $40 million in billings for Ford of Germany, Cologne, replacing incumbent J. Walter Thompson Co., and General Motors' subsidiary Adam Opel moved its $24 million-to-$26 million German account from McCann-Erickson to fellow Interpublic Group shop Troost Lowe-Marschalk without a formal review.

Y&R also is gunning for the $30 million Ford account in the U.K., now at O&M (AA, April 7).

The only real crack on the domestic front was forced in early 1984 by Vic Olesen & Partners, Los Angeles, which won a $10 million California-only Chevrolet account from Campbell-Ewald.

The active market is opening doors for agency executives with strong automotive account records.

Among recent personnel shifts: Joe Schulte, head of JWT/USA's Detroit office, recently moved to New York, where he will oversee parent J. Walter Thompson Co.'s worldwide Ford business; Willie Hopkins, top-level account supervisor on Audi at Doyle Dane Bernbach, Troy, Mich., heading up a new Los Angeles office for Backer & Spielvogel on Hyundai, Korea's entry into U.S. markets, and Dick Johnson, head creative on Dodge trucks at BBDO, Southfield, Mich., to head creative at S&SC, Southfield, Mich.

Many shops, however, seem oblivious to the turmoil. Campbell-Ewald is celebrating 75 years with Chevy this year and D'Arcy or its predecessor has now held tight to Cadillac and Pontiac accounts for more than 50 years. They've outlasted the seven-year norm in an industry that seems to be getting the itch more and more frequently.

Cars

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in at $4,995, the price escalates to $5,895 for the next lowest-price version (with a five-speed manual transmission) and to $6,915 for the Excel GLS four-door sedan with automatic transmission. Options can add another $1,400. With freight, title and taxes, plus dealer markups that are common in many West Coast markets, it can cost up to $10,000 to take an Excel out the door.

Jack Collins, director of marketing, said Hyundai sees the sale of low-end cars as "fundamentally incremental to the marketplace.

"The opportunity is evident for entry-level autos because of the escalation of prices in general. We're just not sure how deep the water is."

J.D. Power & Associates, Westlake Village, Cal., predicts the market for low-end vehicles (less than $5,500, based on current dollar value) will reach 800,000 to 1 million by 1990. Yugo officials suggested the number could go as high as 1.5 million by then.

The crowding of the marketplace is affecting attempts to position the cars.

A J.D. Power study said, "With so many alternatives from which to choose, the consumer will be seeking information that will simplify a complex decision process involving the expenditure of a great deal of money. Each manufacturer will be increasingly competing for attention during a time when image, reputation and value will be more important to consumers," the report said.

Mr. Collins said Hyundai approached its ad campaign with the conviction that "the Korean heritage is not a liability. It's not that Korea has a bad image, but that it has no image." Excel's Korean heritage isn't mentioned in the current campaign, via Backer & Spielvogel, Huntington Beach, Cal., which uses the theme line "Hyundai. Cars that make sense" (AA, Jan. 20).

Hyundai preintroductory advertising tried to build corporate credibility and pique consumer interest by focusing on the company's international standing in the shipbuilding and locomotive manufacturing industries.

While most Americans hadn't heard of Hyundai Corp., it is South Korea's largest company, and the 37th-largest multinational conglomerate worldwide.

Others bringing low-end vehicles to the U.S. market have not indicated yet how those cars will be positioned:

- Inthelco, a West German company, is building the utility vehicle Desta in Greece, using Ford of Europe components, although production eventually is to be moved to Germany. Six models, starting at $4,990, will be introduced on the East Coast in mid-June by Desta of America (East), Bricktown, N.J., the first distributor appointed by importer Automotive Imports & Marketing, Phoenix. Sales goal is 20,000 to 25,000 units the first year, with an eventual objective of more than 100,000. Goldsmith & Ansorge, Red Bank, N.J., handles.
- Daihatsu Motor Co., the only one of Japan's nine auto manufacturers not yet in the U.S. market, plans to begin exporting its minicar, the Charade, in the fall of 1987 (AA, July 11). The front-wheel-drive Charade is sold in two-door and four-door hatchback versions in Japan. Daihatsu is expected to set up a subsidiary, Daihatsu of America, on the West Coast that will begin establishing a marketing network later this year. No agency has been selected.
- Volkswagen United States will try to recapture the entry-level market that its Beetle once dominated by importing two VW-made entry-level models from Brazil for the 1987 model year. Doyle Dane Bernbach, Troy, Mich., handles.
- Czechoslovakian maker Skoda has marketed a minicar in Canada since 1983 and is reportedly considering entering the U.S.
- Romanian maker Auto Dacia is considering entry with one or more models, but three separate companies claim import rights, according to the trade journal *Automotive News*.
- Spanish car maker Seat (SAY-aht) is weighing entry of a low-cost car line. It also plans to bring in a sporty small car to compete with models such as the Honda Civic CRX by late 1988 or early 1989. That may be affected by its agreement to be acquired by Volkswagen AG, Wolfsburg, West Germany (AA, March 10).

While price is expected to be a part of the positioning of those vehicles, value probably will be even more important. Various studies suggest that most consumers, especially women (who on average buy smaller and lower-price cars than men do), are willing to pay slightly higher prices for increased reliability.

There is more activity at the upper end of the car market as well.

The Sterling, a collaborative project between Honda Motor Co. of Japan and the U.K.'s Austin Rover Group, will compete with $20,000-plus luxury sedans when it is introduced in the U.S. in 1987. Steyr-Daimler-Puch A.G., Austria, is building a national dealer organization for its $50,000-plus Pinzgauer, a five-passenger off-road vehicle scheduled to debut on the East Coast in late summer.

While the bottom end of the car market is price-driven, "at the upper end it's really a question of value retention," said Raymond Ketchledge, president, Austin Rover Cars of North America, Miami, which will import the Sterling to the U.S. beginning in January.

Mr. Ketchledge said Austin Rover received 600 applications for its 100 dealerships. "The level of interest is high, because this is a market segment that is expanding very dramatically," he said. "And the domestics have not succeeded in appealing to younger, affluent buyers."

Unlike Yugo, Suzuki and Hyundai, which began with regional distribution in the U.S. market, Austin Rover intends a national

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launch, Mr. Ketchledge said. "We want to provide a high level of customer assurance that we will be around for a long time and that they will be able to get service anywhere they travel," he said.

Sales goal is 20,000 to 22,000 units the first year. Beber Silverstein & Partners, Miami, handles the $20 million account.

French auto maker Citroen, which left the U.S. market more than a decade ago, is reportedly considering a return within a few years with its own new entry in the luxury-sedan category.

At $50,000, the Pinzgauer is being aimed at high-income sportsmen. Pinzgauer of America, Teleford, Pa., distributor for Austria's Steyr-Daimler-Puch, A.G., hopes to sell 500 of the all-terrain sports-utility vehicles beginning this summer and double that in 1987. There is no agency yet.

Even the Russians want a piece of the action. The Soviets are considering bringing their front-wheel-drive Lada to the U.S. in two years after testing the demand for it in Canada and Europe this summer (AA, Feb. 24). The base price is $7,000 (Canadian) in Canada.

All this activity will accelerate an industry trend toward fewer dealers, with the remaining ones more likely to carry several lines of products in separate showrooms. About 4,000 dealerships were closed during the down days of the industry in the early 1980s. The rate of decline has slowed in more recent years, and there were 24,750 U.S. dealers at the end of 1985.

Potential franchisees are lining up despite costly demands made by producers. When Honda created its new Acura division to enter the luxury-performance market, it demanded that its 50 start-up dealers ouild facilities at least 10 miles from their existing Honda dealerships. Hyundai required that its dealers provide separate showrooms on sites near interstate highways. Those sorts of demands favor representation by the wealthiest dealers, who thus continue to grow.

Auto analyst Maryann Keller, of Vilas-Fischer Associates Ltd., New York, said, "The success of the new marketers will hinge on the same things that determine success now: How the car holds up, who has the best dealer network and service system."#

ACT moves to Cambridge

CAMBRIDGE, MASS.—Action for Children's Television has moved to 20 University Rd., 02138. ACT previously had been based in Newtonville.

Citizen elects midprice niche

By LISA E. PHILLIPS

NEW YORK—Citizen Watch Co. of America last week broke its biggest U.S. campaign, a $15 million effort that will appear in an unusual arena for wristwatches: ABC-TV's "Wide World of Sports 25th Anniversary Special" (AA, April 21).

That kicks off Citizen's charge into the U.S. midprice watch market, dominated by Tokyo-based K. Hattori Corp.'s Lorus, Pulsar and Seiko brands, which have a combined market share exceeding 70%.

Citizen, via Levine, Huntley, Schmidt & Beaver, signed a $4 million deal this year for sponsorship of ABC sports events including th Kentucky Derby, Preakness, Indi anapolis 500 and 11 "Monday Nigh Football" games.

It also will be a network sponso of nine consecutive National Foot ball League football games o CBS-TV, beginning Nov. 11, an es timated $3.5 million buy.

A spring spot buy in more than 50 markets will increase for a fal gift-giving push because about 60% of watch purchases are gifts, said Steve Schindler, senior vp-management rep at the agency.

Even though more women than men buy watches, Citizen opted for sports events. "Sports programs tested better [recall] than prime time shows," said Tony DeGregorio, senior vp-associate creative director.

While any company not touting beer, razors, shaving cream or automobiles would stand out on tv sports shows, Citizen's new campaign is meant to stand out in the midprice $50-to-$300 segment.

Both spots in the new campaign, created by Mr. DeGregorio and Lee Garfinkel, senior vp-associate creative director-copywriter, show off several dress watches interspersed among quick-cut vignettes of beautiful, active people getting dressed for evening dates.

The action in each spot is backed by an Al Jolson imitator singing the 1920s song "About a Quarter to Nine" as men and women hurriedly go through their closets, change outfits and check their Citizen watches.

Voiceover on both spots proclaims: "They say time is what you make it. At Citizen, we prefer to make it beautiful." The commercials end with a logo and the tag line "Citizen. No other watch expresses time as beautifully."

Steve Horn, ADVERTISING AGE's 1985 Director of the Year, directed the Citizen spots and David Dee edited. Robert Nelson, senior vp-executive producer at LHS&B, produced; Mr. DeGregorio was art director, and Mr. Garfinkel, copywriter.#

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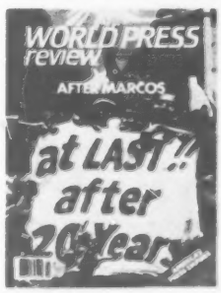

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Publication's ad revenue ruled taxable

Nonprofits lose tax battle

By STEVEN W. COLFORD

WASHINGTON—The Supreme Court last week left only a slight opening for nonprofit publishers to escape paying taxes on advertising revenues, but Congress may slam the door shut later this year.

In a ruling eagerly anticipated by both for-profit publishers and nonprofits (AA, Dec. 16), the justices unanimously overturned a lower court decision and ordered the tax-exempt American College of Physicians, Philadelphia, to pay taxes on ad revenue generated by its monthly magazine, *Annals of Internal Medicine*.

By rejecting the lower court's interpretation of a 1950 tax law, the justices pushed aside the argument that advertising in *Annals* should be tax-exempt because it directly furthered ACP's not-for-profit mission, the education of its 75,000 physician members.

Although the court declared ad income from *Annals* to be taxable, it did not accept the government's position that existing laws made ad revenues of all not-for-profit organizations taxable.

Writing for the court, Justice Thurgood Marshall left open the possibility that, with proper packaging, advertising in *Annals* might be judged educational and its revenue tax-exempt.

"By coordinating the content of the advertisements with the editorial content of the issue, or by publishing only advertisements reflecting new developments in the pharmaceutical market, for example, perhaps the college could satisfy the stringent standards erected by Congress and the Treasury," he said.

For-profit publishers, often locked in tough competitive battles with publications of nonprofit groups, have long contended that sheltering the income of professional and association publications from taxation gives those publishers an unfair advantage.

A House ways and means committee panel expects to review tax treatment of "unrelated business income" earned by nonprofits at hearings this year.

The significance of the ACP case was underscored by the interest in the case from the American Society of Assn. Executives here. If *Annals'* ad revenues had been found to be tax-exempt, the ASAE was prepared to ask that ad revenues from publications by its thousands of nonprofit member associations also be exempted.

The Supreme Court offers little encouragement to ASAE members, conceded James Albertine, director of government affairs. "I don't think the decision forecloses on the possibility that one can get an issue of relatedness [of advertising and the publication's educational, tax-exempt purpose] worked out," he said, "but it doesn't look all that great."

William O'Donnell, exec vp at the Assn. of Business Publishers, New York, which represents for-profit publications, said he believes the court ruling closes the issue.#

N.Y. poster trucks gear up

By LISA E. PHILLIPS

NEW YORK—Another fleet of trucks sporting standard outdoor-board-size posters takes to the streets of New York May 1, despite a vow by the city's transportation commissioner to ticket any vehicle obstructing or distracting traffic.

PosterMotion will have six trucks in New York, said Andrew Motion, president of the London-based company, and his standard 30-sheet-panel trucks also will arrive in Los Angeles by mid-June and in Chicago, San Francisco and Washington by October.

PM's trucks carry three panels—two concave, 10-by-22.8-ft. panels and one odd-size panel in the rear—all externally illuminated for 24-hour visibility.

They will be equipped with cellular telephones, in case an advertiser wants to change a driver's route. PM already has three advertisers lined up for May 1 and beyond, Mr. Motion said, though he declined to identify.

PosterMotion will be competing in New York against Vehicle Displays' Prestige Panels Inc. division, which currently has three trucks operating in New York, and Wheeler Inc. (AA, April 7). PM's rates match PPI's—$2,000 a week. Wheeler's 10 trucks cost $1,000 a week.

New York's transportation department has been getting complaints from drivers about the board-carrying trucks, which are "wider than a single lane" and refuse to travel faster than "two miles per hour" in Manhattan traffic, said Gregory Perrin, a spokesman for the department.

Tickets have been issued to drivers of those trucks, Mr. Perrin said.

A spokesman for Chicago's law department said that city has no laws against vehicles carrying advertising along city streets, "as long as they stay off boulevards"—such as Michigan Avenue and Lake Shore Drive—that are zoned against commercial traffic.#

AdWatch

(Continued from Page 4)

among the top 10 was a first for the magazine. Its "Catch the feeling" tv campaign attempts to put viewers in sports figures' shoes and has succeeded at the difficult task of making a lasting impression.

Nearly six out of ten respondents asked to name the first advertising in any category that came to mind couldn't recall any or answered "Don't know."

That includes 41% of those age 18 to 24 and 78% of respondents age 65 or older.

Among significant changes in other categories last month:

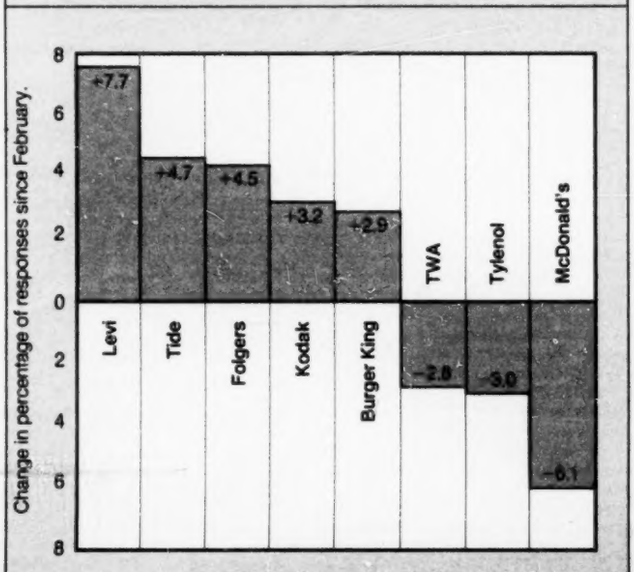
- Tylenol pain reliever dropped off the list of top-10 best recalled ads, but gained another three percentage points in the **medicine and drug** category. Tylenol's share of first mentions is now at 36.7%, its highest score *ever*. That follows the latest product-tampering incident that forced maker Johnson & Johnson to pull the product from the market and replace Tylenol capsules with caplets. Advil remains second with 5% of first mentions; Bayer is third with a 3.3% share.
- Trans World Airlines definitely is "leading the way" with its new campaign focusing on its foreign service. The carrier's share of first mentions in the **airline category** rose 6.1 percentage points, tying it for first place in first mentions at 13.4% with Eastern. United, second last month, drops to third with 12.6% of first mentions.

TWA's awareness gain came before the extensive news coverage that followed the explosion of a terrorist bomb aboard one of its jets flying between Rome and Athens.#

For additional information or data, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

March winners and losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 percentage points is statistically significant. *Source: SRI Research Center Inc., Lincoln, Neb.*



For the Record

BBDO INTERNATIONAL, New York, reports first-quarter net income rose 16% to $4.9 million, as worldwide revenues gained 8% to $81.6 million. International revenues spurted 26% as U.S. revenues rose only 3%.

PIONEER ELECTRONICS CORP., Long Beach, Cal., has consolidated its $10 million-to-$12 million account at **Dancer Fitzgerald Sample**, Torrance, which previously handled only Pioneer audio products. The video portion had been at Altschiller Reitzfeld, New York.

SARA LEE CORP., Chicago, last week moved the $7 million creative portion of its Hillshire Farm smoked sausage account to **D'Arcy Masius Benton & Bowles** from Venet Advertising, New York, after a five-month review. Sive & Associates, Cincinnati, handles media placement.

JAGUAR CARS, Leonia, N.J., will back the June introduction of a limited-edition convertible version of its XJS V-12 touring coupe with a print campaign in upscale magazines. The effort will be the swan song for Bozell, Jacobs, Kenyon & Eckhardt, New York, which is leaving Jaguar because of a client conflict with Chrysler Corp. (AA, March 13). Jaguar is searching for a new agency for its $16 million-to-$20 million account but hasn't yet narrowed a broad list of applicants to finalists.

KETCHUM COMMUNICATIONS, Pittsburgh, is "rather constantly" considering Chicago, among other markets, for expansion, said chairman-ceo William Genge. He would neither confirm nor deny reports that Ketchum officials have met with Tatham-Laird & Kudner executives to discuss a possible buyout but said there was "nothing red-hot going on between Ketchum and anybody in Chicago."

DANCER FITZGERALD SAMPLE, New York, will close its five-person Minneapolis office after completing its work on the $25 million Republic Airlines account. Republic plans to be acquired for $884 million by St. Paul-based Northwest Orient Airlines, which will consolidate the combined account at its agency, Grey Advertising, New York (AA, March 31).

ALL BRAND IMPORTERS, New York, on May 1 breaks its first tv campaign for Foster's Australian Lager. It features actor-comedian Paul Hogan, star of the Australian tourism commercials. The $3 million effort starts in Los Angeles, with additional markets planned for January. Diener Hauser Bates, Los Angeles, handles, in conjunction with George Patterson Ltd., Melbourne, producer.

DART & KRAFT'S Kraft subsidiary, Glenview, Ill., on April 21 broke a $3 million tv and couponing campaign, featuring Sid Caesar, for its Light N' Lively cottage cheese. Ads for Light N' Lively ice milk and yogurt break May 21. Geers Gross, New York, handles.

KELLOGG CO., Battle Creek, Mich., will not halt advertising for its Just Right cereal in the wake of a product recall last week. Metal shards, later discovered to be from a construction site near the assembly line, had been found in boxes of the cereal. Leo Burnett USA, Chicago, handles.

THE FEDERAL TRADE COMMISSION has barred Figgie International, Richmond, Va., from making false safety claims for its Vanguard heat detector. The FTC ruled that point-of-purchase materials falsely claimed the Vanguard provides earlier warnings than smoke detectors and adequate time for escape. Figgie denied making false claims but has not yet decided whether to appeal. Dix & Eaton, Cleveland, handles Figgie.

YOO-HOO CHOCOLATE BEVERAGE CORP., Carlstadt, N.J., has won a preliminary round in its suit against A.J. Canfield Co., Chicago, over exclusive use of the term "chocolate fudge" in soft-drink packaging (AA, March 24). A U.S. district court judge in Newark has ruled in a bench opinion that the term "describes a taste or flavor" and no company should be granted the right to its exclusive use. A court date has yet to be set.

CHRYSLER CORP.'S Chrysler-Plymouth division, Highland Park, Mich., has bought what it calls the first-ever automotive ad package for thoroughbred horse-racing's Triple Crown, which starts May 3 with the Kentucky Derby. C-P bought four spots for the Derby and three each for the Preakness on May 17 and Belmont Stakes on June 7, all on ABC-TV. Bozell, Jacobs, Kenyon & Eckhardt, Birmingham, Mich., handles. Also, Chrysler Corp. will sponsor the inaugural Chrysler Cup Senior PGA tournament, matching eight U.S. golfers against a team of international players, Sept. 4 to 7. ABC will televise the final two rounds.

TELEVISION AUDIENCE ASSESSMENT, Boston, last week suspended its year-old qualitative tv rating service "until additional investment capital is secured," said TAA president Rolf Wulfsberg. In its final report, on daytime tv, TAA said its findings confirmed that "audience involvement with programs. . .enhances commercial effectiveness."

LBS COMMUNICATIONS, New York, has "major" expansion plans, going well beyond barter tv syndication. Paul Siegel, president of the LBS Enterprises division, will start Kideo Matinee to co-produce and market children's theatrical movies. LBS exec vp John Bohach will expand acquisition and marketing of home video titles, manage character licensing and head international tv barter sales. Senior vp-strategic planning Caroline Vanderlip will pursue direct-response marketing of video titles and opportunities in publishing and pay tv/cable/in-flight program sales.

WORTH NOTING: **C. Scott Rombach** to vp-corporate relations, a new post at Campbell Soup Co., Camden, N.J., from pr director. . .**July Guerin De Neco**, who has served on a volunteer basis as president and chairman of the Advertising Club of New York, has been named to the new post of executive director of the adclub and of the Advertising Club of New York Foundation, from head of Judy Guerin Public Relations/Advertising for the past 16 years. . .**Frank J. Corbett Inc.**, Chicago, has formed FJC Hospital Group. The unit already bills $8 million from St. Joseph Hospital, Phoenix, and Weiss Memorial Hospital, Chicago. . .Shareholders have approved **RJR Nabisco** as the new name of R.J. Reynolds Industries, reflecting its merger with Nabisco Brands last year. The company is based in Winston-Salem, N.C. . . .**National Distillers Co.**, New York, on May 1 introduces DeKuyper Original Harvest Pear schnapps, at $5.99 retail. BBDO supplies print and outdoor support for the line extension. . .**Procter & Gamble**, Cincinnati, has expanded distribution of Monchel beauty bar into the southeastern U.S., excluding Florida. Regional print ads from Grey Advertising, New York, position the bar as "the beauty bar that moisturizes within your skin, where softness begins."

C2710-1

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Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Bates OKs Saatchi talks

Fallout from BBDO megadeal: $180M departs

By STEWART ALTER

The expected ripple effect from BBDO International's stunning deal with Doyle Dane Bernbach Group and Needham Harper Worldwide (AA, April 28) quickly materialized last week, and dramatically plunged the agency business into a new era.

The superdeal, more significant because of the deeper industry changes it reflects than its impact on ad agency rankings, was followed quickly by a shift in Ted Bates Worldwide's position on a deal with Saatchi & Saatchi Co. that could immediately create the world's biggest agency group with $7.5 billion in billings—or 50% more than BBDO/DDB/Needham, assuming no client departures due to conflicts.

Saatchi, rebuffed when it presented its proposal to buy DDB at the same meeting in which the DDB board decided to go instead with BBDO and Needham, apparently wasted no time in returning to Bates.

Robert Jacoby, chairman of Bates Worldwide, which has $3.1 billion in billings, confirmed May 1 not only that Saatchi had approached him again last week, but that he is willing to talk. "They've expressed an interest in resuming negotiations and we will do so," Mr. Jacoby said through a spokeswoman.

There also were rumors—widespread in the industry but dismissed as "crazy" by Mr. Jacoby—that Bates was exploring a deal, possibly a sale, to Dentsu Inc., the Japan-based giant with $3.6 billion in billings whose only major presence outside Japan is a joint venture, DYR, with Young & Rubicam.

While Mr. Jacoby previously had acknowledged talks with Saatchi after they had broken down (AA, Dec. 16), this marks his first acknowledgment of active conversations. However, since he would only issue a confirmation through a spokesperson, it remains unclear whether he has changed his position on the Saatchi offer or whether he is merely meeting his legal responsibilities to the board by entertaining new proposals.

A Saatchi/Bates deal, which would follow this year's acquisition by Saatchi of Backer & Spielvogel and the phased acquisition of Dancer Fitzgerald Sample, would be an extraordinarily complicated deal, not only because of the number of client conflicts but their intensity as well.

There appears to be little doubt that the BBDO/DDB/Needham deal—referred to as "the Big Bang" at BBDO—has set the stage for similarly unprecedented megadeals.

"I think there will be one or two others. It's sort of an infection that gets into the air," said Edward Meyer, chairman of Grey Advertising, who said he was not interested in any such activity.

But if agency megadealing spreads, as it seems to be, it won't be because it's the chic thing to do but because accelerating changes in the advertising business within the last year have permanently and dramatically altered the thinking of agency managers.

Those changes and issues, which the chief executives of BBDO, DDB and Needham acknowledged explicitly as factors in their decision, include the following:

- The Saatchi brothers' acquisition strategy has rewritten the rules of the game and

(Continued on Page 90)

Agency supergroup architects Barry Loughrane (l.), Allen Rosenshine (c.) and Keith Reinhard cite "confidence in the concept."

"The Big Bang"

DDB Needham merger hits snags overseas. *Page 88.*

Conflicts shake loose $180 million in business. *Page 89.*

Needham's L.A. spinoff sparks acquisition overtures. *Page 89.*

DDB Needham combo could spawn $500 million network tv media-buying giant. *Page 89.*

A Bates/Saatchi merger full of client conflicts. *Page 91.*

Fox fourth Network plans pick up steam

By WAYNE WALLEY

Los Angeles—Only a few days ago, the ambitious plans of Rupert Murdoch and 20th Century Fox chairman-ceo Barry Diller to create a fourth tv network were being dismissed by almost every expert as fantastic folly.

But following the revelation last week that the Fox Broadcasting Co. will begin a phased rollout of a fourth-network in March of 1987 the heads of Hollywood studios, major tv station groups and big-budget advertisers immediately started lining up behind the network.

Peter Spengler, advertising director for Bristol-Myers, said, "I've set aside a substantial budget for the Fox network." Bristol-Myers in 1985 spent $127.6 million

(Continued on Page 91)

NEWSPAPER

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WASHINGTON DC 20014

Last Minute News

Mickelberry, Ogilvy profits slip

New York—Mickelberry Corp.'s first quarter saw net income tumble 75% to $177,000 as revenues dropped 10.4% to $31.1 million. Ogilvy Group's net income fell 9.2% to $3.2 million; revenues rose 16.4% to $120.9 million.

Harris units review for $12M account

Atlanta—Harris Corp.'s Harris/Lanier computer and telephone systems divisions are reviewing agencies for their $10 million-to-$12 million account. Finalists include incumbent Foote, Cone & Belding, Chicago; the Martin Agency, Richmond, Va., and Atlanta agencies D'Arcy Masius Benton & Bowles; Fahlgren, Swink & Nucifero; Hutcheson Shutze; Scali McCabe Sloves South, and J. Walter Thompson USA.

Honda signs Davis, McMahon to push scooters

Gardena, Cal.—American Honda Motor Co.'s scooter division has signed jazz musician Miles Davis, Chicago Bears quarterback Jim McMahon and comedian Sandra Bernhard ("King of Comedy") for its new tv campaign breaking May 14. A tv spot began running May 4 for its new Helix scooter. Wieden & Kennedy, Portland, Ore., handles.

Cosmair slapped with Notorious lawsuit

St. Louis—Edison Brothers Stores has filed suit in federal district court in Chicago against Cosmair over the rights to the Notorious name for cosmetics and fragrances. New York-based Cosmair, which is introducing its Notorious fragrance to its sales force this month, bought the rights from

(Continued on Page 8)

Pepsi and Jackson in new link

By NANCY GIGES

Pepsi-Cola USA, Purchase, N.Y., this week will try to take the spotlight off rival Coca-Cola USA's centennial celebration by teaming up again with rock singer Michael Jackson in a deal reportedly worth $10 million.

At a press conference May 5, Pepsi will announce that Mr. Jackson will appear in Pepsi tv spots worldwide and go on a Pepsi-sponsored international tour (AA, April 28).

It is no coincidence that the No. 2 cola marketer has selected this week to tout the three-year, multi-

(Continued on Page 94)

HIGHLIGHTS

Crazy like Fox 1
The plans of Rupert Murdoch and 20th Century Fox chairman-ceo Barry Diller to create a fourth tv network had been dismissed by almost every expert. But following the revelation last week that Fox Broadcasting Co. will begin a phased rollout of a fourth network in March, the heads of studios, major tv station groups and big-budget advertisers started lining up behind it.

'Post' makes circulation news 3
The *Washington Post* eclipsed the *Chicago Tribune* for the No. 7 spot on U.S. newspaper circulation rankings for the six months ended March 31, according to the Audit Bureau of Circulations FAS-FAX report for the period released last week.

Life styles of Rich and famous 4
Lorimar-Telepictures entertainment president and co-founder Lee Rich, who resigned last week to become United Artists chairman-ceo, will spend the next month evaluating projects started by former UA chairman Jerry Weintraub.

Godfather's blesses JWT 12
A bit of "horse play" by J. Walter Thompson USA's Chicago office last week helped win the approximately $8 million Godfather's Pizza account. Omaha-based Godfather's, which last year became a unit of Pillsbury when the Minneapolis giant acquired Godfather's parent, Diversifoods, chose JWT from a four-agency field.

Volvo at your service 34
Volvo Cars of North America is beginning its own road-service program, joining other upscale auto importers that have concluded advertising just the car itself isn't enough.

A gamble for ad industry 77
A seemingly minor case argued last week before the Supreme Court could have major implications for the ad industry. At issue is a Puerto Rican law that bans advertising for casino gambling on that Caribbean island.

Computer retailers clash 83
IBM Corp.'s planned sale of its computer retail stores to Nynex Corp. dramatizes the hardening battle line between full-service and discount computer dealers. Retailers have split into two camps, with competing strategies for riding out the slump in personal computer sales.

FEATURES

The elements of Martin's style 40
Last year, Joel P. Martin acquired a new hair style. Out went the previous user-friendly, conservative coif; in came an angular wedge. It was decidedly more Grace Jones than Lena Horne. Accompanying the change in hair was a subtle alteration in wardrobe. Out went the tailored business suit; in came a more haute couture look. This makeover not only expressed a more individual fashion sense; it served as a signal to the white, male-dominated world of Madison Avenue that the black, female founder of New York agency J.P. Martin Associates was established and here to stay.

NEW PRODUCTS

Gum's the word 80
Warner-Lambert Co.'s American Chicle division has not let up on its desire to compete more effectively with Wm. Wrigley Jr. Co. in the sugared, stick chewing-gum market. The company has modified its old Chiclets brand name and come up with Sticklets sugared gum, according to a review of new products reported in Advertising Age last month. Also, Wrigley will see new competition from Minnetonka, which is introducing nationally its new Check-Up gum.

INTERNATIONAL

Guinness takes stout stance 60
Brewery giant Guinness Plc, the white-knight victor in an acrimonious takeover battle for Distillers Co. Ltd., is expected to inject more marketing savvy into Distillers' declining brand shares around the world. For Guinness, the $3.95 billion purchase represents the creation of a British-based international company strong enough to take on the international giants of the drinks business such as Seagram and Suntory.

McCann losing Swatch? 61
McCann-Erickson may be losing its three-year hold over the Swatch watch account in some European countries, just as it lost the business in the U.S. when Swatch moved its advertising in-house, industry sources say. McCann executives firmly deny the reports, saying the agency has negotiated a budget with Swatch and made initial marketing plans for 1987.

OTHER NEWS

Rambo, no longer a loner, has joined the counterterrorists. The heroic figure, put on toy-store shelves by Coleco Industries and on tv screens by WorldVision Enterprises, now heads the Forces of Freedom, locked in battle with the Secret Army of Vengeance & Global Evil. Page 6.

Pizza Inn, the nation's fourth-largest pizza chain, today begins a four-week sweepstakes promotion backed by a $1.5 million campaign themed "Pizza Inn family fun sweepstakes." Page 12.

Mitsubishi Motor Sales of America is speeding up plans to broaden its product line and triple sales by 1988 with cars manufactured in three countries. But '87 ads from new agency Grey Advertising will keep things simple. Page 35.

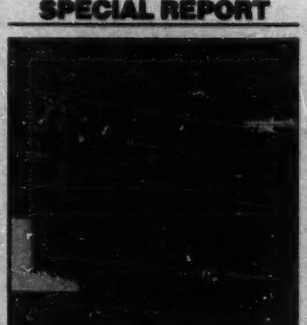
When Michael Pertschuk headed the Federal Trade Commission, he cultivated a reputation for being tough on tobacco, toy and alcohol marketers. Now, almost two years after leaving the agency that critics said became the "nation's nanny" under his direction, the 53-year-old Mr. Pertschuk is teaching others how to have the same effect on business. Page 38.

The sun falling from the sky in Sunoco's new $10 million campaign for Ultra gasoline may be an apt symbol for what is happening to the entire oil industry. But falling oil prices are good news for parent Sun Refining & Marketing Co., Philadelphia, and Wells, Rich, Greene, New York. Page 77.

RJR Nabisco, the $20 billion consumer products conglomerate formed by last year's merger between RJR Industries and Nabisco Brands, will spend a billion dollars on advertising in 1986, according to its chief financial officer. Page 84.

Major League Baseball will conduct its own All-Star Game fan balloting, minus a corporate sponsor, for the first time in 16 years, by using its 26 teams to promote the vote. Page 85.

SPECIAL REPORT



Sales incentives, especially travel and employe incentives, are growing steadily in the $60 billion sales-promotion industry. Travel incentives have been used to encourage dealers and sales staff, and the philosophy is spreading to cover more employes. Travel and employe incentives are two of the industry topics covered in Special Report.

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Saatchi exec says 'Yes' to Michigan

By RAYMOND SERAFIN

Southfield, Mich.—David Welch has been appointed president of Saatchi & Saatchi Compton's office here, a clear signal that Saatchi & Saatchi Worldwide is convinced client American Motors Corp. not only will survive, but thrive.

Mr. Welch has been deputy chairman of the London-based parent company. Saatchi has been looking for a top officer in Detroit since the former field service shop was expanded to full service last fall for client Jeep division. It was a gamble that paid off handsomely when AMC consolidated all its advertising for Renault-AMC and Jeep with Saatchi, dropping Grey Advertising.

AMC's U.S. media spending rose

(Continued on Page 93)

Beatrice sells Avis, cuts staff

By JULIE FRANZ

Chicago—Beatrice Cos. chairman Donald Kelly continued to swing his ax last week, selling off the Avis car-rental unit and, according to insiders, dismissing his 12-member corporate relations staff.

Mr. Kelly couldn't be reached for comment, but sources inside Beatrice said he decided the staff was superfluous now that the company is privately held, no longer will release quarterly income statements and thus has "no need to talk to the media."

The staff includes Mari Maseng, vp-director of corporate relations, and 10 support people. It's rumored Ms. Maseng will join the White House office of

(Continued on Page 93)

West Coast news

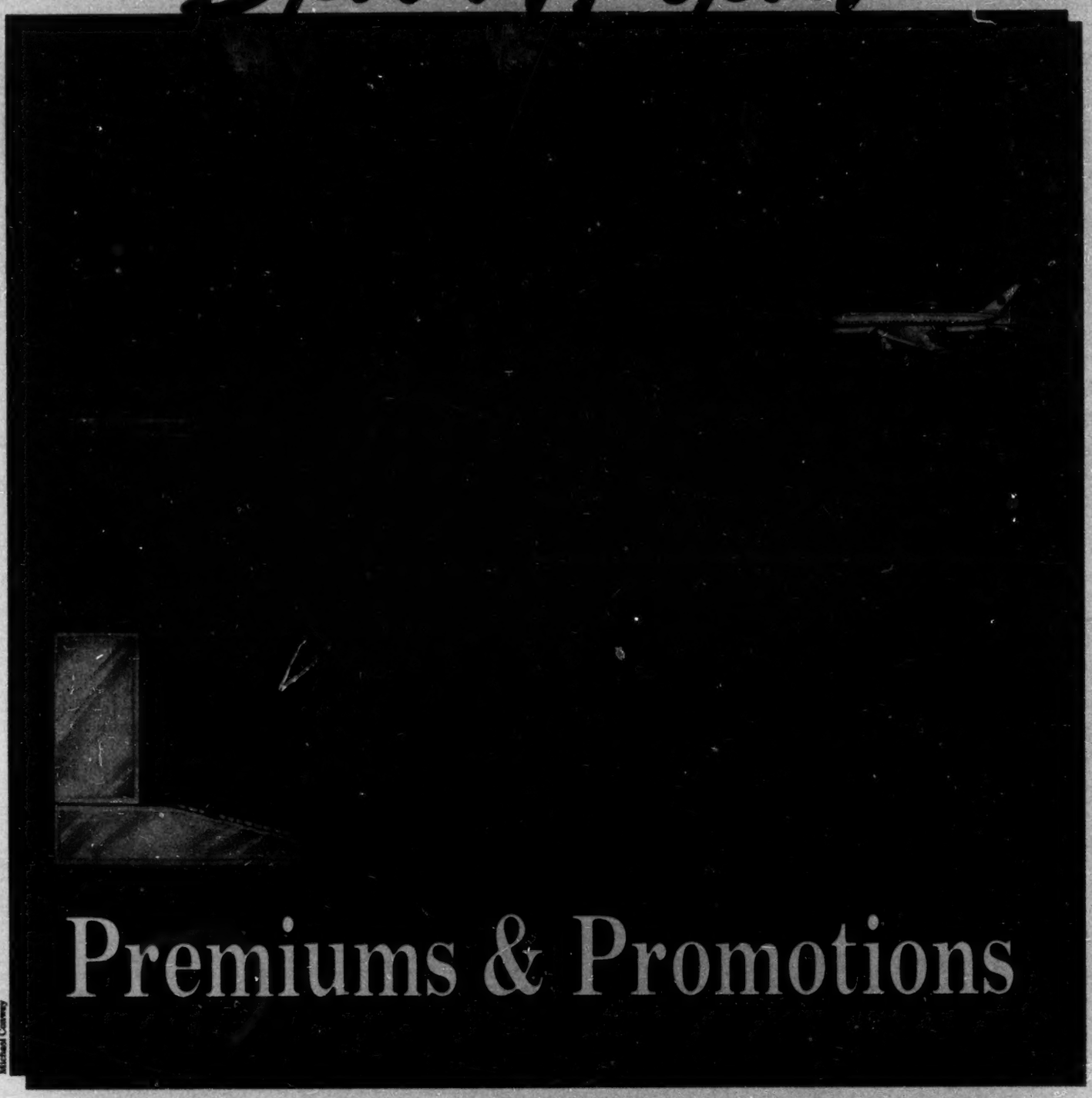
Growth is '86 goal for WS3A's

The Western States Advertising Agencies Assn. will intensify efforts to build membership in Southern California's Orange County during the next year, incoming WS3A's president Mel Newwhoff said prior to the organization's annual meeting May 1 to 4 in Rancho Mirage, Cal.

The president-creative director of Abert, Newhoff & Burr, Los Angeles, acknowledged that last year's drive to attract new members from the region south of Los

(Continued on Page 92)

Special Report



Michael Conway

Premiums & Promotions

Employe incentives rising to top of industry

By Joanne Y. Cleaver

Promotion specialists are fond of saying, "There's nothing new under the sun, just different ways of doing the same old thing."

This year may prove them both right and wrong. The growth of the premium and incentive business—a major component of the $60 billion sales promotion industry—is slowing, industry experts say, but the sales incentive category, especially travel incentives and employe incentives, is growing steadily.

Travel incentives, a time-tested technique used to encourage dealers and sales staff, is the fastest growing category, according to New York-based *Incentive Marketing* magazine.

Joanne Y. Cleaver is a frequent contributor to Special Report.

Total travel expenditures for sales and dealer incentives in 1985 increased slightly more than 10% over 1984, to $1.6 billion.

Giving away free trips to hot salespeople is a technique in tune with traditional trade promotion philosophy—encourage sales by rewarding volume.

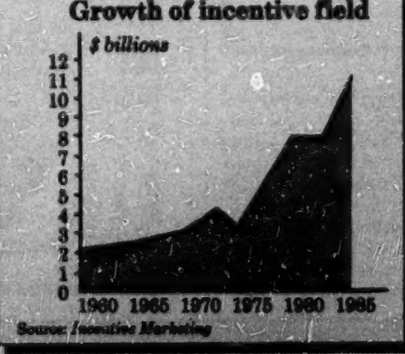
An emerging strategy is employe—not sales—incentives. These programs, which reward for success in several areas, are designed to reinforce, encourage and motivate all personnel, from manufacturing line workers to secretaries.

Employe incentives are now the hot topic in the promotion industry. Some expect the category to become as entrenched in American corporations as sales force incentives have been.

According to *Incentive Marketing* research based on reader polls, the entire premium and incentive industry grew 7.9% last year, to $12.8 billion. Travel was the only category to post double-digit growth. All areas—business to business, consumer, travel, merchandise and package goods promotions—grew more slowly last year than they did in 1984.

(Continued on Page S-2)

Growth of incentive field



Source: *Incentive Marketing*

Employe incentives rising to top

(Continued from Page S-1)

In that year, virtually every segment of the industry grew at least 11%, with several areas logging growth rates of 15% or more, according to the trade journal.

Another major trade publication in the field, New York-based *Premium/Incentive Business*, estimates promotional spending at more than $20 billion in 1985, up 6% from 1984. The magazine, using a reading survey, estimates spending on consumer promotions reached $6.5 billion in 1984.

Industry insiders say the slower growth is the result of marketers taking a more cautious and demanding attitude toward promotional activity. Likewise, consumers are more demanding and shopping among promotional offers.

> ***"More and more businesses are thinking in terms of incentives than ever before. Price reductions don't increase business for very long."***
>
> **Jay Thalheim**
> **Thalheim Expositions**

Jay Thalheim, president of Thalheim Expositions, the Manhasset, N.Y., company that organizes the annual Premium Incentive Show, says travel incentives are an important part of industry growth.

Total exhibitors at the Premium Incentive Show in New York, May 5-8, number 1,500, up from 1,204 in 1985, he says. Last year, travel-related exhibitors were included in those figures, but this year, the first Meetings and Incentive Travel Expo is being held jointly with the premium show and lists 300 exhibitors.

"More and more businesses are thinking in terms of incentives than ever before. Price reductions don't increase business for very long," Mr. Thalheim says. "Premiums have a much more lasting impact, and touch the entire family."

Mr. Thalheim also says incentives for all uses, business and consumer, are becoming more sophisticated.

"Computers, leisure clothing and sports apparel are strong segments," he says. "Furs, jewels, high-price watches that weren't previously offered are now used as a grand prize."

Other experts agree that various social and economic pressures are changing both the types of promotions and the way consumers are responding to them.

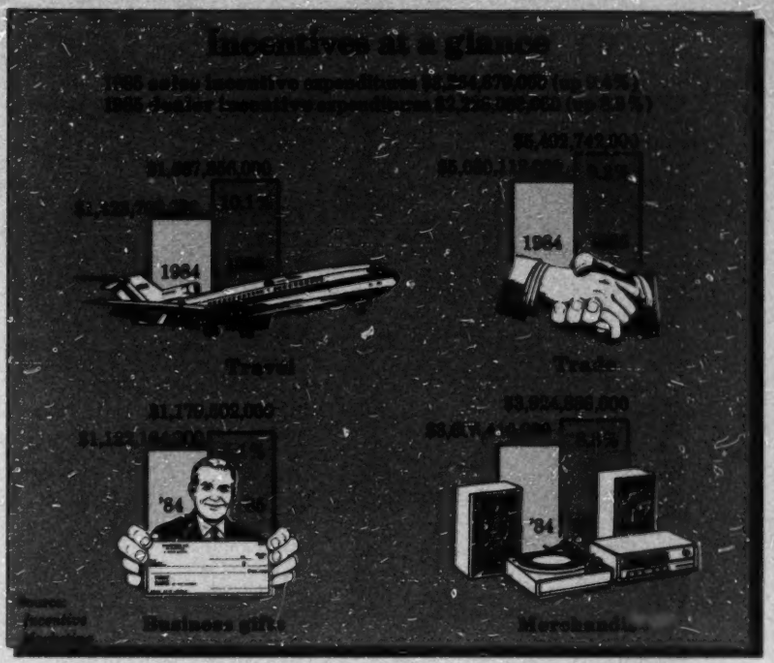
Widespread retail discounting has somewhat undermined the importance of self-liquidation and commonly available promotions. Consumers can shop around locally and often find a price as good as and sometimes better than that offered in a promotion.

Some items, like telephones, have been so aggressively marketed through all outlets and media that they are losing appeal as an attention-grabbing premium.

Consequently, marketers are more carefully considering the incentive item than they have in the past. Robert Brandon, president of Beaumont-Bennett/-Brandon, an Atlanta-based promotion agency and a subsidiary of Grey Advertising, detects a trend toward premiums that turn the consumer's attention back to the original product or service.

Items that are accessories to the primary product, such as a free printer with the purchase of a personal computer, reinforce the corporate or brand image in the consumer's mind, he says.

"I call them logical premiums," he says.



"It's an extension of the product itself. It's not something people will pick up because it's faddish. You don't just put your name on a Frisbee."

Marketers also are trying to develop continuity programs that become regularly featured in the product's over-all marketing strategy.

A few continuity programs have become so successful their marketers won't discuss them for fear of jeopardizing future promotions. McDonald's Corp., for example, will not discuss its Happy Meal promotion designed by Frankel & Co. in Chicago. The promotion started about eight years ago as a gimmick to lure children and their parents by featuring a small toy, book or token with a hamburger, drink and order of french fries in a specially designed box.

The Happy Meal since has developed into a regular product, and promotion industry observers cite it as an example of how a promotion can develop a long and successful life of its own.

Such continuity programs have a special appeal. Marketers have the opportunity to build on the promotion, says Allyn M. Miller, president of Flair Communications Agency in Chicago.

"Instead of idea shopping, marketers are interested in long-term, formalized planning. If you're just buying random ideas, you're missing consistency. And the likelihood of a marketer hitting on something that will drive business on a long-term basis is unlikely," he says. "You can't repeat everything. But if you have something that works, enhance it for the next year."

Flair has worked on several promotions that evolved into continuity programs. Stroh Brewery Co.'s campaign for Stroh's

(Continued on Page S-33)

Coupons and rebates attract consumers' attention

By Len Strazewski

Print ads that include or describe a sales promotion are more effective in generating brand awareness than nonpromotional advertising, says a study sponsored by Chicago-based Frankel & Co.

The study, conducted in 1984 and 1985 for Frankel, a marketing services agency, by Perception Research Services, Englewood Cliffs, N.J., tracked subjects' eye movements as they flipped through two magazines containing both general brand advertising and advertising featuring a promotion or special offer.

In the two magazine test cases, 84% and 85% of consumers tested became "involved" (spent more than a fleeting glance) with promotional advertising, and 81% and 83% saw the brand name advertised, compared with 84% and 79% becoming involved with nonpromotional advertising and 76% and 71% noticing the brand name, according to the study.

Promotional advertising also improves consumer attitudes about products more frequently and to a greater extent than general brand advertising, the study says.

While no more than 14% of subjects said the advertising changed their attitude about the advertised products, promotional advertising generated two to three times the change of ordinary advertising.

Of the tested promotional ads, coupons were the most likely to draw consumers' attention to the brand name—particularly when combined with rebates. However, sweepstakes, even when coupled with rebates, were the least likely to draw attention to the brand name.

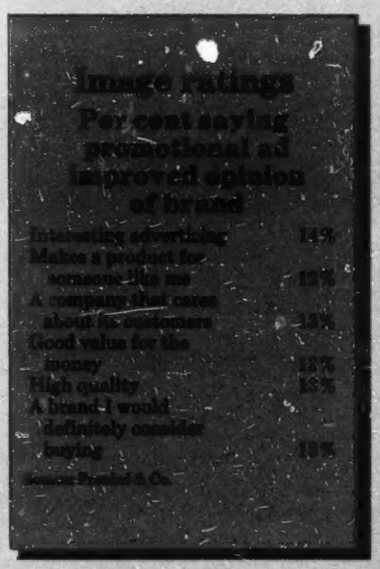


Image ratings
Per cent saying promotional ad improved opinion of brand
Interesting advertising 14%
Makes a product for someone like me 12%
A company that cares about its customers 12%
Good value for the money 12%
High quality 12%
A brand I would definitely consider buying 12%
Source: Frankel & Co.

About 84% of those tested became involved and recognized a brand name in ads involving a coupon and rebate offer, compared with only 80% involvement and recognition with coupon advertising alone.

A combination of coupon, rebate and sweepstakes generated only 79% involvement and recognition, and a coupon and sweepstakes generated only 72% recognition. Premium offers alone generated 79% involvement and recognition; rebates alone produced 78% involvement and recognition, and a free offer produced only 77% involvement and brand recognition.

Sweepstakes alone generated only 58% involvement and brand recognition, and even coupled with a rebate, sweepstakes were poor performers, producing 62% involvement and recognition.

Not all coupon advertising is equally effective. In general, the larger the cash offer of the coupon, the better recognition generated. In the two magazine test cases, 58% and 48% of respondents reported seeing a coupon offering 25 cents off, compared with 43% and 40% saying they saw a coupon offering less than 25 cents off.

The study noted some results that conflict with conventional wisdom about coupon advertising. Multiple coupons in a single medium are seen more often, but generate less involvement and less brand recognition, and coupons placed at the top of a magazine page are more likely to be seen by a consumer, but just as likely to generate involvement and brand recognition.

Coupon value

As the value of a coupon increases, the likelihood that it will be noticed also increases. In both magazine treatments, coupon values of 25¢ or more were much more likely to be seen than coupon values of less than 25¢.

Coupon value	Magazine A	Magazine B
Under 25¢	43%	40%
25¢	55	*
More than 25¢	58	48

VALUABLE COUPON

*only one example

Source: Frankel & Co.

tional dinner dance, but after dinner, when Mr. Webster was called up on the stage to speak and receive an Academy Award Oscar facsimile, he turned to the audience and said, "You're the people who deserve the Oscar."

Look-alikes for four stars, Dolly Parton, Clint Eastwood, Linda Evans and Burt Reynolds, brought each of the guests to the stage, where they were presented with Oscars and a kiss.

Old standby themes haven't disappeared. Just because a theme has been used frequently doesn't diminish the effect.

Patty Habeeb, president of Conventions a la Carte, New Orleans, says, "When people come here, they expect jazz, Mardi Gras, food fests and river boats. New Orleans lends itself superbly to such themes." Selecting a theme can be an art. Jim McNabb of New York-based McNabb & Associates is not the biggest fan of such parties. "I think they're often hackneyed and overused. Read any hotel brochure, and you'll come upon some silly little theme party where they give out paper hats and cheap eye patches."

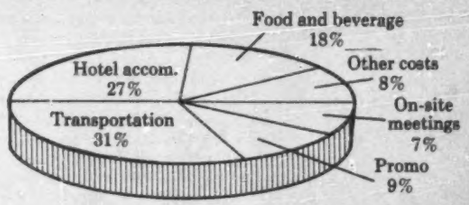
For Mr. NcNabb, the key is selecting the correct theme. "What you choose depends upon the travel experience, the home life, the standard of living of the guests. You have to find out if they're young, outgoing sales people or older, upper-management and owner types."

No matter how wild or how traditional, the theme party strategy remains the same. Says Mr. Guerriero, "If I can get people off their fannies, the entire program is that much better."

—Curt Schleier

It was down to the salt mine for a party designed by Bob Guerriero, president of Journeymasters.

How the promotional travel budget is spent



Employer cost per person	
Under $500	7%
$500 to $999	24%
$1000 to $1199	18%
$1200 to $1399	11%
$1400 to $1599	11%
$1600 to $1799	2%
$1800 to $2399	12%
$2400 or more	15%

Top incentive sites

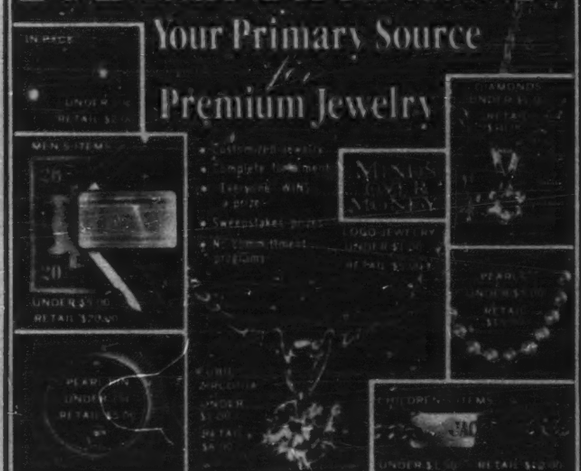
Domestic—Arizona, California, Florida, Hawaii, Nevada, New Jersey, New York, Puerto Rico, Texas, Virgin Islands

Foreign—Bahamas, Bermuda, Canada, Caribbean, cruise lines, England, France, Italy, Mexico, Spain

Source: *Incentive Marketing*

DU BARRY-FIFTH AVENUE

Your Primary Source for Premium Jewelry



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Let us custom design a program to fit your requirments. We're exceptionally good. After all, we've been satisfying clients for over 30 years.

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Call Franklin Sands **TOLL FREE 1-800-222-1233.** In Florida 305/475-2700
Or complete the coupon and mail today. We will send our current literature.

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Company _____
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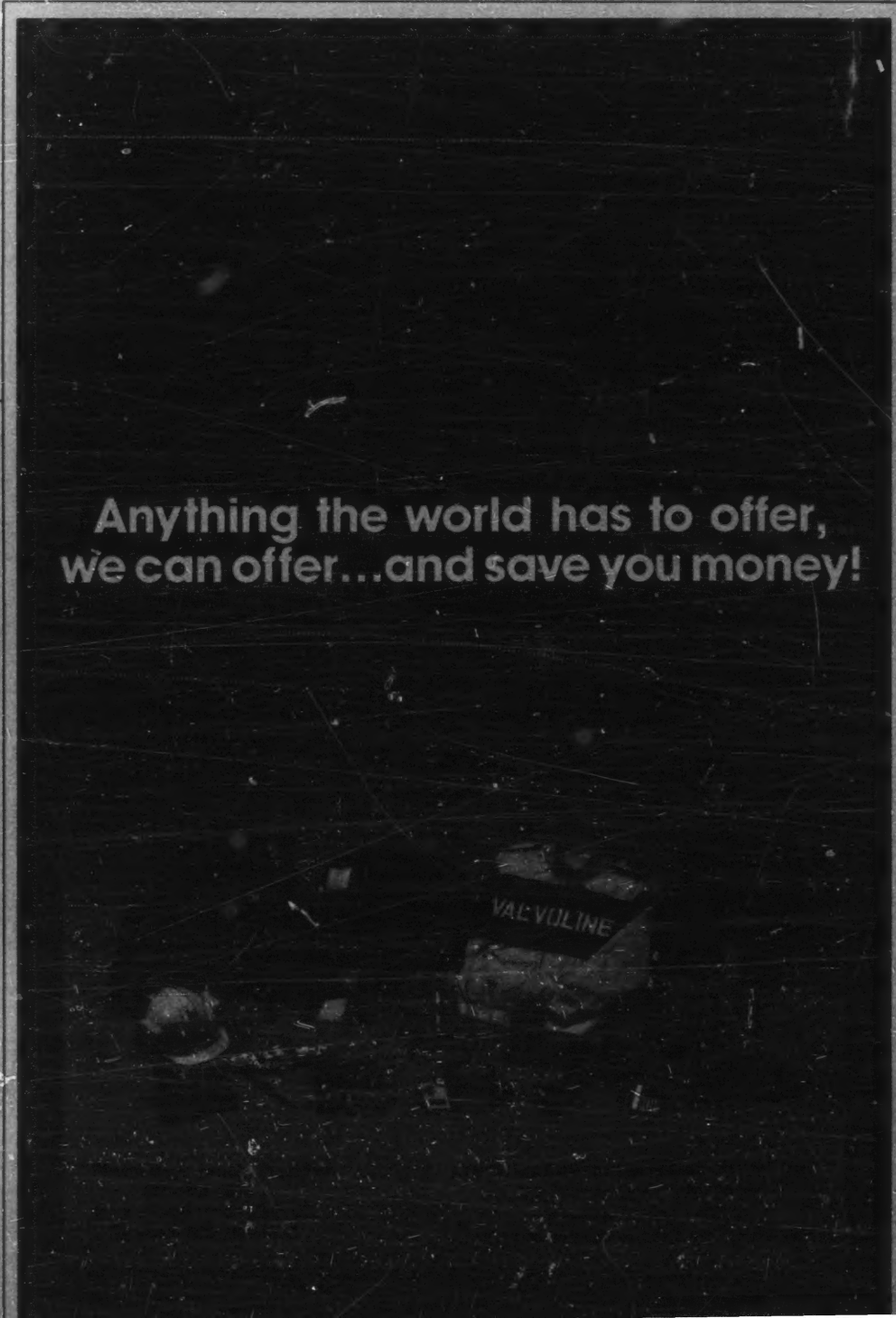


by John Sebastian, former lead singer of the Lovin' Spoonful.

The shows featured music videos of '60s and early '70s hits. The program was syndicated by All-America Television, New York, and about 140 stations aired the first show in December and a second in February.

Chrysler Corp. is inviting 2,000 VIPs this summer to enjoy the bands of Harry James, Jimmy Dorsey and others.

"Ratings came in a little lower than we anticipated," says Joel Gallen, an independent producer who worked with producers Scotti Bros./Syd Vinnedge, Los Angeles.

"We don't have all the numbers yet, but we think for the two shows they will be between 6 and 10 share, still nice numbers for a syndicated special. We were incredibly satisfied with the good press coverage and reviews," he says.

Mr. Gallen estimates the cost of each show at $1 million and says Lincoln-Mercury covered 65% to 70% of the budgets. Shows were sold on an advertiser-supported basis, with the auto maker getting five out of the 12 minutes of commercial time. Local dealers bought some of the remaining spots.

The producers expect to sell the special to foreign markets this summer and to release a 50-minute home video in June.

Auto makers also are sponsoring concert tours packaged with radio spots featuring local dealers and sweepstakes, which in some cities offer dealer-provided cars as prizes.

Rick Springfield's "Drivin' Rock and Roll" tour of 25 cities for Ford began in August, 1984, and was the first of a series of concerts sponsored by auto makers.

Later, General Motors' Pontiac motor division in Pontiac, Mich., followed with the Hall & Oates "Big Bam Boom" tour for promoting the Fiero. More than 500,000 people attended 78 concerts in 75 cities from October, 1984, through May, 1985.

Pontiac ad manager Charlene Curry says Pontiac was pleased with the turnout and reports improved consumer awareness.

Local sweepstakes tie-ins were also successful. Pat McCarthy, senior vp of communications at D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., says 9,500 people registered at dealerships for a car giveaway in Memphis, Tenn.

Another successful concert tour featured Mr. Rogers beginning in August, 1984, with more than 100 appearances for Dodge trucks. In Chicago, 40,000 concertgoers received a key that fit a Dodge pickup at a local dealership. Of those, 9,000 visited dealerships, and a truck was given away.

"The demographics of Kenny's audiences fits truck buyers," says Lisa Davis, Dodge sales promotion planner. "The parking lots at the concerts were full of pickup trucks. Dealer traffic increased and, yes, it was worth all the money it cost."

Other truck competitors are taking the same approach. Toyota Motor Sales, U.S.A., Torrance, Cal., has announced plans to sponsor concerts and other events at Opryland in Nashville, Tenn., and Knotts' Berry Farm in Los Angeles.

William Daniels of "St. Elsewhere" gave a professional touch to a video on Lincoln-Mercury sponsored "Deja View."

American Motors Corp., Southfield, Mich., is using the Beach Boys to promote its Jeep Commanche pickup truck. The rock group opened to sellout audiences of 60,000 at Jack Murphy Stadium in San Diego in May, 1985. American Motors estimates the 40-city tour reached 3 million people before its conclusion late last year.

The "Jeep 'n Safari" tour was tied in with major radio stations and retailers in each town. "The tour was very cost-effective for the number of exposures," says Mark Liska, vp-account supervisor at Saatchi & Saatchi Compton, American Motors' agency.

The tie-in continues with a nationwide "Buckle Up for Safety" campaign featuring Jeep-produced radio and tv public service spots with the Beach Boys.

In February, General Motors' Chevrolet division in Warren, Mich., jumped into musical promotion with "Chevy Super Tour '86," featuring the country music group Alabama and the rhythm and blues favorites the Pointer Sisters. Industry sources estimate the total cost for the program at about $15 million, including about $100,000 per city in production costs.

Alabama launched its 30-city tour Feb. 23 in Atlanta and is drawing full houses, the company says. The Pointer Sisters start a 20-city tour in June.

Feedback is positive, says Sterling Wesley, assistant manager-passenger car merchandising for Chevrolet. "We feel we are getting benefits in terms of the young consumers in that audience."Another Chevrolet bid to 18 to 35-year-olds is its sponsorship of 150 video dance parties on college campuses.

The program, provided free to on-campus organizations for charitable or club activities, features three hours of videos by such artists as Billy Joel and Huey Lewis and the News.

Admission charges are split between student charities and Chevrolet-sponsored leukemia research.

Auto makers are not ignoring older consumers and their music, either. Chrysler Corp. is inviting 2,000 VIPs in 10 cities this summer to enjoy the bands of Harry James, Jimmy Dorsey, Tommy Dorsey and others and to see prototypes of upcoming Chrysler models such as the Dodge Shadow and Plymouth Sundance.

Only one automobile company contacted by Advertising Age is resisting the musical trends. American Honda Motor Co., Gardena, Cal., says music is just a distraction from the product message.

"We have a competitor using a fairly predominant figure, and it's a fairly good ad for the celebrity," says Eric Conn, manager of automobile advertising. "But it doesn't say anything about the product. We want to make the car the star."

Employe incentives rising

(Continued from Page S-2)

capitalizes on seasonal themes and word plays to draw consumers' attention to retail displays.

The "Stroh a Party" promotion has been used every summer since 1970, Mr. Miller says, but every year, the company slightly changes the theme's execution. Sometimes Stroh includes other marketers of party foods such as potato chips as a tie-in.

Retailers group other items like charcoal and other party goods, around the Stroh display, creating more attention. Over the years, tv, radio and print advertising support has been added to the promotion.

Because of the success of "Stroh a Party," the company developed a winter theme about 10 years ago, Mr. Miller says. The "Strohman" promotion is built around a cartoon-like snowman character.

Marketers are flocking to travel as logical companions for continuity programs. While continuity programs build consumer awareness and brand loyalty, splashy travel awards are the prizes that grab people's attention and get them excited.

"Some people want day-to-day things [prizes]," says Deborah Hause, editor of *Premium/Incentive Business* in New York.

"But some people already have the necessary things, and they want to win something totally outrageous. The whole idea is to give somebody something they'd adore, that they wouldn't go out and buy themselves," she says.

Promotion industry insiders agree travel is the ultimate "guilt-free incentive," as one consultant put it.

Travel is a treat to be enjoyed by the person who earned or won it, and travel is the kind of planned purchase that most families defer in the face of financial demands for school, clothing and local recreation.

In 1984, total business-to-business expenditures for travel incentives leaped 17.5% and in 1985 it grew 10.1%, significantly ahead of the over-all industry rate. Says Murray Elman, publisher of *Incentive Marketing*, "Some companies are getting into travel that were previously into only merchandise."

But travel incentives are not cheap. *Incentive Marketing* estimates 42% of all incentive trips cost between $500 and $1,199 per person, and the remainder are more expensive.

Mr. Elman says marketers tend to take a first-class attitude toward travel incentives and are willing to spend money on frills and perks.

With such juicy plums as trips being dangled before dealer and sales personnel, it's no wonder some rank-and-file employes were feeling neglected.

Because generous sales incentive programs sometimes backfire into poor employe relations, corporations are beginning to take notice of the rest of their employes, says Anne Wold, a partner at Gallagher/Wold, an incentive travel agency in New York.

"There was resentment among the other employes that just because they [salesmen] sold something, they got a trip," she says, recalling how one client company came to launch an employe incentive program 11 years ago.

A computer service company that often sent employes to work at customer sites realized all its employes, not just sales staff, shaped its reputation with clients, she says. So the company established criteria for outstanding job performances for virtually all positions, including the mail clerks.

In any given year, only about 3% of the company's nonsales employes win a six-day trip to a domestic resort, but the award is enough to capture the attention of the work force.

"It's a once in a lifetime trip for most of these people," Ms. Wold says. "We really haven't found a negative aspect to it. It puts the emphasis where it should be, on performance."

Her client found that absenteeism decreased, productivity increased and the employe incentive program became an effective recruiting tool.

Employe incentive programs have captured more than the attention of promotion experts who believe it will be the next biggest growth area for the premiums and incentive business. *Incentive Marketing* was so taken with the idea it's setting up its own internal incentive program, Mr. Elman says.

"We're just establishing goals, of quality of work, productivity and adhering to budgets," he says. When the program is established, *Incentive Marketing* employes may finally be able to participate in some of the prizes, trips and awards they write about.

Incentive field at a glance

Consumer premiums

($000)

Premiums	1985 expenditures	1984 expenditures	Percent change
Product promotion	$3,629,492	$3,352,402	8.3%
Mail-in offers	1,827,436	1,700,310	7.5
Direct premiums	1,802,056	1,652,092	9.1
Retail promotion	2,468,500	2,326,000	6.1
Trading stamps	522,000	554,000	5.8
Other retail premiums	1,946,500	1,772,000	9.8
Total	**$6,097,992**	**$5,678,402**	**7.4%**

Source: Incentive Marketing

Associate editor Len Strazewski coordinated this report on Premiums and Promotions.

Coming

Next week Advertising Age's Special Report will focus on **Out-of-Home Advertising.**

DYR to open China office

By VALERIE MACKIE

DYR Worldwide is expected to announce by June that it will open an office in China—possibly in partnership with the Chinese government.

Details of the opening still are being negotiated and sources say a cooperative agreement with a government subsidiary is likely.

Alex Brody, president and ceo of DYR, was in China last month working out an agreement.

"We have had a lot of requests from major clients here [Hong Kong] to spend sizable amounts of money in China—so we see a lot of potential there," said Bo Seifert, managing director of DYR Hong Kong, in a Hong Kong trade publication.

Some of DYR's clients in Hong Kong include Colgate-Palmolive Co., Johnson & Johnson and Beatrice Foods.

The move by DYR, a 50/50 joint venture between New York-based Young & Rubicam and Tokyo-based Dentsu, is part of Y&R's plan to take its "whole egg" communications philosophy to China.

DYR's agency in China—a marketplace increasingly attracting both U.S. and Japanese marketers—may also offer services not available from other shops, but DYR officials declined to elaborate.

Burson-Marsteller International, Y&R's public relations company, started operating in China last year after signing a cooperative agreement with China Media Development, a Chinese government news agency (AA, Sept. 16).

DYR is also looking to establish a presence in the U.K., France and Italy and in March the agency acquired a minority share in a German shop (AA, March 17).

McCann-Erickson, the only other U.S. agency with an office in China, opened its doors for business in Beijing in 1979.

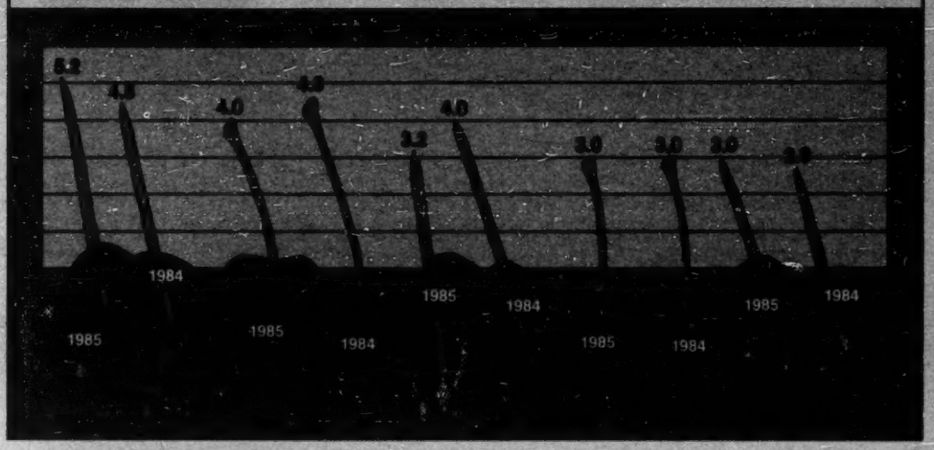
McCann owns a majority stake in the agency, called Interpublic Jardine, which is a joint venture with Hong Kong-based Jardine trading company.

The office serves mostly system clients, such as Coca-Cola Co. and Kodak Co., and has expanded to more than 10 executives, including general manager, account and client directors and liaison officers. In 1985, agency billings reached about $2.5 million.

A few other U.S.-based agencies, such as Ogilvy & Mather and J. Walter Thompson Co., operate what they call "China teams." These consist of staffers who are based in Hong Kong and travel frequently to China.

Top alcoholic drink advertisers in Europe

In 1985, Johnnie Walker Scotch whisky took the lead over Jagermeister as the leading alcoholic beverage advertiser in Europe, spending $4.2 million compared to $4 million for Jagermeister. Note that figures pertain only to print ads in European publications and that all figures are expressed in millions of dollars spent on ads between January and November of 1984 and 1985. Chart does not account for advertising by beer and wine marketers. Source: Adstat UK.



Ad plans uncertain

Guinness expected to lift sagging Distillers

By LAUREL WENTZ

LONDON—Brewery giant Guinness Plc, the white-knight victor in an acrimonious takeover battle for Distillers Co. Ltd., is expected to inject more marketing savvy into Distillers' declining brand shares around the world. For Guinness, the $3.95 billion purchase represents "the creation of a British-based international company strong enough to take on the international giants of the drinks business such as Seagrams and Suntory," said a Guinness executive.

"Distillers just seemed to have slipped away," said Julie Feaver, an analyst at London stockbroker Sheppard & Chase. "They have extremely well known brand names like Johnnie Walker, but their image could be polished."

Distillers' best-selling Scotch whisky, Johnny Walker Red Label, lost 2.2% in world market share between 1980 and 1984, when sales of the brand totaled 6.4 million cases annually. If Distillers is revamped to promote its premium brands, "that's where Guinness' techniques could be useful," Ms. Feaver said.

Guinness itself has been revamped since Ernest Saunders became chief executive five years ago and began divesting the company of all but its core businesses.

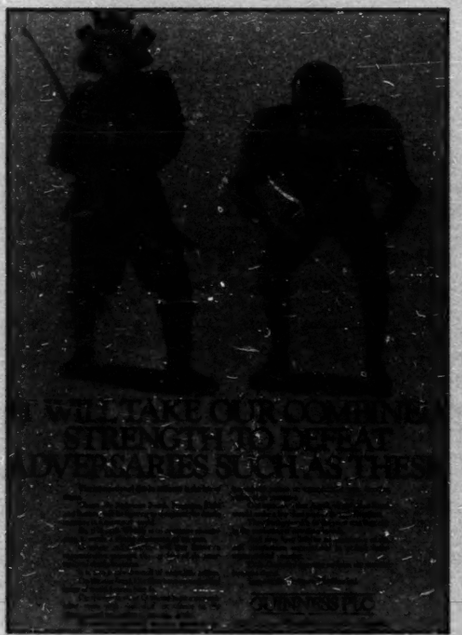
"Saunders radically altered the structure of Guinness," Ms. Feaver said. "He sold off about 100 companies and has now got Guinness into four divisions: Brewing, retailing, publishing and health. It has been good for Guinness' image—before, it was slightly muddled."

Guinness also moved further into the international beverage market last year with the purchase of Perth, Scotland-based whisky producer Arthur Bell & Sons, after a disputed takeover bid.

Guinness executives declined to comment on whether advertising will be reviewed for Distillers brands, which use eight agencies in the U.K. However, sources said D'Arcy Masius Benton & Bowles is expected to continue handling international advertising for Distillers' Dewar's Scotch whisky, the U.S. market leader. Guinness uses Ogilvy & Mather, also a Distillers agency, for most of its advertising worldwide.

Guinness is in the process of selling off 10 whisky brands to fulfill an agreement with the U.K.'s Office of Fair Trading to reduce the joint Guinness-Distillers share of the U.K. spirits market from 35% to 25%.

Guinness' initial bid for Distillers was referred to the Monopolies Commission by the OFT to investigate possible antitrust violations. Guinness headed off the investigation by making a second bid that guaranteed a 10% reduction in combined market share.



A Guinness ad calls for support of its takeover bid.

Guinness is selling the worldwide trademark rights to five whisky brands and the U.K. trademark rights to five other brands to Scottish whisky company Whyte & MacKay for $15 million.

Guinness defeated U.K. supermarket group Argyll Stores Ltd., which launched the initial hostile bid for Distillers that led to Guinness' entry into the bitter takeover battle as a white knight.

Even so, Guinness filed lawsuits against Argyll in U.S. and U.K. courts stemming from allegedly unfair advertising during the dispute. The suits are pending.

Both sides poured millions of dollars into aggressive full-page newspaper ads designed to win the confidence of stockholders.

One Argyll ad showed graphs with downward curves purporting to represent Distillers and Guinness results and the copy line "You can see why Distillers feels at home with Guinness."

An ad by Guinness and Distillers, which reportedly spent a combined $7 million on their takeover advertising, read "Own up, Argyll. You have a serious drink problem."

Bell's U.S. subsidiary, Wellington Importers, filed suit against Argyll and its ad agency, Saatchi & Saatchi, in the U.S. in March, alleging misuse of Bell's Scotch whisky trademark in newspaper ads supporting Argyll's bid for Distillers. The suit sought damages of more than $200 million.

Sources say the deal with Distillers, which exports 88% of its products, will give Guinness a more international profile.

Of Guinness' total 1985 sales of $1.77 billion, the U.K. and Ireland accounted for 70% of sales, as well as 67% of pretax profits of $129 million.

The U.S. market represents 7% of sales and 5% of pretax profits.

Danes will drop ad ban

By JACK BURTON

Denmark, one of the last European holdouts against commercial tv, is planning to drop its ban against tv advertising.

The first commercials ever on Danish tv could appear on some local stations as early as this fall. However, all tv advertising will be subject to heavy restrictions.

The decision to allow tv advertising is tied to the planned startup of a second national tv channel, TV 2, in 1988.

Advertising initially will finance an estimated one-third of TV 2's $60 million budget, with the rest made up by state subsidies and license fees.

Advertising is eventually expected to cover at least 60% of the budget, but sources said the amount of ad time may have to be increased to reach that goal.

Spots will run on a handful of regional stations, which will form the TV 2 network. One of those, TV Syd (TV South), a local station in south Jutland, could possibly start broadcasting commercials this fall.

An independent state-run company will sell ad time on TV 2 with advertisers having to buy time one year in advance. Advertisers cannot choose what time their commercials will be shown beyond picking the month of broadcast.

Commercials will be limited to three five-minute blocks a day, with 10 minutes shown during national programing and five minutes during regional programs inserted in TV 2's broadcast schedule.

Advertising for tobacco and alcohol, including beer, will be prohibited, a blow to Danish breweries, one of the country's major industries and biggest advertisers. Also banned are ads for medicine, banks, political parties and religious organizations as well as commercials aimed specifically at youths.

The restrictions reflect the political difficulty in reaching an agreement on the tv advertising issue, which has taken three years of hard negotiations among Denmark's half-dozen major political parties.

Agreement was reached only after the opposition Social Democratic party, which firmly opposed tv advertising, dropped out of negotiations, paving the way for a deal between other parties. The bill to permit tv advertising is expected to be narrowly approved by the Danish parliament this month.

TV 2 will be run by a state-appointed board of directors but will be independent of Danmarks Radio, the country's existing broadcast monopoly. Headquarters for TV 2 will be located in a major regional city to avoid having all media power concentrated in Copenhagen.

Half of TV 2's programing will come from Denmark or other Scandinavian countries, which should provide an enormous boost to independent program producers in the Nordic region, since TV 2 does not plan to produce any programing.

Newspaper Advertising MRCS/SAU Inches

February 1986 vs. February 1985

	1986 Full Run	1986 Part Run	1985 Full Run	1985 Part Run
AKRON, OH				
Beacon Journal (E)	74,752	28,545	76,507	19,084
Beacon Journal (S)	61,398	12,982	61,516	3,978
Grand Total	136,150	41,407	138,023	23,072
NOTE: Part run figures supplied by publisher to Media Records.				
ATLANTA, GA				
Constitution (M)	156,657	45,536	152,370	37,421
Journal (E)	153,219	46,558	150,248	31,439
Journal & Constitution (S)	114,814	47,405	121,415	34,220
Journal & Constitution (Sat)	39,887	——	33,831	——
Grand Total	464,577	139,503	457,964	103,080
NOTE: Constitution Morning and Journal Evening published five days a week only.				
BALTIMORE, MD				
News-American (S)	21,969	6,473	29,720	5,477
News-American (E)	29,959	6,085	32,166	4,553
Sun (M)	101,401	2,698	93,090	6,178
Sun (E)	80,557	2,698	74,752	6,178
Sun (S)	131,255	30,451	135,011	30,573
Grand Total	365,141	48,405	364,739	52,955
BERGEN COUNTY, NJ				
Record (E)	133,546	16,276	127,933	16,740
Record (S)	120,750	38,720	136,408	20,003
Grand Total	254,296	54,996	264,341	36,743
NOTE: Record Evening published five days a week only.				
BOSTON, MA				
Herald (M)	52,386	——	42,337	——
Herald (S)	18,547	21,702	19,129	18,768
Globe (M)	126,361	8,184	116,554	4,329
Globe (S)	161,094	16,121	153,022	13,182
Grand Total	358,406	46,007	331,042	36,279
BUFFALO, NY				
News (AD)	86,504	9,802	91,166	14,788
News (S)	54,297	12,197	53,177	6,687
Grand Total	140,801	21,999	144,343	21,475
CAMDEN, NJ				
Courier-Post (E)	101,594	17,152	88,498	16,096
Courier-Post (S)	55,538	5,545	51,044	1,832
Grand Total	157,132	22,697	139,444	17,928
CHARLOTTE, NC				
News (E)	——	——	64,962	——
Observer (M)	101,611	——	102,932	——
Observer (S)	66,895	——	60,556	——
Grand Total	168,506	——	228,470	——
NOTE: News Evening ceased publication November 1, 1985. Part run figures not available.				
CHICAGO, IL				
Sun-Times (M)	117,884	70,212	111,494	53,389
Sun-Times (S)	63,581	23,219	51,538	24,597
Tribune (M)	113,803	226,631	119,827	187,137
Tribune (S)	119,458	81,920	124,323	66,843
NOTE: Tribune figures supplied by publisher to Media Records. 1985 figures represent advertising for 2/3/86 to 3/2/86. Tribune All Day changed to Morning publication effective August 19, 1985.				
CINCINNATI, OH				
Enquirer (M)	132,719	1,203	127,032	5,216
Enquirer (S)	105,162	5,946	90,320	6,049
Post (E)	56,618	6,561	55,326	15,950
Grand Total	294,499	13,710	272,678	27,215
CLEVELAND, OH				
Plain Dealer (M)	113,326	25,758	116,745	15,808
Plain Dealer (S)	95,043	5,415	75,617	4,540
Grand Total	208,369	31,173	192,363	20,348
DALLAS, TX				
News (M)	253,467	8,101	251,924	12,731
News (S)	159,921	17,705	154,646	7,935
Times-Herald (AD)	190,808	29,030	202,431	14,740
Times-Herald (S)	110,625	18,011	110,485	7,067
Grand Total	714,821	72,847	719,486	41,573
DENVER, CO				
Rocky Mt. News (M)	229,261	2,376	250,146	920
Rocky Mt. News (S)	80,415	1,044	78,055	897
Post (M)	154,998	5,582	148,900	5,083
Post (S)	100,125	494	105,181	1,785
Grand Total	564,799	9,506	580,282	8,685
DETROIT, MI				
Free Press (M)	82,836	22,022	79,481	27,071
Free Press (S)	47,333	17,463	35,838	23,772
News (AD)	118,636	40,998	118,526	28,481
News (S)	79,663	25,252	75,975	22,026
Grand Total	328,471	105,733	310,018	102,390
FORT LAUDERDALE, FL				
News & Sun-Sentinel (S)	100,517	——	111,584	——
Sun-Sentinel (M)	277,578	——	306,400	——
Grand Total	378,095	——	417,984	——
NOTE: Part run figures not available. Morning figures include the Saturday Edition.				
FORT WAYNE, IN				
Journal Gazette (M)	60,082	——	56,826	——
Journal Gazette (S)	59,508	——	53,153	——
News Sentinel (E)	67,146	——	66,668	——
Grand Total	186,736	——	176,647	——
NOTE: Part run figures not available.				
GREENWICH/STAMFORD, CT				
Time (E)	67,089	2,029	67,282	——
Time (S)	48,280	——	48,338	——
Advocate (E)	84,368	5,634	82,631	1,861
Advocate (S)	51,412	——	47,566	——
Grand Total	251,127	7,663	243,797	1,861
HARTFORD, CT				
Courant (M)	123,808	19,534	119,158	23,400
Courant (S)	76,337	85,023	71,779	73,241
Grand Total	200,145	104,557	190,937	96,641
HONOLULU, HI				
Advertiser (M)	111,552	——	101,295	——
Star-Bulletin (E)	97,086	——	104,277	——
Star-Bulletin & Advertiser (S)	67,442	——	64,101	——
Grand Total	276,080	——	269,673	——
HOUSTON, TX				
Chronicle (AD)	205,762	32,016	250,796	32,733
Chronicle (S)	108,254	22,753	122,533	32,675
Post (M)	140,928	26,352	157,910	33,205
Post (S)	69,457	24,367	59,604	29,718
Grand Total	524,411	105,488	590,843	128,331
LONG BEACH, CA				
Press Telegram (M)	90,522	33,065	93,314	——
Press Telegram (S)	50,581	1,818	45,906	——
Grand Total	141,103	34,883	139,220	——
NOTE: 1985 Part run figures not available.				
LONG ISLAND, NY				
Newsday (E)	124,299	72,336	140,911	38,297
Newsday (S)	88,004	73,847	79,272	79,221
Grand Total	212,303	146,183	220,183	117,518
LOS ANGELES, CA				
Times (M)	259,353	230,843	256,485	239,211
Times (S)	161,457	84,972	163,549	74,962
Herald-Examiner (M)	55,605	6,740	52,162	10,201
Herald-Examiner (S)	13,556	4,561	11,183	3,337
Grand Total	489,971	327,116	483,379	327,711
LOS ANGELES/SAN FERNANDO VALLEY, CA				
News (M)	172,771	19,396	170,805	23,214
News (S)	76,676	1,496	72,177	7,655
Grand Total	249,447	20,892	242,980	30,869
***LOS ANGELES/TORRANCE, CA**				
Breeze (E & S)	181,879	——	171,927	——
Grand Total	181,879	——	171,927	——
NOTE: Figures supplied by publisher to Media Records.				
***LOUISVILLE, KY**				
Courier Journal (M)	75,103	30,511	78,604	30,207
Courier Journal (S)	56,742	49,039	51,114	38,409
Times (E)	74,508	42,168	80,190	45,352
Grand Total	206,353	121,718	209,908	113,968
NOTE: Figures supplied by publisher to Media Records.				
MIAMI, FL				
Herald (M)	158,895	——	162,968	——
Herald (S)	90,271	——	100,566	——
News (E)	55,248	——	61,333	——
Grand Total	302,414	——	324,867	——
NOTE: Part run figures not available.				
MINNEAPOLIS, MN				
Star & Tribune (AD)	87,096	16,587	86,970	16,364
Star & Tribune (S)	109,775	11,370	123,869	2,368
Star & Tribune (Sat)	20,747	——	20,893	——
Grand Total	217,906	27,957	231,732	18,732
***NASHVILLE, TN**				
Banner (E)	85,681	——	83,922	——
Tennessean (M)	86,583	——	82,726	——
Tennessean (S)	68,209	——	65,811	——
Grand Total	240,393	——	232,459	——
NOTE: Figures supplied by publisher to Media Records.				
NEW BRUNSWICK, NJ				
Home News (E)	68,551	1,439	72,571	87
Home News (S)	66,839	——	59,681	379
Grand Total	135,390	1,439	132,252	466
NEW YORK, NY				
Times (M)	147,498	14,952	137,708	13,037
Times (S)	172,444	89,375	169,761	85,538
News (M)	54,450	76,685	51,612	87,855
News (S)	37,659	78,225	36,720	75,825
Post (AD)	50,775	882	53,320	890
Grand Total	462,826	270,319	449,121	262,245
NEWARK, NJ				
Star Ledger (M)	176,858	5,473	173,888	4,930
Star Ledger (S)	171,978	18,744	168,620	22,954
Grand Total	348,836	24,217	342,508	27,884
OAKLAND, CA				
Tribune (M)	81,080	53,503	69,043	40,309
Tribune (S)	47,373	30,103	44,881	30,308
Grand Total	128,453	83,606	113,924	70,617
OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY				
Blade-Tribune (E)	70,877	38,787	——	——
Blade-Tribune (S)	42,094	26,781	——	——
Grand Total	112,971	65,568	——	——
NOTE: 1985 figures not available.				
ORANGE COUNTY, CA				
Register (AD)	275,919	58,728	256,887	57,187
Register (S)	116,421	6,449	118,203	1,754
Grand Total	392,340	65,177	375,090	58,941
PHILADELPHIA, PA				
Inquirer (M)	130,451	30,508	133,956	45,384
Inquirer (S)	116,532	40,700	115,957	39,402
News (E)	68,072	3,053	62,819	5,986
Grand Total	315,055	74,261	312,732	90,752
***PHOENIX, AZ**				
Arizona Republic (M)	224,983	11,052	218,444	8,566
Arizona Republic (S)	149,363	——	141,995	——
Gazette (E)	214,958	11,099	206,382	8,789
Grand Total	589,304	22,151	566,821	17,355
NOTE: Figures supplied by publisher to Media Records.				
***ST. LOUIS, MO**				
Post Dispatch (M)	82,926	30,021	77,118	27,086
Post Dispatch (S)	98,576	——	98,082	——
Grand Total	181,502	30,021	175,200	27,086
NOTE: Figures supplied by publisher to Media Records.				
ST. PAUL, MN				
Pioneer Press Dispatch (AD)	88,488	——	74,813	——
Pioneer Press Dispatch (S)	86,623	——	86,191	——
Grand Total	155,091	——	161,004	——
NOTE: Part run figures not available.				
SAN ANTONIO, TX				
Express-News (AD)	118,114	25,023	114,137	18,187
Express-News (S)	74,900	23,833	83,924	7,006
Express-News (Sat)	35,536	——	35,686	——
Light (AD)	110,857	27,510	98,559	24,772
Light (S)	77,415	15,523	77,994	12,584
Light (Sat)	31,071	——	31,897	——
Grand Total	447,893	91,089	442,177	56,549
NOTE: Light All Day published five days a week only.				
SAN DIEGO, CA				
Union (M)	180,287	22,400	182,822	13,932
Union (S)	119,716	——	109,575	——
Tribune (E)	197,233	19,846	189,818	15,966
Grand Total	507,236	42,246	482,215	29,898
SAN FRANCISCO, CA				
Chronicle (M)	113,676	52,415	116,383	46,477
Examiner & Chronicle (S)	71,844	34,704	68,382	33,870
Grand Total	185,520	87,119	184,765	80,347
SAN JOSE, CA				
Mercury News (AD)	250,792	22,762	243,825	27,819
Mercury News (S)	134,413	——	139,974	840
Grand Total	385,205	22,762	383,799	27,859
SHREVEPORT, LA				
Journal (E)	68,313	5,426	68,786	3,199
Times (M)	85,429	10,130	87,811	10,869
Times (S)	56,922	4,731	55,537	7,873
Grand Total	210,664	20,287	212,114	21,941
***STATE COLLEGE, PA**				
Centre Times (E)	80,271	813	64,520	542
Centre Times (S)	24,424	366	23,932	——
Grand Total	84,695	1,179	88,452	542
NOTE: Figures supplied by publisher to Media Records.				
SYRACUSE, NY				
Herald Journal (E)	85,050	27,252	72,000	18,868
Herald American (S)	43,040	26,395	44,804	17,851
Post-Standard (M)	65,404	27,572	66,964	18,763
Grand Total	173,494	81,219	183,568	55,482
***TAMPA, FL**				
Tribune (AD&S)	255,227	91,360	288,321	91,256
Grand Total	255,227	91,360	288,321	91,256
NOTE: Figures supplied by publisher to Media Records.				
***TOLEDO, OH**				
Blade (E)	75,306	——	73,457	——
Blade (S)	83,962	——	77,758	——
Grand Total	159,268	——	151,215	——
NOTE: Figures supplied by publisher to Media Records.				
WASHINGTON, DC				
Post (M)	244,390	38,132	244,675	42,219
Post (S)	139,917	23,932	128,156	19,622
Grand Total	384,307	62,064	372,831	61,841
Alexandria Journal (M)	56,441	2,497	50,660	——
Prince George's Journal (M)	48,495	2,497	45,062	——
Montgomery Journal (M)	52,283	299	45,491	——
Fairfax Journal (M)	57,249	2,967	52,447	——
Arlington Journal (M)	56,127	2,419	50,883	——
NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.				
WESTCHESTER ROCKLAND, NY				
Reporter Dispatch (E)	66,707	8,040	58,923	10,254
Reporter Dispatch (S)	80,709	8,604	74,466	7,604
Grand Total	147,416	16,644	134,389	17,858
WICHITA, KS				
Eagle-Beacon (M)	78,815	——	90,992	——
Eagle-Beacon (S)	63,109	——	65,589	——
Grand Total	141,924	——	156,581	——
NOTE: Part run figures not available.				

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS/SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page.... Width and Depth in Inches.
2. Determine Square Inches of Page.... Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page.... Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page.... Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches.... Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

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Monday, May 12, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

S&S' $450M buys Bates

Colgate likely to leave $7.6 billion mega-shop

By STEWART ALTER

Saatchi & Saatchi Co. is expected to announce today that it will acquire Ted Bates Worldwide for $450 million, a move that would immediately realize the London-based company's ambition to be the No. 1 ad-agency group in the world.

Excluding possible client fallout, Saatchi's worldwide advertising empire will now include $7.6 billion in billings in 150 worldwide offices. Bates is likely to resign its Colgate-Palmolive business since Procter & Gamble is more important to the Saatchi organization.

The Bates purchase is likely to satisfy Saatchi's appetite for acquiring ad agencies for the time being.

The deal—by far the biggest in advertising history—rewrites the rankings of the top ad agency holding companies only two weeks after BBDO International-Doyle Dane Bernbach Group-Needham Harper Worldwide shook it up with their formation of a $5 billion operation (AA, April 28).

The staggering terms of the Bates payout—reported to be $400 million in cash upfront and another $50 million in two years—is said to solve the problem around which the talks broke down five months ago (AA, Dec. 16).

At that time, Bates chairman Bob Jacoby reportedly walked away from the deal at about the same price level because he objected to Saatchi's typical payout structure on acquisitions, which involves cash upfront and future payments contingent on profit performance.

Sources indicate Mr. Jacoby will make $85 million to $100 million on the deal. But Mr. Jacoby, who retains his Bates title, as do other key executives, reportedly does not intend to leave and will be one of a group of executives tied into long-term contracts. Reports on this group's number vary from seven to 15.

The purchase price will be about 21 times net earnings. Bates' pretax profits are said to be about $30 million for the year ended last March 31, with net earnings about half of that.

There are about 200 Bates shareholders who will share in the proceeds. The book value for each of Bates' 400,000 shares is said to be $820 in cash.

According to various sources, who added that the purchase price will not earn a profit for Saatchi's first two years, Mr. Jacoby will receive another $50 million in the next two years. Mr. Jacoby [illegible]

However, [illegible] said not shareholder approved, [illegible] that it might involve a [illegible] shares by [illegible] and Gabelli's acquisition of [illegible]

But [illegible] more than a decade to [illegible] agencies that have sold or merged

(Continued on Page 107)

Top 10 U.S. agency super groups

Rank	Super group	Billings in 1985 Worldwide	U.S.
1	Saatchi & Saatchi Co. plc* (including Bates)	$7,552.4	$4,662.1
2	BBDO/DDB/Needham**	5,078.9	2,743.1
3	Interpublic Group of Cos.***	4,697.9	2,351.2
4	JWT Group	3,817.4	2,066.8
5	Young & Rubicam	3,675.5	2,274.0
6	Ogilvy Group†	3,398.7	2,059.8
7	Foote, Cone & Belding Communications††	2,191.6	1,721.0
8	D'Arcy Masius Benton & Bowles	2,134.3	1,353.1
9	Leo Burnett Co.	1,888.5	1,269.9
10	Grey Advertising	1,728.5	1,221.9

NOTE: Super groups include agencies and agency holding companies that own more than one U.S. full-service agency or advertising. Totals represent reported figures supplied by agencies in the Agency Income Report (AA, March 27). Dollars are in millions.

* Includes Saatchi & Saatchi Co. plc as announced in 1985, Ted Bates Worldwide, Backer Spielvogel Bates Worldwide and Dorland Worldwide.

** Includes Ingalls & Associates bought by BBDO, Wells Rich, Greene & Partners, but excludes Keyes, Fibreboard, The Kenney Waterbury Los Angeles group.

*** Includes Baker Manning bought by McCann-Erickson, and McCann agency.

† Includes Ogilvy & Mather Group bought by S.H. Benson, Brand, an Ogilvy agreement.

†† Includes Lowe Marsteller.

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SAATCHI & BATES

The Bigger Bang

Can the Saatchis afford to stop growing? *Page 88.*

More agencies ripe for picking? *Page 108.*

The direct-marketing shuffle. *Page 106.*

Saatchi bets on solving international conflicts. *Page 106.*

Bates deal tests Saatchi network strategy. Reaction from U.S. clients. *Page 107.*

Last Minute News

Riney jumps into Michelob fray

CHICAGO—Hal Riney & Partners this week will make a presentation on Anheuser-Busch's $40 million Michelob account, sources say. Ted Bates Advertising/New York currently handles. A-B for several months has been testing creative from Bates; D'Arcy Masius Benton & Bowles, St. Louis, and Needham Harper Worldwide here (AA, Nov. 25, *et seq.*). Riney last week officially was given several other A-B assignments that sources valued at $30 million *(see related story on Page 32)*. Separately, A-B will use "Dewey, you do me right" as the theme for its Dewey Stevens low-cal wine cooler (AA, May 5). Three network tv spots will break in midsummer, supported by radio and print. Bloom Agency, Dallas, handles.

Fox up and running with 'Down and Out'

LOS ANGELES—Fox Broadcasting Co. next March will start running a half-hour tv series adaptation of "Down and Out in Beverly Hills," the hit

(Continued on Page 8)

Icahn may cut O&M, eyes Y&R or DFS

By BRIAN MORAN

NEW YORK—Trans World Airlines chairman Carl Icahn may fire Ogilvy & Mather for the second time in little more than six months. Late last week the corporate raider was trying to decide whether to award the business to Young & Rubicam or DFS Dorland Worldwide.

Y&R was said to be the stronger contender for the account, by virtue of the agency's association with present TWA executives via its 1970s work for Eastern Air Lines. But a cadre of Mr. Icahn's personal advisers, including his wife, son, uncle and a friend, Sheldon Kravitz, a former executive at Lennen & Newell—all of whom were present during agency presentations May 8—were believed to be delaying the financier's decision.

Mr. Icahn, who unceremoniously fired O&M Oct. 23 in an attempt (which succeeded) to force the agency to work for reduced compensation, reportedly became dissatisfied with the agency's refusal to create advertising tailored to his demands. TWA insiders report that Mr. Icahn, eager to fill loss-ridden TWA's seats, favored price-oriented, retail advertising with a modicum of creativity. O&M, highly respected for its creative talents, reportedly made many concessions but could not swallow Mr. Icahn's terms whole.

"Ogilvy's philosophy was probably right for us—they wanted to maintain some level of creativity," said a TWA source. "But they dug their own grave by continuing to

(Continued on Page 110)

Four A's plans big for psa's

By CRAIG REISS and WILLIAM F. GLOEDE

NEW YORK—The American Assn. of Advertising Agencies on May 15 will announce a grandiose plan for the biggest public service ad campaign ever: An antidrug message put together by the top 50 agencies in the U.S. and backed by requests for free media time and space worth well over $1 billion over the next two years.

If the media, which already have been asked to be "partners" in the Four A's effort,

(Continued on Page 110)

NEWSPAPER

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HIGHLIGHTS

4A's offers antidrug plan 1
The American Assn. of Advertising Agencies this week will announce a grandiose plan for the biggest public service ad campaign ever: An antidrug message put together by the top 50 agencies in the U.S. and backed by requests for free media time and space worth more than $1 billion.

Nets upfront outlook grim 3
The tv networks began screening their new fall schedules for advertisers last week, and early reports from buyers and sellers reveal that the tv nets and advertisers are far apart on the price of prime time tv in 1986-87.

The risk of insurance 3
Product-liability insurance, once considered a routine operating expense, is playing a bigger role in marketing decisions. Soaring insurance rates, increasing litigation and multi-million-dollar court awards are contributing in some cases to growing tension between company sales/marketing arms and their risk managers.

Who's hot 4
Company advertising directors continue to rank J. Walter Thompson Co. and Ogilvy & Mather Worldwide as the nation's two best ad agencies, while Fallon McElligott Rice has emerged as the hottest agency, according to Advertising Age's latest quarterly survey.

RJR tests new cereal 12
RJR Nabisco will spend on a $30.7 million basis (nationally projected) in the West Coast test of Nabisco Fruit Wheats ready-to-eat-cereal. RJR unveiled its plans at the Food Marketing Institute's annual meeting and convention here last week.

Eenie, meenie, Riney gets mo' 32
Anheuser-Busch last week officially welcomed aboard Hal Riney & Partners, but left unclear which ship he will be steering. Riney, which earlier resigned its G. Heileman Brewing accounts to clear the way for its relationship with A-B, said it had been assigned both product and corporate advertising projects. Both the agency and spokesmen for A-B declined to specify which products the Riney agency will handle.

Quaker eyes rice cakes 72
Quaker Oats Co.'s decision to make a serious effort in the rice cake market puts it in a position to dominate an obscure food category known primarily to health-food purists.

Ad growth slows 76
Final returns for the year, according to a McCann-Erickson survey, show that advertising growth in 1985 was lower than projected in December and less than expected a year ago.

W-L hikes ad spending 88
Warner-Lambert's ad-spending ratio to sales has risen to 21.6% from 12.9% just five years ago, company officials said at the annual meeting here this month.

FEATURES

Glory days with Koenig 48
There was a time when Papert, Koenig, Lois could do no wrong. One great ad and tv commercial after another seemed to emanate from its offices, most of them Julian Koenig's work. But PKL is no more. Today, Julian Koenig can be found, most of the time, back in his office in the Delmonico Apartments at Park Avenue and 59th Street in Manhattan.

CATEGORY REVIEW

Ethnic haircare in mainstream 24
Black-owned marketers are being bested at their own game by mainstream health & beauty aids companies that have discovered black haircare products as the hottest segment of an indifferent market. The result: Ethnic allegiance and goodwill no longer are good enough for minority marketers to succeed in a market they pioneered.

INTERNATIONAL

Magazines scrap in Asia 68
Time and *Newsweek* are going head-to-head with new strategies to compete in the Asia-Pacific region, where a decade of rapid economic growth has spawned fierce competition among English-language publications.

Nestle makes exec changes 69
Nestle S.A. is boosting the importance of its North American operation in several management changes at its Swiss headquarters. Managing director Helmut Maucher is assuming direct line responsibilities for running Nestle in North America, partly due to Nestle's 1984 acquisition of Carnation Co.

OTHER NEWS

Pepsi-Cola Co. believes it has signed Michael Jackson for a song—at a reported $15 million—even though critics aren't convinced the contract is a thriller. Page 6.

When Unilever lost the bidding war for Richardson-Vicks, which went to arch-rival Procter & Gamble, the European-based multinational vowed to seek out another strong U.S. consumer products company. Page 46.

McCann-Erickson North America is going for the franchise with the creation of McCann-Erickson Regional Marketing, a subsidiary designed to build regional advertising business. The $17 million agency, embracing seven offices and headquarters in Atlanta, replaces M-E's Communications Counselors Network, an eight-city field office operation that has chiefly served Coca-Cola USA bottlers for the past 25 years. Page 76.

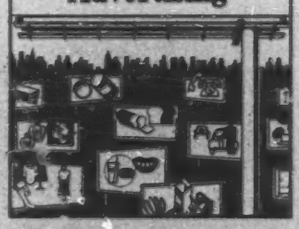
For Esquire Magazine Group, the launch of *New York Woman* means more than a sex-change operation. Not only is the every-other-monthly due out Aug. 21, a shift from *Esquire's* male orientation to the burgeoning women's magazine market, but it also marks EMG's entry into two other fertile fields, controlled circulation and regional publishing. Page 87.

Reports of the demise of the independent agency are greatly exaggerated, according to an informal survey of senior agency people attending the Western States Advertising Agencies Assn. As talk of the implications of the megamerger of BBDO International, Needham Harper Worldwide and Doyle Dane Bernbach Group dominated talk at the gathering, many western advertising executives stated their faith in the continued existence of the independent. Page 97.

NEXT WEEK: Advertising Age presents its first agency salary survey, conducted by Cole Surveys, Boston, showing compensation levels of top executives at various size U.S. agencies.

SPECIAL REPORT

Out-of-Home Advertising



Out-of-home advertising has several talents, including the ability to reach highly targeted markets and to supplement other media for total market coverage. Another strength is its low cost-per-thousand impressions. Special Report looks at how the industry strives to sell itself to advertisers and some innovative uses of outdoor boards.

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BATF dries up athlete ad ban

By STEVEN W. COLFORD

Washington—In a move that could bring a major change to the way that beer and wine are advertised, the Bureau of Alcohol, Tobacco & Firearms is relaxing its restrictions on the use of active athletes in ads endorsing alcoholic beverages.

Brewers and wineries have not been formally notified of the agency's reassessment of its advertising guidelines, but Bruce Weininger, chief of the agency's industry compliance division, told Advertising Age that BATF now considers permissible beer and wine advertising that features athletes—active or retired—as long as the athlete is not shown consuming the alcoholic beverage and does not

(Continued on Page 105)

Cosby's image pays dividends

By BRIAN MORAN

New York—Bill Cosby last week began telling millions of tv viewers how E.F. Hutton & Co. is helping him become a shrewd investor.

Considering how Mr. Cosby engineered his spokesman deal with the troubled brokerage house, it's evident he hasn't fared too poorly on his own all these years.

When Hutton executives first approached the popular comedian in early spring, they proposed a partnership that would allow the brokerage to sponsor some Cosby live appearances around the country.

Hutton in 1983 had made a similar tour sponsorship deal

(Continued on Page 105)

West Coast news

Universal to test ads in Spanish

Universal Pictures, Universal City, Cal., has named Casanova, Pendrill Publicidad, Los Angeles, to test the effectiveness of Spanish-language advertising for three general market films. Starting this summer, the studio, a unit of MCA Inc., will place tv, radio and print ads aimed at Hispanics in Miami, Los Angeles and possibly Chicago, for "Legal Eagles," "Psycho III" and "Howard the Duck." Universal earlier severed a short-lived relationship with DJMC's Los An-

(Continued on Page 108)

U.S. NewsWatch

Marketing news from regional centers across the country

HOUSTON—**Art Casper**, chairman of Winius-Brandon Advertising, will resume his position as president-chief operating officer, replacing Dan Japhet, who was fired. Mr. Japhet was named to those posts Feb. 21. Mr. Casper, who remains chairman, cited "differences in management style" as the reason for the change.

CHICAGO—**Chicago Air**, a new commuter service based at Midway Airport, breaks its first radio, newspaper and outdoor ads May 14. The $1.8 million campaign is themed "A breeze to the Windy City and beyond." Wagner & Associates handles.

BALTIMORE—**Luskin's**, a 50-unit electronics and appliance retailer, last week returned its $3 million broadcast media buying in-house after six months with Eisner & Associates. Eisner continues to handle creative for special assignments. Luskin's tv and print budget is $10 million.

FRESNO, CAL.—**California Table Grapes Commission** is breaking tv and radio spots this month in the U.S. and Canada. Ads recreate the Garden of Eden. In the ads, Eve tempts Adam with

(Continued on Page 90)

AGENCY WATCH

JWT and Ogilvy still top ad directors' rankings

FMR called 'hottest' shop

By CHARLOTTE FLANAGAN

Company advertising directors continue to rank J. Walter Thompson Co. and Ogilvy & Mather Worldwide as the nation's two best ad agencies, while Fallon McElligott Rice has emerged as the hottest agency, according to ADVERTISING AGE's latest quarterly survey.

In the January-to-March polling period, 6.6% of respondents named JWT as the best agency. Ogilvy was next with 6%. The difference between the two is not statistically significant.

Only one mention separates the two agencies in the cumulative Agency Watch results, which cover the five quarters since the survey began in October, 1984. (There was no survey in the fourth quarter last year.)

Ogilvy has received 110 mentions to date, equal to 7.4% of the 1,496 ad directors surveyed, and JWT has been named by 109 respondents, or 7.3% of the total.

Agency Watch is conducted for AD AGE by SRI Research Center Inc., Lincoln, Neb. In each survey period, SRI questions by telephone a random sample of 300 ad directors of companies with $25 million or more in sales.

The survey isn't limited to large advertisers in New York, Chicago and other principal agency cities, but questions ad directors in each of the 20 largest U.S. cities. Presumably, a poll of this sort, if confined to New York-based advertisers, or advertisers concentrated in any other major market, might produce different results.

In the best-agency questioning, respondents are asked, "Which ad agency, regardless of size, provides the best over-all services and products to its clients?"

They are allowed to name up to three agencies. Each mention is counted as one vote, whether or not it is the respondent's first choice.

In the latest Agency Watch survey, BBDO International was third, named by 4.3% of respondents, while Leo Burnett Co. and Foote, Cone & Belding Communications were named by 4% and 3%, respectively.

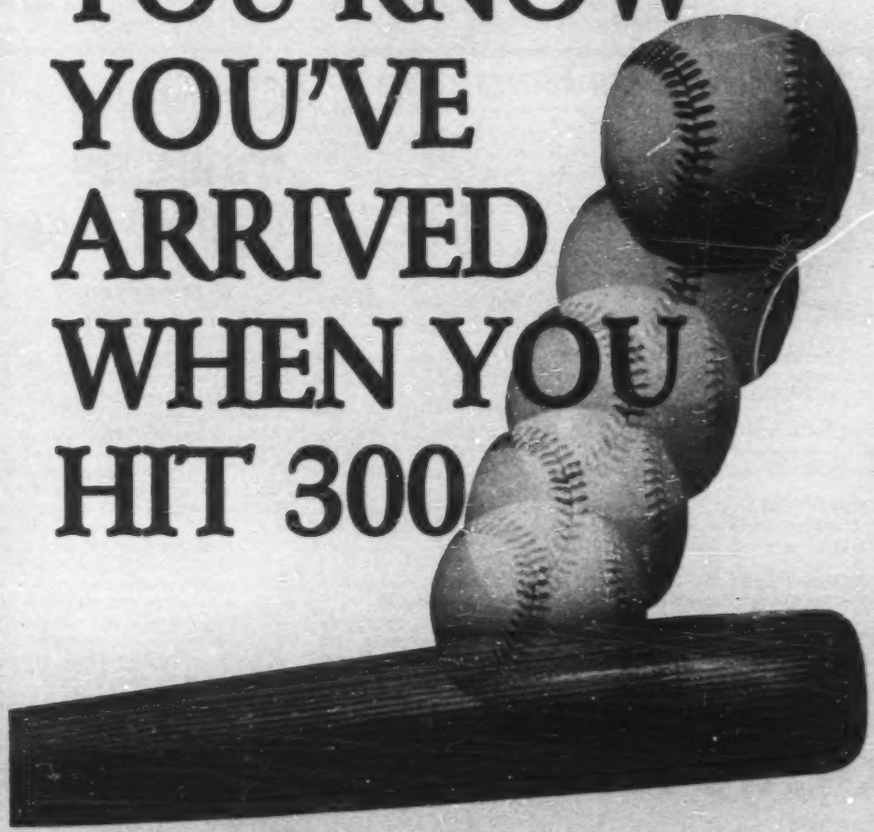
In cumulative results, Young & Rubicam, named by 4.2% of respondents, ranks third, followed by BBDO (3.9%) and Burnett (3.1%).

Other agencies named by 2% or more of the people surveyed to date are Bozell, Jacobs, Kenyon & Eckhardt (2.5%); Foote, Cone & Belding (2.2%); Doyle Dane Bernbach Group (2.1%); McCann-Erickson Worldwide (2.0%), and Chiat/-Day (2.0%).

JWT continues to dominate in top-of-mind agency awareness, though its score fell in the January-to-March survey. Asked to name the agency that first comes to mind, 21.6% of the respondents named JWT. The agency was named by at least 25% of mentions in each of the previous four quarters. Following JWT in awareness were Ogilvy & Mather (14.6%); BBDO (12.3%); Young & Rubicam (10.3%), and Doyle Dane Bern-

(Continued on Page 74)

YOU KNOW YOU'VE ARRIVED WHEN YOU HIT 300



Just as batting .300 is a measure of considerable achievement, so is breaking the 300,000 circulation milestone. Long over 300,000 in Sunday circulation, The Orange County Register has now reached this true measure of a metropolitan newspaper on a daily basis, with daily circulation of 300,985.

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(Publisher's Statement March 31, 1986, as submitted to ABC)

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THE DISCOVERY CHANNEL

Pepsi, Jackson start 'relationship'

Not just a $15 million endorsement

By JUDANN DAGNOLI

PURCHASE, N.Y.—Pepsi-Cola Co. believes it has signed Michael Jackson for a song—at a reported $15 million—even though critics aren't convinced the contract is a thriller.

The pact (AA, May 5) buys "a relationship" rather than an endorsement, said Pepsi-Cola president-ceo Roger Enrico, in announcing the deal last week.

Mr. Enrico moved up to Pepsi-Cola president-ceo, a previously vacant post, from president-ceo of Pepsi-Cola USA, the franchised bottling unit in the U.S., in a management realignment last week following the expected retirement of PepsiCo chairman-ceo Donald Kendall.

Mr. Enrico also noted that the price tag, which he would only put at somewhere between $5.5 million and $15 million, was "the most money paid for any relationship of this kind."

Mr. Jackson will compose two pieces of original music for Pepsi and appear in three commercials, two in English and one in Spanish, Mr. Enrico said. The spots will air worldwide next year.

In 1988, the performer will act as creative consultant to Pepsi and perhaps direct a commercial.

Mr. Jackson's first Pepsi song will be included on his next album.

The contract does not require Mr. Jackson to hold, drink or come into contact with Pepsi, a company spokesman said.

Mr. Enrico explained that the U.S.' No. 2 cola marketer "never asked him to drink Pepsi," only to "create events."

Mr. Jackson has proven ability to boost Pepsi sales, the company said. It contended that sales rose 8% within 30 days as a direct result of the last Jackson campaign.

"Investments like this do indeed pay off," Mr. Enrico asserted. He said Mr. Jackson's presence will render Pepsi spots zap-proof.

The radio and tv spots will be longer than 30 seconds, he said, and will break in January, probably during the Grammy Awards show. The campaign does not include print advertising.

Pepsi signed a $5.5 million package with Mr. Jackson in 1984 that included commercials and sponsorship of his Victory Tour. The company would not say whether the new package includes any tour sponsorship, but other sources confirmed tour rights are included.

The new contract also provides for special events and Mr. Jackson's possible appearance in special advertising or in-person appearance during Pepsi-Cola's Goodwill Games sponsorship this July in Moscow, these sources said.

As to reports that Mr. Jackson was involved in sponsorship negotiations with Atlanta-based Coca-Cola Co., a Pepsi spokesman said that, to his knowledge, the stories were false. New York-based Rockbill, which negotiated the Pepsi package, said it never talked to Coca-Cola on Mr. Jackson's behalf.

Photo by Arnold Adler

Michael Jackson (r.) poses with Roger Enrico, president-ceo, Pepsi-Cola, and dozens of advertising awards for previous Pepsi/Jackson spots. It was, Mr. Enrico said, the first time Mr. Jackson had seen all the awards the campaign won.

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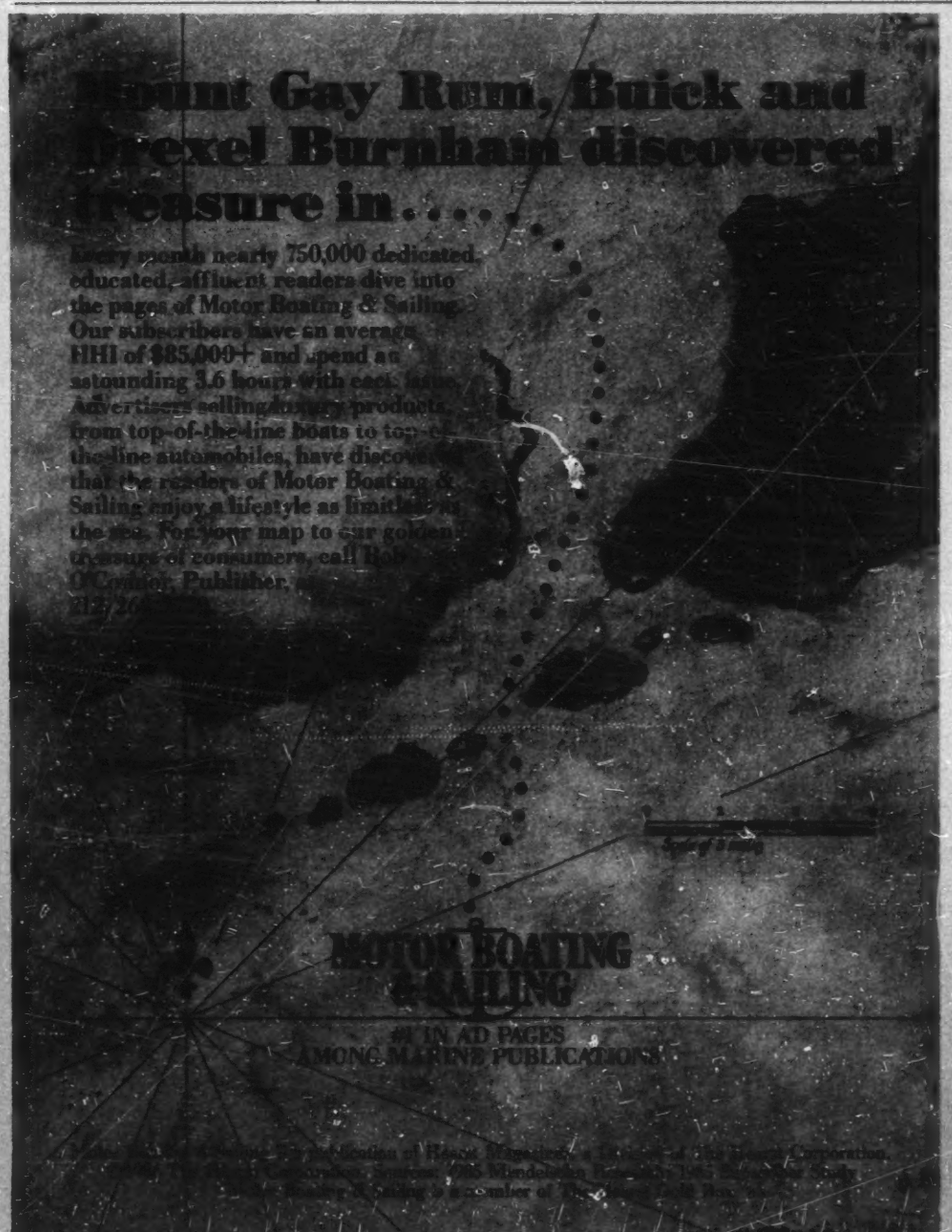
Everything old again is new

Coca-Cola Co. has introduced a new version of its Coke logo, designed to give its products a more uniform look. The updated calligraphy was unveiled during the product's 100th anniversary celebration last week. The week's events, which carried a $1 million price tag, included a party for bottlers from each continent and a parade in Atlanta, the company's headquarters.

CORRECTIONS & CLARIFICATIONS

• Gains and losses in advertising awareness were transposed in the March adWatch chart (AA, April 28, P. 93). The correct figures for percentage change in share of first mentions since February are as follows: TWA, up 6.1 percentage points; Tylenol, up 3.0; McDonald's, up 2.8; Levi, down 2.9; Tide, down 3.2; Folgers, down 4.5; Kodak, down 4.7, and Burger King, down 7.7.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Special Report

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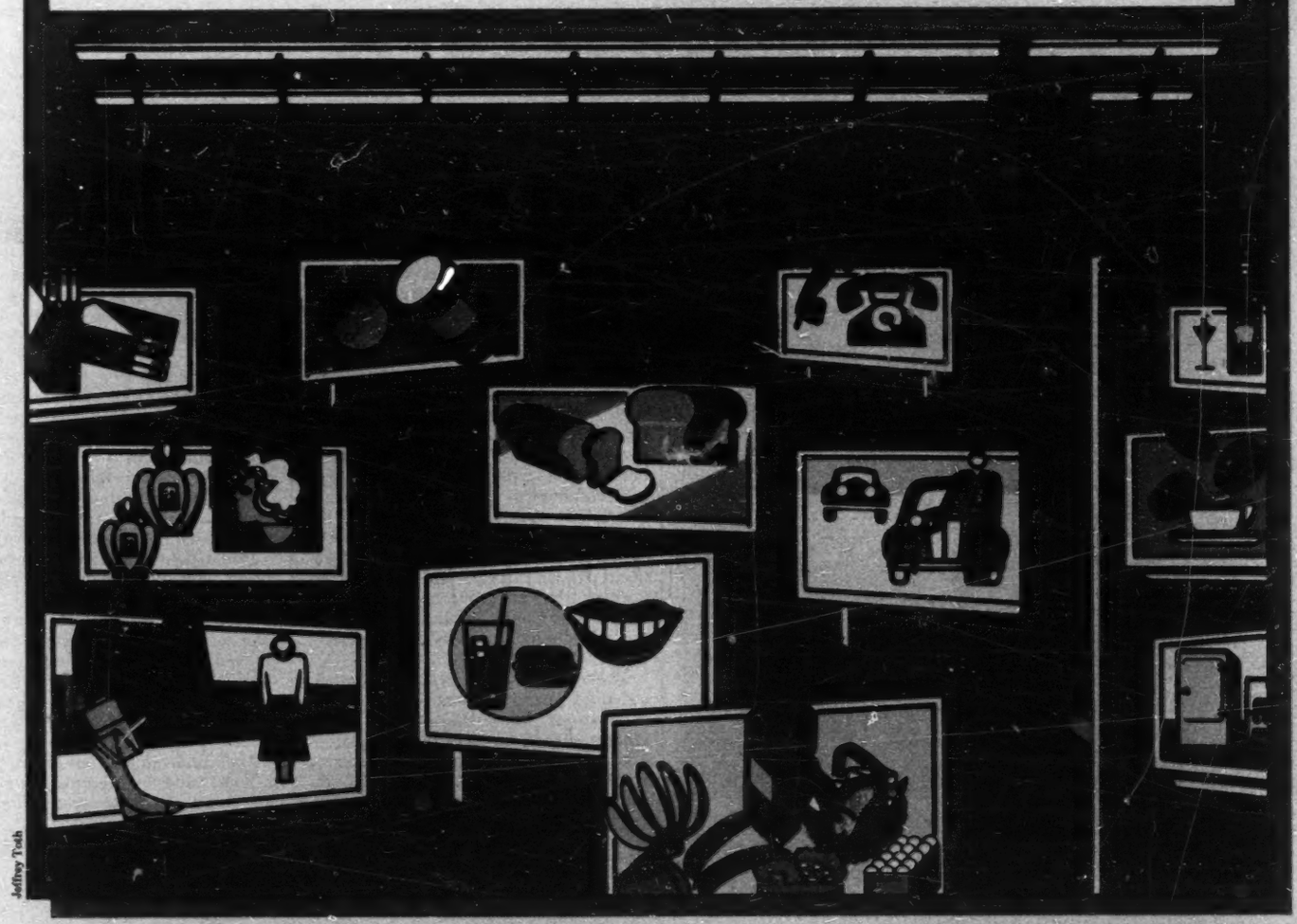

Jeffrey Toth

Segmentation attracts new product categories

By Richard Edel

For many years, the out-of-home medium was advertising's ugly duckling. Virtually ignored during corporate and agency media planning, it would waddle in at the tail end of budget assignments to pick at the crumbs.

But as advertisers seek new alternatives in an era of declining network tv audiences and demographic changes that include a dramatic increase in the number of working women, out-of-home is emerging as a viable medium.

Its ability to reach highly targeted markets and to supplement other media for total market coverage are among the factors pushing advertisers to the great outdoors.

Richard Edel is a frequent contributor to Special Report.

But the key trend is audience segmentation, says Eugene Morris, senior vp at Burrell Advertising, Chicago. "There is greater awareness today of segmentation in the advertising industry, period. As a result, advertisers are rethinking media decisions, looking for media that deliver the female segment, blacks, baby boomers or elderly consumers," he says.

Out-of-home scores well on segmentation, says Alice Vantrease, president of Creative Marketing Services, Augusta, Ga. By nature, it permits geographic targeting of specific groups. And it has the added advantage not only of reaching target audiences, but also frequently exposing them to the ad message. The icing is that out-of-home has the lowest cost per thousand impressions of any medium.

"Where radio and tv are frequency mediums, and newspapers and magazines are reach mediums, outdoor is both, and at the lowest cost," Ms. Vantrease says.

With these strengths, experts predict out-of-home media may soon be on the crest of a new wave in advertising. Sales revenue for the stan-

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Package goods contain potential
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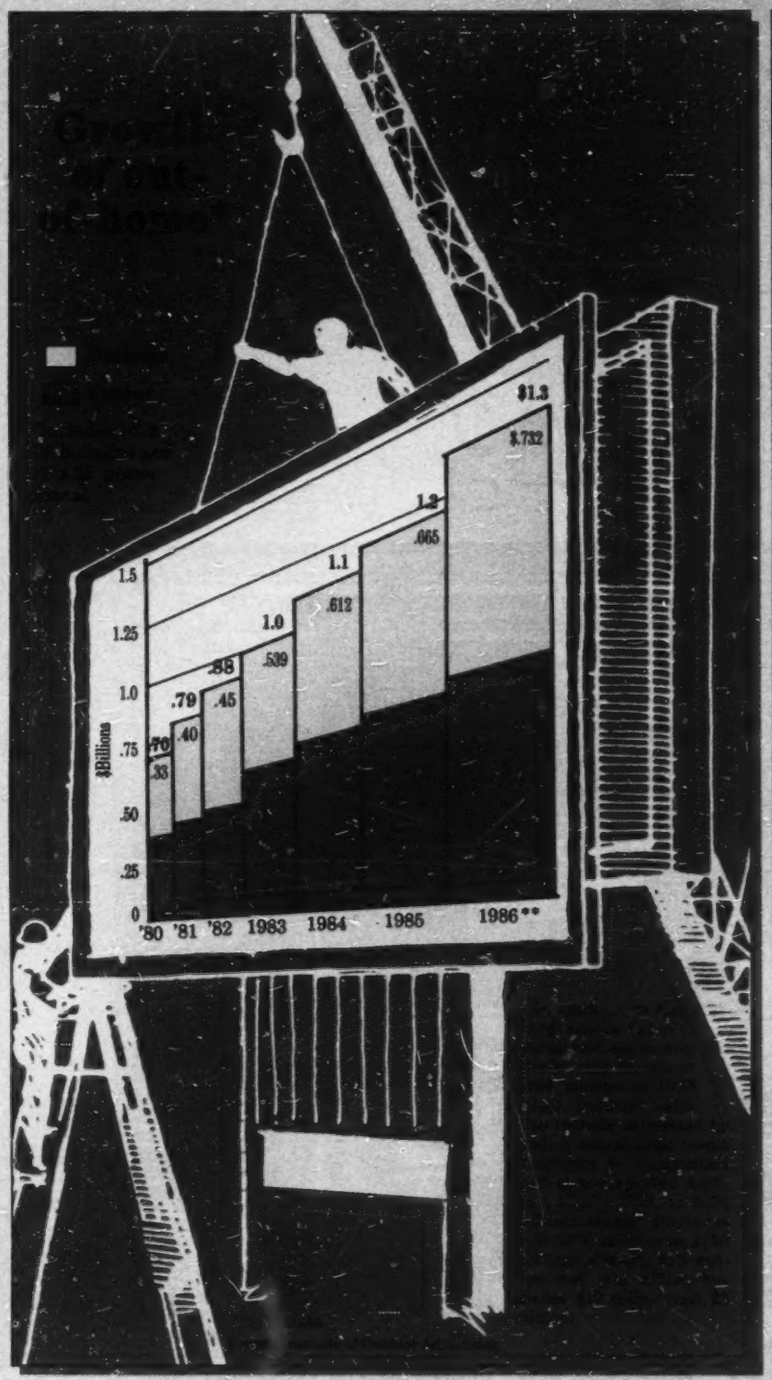
Tv provides added punch
Page S-12
Inflatable board toasts wins
Page S-16
Campaign shows it up among roadside
Page S-



Attracting new categories

(Continued from Page S-1)

dard industry, which includes 30-sheet poster panels and painted bulletins, has grown 8% to 10% each year from $701 million in 1980 to $1.2 billion in 1985, according to the Institute of Outdoor Advertising, New York. Although out-of-home represents about 1% of spending for all media, its share has fallen slightly over three years.

Eight-sheet boards are on a faster growth track than 30-sheet, with estimated 75% growth since 1980 to 150,000 panels in 1985, says Ronald Waggener, executive director of the Eight-Sheet Outdoor Advertising Assn., Independence Mo.

But this medium represents only a small share of total out-of-home advertising. In 1985, eight-sheet board sales were $104 million, Mr. Waggener says.

Highway, transit, mall, and taxicab advertising accounted for about $400 million in 1985 sales, estimates Thomas C. Devine, marketing operations manager at 3M National Advertising Co., Bedford Park, Ill., a division of Minnesota Mining and Manufacturing, St. Paul, Minn. There is no independent means of verifying that figure.

Before any real growth, however, the industry has to begin effectively selling itself and educating prospective advertisers, industry sources say.

"Out-of-home right now is like a lost child in the wilderness," Ms. Vantrease says.

One factor expected to infuse out-of-home with new vigor is the industry's move to replace old-style outdoor boards constructed on unattractive scaffolding with bulletins that rise cleanly from a single pole. This is a critical factor in attracting new advertisers to the medium, outdoor executives say.

Technological innovation is another factor that could change the face of the industry. An announcement is expected within six months on a computerized, robotic painting device now being developed by a private group headed by John Kluge, chairman of Secaucus, N.J.-based Metromedia Inc. A similar device is being developed by 3M.

The robotic device would allow encoded designs to be wired to any number of locations, where the machine would create painted bulletin-size, magazine-quality reproductions in a matter of hours. With these capabilities, bulletins could be posted for shorter intervals, possibly a week as opposed to the standard 30 days, and their quality would not vary according to the skills of local painters.

Another factor changing the medium's face is the increasing level of marketing sophistication in larger companies such as Foster & Kleiser, Gannett Outdoor and Winston Network.

Additional change comes from mergers and acquisitions bringing new names into the business.

"We're seeing a metamorphosis of the industry from mom-and-pop outfits to an industry owned by national and international groups," says Gerard Joyce, president of Patrick Media Group, Scranton, Pa. "We're seeing a new breed of owners who have new insights into marketing to specific groups. We're just starting to feel the effects of that."

Mr. Joyce is an example of the new breed. In April, he signed a definitive agreement with Metromedia for the $710 million purchase of its Los Angeles-based Foster & Kleiser unit, the industry's largest outdoor company with 45,000 boards in 19 markets and annual revenues of $212 million in 1985.

Gannett Outdoor, the nation's second largest outdoor company with 15 markets, had 1985 revenues of $207 million.

Another example is Morris Communications, Augusta, Ga., a growing publisher of 18 newspapers in seven states, which bought Naegele Outdoor that covers about 400 cities and has an estimated $100 million in annual sales making it one of the top five outdoor companies.

Further impact on the use of out-of-home is expected from the June, 1985, merger of R.J. Reynolds Industries and Nabisco Brands and the September, 1985, acquisition of General Foods by Philip Morris Inc. These changes have the potential to dramatically increase the level of out-of-home advertising by package goods companies, Mr. Joyce says.

Media planners for the tobacco companies have long experience with out-of-home, he says.

"If we could just get some of the crumbs from package goods advertising, we could double our industry's revenues overnight," Mr. Joyce says. "We've had a very warm reception and we are maximizing the possibility of heretofore nonusers becoming heavy users."

In addition to package goods, the out-of-home industry recorded dramatic in-

(Continued on Page S-16)

Outdoor Network strives to post increasing sales

Falling revenue from cigaret and liquor advertising has put the out-of-home industry in a race to market itself to potential new advertisers.

The starter pistol sounded in September, 1985, with the creation of Outdoor Network USA, an affiliation of 29 outdoor companies with coverage of 85% of the U.S., organized and represented by New York-based Gannett Outdoor, a division of Gannett Co., Arlington, Va. But even as the network's billings topped $10 million in April, it has critics.

The concept behind Outdoor Network is to ease the process of making national out-of-home media and production buys through regional outdoor companies.

A media buyer makes one phone call, receives a single contract and pays one invoice. Even the psychology of its name plays a role in its marketing.

"The choice of the word 'network' was no accident," says Donald Davidson, president of Gannett Outdoor. "We wanted to show that we can provide sales services through our affiliates, much the same as NBC, ABC and CBS do with theirs."

Not everyone agrees that the network idea is new or even makes sense.

Martin Mullany, president and chief executive officer of Out-of-Home Media Services, New York, says his company and its predecessor, National Outdoor Advertising Bureau, have provided the same service since 1916. And not owning outdoor plants, his company is able to make the best media buys, not just those from companies participating in the network.

"Gannett is a vendor, just like ABC. Would you go to ABC to buy your television? You tell me how stupid that sounds. It's almost laughable," Mr. Mullany says, adding that otherwise, he thinks highly of Gannett and other members of the network.

Because the network is placing ad dollars with its members, it is unlikely to seek competitive pricing or to provide objective analysis of the best buys in each market, Mr. Mullany says.

"The whole thing really is a sales tactic. I think Outdoor Network is going to evolve into a selling organization," he says. "It has to change. Advertisers aren't that stupid."

But Richard Condon, president of Naegele Outdoor, a network member, defends the concept, saying advertisers are free to place ads anywhere they want. The network is a convenience and a tool to promote the industry, he says.

"It takes a lot of people on the street to sell the concept of outdoor advertising."

Terry Myers, national sales manager with Turner Outdoor, Atlanta, also a network member, agrees.

"It's hard for us to be involved [in marketing outdoor] on a national basis when we don't have representation in New York, Chicago or Los Angeles where the major companies and agencies are located.

"The key for outdoor on a national basis is just getting into the media mix," he says.

To facilitate this, Gannett is creating business development groups solely to target potential new advertisers and a national creative department to advise them on the use of out-of-home media, Mr. Davidson says. But he recognizes that these efforts are but wobbly first steps in the struggle to convince media planners that out-of-home deserves a place in the marketing mix. Real change takes time.

"Major advertisers don't change their media plans overnight," he says. "We don't expect to make a profound difference in a few months, but as the snowball rolls down the hill, who knows?" Mr. Davidson says.

The biggest hurdle will be reorienting the industry's sales approach from one that now resembles order-taking to one that focuses on marketing, he says.

—*Richard Edel*

Campaign hams it up

(Continued from Page S-15)

The magic of this program is in the creativity of the outdoor advertising. We use plays on words and clever illustrations. We wanted to make friends with the market using outdoor advertising."

The puns used in Fischer's outdoor advertising are famous in the region.

One depicts a cracked egg with a slab of bacon between the halves accompanied by the slogan "Pullet Surprise" and is run the same month that Pulitzer Prizes are awarded.

The ad that runs during the Kentucky State Fair features a juicy hotdog laced with mustard and the tag line "Kentucky State Fare."

Robert J. Beggs, previously senior vp at Doe-Anderson—he recently moved to another agency—was chief resident punster for 22 years on the Fischer campaign. "And he talks like that too," Mr. Allison says. "But it's a high visibility campaign and in our agency a number of people have joined in contributing."

The outdoor campaign uses other humorous techniques as well.

What Mr. Allison calls the two "classic" Fischer boards—and the only two that are repeated seasonally—exemplify the long-running campaign's ability to humor its audience while selling its product.

The first of these two boards appears around Thanksgiving and depicts a turkey fearing for its life and imploring the public to "Serve Fischer's ham, please!" for the holidays.

On the day after New Year's, the same turkey appears on a new outdoor board in a party hat standing among falling confetti. His happy message: "Happy New Year, Fischer's ham lovers."

One series of outdoor boards, which has appeared twice in the campaign's 20 years, consists simply of the Fischer logo and the sentence: "Our 24 kinds of lunch meats make tasty *orderves*."

The next week, the word *orderves* is crossed out and respelled as *horderves*. The third week it is crossed out again and spelled *hor durves*. The fourth week, it's crossed out for the last time and replaced with the word "snacks."

This series draws public reaction, Mr. Allison says. "People call into the switchboard and say, 'You've misspelled it again.' And we just say, 'Thanks, we'll fix it.' "

Doe-Anderson produces four to six new boards a year, and several are to be introduced this spring and summer.

One shows an appetizing picture of a hot dog with the tag line, "Good dog, good dog." Another depicts a tempting club sandwich with the tag line, "Mellwood bacon belongs to all the best clubs."

The Fisher campaign is not all fun and puns, however. Doe-Anderson is quite serious in its aggressive pursuit of new boards. Currently, the outdoor campaign consists of 55 outdoor billboards.

Fifty-two of these messages are 30-sheet posters appearing on major roads; three are painted bulletins and are rotated among three expressway locations.

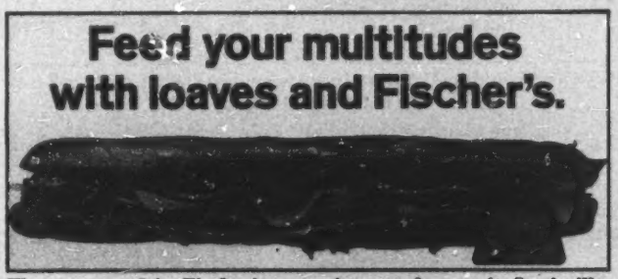
Despite the exceptionally long duration of the campaign, the company has not expanded its outdoor advertising as it would have liked because of high costs, Mr. Allison says.

Fischer is spending more than ever on outdoor advertising, although Mr. Allison declined to release any figures.

"The cost of reproduction is a key factor," he says. "That has continued to go up, as you might imagine. And when you're talking about outdoor advertising, you don't have a lot of quantity savings."

Still, Mr. Allison says, the Fischer campaign's seniority has helped to get strategic locations for the outdoor boards.

"We've had to cut considerably over the years, but what we've gained is we've been able to improve the position by being there all those years. When a new location comes along—a better location—Fischer is standing in line and gets it."



The puns used in Fischer's campaign are famous in Louisville, Ky., and several surrounding states.

Attracting categories

(Continued from Page S-2)

creases in 1985 by companies involved in the retail and health-care categories.

Revenues from retail advertising for 30-sheet posters and painted bulletins jumped 62% in 1985, to $77 million, up from $47.4 million in 1984.

Healthcare spending reached $22 million in 1985, more than doubling the $10 million spent in 1984, according to the IOA.

"Any one of these three categories could outweigh tobacco and liquor combined in the coming years," Mr. Joyce says.

Retailers, in particular, are shifting more cooperative ad dollars to out-of-home, where they are being used for targeted buys, says Mike Horen, principal with the Co-op Advertising Information Service, Ramsey, N.J.

"National advertising doesn't sell products, it sells brands. Merchandise is sold on the local level with co-op advertising," he says.

"Anytime you see a retailer advertise anything by brand name, he's got some help," Mr. Horen says.

One reason retailers are turning to out-of-home is its low cost. Retailers typically receive 3 cents on the dollar from vendors for co-op advertising. Co-op funds accounted for 10%, or $120 million, of the outdoor industry's 1985 revenues, according to Creative Marketing Services.

But retailers are finicky, says Tom Waldkirch, product manager of outdoor advertising for Perry/Gugler, Milwaukee, a printer of outdoor posters.

"Retailers will use as many co-op dollars as they can get as long as the product being displayed is a traffic builder," Mr. Waldkirch says.

Retailers also are demanding, and getting, larger imprint areas for their own name and message, he says.

"You've got to make the retailer feel involved in the program, or he's not going to spend the co-op funds," he says.

The importance of co-op is not lost on Baton Rouge, La.-based Lamar Corp., which covers 550 cities in 15 states. Fully 21% of Lamar's $60 million in revenues for fiscal 1985, ended Oct. 21, were from co-op programs.

In 1986, co-op revenues at Lamar could account for 25% of gross revenues, says Tracy Field, director-marketing research and co-op advertising.

Lamar is one of the few outdoor companies that tracks co-op spending, and its findings are eye-openers. For example, in Paducah, Ky., 52% of outdoor revenues are from co-op, while in Dayton, O., it's about 15%. Baton Rouge is more typical in the 18% to 20% range, Ms. Field says.

Lamar began tracking co-op in 1984 when revenues plunged for tobacco and liquor ads. The company's effort to tap every available co-op dollar has paid off so well that Lamar operates a toll-free hotline to act as a clearinghouse for information about co-op programs and to keep tabs on client accruals.

Tobacco advertising has been the out-of-home industry's mainstay since cigaret advertising was banned from tv in January, 1971.

However, socia' trends in health and fitness have undermined the markets for cigarets and liquor, out-of-home's second leading category, resulting in advertising cutbacks.

Where tobacco in 1980 represented 43%, or $301 million, of the 30-sheet and painted bulletin's $701 million in revenues, it accounted for only 31%, or $378 million, of the industry's $1.2 billion in 1985 revenues. Likewise, alcoholic beverage advertising fell from 19% of industry revenues in 1980 to 11% in 1985, all according to the IOA.

While tobacco and liquor industries still rank first and second in dollars spent on out-of-home media, the industry is weaning itself from their influence by aggressively seeking a broad base in new ad categories, such as retail, business-to-business, consumer service, healthcare and package goods.

But giving up liquor and cigarets isn't easy, especially when these companies regularly make large buys in major markets.

"The cigaret and liquor business has been a godsend, a blessing financially," says Richard Condon, president of Naegele Outdoor Advertising.

"By the same token, it has made our management people and sales staff lazy and lax. We have really forgotten how to work for business and how to sell.

"We're going to have to become people who market the out-of-home product," he says.

Most outdoor executives agree that the real problem has been an industry failure to market out-of-home to leading advertisers, rather than a failure of advertisers to consider it.

Education is the answer to convincing agencies and advertisers how to plan for using outdoor, says Richard Asch, Asch Advertising, New York, an agency specializing in out-of-home.

With all the positives going for out-of-home advertising, it should be integrated into marketing plans as a matter of course, not accident, he says.

"The big spenders are taking a real hard look at the audience erosion of tv," Mr. Asch says. "If their media planners are conscientious, they'll look at alternative media, such as out-of-home."

Associate editor/production editor Pat Gray Thomas coordinated this report on Out-of-Home Advertising.

Coming

Next week Advertising Age's will present its annual **Research Business Review.**

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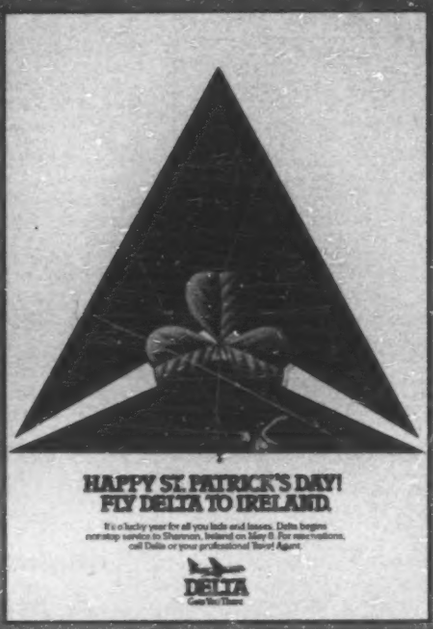
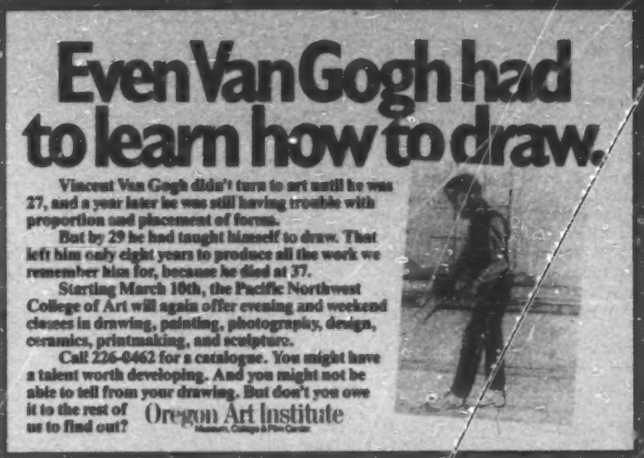
BEST OF PRESS

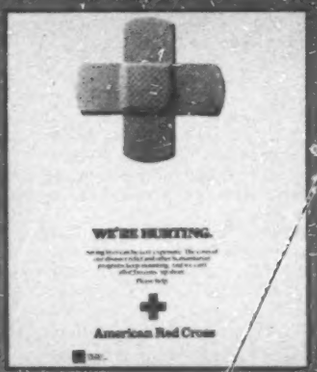
A good marriage of art and copy made this ad for Drexel Burnham Lambert via Chiat/Day, New York, a Best of Press selection. Creative director: Jay Chiat; copywriter: Amelia Rosnar; art director: Sal Devito; photographer: Jerry Friedman.



Excellent use of color drew our attention to this announcement of nonstop service from Atlanta to Shannon, Ireland, on Delta Air Lines, via BDA/BBDO, Atlanta. Creative director: Elliott Manketo; art director: Bill Biermer; copywriter: Joan Lerman; artist: Ian Greathead.


Even Van Gogh had to learn how to draw.
Vincent Van Gogh didn't turn to art until he was 27, and a year later he was still having trouble with proportion and placement of forms.
But by 29 he had taught himself to draw. That left him only eight years to produce all the work we remember him for, because he died at 37.
Starting March 10th, the Pacific Northwest College of Art will again offer evening and weekend classes in drawing, painting, photography, design, ceramics, printmaking, and sculpture.
Call 226-0462 for a catalogue. You might have a talent worth developing. And you might not be able to tell from your drawing. But don't you owe it to the rest of us to find out?
Oregon Art Institute

The headline was an apropos fit for itself, appearing in an ad for the Oregon Art Institute. The ad was created by Borsum, Perrin & Hollander, Portland. Creative director: Bill Borsum; art director: Terry Hollander; copywriter: Pamela Sullivan; illustrator: Vincent Van Gogh.



This fund-raising ad for the American Red Cross, created voluntarily through the Ad Council by J. Walter Thompson USA, uses a simple graphic and headline to make a strong appeal for contributions. Art director: Richard Crowland; copywriter: Mary Warner.

Advertising as a social statement in this ad for Audi from Doyle Dane Bernbach, New York. It's only one of several in the campaign, all of which were Best of Press candidates. Art director: Ron Louis; copywriter: Bonnie Folster; illustrator: Jim Stevenson.

Best of Press selections are made by a committee of three: Hank Simons, vp-creative director of the Newspaper Advertising Bureau; James Dunaway, vp-information at the bureau, and William F. Gloede, Advertising Age's newspaper industry reporter. National System Inc., St. Louis, provides raw sheets to the Newspaper AdverCising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Gloede in AA's New York bureau.

FLASH F[illegible]: Newspaper advertising investment for February

CATEGORIES	YEAR	DOLLARS 1986	DOLLARS 1985	CHANGE ACTUAL $ G OR L	CHANGE % G OR L
Amusements	1986	$23,930,660	$25,773,742	+3,156,918	+12.2
	1985	4,104,980	4,918,088	-813,108	-16.5
Computer stores & supplies	1986	78,415,659	71,178,478	+7,237,181	+10.2
	1985	27,588,148	24,480,718	+3,085,430	+12.6
Department stores	1986	19,211,720	15,498,923	+3,712,797	+24.0
	1985	29,127,723	27,307,295	+1,820,428	+6.7
Food stores	1986	1,376,839	969,335	+407,504	+42.0
	1985	178,457	450,748	-282,279	-81.3
Radio, tv, phonograph, records	1986	1,403,625	3,287,678	-1,884,063	-57.3
	1985	4,569,626	7,217,007	-2,647,379	-36.7
General merchandise stores	1986	15,461,753	12,962,791	+2,498,962	+19.3
	1985	2,971,791	2,464,834	+506,867	+20.6
Alcoholic beverages	1986	13,494,310	9,512,902	+3,981,408	+41.9
	1985	18,120,571	13,987,770	+4,132,801	+29.5
Computers, photo supplies & services	1986	7,681,523	5,709,313	+1,972,212	+34.5
	1985	1,652,988	1,519,780	+133,208	+8.8
Public service utilities & commissions	1986				
	1985				
Publishing & media	1986				
	1985				
Cigarets	1986				
	1985				
Autos	1986				
	1985				
Passenger cars-new	1986				
	1985				
Banks & trust companies	1986				
	1985				
Stock, bond & investment houses	1986				
	1985				

The Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.*

*Sources: Media Records Inc.

Newspaper $ up 10.6%

NEW YORK—The ADVERTISING AGE Flash Report of Newspaper Advertising Investments shows advertiser spending in major-market daily newspapers in 16 categories grew 10.6% in February from the year-ago month.

Leading the gainers in dollar volume were department stores, up 10.2% to $78.4 million.

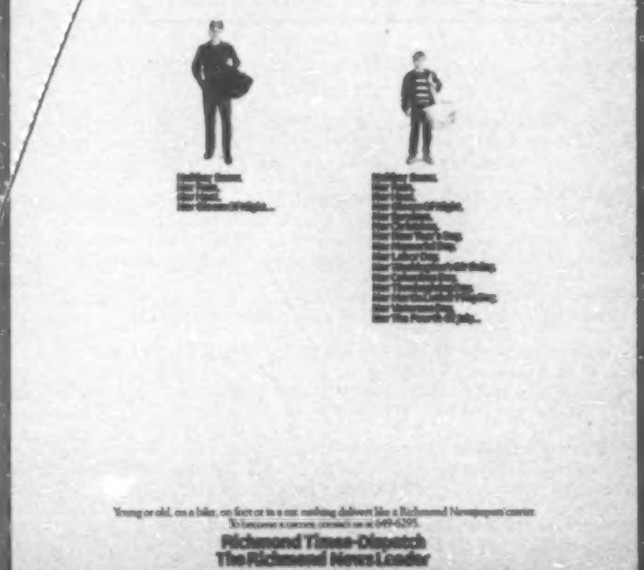
Also up among the large retail categories were general-merchandise stores, up 6.7% to $29.1 million, and food stores, up 12.6% to $27.6 million.

Other categories posting large gains were publishing and media, up 19.3% to $15.5 million; airlines, up 41.9% to $13.5 million; new passenger cars, up 29.5% to $18.1 million, and banks and trust companies, up 34.5% to $7.7 million.

Among other gaining categories were amusements, up 12.2% to $28.9 million; radio-tv-phonograph-records dealers, up 24% to $19.2 million, and alcoholic beverages, up 42% to $1.4 million. Also going up were cigarets, up 20.6% to $3.0 million, and stock, bond and investment houses, up 8.8% to $1.65 million.

Declining categories included computer stores and supplies, down 16.5% to $4.1 million; computers, equipment and services, down 57.3% to $1.4 million; public service utilities and commissions, down 36.7% to $4.6 million, and cameras, photo supplies and services, down 61.3% to $178,467.

The Flash Report is prepared for ADVERTISING AGE by Media Records Inc. based on SAU inch measurements of advertising in 29 daily and 23 Sunday newspapers in 15 major markets.


Young or old, on a bike, on foot or in a car, nothing delivers like a Richmond Newspapers carrier.
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Richmond Times-Dispatch
The Richmond News Leader

Saatchis

(Continued from Page 68)

payment with further earn-out payments, usually spread over five years and linked to the acquired company's future profits. Saatchi executives estimate the company will have to pay $120 million during the next five years if profit targets are reached. Analysts at London stockbroker James Capel put the deferred payments considerably higher at $150 million. Both estimates were made before the purchase of B&S—for $50 million initially and up to $50 million in deferred performance-related payments—and several earlier acquisitions.

- Saatchi has to live up to a dazzling performance in 1985, when pretax profits rose by 121% to $50.2 million. This year, analysts are forecasting pretax profits of $39 million for the six months ended March 30 (the official results have not been announced) and $101 million for the year ending in September.

"If Saatchi wants to maintain earnings-per-share growth, they have to acquire something because organic growth is unlikely to achieve it," Mr. Johnson said. "If Saatchi slips under 20% earnings-per-share growth, the stock will become unpopular."

The question often raised about Saatchi is whether the group can maintain a high growth rate over the long term and, if not, whether a slowdown or a poor year would spell disaster given the future financial commitments and the high expectations surrounding the group.

"The protection for Saatchi is that if profits don't go up, they don't pay [deferred payments] anymore," said a New York-based consultant. "The standards are usually pretty stiff—like 12% to 15% a year. If Saatchi acquired a business for 10 times earnings and the business doesn't grow, it's disappointing but not a financial disaster."

For example, Saatchi bought the Hay Group, a U.S. management consulting group with 100 offices in 27 countries, in December, 1984, for $100 million. Hay gets up to $25 million more after 1987 if pretax profits have averaged at least $21.5 million for three years. If the average per year is less than $16.5 million, Hay gets nothing.

One pitfall is the earn-out arrangement encourages the sellers to run companies to maximize short-term growth and profit, said the New York consultant. Another problem is that Saatchi's efforts to build management in with golden handcuffs do not always work—the three principals at Yankelovich, Skelly and White, now renamed YSL, left soon after the purchase by Saatchi.

"I think Saatchi is too big and well diversified to suffer if one or two divisions don't deliver the results planned," said Grieveson Grant's Mr. Johnson.

The Saatchi & Saatchi holding company, of which Charles Saatchi, 42, and Maurice Saatchi, 39, own a total of 10%, is the darling of London's financial community.

"I don't think American agencies have paid the same attention to shareholders and institutions as the Saatchis have ever since they had a public quotation," said Ron Leagas, a former managing director of Saatchi in London.

Saatchi also has embraced the concepts of globalization and diversification as though the Saatchis invented them.

"American agencies were doing it for years but not telling anyone," Mr. Leagas said. "Saatchi has stolen their thunder."

Under the diversification strategy, Saatchi's consulting division now accounts for 30% of total revenue and 29% of profits before tax, with the communications division still representing 70% of revenue and 71% of pretax profits. Saatchi in 1985 earned 62% of revenue in the U.S. and only 24% in the U.K.

In a recent statement, Saatchi said the group now has a management team capable of running a business several times larger than Saatchi's current size.

"Saatchi has an absolutely unbounded, avaricious desire to be the biggest in everything they do," Mr. Leagas said. "They don't see any reason why they should be second best at anything."#

Which agency is best

Based on a poll of a random sample of 200 advertising directors per quarter, at companies with $20 million or more in annual sales. *Source: SRI Research Center*

	1st Qtr. 1986 (%)
1. J. Walter Thompson	6.8
2. Ogilvy & Mather	6.0
3. BBDO International	4.3
4. Leo Burnett	4.0
5. Foote, Cone & Belding	3.6

Which agency is best

Based on a poll of a random sample of 200 advertising directors per quarter, at companies with $20 million or more in annual sales. *Source: SRI Research Center*

	6 Qtrs. Cumulative (%)
1. Ogilvy & Mather	7.2
2. J. Walter Thompson	7.2
3. Young & Rubicam	4.2
4. BBDO International	3.9
5. Leo Burnett	3.1

Hottest agencies

Based on a poll of a random sample of 200 advertising directors per quarter, at companies with $20 million or more in annual sales. *Source: SRI Research Center*

	1st Qtr. 1986 (%)
1. Fallon McElligott Rice	6.0
2. Chiat/Day	2.6
3. Tracy-Locke	2.3

First comes to mind

Based on a poll of a random sample of 200 advertising directors per quarter, at companies with $20 million or more in annual sales. *Source: SRI Research Center*

	1st Qtr. 1986 (%)
1. J. Walter Thompson	21.6
2. Ogilvy & Mather	14.6
3. BBDO International	12.3
4. Young & Rubicam	10.3
5. Doyle Dane Bernbach	6.8

JWT, Ogilvy

(Continued from Page 4)

bach (9.6%).

Minneapolis-based Fallon McElligott Rice was named the hottest agency by 6% of respondents, dislodging Chiat/Day, which led in the category each of the previous four quarters.

Chiat/Day was named by 2.6% of respondents last quarter.

Dallas-based Tracy-Locke, named by 2.3% of the people questioned, broke into the top three among the hottest agencies for the first time.

Tracy-Locke also received six mentions as the best agency (compared with four for FMR and three for Chiat/Day).

When the ad directors were asked to name the best agencies in creativity, media, marketing, research and quality of account executives and top management, JWT was No. 1 in five of the six categories, as it has been in every survey period. But JWT ranked second in creativity for the first time in the latest survey. It previously ranked third or lower.

Chiat/Day, which had been second in three previous quarters and tied for first in the April-June, 1985, survey, fell to fourth in creativity, behind No. 3 Doyle Dane Bernbach.

Ogilvy & Mather was No. 1 in creativity in the latest survey, as it has been in each survey period.

Ad agencies still seem to be doing little advertising for themselves that creates an impression. Nearly half of the respondents said they had not seen any agency ads. JWT was virtually the only agency whose ads for itself were remembered; 3% of responders said they had seen them. In the past, several executives from rival agencies have attributed JWT's leadership in this survey section to the spillover effect of the JWT ad campaign.#

For additional information, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Sage goes to Jersey

MONTCLAIR, N.J.—Sage Communications, a pr shop formerly based in New York, has moved here to 50 Church St., 07042-2702.

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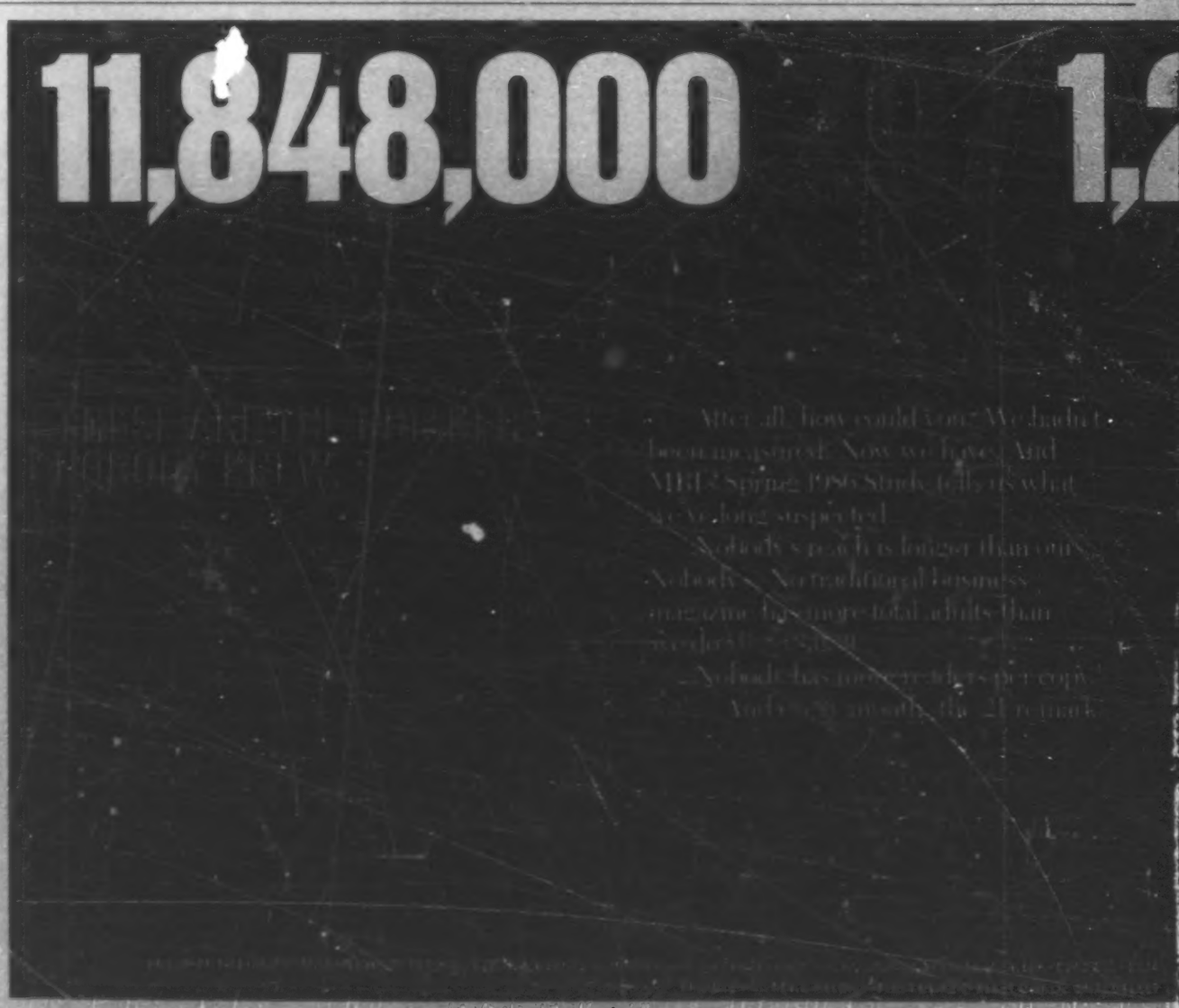


Ad spending fails to equal predictions

But '85 total did outpace economy

By ROBERT J. COEN

Final returns for the year show that advertising growth in 1985 was lower than projected back in December and considerably less than expected a year ago.

Consider the outlook observations we made a year ago (AA, May 6, '85):

"Last year [1984] was definitely a boom year for advertising, and a more moderate growth rate must be expected for 1985. . .It appears likely that advertising growth will still manage to outpace the expected growth of 7.5% to 8% for the gross national product in 1985. Ad spending probably will rise by close to 10% in 1985 with the grand total for all media rising to more than $96 billion."

Expectations for both economic and ad growth were continuously revised downward as 1985 unfolded. By midyear, the ad growth forecast was revised down to 9.1% and by early December, when nine months of actual reports were available, the projection was down to 8.3%.

Now that the fourth-quarter final reports are in, it is apparent that 1985 ad spending failed to pass the $95 billion mark and the final growth rate was lower than expected, at 7.9%.

However, '85 brought much less inflation and real growth than expected; instead of the GNP rising between 7.5% and 8%, it was up only 5.7%. The percentage increase in ad spending was significantly less than expected, but the final rate of ad growth still managed to outspace the actual '85 GNP growth by better than two percentage points.

Compared with the economy and most other industries, 1985 was relatively good for advertising. But the year was quite disappointing to many in the media industry.

Ad budgets tightened noticeably throughout 1985 as the economic expansion slowed and new advertising demand failed to appear at the pace experienced in the past.

The balance between media supply and demand shifted in favor of the buyer, and the "seller's" market of the past began to change for many media.

Effect of disinflation

Disinflation, or the significant lowering of the rate of price increases, began to affect parts of the U.S. economy in the closing months of 1981.

But the arrival of disinflation on media pricing was delayed because of the strong surge of ad demand that accompanied the 1983 economic expansion followed by the 1984 Olympics.

Advertising demand leveled off by 1985, while new media such as cable tv, inserts, presorted mailings and barter syndication came on stream to swell the supply of buyer choices.

Disinflation's arrival affected all media, but its greatest impact was on network tv. Many large network-tv advertisers had been forced to hold the line on their own pricing for years, and in '85 many cut back their network budgets or refused to pay higher prices.

The run-up in media prices in contrast to the advertiser's own prices triggered the media price rebellion.

This condition is illustrated by the fact that the Consumer Price Index for food products had risen only 12% from 1981 to '85 while the comparable cumulative run-up in prime time network tv commercials costs was nearly 50%.

The poor performance of the networks in '85 was partially due to the fact that it was a post-Olympic year, but there have been other post-Olympic years since 1971 that did not suffer revenue declines.

Disinflation also struck in '85, and that is why the networks had their first decline since the departure of cigaret ads in '71.

All the other media also have begun to feel the pinch of disinflation.

Magazine revenues grew only 4.5% as many books experienced ad page declines and growing pressure for more favorable special rates and discounts.

Newspapers faced similar conditions. National advertisers cut back schedules in many markets and shifted dollars from run-of-press to inserts to offset rate increases.

Local advertising, newspapers' main source of revenue, rose only 6.7% in '85 despite linage gains for inserts and classified. The local retailers also are obviously refusing to pay significantly higher rates for r.o.p. display ads.

Fourth-quarter slowdown

Fourth-quarter advertising growth was more modest than previously expected, and a significant reexpansion in activity did not occur.

The pre-Christmas promotion period was shortened in 1985 because of the later-than-usual date of Thanksgiving. The fourth-quarter newspaper advertising revenue growth was 25% lower than the annual rate and the unexpected weakness in local newspaper spending was the main reason for the final downward revision of total ad growth to 7.9%.

Ad spending growth in the fourth quarter also was below the annual average for spot tv and magazines, while network tv improved less than previously expected.

Nevertheless, the trend line continued in the upward direction, and though no boom appears to be on the horizon, an orderly and more stable growth can be expected in the months ahead.

A relatively good year

In summary, the final figures for 1985 turned out to be lower than expected a year ago.

Many people in the media business were quite disappointed by last year's results. However, when the facts are fully examined and considered in contrast to all the economic realities, it is evident that the advertising industry had a relatively good year.

Ad growth significantly outpaced economic growth even though there were some temporary and unique disruptions in the trends.

Advertising is going through a period of transition with a temporary emphasis on disinflation in marketing budgeting.

But eventually marketers will shift their attention back to expanding the growth of their products and market shares as the only term process for growing their businesses.

In 1986, I expect advertising again to outstrip economic growth, but I think the two percentage point differential could shrink a bit more before it begins to widen again.

The current consensus economic expectations for 1986 cluster around a GNP growth of between 6% and 7%. Based on these economic expectations and the current indicators of the ad trends, I expect ad spending to rise about 8% this year to a level of at least $102 billion.

At the moment, I expect that a similar level of growth could push the '87 total up to about $110 billion before another possibly sharper upsurge occurs in the 1988 Olympic year.

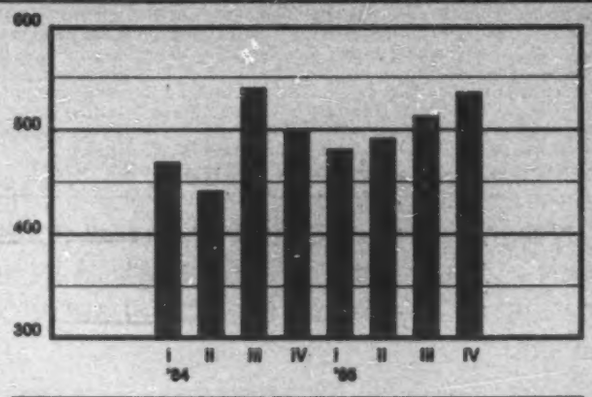
U.S. advertising volume

The McCann-Erickson U.S. advertising volume reports represent all expenditures by U.S. advertisers - national, local, private individuals etc. The expenditures, by medium, include all commissions as well as the art, mechanical and production expenses which are part of advertisers' budgets for each medium. Source: Prepared for Advertising Age by Robert J. Coen, McCann-Erickson Inc.

Medium	1984 Millions of dollars	1984 Per cent of total	1985 Millions of dollars	1985 Per cent of total	Per cent change
Newspapers					
National	3,081	3.5	3,352	3.5	+8.8
Local	20,441	23.3	21,818	23.0	+6.7
Total	23,522	26.8	25,170	26.5	+7.0
Magazines					
Weeklies	2,224	2.5	2,297	2.4	+3.3
Women's	1,209	1.4	1,294	1.4	+7.0
Monthlies	1,499	1.7	1,564	1.6	+4.3
Total	4,932	5.6	5,155	5.4	+4.5
Farm publications	181	0.2	186	0.2	+3.0
Television					
Network	8,528	9.7	8,289	8.8	−2.8
Spot	5,488	6.2	6,004	6.3	+9.4
Cable (national)	492	0.6	637	0.7	+29.5
Local	5,084	5.8	5,714	6.0	+12.4
Cable (local)	80	0.1	130	0.1	+62.5
Total	19,670	22.4	20,770	21.9	+5.6
Radio					
Network	320	0.4	366	0.4	+14.0
Spot	1,197	1.3	1,335	1.4	+11.4
Local	4,300	4.9	4,790	5.1	+11.4
Total	5,817	6.6	6,490	6.9	+11.6
Direct mail	13,800	15.7	15,500	16.4	+12.3
Business papers	2,270	2.6	2,375	2.5	+4.6
Outdoor					
National	562	0.6	610	0.6	+8.5
Local	310	0.4	335	0.4	+8.0
Total	872	1.0	945	1.0	+8.3
Miscellaneous					
National	8,941	10.1	9,661	10.1	+8.0
Local	7,915	9.0	8,698	9.1	+9.9
Total	16,756	19.1	18,159	19.2	+8.4
Total					
National	49,830	56.6	53,356	56.3	+7.4
Local	38,130	43.4	41,394	43.7	+8.6
Grand total	87,820	100.0	94,750	100.0	+7.9

National advertising index - 1985

The McCann-Erickson national advertising indexes are key barometers of the month-to-month changes in national advertising spending. These indexes are seasonally adjusted measures of the monthly advertising revenues for the major national media. The general index is a composite of net tv, spot tv, magazines and newspaper expenditures by national advertisers, and 1967=100. Source: McCann-Erickson



Month	General Index	Net TV	Spot TV	Mags.	News.
January	487	563	583	387	391
February	484	559	579	412	350
March	490	570	578	403	376
April	496	592	596	404	349
May	491	563	603	401	366
June	512	555	669	416	396
July	513	577	628	423	399
August	503	553	604	411	432
September	516	571	620	432	424
October	512	578	635	404	412
November	502	571	603	394	420
December	528	573	601	481	436
Average	503	569	609	414	396
Change over 1984	+3%	−3%	+9%	+5%	+9%

McCann subsidiary eyes regional work

By STEWART ALTER

McCann-Erickson North America is going for the franchise with the creation of McCann-Erickson Regional Marketing, a subsidiary designed to build regional advertising business.

The $17 million agency, embracing seven offices and headquarters in Atlanta, replaces M-E's Communications Counselors Network, an eight-city field office operation that has chiefly served Coca-Cola USA bottlers for the past 25 years.

A key target of the new organization is franchise business. McCann noted that the nation's 500,000 franchise businesses, with $529 billion in sales, experienced 60% growth since 1980 and account for a third of all U.S. retail sales.

M-E Regional will serve local Century 21 real estate offices from all eight of its locations. The Atlanta office will serve Buick dealers associations, Haagen-Dazs Shoppes Co. and Domino's Pizzas in the Southeast.

"The new organization is a recognition of a much more regional approach to marketing today," said Dwight Shelton, 43, former general manager of CCN and now president of M-E Regional.

"Too often, marketers are tied to a national plan that doesn't always meet regional or local consumer needs," said Jay McNamara, president of McCann-Erickson Worldwide.

The new agency "is designed to develop effective and efficient marketing plans and programs for franchise and retail businesses by emphasizing more of a bottom-up approach and not just a top-down planning process," he said.

M-E Regional will be a full-service, separate agency network with creative and research, but will use McCann's existing local broadcast buying operations around the nation.

Saatchi conflict approach faces big test

An Advertising Age roundup

With its acquisition of Ted Bates Worldwide, Saatchi & Saatchi has set up a major test of its benign approach to competing accounts.

In the Saatchi scheme of things, parallel agency networks, operating independently, should blunt client fears of conflicting loyalties. This concept has led the Saatchis to select their agency buyout targets with what some see as great daring, a "why worry about conflict?" attitude.

With the Procter & Gamble/Colgate-Palmolive problem apparently headed for a resolution with the expected departure of Colgate from Bates, Saatchi's networks still will handle competing cigarets, automobiles, financial services, fast-food, beer, consumer electronics, computer retailing, insurance, candy and spirits (AA, May 5).

In fast food, Campbell-Mithun (owned by Bates) handles International Dairy Queen's $20 million account, and Dancer Fitzgerald Sample (recently merged with S&S' Dorland Advertising) handles Wendy's International, a $100 million piece of business. Said DQ vp-marketing Garry See: "We have no initial hesitation. However, should Saatchi & Saatchi agencies become more involved in Bates and its subsidiaries, we would have to reconsider."

In the food area, Backer & Spielvogel handles about $55 million in Quaker Oats Co. business; Campbell-Mithun (Bates) has $30 million in General Mills' billings.

Though the acquisition is not regarded as a major problem at Minneapolis-based General Mills, the account itself is considered already shaky for other reasons. General Mills has been losing ground to Kellogg Co. in the cereal area, and C-M's work on granola bars has failed to please the company of late. Some of that business has already been shifted to Needham Harper Worldwide. Additionally, Needham has Mills' Wheaties, and Dancer Fitzgerald Sample (affiliated with Saatchi's Dorland already) is the company's major agency on ready-to-eat cereals.

Interestingly, Needham is merging with DDB, which handles several Nabisco cereals.

In the beer category, Bates is now involved in a creative review for one account, Anheuser-Busch's Michelob, and Saatchi & Saatchi recently bought Backer & Spielvogel, a major Miller Brewing Co. agency. An Anheuser-Busch executive's only comment on the situation was terse: "This is something agencies have to work out for themselves."

Bates' move to the Saatchi network roster will result in three cigaret companies in the S&S camp. Lorillard has its True brand at DFS Dorland, R.J. Reynolds has its Salem brand at Bates subsidiary William Esty Co., and Philip Morris has its Parliament at Backer & Spielvogel.

Lorillard and PM have peacefully coexisted under the Saatchis since April, when B&S was bought by the Saatchis.

Asked about potential conflicts, William Campbell, exec vp-marketing at Philip Morris USA, said: "We are a megacompany, so we should expect mega-agencies." Reynolds would not comment.

Hyundai Motor America, the Garden Grove, Cal.-based U.S. arm of the Korean newcomer in the auto market, already addressed the conflict issue when Saatchi purchased its agency, B&S. The company is unconcerned about the Bates acquisition. "We don't feel it will be a problem or a conflict; [it] will make no difference in our daily lives," said Hyundai director of marketing Jack Collins.

But Toyota Motor Sales was more cautious. The Torrance, Cal., Japanese auto importer faced the conflict problem earlier, when Saatchi began a phased merger of the Toyota agency, Dancer Fitzgerald Sample, with its Dorland unit. But Bates' William Esty Co. subsidiary handles U.S. advertising for arch-rival Nissan Motor Corp.

"This is closer to our backyard," said George Borst, Toyota corporate marketing manager. A Nissan spokesman said the company does not see any conflict of interest at this time, although he noted that it will study the situation; Nissan marketing executives could not be reached.

Apart from any Toyota-Nissan "corporate" conflict growing out of the deal, there is already an apparently strained relationship between Nissan and Esty. In recent months, Nissan has put $25 million behind the introduction of its new Hardbody truck line, but substantial sales have yet to materialize. According to *Automotive News*, Nissan truck sales dropped 27.8% in the first quarter of 1986, compared to the same period a year earlier, despite this heavy promotional spending and incentive financing. Toyota, on the other hand, showed a 18.6% gain during that same time.

Pioneer Electronics, Long Beach, Cal., a DFS client, seemed unconcerned about the merger, despite its conflict with Panasonic, a Bates account. "My initial reaction is that it's far enough apart, that it's okay," said manager of advertising Karen Rodgers. "At this moment, I don't anticipate a problem."

Ms. Rodgers said she thinks all advertisers are going to have to rethink their posture on the conflict issue. "This is going to happen. We're all going to have to deal with it."

Saatchi

(Continued from Page 1)

BBDO and Bates, which gain no additional resources through their deals, have been moving as quickly as they have.

This acquisition is expected to test how much clients are willing to tolerate in the way of conflicts. While Bates and its subsidiaries, such as William Esty Co., will remain independent, the purchase brings into the same agency-owned family of networks many competitive advertisers and products—Toyota and Nissan, Tylenol and Anacin, to name a few *(see story above)*. There will be some soul-searching and decisions by companies such as Colgate-Palmolive, which reportedly has $100 million around the world through Bates and was Bates' starter account in 1940, and Procter & Gamble, which has about twice that through Saatchi & Saatchi Compton and DFS Dorland Worldwide.

Reuben Mark, president-ceo, Colgate-Palmolive, said the company would consider all alternatives in the event that its relationship with Bates is terminated. On May 9, Mr. Mark said that he had not received any word from Bates that it intended to resign the account, nor had he decided to dismiss the agency. "We will, of course, do whatever is in the best interest of the company," he said.

Bates handles Colgate toothpaste, Palmolive soap and dishwashing liquid, Palmolive Rapid Shave and additionally serves as Colgate's lead agency in the Far East. Young & Rubicam and Foote, Cone & Belding are Colgate's other major agencies.

Considering where Saatchi now stands, it's hard to believe that Saatchi entered the U.S. and the top 10 agency rankings for the first time only four years ago, when it acquired Compton Communications. In the last two months, Saatchi has grown dramatically.

It struck a complex financial deal that merged Dancer Fitzgerald Sample with its Dorland subsidiary to create DFS Dorland Worldwide via a $75 million "loan" (AA, March 3) and it shelled out an initial $50 million in cash to buy Backer & Spielvogel (AA, April 21). Both of those involve future payouts as well.

But those deals only advanced Saatchi to second place behind the Interpublic Group of Cos. The BBDO-DDB-Needham merger made that agency group the largest with $5 billion in worldwide billings, only now to be surpassed by Saatchi, which is 50% larger. Saatchi's billings are in three worldwide networks (Ted Bates, Saatchi & Saatchi Compton, and DFS Dorland) as well as three other strong agencies in New York (Backer & Spielvogel, William Esty Co., McCaffrey & McCall) and others around the U.S. and in the U.K.

The Saatchi desire to be No. 1 was fueled by its early recognition that agencies outside the very largest groups would be vulnerable because global megacompanies would want to work with a few global mega-agencies. The Saatchi brothers, Maurice and Charles, contend that to be one of the mega-agencies would be a rich prize and would give that agency a strong and secure position for many years to come, one not likely to be reversed.

Now that they have reached this pinnacle, the Saatchis will not be making any further major agency acquisitions—for the time being. They will work on sharpening and consolidating management.

Saatchi is now expected to turn to its other major goal, which is building its consulting division. In November, 1984, Saatchi bought the Hay Group, one of the world's largest management consulting organizations, for about $100 million. It was a move with which Saatchi redefined its corporate goal as being not just in advertising and communications, but in a full range of business services.

Last year, Saatchi restructured its company into a communications and a consulting division and has been building its depth of senior management with new leaders for those divisions.

The Bates acquisition uses up about two-thirds of the $600 million in cash Saatchi raised on April 14 through a rights issue, offering at a discount new shares to those already holding various classes of Saatchi stock.

The Saatchi-Bates talks came to light five months ago, just after they had collapsed (AA, Dec. 16). Mr. Jacoby noted then, "The price they offered was fair, but the 'earn-out' was so contingent that we didn't want to get caught up in anything like that." Sources indicate that Mr. Jacoby's concern with the contingency payout had to do with how conflicts would shake out. His thinking reportedly was that the buyer should take the risk on conflicts rather than the seller, who would lose out in future earnings payments if conflicts fallout reduced profits.

At the time, Mr. Jacoby explained that the talks had come about as a result of the agency's having hired a financial consultant a year earlier. That consultant, Ned Pugh, a former chief financial officer at Avon Products, was hired to develop a "strategy plan" for the agency on matters such as how to "recycle our own shares" among employes and how to build capital and make acquisitions.

Mr. Jacoby said that as an outgrowth of that, he had received offers from outside investors, both individuals and companies, but that selling the agency was not his intention. Several investment companies, including Allen & Co. and Warburg, Pincus Counsellors, reportedly also came to the agency with offers to take it public or find private investors.

As Mr. Jacoby has previously indicated (AA, April 8, '85), he owns 26,000 of the 400,000 Class A shares in Bates. But it's not just that 6.5% ownership that explains his wealth. He also owns all of the 30,000 B shares, which are the voting shares in the company, and reportedly has an option on 75,000 of an additional 100,000 shares available in the company. Mr. Jacoby took over the agency in the 1960s when it billed only $165 million.

While Saatchi is known never to give up interest in an acquisition, even after several rejections, until a few weeks ago its attention was focused on Doyle Dane Bernbach. It made many previous overtures to DDB, including a last-minute offer before DDB chose to make a deal with BBDO and Needham instead. The Saatchi offer, rejected by the DDB board, was said to be $30 a share, a little higher on a share basis than the deal DDB ultimately bought.

Following that rejection, Saatchi returned to Bates, apparently this time with the new payout plan. Interpublic also then became interested in Bates, but reportedly decided on the evening of May 6 not to pursue the deal, which it regarded as too expensive considering the risks. It was not until the evening of May 8 that Bates agreed to the sale and signed the letter of agreement. The public announcement was scheduled to be made today.

Jacoby's temperament puts him at Bates' helm

New York—Ted Bates Worldwide chairman and president-ceo Robert Jacoby, 58, has controlled the agency so long that when he agreed to talk to the Saatchis this month—reversing earlier responses—this act alone was interpreted as tantamount to a deal.

Mr. Jacoby steered Bates to a 9.2% billings growth last year, at $3.1 billion, and more recently added Kobs & Brady, the Chicago-based direct-marketing agency, to a roster that he had already expanded to include AC&R Advertising, Campbell-Mithun, Diener/Hauser/Bates, William Esty Co., Sawdon & Bess and Stern Walter/Earle Ludgen. Another acquisition, McDonald & Little, didn't last.

A native of Union City, N.J., Mr. Jacoby graduated from Princeton in 1951 as a Phi Beta Kappa with a major in economics and a minor in banking.

After two years with Shell Oil's economics, transportation and supply department, he tried Procter & Gamble.

Mr. Jacoby, newly married, went to a headhunter and in 1953 was placed in a research department job at Compton Advertising. Some work Mr. Jacoby did there on a P&G product, Crisco, encouraged him to seek more experience with other package-goods accounts, and he interviewed at Bates, where he was hired to work on Warner-Lambert business.

He served for a year, then joined the old Doherty, Clifford, Steers & Shenfield agency, working on Bristol-Myers.

But Warner-Lambert and Bates executives kept after him to return to the agency, and he returned in 1965, the year its long-time leader Rosser Reeves—who championed its Unique Selling Proposition philosophy—retired.

In November, 1969, when what was then called Ted Bates & Co. was billing $350 million, it set up a separate New York operation and Mr. Jacoby was named its president. He became exec vp of the parent company in 1970 and president-chief operating officer in 1971.

Mr. Jacoby succeeded Archie Foster as chief executive officer in April, 1973, and three years later was elected chairman, again succeeding Mr. Foster.

Saatchis' unique story

London—Since founding their agency in 1970, Charles and Maurice Saatchi have not listened to conventional wisdom.

Born into an Iraqi Sephardic Jewish family, Charles, 42, and Maurice, 39, have had unconventional careers.

Their parents fled Iraq during World War II, and their father, Nathan David Saatchi, is retired from the family clothing business and lives in London.

Charles quit school at 18 and landed a series of jobs, including copywriter at Collett, Dickenson, Pearce in 1966. In 1968 he left to form a consultancy.

Maurice attended the London School of Economics and then worked as promotion manager for *Campaign*, a U.K. advertising trade magazine.

Charles' creative flair and Maurice's head for business have proved a formidable combination. A propensity for breaking the rules helped, too.

It was Charles' idea to position Saatchi & Saatchi as a brand, combining tough, but clever, ad copy with a cost-conscious financial image. They eschewed meeting directly with clients, but they aggressively chased, via cold telephone calls, other agencies' business.

Charles can be outgoing and engaging, but generally keeps to himself, even to the point of playing chess with associates during his lunch hour.

Maurice, on the other hand, is polite, charming, disarming and the "front man" for presenting the agency to the U.K.'s version of Wall Street. He is the brother who quietly stalks acquisitions.

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Monday, May 19, 1986

Advertising Age

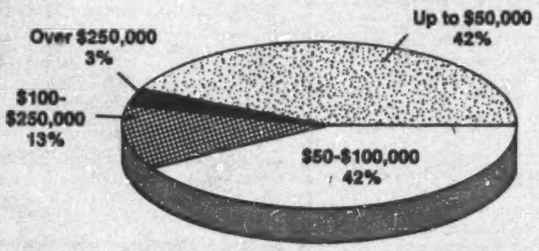
Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Agency compensation

Table 1

1985 total cash compensation
1,654 top executives—all ad agencies

($73,600 average total compensation)



Source: © copyright 1986 by Cole Surveys, Inc.

Agencies surveyed

Salary sweet, but bonus bountiful

The first of a planned annual study of compensation among advertising agency executives confirms that superstars can earn big bucks. But the average salary-plus-bonus for the 1,654 executives who participated was a more down-to-earth $76,000.

Among the highlights of the study, conducted by Cole Surveys in cooperation with Advertising Age:

- Fifty-two of the 1,654 top executives (3%) received total pay of more than $250,000 (1985 salary plus bonus). The highest total cash reported was $890,200. Two others got more than $800,000; two received between $500,000 and $600,000, eight were between $400,000 and $500,000. (See Table 1.)
- Of the 1,654 participants, 221 (13%) got between $100,000 and $250,000; 685 (42%) received between $50,000 and $100,000, and 696 (42%) earned up to $50,000.
- The average total cash compensation for the year of all ad executives in the sample was $73,600.
- Cash bonuses added a substantial amount to the base salaries of hundreds of executives. The bonus received (in most cases paid in early 1985 for performance in 1984) was calculated as a per cent of the October, 1985, base salary.
- 667 of the 1,654 (40.9%) received a cash bonus during the calendar year. Those who got one averaged 21.7% of their base salary—or $16,500. The bonuses of 18 (1%) exceeded $500,000.
- Six of every 10 (61.5%) of the top brass—ceos, presidents, branch office managers and exec vps—got a bonus that averaged 32.2% of their base salary.
- Of the 10 highest-paid ceos—total pay ranging from $310,000 to $890,200, all in self-standing companies or conglomerates—eight received a cash bonus; two didn't. The eight bonuses totaled $983,000, 14.9% of the total of the eight ceo base salaries—$6,600,900.
- One ceo whose company billings were not even in the largest billing-size group hit the jackpot. His bonus came to 230% of base salary —$315,500 on a salary of $132,000—for total earnings of $447,500. From 10th place among (independent) ceos in base-salary rankings, he rose to the sixth spot in total cash on the wings of that bonus.
- Creative directors were not far behind the averages of the ceos: 41 of 68 (60.3%) got bonuses equaling 26.3% of base salary. But in the larger billing-size groups, creative heads were on a par with the bonus levels of other top-management officers. For example, in

(Continued on Page 32)

Merger aftershocks main topic at Four A's

By STEWART ALTER

WHITE SULPHUR SPRINGS, W. VA.—Even the treasurer's report at the American Assn. of Advertising Agencies' annual meeting here couldn't ignore the impact of the last three weeks of megamergers that are transforming the agency business.

As part of his report on the Four A's finances, treasurer Ron Stone, chairman of Stone, August & Co., Birmingham, Mich., claimed he had devised a way to net $1.8 billion, flashing a slide on the screen that read, "Saatchi & Saatchi—AAAA," explaining, "We sold the Four A's to the Saatchi brothers."

More Four A's coverage on Pages 112, 113 and 114.

The reference to Maurice and Charles Saatchi, who in recent weeks have electrified the industry with their buys of Backer & Spielvogel ($100 million) and Ted Bates Worldwide ($450 million-plus), was only one sign of how these acquisitions, plus last month's BBDO/Doyle Dane Bernbach/-Needham Harper Worldwide megamerger, are now dominating the thoughts of agency executives.

For certainly, as most realize, this merger activity is breaking new and potentially risky ground. Paraphrasing Richard Deupree, one of the earlier builders of Procter & Gamble, Maurice Saatchi told ADVERTISING AGE last week in an interview from London, "We have climbed to the top of a slippery pole and we can only stay there by being the best."

Photo by Mary Hinkley

After announcing his agency's merger with Saatchi & Saatchi last week, Ted Bates Worldwide chairman Robert Jacoby (r.) hurried down to the Greenbrier to be installed as new chairman of the American Assn. of Advertising Agencies. With him here are outgoing Four A's chairman Lou Hagopian (l.), chairman of N W Ayer, and Four A's president Len Matthews.

Gathered at the Greenbrier here for the Four A's 68th annual meeting, the members made it apparent that if there was one thing that stood out—more in the corridor talk than in the formal presentations—it was that the subject of mergers had come out of the closet.

Mixed in with the serious conjecture about how clients were reacting to this rapid consolidation of the business, and the conflict questions it poses, were clear indications of how acceptable the topic of merger had become and how prepared for it the industry has become.

There were jokes and endless rumors about who was next. A top-level J. Walter Thompson Co. executive, for example, would greet colleagues by asking them lightheartedly whether they had heard the latest—and dominant—rumor at the conference, that JWT Group and Ogilvy Group were exploring merger—a coupling being denied by both agencies.

Still, the Four A's annual gathering is a place where agency executives could stage secret rendez-

(Continued on Page 112)

Last Minute News

Triangle gobbles up 'Great Foods'

NEW YORK—*Good Food*, Triangle Communications' troubled food monthly, is acquiring the approximately 600,000 subscription sales of every-other-monthly *Great Foods* from GF Magazine Inc., Englewood Cliffs, N.J. *Great Foods* will cease publication. The move is effective with the July issue of *Good Food*, which since its February debut has been selling about 400,000 to 500,000 copies, as much as 47% below its 750,000 rate base, and selling fewer ad pages than anticipated. Triangle says *Good Food*'s circulation will now top 900,000; ad rates will remain unchanged at $9,375 for a b&w page and $11,250 for a color page.

Apple expected to pick between Chiat, BBDO

CUPERTINO, CAL.—Apple Computer is expected to choose between incumbent Chiat/Day, Los Angeles, and BBDO, New York and San Francisco, for its $50 million U.S. account in a closed door meeting May 19 among Apple president John Sculley and three top aides. Sources see BBDO as the front-runner, but suggested Apple may retain Chiat for the Apple II line. Apple had no comment.

Ads stress that U.K. is O.K. for tourists

NEW YORK—British Airways on May 23 will break an estimated $6 million campaign supporting new in-flight amenities and service improvements designed to stimulate U.S. tourists to take summer vacations abroad. BA will offer extras including free champagne and caviar on trans-Atlantic flights from its 15 U.S. markets. Saatchi & Saatchi Compton

(Continued on Page 8)

First comes the boom, then gloom

By WILLIAM F. GLOEDE

NEW YORK—The rash of megamergers that put Wall Street and the Saatchis in control of Madison Avenue is starting to take a psychological toll on the agency community here.

An even larger effect is expected later, when the megamergers are consummated and the consolidation of agency resources and client-conflict fallout begin to affect more jobs.

"I have seen more demoralized people, more surprised people, a lot of depressed people, a lot of angry people," said Bonnie Lunt, presi-

(Continued on Page 110)

CBS warms to advertiser-produced programs—P. 3

NEWSPAPER

HIGHLIGHTS

Survey: Stars earn big bucks 1
The first of a planned annual study of compensation among advertising agency executives, by Cole Surveys in cooperation with Advertising Age, confirms superstars can earn big bucks. But the average salary-plus-bonus for 1,654 executives queried was a more down-to-earth $76,000.

Mergers tough for some 1
The rash of megamergers that put Wall Street and the Saatchis in control of Madison Avenue is starting to take a psychological toll on the agency community. An even larger effect is expected later, when the megamergers are consummated and the consolidation of agency resources and client-conflict fallout begins to affect more jobs.

Hardee's, 7-Eleven link 3
Hardee's Food Systems will begin licensing products to Southland Corp.'s 7-Eleven chain this summer in the fast-food industry's first major move into convenience stores.

Y&R flags down TWA 3
Young & Rubicam last week landed Trans World Airlines' $50 million-plus account with a pragmatic campaign themed "Today's TWA—Find out how good we really are," which won over the airline's demanding chairman, Carl Icahn.

Kodak to try batteries 3
Eastman Kodak Co. is expected to disclose May 22 that it will make an assault on the booming $2.3 billion battery market with a line of Kodak batteries.

First-quarter results slow 4
Except for J. Walter Thompson USA's strong showing of 12% revenue growth, public agencies' first quarter was what analyst Charles Crane termed "ho-hum." U.S. revenue growth for these agencies was in the 5½%-to-6% range, noted Mr. Crane. He called JWT's 12% boost "spectacular" by comparison.

Metro gets tough 6
Metropolitan Sunday Newspapers is firing the first salvo in what some agency media executives say could become an all-out war among Sunday newspaper magazines. Metro, which represents locally edited Sunday magazines that make up the Sunday Magazine Network, is trying to position itself as the upscale alternative to *USA Weekend* and *Parade*.

Thrills fill tills 24
The $2 billion U.S. theme park industry this year is counting on increased domestic tourism, lower gas prices and new marketing programs to draw a record 200 million visitors. Roller-coaster swings in attendance during the last few years have made prospects for strong summer sales even more welcome.

P&G's Always earns a place 78
When Procter & Gamble introduced its Always feminine hygiene line, industry analysts predicted the $1 billion category could not support another major entry. Now, two years after P&G's $100 million introductory campaign, it appears the industry can support all four major players—but at a price.

FEATURES

Newton works out the kinks 46
Helmut Newton has no patience with amateur realists, but there have been signs of softening—at least around the legendary photographer's hard-core edge. "I don't deserve to be called 'King of Kink.' I haven't done anything kinky for a long time," Mr. Newton, 66, says.

Packaging that rocks 50
From car stereos to computers, from software to satellite dishes, the Canadian marketplace is saturated with high-tech merchandise. Moving the goods demands promotion and design skills more in tune with the world of rock music than with mainstream advertising—or so says Peter Francey, president of the Spencer/Francey Group, one of Canada's hottest design companies.

CATEGORY REVIEW

Candy is dandy 22
The nation's $7 billion candy industry is moving upscale, with new higher-price products and ad campaigns targeting sweet-toothed adults. With baby-boom adults now fueling much of the candy industry's record-breaking growth, most major marketers have added mass-marketed adult items to their traditional line of chocolates.

INTERNATIONAL

Chernobyl fallout continues 70
Last month's Chernobyl nuclear power plant accident and its fallout across Western Europe have made consumers more cautious and increased demand for "safe" products, such as iodine tablets, canned and frozen food items and bottled water.

Getting a kick from soccer 71
The World Soccer Cup games kick off in Mexico City May 31 and an estimated cumulative audience of 12 billion worldwide will watch them on tv. An average of 230 million viewers will watch each of the tournament's 52 contests.

OTHER NEWS

CBS-TV will open its schedule to even more advertiser-produced programing, Broadcast Group president Gene Jankowski said last week. Page 3.

Foote, Cone & Belding Communications chairman-ceo Norman Brown said last week he feels "no pressure" to seek a merger partner, and he assured shareholders that FCB has the strength and size to compete. Page 4.

Quaker Oats Co. is looking to pump a little life into its Life brand ready-to-eat cereal with a $2 million promotion aimed at making children into commercial directors. Page 26.

The code name YJ on the new Jeep Wrangler doesn't stand for "Yuppie Jeep." But the Wrangler is aimed at a target audience more educated, more urban, more white-collar and more affluent than buyers of the venerable CJ. Page 82.

The price of gold is shrinking, and so is the size of the gold coin account that the U.S. Treasury Department is about to toss up for agency grabs. Page 86.

The first campaign for Frontier Airlines from its new shop, Bloom Agency, is set to break May 23 with advance billing from the airline that it will have "a totally new and different look for [airline] print advertising." Page 87.

The low-fare ad battle among airlines serving Denver has triggered a crackdown by the Colorado attorney general, who has grounded the catch-all phrase "some restrictions may apply." Page 87.

3M Co. moved to spoil Winthrop Consumer Products' $3 million introduction of pHisoPUFF Disposa-Puffs last week by kicking off a promotion for its Buf Puf brand the day before. Page 101.

Procter & Gamble has reassigned several executives in its soap and detergent division, moves viewed as significant to the company's hierarchy. Page 101.

SPECIAL REPORT

The nation's top 44 marketing/advertising/public opinion research companies reported 1985 worldwide revenues of $1.65 billion. Special Report profiles these 44 companies in its annual research

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French agency sought by BBDO

By CLAIRE WILSON

Paris—On the heels of its historic grouping with Needham Harper Worldwide and Doyle Dane Bernbach, BBDO is trying to buy a piece of Belier, a leading French agency partially owned by Havas.

Havas, which was put up for sale last month, is 50.25% government-owned and has extensive holdings in the advertising, tourism, radio and tv industries, including a minority share in Canal Plus, the pay-tv channel introduced last year (AA, April 28). Advertising agencies account for 25.2% of Havas' revenues.

"Even prior to the merger agreement, we had been talking on and off to a number of French agen-

(Continued on Page 114)

Iacocca rips Ford quality ads

By JESSE SNYDER

Chrysler Corp. chairman Lee Iacocca is taking another run at his ex-boss, making Ford sweat the details of its ad claim to have America's "best-built" cars and trucks.

Mr. Iacocca, claiming Chrysler's own survey of 1986 domestic vehicle buyers shows it first ahead of General Motors Corp. and Ford, wants Ford to drop its claim. He threatened to ask the Federal Trade Commission or tv network review committees to force Ford commercials off the air.

Ford, which has made the claim since August, 1983, said it "stands by our advertising claims on quality." Ford up-

(Continued on Page 114)

West Coast news

Cochrane to earn a Dollar

Dollar Rent-A-Car Systems, Los Angeles, appointed Cochrane Chase, Livingston & Co., Newport Beach, Cal., to handle its $3 million-to-$5 million account, formerly at Liebowitz, Olshever, Vogel & Baruch, Los Angeles, which folded. CCL beat out Keye/Donna/Pearlstein, Los Angeles. Abert, Newhoff & Burr, also Los Angeles, opted out of the review. The rental-car company hasn't yet named a replacement for vp-marketing John Anderson,

(Continued on Page 114)

First quarter winds up on 'ho-hum' note

By STEWART ALTER

Except for J. Walter Thompson USA's strong showing of 12% revenue growth, public agencies' first quarter was what analyst Charles Crane termed "ho-hum."

U.S. revenue growth for these agencies was in the 5½%-to-6% range, noted Mr. Crane, an analyst at Oppenheimer & Co., New York. He called JWT's 12% boost "spectacular" by comparison.

But parent company JWT Group's profit margins are "still disappointing," said Mr. Crane.

Agencies as a group seem to have increased expenses, he said.

Because the first quarter accounts for the smallest amount of ad agency revenues and profits, it tends not to be viewed as an indicator of what the full year holds.

But Mr. Crane observed that "it does give us our first glimpse of the cost structure for the balance of the year." In that case, he said, the generally lower first-quarter margins appear to indicate two things: Agencies have been staffing up "at the end of 1985 in anticipation of a better year in 1986," and they are giving out the wage and salary increases they held back last year.

Philip Geier Jr., chairman-ceo of the Interpublic Group of Cos., whose agency group gained $123 million in net new income in the quarter, noted the quarter's results are not necessarily indicative of the results for the full year.

Norman Brown, chairman-ceo at Foote, Cone & Belding Communications, observed: "We are pleased with FCB's first-quarter results, even acknowledging that in the advertising industry first quarters are not necessarily a good indicator of results for the full year."

Some are taking the first-quarter results as a less than hopeful sign. Grey Advertising's results "reflect. . .the fact that over-all advertising volume appears to be growing at a less than robust rate," said chairman-ceo Edward Meyer.

Ogilvy Group chairman-ceo William Phillips also noted, in looking at the first quarter, that "it appears that 1986 will be a tight year in the U.S., with very low inflation and softness in the media markets. We are paying close attention to costs to maintain our profit expectations for the year."

Mr. Phillips previously had expressed concern about the impact of disinflation on agency results when he released Ogilvy's strong yearend figures.

With Ogilvy Group's first-quarter net income actually down 9.2% to $3.2 million, Mr. Crane noted that those previous remarks apparently were "a warning sign."

From Mr. Crane's conversations with the agencies and with advertisers about ad spending forecasts, he said he is "getting the sense that the second quarter would not be that much different but that there would be a pickup on a percentage comparison basis in the second half of the year."

Agency financial results

First quarter revenue and income showed improvements over the year-ago quarter, but analysts noted profit margins were generally lower. The agencies differ about the significance of the results for the rest of 1986. Source: Advertising Age.

Agency	Income ($000) 1985	1986	(%)	Revenues ($000) 1985	1986	(%)
First quarter						
Ally	400	696	+64	8,307	8,301	-0.4
BBDO	4,219	4,870	+15	75,819	81,807	+8
DDB	1,108	1,574	+42	51,190	54,765	+7
FCB	1,220	2,218	+82	83,970	89,891	+9
Grey	1,464	1,315	-10	49,728	57,106	+15
Interpublic	3,777	4,335	+15	148,149	167,923	+13
JWT	209*	2,949	+1,309	125,993	147,744	+17
Lintas	711	177	-75	34,080	31,080	-13
Ogilvy	3,982	3,236	-9	103,903	120,938	+16

*JWT took write-off loss in first quarter of 1985 on the divestiture of its international advertising subsidiaries.

U.S. NewsWatch

Marketing news from regional centers across the country

PHILADELPHIA—**Howard Rice** becomes chairman of Kalish & Rice Advertising, replacing Allan Kalish, chairman and founder, who left to pursue other interests. Also: Michael Meyer becomes exec vp-general manager from senior vp, Della Femina, Travisano & Partners, New York, replacing Stephen Levine, who left.

BUFFALO—**Goldome FSB** begins test-marketing its Hills Financial Centers May 20 in four Toledo, O.-area Hills Department Stores. Newspaper ads, via Bolling Peterson, compare Goldome's CD rates to other bank rates.

NEW YORK—**Bergelt Litchfield Inc.** is the new agency formed by the merger of Bergelt Advertising/PR, a $10 million shop, and Litchfield Group, a $6 million shop. David Venghaus, former Litchfield president, becomes chairman-ceo of the new agency. John Fraioli, former Bergelt exec vp, becomes president-chief operating officer.

INDIANAPOLIS—**Southwestern Bell Freedom Phone**, a Southwestern Bell Telecommunications division, today breaks a national print

(Continued on Page 94)

WHO HELPED BACARDI INTO THE BLACK?

The same techniques that developed new Black Label Rum for Bacardi and new Glass Works for S.O.S, put Baking Soda in more than thirty million refrigerators, and created the new Magic Mushroom Air Freshener for Airwick...can work for you.

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- Whether your resource is your name, your R&D, your distribution, your marketing insights, your established brand, your interest in a new category, or some combination of these;
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Gerald Schoenfeld inc.
New Product/Marketing Consultants

But it's still seeking buyout prospects

FCB: No merger pressure

By SCOTT HUME

CHICAGO—Foote, Cone & Belding Communications chairman-ceo Norman Brown said last week he feels "no pressure" to seek a merger partner in the wake of recent agency combinations, and he assured shareholders that FCB has the domestic and international strengths and size to compete.

However, after the May 13 annual meeting, president-chief operating officer Abbott Jones acknowledged FCB is "working on a variety of acquisitions in several areas" to augment its "associated companies" stable of smaller, specialty shops.

Mr. Brown told shareholders that FCB three years ago "recognized [the] requirement to be larger, stronger and truly international."

That resulted in 17 acquisitions outside the U.S. (increasing to 38 from 22 the number of countries in which it operates) in the past three years, as well the recent acquisition of Leber Katz Partners, New York.

FCB's long-term future will be determined by four factors within its control, Mr. Brown said.

Those factors are the needs to maintain an effective international network, to offer a full spectrum of communication services, to strengthen significantly FCB's position in the New York market and to maintain the high level of its creative product.

"One either gets in this high-stakes game," Mr. Brown said of the need for a strong global presence, "or one drops out of the marketing/advertising big leagues."

In remarks after the meeting, Mr. Brown said FCB will "continue to be open to any action that advances our goal of being a complete, global agency." But he expressed some reservations about the recent spate of agency mergers and acquisitions.

"The core consideration is [an agency's] strength. And size and strength are not necessarily the same thing."

Mr. Jones added: "The first way to judge [the value of such mergers] is what clients do. Some will vote with their feet, making it interesting for the rest of us."

Mr. Brown said FCB still has had no direct contact with Burbank, Cal.-based Shamrock Holdings, which now holds 9.9% of FCB's stock (AA, Feb. 13, *et seq.*).

However, in indirect contact through investment counselor Goldman, Sachs & Co., FCB has communicated its intention to remain independent, he said.

At the meeting, shareholders ratified a "poison pill" amendment to its certificate of incorporation—surprisingly without question or discussion—intended to lessen FCB's vulnerability to a hostile takeover.

The amendment requires that all stockholder actions be taken during an annual or special meeting of the board (which can be called only by a majority of the board, the chairman or the president).

The net effect of the amendment is to make it more difficult to acquire control of the company by removing and replacing officers and directors.

Mr. Brown also denied that any conflict of interest would be involved in former FCB chairman John O'Toole's intention to serve as exec vp-government affairs for the American Assn. of Advertising Agencies (AA, May 12) in Washington while remaining on the FCB payroll.

FCB will pay Mr. O'Toole $154,000 a year for the next five years and $114,000 annually thereafter until Jan. 31, 1994, which exec vp-finance Allan Wilson Jr. explained is deferred compensation rather than salary.

Don't overlook clients: O&M exec

By STEWART ALTER

NEW YORK—The trend to giant global agencies based on acquisition is driven by "agency ambition, not client needs," Ogilvy Group chairman-ceo William Phillips told the company's annual meeting here last week.

"It remains to be proven that clients want this accumulation of size," Mr. Phillips said at the May 13 meeting.

"Resources, not size, are key. I don't hear clients saying 'Become larger through financial maneuver.' In fact, a number have said to me that they don't understand the recent spate of mergers and acquisitions."

Ogilvy has not stood apart from the industry trends. It made 17 acquisitions in 1985 ("none in the 'mega' category," Mr. Phillips said) and 10 so far this year, including Minneapolis-based Fallon McElligott Rice.

Mr. Phillips said Ogilvy "will soon be announcing a new phase for Meridian in the Pacific" and is confident "we can develop a fourth, and possibly fifth, sector for the Ogilvy Group."

The proxy statement for the meeting showed that the five most highly compensated executive officers in '85 were the same group as the year before: Mr. Phillips, $550,000 in cash compensation, compared with $529,300 in '84; Kenneth Roman, Ogilvy & Mather Worldwide president, $525,000, versus $475,900; Norman Berry, O&M creative head and president of O&M/New York, $520,000, compared with $485,400; Graham Phillips, chairman of O&M-U.S., $472,000, up from $399,300, and Michael Bail, vice-chairman, O&M Worldwide, $460,000, up from $435,000.

Quaker tries Life preserver

By JULIE FRANZ

CHICAGO—Quaker Oats Co. is looking to pump a little life into its Life brand ready-to-eat cereal with a $2 million promotion aimed at making children into commercial directors.

A May 5 freestanding newspaper insert invited children under age 12 to submit ideas for a Life tv commercial using a blank storyboard form found inside boxes of Life and Cinnamon Life cereals.

The grand-prize winner will go to Hollywood, courtesy of Quaker, and act as assistant director on the spot. The commercial probably will air during children's Saturday morning and after-school time slots, a Quaker spokesman said. The winner also gets $10,000.

Quaker is holding a separate contest for school groups. The company mailed lesson plans and storyboards to 350,000 art teachers of students aged 4 through 7.

The marketer chose the promotion because it appealed to both kids and adults. Life, Quaker's No. 2-selling cereal, has lost share in the $4.4 billion ready-to-eat cereal market as Kellogg Co., Battle Creek, Mich., and General Mills, Minneapolis, inundate the market with new products and ad dollars.

Life's share dropped just below 2% this year after holding a steady 2.2% share for several years, said Jack Maxwell, an industry analyst with Furman Selz Major Dietz & Birney, New York.

Quaker director of promotions Peter Consolazio, who also is vice-chairman of the Promotion Marketing Assn. of America, has left the company to pursue outside interests. Promotion manager Mary Whalan is stepping in as acting director-promotions.

BBDO handles the $8 million Life cereal account.#

National Yellow Pages
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Call with questions about your National Yellow Pages Program
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1-800-354-5677
In N.Y. State

If there's a 9-year-old Joe Sedelmaier out there, Quaker Oats hopes to find him or her with this promotion for its Life cereal. BBDO, Chicago, handles the account.

Addenda to Foreign Agency issue

The following additions and corrections are for listings appearing in the Foreign Agency Income issue (AA, April 21). Figures are in millions of dollars.

- The Brazil chart should have carried a footnote reading: "AA altered its procedure of determining an agency's "real growth" (applying 1985 exchange rate to 1984 returns) because it primarily shows the impact of inflation in that economy. Dollar figures for 1984 are based on the average annual exchange rate (0.0007) of that year.
- Allen, Brady & Marsh, London, was listed twice. Correct figures are $8,292.0 for 1985 gross income and $54,601.8 for 1985 billings, putting the agency in 26th place.
- Hettinga, de Lang, Possel, de Boers, Amsterdam: 1985 gross income $886.8 on billings of $5,912.0, which lists that agency in 29th place. Both figures are estimates.
- Barretts, Capetown, South Africa: Gross income $555.6 and billings $3,346.4, ranking the agency in 14th place.
- Leo Burnett-France, Paris, 1985 billings should have read $15,814.0.
- Noordervliet & Winninghoff/Leo Burnett, Amsterdam: Billings for 1985 should read $27,800.3.
- Reklam Moran, Istanbul, an Ogilvy & Mather affiliate, submitted erroneous figures. Figures for 1985 should have read $932.4 for gross income and $6,405.0 for billings, ranking the agency seventh.
- Manajans/Thompson, Istanbul: Gross income for 1985 should read $2,710.3.
- Atlas Publicidad, Bogota, a J. Walter Thompson affiliate: billings figures for 1985 should have read $14,115.4.
- McCann-Erickson and J. Walter Thompson, both in Frankfurt, should have shown 1985 billings of $135,735.0 and $126,973.5, respectively; 1984 billings should have read $121,501.0 and $126,475.3.

Due to a computer error, the following agencies were omitted from the listings:

- Carvis Needham, Madrid/Barcelona: 1985 gross income $1,693.3, 54% increase over 1984; 1985 billings $10,340.0, putting Carvis in 24th place.
- Dr. Kosdorf & Partner, Vienna (Needham affiliate): 1985 gross income $570.0, 74% increase over 1984; 1985 billings $3,800.0, putting the agency in 18th place.
- Bergenholz & Arnesen, Copenhagen: 1985 gross income $944.0, 5% increase over 1984; 1985 billings $11,192.4, putting the agency in 17th place.
- BCP Strategy Creativity, Montreal: 1985 gross income $5,362.8, 35% increase over 1984; 1985 billings $35,751.3, putting BCP in 17th place.
- Publicis Intermarco-Farner, Frankfurt: 1985 gross income $7,110.0, 5% increase over 1984; 1985 billings $47,400.0, putting Publicis in 15th place.#

Jameson forms new shop

NEW YORK—Grybauskas & Partners Marketing has been formed by Jameson Advertising as a new subsidiary involved in new-product development and new markets for existing products, with an emphasis on direct-marketing services.

Located here at Jameson's offices at 96 Morton St., the venture was formed through the merger of Roland Grybauskas' company, Publishers Marketing Associates, with Jameson.#

More about Florida's Money Market

Ft. Lauderdale/South Palm Beach is the #1 major Florida market in per capita food and beverage sales.

The News/Sun-Sentinel delivers two out of three readers in Florida's affluent Money Market.

Fort Lauderdale/South Palm Beach
News/Sun-Sentinel
Florida's Money Market

Represented nationally by C.W.O. & O.; Sunday Magazine Network, in Florida by Publishers Representatives of Florida.

The News/Sun-Sentinel is a Tribune Company Newspaper.

Salary surveys

Table 2

1985 incentives

Per cent receiving and incentives as a per cent of base salary

Billing size group	% receiving	% of base
A: up to $5 mil.	21.6	21.1
B: $5 mil.-$10 mil.	54.0	16.2
C: $10 mil.-$25 mil.	45.0	17.5
D: $25 mil.-$100 mil.	45.4	22.5
E: over $100 mil.	35.1	23.4
All agencies	40.9	21.7

Table 5

1985 aggregate of top 10 total cash compensation as a per cent of billings

Billing size group	Aggregate of top 10 total compensation	Average billings	Aggregate as a per cent of billings
A: up to $5 mil.	$353,700	$2.7 mil.	12.0%
B: $5 mil.-$10 mil.	419,200	7.0 mil.	5.9
C: $10 mil.-$25 mil.	640,500	17.5 mil.	3.7
D: $25 mil.-$100 mil.	1,080,400	57.3 mil.	1.9
E: over $100 mil.	2,012,400	553.1 mil.	0.4

Table 6

1985 top 10 total cash compensation in agency management

	Group A: up to $5 mil.		Group B: $5 mil.-$10 mil.		Group C: $10 mil.-$25 mil.		Group D: $25 mil.-$100 mil.		Group E: over $100 mil.	
	Total comp.	% of top 10	Total comp.	% of top 10	Total comp.	% of top 10	Total comp.	% of top 10	Total comp.	% of top 10
Highest	$63,100	17.8%	$78,900	18.8%	$135,000	21.1%	$233,500	21.6%	$366,400	18.2%
Second	47,800	13.5	63,600	15.2	90,400	14.1	178,000	16.5	269,500	13.4
Third	40,100	11.3	50,800	12.1	80,000	12.5	123,000	11.4	232,200	11.5
Fourth	33,300	9.5	43,300	10.3	63,300	9.9	101,700	9.4	200,900	10.0
Fifth	32,300	9.1	37,800	9.0	56,000	8.7	86,300	8.0	194,200	9.7
Sixth	30,000	8.5	33,800	8.1	51,400	8.0	78,500	7.3	166,800	8.3
Seventh	28,600	8.1	29,800	7.1	44,700	7.0	74,300	6.9	156,600	7.8
Eighth	27,000	7.6	29,000	6.9	42,000	6.6	71,700	6.6	149,700	7.4
Ninth	26,200	7.4	26,700	6.4	39,300	6.1	69,000	6.4	142,100	7.1
Tenth	25,500	7.2	25,700	6.1	38,400	6.0	63,800	5.9	134,000	6.6
Total	353,700	100.0	419,200	100.0	640,500	100.0	1,080,400	100.0	2,012,400	100.0

Source: all charts on this page are © copyrighted 1986 by Cole Surveys, Inc.

Salary survey

(Continued from Page 1)

agencies billing more than $100 million, 78.9% received bonuses that averaged $40,800 each, or 27.8% of base.

- Clearly, bonuses played a big role in four of the five size groups. In the smallest agencies, with billings up to $5 million, only two in ten executives got one. In the next three size groups, agencies with billings of $5 million to $100 million, five of ten got them. In the more-than-$100 million class, 35.1% received an incentive in the calendar year.
- While there was some size-group variation in the percentage of those receiving a bonus, there was little difference in the average ratio of bonus-to-base pay. Those who received a bonus averaged close to the 20% of base mark in all size groups, including the smallest. (See Table 2.)

Between Dec. 31, 1984, and Oct. 1, 1985, those who received a base salary increase averaged 13.4%. This is 10.4% higher than the 3% rise in the cost of living for the period. It also exceeds by a sizable margin pay increases given in most other industries for a full 12 months.

- Topping the list with an average of 18.7% were the smallest shops (Group A), with billings of up to $5 million. Next in line were the Group B agencies, in the $5 million category, which averaged base salary increases of 16.6%.
- The next three size groups were bunched between 11.4% and 13.0%. (See Table 3.)

As a statistic, highest cash by position tells more than just who is on top. First, it is a real number, the amount someone actually received for services rendered. Second, it is an indication of how an industry values positions relative to each other. Third, it provides an interesting—if not perfect—comparison with other "un-like" industries.

Example: The highest-paid chief financial officer on our list earns total cash compensation of $425,200, second only to the survey's highest-paid ceo, one who runs a huge, self-standing agency conglomerate. The chief financial officer's earnings are also ahead—by a goodly amount—of other over-all managers, such as president-chief operating officer, exec vp and agency subsidiary ceo. His $425,200 is 31% higher than the $324,000 paid to banking's No. 1 chief financial officer. And he is 205% higher than the $140,000 paid to his opposite number in hospital administration.

More significantly, the highest-paid chief financial officer got 27% more in 1985 than the industry's highest paid creative director, a sure sign that the financial officer post in some of the largest agencies is highly valued. As agencies develop into huge conglomerates, especially when maintaining separate and decentralized subsidiaries, the executive who can get a handle on the control function, keep a lid on costs and affect the bottom line becomes the pivotal person.

Billing size key variable

While agency size tells more about how people are paid than almost any other factor, location in or near major ad centers—New York, Chicago, Los Angeles—also affects both salary and bonus levels. Here is a look at compensation for the 19 positions we broke out. (See Table 7.)

Chief executive officers (II and I): Cash compensation may be only part of a ceo's compensation. There are other "perks"—such as a company car.

For each top executive, size of agency makes a difference. In the largest companies, three of every four have a company car; in the smallest, it's one out of three.

Pensions, too, are much more likely to be part of the ceo's package in the largest companies—92% are in this kind of retirement plan. In the smallest companies, 59% offer pensions. (See Table 4.)

When it comes to pay levels, the averages show sharp upward movement among agency groups. The compensation for independent agency heads (ceo IIs) in the smallest size group is $68,100. It is $84,100 in the $5 million-to-$10 million group; $138,000 in the $10 million-to-$25 million group; $256,800 in the $25 million-to-$100 million group and $515,300 in the largest agencies.

But there are exceptions. In the smallest-size group, one ceo II made $141,600 last year. Yet his agency was last in the billings rankings among the nine companies reported. What's more, the $141,600 was higher than that received by any ceo II in the next-largest-size group and above the average ($138,400) in the $10 million-to-$25 million class.

The compensation of ceos of subsidiary companies follows a similar pattern, rising with agency size. Since subsidiary ceos tend to work for the larger agencies, they benefit more from some "exotic" pay-plan features than the heads of many independents. Thus, 86% of them received bonuses while 58% of the independent agency ceos did so. Their bonuses as a per cent of base, however, were identical—34.9%.

Presidents, chief operating officers and exec vps: The total cash received by the 45 presidents ranged from $67,500 in the smallest agencies to $246,300 in the large. Pay for presidents in the three smallest groups showed little size variation—Group A: $67,500; Group B: $69,000; Group C: $88,600. The average jumps to $165,700 in Group D ($25 million-to-$100 million), and to $246,300 in the over-$100 million Group E.

Forty-nine per cent of the presidents-chief operating officers received an incentive that averaged 29.3% of base. In the more-than-$100 million group, 71% got bonuses that averaged 34.4% of base.

The 51 exec vps in the survey received average pay of $99,100, or 22.3% below the average president-chief operating officer. Three of every four exec vps received an incentive, higher than for any position except subsidiary ceos and well ahead of the 58% received by independent ceo IIs. In the three largest-size groups, 30 of 34, or 88%, of the exec vps received incentives that came to 38.3% of their base pay.

Branch office managers: The 44 branch office managers reported by 26 agencies average $92,400 in pay; 57% received a 23.5% bonus. In agencies less than $100 million, their average bonus was 14.5%.

Chief financial officers: Our superstar chief financial officer and his $425,200 in pay is established as a trendsetter, pointing to a growing emphasis on controls and profitability. At present, the trend is visible only in the largest agencies, where the 10 chief financial officers reported average pay of $166,800, a hair above the $165,700 received by eight exec vps. Below $100 million, however, chief financial officers fall off sharply relative to exec vps.

Creative directors and associate creative directors: Twenty-nine of the 68 creative directors (43%) earned more than $100,000 in 1985. Six (9%) are paid more than $250,000. Three of the six (4%) are in the $300,000-plus bracket. The top three received an average base salary of $231,000, to which was added a bonus of $95,000 (41.1% of base) for total cash averaging $326,000. Only independent ceo IIs (with 12) report more in the more-than-$300,000 tier.

The average creative director received $109,500, but this figure was very much a product of billing-size mix. The two smaller-size groups averaged $49,800 and $47,400, respectively, in total cash. Their pay in the larger-size basic salary groups steadily increased—Group C: $78,000; Group D: $126,300, Group E: $172,300.

Associate creative directors averaged $83,800 in base plus bonus. Bonuses for associates came to 11.5% of base, compared with 26.3% for the directors.

More charts on Page 34.

Senior art directors and senior copywriters: The averages for these positions run neck and neck; only $100 separates the two. The 163 senior art directors are at $50,400, the 126 senior copywriters are at $50,300.

In the largest agencies, senior art directors average $60,300, while the senior copywriters average $59,100.

In all size groups, about one in five in these senior creative jobs received an incentive of 8% of base. In the largest agencies, seven of 76 senior art directors (9.2%) got 9.9% bonuses; nine of 61 senior copywriters (14.8%) got bonuses that averaged 10.6% of salary.

Directors of account management and senior account execs: Unlike the creative directors, where six earned more than $250,000 and three were more than $300,000, only one account management director went above $250,000. A salary of $180,000 and a 50% bonus of $90,000 brought total pay for this industry leader to $270,000.

The percentage of account management heads who received a bonus was 59%, virtually tied with creative directors. Average bonuses, however, were 20% of base—just below the 26.3% received by the creative directors.

The average compensation for account directors was $99,200. In $100-million agencies, the average total cash was $128,700.

The 304 senior account execu-

(Continued on Page 38)

Ben Cole is president-founder of Cole Surveys, Boston, and a vp-director of the company's parent, Wyatt Co. Cole, established in 1956 and a recognized leader in the compensation survey field, numbers among its participants the top 100 financial institutions. Wyatt Co. is an international benefits, compensation and risk-management company with offices in 55 cities in the U.S., Canada and overseas.

Salary surveys

Table 7

Executive positions

National summaries— 1985 total cash compensation *(thousands)*

	Group A: up to $5 mil.	Group B: $5-$10 mil.	Group C: $10-$25 mil.	Group D: $25-$100 mil.	Group E: over $100 mil.
Position 013-001: Ceo II (independent)					
Agencies	9	12	16	13	5
Incumbents	8	12	16	13	5
Quartile 3	$77.0	$113.0	$131.4	$315.0	$857.6
Weighted avg.	$68.1	$84.1	$138.4	$256.8	$515.3
Agency avg.	$68.1	$84.1	$138.4	$256.8	$515.3
Median	$55.5	$72.5	$112.5	$233.6	$475.0
Quartile 1	$53.5	$65.6	$84.0	$175.5	$393.2
[illegible]					
Position 013-005: President and ceo					
Agencies	8	6	11	13	5
Incumbents	7	6	11	13	7
Quartile 3	$82.2	$87.7	$115.0	$209.9	$287.1
Weighted avg.	$67.5	$89.0	$88.6	$165.7	$241.2
Agency avg.	$67.5	$89.0	$88.6	$165.7	$246.3
Median	$62.0	$65.1	$89.6	$185.0	$220.5
Quartile 1	$54.0	$47.5	$68.4	$107.0	$202.3
[illegible]					
Position 013-009: Exec vp					
Agencies	8	6	10	12	4
Incumbents	9	6	13	15	8
Quartile 3	$60.4	$90.6	$135.7	$140.0	$184.3
Weighted avg.	$47.8	$65.7	$97.3	$109.4	$165.7
Agency avg.	$49.1	$65.7	$85.4	$111.0	$202.1
Median	$45.3	$57.8	$78.1	$104.0	$143.7
Quartile 1	$32.3	$38.8	$60.3	$89.2	$108.0
[illegible]					
Position 810-241: Traffic manager					
Agencies	6	9	11	11	10
Incumbents	6	9	13	12	16
Quartile 3	$26.6	$24.9	$26.3	$40.0	$36.0
Weighted avg.	$20.7	$20.7	$21.5	$33.2	$31.1
Agency avg.	$20.7	$20.7	$21.5	$33.6	$33.9
Median	$19.0	$20.5	$20.0	$33.3	$29.2
Quartile 1	$15.5	$17.9	$16.5	$25.4	$24.3
[illegible]					
Position 810-305: Associate creative director					
Agencies	1	3	11	17	12
Incumbents	1	3	16	46	67
Quartile 3	—	—	$63.8	$82.3	$122.0
Weighted avg.	$30.0	$41.3	$56.5	$89.7	$102.7
Agency avg.	$30.0	$41.3	$56.8	$89.2	$105.3
Median	—	—	$51.8	$68.3	$97.0
Quartile 1	—	—	$45.8	$51.0	$81.0
[illegible]					
Position 810-310: Senior copywriter					
Agencies	4	8	14	16	11
Incumbents	4	9	20	32	61
Quartile 3	$24.8	$33.7	$42.0	$53.1	$70.0
Weighted avg.	$21.1	$29.8	$36.8	$51.5	$59.1
Agency avg	$21.1	$28.5	$37.2	$58.6	$94.9
Median	$20.0	$28.0	$36.3	$48.0	$56.5
Quartile 1	$18.6	$24.1	$29.8	$43.9	$48.3

Table 3

1985 base salary increases

Average increase as a per cent of base salary for those receiving an increase

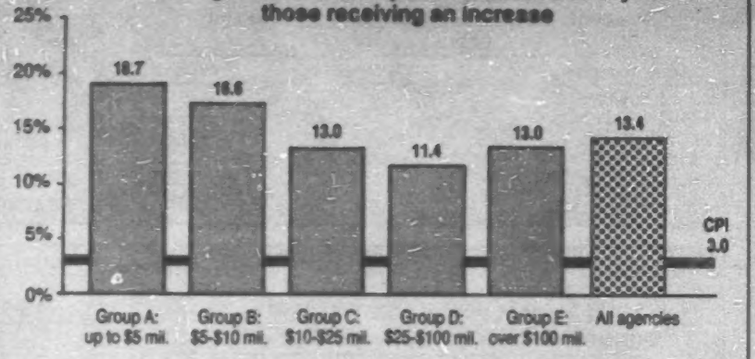


Table 7, cont'd.

	Group A: up to $5 mil.	Group B: $5-$10 mil.	Group C: $10-$25 mil.	Group D: $25-$100 mil.	Group E: over $100 mil.
[illegible]					
Position 810-332:Associate media director					
Agencies	1	3	5	13	12
Incumbents	1	4	5	20	35
Quartile 3	—	$32.3	$32.5	$50.0	$68.6
Weighted avg.	$14.8	$27.9	$27.6	$43.9	$56.7
Agency avg.	$14.8	$27.2	$27.6	$43.0	$56.9
Median	—	$28.5	$26.0	$46.4	$58.0
Quartile 1	—	$23.0	$23.4	$37.9	$45.0
[illegible]					
Position 810-338: Print production manager					
Agencies	4	12	12	15	9
Incumbents	5	12	13	20	10
Quartile 3	$41.3	$31.7	$40.3	$48.0	$61.2
Weighted avg.	$27.2	$30.3	$34.7	$40.5	$52.1
Agency avg.	$23.7	$30.3	$35.6	$44.3	$52.1
Median	$22.5	$29.6	$30.6	$39.8	$49.3
Quartile 1	$15.4	$26.0	$25.7	$29.6	$37.6
[illegible]					
Position 810-390: Director of account management					
Agencies	2	4	10	16	11
Incumbents	2	5	12	33	36
Quartile 3	—	$106.5	$79.5	$104.6	$149.4
Weighted avg.	$25.0	$72.7	$84.2	$88.4	$128.7
Agency avg.	$25.0	$82.7	$66.5	$97.5	$155.1
Median	—	$85.0	$70.8	$84.5	$124.8
Quartile 1	—	$32.8	$48.4	$66.8	$94.1
[illegible]					
Position 810-390: Market research manager					
Agencies	1	3	9	16	12
Incumbents	1	3	10	17	31
Quartile 3	—	—	$55.8	$77.1	$70.5
Weighted avg.	$50.0	$44.9	$48.0	$63.4	$63.9
Agency avg.	$50.0	$44.9	$49.5	$65.2	$91.9
Median	—	—	$46.0	$67.9	$53.0
Quartile 1	—	—	$35.0	$46.2	$37.4

N- No data reported for size group

Source: all charts on this page are © copyrighted 1986 by Cole Surveys, Inc.

Salary survey

(Continued from Page 33)

tives averaged $52,400 and 31% got bonuses of 16.1%. Agency size made less difference here: Group A: $27,100; Group B: $39,300; Group C: $44,100; Group D: $54,500; Group E: $59,400. Only $15,300 separated the Group C ($10 million-to-$25 million) average from the Group E (more than $100 million) average. This 35% difference in the averages is much smaller than that recorded for the same two size groups in associate creative director (82%), senior art director (50%) and senior copywriter (61.8%).

Media directors and associate media directors: Steep climbs based on agency size characterize the pay levels of these positions. Average media director pay was $57,600, with 43% receiving incentives of 19.1% of base.

The average may not be representative of what is really going on, since the pay for these positions is weighted heavily by the fact that 37 of the 65 (57% of the total) are from the smaller companies. The average pay of the 37 is $33,900. By contrast, the average pay of those in Group D was $64,400 and in Group E, $141,000. The nine highest paid are at agencies billing more than $100 million; their pay ranges from $101,500 to $275,000. In the largest agencies, 78% of the media directors received bonuses of 28.2%.

Sixty-five associate media directors earned an average of $48,100 and 28% got bonuses of 9.2%.

Broadcast production managers and print production managers: The 27 broadcast production managers averaged $62,600; 52% received bonuses of 12%. In the largest-size group, average total pay was $86,300 and one of every two got a 13.3% bonus.

The average pay of 60 print production managers ranged from $27,200 to $52,100. Forty-two per cent received bonuses of 13%.

This is another position with a relatively flat curve among the size groups of agencies. Nine of the 60 reported (15%) earn more than $50,000. Five of the nine work for agencies with less than $100 million in billings.

Market research managers: Here's a position for which size of agency hardly counts at all. For example: The 17 market research managers in the $25 million-to-$100 million group average $63,400, just $500 less than the $63,900 the 31 managers in the more-than-$100 million group receive.

There is not much pattern to incentives, either. Over-all, 37% received a 16.8% bonus. Average pay for all 62 is $60,100. This is a position whose pay is directly related to the individual rather than the agency size.

Public relations managers: The 33 public relations managers reported in the survey averaged $53,600. Seventeen (51.5%) received bonuses of 12.3%. There was a direct correlation with agency billings—Group B: $35,100; Group C: $49,600; Group D: $59,400; Group E: $65,400.

Traffic managers: Average pay for the 56 reported is $26,500. A good benchmark job—with little variation based on agency size. One in four (23.2%) received a modest bonus in 1985—6.1% of base salary. One manager earned $56,200.

Top ten compensation

No two agencies are precisely alike, even when—or perhaps especially when—they are both subsidiaries of the same parent. Each agency has its own special strengths that affect the kind of business it goes after. These lead to differences in how each is organized—that is, where positions fall in the top-management hierarchy.

In Agency A, an exec vp handles the creative function with a creative director reporting to him. In Agency B, all the top creative team leaders report on a solid-line basis to the ceo, who wants to be involved in all major creative decisions affecting certain clients; there is no one person charged with responsibility of the creative director. In Agency C, a vice-chairman handles high-level creative activity; the chairman-ceo looks after management and acquisitions and is hardly involved in the details of client campaigns.

Because of this organizational diversity, it's useful to look at the aggregate compensation of the 10 highest paid in management without regard to position. Now agencies A, B and C can be compared with one another on how each compensates its 10 highest-paid executives, both as individuals and in total.

As with the 19 title comparisons, billing size has the greatest impact on executive pay, for the top 10 varies from $353,700 ($35,370 per executive) in the smallest billings-size group—up to $5 million in billings—to $2.01 million ($201,240 per individual) in the more-than-$100 million group.

But as with most industries, pay doesn't exactly keep pace with size. For example, it takes $1 million to pay the top 10 in an agency billing $57.3 million (Group D) and $2 million pays the top 10 in the agency that is almost nine times larger—one billing $553.1 million (Group E).

The difference in average revenues between the two groups is $495.8 million. The difference in the top 10 aggregate total cash pay between the two size groups is $932,000. Thus, for every million dollars of added billings, the pay of the top 10 goes up by only $1,880 per year in total ($932,000 divided by 495.8) or an average of $188 per executive.

Table 5 shows how each of the top 10 highest-paid executives fares in the various-size groups. There is a remarkable consistency in the data. The highest-paid executive receives between 18% and 22% of the total cash compensation of the top 10 in all five billing size groups. The 10th-highest-paid gets between 6% and 7.5% of the aggregate pay of the top 10. This consistency occurs in the base salary data, too.#

About this survey

Cole Surveys worked with Advertising Age to create this 1st Survey of Top Management Compensation. This is a cooperative venture designed to provide an accurate analysis of top management compensation while maintaining the confidentiality of participants.

A total of 92 agencies participated. Billings were used as the indicator of agency size. After examining the data, we divided the survey participants into five billing-size groups: Group A (up to $5 million), Group B ($5 million to $10 million), Group C ($10 million to $25 million), Group D ($25 million to $100 million) and Group E (more than $100 million).

The survey participants were further broken down into the four regions used by Advertising Age. The East includes 29 participants, or 31% of the total; the South has 21 participants, or 23%; the Midwest includes 30 participants, or 33%, and the West has 12, or 13%.

The largest agency in the survey reported billings of more than $3.5 billion. The smallest were two agencies which both reported billings of $1 million.

Total cash compensation was collected for the 10 highest paid in management and for the defined 19 key management positions.

Of the 1,654 executives reported in this year's study, 1,340 were slotted into one of the defined "benchmark" positions. The remaining 314 executives were considered by their agencies to have duties other than those described in the 19 key positions.

Each agency submitted the following data: Base salary as of Dec. 31, 1984, and Oct. 1, 1985. Incentive paid in 1985, usually for 1984 performance.

Individual employe information was submitted, identified by number. Employe identification numbers will be used to update our annual surveys.

All data received from participants were diagnosed. When necessary, agencies were called with questions. All data were carefully scrutinized before being entered into the database.

Each agency is assigned a code, which is included in the position arrays for ceo IIs and ceo Is. This confidential code, known only to each participant, is sent to each agency that submitted data. Using the code, agency management can see how the total cash compensation of its ceo compares to the compensation of similar agencies.

The results published here are excerpts from a much more comprehensive report prepared by Cole Surveys. Agencies that submitted data for this year's survey can receive the complete individualized survey results in a "Confidential Report" that displays its own data compared with two peer groups or clusters.

Agencies that did not participate in this survey but would like to obtain the full report may order an off-the-shelf version that contains the same information on all 19 benchmark positions (base salaries and total compensation). This report is available for $245.

An individualized "Confidential Report" or a nonindividualized "Position Report" is available by calling Cole Surveys at 1-800-343-2215.#

Sun-In spots go swimmingly

Shoots is a weekly report on recently produced commercials, listing the products, agencies and production houses.

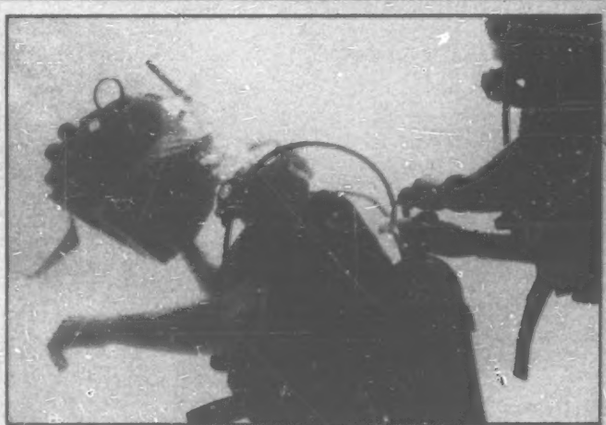
Sun-In hair lightener will be advertised in two new tv :30s by Chattem Inc., Chattanooga, breaking in late May on network tv via Hill, Holliday, Connors, Cosmopulos, New York. Both were shot in St. Thomas, Virgin Islands, by Bert Steinhauser Productions, New York. For one :30, Mr. Steinhauser hauled his equipment—a camera, a 20-lb. scuba tank and a 20-lb. weighted belt to keep him from rising—to the bottom of a 14-ft.-deep swimming pool for the underwater scenes. For the above-water scenes, the director (perched on a scaffolding he had built) filmed model Julie Shay standing on a cliff 20 ft. above the Caribbean. As she is about to dive, a voiceover man in the finished spot will say, "Every summer has its highlights. Moments that shine above the rest. Sun-In creates brilliant, memorable highlights for your hair." Ms. Shay then sprays the product into her hair. The actual dive was done by Donna Keegan (a diver/stuntwoman who did Kathleen Turner's stunts in "Romancing the Stone"). Mr. Steinhauser then mixed all the footage so viewers think the actress was diving and that the underwater scenes were shot in the Caribbean rather than a pool. The spot ends with a bottle of Sun-In resurfacing.

SHOOTS

In a second :30, Ms. Shay is seen reclining on her beach blanket. A man, unseen except for his feet, then kicks a soccer ball toward her and knocks over her Sun-In bottle. The sunbather likes the man and, as the spot ends, the two are seen—legs only—walking off together. In a piece of casting reminiscent of Hitchcock, Joe Shelesky, the agency's vp-associate creative director, cast his legs in the walk-off scene. Other agency creative credits: Jean Borofsky, art director; Michael Marx, copywriter, and Carrie Cook, producer. Other production credits: Carol Case, exec producer, and Alexis Caydam, hair stylist/makeup artist.

A new generic-image spot for Woodward & Lothrop, a Washington department store chain, uses pillars, columns and arches as backdrops for models and carries the theme "Woodies is my way." Saffer Cravit & Freedman Advertising, Toronto, produced the spot.

Woodward & Lothrop, the Washington department store chain known to its customers as "Woodies," has finished four :30s for spring/summer for swimwear, gold jewelry, an anniversary sale and generic image; all feature the theme "Woodies is my way." The generic image spot uses pillars, columns and archways as backdrops for the models. All were produced by Saffer Cravit & Freedman Advertising, Toronto.



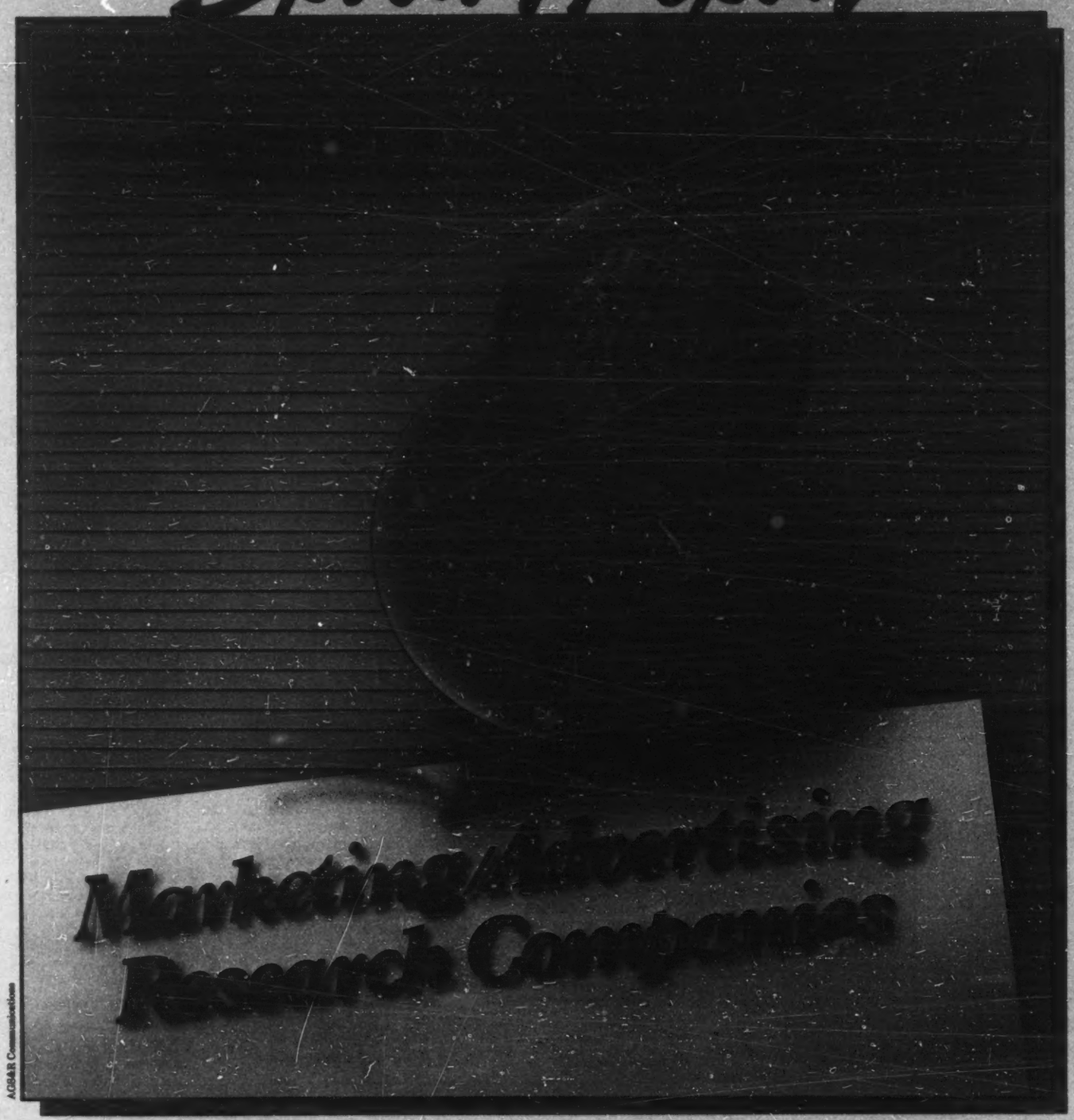
Director Bert Steinhauser, Bert Steinhauser Productions, New York, turned scuba diver to shoot the underwater scenes of a new commercial for Sun-In hair lightener by Chattem Inc., Chattanooga, Tenn. Hill, Holliday, Connors, Cosmopulos, New York, handles.

Six Flags Atlantis, Hollywood, Fla., promotes "the world's largest water theme park" with a new tv :30, half of which features Warner Bros. animation of Bugs Bunny, Sylvester, Daffy Duck and other "Looney Tunes" members as they set out for the park in a big bus. Credits: Forsyth & Connors, agency, and G. Civins Productions.

AT&T has finished an internal communications film in which Tammy Grimes supplied the six-minute opening narration and James Earl Jones handled the 10½-minute closing narration at Howard Schwartz Recording's New York studio. Production credits at Creative Establishment, New York: Diana Da Davis, exec producer; Bruce Schulter, art director, and Fred Rossi, production coordinator. AT&T's creative team: Barbara Evans, division manager-program development, and Dave Thomas, exec producer.#

Shoots is compiled by New York-based senior editor James P. Forkan.

Special Report



AGE&R Communications

Worldwide revenues for top 44 up 11.5%

By Jack J. Honomichl

The marketing/advertising/public opinion research industry had some good news and bad news in 1985, according to ADVERTISING AGE's 12th annual review of industry performance.

The bad news first. Total worldwide revenues of $1,652,500,000 for 44 leading companies were up 11.5% from 1984, and after adjustment for inflation (3.6%, according to the U.S. Department of Labor Consumer Price Index-U, monthly average), the real growth rate was 7.9% —off from 9.4% in 1984 and 8.1% in 1983.

The good news was that even so, research revenues grew far faster than the revenues of top U.S. ad agencies. The differential was greater than is shown on the accompanying table because the ad agency revenue growth has not been adjusted to account for acquisitions.

For the research companies affected by acquisition, growth rates are calculated on the year-long volume of both companies for 1984 and 1985. This superior performance regarding agencies is well known to some service company analysts in the financial world, and it helps explain why several agencies have acquired research companies.

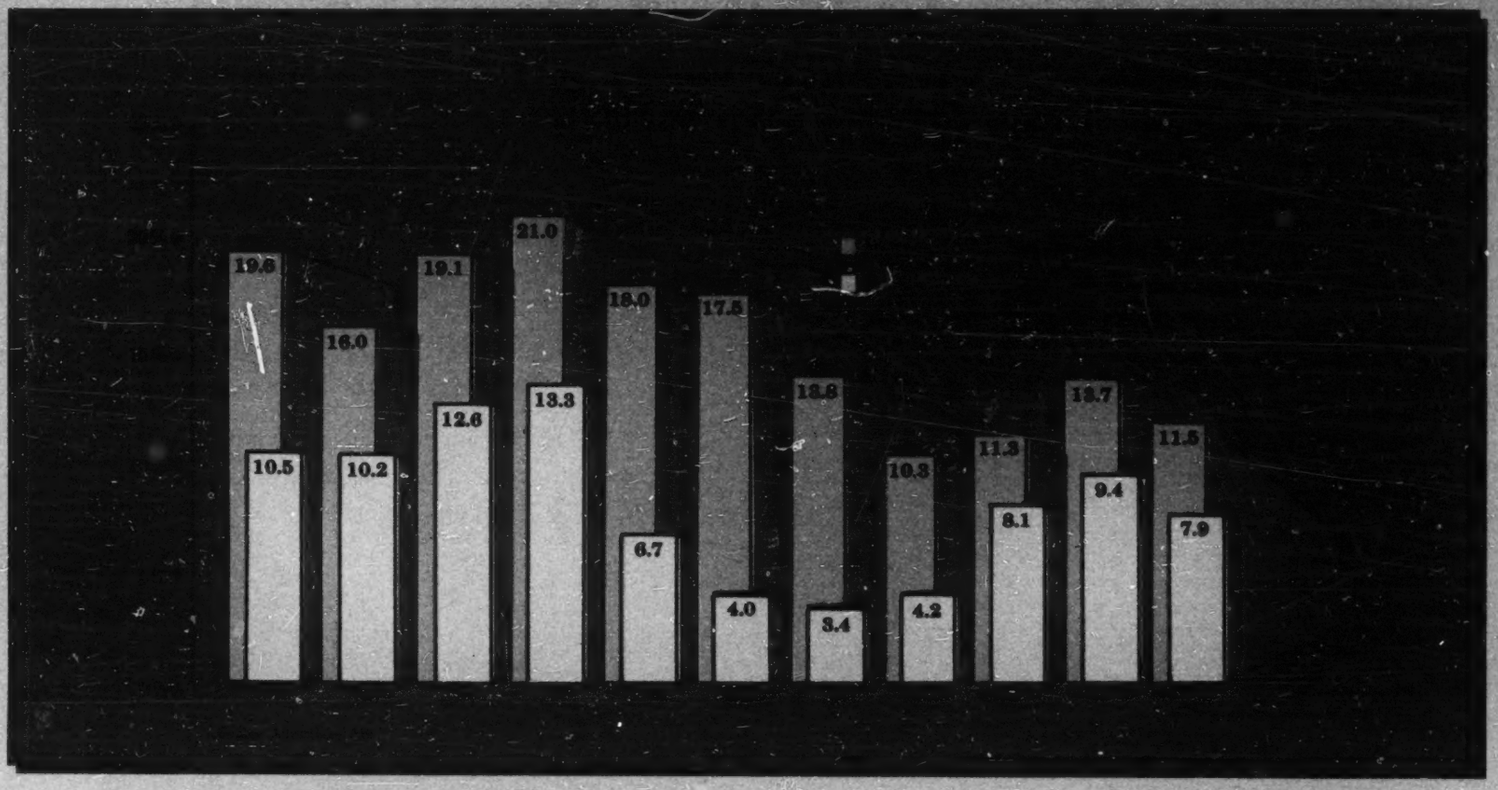
Although research growth slowed—real growth was 7.9% in 1985, 9.4% in 1984—revenues increased faster than those of top U.S. advertising agencies.

This compilation is based on 44 U.S. research organizations and includes five additions not on last year's list—Lieberman Research West, Marketing Research Services, National Research Group, J.D. Power & Associates and Guideline Research. (Management Decision Systems, which appeared on last year's list, this year is merged with Information Resources Inc., No. 5.)

Twelve of the 44 top companies had 1985 revenue declines from 1984 or an increase that was less than the 3.6% inflation rate of 1985. Only one of these 12 was in the top 15.

(Continued on Page S-2)

Jack J. Honomichl writes a regular column on research in ADVERTISING AGE.



Worldwide revenues rise

(Continued from Page S-1)

While some of the dropoff is explained by a lack of political polling activity, which ran up revenues in 1984, and a decline in tv commercial testing, the rest seems to suggest that 1985 was a mixed bag, with the larger database operations showing the greatest strength and the smaller survey-oriented companies showing the most weakness.

This trend is evident in the supplemental information supplied by the Council of American Survey Research Organizations, which obtains year-to-year revenue data from some of its member companies on a confidential basis. For 1985, CASRO supplied revenue data on 56 companies, mostly smaller survey organizations, that were not included in the top 44 listing. These revenues totaled $132.8 million in 1985, up 10.9% from 1984.

Acquisitions were big news again in 1985, the most important being the purchase of Management Decision Systems (No. 30 on the 1984 listing) by Information Resources Inc. (No. 5 on the 1985 list). IMS International's U.S. subsidiary bought Luning Prak Associates, and Saatchi & Saatchi bought Clancy, Shulman & Associates and then merged it with what was Yankelovich, Skelly & White to form YSW/Clancy, Shulman (No. 15).

Mediamark Research purchased NABSCAN and Market Facts acquired the Tortorello Group. One of the biggest acquisitions this year was the Selling-Areas Marketing Inc.'s (No. 3) acquisition of Burke Marketing Services Inc. (No. 6). Together these organizations will form the second largest research organization in the world.

Seven of the top 44 in this listing had significant revenues from operations outside the U.S., which totaled $369.8 million, volume that did not grow appreciably in 1985. During most of the year, these overseas revenues were affected by the strong U.S. dollar.

The U.S.-only revenues of the top 44 were $1,282,700,000, up 13% from 1984 or 9.4% real growth after adjustment for inflation. Presumably, this relationship will shift in 1986 because of reevaluations of the dollar that started in late 1985.

Three of the top 44 companies listed this year—YSW/Clancy Shulman, NFO Research and Media Mark Research—with combined revenues of $63.5 million, are owned by British companies headquartered in London. This development is expected to continue because other British companies are shopping for acquisition and mergers in the U.S. now.

The top 44 listing identifies 73 people as either chairmen, presidents, partners or executives. They range in age from 34 (Robert Shulman, new president-chief executive officer of YSW/Clancy, Shulman) to 70 (Edward C. Bryant, chairman of WESTAT). The average age is 49.8. Generally, these top people have an advanced degree—the M.B.A. is most common—obtained at a major university in the Midwest. Of the 73 top executives, three are women: Judy Corson, a partner at Custom Research Inc.; Sharon Munger, president of the Marketing Services Group at M/A/R/C, and Catherine Paura, president of the National Research Group.

Following are profiles of 1985's top 44, including the news they made during the year and their plans for 1986.

Nation's top 44 research companies profiled

1 **A.C. Nielsen Co.,** Northbrook, Ill. Founded in 1923 and since 1984 wholly owned by Dun & Bradstreet Corp. Revenues in 1985 were $517 million, up 7.7% from 1984.

These revenues have been adjusted to reflect the divestiture of Compucon, a separate organization with revenues of $11 million, which previously has been lumped by ACN into its Media Research Group. The growth has been calculated on a comparable base (excluding Compucon) from 1984 to 1985.

The Marketing Research Group, which has operations in 26 countries after adding Denmark and Taiwan in 1985, had revenues of $414 million in 1985, an increase of 6.7% from 1984. The Media Research Group had revenues of $103 million, an increase of 12%—in part because of the expansion of meter audience measurement service in Houston, Miami and Denver. About $268.8 million, or 52%, of

Henry Burk
A.C. Nielsen Co.

ACN's total revenues come from operations outside the U.S. The company does not release exact figures.

During 1985 in the U.S., the Marketing Research Group launched SCANTRACK US, which produces consumer purchase information on a weekly basis with data collection via UPC scanners in 1,600 supermarkets. The SCANTRACK service will offer local reports on 25 markets, and by the end of 1987, the plan is for 35 individual market reports.

To accompany SCANTRACK, the group now offers a delivery system called SCAN*FACT, which includes on-line access and downline loading to client computers.

Another new service, SCANTRACK PLUS, will provide market-specific data for evaluation of expenditures and the effectiveness of promotion offerings (such as coupons and tv advertising), as well as for tracking competitive activity and other factors influencing the market, such as weather and unemployment.

ACN's Media Research Group, which now has local-market meter panel service in 12 major markets, has announced it will expand its people meter test to 1,000 households nationally by this fall, and if validation tests are satisfactory, it will replace its national diary sample with the people meters.

Other new services in the making: A cable ratings system called Cable Audience Profile to provide a gauge for local ratings in relation to national ratings, both based on Nielsen Station Index diaries in the four sweep periods, and Monitor-Plus, which utilizes computerized pattern recognition to automatically identify tv commercials and report their start time and duration, a service now being tested in various markets, including New York, Chicago and Tampa.

As part of the merging of ACN-D&B activities, both the Marketing and Media Research groups now report to John C. Holt, exec vp in charge of D&B's marketing information services. ACN's research groups have 14,150 employes.

ACN chairman Henry Burk, 59, is also a member of the D&B board. Mr. Burk has a degree in economics from St. Gall Graduate School of Economics in Switzerland. Richard W. Vipond, 58, is president of Nielsen Marketing Research, and James D. Lyons, 51, is president of Nielsen Media Research.

2 **IMS International,** New York. Public corporation traded over the counter and founded in 1954. Research revenues in 1985 were $171.1 million, up 11.4% from 1984.

These revenues do not include those of Luning Prak Associates and L.P. Audits, acquisitions made in the U.S. in late 1985.

How the top 44 U.S. research companies compare with the top 44 U.S. advertising agencies

	Top 44 U.S. advertising agencies*	Top 44 U.S. research companies**
Revenues—1985 (in millions)		
Worldwide	$6,510.8	
U.S. only	4,378.4	
Revenue growth rate (1985 over 1984)		
Worldwide	+10.9%***	
U.S. only	+ 8.7%***	

*Source: Advertising Age U.S. Agency Profiles, 3/27/86

**Top 44 (see accompanying article). These figures account for marketing/advertising research operations only. In fact, many of the companies listed have larger total revenues, as is explained in individual company profiles.

***These percentages are not perfectly comparable to the top 44 research growth rates in that some of the agencies may reflect revenue growth in '85 attributable to acquisitions. In the top 44 research list, this has been corrected for by using the two (company plus acquisition) total revenues for both '84 and '85 to calculate growth rate. It was not possible to do this for the advertising agencies.

Nation's top 44 research companies

IMS has a battery of market research services and syndicated reports, most of which are related to the worldwide pharmaceutical industry.

Data series pertain, for instance, to ethical pharmaceuticals, over-the-counter pharmaceuticals, medical diagnoses and treatments, medical promotional efforts, hospital and laboratory supplies, animal health products and personal care products. Also, in the U.S. IMS has services related to the liquor industry.

Robert Louis-Dreyfus
IMS International

IMS has operations in 60 countries, although not all its services are offered in each of the countries. The company produces various reports on the pharmaceutical markets in an additional 23 countries. IMS has nearly 3,000 employes in its market research activities, with the Market Research Division accounting for 76% of total revenues.

The U.S. subsidiary, IMS America, Ambler, Pa., had 1985 revenues of $86.9 million, up 22.9% from 1984. Overseas revenues were up 2.1%. As with A.C. Nielsen Co., the other worldwide giant, overseas revenues suffered through most of the first part of 1985 because of the strong U.S. dollar.

During 1985 IMS introduced new additions to its on-line database services. The software package MICROLINK increases the efficiency with which clients can utilize its on-line services. IMBASE, a text retrieval system, also was introduced in 1985.

In December, IMS announced the intended acquisition (for $38 million in IMS stock) of Clark-O'Neill with the intent of developing in North America a fully integrated sales management information system combining profiling of physicians, sales demographics, call reporting and promotional services, with direct on-line access by all levels of pharmaceutical sales management and field force.

President-chief executive officer Robert Louis-Dreyfus, 39, who has an M.B.A. from Harvard University, has offices in New York and London. Andrew L. Clark, 60, is chairman. Serge Okun, 39, is president of the U.S. subsidiary; he is a graduate of the National School of Statistics and Economic Administration in Paris.

3 **Selling Areas-Marketing Inc.**, New York. Wholly owned subsidiary of Time Inc. founded in 1966. Revenues in 1985 are estimated at $138.5 million, up 17% from 1984.

The big news at SAMI is the recent acquisition of Burke Marketing Services Inc., No. 6 in this listing, followed by the start of ScanAmerica, a joint venture with No. 4 Arbitron Ratings Co. ScanAmerica, technology for which has been in test in the Denver area of dominant influence, calls for a national panel of households, each equipped with people meters, that also captures purchase records of UPC-identified package goods via a wand that is part of the meter and computer apparatus.

SAMI's basic business is the amalgamation of warehouse withdrawal data on thousands of package goods sold through food stores. Reports are produced on 28-day cycles for each of 54 marketing areas. In 1985, SAMI launched a comparable report service based on drugstores. This service is producing reports in 11 markets. This will be expanded to 30 markets by mid-1986, and nationally projected data are expected to follow.

Also in 1985, SAMI introduced its SAMSCAN service

Carlyle Daniel
SAMI

based on product movement data from samples of UPC scanner-equipped supermarkets. By the end of 1986, SAMI plans to have 15 major markets involved in this service. SAMSCAN reports are produced on 500 product categories on a weekly basis.

Also in 1985, SAMI purchased the rights to the Telecount System, which electronically records, via computer, the running of tv commercials. This is expected to be the basis for a service competing with A.C. Nielsen Co.'s proposed Monitor-Plus system.

SAMI has 344 fulltime, salaried employes in three offices.

President Carlyle C. Daniel, 55, is a graduate of Lynchburg College. He is also a Time Inc. vp.

4 **Arbitron Ratings Co.**, New York. Founded in 1948 and since 1967 a wholly owned subsidiary of Control Data Corp. Revenues in 1985 were $122 million, up 15.3% from 1984.

Arbitron owns about 40% of Burke Marketing Services, No. 6 in this listing. Revenues from that association are not included in the above figures.

Arbitron produces radio, tv and cable audience studies at the local-market level using mail diaries or panels of meter-equipped households. Surveys in 214 tv markets, 11 of which are measured by a combination of meters and diaries, account for 52% of Arbitron revenues; 48% comes from measurement of 260 radio markets.

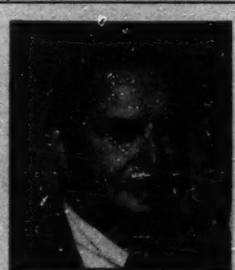
In 1986, Arbitron will expand radio audience measurements in 75 markets year-round by conducting four 12-week-long surveys each year. Also this year, Arbitron is using a redesigned radio diary that picks up am or pm on individual listings and a new report format will contain data on overnight listening, listening location and audience composition.

Arbitron reports are available to clients (radio and tv stations, advertisers and agencies) via printed reports; computer-based applications such as Arbitrends and Product Target AID, which deliver updated data from the company's mainframe to clients for custom tabulation and analysis, and an on-line database called Arbitron Information on Demand (AID).

During 1985, the Arbitrend II system was enhanced to provide more detailed information and flexibility, and a new report, Arbitrends Multi-Market Report, which allows clients to track the performance of any selected tv program across all metered markets, was introduced.

In 1986, Arbitron plans a new service called Client Audience Profile (CAP) Matrix, which will provide product usage indexes for tv program and time period audiences using age-sex indexes provided by Simmons, Scarborough and MRI, along with life-style cluster indexes from Donnelley/Simmons.

In early 1986, it was announced Burke Marketing Services, including Arbitron's share, was to be purchased by Selling-Areas Marketing Inc. (see No. 3) and the new SAMI-Burke organization and Arbitron jointly would fund development of ScanAmerica, a single-source research system that has been in development test in Denver. ScanAmerica electronically



Theodore Shaker
Arbitron Ratings Co.

measures tv viewing of individuals via a people meter and tracks the products purchased by panel households via an in-home portable scanner that reads UPC bars on package goods.

Arbitron has 1,057 full and parttime employes in 21 U.S. locations. A telephone interviewing center in Laurel, Md., has 55 stations.

Chairman-chief executive officer Theodore Shaker, 64, attended Colgate, Northwestern and New York universities. A.J. "Rick" Aurichio, 49, president-chief operating officer, has an M.B.A. from Fairleigh Dickinson University. Both are vps of Control Data Corp.

5 **Information Resources Inc.**, Chicago. Public company traded over the counter founded in 1977. Revenues in 1985 were $75.1 million, up 22.9% from 1984.

Revenues include the full absorption of Management Decision Systems (No. 31 in last year's listing), which IRI acquired in 1985; growth rate is

Gian Fulgoni
Information Resources

based on combined revenues of both companies for 1985 and 1984. About 4% of revenues come from outside the U.S. Now in Japan, Australia, France and the U.K., IRI plans to expand into Canada and West Germany in 1986.

During 1985, the management personnel and services of IRI/MDS were merged, and new or modified services were developed.

The main service, BehaviorScan test markets, used for advertising and promotion testing and new product test marketing, increased the number of panelists in each of eight markets from 3,000 to 3,500. Two new BehaviorScan markets will open in 1986.

An expanded ASSESSOR simulated test marketing system was launched in 1985 to predict sales volume and market share of a new product at any point in the product development cycle (a merger of the MDS product ASSESSOR and the IRI service FASTRAC). IRI has recruited a separate UPC scanner panel of 20,000 households, whose purchase behavior is continuously monitored for ASSESSOR studies.

The Marketing Fact Book service, beyond the eight BehaviorScan markets, expanded data collection facilities by opening installations in neighborhood locations in six new cities during 1985, bringing the total number of IRI-monitored households to 40,000. In 1986, plans for additional urban neighborhood installations bring the total panel size up to 60,000.

In late 1985, IRI acquired Keystrokes Inc., a New Jersey company that monitors newspaper feature ads and consumer promotions, such as coupons and refund offers in about 130 markets.

The new service is called FeatureScan.

In 1986, IRI plans to introduce three services: pcEASY-TRAC, a micro software package for intelligent marketing workstations; pcEASYCAST for sales forecasting, and pcEXPRESS for user analysis of marketing, financial and forecasting data on the user's own personal computer.

IRI has 1,000 employes in seven U.S. branch offices.

Chairman John Malec, 41, is a graduate of the University of Wisconsin. President-chief executive officer Gian Fulgoni, 38, has a master's degree from Manchester University in England.

6 **Burke Marketing Services Inc.**, Cincinnati. Founded in 1947 and since 1984 owned in part by Arbitron Ratings Co. (No. 4). Revenues in 1985 were $73.1 million, up 10.8% from 1984.

Jack Brown
BMSI

About 5% of BMSI revenues come from outside the U.S. through Burke Canada, a wholly owned subsidiary, and Burke International, a joint venture with the German research company Infratest, which owns 5% of BMSI. BMSI also owns 5% of Infratest. The sale of BMSI to Selling-Areas Marketing Inc. (No. 3), a subsidiary of Time Inc., took place May 6.

In the U.S., BMSI consists of five groups:

Burke Marketing Research specializes in custom survey research and tv copy testing (DAR and SELECTOR services) and —as of 1985—package testing using Burke's eye-movement research technology. Also, starting in 1986, Burke will market the advertising campaign evaluation service of Communicus, a Los Angeles-based company specializing in communications research.

The Burke Institute markets an extensive curriculum of courses related to marketing research.

The Test Marketing Group is revising its existing laboratory market system (AdTel) with the ViewScan system, a cable system based on household panels in test markets that pinpoints tv test copy on target households, meter measures audience viewing and collects product movement data at both the retail (UPC scanning) and household level (in-home scanning of UPC via wand).

ViewScan system expansion into additional markets is planned for 1986. Also in 1985, the Promotion Decisions unit of the Test Marketing Group introduced a series of new services —Coupon AccuRate, Coupon Trac, Coupon Custom Trac and PROPHET—all designed to assist clients to improve the efficiency of coupon promotions.

BASES, a leader in the predictive market modeling area (which saw its business grow 40% in 1985), opened client service offices in Chicago and San Ramon, Cal., in 1985 and introduced new services: SOVA (Source of Volume Analysis), PASS (Positioning Analysis and Segmentation Summary) and Concept Designer, the last of which combines a predictive concept testing system with a hybrid conjoint analytical approach to help refine concepts.

Burke Marketing Services, which specializes in tv copy testing and custom survey work, recently introduced STARTER (Syndicated Tracking of Awareness, Reported Trial and Estimated Repeat), a survey that automatically tracks new products being rolled into national distribution.

The main development at BMSI (pending the acquisition by SAMI) is ScanAmerica, a single-source tv audience-product movement service (currently being tested in the Denver area), which will be developed and marketed by SAMI-BMSI and Arbitron Ratings Co.

BMSI has a fulltime staff of 520 in 42 offices. Phone facilities consist of 200 WATS lines, 160 CRT-equipped.

Chairman Jack E. Brown, 42, attended the University of Cincinnati.

7 **M/A/R/C Inc.**, Dallas. Public corporation traded over the counter founded in 1965. Research revenues for the fiscal year ended March 31 were $46.3 million, up 23% from the previous fiscal year. Unaudited total M/A/R/C revenues for the current fiscal year were $53.6 million.

In January, 1985, the company made a public offering of its stock. Also, in 1985, M/A/R/C opened a new 40-position, CRT-equipped central interviewing facility in McKeesport, Pa., and a comparable 56-station facility in Somerset, N.J.. This brings the total central facility telephone network up to 275 positions, CRT-equipped. M/A/R/C also opened new client service offices in Minneapolis and Los Angeles.

Cecil Phillips
M/A/R/C

M/A/R/C's Local Market Network (local field services with CRT-equipped interviewing positions on-line to computers in Dallas) was expanded to 30 markets. (This phoning capacity brings the total to about 490 positions.) The LMN on-line service provides toplines, quota control, monitoring and the capability to modify questionnaires or field instructions instantly in local-market personal or telephone interviewing situations.

M/A/R/C also established a census-balanced national mail panel to provide nationally projectable samples in addition to its Neighborhood Panel clusters around independent field services. Combined, the panels comprise more than 300,000 households.

In May, 1986, the company moved to a new six-story corporate headquarters building near Dallas-Fort Worth Airport.

As of April 1, M/A/R/C discontinued its Trendex buyership service, the company's only syndicated research product, which it acquired in 1983.

M/A/R/C has 339 salaried and 186 hourly staff employes in 18

How they rank
1985 revenues
44 leading U.S. research organizations

Rank 1985	Rank 1984	Organization	Total research revenues* (millions)	% change vs. 1984**	Research revenues from outside U.S. (millions)
1	1	A. C. Nielsen Co.	$517.0	+ 7.7%	$268.8 est.
2	2	IMS International	171.1	+11.4	86.9
3	3	SAMI	138.5	+17.0	–
4	4	Arbitron Ratings Co.	122.0	+15.3	–
5	6	Information Resources	75.1	+22.9	3.0 est.
6	5	Burke Marketing Services	73.1	+10.8	3.7
7	8	M/A/R/C	46.3	+23.0	–
8	7	Market Facts	37.8	+ 5.1	–
9	9	NFO Research	34.3	+16.3	–
10	10	NPD Group	33.1	+13.4	–
11	11	Maritz Market Research	30.0	+21.4	–
12	12	Westat	25.2	+ 3.3	–
13	13	Elrick and Lavidge	24.6	+ 5.6	–
14	14	Walker Research	20.7	+ 7.1	–
15	15	YSW/Clancy Shulman	19.5	+14.7	1.0
16	16	Chilton Research	19.1	+15.8	–
17	22	Simmons Market Research Bureau	16.5	+32.0	–
18	18	Louis Harris and Associates	15.8	+ 3.3	5.5
19	17	ASI Market Research	15.7	– 4.3	–
20	19	Opinion Research Corp.	14.5	0.0	–
21	21	Wirthlin Research	14.4	+11.6	–
22	24	Decision Center	13.8	+35.3	–
23	20	Ehrhart-Babic Group	13.8	+ 4.2	–
24	25	Hawk-Hanks Marketing Services Group	11.7	+20.3	–
25	23	Data Development Corp.	10.9	+ 3.8	–
26	28	Custom Research	9.7	+12.8	–
27	29	National Analysts	9.6	+21.5	–
28	34	Mediamark Research	9.5	+23.1	–
29	27	Admar Research	9	+ 3	–
30	33	Starch INRA Hooper	8.9	+18.5	–
31	26	McCollum/Spielman Research	8.8	– 6.4	–
32	32	Gallup Organization	8.6	+11.7	–
33	–	National Research Group	8.0	+73.1	9
34	36	Response Analysis	7.6	+35.0	–
35	39	Decision Research Corp.	6.8	+23.6	–
36	30	Decision/Making/ Information	6.7	–14.1	–
37	35	Market Opinion Research	6.5	– 5.0	–
38	–	Guideline Research	6.5	+18.0	–
39	37	Ad Factors Marketing Research	5.9	– 1.0	–
40	–	J.D. Power & Associates	5.8	+ 6.0	–
41	–	Lieberman Research West	5.3	– 2.6	–
42	–	Marketing Research Services	5.1	+89.0	–
43	40	Gridley-Smith	5.0	+ 2.7	–
44	38	Keppler Marketing Research	4.8	–19.5	–
		Sub total, top 44	$1,582.5	+11.5%	$369.9
		All other (56 CASRO companies not listed in top 44)	132.8***	+10.9%	
		Total (100 organizations)	$1,715.3	+11.5%	$369.9

*Total revenues (net, including intercompany sales, for some companies, are significantly higher. This information is given in the individual company profiles in the main article.

**Rate of growth from year to year has been adjusted so as to not include revenues gained from acquisitions. See main article for explanation.

***Total revenues of 56 survey research companies—over and beyond those listed in top 44 list—that provide financial information on a confidential basis to CASRO.

Top 44 research companies

U.S. offices.

Cecil B. (Bud) Phillips, 61, is chairman-president-chief executive officer. He is a graduate of Southern Methodist University. Marketing Research Group president Peter B. Bogda, 40, received his B.S. from Duquesne University. Marketing Services Group president Sharon Munger, 38, received a B.A. from Vanderbilt University.

8 **Market Facts,** Chicago. Public company traded over the counter, founded in 1946. Revenues for 1985 were $37.8 million, up 5.1% from 1984.

This marketing research conglomerate, founded by William F. O'Dell (now retired), is celebrating its 40th anniversary.

Above revenues do not include Market Facts of Canada, which is 50% owned by Market Facts.

In addition to traditional survey research capabilities, the major data collection facilities of Market Facts include: Consumer Mail Panel, a fixed mail panel of 235,000 households; Consumer Opinion Forums, a network of six mall interviewing sites; two national telephone centers with a total of 116 interviewing stations (including 65 that are CRT-equipped), and Marketest, a controlled store auditing facility for custom test marketing and in-store experimentation.

Verne Churchill
Market Facts

Market Facts is organized by client service groups, which specialize in fields such as industrial marketing, financial services, public sector research and healthcare.

During 1985, Market Facts acquired the Tortorello Group, a New Jersey-based survey company that emphasizes shareholder research, public opinion research and research related to mergers and acquisitions. Also, Market Facts recently launched a new weekly telephone omnibus service called TeleNation.

There are 526 fulltime, salaried Market Facts employes in seven U.S. offices.

President-chief executive officer Verne B. Churchill, 53, received his M.B.A. from Indiana University. Chief operating officer Greg Spanga, 49, received an M.B.A. from Bernard Baruch College.

9 **NFO Research,** Toledo, O. Founded in 1946 and since 1982 a wholly owned subsidiary of AGB Research. Revenues in 1985 were $34.3 million, up 16.3% from 1984.

NFO maintains a fixed mail panel with 350,000 households, or 800,000 individuals, representing one in every 270 U.S. households. Panel households are cataloged by demographic and product ownership characteristics and are available for custom-designed mail and telephone surveys.

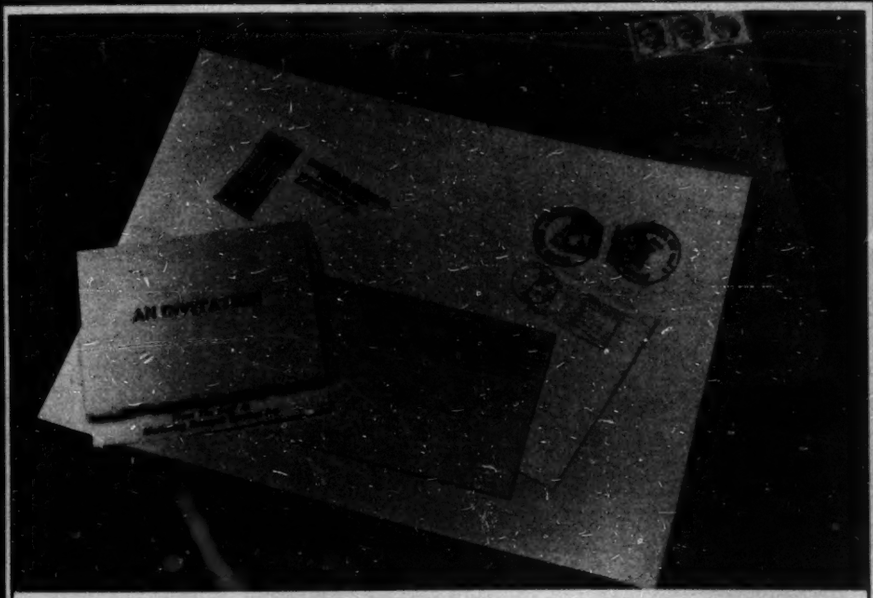
NFO has two central telephone interviewing facilities with 200 stations, including CATI interviewing, located in Toledo and Greensboro, N.C.

Via its mail panel and telephone interviewing capabilities, NFO conducts concept and product testing, tracking, attitude and usage studies, and market segmentation studies. Also, several proprietary segmentation systems—VISION, ACORN, CLUSTERPLUS, PRIZM and VALS—are used for analyzing survey data.

William Lipner
NFO Research

The Multi-Client Services Group operates syndicated services for the beverage, mail order, floor covering and toy industries. Toy-Trac, new in 1985, surveys 16,800 children annually to determine awareness, ownership and desirability for the toy, doll and game industry.

In 1985, NFO purchased a majority interest in SRG International, forming NFO/SRG International, White Plains, N.Y., to serve clients in western Eu-



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Top 44 research companies

rope, the Asia Pacific region, Latin America and the Middle East.

Also in 1985, NFO introduced a new questionnaire design system utilizing laser printing, a new CATI interviewing system and significant data processing software enhancements. Its Analytical Services Group has been expanding its capabilities.

President-chief executive officer William E. Lipner, 39, holds degrees in electrical engineering and business administration from the University of Toledo.

10 **NPD Group**, Port Washington, N.Y. Privately held corporation founded in 1953. Revenues in 1985 were $33.1 million, up 13.4% from 1984.

NPD Group, with 545 fulltime employes (of whom 335 are salaried), is organized by five divisions: NPD Package Goods, a 14,500-household national diary purchase panel specializing in package goods plus more than 25 local-market panels with about 40,000 households (NPD is the U.S. member company in the Euro-Panel group); NPD Special Industry Services, which has purchase diary, mail panels and point-of-sale computerized audits, specializing in product classes such as toys/games, textile/apparel, petroleum/automotive, sports equipment and jewelry; GDR/CREST Enterprises, a panel reporting on meals eaten away from home and also providing consulting to the food service industry; Home Testing Institute, a fixed mail panel with 175,000 households, and Marketing Models, which specializes in proprietary models such as ESP (for pretest marketing, new product forecasting) and PSA (for preference structure analysis).

During 1985, NPD launched the HTI/JFY Super Panel, 10 million households prescreened for brand usage patterns, and

Tod Johnson
NPD Group

opened a second WATS phone interviewing facility in Maryland (bringing the total NPD system up to 75 stations, 40 of which are CRT-equipped).

New York is set up as a Marketrax scanner market, and another market will be added before yearend. The Apparel Point-of-Sale Tracking Service is being expanded to include women's wear. In a joint venture with Future Computing, HTI will be tracking behavior in the personal computer market. In January, NPD Group became a minority shareholder in ISL International Survey Ltd., Toronto, the diary purchase panel of Canada.

President-chief executive officer Tod Johnson, 41, holds an M.S.I.A. degree from Carnegie-Mellon University, Pittsburgh. Founder, chairman and joint owner of NPD is Henry Brenner, 71.

11 **Maritz Market Research Inc.**, St. Louis. Wholly owned subsidiary of Maritz Inc. founded in 1973. Revenues in 1985 were $30.0 million, up 21.4% from 1984.

In addition to operating full-service survey research offices in Los Angeles, St. Louis, Minneapolis, Detroit, Toledo and New York, MMRI in 1985 opened offices in Dallas and Atlanta. Complementing its full-service divisions, MMRI operates 20 field service offices, 20 mall sites, 25 test kitchens and three WATS survey centers. Central telephone lines exceed 400. MMRI's 189-station CATI phone and mall interviewing system added three cities in 1985, making the total 15.

New services added in 1985: MAPPS (Maritz Advertising Product Positioning System), a

William Lewellen
Maritz Market Research

product development model; MIVIS (Maritz Interactive Video Interviewing System), an advanced laser videodisc microcomputer used in testing multiple visual options; Pin-Point, a market information service for the corrugated industry, and through its Agricultural Division, a new menu-based access system called Discovery.

In 1986, MMRI will introduce Explorer, a computer-assisted decision support system that allows database access for custom cross-tabulations, statistical analyses and graphs. Plans are to introduce a new market segmentation technique also.

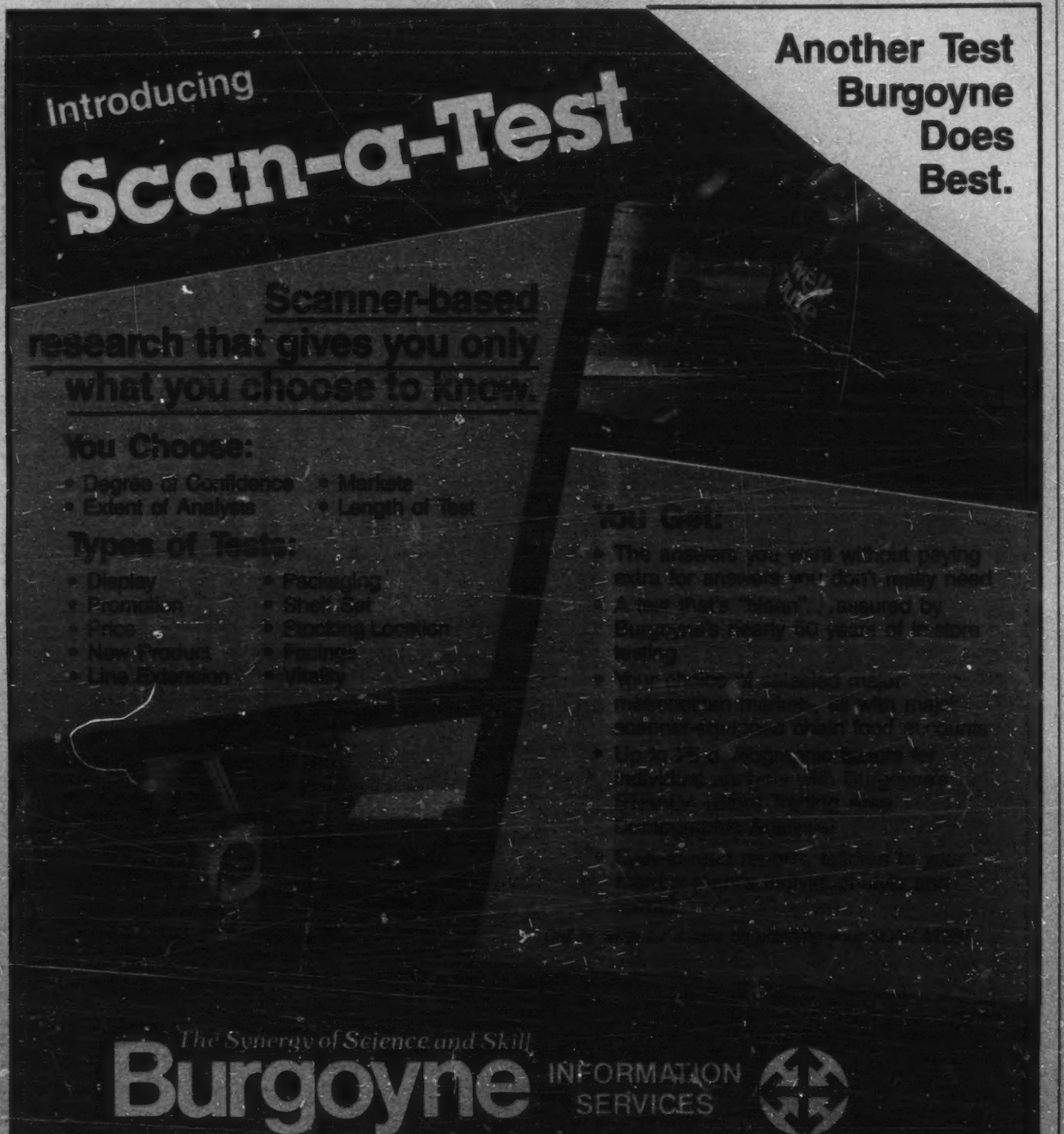
MMRI employs 172 fulltime, salaried exempt employes, 68 nonexempt support personnel and about 2,000 parttime interviewers and supervisors.

President William H. Lewellen, 55, holds an M.S. degree from St. Louis University.

12 **Westat**, Rockville, Md. An employe-owned corporation founded in 1961. Research revenues in 1985 were $25.2 million, up 3.3% from 1984.

Revenues include those of Crossley Surveys, a subsidiary of

Joseph Hunt
Westat



Top 44 research companies

Westat specializes in large-scale survey research, about 85% of which comes from work for federal agencies.

The staff includes 255 exempt salaried professionals (up 6% from 1984), about 65 nonexempt staffers and an average of about 325 telephone interviewers, support and survey processing, and national field studies personnel. There is an office in New York and phone facilities include 75 stations, half of which are CRT-equipped.

President-chief executive officer Joseph A. Hunt, 50, has an M.S. from Massachusetts Institute of Technology. Edward C. Bryant, 70, the founder of Westat, is chairman; he has a Ph.D. from Iowa State University.

13 **Elrick & Lavidge,** Chicago. Founded in 1951 and since 1980 a wholly owned subsidiary of Equifax Inc. Revenues in 1985 were $24.6 million, up 5.6% from 1984.

Revenues from Quick Test Opinion Centers are included. The Philadelphia-based subsidiary operates 19 mall interviewing facilities, three of which, Denver, Chicago and Hayward, Cal., were opened in 1985.

Robert Lavidge
Elrick & Lavidge

E&L specializes in survey research for consumer and business-to-business clients through full-service offices in Atlanta, Chicago, San Francisco and Paramus, N.J., which was added in 1985. In addition, four field offices, including the 1985 addition of Cincinnati, specialize in various types of interviewing: mail, central location testing, telephone and face-to-face.

E&L employs 223 salaried workers, 165 of whom are exempt.

During 1985, E&L tripled its computer capacity. The company is entering the syndicated service field, offering computerized sales and inventory data gathered from consumer durable goods retailers. Tv sets and floor coverings are the first product classes covered.

President Robert J. Lavidge, 64, received his M.B.A. from the University of Chicago.

14 **Walker Research,** Indianapolis. Privately held corporation founded in 1964. Revenues in 1985 were $20.7 million, up 7.1% from 1984.

This company, with 135 full-time, salaried employes, 164 fulltime hourly workers and 571 parttimers, is successor to a local field interviewing agency, Walker Research Service, founded in 1939. During 1985, Walker moved into a new 90,000-sq.-ft. corporate headquarters building on the outskirts of Indianapolis.

Walker is divided into: Client Services Division, which provides traditional custom ad hoc surveys through five office locations; Marketing Sciences Division, which provides strategic research and consulting services, and Operations Division, which offers data collection and processing services through a network of eight offices in five states. These include telephone (Walker has more than 240 interviewing stations, the majority of which are equipped for CATI), mall intercept, prerecruited central location and mail.

Frank Walker
Walker Research

During 1985, Walker started Walker Clinical Evaluations to conduct Phase 3 clinical investigations and trials with human subjects to provide objective, scientific assessment of the efficacy and safety claim substantiation of Food & Drug Administration-controlled products.

Chairman-chief executive officer Frank D. Walker, 51, is a graduate of DePauw University. President-chief operating officer James E. Sarmer, 47, received his M.B.A. from Michigan State University.

15 **Yankelovich Skelly & White/Clancy, Shulman,** Westport, Conn.

Robert Shulman
YSW/Clancy, Shulman

Founded in 1958 and since 1984 has been a wholly owned subsidiary of Saatchi & Saatchi. Research revenues in 1985 were $19.5 million, up 14.7% from

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Top 44 research companies

1984.

Revenues include what were Yankelovich Skelly & White and Clancy, Shulman, which was acquired by Saatchi & Saatchi in 1984 and merged with YSW, and the research portion of McBer & Co., which was also part of the YSW Group. Growth is calculated on a comparable base, 1985 over 1984.

This organization underwent considerable change in 1985 and early this year. In addition to the merger and name change, the company closed its New York office and consolidated operations in Westport, Conn.

Several key executives (AA, April 14) left to join a new organization, Daniel Yankelovich Group, founded by former YSW chairman Daniel Yankelovich. Also, Florence Skelly, formerly president-chief executive officer of YSW Group, left to found a new research consulting company, Telematics Inc.

The merged YSW/CS is organized into five research groups: Syndicated Services Group, Corporate Profiles Group, Market Response Modeling Group, Technical Services & Licensing Group and Strategic Research & Modeling Group.

Major services are: Monitor, an annual survey of social change, now in its 17th year; the Viewpoint Series, surveys addressed to business-to-business marketing issues such as investor relations, media relations, public policy issues, corporate image and communications, modeling services, and Litmus, a sales forecasting model combined with the Laboratory Test Market service to provide simulated test marketing services. Litmus is now available in Europe, Asia, Australia and Canada, and further expansion is planned for 1986.

YSW/CS has 87 fulltime, salaried employes in three offices.

President-ceo Robert Shulman, 34, is a graduate of Eisenhower College. Exec vp Kevin Clancy, 43, received a Ph.D. from New York University.

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PEAC Media Research Inc. 1129 Leslie St., Toronto, Canada, M3C 2K5.

16 **Chilton Research Services,** Radnor, Pa. Founded in 1957; since 1979 a wholly owned subsidiary of American Broadcasting Co. Revenues in 1985 were $19.1 million, up 15.8% from 1984.

This organization conducts

Gilbert Barrish
Chilton Research

custom ad hoc marketing and social science surveys for industry and the federal government. While some data collection is via mail or face-to-face interviewing, the bulk is via telephone.

Chilton has one of the industry's largest CATI systems, which has on-line sample control and interactive cross-tabulations. The system is driven by Chilton's twin IBM 4341 computers and has 185 interviewing stations.

A third telephone interviewing center dedicated to a TELSAM/PULSE system for Ameritech was opened in Madison, Wis., in 1985. In 1986, a fourth center with 60 work stations will be opened in Manoa, Pa. Chilton has 185 fulltime, salaried employes.

Director Gilbert Barrish, 46, is a graduate of Temple University.

17 **Simmons Market Research Bureau,** New York. Unit of MRB Group, a wholly owned subsidiary of JWT Group, founded in 1978. Revenues in 1985 were $16.5 million, up 32% from 1984.

In May, SMRB became part of a new JWT Group profit center, MRB Group, which includes 13 research organizations worldwide with annual revenues of about $35 million.

Main service is the Simmons annual "Study of Media and Markets," based on a sample of 19,000 adults, covering exposure to all media, brand usage, leisure activities, life styles and so on. Subscribers to this syndicated database include agencies, media and major advertisers. Clients are offered on-line access to the database, and in 1985 SMRB introduced a microcomputer system called CHOICES, which makes data available on disk for use on IBM and IBM-compatible computers.

Also in 1985, SMRB co-sponsored (along with Scarborough Research Corp.) the largest study of national newspaper readers—156,000 interviews in 56 markets.

The Custom Studies Division recently created a new unit to develop research in the financial services field, while the twice-annual "Simmons National College Market Study," the most inclusive of its type, was broadened to include students' perceptions of major corporations.

Frank Stanton
SMRB

SMRB has 152 fulltime, salaried employes.

President-chief executive officer Frank Stanton, 56, has an M.A. from the University of Pennsylvania.

18 **Louis Harris & Associates,** New York. Founded in 1956 and since 1975 a wholly owned subsidiary of Gannett Co. Revenues in 1985 were $15.8 million, up 3.3% from 1984.

Thirty-five per cent of Harris revenues come from non-U.S. subsidiaries: Louis Harris International (London), Louis Harris France (Paris) and Louis Harris Medical Surveys (London).

Founded by Louis Harris, the well-known pollster syndicated in 150 newspapers, the U.S. custom survey operation consists of the following divisions: Telecommunications, computers, healthcare, banking and financial services, automobiles and public policy and corporate affairs. Multiclient surveys track corporate, financial, public and leadership opinions and behavior. About 40% of the company's U.S. work and 20% of the international is for foundations, governmental agencies and other nonprofit entities.

Louis Harris
Harris & Associates

The New York and Washington offices house 200 fulltime, salaried employes. A phone interviewing facility (90 stations, 40 CATI-equipped) is in New York.

Chairman-chief executive officer Louis Harris, 65, is a graduate of the University of North Carolina at Chapel Hill. President-chief operating officer Humphrey Taylor, 51, is a graduate of Cambridge University (England).

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Top 44 research companies

19 **ASI Market Research**, New York. Founded in 1962 and since 1983 a wholly owned division of IDC Services. Revenues in 1985 were $15.7 million, down 4.3% from 1984.

ASI consists of two divisions: Advertising Research, which specializes in controlled audience pretesting and on-air testing of tv commercials, testing of print ads and evaluating entertainment projects, including pilots for tv and movie films; and Marketing Research, which conducts custom ad hoc surveys, focus groups and other qualitative studies. (Included in the Marketing Research Division as a separate profit center is Lehman Custom Research, Norwalk, Conn.) The division operates a central telephone interviewing facility with 120 stations.

Gerald Lukeman
ASI Market Research

During 1985, ASI expanded its Recall Plus CATV testing system to 11 test cities; introduced Tru-Share, an unusual on-air, multicity persuasion methodology; launched Print Plus, a natural exposure, comprehensive print-testing service, and launched Focus Plus, a new focus group facility in Manhattan.

ASI has 125 fulltime, salaried exempt employes and about 600 parttimers.

President-chief executive officer Gerald Lukeman, 54, is a graduate of Dartmouth College. He is also exec vp of IDC Services.

20 **Opinion Research Corp.**, Princeton, N.J. Founded in 1938 and since 1975 a wholly owned subsidiary of Arthur D. Little Inc. Revenues in 1985 were $14.5 million, unchanged from 1984.

This organization provides full-service survey research and analytical and design services, emphasizing market research, data collection, awareness, trial and usage studies, corporate image and product image, media studies, financial industry, telecommunications, government research, employe relations and public opinion research.

Irwin Miller
Opinion Research Corp.

Expertise is provided through the Cable/Video Research Center, the Financial Services Group, the HealthCare Research Center, the Telecommunications Section and the Organisational Research Group. In addition, ORC specializes in multivariate data analysis and market modeling techniques. Several shared-cost surveys are available, most notably the every-other-weekly General Public Caravan and the quarterly Executive Caravan.

ORC operates a CATI-based system with 125 interviewing stations. Its technical center is a computer-based network that coordinates sample preparation and control, telephone interviewing, data processing and quality assurance.

ORC has about 200 fulltime, salaried employes in Princeton and branch offices in New York, Washington, Chicago and San Francisco.

In late 1985, ORC announced formation of a new wholly owned subsidiary, Market Resources Corp., which will provide telemarketing and direct marketing services to a broad range of clients.

Chairman-chief executive officer Irwin Miller, 57, has a Ph.D. from Virginia Polytechnic Institute. President-chief operating officer Andrew Brown, 41, has an M.B.A. from Temple University. Vice-chairman Harry O'Neill, 57, has an M.S. from Pennsylvania State University.

21 **Winona Research**, Minneapolis. Privately held corporation founded in 1953. Revenues in 1985 were $14.4 million, up 11.6% from 1984.

This full-service research company has 125 fulltime, salaried employes in two offices—Minneapolis and Phoenix. A New York office recently was closed.

More than half of Winona's volume comes from telephone interviewing, and its Phoenix site houses a WATS line and CATI facility with 200 stations.

Richard McCullough
Winona Research

The balance comes from invoice store audits, product research and mail work.

President Richard McCullough, 42, is a graduate of the University of Minnesota.

22 **Decisions Center Inc.**, New York. Privately held corporation founded in 1965. Revenues in 1985 were $13.8 million, up 35.3% from 1984.

DCI, which has 135 fulltime, salaried employes, includes Decisions Center, Murray Hill Center (three focus group conference rooms), Analytic Insights, Express Data Center and Facts Center, a 94-station telephone interviewing facility. All are in one Manhattan building.

Bernard Ruderman
Decisions Center Inc.

DCI specialises in custom sur-

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vey research—large-scale market structure and strategy studies, tracking studies, copy research, legal studies, and concept and product testing.

Much of the year's revenue growth came from Express Data Center, which was launched in mid-1985. EDC provides computerized transmission of survey data from a network of mall locations to the company's VAX 750 computer in New York. Tabulation is instantaneous and clients are able to access data through their own personal computers. In early 1986, the EDC network was expanded to 12 cities, and eight more will added by yearend.

DCI is managed by three partners: Bernard Ruderman, 54, who has an M.S. from Pennsylvania State University; Bernard Levine, 60, and Steven Roth, 40, both with M.B.A.s from New York University.

23 **Ehrhart-Babic Group,** Englewood Cliffs, N.J. Privately held corporation founded in 1959. Revenues in 1985 were $13.8 million, up 4.2% from 1984.

E-B, with 105 fulltime, salaried employes, specializes in instore research through the following:

E-B Custom Research, which conducts sales measurement studies, including minimarkets, controlled store tests, projectable audits, trend audits, and more; National Retail Tracking Index, which conducts regularly scheduled syndicated retail observation checks in 125 major markets (SAMI definition), 8,000 retail outlets, including food, drug, mass merchandise, convenience and hardware/home centers; National Liquor, Wine and Beer Index, which provides quarterly distribution data on more than 2,600 off-premise outlets and 3,100 on a twice-a-year basis, and Measurement of Trade Cooperation, a syndicated weekly survey of in-store promotion support with supermarkets.

In 1986, E-B will check drugstores on a monthly basis in all SAMI drug markets and add close to 1,000 stores on a weekly schedule.

Thomas Ehrhart
Ehrhart-Babic Group

The Liquor Service will check 1,123 outlets during the Christmas season. Also in 1986, E-B will introduce a Toy Observation Index in 20 areas of dominant influence and 1,119 stores.

Chairman Thomas A. Ehrhart, 61, is a graduate of Pace University, and president Louis J. Babic Jr., 53, is a graduate of Boston University.

24 **Harte-Hanks Marketing Services Group,** River Edge, N.J. Wholly owned division of Harte-Hanks Communications founded in 1975. Revenues in 1985 were $11.7 million, up 20.3% from 1984.

This conglomerate, part of the large Texas-based publishing company, includes RMH Research, a full-service survey company specializing in communications and media research; National WATS Service, a telephone interviewing facilitywith

Richard Hochhauser
Harte-Hanks Marketing

75 stations, some of which are CRT-equipped, and Urban Data Processing, a Burlington, Mass.-based EDP service company that specializes in custom processing of census data for marketing applications. UDP accounts for more than 40% of total revenues.

Harte-Hanks has about 100 fulltime, salaried employes in three offices.

President Richard Hochhauser, 41, holds an M.B.A. from Columbia University. He recently assumed the additional post of president of Harte-Hanks' Direct Marketing Group.

25 **Data Development Corp.,** New York. Privately held corporation founded in 1960. Revenues in 1985 were $10.9 million, up 3.8% from

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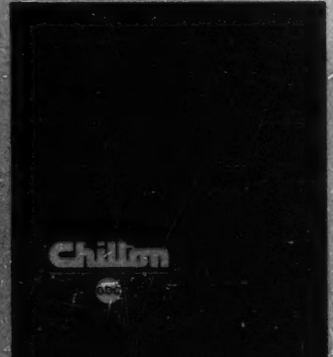

Top 44 research companies

26 **Custom Research Inc.**, Minneapolis. Privately held corporation founded in 1974. Revenues in 1985 were $9.7 million, up 12.8% from 1984.

This custom survey company is organized by divisions: Consumer Research, Medical Research Bureau, Custom Research Telephone (central telephone WATS interviewing, CRT-equipped, with 50 stations), Corporate Services and, as of 1985, Custom Research International.

Judith Corson
Custom Research Inc.

CRI has 85 fulltime salaried employes and about 175 part-timers located in four offices. The San Francisco office opened early this year.

CRI is managed by two partners, Jeffrey L. Pope, 45, who received his M.B.A. from the Kellogg School of Management at Northwestern University, and Judith S. Corson, 43, a graduate of the University of Minnesota.

Jerry Rosenkranz
Data Development Corp.

This custom survey organization has 112 fulltime salaried employes in four offices plus the Telephone Center, an interviewing facility with 70 stations (60 CRT-equipped) in New Rochelle, N.Y.

DDC emphasizes design and analysis and specializes in strategy and market studies, tracking studies, concept-product and copy testing. Proprietary methodologies include COMBO (product testing), COPY II (copy strategy) and ADOPTER (pretest market measurement systems), the latter being a joint venture with Edward Tauber, University of Southern California.

During 1985, DDC launched a new division, Foodservice Research Marketing. In 1986, the company will start MarketScope, a syndicated service based on a major segmentation of the U.S. restaurant population.

Jerry Rosenkranz is chairman of DDC, and Joseph Goldstein is president-chief executive officer. Both are 50 and graduates of the City College of New York.

27 **National Analysts**, Philadelphia. Founded in 1943 and a division of Booz, Allen & Hamilton since 1970. Revenues in 1985 were $9.8 million, up 21.5% from 1984.

National Analysts is a strategically oriented research and consulting company, offering both qualitative and quantitative studies to commercial and not-for-profit clients. Areas of specialization include group and individual depth interviewing,

Marshall Greenberg
National Analysts

market segmentation and trade-off analysis studies and multivariate modeling assignments.

In 1985, NA introduced Mediacaster, a new product forecasting model for health and medical products based on data collected from physicians. Also, NA recently began collecting survey data interactively on microcomputers in central locations. Plans call for expanding this capability to permit rapid turnaround multivariate modeling of data from electronic questionnaires.

A unit specializing in survey work for electric and gas utilities was started in 1985, adding to existing units specializing in pharmaceuticals and medical equipment, telecommunications, automotive, package goods and litigation support.

NA has 46 fulltime, salaried employes and 62 fulltime, non-exempt employes in its Philadelphia and New York offices.

President Marshall G. Greenberg, 50, received his Ph.D. from the University of Michigan.

28 **Mediamark Research Inc.**, New York. Founded in 1979 and 80% owned by MAI PLC. Revenues in 1985 were $9.5 million, up 23.1% from 1984.

MRI operates a syndicated/product research service based on personal interviews with 20,000 adults each year regarding their exposure to advertising media and, via a leave-behind questionnaire, purchase data on a broad line of products and services.

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Top 44 research companies

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Timothy Joyce
Mediamark Research

SION geodemographic systems and the VALS psychographic system.

MRI also produces special reports each year based on a two-year database: A business-to-business report, the Upper Deck on the affluent market plus reports related to the top 10 local markets, including data on newspapers and broadcast outlets.

During 1985, MRI set up a custom studies division.

In 1985, MRI acquired NabScan Inc., which provides marketers with sales and price data for UPC-marked items on a weekly basis from a panel of more than 900 scanner-equipped supermarkets. Data are available on a national, regional or local basis.

Revenue growth figures above are calculated on a combined MRI-NabScan base for both years, and together these organizations have 50 fulltime salaried employes in offices in New York, Chicago and San Francisco.

In early 1986, MRI announced the availability of a new microcomputer system called MEMRI (Micro Evaluation by Mediamark Research Inc.), which enables subscribers to process MRI and other databases with the respondent data being held on-site.

Chairman-chief executive officer Timothy Joyce, 52, has a Ph.D. from Cambridge University. President-chief operating officer Alain J. Tessier, 52, has an M.A. from the University of Notre Dame.

29 **Admar Research Co., New York.** Founded in 1960 and since 1985 a wholly owned subsidiary of Sprigg Lane Investment Corp. Revenues in 1985 were $8.9 million, down 4.3% from 1984.

Revenues include those from Market Trends, New York, an

Henry Ostberg
Admar Research Co.

affiliated field and tabulating house with a central WATS facility with 28 lines.

Admar specializes in tracking surveys, product testing and advertising studies employing copyrighted methodologies. Including Market Trends, there are 60 fulltime employes plus about 100 parttimers.

Chairman-chief executive Henry D. Ostberg received his Ph.D. from Ohio State University.

30 **Starch INRA Hooper,** Mamaroneck, N.Y. Public corporation founded in 1923 and traded over the counter. Revenues in 1985 were $8.9 million, up 18.5% from

William Wilson
Starch INRA Hooper

1984.

In 1985 this survey research company acquired its office building on Long Island Sound and completed an extensive renovation.

Revenues for Starch, best known for print ad and print media audience studies, include those of the Roper Organization, New York; the Hooper Telephone Interviewing Service, with more than 30 stations, and participation in the INRA network of affiliated companies in 31 countries.

Starch has 46 salaried, exempt employes and a permanent staff of 160.

During 1985, Starch launched "Public Pulse," a public opinion newsletter, and during 1986 the intent is to expand international activities, including a joint venture with a European research company. Also, Starch, with Herb Krugman, is developing a new tv commercial tracking service.

President-chief executive officer William J. (Jay) Wilson, 43, is a graduate of Yale University.

31 **McCollum/Spielman & Co., Great Neck, N.Y.** Privately held corporation founded in 1968. Revenues in 1985 were $8.8 million, down 6.4% from 1985.

M/S activities are divided into two groups:

Communications Division conducts quantitative/qualitative-effectiveness/diagnostic testing of tv and radio commercials and print advertising utilizing closed-circuit, theater-like interviewing facilities in 12 cities, as well as custom studies in the communications area.

Associates Division includes Child Research Services, which tests children's (and frequently parents') reactions to commer-

Donald McCollum
McCollum/Spielman

cials, programs, packaging products and concepts, and custom studies in the areas of advertising tracking and corporate image.

A good part of the revenue decline from 1984 is because M/S discontinued a large syndicated

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M/S tv research services, already available in the U.K., Canada and Japan, were introduced in Germany during 1985; further international expansion is planned for 1986.

There are 90 fulltime, salaried employes in four U.S. cities.

Chief executive officer Harold M. Spielman, 59, received his B.S.S. degree from City University of New York. President Donald H. McCollum, 63, received an M.A. from the University of Denver.

Catherine Paura
National Research

32 **Gallup Organization**, Princeton, N.J. Privately held corporation founded in 1935. Revenues in 1985 were $8.6 million, up 11.7% from 1984.

This survey research company is best known because of the syndicated newspaper column the Gallup Poll, which appears in 100 newspapers.

The company also specializes in quantitative studies and public opinion research. About half of this work is custom ad hoc, and the rest comes from syndicated surveys in the areas of financial services, package goods, video products, healthcare, public policy and, most currently, book publishing.

Data are collected through face-to-face interviewing (national sample, 360 primary sampling units, and about 50,000 interviews a year) and a WATS telephone facility with 72 stations in a facility outside Princeton. There are 125 fulltime employes.

George Gallup Jr.
Gallup Organization

Acting co-chairmen are George H. Gallup Jr., 57, a graduate of Princeton University, and Alec M. Gallup, 55, a graduate of the University of Iowa, sons of the company's founder, the late George H. Gallup Sr. Joint chief executive officers are Andrew Kohut, 43, a graduate of Seton Hall University, and Leonard A. Wood, 46, who has an M.B.A. from Rider College.

33 **National Research Group**, Los Angeles. Privately held corporation founded in 1978. Revenues in 1985 were $8.0 million, up 73.1% from 1984.

This survey company, which does almost all its work for the movie industry, specializes in appraising entertainment properties (prescreening to small groups), studies to develop advertising strategy and tracking

revenues come from branches in London and Tokyo. NRG conducts surveys in 12 countries abroad.

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Top 44 research companies

ployes and a central 80-station phone facility, of which 60 stations are WATS.

Co-founder Joseph Farrell, 50, is a graduate of Harvard Law School and chairman of NRC. Co-founder and president Catherine A. Paura, 35, has a B.A. from Brooklyn College.

34 **Response Analysis Corp.**, Princeton, N.J. Privately held corporation founded in 1969. Research revenues in 1985 were $7.6 million, up 35% from 1984.

Revenues do not include RAC's ARRO division in Bethesda, Md., which specializes in human factors and performance evaluation/skill testing procedures.

Herbert Abelson
Response Analysis Corp.

This survey research organization, which has 105 fulltime, salaried employes, specializes in commercial research (especially multisponsor and custom studies in financial services and telecommunications), in large-scale survey research projects for government agencies, and, through its Washington division, in studies of job requirements, organizational effectiveness and management for companies and federal and state agencies.

RAC maintains a central telephone interviewing facility with 40 stations, 15 of which are CRT-equipped.

Chief executive officer Herbert I. Abelson, 60, received his Ph.D. from the University of Maryland.

35 **Decision Research Corp.**, Lexington, Mass. Wholly owned subsidiary of Temple, Barker & Sloane founded in 1971. Revenues in 1985 were $6.8 million, up 23.6% from 1984.

This full-service marketing research company specializes in custom ad hoc survey work for consumer goods and business-to-business marketers. In addition, DRC conducts jury simulation work for legal clients, running mock trials during which arguments and appeals are tested. DRC has a 36-station WATS facility.

Robert Duboff
Decision Research Corp.

There are 42 fulltime salaried employes located in two offices, the newer of which is in Palo Alto, Cal.

In January, 1986, DRC acquired Lieber Attitude Research and Lieber/Rebell Associates, two affiliated qualitative research companies in New York.

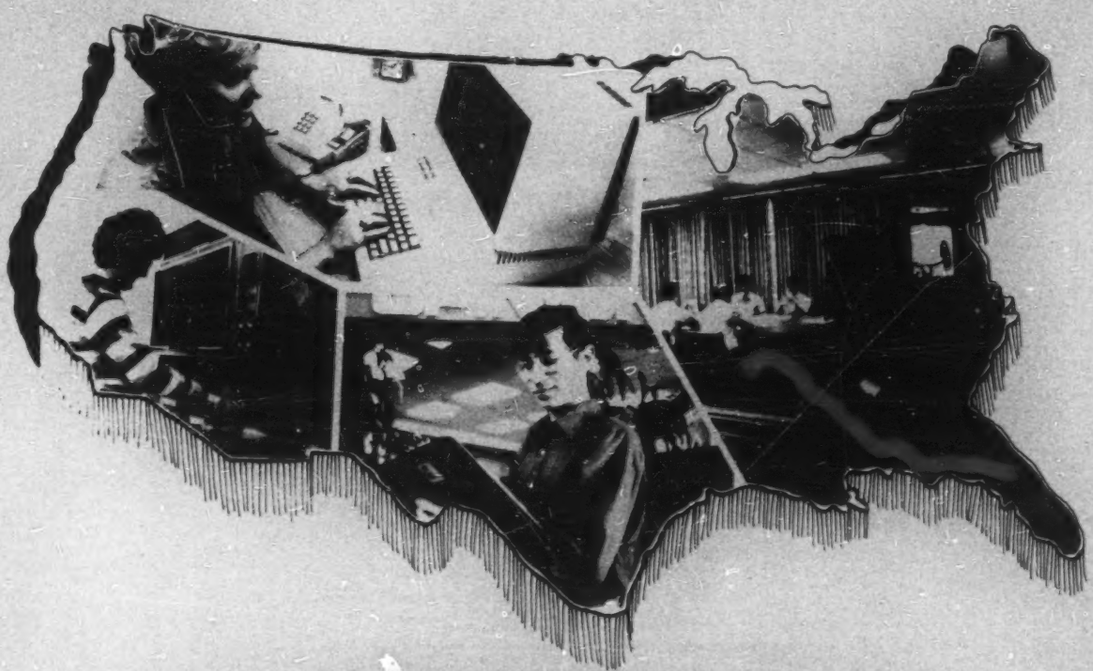
General manager Robert S. Duboff, 37, received his J.D. from Harvard Law School.

36 **Decision/Making/Information**, McLean, Va. Privately held corporation founded in 1969. Revenues in 1985 were $6.7 million, down 14.1% from 1984.

This survey research company, with 60 fulltime employes (34 salaried exempt) and 230 parttimers, is divided into two groups: marketing research and political polling for a range of Republican candidates, including work for the White House and President Reagan. The political volume in 1985 is off from the extraordinary levels of 1984, while commercial work is up.

Richard Wirthlin
D/M/I

In addition to McLean, D/M/I has client service offices in Princeton, N.J., and Santa Ana, Cal. A permanent phone interviewing facility in Provo, Utah, has 100 stations and is expanding its personal-computer-driven inter-



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viewing system from 40 to 60 units in 1986.

Founder-chairman Richard B. Wirthlin, 55, has a Ph.D. from the University of California at Berkeley. He is best known as President Reagan's pollster. Thomas B. Hughes, 41, is president-chief operating officer and has an M.S. from Wichita State University.

37 **Market Opinion Research**, Detroit. Privately held corporation founded in 1941. Research revenues in 1985 were $6.5 million, down 5% from 1984.

Frederick Currier
MOR

About 80% of MOR's revenues are derived from research-related activities. The survey activitics are organized by division: consumer and industrial marketing research; media (especially newspaper) studies; social and public policy research, and political polling.

Because Robert N. Teeter, MOR's president, is prominent as a political pollster/consultant (Vice-President George Bush is a client), a considerable amount of MOR survey work is linked to elections, hence the revenue decline in 1985 from 1984. Nonpolitical work was up at MOR in 1985.

MOR has 80 fulltime employes, 55 of whom are salaried exempt, housed in five offices, one of which is in Toronto. A Washington office was opened in 1985. Three central phone survey facilities include 90 stations, 40 of them CRT-equipped.

Chairman-chief executive officer Frederick P. Currier, 62, received his M.A. from the University of Illinois. President Robert N. Teeter, 47, received his M.A. from Michigan State University.

38 **Guideline Research Corp.**, New York. Privately held corporation founded in 1969. Revenues in 1985 were $6.5 million, up 18% from 1984.

GRC, with more than 50 fulltime, salaried employes in New York and Los Angeles, includes Guideline Research, Topline Research, Guideline-West and Tabline Tabulating Services. The latter two were started in 1985.

GRC specializes in custom market research—concept-product tests, tracking and trade studies, copy research, strategic and image (product and company) studies, trademark litigation, advertising claim substantiation studies, as well as the use of magnitude estimation for product development and optimization.

Norman Passman
Guideline Research

In 1986, GRC will introduce two new services: Extend-A-Line, a procedure for evaluating line extensions, and a new technique for conducting research in low incidence categories.

GRC is jointly headed by Norman Passman, 53, who has an M.B.A. from Long Island University, and Jay Friedland, 46, who has an M.S. from Purdue University.

39 **Ad Factors Marketing Research**, Glen Ellyn, Ill. Privately held corporation founded in 1975. Research-only revenues in 1985 were $5.9 million, down 1% from 1984.

Consumer and industrial surveys are the main business of Ad Factors, which conducts continuous tracking studies, large-scale category profile studies, test-market evaluations, in-home new product testing and

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custom opinion/attitude/viewership studies.

In-house facilities include 240 WATS interviewing stations, 110 of which are CRT-equipped, and a data processing system with three VAX 11/350 computers.

John Lett
Ad Factors

Ad Factors employs about 300 people, 48 of whom are fulltime salaried. There are two branch offices. During 1985, the company reorganized into three divisions: Marketing Research, Computer Services and Marketing Services.

Ad Factors founder Donald B. Chapman, 44, a graduate of Portland State University, is chairman-chief executive officer. The president-chief operating officer is John D. Lett, 40, who received his M.B.A. from Bowling Green State University.

40 **J.D. Power & Associates, Westlake Village, Cal.** Privately held corporation founded in 1968. Revenues in 1985 were $5.8 million, up 6% from 1984.

Power & Associates is a full-service marketing information/research company specializing in the domestic and international automotive market. It conducts single-client proprietary research as well as providing multiclient and syndicated research studies.

Related activities include consultancies, a forecast of the car and light truck markets and the Super-Dealer Roundtable, an organization of the top 100 U.S. new-car dealers, which was started in 1985.

Its publication "The Power Report on Automotive Marketing," based on survey data, is widely distributed in the auto industry.

Power & Associates has 36 salaried exempt employes and a total staff of 70.

J. David Power
J.D. Power & Associates

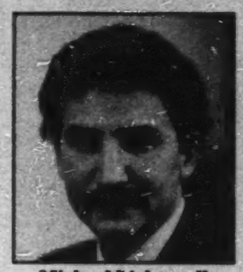
President J. David Power III, 54, received his M.B.A. from the Wharton School, University of Pennsylvania.

41 **Lieberman Research West, Los Angeles.** Privately held corporation founded in 1973. Revenues were $5.3 million in 1985, down 2.6% from 1984.

A full-service, custom research organization with 40 full-time, salaried employes, LRW conducts copy, concept and product testing, tracking and strategic market studies.

LRW specializes in package goods, fast food, healthcare and the entertainment industry.

In the planning stage for 1986 is a new subsidiary specializing in quick turnaround data collection and tabulation, as well as a focus group facility in Los Angeles. Revenues from another LRW stand-alone unit, WATS Interviewing Service of America, are not included in the company numbers above.



Michael Liebergall
Lieberman Research

Chairman Arnold Fishman, 41, is a graduate of Brooklyn College. President Michael Liebergall, 39, studied marketing at New York University.

42 **Marketing Research Services, Cincinnati.** Privately held corporation founded in 1973. Revenues in 1985 were $5.1 million, up 59% from 1984.

The full-service custom research company provides ad hoc and tracking studies for national and international consumer and industrial clients. The company is structured into stand-alone groups that service clients in such industries as computer and software products, commercial and industrial manufacturing, consumer package goods, hospital and healthcare, restaurants, grocery and drug retail, real estate, agricultural chemicals, pharmaceutical products and public utilities.

Edward Horgan
Marketing Research

MRS maintains a 150-station CRT-equipped WATS center, soon to be expanded to 200 stations.

In-house Digital VAX, IBM and Prime computers drive its standard-service software packages, as well as more specialized services offered by the ACCESS on-line, real-time, interactive tab package and Autodial, a computerized sample management system.

MRS employs more than 100 salaried, fulltime personnel (47 exempt) and 190 parttime personnel in the company's recently expanded and renovated 26,000-sq.-ft. headquarters in downtown Cincinnati. MRS opened a high-traffic mall facility in 1985 and plans to expand into more in 1986-87.

Founder Edward D. Horgan, 43, is president-chief executive officer. He attended Xavier University for M.B.A. work.

43 **Oxtoby-Smith, New York.** Privately held corporation founded in 1956. Revenues in 1985 were $5.0 million, up 2.7% from 1984.

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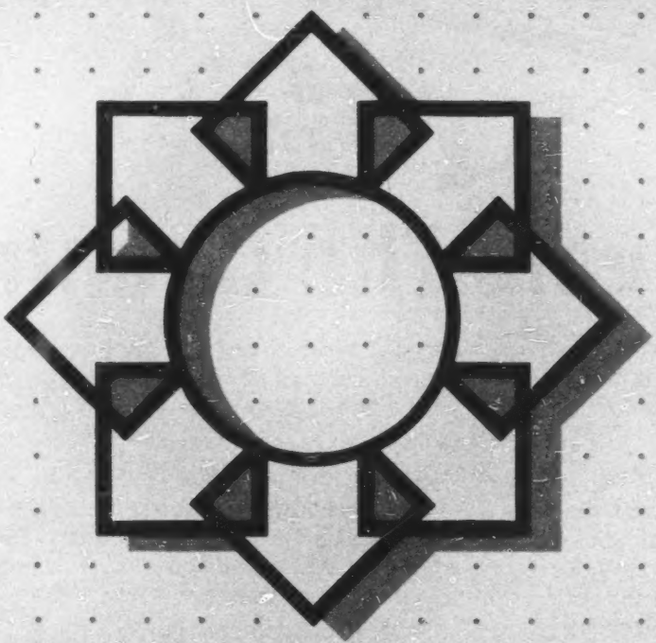

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This survey research company, which has 65 fulltime, salaried employes, is distinctive in that about 60% of its revenues come from clients for which O-S assumes responsibility for all or almost all of the consumer research functions, filling the roles of both internal department and outside research supplier.

The balance of O-S volume comes from custom ad hoc survey projects, consultation, and research and testimony relating to legal matters, among them

Joseph Smith
Oxtoby-Smith

trademark litigation and advertising claim substantiation.

On-site facilities include a central telephone interviewing facility with 20 stations, all CRT-equipped, and a focus group operation.

President-chief executive officer Joseph Smith, 59, received his Ph.D. from the University of Iowa.

44 Kapuler Marketing Research, Arlington Heights, Ill. Privately held corporation founded in 1974. Revenues in 1985 were $4.8 million, down 19.5% from 1984.

Kapuler's fulltime, salaried staff of 41 offers a broad range of quantitative and qualitative custom marketing research services. The Kapuler Survey Center has 120 WATS stations. WATS and extensive mall activities are supported by tabulating systems. "On-Track" is an interviewing

Stanley Kapuler
Kapuler Marketing

and database management system for continuous WATS tracking.

Qualitative facilities in Chicago and Dallas support Kapuler's UniFocus, one-on-one, in-depth interviewing and analytical system, which is used for advertising and campaign development and diagnostics. The UniFocus system will be expanded in 1986. Kapuler maintains an office in Los Angeles.

President Stanley J. Kapuler, 45, received his M.B.A. from the University of Chicago.

Research people on the move

Research people moving:

Judi Edwards to group manager, Data Development Corp., New York, from associate research manager, Dancer Fitzgerald Sample, New York. Also joining DDC: **Amy Blonder** to group head from group manager, Market Facts, New York, and **Barbara Wacholder** to senior project director, from senior project manager, Stockton & Bortnar, New York.

Harvey Morrow to vp, director of marketing, Information & Analysis, Hicksville, N.Y., from an executive post in the Cable/Video Research Center of Opinion Research Corp., Princeton, N.J.

Claire Hamilton to associate marketing director, NPD/MARKETRAX East Coast sales, from account exec, Dun Jagoda Associates, Syosset, N.Y.

Rick Rinzler to senior project director, Research 100, Princeton, N.J., from senior market research analyst in International Pharmaceutical Products Division of Schering-Plough Corp., Kenilworth, N.J.

John H. Baker to president of Omnifacts Inc., Jenkintown, Pa., new company he founded, from vp-marketing services, the Wellington Group, Haddon Heights, N.J.

Steve McHugh (l.), Ad Factors, and Ruth Peterkin, Total Research Corp., were promoted.

Promotions:

Rupert Burks to senior vp-operations, AGB, Television Research, from vp-development, American Broadcasting Co. He will head the newly established operational headquarters in Columbia, Md. devoted to the development of a national peoplemeter tv audience rating service.

Ruth Peterkin to manager of research projects at the Tampa, Fla., office of Total Research Corp., from a similar position in the company's headquarters in Princeton, N.J.

Jeanette Palagi and **Steven McHugh** to account execs, Ad Factors, Glen Ellyn, Ill., from managers. **Steven L. Dyer** and **Maureen Gorman** to vp, Media Research Group, A.C. Nielsen Co., New York.

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O'Dell's luck, good sense lead to Market Facts

By Richard Edel

Every once in a while fate marks somebody to succeed where others fail. For some, it's almost a charmed life.

One such person is William F. O'Dell, the 77-year-old retired founder and former chairman of Chicago-based Market Facts. From this day almost 40 years ago when Market Facts opened its doors until he left market research in the mid-1960s, saying it is a young man's business, things have gone his way either because of good business sense, personal charm, luck or a combination of the three. His legacy is a company that ranks eighth among U.S. research companies, with 1985 sales of $37.8 million and net income of $1.1 million.

His hair is thinner now, but Mr. O'Dell still has a wry sense of humor and an energetic personality. Involved in business lecturing and writing for the past 20 years, he never dreamed Market Facts would go so far.

"It's just unbelievable that an embryonic idea can turn into such a huge corporation," he says. "And as they're so fond of pointing out around here, I'd have a hell of a time getting a job in the company now."

Given Market Facts' respected place today, it's hard to imagine that its future once dangled on a thread. The time was mid-May, 1946, and office space was virtually unavailable after the war. But Mr. O'Dell had found a 400-sq.-ft. sublet in Chicago's downtown business area, just a few stories up from where streetcars screeched around a corner.

Then all, Mr. O'Dell had just left as a Chicago-based vp for Ross Federal Research Corp., New York, taking three employes with him. The group had total assets of one typewriter, a name and the desire to own a business.

After striking a deal for the space with the building's assistant manager and paying the first month's rent, Mr. O'Dell stepped into the manager's office to pick up the keys. It was there he learned why most business people insist on dealing with the top.

"The manager told me we couldn't have the space because the assistant didn't have the authority to sublet," Mr. O'Dell says. "The two of them were having some kind of personal feud." And the fledgling Market Facts was caught in the middle.

Dejected, Mr. O'Dell trudged to Chicago's Union Station to catch a train to his suburban home. He slumped into a seat, thinking his money and that of five investors was gone.

"It was a sinking feeling. The announcements to prospective clients had been mailed, the telephone connected, our name on the door. We were ready to go."

But fate dealt Mr. O'Dell a trump card. By coincidence, the man sitting next to him on the train was Edward H. Baker Jr., whose law firm represented the estate of the building's owner, salt king J. Sterling Morton.

A stop at Mr. Baker's home and a phone call to his law partner in charge of the building fixed everything. Mr. Baker's partner told Mr. O'Dell to go home and get a good night's sleep. The sublet would be approved.

It was sheer luck, Mr. O'Dell says. "If on a chance basis, I hadn't sat next to that lawyer, Market Facts might never have been." Mr. Baker later became Market Facts' attorney for more than 20 years before his death.

It wasn't the last time that luck—and pluck—played a role in building Market Facts. Landing a big contract with his first client, the StranSteel division of National Steel, Detroit, Mr. O'Dell had to find out quickly whether farmers would buy its ubiquitous war-time product, Quonset huts, as outdoor storage. Borrowing money for field work and going without pay for two months, Mr. O'Dell and assistants were just getting survey forms ready when United Mine Workers chief John L. Lewis called a strike.

Power companies quickly ran out of coal, electric power failed and communications were disrupted. With no lights, Mr. O'Dell's two assistants moved their typewriters next to an outside window in his cramped office to keep up with their work.

The small staff sweated together in a building with no electricity to power fans or the elevator.

But the staff didn't give up even though the odds were heavily against a service business that specialized in custom market research in the 1940s. StranSteel's survey was ready on time and new business was beginning to roll in.

"I never thought of it as a high-risk business because it just had to succeed," Mr. O'Dell says. At least competition was not a factor. For example, A.C. Nielsen Co. was still a young enterprise then.

Once again, however, a lucky break and Mr. O'Dell's determination set the course of Market Facts. An early client, Bob Eggert, research director of the American Meat Institute, happened to change jobs, signing on with the Ford division of Ford Motor Co.

Mr. Eggert, who had worked extensively with Market Facts in the meat institute's successful battle to abolish price controls after the war, now was employed by Ford's whiz kids, who were beginning to use market research in their struggle to catch Chevrolet. Elmo Roper had been doing surveys for Ford until Mr. Eggert became marketing research director.

"Roper lost out because he was dealing with the wrong people," Mr. O'Dell says. Ford quickly became Market Facts' biggest client, accounting for up to 50% of its revenues and much of its growth well into the 1960s.

Despite having the account, the biggest problem in the early days was convincing executives at Ford, for example, that a sample survey could reflect the views of a larger population on such things as auto body styling, pricing and new products, Mr. O'Dell says.

"Ford's management had a hard time believing that you could interview a few thousand people and get a reliable picture of what millions of people would do. They were used to dealing with census data, which is not a sample survey, which made it extremely difficult to sell the idea that you could infer [things] from a small sample," Mr. O'Dell says.

"The fact is that we tried to work with prospective users because there were so few people who knew anything about marketing research."

In doing so, Market Facts developed a reputation for challenging clients' assumptions about the need for research, the optimum size of a project and the potential benefits to be derived from it. This led to Market Facts developing something of a devil's advocate style, which contrasted sharply with the nice-guy, midwestern image of growing Chicago advertising agencies, such as Leo Burnett Co.

Mr. O'Dell is fond of quoting Arthur Simon, formerly of Chicago-based Tatham-Laird & Kudner, who was looking into hiring a research company years ago. "I'll always remember his comment after he had talked to eight or 10 users of research: 'If you want an argument, call on Market Facts.'

"In other words, Market Facts would always challenge the nature of the study and the need for the research. I think we've built on that," Mr. O'Dell says.

It wasn't a situation where other companies were doing bad research, he says. "It was not so much bad as unnecessary, simply because people felt they needed data when they really didn't, or that it was too large a study for what was needed."

Market Facts' growth is a direct result of helping clients optimize allocation of their research dollars, Mr. O'Dell says. This is typified by its early creation of consumer mail panels, which provide accurate data at a cost one-third or less than that of personal interviews.

Today, Market Facts' Consumer Mail Panel is among the nation's largest with 250,000 households, compared with its forerunner, the National Panel with 1,000 households. But it took 10 years to gain acceptance, Mr. O'Dell says.

"It was really a matter of convincing research users that we were in the business to stay."

In addition to mail panels, Market Facts collected data and made reports on studies designed in-house or by clients. Today, however, clients have a wonderland of custom research services to choose from, including focus groups, shopping mall interviews, controlled store testing and telephone consumer opinion forums.

> ***"My advice to people getting into the industry today is to view market research from a management view. In other words, look at the need for the information and how it is to be used."***
>
> **William F. O'Dell**
> **Market Facts founder**

Michael Marcotte

Dave Hardin, the current chairman, started in 1950. Jack Abrams, former chief executive officer who still works parttime, and Verne Churchill, current ceo, started in the late 1950s. (One executive who did leave, Pete Peterson, later became U.S. Secretary of Commerce and was chairman of Lehman Bros. Kuhn & Loeb, New York, before its takeover by American Express.)

Mr. O'Dell also has rewarded hard work. Mr. Hardin, for example, received a chunk of stock one year as a Christmas bonus, Mr. O'Dell says.

"When he came in to thank me, I said, 'Dave, I've always remembered that time when I came into the office at 8:30 a.m. and you had been working all night long and were lying asleep on the davenport in my office.' His response was, 'What a profitable night that turned out to be.'"

Mr. O'Dell holds himself to his own high standards. He points to his waning enthusiasm for the business as the reason behind his decision to step aside as chairman in 1963.

"I was losing my contact with clients, and that's the fun part of the business. So that's when I gave thought to pulling out.

"Market research is a young man's business," meaning it takes stamina and the ability to stay the pace, he says.

So Mr. O'Dell became a lecturer at McIntire School of Commerce, University of Virginia, Charlottesville, Va., until 1975, and since has retired to Fort Myers, Fla.

He has written three books, including one for teen agers, called "How to Get Along with Parents," and has just completed a book called "Competitive Decision Making," which he hopes to publish later this year.

Mr. O'Dell spends much of his time these days just thinking and writing. He has come up with some advice for today's technology-hungry market researchers who he believes are losing sight of the role of the individual.

"Creativity is the one most important ingredient in decision making, bar none," Mr. O'Dell says. "My advice to people getting into the industry today is to view market research from a management view. In other words, look at the need for the information and how it is to be used. Let technology be the last thing you worry about.

"Understanding people is as important as the decision-making process itself."

Executive editor Robert Goldsborough coordinated this Research Business Review.

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Art in America	—	—	—	—
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Total Group	100.7	112.3	365.4	404.5
% change		-10.3%		-9.9%
— Auto/cycle/rec. vehicles —				
AutoWeek (52X)	—	—	—	—
Car & Driver	100.9	116.4	488.5	519.8
Car Collector & Car Classics	16.8	17.1	72.7	94.4
Car Craft	86.9	94.6	358.6	355.6
Circle Track	66.9	68.5	311.6	266.4
Cycle	66.7	68.6	270.5	280.4
Cycle Guide (11X)	75.0	61.4	255.3	222.8
Cycle World	77.8	95.0	292.6	324.4
Dirt Rider	52.2	39.6	236.7	172.2
Dune Buggies & Hot VW's	—	—	—	—
Family Motor Coaching	147.5	148.4	759.1	758.5
4 Wheel & Off-Road	96.5	87.3	427.1	357.8
Four Wheeler	95.8	100.5	419.2	423.5
Hot Rod	74.6	81.5	311.7	311.6
Motorcyclist	65.6	56.0	271.3	205.5
Motor Trend	72.4	80.0	336.3	360.4
Motorhome Life	104.3	96.9	469.5	479.5
Pick-Ups & Minitrucks	—	—	—	—
Rider	84.3	82.1	280.4	306.6
Road & Track	104.6	125.1	487.0	560.1
3 Wheeling	—	—	—	—
Trailer Life	131.4	156.6	589.6	653.0
Total Group	1,520.2	1,494.1	6,627.7	6,661.5
% change		+1.7%		-0.5%
— Boating & yachting —				
Boating	149.1	130.9	793.1	773.4
Chesapeake Bay	40.4	37.8	182.2	157.6
Cruising World	129.7	126.7	646.8	667.2
Lakeland Boating (10X)	82.0	79.0	361.2	354.7
Motor Boating & Sailing	176.9	165.4	1,008.8	946.8
Sail	122.8	129.4	607.6	729.6
Small Boat Journal (6X)	—	—	113.1	103.5
Sport Fishing (6X)	—	—	—	—
Trailer Boats (11X)	57.2	46.1	253.2	203.3
Western Boatman (6X)	38.1	45.2	132.8	148.8
Yachting	148.3	165.2	788.8	913.5
Total Group	944.5	925.7	4,861.6	4,998.4
% change		+2.0%		-2.7%
— Canadian —				
L'Actualite	107.8	90.8	433.6	303.6
Chatelaine:				
English Edition A.	104.1	90.6	487.5	469.5
French Edition	96.5	80.9	424.3	382.6
City & Country Home (8X)	72.0	57.3	200.6	151.4
City Woman	—	—	—	—
Equinox (6X)	39.5	29.7	—	—
Financial Post Money-wise (12X) A.	41.8	38.5	192.4	165.0
Flare A.	123.9	82.0	382.6	323.5
Maclean's (52X) A.	140.0	128.7	673.3	507.1
Montreal Calendar (10X)	28.7	32.7	134.0	162.2
Montreal Ce Mois Ci	48.2	44.0	156.3	186.0
Reader's Digest:				
Canadian-English A.	91.5	89.7	435.4	391.2
Canadian-French A.	90.3	65.5	388.1	299.8
Toronto Life	140.3	94.0	456.5	393.7
Vancouver	—	—	—	—
Total Group	1,094.6	924.4	4,323.6	2,826.6
% change		+18.4%		+53.0%
— Civic/fraternal —				
American Legion	22.3	26.4	126.4	145.2
Elks (10X)	16.8	14.4	96.7	103.6
Kiwanis	17.2	14.9	91.9	74.9
Lion (10X)	3.6	5.5	24.7	24.7
Rotarian	22.8	13.3	78.7	61.0
V.F.W. (11X)	24.2	24.8	137.5	130.3
Total Group	106.6	99.3	514.0	539.7
% change		+7.3%		-4.7%
— Comics —				
DC Comics	5.0	7.0	30.0	34.5
Marvel Comics Group	—	—	—	—
Total Group	5.0	7.0	30.0	34.5
% change		-28.5%		-13.0%
— General —				
American Health (10X)	—	—	—	—
American West (6X)	34.0	26.7	126.8	104.3
The Atlantic A.	34.0	40.7	208.3	248.5
Audubon Magazine (6X)	21.8	51.2	80.7	142.5
Bon Appetit A.	96.0	93.2	418.3	413.3
Changing Times	49.3	38.5	250.2	190.3
Connoisseur	113.8	74.1	353.8	301.5
Consumers Digest (8X)	17.0	16.3	75.0	99.8
Ebony	115.6	112.9	483.1	486.4
Fifty Plus	40.7	24.5	212.3	157.8
Food & Wine	—	—	—	—
Games	—	—	—	—
Gourmet	128.7	94.7	455.6	457.6
Home Entertainment (8X)	—	—	—	—
Harper's A.	30.9	24.2	123.2	122.2
Life	88.0	59.3	282.4	292.7
Modern Maturity (6X)	38.7	48.9	85.6	99.0
Money	150.3	136.7	613.8	593.0
Moneyworth (40X)	—	—	20.5	24.8
Mother Earth News (6X)	—	—	—	—
Mother Jones (10X)	—	—	—	—
National Geographic	29.5	32.1	116.9	112.5
Nature History	43.9	41.1	220.9	231.5
Prevention	62.6	66.8	317.7	304.5
Psychology Today	27.3	24.7	135.2	132.6
Reader's Digest A.	126.3	110.2	512.0	378.5
Saturday Evening Post (9X)	40.6	41.8	150.7	141.1
Signature	77.3	64.3	353.4	285.3
Smithsonian	84.4	87.8	407.2	460.0
Success	—	—	—	—
Sylvia Porter's Personal Finance (6X)	38.8	38.8	178.1	118.3
Town & Country	152.8	159.8	606.9	647.0
Travel-Holiday	38.9	51.7	237.7	353.3
Travel & Leisure	—	—	—	—
Vanity Fair	44.4	36.8	214.7	156.3
Writer's Digest	29.9	33.8	122.0	120.3
Yankee	76.5	69.5	362.6	345.0
Total Group	1,828.1	1,695.3	7,725.4	7,476.7
% change		+7.8%		+3.3%
— Home —				
Americana (6X)	—	—	—	—
Architectural Digest A.	162.2	157.1	598.5	622.3
Better Homes & Gardens	150.1	142.3	564.2	567.5
Colonial Homes (6X)	72.5	79.5	188.8	187.7
Columbus Monthly-Homes (4X)	—	—	52.3	—
Country Home (6X)	49.0	29.5	141.1	96.7
Country Journal	21.3	29.2	128.8	160.4
Country Living	—	—	—	—
Dallas/Ft. Worth Home & Garden	85.4	85.9	411.9	314.0
Family Handyman (10X) A.	69.4	79.7	331.7	323.4
Flower & Garden (6X)	—	—	100.8	92.6
Home	48.9	49.7	251.3	254.8
Home Mechanix	71.0	82.3	355.8	357.6
The Homeowner (10X)	30.9	29.6	141.1	121.1
Horticulture	—	—	—	—
House Beautiful	91.2	86.1	386.9	383.4
House & Garden	133.1	121.8	487.9	495.7
Houston Home/Garden	64.8	107.0	386.3	421.0
Metropolitan Home	76.3	53.5	288.5	327.3
New Shelter (9X)	56.9	55.2	262.7	270.5
1,001 Home Ideas	48.8	74.2	222.2	236.7
Rodale's Organic Gardening	55.5	60.1	344.4	324.2
Phoenix Home/Garden	57.8	58.0	351.3	338.9
Rx Being Well	34.0	30.0	86.0	80.0
San Diego Home/Garden	92.7	105.8	347.4	346.0
South Florida Home/Garden	—	—	—	—
Southern Accents (6X)	112.1	106.0	317.8	273.7
Southern Living	175.0	174.6	738.3	665.3
Sunset Magazine A.	179.5	188.6	728.8	737.8
Texas Homes	—	—	—	—
Workbench (6X)	41.1	58.8	159.8	171.7
Total Group	1,979.5	2,041.5	8,374.6	8,178.3
% change		-3.0%		+2.0%
— In-flight & other passenger —				
Aboard Group (7) (6X)	—	—	—	—
Alaska Airlines	60.4	42.3	268.3	234.0
American Way (25X)	111.5	115.8	566.5	614.8
East/West Network:				
Eastern Review	96.0	95.3	492.8	505.1
Frontier	32.7	27.0	181.0	129.1
Northwest Orient	45.0	35.3	228.8	184.6
Ozark	47.7	35.5	233.3	183.7
PSA Magazine	94.0	77.7	444.5	372.8
Pan Am Clipper	42.8	54.8	237.1	285.3
Republic Scene	55.7	42.5	258.6	220.7
Spirit	91.8	89.3	461.1	434.8
United	87.5	81.3	455.1	437.2
Western's World	64.9	44.7	312.3	267.7
Halsey Publications:				
Air Cal	51.0	33.5	255.8	219.9
Delta Sky	77.2	73.6	379.3	362.8
People's Expressions	—	—	—	—
US Air	47.2	49.0	217.7	241.6
Hawaii (6X)	—	—	—	—
Pace	72.0	80.5	328.9	439.0
Presidential Airways (6X)	8.8	—	20.0	—
Southwest Airlines	—	—	—	—
Spirit of Aloha (6X)	—	—	—	—
TWA Ambassador	61.0	61.2	241.7	240.2
Total Group	1,144.8	1,039.2	5,576.7	5,363.5
% change		+10.2%		+3.9%
— Men's —				
Esquire A.	89.0	111.6	424.0	489.0
Fleshouse Magazine (13X)	30.6	31.5	199.7	200.5
Gentlemen's Quarterly A.	—	—	—	—
M	50.5	58.0	275.0	261.8
Penthouse A.	41.9	38.6	181.4	193.5
Playboy A.	69.9	77.9	313.3	348.8
Total Group	281.9	314.6	1,393.4	1,473.6
% change		-10.3%		-5.4%
— Metropolitan —				
Aloha (6X)	—	—	—	—
Atlanta	69.7	69.0	264.6	266.7
Baltimore	80.6	73.3	370.5	367.3
Boston	175.0	166.6	729.8	733.9
California	98.1	68.5	374.9	327.0
Charlotte (10X)	—	—	—	—
Chicago	141.9	131.8	599.4	611.1
Chicago's North Shore	90.7	80.7	374.9	381.2
Cincinnati	67.6	53.8	305.2	268.0
Cleveland	88.2	71.8	355.1	367.4
Coast (38X)	—	—	—	—
Columbus Monthly	79.7	70.1	322.5	322.5
Connecticut	—	—	—	—
D/Magazine, Dallas/Ft. Worth	—	—	—	—
Denver	42.0	29.3	174.6	141.5
Detroit Monthly	66.7	90.2	405.2	277.5
Grand Rapids	35.0	63.2	211.8	252.2
Gulfshore Life (10X)	—	—	—	—
Honolulu	—	—	—	—
Houston City	62.2	85.9	271.3	364.9
Indianapolis	—	—	—	—
Kansas City	—	—	—	—
Los Angeles	—	—	—	—
Louisiana Life (6X)	—	—	—	—
Madison	65.0	64.0	313.0	299.0
Metropolitan Detroit	105.5	120.0	368.8	361.2
Miami Mensual	50.9	35.1	234.4	187.3
Mid Atlantic Country	44.8	59.5	185.4	234.4
Milwaukee	75.8	76.0	337.4	320.3
Minneapolis/St. Paul	100.5	90.4	471.5	477.6
Nashville	28.0	42.0	185.0	171.0
New England Monthly	54.5	45.5	186.4	147.5
New Jersey Monthly	—	—	—	—
New Mexico	—	—	—	—
Ohio	—	—	—	—
Orlando	90.6	95.8	500.6	505.0
Palm Beach Life	32.5	40.2	396.6	483.4
Palm Springs Life	83.5	92.2	628.1	646.0
Philadelphia	141.7	150.3	624.8	662.6
Phoenix	81.3	94.7	489.3	514.8
Pittsburgh	67.0	60.9	295.3	275.6
San Diego	128.0	178.0	693.2	791.2
San Francisco Focus	102.1	95.5	441.6	419.2
Texas Monthly	130.6	136.8	653.1	559.4
Twin Cities	80.4	66.5	237.0	265.4
Ultra	72.1	84.1	299.7	366.5
Washington (7X)	90.0	44.0	228.0	97.0
Washington Dossier (11X)	45.0	57.6	252.1	285.6
The Washingtonian	190.0	168.0	735.0	760.0
Total Group	2,927.2	2,950.0	13,813.1	13,203.7
% change		-0.7%		+2.3%
— Movie/romance/radio/tv —				
Macfadden's Women's Group:				
Modern Romances	22.7	23.2	102.4	91.7
Secrets	22.7	23.2	102.4	91.7
True Confessions	22.7	23.2	102.4	91.7
True Experience	22.7	23.2	102.4	91.7
True Love	22.7	23.2	102.4	91.7
True Romance	22.7	23.2	102.4	91.7
Sterling Women's Group:				
Daytime TV	25.8	29.5	125.0	144.5
Modern Screen	—	—	31.0	29.5
Movie Mirror (6X)	—	—	16.5	46.0
Soap Opera Stars	—	—	33.3	39.0
TV Movie Screen (6X)	—	—	16.6	13.0
TV Picture Life (6X)	—	—	9.6	13.0
Total Group	162.0	139.2	846.4	835.2
% change		+16.3%		+1.3%
— Music/entertainment —				
Audio	78.1	83.3	345.7	386.7
Dance Magazine	69.3	76.0	302.3	313.0
Musician	81.2	55.7	278.1	282.0
Playbill	53.0	62.1	222.1	256.1
Stereo Review	72.6	45.2	377.1	190.7
Video	78.1	80.0	366.1	382.0
Total Group	398.3	402.3	1,891.4	1,810.6
% change		-0.9%		+6.4%
— National Sunday magazines —				
Parade (52X)	48.7	52.1	268.5	267.4
Total Group	48.7	52.1	268.5	267.4
% change		-12.2%		+0.4%
— Outdoor & sport —				
Alaska	36.6	50.4	228.1	247.5
The American Handgunner (6X)	36.0	34.0	100.0	102.0
American Hunter	15.2	11.7	85.3	77.1
American Rifleman	19.2	20.7	105.1	115.7
Backpacker (6X)	41.1	43.3	86.0	104.3
Bicycling (9X)	100.2	114.5	367.2	413.7
Duck's Unlimited (6X)	21.7	13.7	80.0	59.7
Field & Stream	118.1	110.3	475.9	475.4
Fins & Feathers A.	67.6	—	240.6	114.3
Fishing World	53.8	46.3	166.5	160.6
Florida Sportsman	111.0	108.2	657.6	608.1
Flying	29.8	53.9	170.2	223.4
Golf Digest	104.6	91.7	509.5	507.6
Golf Magazine	80.5	59.4	435.8	436.1
Golf World (40X)	117.5	97.5	364.8	354.0
Gun Dog (6X)	30.8	28.4	89.2	74.8
Guns	32.8	21.0	143.0	108.0
Guns & Ammo	48.7	45.9	238.7	203.4
In-Fisherman (8X)	107.8	133.5	272.0	298.0

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net, except Los Angeles Times Home Magazine and New York Times Magazine.

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May

	Current month 1986	1985	Year-to-date 1986	1985
Muscle & Fitness	104.6	105.0	538.3	532.0
Outdoor Life	91.7	78.0	428.4	397.7
Outside	47.4	48.1	236.0	226.8
Petersen's Hunting	43.7	42.7	205.8	174.4
The Runner	30.2	38.8	153.2	183.0
Runner's World (13X)	34.2	42.7	160.5	181.9
Salt Water Sportsman	98.6	94.9	585.3	481.6
Shooting Times	32.4	28.8	188.2	148.1
Ski (8X) A	—	—	249.2	215.4
Skiing (7X)	—	—	270.6	203.3
Skin Diver	104.5	93.1	461.8	401.0
Sport	—	—	—	—
Sports Afield	87.7	104.4	409.1	454.1
Tennis	93.9	99.5	349.0	386.8
Waterski (8X)	—	—	—	—
Western Outdoors (10X)	46.4	54.0	272.7	256.9
Wildfowl (6X)	—	—	21.3	—
Windrider (7X)	—	—	—	—
Women's Sports & Fitness	25.8	18.5	104.0	74.3
World Tennis	—	—	—	—
Total Group	**1,979.5**	**1,932.9**	**9,348.9**	**8,999.0**
% change		**+2.4%**		**+3.9%**
— Photography —				
American Photographer	37.2	44.8	182.3	199.3
Petersen's Photographic	28.1	34.9	119.7	136.7
Popular Photography	57.8	94.1	312.2	449.8
Total Group	**123.1**	**173.8**	**614.2**	**785.8**
% change		**-29.1%**		**-21.8%**
— Religious —				
Christian Herald (11X)	25.2	29.0	146.8	158.7
Christian Life	14.5	26.7	106.7	130.9
Christianity Today (18X)	28.8	51.7	249.2	334.8
Inside (4X)	—	—	—	—
Moody Monthly (11X)	42.0	48.5	236.8	270.8
Today's Christian Woman (6X)	41.2	38.7	96.0	128.4
Total Group	**151.7**	**194.6**	**835.5**	**1,023.6**
% change		**-22.0%**		**-18.3%**
— Science/electronic/mechanic —				
Discover	28.9	32.2	158.2	165.0
Family Computing	43.8	24.7	203.9	215.1
Home Mechanix	71.0	82.3	355.8	357.6
Info World (52X)	—	—	—	—
Omni	60.1	50.6	281.0	273.4
Personal Computing	127.0	148.9	554.7	727.2
Popular Mechanics	119.9	127.4	481.9	498.7
Popular Science	70.9	66.7	374.5	329.1
Science Digest	7.2	24.5	61.8	129.4
Science 86 (10X)	18.0	37.7	89.4	136.6
Scientific American	34.7	52.5	165.7	239.1
Spectrum	86.7	118.4	459.7	547.6
Total Group	**668.2**	**765.9**	**3,186.6**	**3,618.5**
% change		**-12.7%**		**-11.9%**
— Women/fashion/service —				
Bride's Magazine (6X) A	—	—	—	—
Cosmopolitan A	—	—	—	—
Essence	95.7	133.3	421.2	435.2
Family Circle (17X) A	197.7	133.1	750.6	747.5
Family Magazine	35.0	35.5	210.2	182.2
Glamour	241.1	195.3	895.2	858.1
Good Housekeeping A	200.5	281.5	805.3	866.0
Harper's Bazaar	116.5	117.1	671.5	698.1
Health	55.4	47.9	209.9	195.5
Ladies' Home Journal	117.2	123.5	564.4	542.2
Mademoiselle	164.5	154.2	627.5	616.6
McCall's	117.9	97.9	468.7	455.9
Military Lifestyle (10X)	45.1	30.8	279.9	158.0
Modern Bride (6X)	230.5	242.0	940.8	934.3
Ms.	58.8	69.8	204.3	259.2
New Woman	78.8	57.9	355.0	260.5
Parents A	98.3	103.5	443.1	450.8
Playgirl	32.4	30.3	186.3	174.7
Redbook	105.5	88.2	466.3	445.2
Self	118.2	92.7	475.7	456.5
Seventeen	110.6	123.1	528.0	582.9
Shape	77.1	60.0	352.3	295.3
Soap Opera Digest (26X)	16.1	48.6	98.3	142.5
Teen Magazine	75.3	71.0	238.2	236.0
True Story A	40.2	57.2	232.9	231.1
Vogue	218.0	219.4	1,251.4	1,298.0
W Magazine	77.3	59.5	539.4	535.3
Weight Watchers	28.5	30.2	169.2	136.5
Woman's Day (16X) A	—	—	—	—
The Workbasket (10X)	26.5	27.2	176.5	190.2
Working Mother	80.9	85.5	342.6	366.5
Working Woman	119.6	98.6	514.4	493.0
Total Group	**2,980.0**	**2,951.1**	**13,503.2**	**13,415.1**
% change		**+0.9%**		**+0.8%**
— Youth —				
Boys' Life	16.9	15.9	81.4	80.9
Campus Life (10X)	22.3	38.6	207.5	249.9
Total Group	**39.2**	**54.5**	**288.9**	**330.8**
% change		**-28.0%**		**-12.6%**

April

	Current month 1986	1985	Year-to-date 1986	1985
— Business —				
Advantage	58.0	89.0	222.0	204.0
Arizona Bus. Gazette (52X)	31.8	23.6	157.9	111.7
Atlanta Bus. Chronicle (52X)	81.4	82.7	294.1	191.3
Austin Business Journal (52X)	40.6	61.9	189.4	214.0
Baltimore Bus. Journal	176.0	176.0	604.0	556.0
Barron's (52X)	202.2	230.9	781.3	778.4
Boston Bus. Journal (52X)	135.7	158.4	545.0	532.6
Business Atlanta	67.5	63.5	226.4	234.3
Business First of Buffalo	—	—	—	—
Business First of Columbus	75.9	85.2	307.5	281.0
Business Journal/Sacramento	37.5	52.5	154.5	144.0
Business North Carolina	49.3	40.2	196.8	163.7
Business Week (52X) A	385.4	408.1	1,202.8	1,378.1
California Business	—	—	—	—
Cincinnati Bus. Courier	60.1	90.0	279.8	231.7
Corporate Report/Kansas City	25.1	45.7	127.4	199.4
Corporate Report/Minnesota	83.1	118.3	314.0	375.0
Crain's Chicago Bus. (52X)	175.3	172.0	612.3	568.0
Crain's Cleveland Bus. (52X)	68.9	86.9	232.7	294.7
Dun's Business Month	42.4	77.4	174.7	202.1
Financial World (24X)	79.9	60.0	214.5	159.6
Florida Trend (13X)	162.1	166.3	370.9	420.5
Forbes (26X)	369.6	422.3	1,001.2	1,167.2
Fortune (26X) A	285.9	486.4	820.2	1,097.8
Frequent Flyer	64.4	71.0	233.0	232.8
Futures (13X)	51.2	49.4	185.2	199.0
Georgia Trend	76.5	—	215.9	—
Grand Rapids Bus. Journal (52X)	34.4	15.5	118.0	30.5
Hawaii Business	51.2	52.9	167.7	173.8
High Technology	18.0	40.8	71.1	135.6
Inc. Magazine A	91.0	119.7	305.0	386.0
Income Opportunities	58.8	49.7	204.4	174.7
Indianapolis Bus. Journal (52X)	156.8	118.0	555.3	459.8
Industry Week (25X) A	90.9	100.1	321.0	349.7
Kansas City Bus. Journal	113.5	149.5	472.2	531.5
Manhattan, inc.	76.6	35.2	257.5	113.8
Milwaukee Bus. Journal	—	—	—	—
Minnesota Bus. Journal	47.8	52.6	177.1	199.3
New England Bus. (20X) A	88.9	95.8	311.0	338.1
Pacific Bus. News (52X)	110.0	116.3	430.0	398.0
Philadelphia Bus. Journal (52X)	129.2	96.5	442.0	361.9
Pittsburgh Bus. Times (52X)	93.0	90.9	342.3	241.9
Regarde's	140.3	121.5	612.8	542.5
San Jose Bus. Journal	81.4	146.7	360.0	448.7
Savvy	35.8	39.3	114.1	143.3
South Florida Bus. Journal	98.8	101.3	429.1	327.3
St. Louis Bus. Journal (52X)	130.9	154.8	524.1	526.4
Texas Business	—	—	—	—
Venture	—	—	—	—
Total Group	**4,532.7**	**4,964.9**	**15,845.2**	**15,839.5**
% change		**-8.7%**		**+.03%**
— National Sunday magazines —				
Parade	60.3	52.9	222.8	215.3
USA Weekend (52X) A	57.5	38.7	220.5	198.7
Total Group	**117.8**	**91.6**	**443.3**	**414.0**
% change		**+28.6%**		**+7.0%**
— Newspaper Sunday magazines* —				
Boston Globe	—	—	—	—
Chicago Tribune	101.8	357.0	130.9	414.5
Cleveland Plain Dealer	72.5	46.0	186.9	165.7
Columbus Dispatch	62.2	50.5	165.8	172.0
Denver Post	180.0	224.0	584.0	612.0
Detroit News	85.0	62.0	324.0	281.0
L.A. Times Magazine	—	—	—	—
Louisville Courier-Journal	55.0	66.5	280.0	264.5
Miami Herald	43.3	34.3	179.8	166.6
New York Times Magazine	310.5	390.4	1,242.5	1,465.0
San Francisco Image	89.2	53.4	260.5	201.0
Seattle Times Pacific	65.0	51.0	198.0	161.0
Toledo Blade Magazine	46.0	36.4	159.4	130.8
Washington Post	120.6	123.4	515.1	429.5
Total Group	**1,241.1**	**1,494.9**	**4,226.9**	**4,463.6**
% change		**-16.9%**		**-5.3%**
— Weeklies/bi-weeklies —				
The Advocate (26X)	176.1	124.1	539.3	379.1
Army Times Military Group:				
Air Force Times (52X)	186.6	195.5	729.7	642.5
Army Times (52X)	169.2	170.9	640.0	573.2
Navy Times (52X)	176.0	175.9	680.7	589.9
The Blood-Horse (52X)	326.7	380.7	1,623.3	1,847.5
Capper's Weekly (26X)	40.6	20.9	126.9	112.8
Commonweal (22X)	4.5	6.4	36.5	29.6
National Journal (50X)	87.7	56.3	227.3	192.7
National Review (25X)	35.1	22.5	121.5	83.0
New Republic (48X)	36.1	36.6	133.5	100.6
New York Magazine (50X)	266.9	255.1	897.7	880.2
New Yorker (52X)	228.4	261.6	776.9	952.9
Newsweek (52X) A	—	—	—	—
People	—	—	—	—
Rolling Stone (25X)	107.3	72.3	387.6	312.8
Sporting News (52X)	63.3	53.1	227.1	143.7
Sports Illustrated (52X) A	250.0	297.0	882.7	872.7
Time (52X) A	223.1	243.8	801.9	848.9
TV Guide (52X) A	231.1	252.1	1,250.4	1,314.0
TV Update (52X) C	2,086.0	2,142.0	9,618.0	9,005.0
Us Magazine (26X)	30.8	28.3	153.8	95.5
U.S. News & World Report	—	—	—	—
Total Group	**4,725.5**	**4,795.1**	**19,854.8**	**18,976.6**
% change		**-1.4%**		**+4.6%**
— Foreign —				
Business Week Int'l (52X)	163.5	145.2	451.1	441.7
Cosmopolitan Foreign Editions:				
Australia	69.1	55.8	224.5	187.6
Brazil	55.7	42.4	198.3	118.0
France	140.2	139.8	254.7	364.8
Germany	152.8	140.4	370.5	355.2
Great Britain	134.0	147.0	348.5	372.0
Greece	40.0	76.0	135.0	279.3
Holland	80.0	84.0	201.0	268.3
Italy	103.3	93.0	265.8	198.6
Japan	51.3	37.3	213.3	114.3
Cosmopolitan en Espanol:				
Central America	1.0	0.3	7.7	2.7
Colombia	4.0	11.0	21.0	24.3
Mexico	40.0	53.7	85.9	121.3
Peru	—	5.0	—	7.0
Puerto Rico	13.0	26.8	27.7	78.8
U.S. (Spanish language)	17.7	12.3	79.8	69.5
Venezuela	7.0	31.8	38.7	71.2
Good Housekeeping Foreign Editions:				
Australia	22.0	24.7	100.7	117.7
Great Britain	149.8	145.9	—	376.1
Japan	71.6	66.5	—	257.0
Buenhogar:				
Central America	—	—	2.0	3.0
Chile	1.0	—	4.0	5.0
Colombia	30.0	32.0	84.3	91.0
Ecuador	8.0	10.0	33.0	39.0
Mexico	40.3	47.7	88.3	127.2
Peru	4.0	9.0	13.0	24.5
Puerto Rico	9.5	5.5	31.5	25.0
Venezuela	30.7	30.5	78.7	84.0
Geomundo:				
Central America	6.0	8.0	13.0	20.5
Chile	6.0	9.0	13.0	21.5
Colombia	11.0	8.0	27.3	28.5
Ecuador	4.0	8.0	10.0	15.0
Mexico	4.0	8.0	16.5	24.0
Peru	5.0	8.0	10.0	22.5
Puerto Rico	3.0	3.0	6.0	17.0
Venezuela	10.0	10.0	36.0	36.0
Hombre De Mundo:				
Central America	2.0	3.0	19.0	14.0
Chile	2.0	5.0	16.0	16.0
Ecuador	3.0	5.0	15.0	16.0
Mexico	7.0	9.0	22.0	28.0
Peru	2.0	4.0	11.0	12.0
Puerto Rico	3.0	6.0	13.0	15.0
Venezuela	15.0	15.0	50.0	47.0
Ideas Para Su Hogar:				
Colombia	4.0	12.0	24.7	32.0
Ecuador	2.0	4.0	6.0	14.0
Mexico	6.0	6.7	9.0	17.5
Peru	1.0	3.5	4.0	8.0
Puerto Rico	—	—	—	3.0
Venezuela	7.8	14.0	28.3	46.5
Mecanica Popular:				
Argentina	3.7	4.2	10.7	13.7
Central America	10.0	9.7	35.3	42.3
Chile	6.0	2.3	20.3	16.5
Colombia	16.5	10.7	57.7	44.7
Mexico	10.0	10.3	33.7	41.3
Peru	11.5	13.0	36.3	50.7
Puerto Rico	6.5	9.0	26.8	44.5
Venezuela	10.5	10.2	36.8	46.7
Vanidades Continental:				
Central America	21.7	8.8	43.2	29.0
Chile	7.3	2.3	14.3	10.3
Colombia	106.0	122.0	191.2	225.3
Ecuador	29.5	40.0	14.3	10.3
Mexico	113.0	135.5	211.2	253.3
Peru	18.0	23.3	33.3	48.3
Puerto Rico	57.2	65.0	114.8	143.5
U.S.	48.8	50.5	150.8	144.5
Venezuela	42.8	78.8	118.0	174.7
International Communications:				
African Business	24.8	41.3	102.3	92.6
New African	27.2	10.2	73.0	62.1
The Middle East	10.3	24.8	37.4	68.9
International Management:				
Europe	—	—	—	—
Middle East	—	—	—	—
Johnston International:				
Alam Attijarat	35.2	43.3	130.8	182.3
Modern Africa (6X)	15.8	11.3	29.1	23.7
Modern Asia (11X)	46.0	29.7	117.0	103.3
Newsweek International A:				
Atlantic (52X)	—	—	—	—
Latin America (52X)	—	—	—	—
Pacific (52X)	—	—	—	—
Progreso (9X)	15.0	11.0	27.2	35.6
Reader's Digest:				
Arabic	6.0	8.5	18.5	38.5
Asian	131.5	157.0	868.3	652.0
Australian	67.8	48.3	223.4	203.1
Belgian-Flemish	85.3	107.5	239.3	286.0
Belgian-French	48.3	70.0	152.8	203.5
British	32.5	48.1	157.0	166.8
Chinese &	81.0	118.5	371.5	426.5
Danish	22.7	38.8	101.7	127.4
Dutch	48.0	64.3	121.1	172.3
Finnish	68.5	76.5	116.5	158.3
French	15.0	44.3	61.0	177.4
German	83.3	88.8	262.8	273.9
Iberian	1.5	5.0	2.0	28.5
Indian-English	98.0	80.0	365.0	385.5
Indian-Hindi	10.5	5.0	45.0	34.5
Italian	44.0	59.0	138.0	122.5
Korean	29.3	25.0	106.4	95.5
Latin American:				
Argentina	15.0	23.0	40.5	75.0
Brazil	—	5.0	14.0	15.0
Central America	10.0	8.5	23.0	31.5
Chile	8.0	2.5	36.5	30.0
Colombia	3.0	31.0	45.0	90.0
Ecuador	9.0	8.5	23.0	29.5
Mexico	61.9	59.5	161.7	130.1
Peru	9.0	11.5	28.0	37.5
Puerto Rico	6.5	6.0	19.5	20.0
U.P.B.	7.0	11.0	21.0	29.0
U.S. Spanish	64.0	5.0	80.0	29.5
Venezuela	16.5	26.5	32.5	46.0
New Zealand	31.0	46.5	201.0	177.0
Norwegian	8.5	35.5	25.0	79.5
South African	56.5	82.0	255.0	317.0
Swedish	13.0	14.0	55.0	70.5
Swiss-French	22.0	38.0	86.0	97.6
Swiss-German	29.0	40.0	116.0	136.1
Time International:				
Time-Asia	90.3	91.8	255.9	289.1
Time-Atlantic	121.5	125.7	347.9	358.3
Time-Canada	217.0	203.8	702.6	643.7
Time-Latin America	42.7	45.7	164.4	125.3
Time-South Pacific	62.7	110.3	268.5	393.8
Vea (52X)	163.3	135.0	554.8	445.4
Visa/Latin America (26X) A	24.0	29.8	79.2	80.1
Total Group	**4,197.2**	**4,629.7**	**12,360.8**	**24,067.3**
% change		**-9.3%**		**-48.8%**

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Monday, May 26, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

BK's $200M strategy shift

Burger King Corp. shifts from limited-run "event marketing" to long-term positioning with a $200 million "This is a Burger King town. We know how burgers should be" campaign breaking June 1 via J. Walter Thompson USA, New York. *(See story on Page 2.)*

New advertiser co-op accents fall of 15%

By STEWART ALTER

The changing nature of agency-client relationships hit home last week in two dramatic ways.

- The Assn. of National Advertisers reported that for the first time in history, most clients no longer were using the 15% agency commission, until now the dominant form of agency compensation.
- Separately, but as if to sharpen the trend toward greater client involvement with media-budget management, reports surfaced that a new cooperative media-buying option was being offered to major advertisers.

The venture, to be owned by advertisers, reportedly calls for a pooling of budgets so that greater media-buying efficiencies could be extracted from agency-created media plans.

Money saved through this procedure would be returned to the co-op members.

Against this background, the ANA survey on agency compensation methods took on added meaning. The ANA revealed that only 43% of its 282 members still use the straight 15% commission, compared with 52% in 1983. In 1976, the first year the full survey was conducted, 68% of advertisers used the 15% method.

An additional 28% of the current respondents said they used some percentage other than 15% for compensation, and that was "usually less than 15%," according to William Weilbacher, president of Bismark Corp., New York, who presented the findings at the ANA Advertising Financial Management Conference this month.

"The trend appears to be toward bargain-making between advertisers and their agencies," said Mr. Weilbacher. He said that with the expansion of agency services beyond traditional advertising, clients are showing a greater interest in "defining more closely just what services are wanted and needed."

In exchange for these lower commission rates, some major advertisers lately have been more willing to take on the media-buying function, internally or through media-buying agents. A novel variation of this method reportedly is being offered by William

(Continued on Page 91)

Back first-run shows with ads, cash

Marketers into syndie fare

By VERNE GAY

New York—In what could become one of the hottest media-buying trends in a decade, several major marketers are taking multi-million-dollar ownership positions in first-run syndicated programs.

Following its estimated $10 million agreement with Group W for the production of one-hour health specials and a 1987 sitcom (AA, May 19), Bristol-Myers is reportedly on the verge of closing similar deals with several other syndicators.

Procter & Gamble, by far the most aggressive advertiser following this path, has an agreement with the NBC-owned tv stations and LBS Communications to produce a first-run situation comedy tentatively titled "You Can't Take It With You." The show would air next year and would earn P&G close to a third of any profits.

General Foods Corp., which has made similar buys in the past, is reportedly seeking more syndication programing deals. So is General Motors Corp., which has produced the network "George Washington" miniseries and its sequel but has never been in first-run syndication.

In an unusual move, Campbell Soup Co. reportedly is trying to sell programing directly to tv stations *without* the shows carrying any of its advertising.

Johnson & Johnson and Clorox Co. are also reported to be seeking deals with syndicators, although

(Continued on Page 92)

BBDO's French accent helped woo, win Apple

By CLEVELAND HORTON

Apple Computer severed one of its last ties with its entrepreneurial past—and with modern advertising history—when it lowered the boom on Chiat/Day last week and awarded its $50 million U.S. account to BBDO International.

For BBDO, the victory bore traces of a "Made in France" label. BBDO's presentation relied heavily on input from Phillipe Michel, president-creative director of the agency's sister office in Paris, CLM/BBDO, which handles the Apple account in France.

Mr. Michel assisted the new-business team by attending strategy sessions and critiquing the speculative creative work, according to Tom Clark, president of New York-based BBDO. Mr. Clark insisted, however, that none of the work presented included Mr. Michel's work and that he wasn't present during the pitch.

Mr. Michel is known to have close ties to Apple vp-product development Jean-Louis Gasse, formerly head of Apple France. Mr. Gasse, who was out of the country when Apple's agency decision was made, said he was "ambivalent" about the change. "I was very happy with BBDO in France," he said in a telephone interview from Tokyo, "but I'm sad we're severing our relationship with Chiat/Day."

Word of the decision, delivered late May 19 by Apple chairman John Sculley in a phone call to Chiat/Day chairman Jay Chiat, came as no surprise at the agency. "We were prepared for it," Mr. Chiat said. "And we were planning for it."

Chiat/Day ran page ads in the *New York Times* and *San Jose Mercury News* May 22 bidding farewell to its client of almost seven years. The ads used the familiar Apple ad typeface and thanked Apple for the relationship. "You've done for us what VW did for Doyle Dane Bernbach, what Hathaway did for Ogilvy & Mather, what McDonald's did for Needham, Harper & Steers," the ad read.

Since the megamerger of BBDO-Doyle Dane Bernbach-Needham Harper Worldwide was announced, BBDO has picked up Apple's $50 million U.S. account and Needham has added the $40 million Michelob brand from Anheuser-Busch. These have begun to offset the losses necessitated by conflicts, such as Needham's selling off its Los Angeles office into a separate $100 million agency to handle the American Honda account and BBDO's resignation—forced by A-B, a major Needham client—of its $80 million in Stroh Brewery Co. media billings, much of that an agency-of-record buying assignment

(Continued on Page 91)

Last Minute News

Buyout rumors buzz along Madison Avenue

New York—The Interpublic Group of Cos. denied reports circulating last week that it is exploring separate acquisitions of N W Ayer here and Tatham-Laird & Kudner in Chicago. "I'm not talking to either one of them," said chairman-ceo Philip Geier Jr. TLK also has been reported to be in discussions with Saatchi & Saatchi Co., though chairman-ceo Charlotte Beers, while acknowledging past talks with Saatchi, said there are no ongoing or active conversations and that the agency is not interested in a merger. Separately, HBM/Creamer vice-chairman Harold Strauss denied widespread reports that his $380 million agency was involved in serious negotiations to be sold, possibly to an overseas agency.

DYR's Brody expected to head IAA

Chicago—DYR Worldwide president-ceo Alexander Brody is expected to be elected president of the International Advertising Assn. this week at its World Congress here, sources said. He will succeed A.E. (Tubby)

(Continued on Page 8)

WFA cool to agency merge fest

By TONY THOMPSON

Toronto—They didn't put it on the program, but they might as well have.

The recent spate of agency combinations dominated the World Federation of Advertisers' 34th General Assembly here last week.

"The final chapter on these mergers hasn't been written," said Robert Goldstein, vp-advertising at Procter & Gamble, Cincinnati.

"The client chapter has yet to come."

Officials from P&G, New York-based Bristol-Myers Co. and others attending the meeting were ex-

(Continued on Page 91)

NEWSPAPER

Eurocom moves to sell
WASHINGTON DC 20014
4520 EAST-WEST HWY #800
SRI ACQUISITIONS
CONGRESSIONAL INFO SERVICE
CONGLI AA 862199 99 R14
**********5-DIGIT 20014

HIGHLIGHTS

Clients rein in fees 1
The changing nature of agency-client relationships hit home last week as the Assn. of National Advertisers released a study showing less support for the 15% agency commission than ever.

BBDO to polish Apple 1
Apple Computer severed one of its last ties with its entrepreneurial past when it lowered the boom on Chiat/Day last week and awarded its $50 million U.S. account to BBDO International.

Marketers buy into programing 1
In what could become one of the hottest trends in a decade, major marketers are taking ownership positions in first-run syndicated programs.

Y&R on P&G hit list? 3
Procter & Gamble has shifted brand management responsibilities in its recently acquired Richardson-Vicks unit in order to combine operations of the two companies by product categories. Industry sources say the brand realignment is the first step toward a rearrangement of R-V's agency roster, with Young & Rubicam considered vulnerable because of its earlier resignation as a P&G shop and its subsequent appointment by P&G rival Colgate-Palmolive Co.

Eurocom seeking U.S. deal 3
Eurocom, Europe's largest agency network, last week set the stage for selling one of its major arms to a U.S. agency. The network purchased an additional stake in the Belier agency group, increasing its share to 95% from 45%, to make the French operation attractive to U.S. investors. One of the prime suitors for a piece of Belier is BBDO.

Michelob campaign breaks 6
Needham Harper Worldwide last week broke a new campaign for Anheuser-Busch's superpremium Michelob brand only days after winning a seven-month battle for the $40 million account. Needham now handles all three of A-B's superpremium beers—Michelob, Michelob Classic Dark and Michelob Light.

Nielsen back to diaries 12
A.C. Nielsen Co. last week succumbed to pressure from the Big 3 tv networks and agreed to postpone the introduction of its people meter until 1987.

IAA meet begins today 29
The International Advertising Assn. opens its 30th World Congress in Chicago today. More than 1,000 advertising and marketing executives from around the world are participating in the weeklong meeting.

FEATURES

Lucie's show 44
What can a spunky, fast-talking ex-secretary from Cleveland bring to Hollywood that Hollywood hasn't already seen? Plenty, say those who know Lucie Salhany, domestic tv/video programing president at Paramount Pictures. "She rolls up her sleeves and gets in there. And she leaves her mark," says a former colleague. "She won't shrink from the challenge."

Half-century for the Gate 46
The Golden Gate Bridge's 50th anniversary celebration, billed as the West's answer to the Statue of Liberty gala, is a year away, but the fireworks have already begun.

BASICS

Sales promotion growing 52
Sales promotions are being adopted by even the most conservative businesses as the category grows to an expected total of $60 billion to $65 billion in 1986. This month's Basics looks at the most common types of sales promotions and their results.

INTERNATIONAL

Fleet Street looks west 62
The once-sluggish U.K. newspaper industry is now poised for growth, and the U.S. appears to be a likely place for expansion and acquisitions. Growth is made possible by an improving cash flow resulting from new technology and the weakening position of the print unions.

Beer come the Aussies 63
Australia's two brewing giants, Carlton & United Breweries and Bond Brewing, plan major attacks on the U.S. beer market this year.

OTHER NEWS

The Army's decision to throw its $85 million recruiting account up for early review stems in part from the conviction of an N W Ayer vp on charges he embezzled $60,000 from the account. Page 3.

CBS executives last week said they expect to be the top-rated tv network in 1986-87, despite critics and advertiser predictions of another NBC victory. Page 12.

ConAgra's Armour Processed Meat Co. is spending $12 million on advertising in only three markets to support its test of a six-item Golden Star Deli Doubles luncheon meat line. Page 79.

Transamerica Corp.'s pyramid-shaped tower, last seen being scaled by King Kong, will pop up again in 5.5 million Sept. 8 issues of *Time*. Page 85.

Procter & Gamble's Liquid Tide leads the $1 billion liquid laundry detergent segment for the first time since its national introduction 18 months ago. Page 88.

British Airways and Pan American World Airways rolled out sharply contrasting marketing programs last week to lure U.S. tourists abroad. Page 89.

CAMPAIGNS BREAKING

Nissan Motor Corp. USA, Carson, Cal., June 1 breaks a network tv campaign for its Stanza models during National Basketball Assn. playoff games. The spots are tagged "The all-new 1987 Stanza." William Esty Co., Los Angeles, handles (AA, March 17).

Del Monte Corp., San Francisco, today breaks a national tv and magazine campaign for its regular Hawaiian Punch. The advertising is the first Hawaiian Punch work from DYR, Los Angeles, which took over from BBDO/West last week (AA, March 3).

S.C. Johnson & Son, Racine, Wis., today breaks a $12 million tv and print campaign for L'Envie Parfum shampoos and conditioners. J. Walter Thompson USA, Chicago, handles the campaign, themed "The essence of beautiful hair" (AA, Feb. 17).

SPECIAL REPORT

New England's old-line industries have given way to new electronics and communications companies that are breathing new vitality into the six-state region. Special Report examines banking, tourism, high technology and other factors fueling the area's revival.

REGULAR FEATURES

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BK ads aim for homey flavor

By BRIAN MORAN

Burger King Corp. June 1 breaks a long-promised $200 million campaign using a new theme song and realistic visuals to cast BK as a down-home source of old-fashion American pride.

The campaign, themed "This is a Burger King town. We know how burgers should be," also dumps Miami-based BK's 4-year-old "Aren't you hungry?" handle, the rallying cry for the No. 2 hamburger chain's previous "Battle of the burgers" assaults against leader McDonald's Corp. and No. 3 Wendy's International.

In place of those needling messages, BK and its agency, J. Walter Thompson USA, New York, have crafted a campaign that stresses

(Continued on Page 92)

Ted Bates beefs up overseas

By STEWART ALTER

Ted Bates Worldwide is making a top-level realignment following announcement of its acquisition by Saatchi & Saatchi Co. (AA, May 12). The moves signal that New York-based Bates will be devoting more attention to its overseas operations.

John Hoyne takes the new post of vice-chairman. Exec vp Larry Light succeeds Mr. Hoyne as president of the Ted Bates International Group.

"My hope is to make Bates more effective as an international network," said Mr. Light, 44. "The challenge is to create more of global synergism. . .to change synergy from a cliche to

(Continued on Page 91)

West Coast news

Mainero to leave McCann

McCann-Erickson's Los Angeles exec vp-general manager Frank Mainero is leaving his job after three years, on the heels of Century 21 International's decision to shift its $25 million account from Los Angeles to McCann's New York office under the direction of exec creative director John Bergin. Craig Middleton, a senior vp on the AT&T account at McCann, New York, will replace Mr. Mainero on an interim basis. Ironically, Mr. Mainero is leaving as McCann is

(Continued on Page 92)

U.S. NewsWatch

Marketing news from regional centers across the country

Cellular One summons salespeople

WASHINGTON—**Cellular One** of Washington/Baltimore today breaks its first tv spots as part of a $1 million campaign targeting salespeople. Radio and print ads support. Needham Harper Worldwide handles.

BUFFALO—**Goldome FSB** has assigned its estimated $4 million tv, radio and print account to Vickers & Benson Advertising, Toronto, from Levy, King & White Advertising. Computer Marketing Services, Rochester, retains the $1 million direct-marketing account. Faller, Klenk & Quinlan gets the $2 million outdoor, collateral and signage business.

NEW ORLEANS—**Louisiana retailers** will open their doors on Sundays starting Nov. 15. Gov. Edwin Edwards will support the legislature's repeal last week of the century-old blue laws—expected to add $3.8 million in extra sales tax revenue.

OAKLAND, CAL.—**Kaiser Foundation Health Plan** breaks a third-quarter campaign to improve its service image. Newspaper, outdoor,

(Continued on Page 74)

ADWATCH

Recall of Burger King ads still seen dropping

By JULIE FRANZ

Advertising for Burger King's Chicken Tenders and its breakfast menu have done nothing to bolster the fast-food chain's advertising awareness, which has been slumping in the wake of its much-heralded, often-criticized "Find Herb" campaign.

In the April adWatch survey, BK's share of first mentions in the fast-food category dropped 2.4 percentage points, returning BK close to the share of first mentions it had before breaking the "Herb" campaign in late November.

While only changes of 2.8 percentage points or more are considered statistically significant, the larger picture is significant. BK's adWatch scores from November through April (Herb through Chicken Tenders) form a bell curve that would make any college statistics professor proud.

BK's share of advertising first mentions was 10.1% in November before the Herb campaign began, rose to a high of 23% in February and dropped to 12.9% in April, the month after the campaign was completed. The burger-maker's average score for the six-month period was 15.7%.

McDonald's share of top-of-mind awareness among fast-food advertisers remained relatively stable from November through April, averaging 44% of first mentions during that period. That feat can be attributed in part to sheer weight, with McDonald's spending an average $5 million per week on tv advertising at the height of its McD.L.T. introduction.

Rounding out the fast-food category are Wendy's at No. 3 with 7.1% of first mentions; Hardee's with 2.6%, and Pizza Hut with 1.3%. Just over 16% of those asked to name the first fast-food advertising to come to mind answered "none" or "don't know."

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name ads in a variety of categories that first come to mind from all seen, heard or read in the previous 30 days.

In April, 1,000 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

Two normally volatile categories, beer and soft drinks, have been quiet lately.

Beer sales have been stagnant, new-product introductions have dropped off and no new national advertising campaigns have broken in the category. Top-of-mind awareness for major beer brands' advertising has held steady.

That may not last much longer, since brewers have been busy juggling their agency lineups. Recent account shifts for Anheuser-Busch's Michelob and G. Heileman Brewing's Old Style may signal significant movement in top-of-mind beer advertising awareness later this year as new campaigns for those and competing brands begin to appear.

Advertising for A-B's Budweiser remains No. 1 in first mentions among beer markers, with 13.2%. Behind the leader are Coors with

(Continued on Page 80)

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Needham works night shift for Michelob

Agency has all A-B superpremiums

By SCOTT HUME and JULIE FRANZ

Needham Harper Worldwide, Chicago, last week broke a new campaign for Anheuser-Busch's superpremium Michelob brand only days after winning a seven-month battle for the $40 million account.

The new Michelob theme—"The night belongs to Michelob"—bears more than a passing resemblance to the tag line of a new tv spot that also started last week for Miller Brewing Co.'s competing Lowenbrau brand.

Both superpremiums are in need of a sales rebound, and Needham is likely to have a tough job reviving Michelob. Michelob sales last year totaled 6 million bbls., down more than 20% from the brand's peak in 1981, said Manny Goldman, an analyst at Montgomery Securities, San Francisco.

Needham now handles all three of A-B's superpremium beers—Michelob, Michelob Classic Dark and Michelob Light.

The new effort for Michelob began May 23 with a 60-second commercial that aired during NBC's "Friday Night Videos"; a 30-second version aired during NBC's "Saturday Night Live" May 24.

The 60-second spot is set to rocker Phil Collins' "In the Air Tonight," a tune made popular by its use on NBC's "Miami Vice." A-B last year signed Mr. Collins for use on Michelob (AA, May 27, '85).

St. Louis-based A-B was looking for a Michelob theme with longevity that would spark a variety of executions, said Joel Hochberg, Needham exec vp-director of creative services.

Mid-June will bring "an explosion" of media, including additional tv spots as well as radio, print and outdoor, said Don Richards, senior vp-management representative at Needham.

The campaign positions Michelob as a beer that drinkers should "trade up to" on weekends and special occasions, he explained.

Needham's first creative for Michelob is "designed to reinforce Michelob's quality heritage and positioning as America's leading superpremium beer," said A-B exec vp Michael Roarty.

Miller Brewing's new Lowenbrau commercial, from J. Walter Thompson USA, Chicago, also adopts a nighttime theme. The tag, an extension of its "This world calls for Lowenbrau" theme, is "This night calls for Lowenbrau."

Lowenbrau's "night" spot uses the concept of night without changing the campaign's international "world" theme. It is aimed at the drinking-age-to-25-year-old beer drinker with its variation on the music-video format.

The commercial shows young people in the U.S., Munich, London and Tokyo out at night.

Neither Needham nor JWT is worried that the similar themes will cause confusion. While Needham's Michelob campaign is based entirely on the night theme, JWT has just produced one "night" spot and has not changed the theme of the entire campaign, said Rita Winters, JWT creative director-copywriter on Lowenbrau.

A total campaign themed "The night belongs to Lowenbrau," set to rock music, was canned in favor of the current international campaign, Ms. Winters said.

In moving Michelob—a brand with a lucrative "inheritance" but dim sales prospects—to Needham, A-B united responsibility for all Michelob entries at one agency.

Two years ago, Michelob and Michelob Classic Dark were sent off to Ted Bates Advertising/New York, and the $25 million Michelob Light account arrived at Needham (AA, July 16, '84). All three previously had been at D'Arcy Masius Benton & Bowles, St. Louis.

The Michelob shift completed the reunion begun earlier this year when the $5 million Classic Dark account was moved from Bates to Needham (AA, Feb. 6).

Needham already handled the $50 million Bud Light account and the $25 million Busch account. With total A-B assignments now amounting to nearly $150 million, the brewer is the largest client of the newly merged agency of DDB Needham, one of three agency units under the BBDO-Doyle Dane Bernbach-Needham holding company (AA, April 28, *et seq.*).

BBDO has resigned $100 million in business from Stroh Brewery Co., Detroit. Stroh has invited five New York agencies to pitch for its $20 million Old Milwaukee account and $80 million in Stroh media buying. The five are N W Ayer; Grey Advertising; Jordan, Case, Taylor & McGrath; Lowe Marschalk, and McCann-Erickson.

Marschalk already handles Stroh's and Stroh Light brands.

A Stroh exec said media buying may be taken in-house.

A-B "exercised its market power to force BBDO to resign the Old Milwaukee account," Stroh president Roger Fridholm said last week. "We had been pleased with BBDO's work and were distressed to be deprived by a competitor of a key resource."

With all three Michelob brands again at one shop, A-B is expected to involve the regular and light brands in more joint promotion and advertising.

A-B tested that strategy last

(Continued on Page 93)

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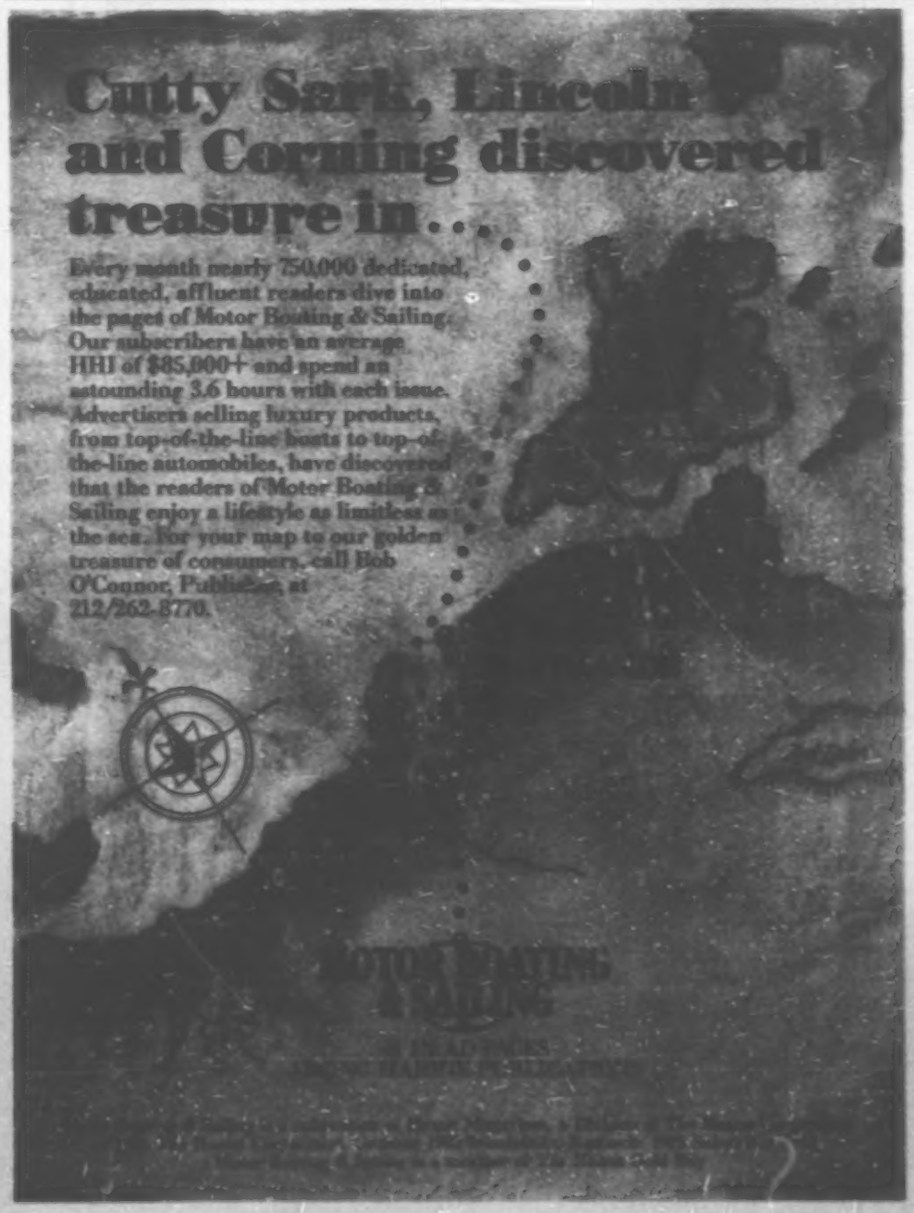
CORRECTIONS & CLARIFICATIONS

- In the chart that compared the revenues and growth rate of the top 44 U.S. research companies with those of the top U.S. ad agencies (AA, May 19, Page S-4), the figures for the top research companies were inadvertently left out. The 1985 worldwide revenues of the top 44 research companies were $1,652,500,000, compared with 1985 ad agency revenues of $6,510,800,000. The 1985 U.S. revenues of the research companies of $1,282,700,000 compared with 1985 revenues of U.S. ad agencies of $4,378,400,400. The worldwide growth rate of the ad agencies from 1984 to '85 was 10.9%, compared with an 11.5% growth rate of research companies; the U.S. growth rate of the ad agencies was 8.7%, compared with a 13% growth rate of research companies.
- Avrett, Free & Ginsberg, New York, is the agency for Carter-Wallace's new Nair Mousse Hair Remover, not Ted Bates Advertising (AA, May 19, P. 8).
- In an article on Yellow Pages growth (AA, May 19, P. 74), Andrew McKelvey's company was incorrectly identified. The correct name is Telephone Marketing Programs.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Australia

1985 AD SPEND: $3.1 billion
NUMBER OF AD AGENCIES: 137
NUMBER OF NEWSPAPERS: 582
MAJOR MARKETERS: Unilever, Coles/Myer, Woolworth's
POPULATION: (millions) 15.7
Breakdown by age:
0-14: 3.8
15-24: 2.668
25-44: 4.687
45-64: 3.030
65 and over: 1.530
REAL GDP GROWTH (per cent per annum) **1986*:** 2.5 **1987*:** 2.0
INFLATION RATE (per cent) **1986*:** 8.0 **1987*:** 7.5
UNEMPLOYMENT RATE (per cent) **1986*:** 8.5 **1987*:** 8.8
TELEVISION SETS (millions) 5.9

POLITICAL OUTLOOK/RISK
Elections here are due by the end of 1987. Australia's economic performance will be the focus of that election. The Hawke government currently could find re-election difficult, though opposition is in disarray.
ECONOMIC FORECAST
Economy headed for showdown over next two years. An expected weak currency and a volatile interest rate won't help.
ATTITUDE TOWARD FREE MARKET
The Labour administration of Prime Minister Robert Hawke is widely perceived as pro-business. All major political parties support the free market.
ATTITUDE TOWARD FOREIGN INVESTMENT
Official attitude very favorable. But in advertising, there is a strong nationalist movement that still supports restrictions on commercials filmed outside Australia.

Brazil

1985 AD SPEND: $2 billion (est.)
NUMBER OF AD AGENCIES: 1,400
NUMBER OF NEWSPAPERS: 1,555
MAJOR MARKETERS: BAT Industries, Ford do Brasil, Gessy-Lever
POPULATION: (millions) 135.8
Breakdown by age:
0-14: 49.366
15-24: 27.566
25-44: 35.800
45-64: 17.186
65 and over: 5.828
REAL GDP GROWTH (per cent per annum) **1986*:** 5.0 **1987*:** 5.5
INFLATION RATE (per cent) **1986*:** 47.0 **1987*:** 26.0
UNEMPLOYMENT RATE (per cent) **1986*:** 6.7 **1987*:** 6.1
TELEVISION SETS (millions) 23.0

POLITICAL OUTLOOK/RISK
Appears set for a period of democratic stability over the medium term. Major elections in November and the drafting of a new constitution mean constant political activity but pose no serious risk to business or the economy.
ECONOMIC FORECAST
The anti-inflation package just decreed seems likely to prepare Brazil for sustained growth to the end of the decade. Rising wages will keep the domestic consumer market growing steadily, while the outlook for exports also is bright.
ATTITUDE TOWARD FREE MARKET
Recent reform has left virtually all retail prices frozen indefinitely. Over-all, the free market thrives alongside an enormous public sector.
ATTITUDE TOWARD FOREIGN INVESTMENT
Criticism of multinationals and reserved markets in several sectors are features of the new republic, but foreign investment, in general, is actively encouraged. The government still favors locally-owned ad agencies with accounts, however.

Canada

1985 AD SPEND: $4.4 billion
NUMBER OF AD AGENCIES: 425
NUMBER OF NEWSPAPERS: 1104
MAJOR MARKETERS: Canadian government, Procter & Gamble, John Labatt
POPULATION: (millions) 25.6
Breakdown by age:
0-14: 5.756
15-24: 4.353
25-44: 8.230
45-64: 4.798
65 and over: 2.458
REAL GDP GROWTH (per cent per annum) **1986*:** 3.0 **1987*:** 1.5
INFLATION RATE (per cent) **1986*:** 4.0 **1987*:** 3.5
UNEMPLOYMENT RATE (per cent) **1986*:** 10.0 **1987*:** 11.0
TELEVISION SETS (millions) 14.0

POLITICAL OUTLOOK/RISK
Current Progressive Conservative government holds power through 1988. Growing voter dissatisfaction with government's performance could lead to resurgence of anti-U.S. sentiment.
ECONOMIC FORECAST
*Estimate

Canada cont'd.

Real growth in GDP may outpace the U.S. this year, but western provinces will suffer from the fall in oil prices, with a downturn likely in 1988.
ATTITUDE TOWARD FREE MARKET
High levels of concentration in a small market make Canadian companies slower to respond to consumer preferences. This is changing as the market is exposed to greater international competition.
ATTITUDE TOWARD FOREIGN INVESTMENT
Positive, but wary of the influence exerted by U.S. media and entertainment conglomerates over Canadian culture. Strong nationalist sentiment may be growing stronger. In publishing, there are numerous restrictions on foreign ownership.

France

1985 AD SPEND: $6 billion
NUMBER OF AD AGENCIES: 2,500
NUMBER OF NEWSPAPERS: 14,514
MAJOR MARKETERS: IBM, Renault, Carrefour
POPULATION: (millions) 54.6

Breakdown by age:
0-14: 11.419
15-24: 8.483
25-44: 15.712
45-64: 12.231
65 and over: 6.762
REAL GDP GROWTH (per cent per annum) **1986*:** 2.5 **1987*:** 2.7
INFLATION RATE (per cent) **1986*:** 2.5 **1987*:** 3.5
UNEMPLOYMENT RATE (per cent) **1986*:** 11.0 **1987*:** 10.5
TELEVISION SETS (millions) 17.3

POLITICAL OUTLOOK/RISK
Socialists defeated in March elections. Center-right coalition government of Francois Mitterrand and Jacques Chirac is potentially unstable. Mr. Mitterrand's term ends in 1988, but he may step down earlier.
ECONOMIC FORECAST
Recent devaluation of the franc may see some improved GDP growth. Small rises in investment and consumption, coupled with lower inflation rates, may contribute to modest recovery.
ATTITUDE TOWARD FREE MARKET
Increasingly receptive. Some central control has been lifted, some layoffs are permitted and some wages have been deindexed. Commercial tv and radio are expanding under some pressure from pan-European commercial stations. Pent-up demand for ad time is enormous.
ATTITUDE TOWARD FOREIGN INVESTMENT
Foreign investment is actively promoted and welcomed, though closely scrutinized. Access to credit has been eased and some exchange control lifted.

Japan

1985 AD SPEND: $11.2 billion
NUMBER OF AD AGENCIES: 2,900
NUMBER OF NEWSPAPERS: 125
MAJOR MARKETERS: Kao, Toyota Motor, Matsushita
POPULATION: (millions) 120.8
Breakdown by age:
0-14: 25.852
15-24: 17.119
25-44: 36.708
45-64: 28.529

Japan

65 and over: 11.869
REAL GDP GROWTH (per cent per annum) **1986*:** 2.5-3.5 **1987*:** 3-4
INFLATION RATE (per cent) **1986*:** 2.0-3.0 **1987*:** 2.5-3.5
UNEMPLOYMENT RATE (per cent) **1986*:** 2.8-3.0 **1987*:** 2.8-3.2
TELEVISION SETS (millions) 30.2

POLITICAL OUTLOOK/RISK
Liberal Democratic party will stay dominant, insuring a pro-business climate. Next LDP prime minister might be less forceful than predecessors in opening up domestic markets, although that scenario is still unclear.
ECONOMIC FORECAST
Japan's economy may cool in 1987. A strong yen and stagnant demand will slow exports. Domestic demand is unlikely to take up the slack in the short term. However, Prime Minister Yasuhiro Nakasone is preparing proposals designed to increase internal consumption of goods dramatically as well as increase government spending on the country's infrastructure.
ATTITUDE TOWARD FREE MARKET
Generally favorable, but favors strong central government influence in economy and close government-business links. Some government monopolies being sold to private investors.
ATTITUDE TOWARD FOREIGN INVESTMENT
Free in principle, but the government is frequently inclined to assist local companies. As more local companies seek ventures with foreign ones, it has become increasingly difficult for Japanese authorities to exercise control. U.S. cigaret marketers are the first to benefit from moves to open up previously closed Japanese markets, and others may follow. Government also is under severe pressure to reduce the growing trade surplus.

Germany

1985 AD SPEND: $6 billion
NUMBER OF AD AGENCIES: 320
NUMBER OF NEWSPAPERS: 382
MAJOR MARKETERS: Volkswagen, Procter & Gamble, Henkel
POPULATION: (millions) 61.1
Breakdown by age:
0-14: 9.59
15-24: 10.029
25-44: 17.268
45-64: 15.653
65 and over: 8.567
REAL GDP GROWTH (per cent per annum) **1986*:** 3.5 **1987*:** 3.0
INFLATION RATE (per cent) **1986*:** 0.5 **1987*:** 1.5
UNEMPLOYMENT RATE (per cent) **1986*:** 8.0 **1987*:** 7.5
TELEVISION SETS (millions) 22.1

POLITICAL OUTLOOK/RISK
Stable, but the center-right coalition of Chancellor Helmut Kohl is under some pressure from competing political parties. This opposition is focusing on employment and labor issues.
ECONOMIC FORECAST
Strong recovery over the medium term. Low interest rates, oil prices, production costs and little inflation fuel recovery. Trade surplus is at record levels.
ATTITUDE TOWARD FREE MARKET
All major political parties support the free market. There is widespread support for antitrust, antimonopoly legislation. Government support for social welfare, but minimal state intervention in economy.
ATTITUDE TOWARD FOREIGN INVESTMENT
Very favorable. There are no controls on foreign investment or on foreign exchange.

*Estimate

Source: Business International (a consulting firm for multinational corporate clients covering political, economic, social and regulatory change that affects corporate strategies); Ad Age estimates. Also, GDP stands for Gross Domestic Product—the equivalent of the U.S. Gross National Product.

Korea

1985 AD SPEND: $901 million
NUMBER OF AD AGENCIES: 18 (shops with over 12 employes)
NUMBER OF NEWSPAPERS: 14 (dailies)
MAJOR MARKETERS: Samsung Electronics, Goldstar, Pacific Chemical
POPULATION: (millions) 60.9
Breakdown by age:
0-14: 19.765
15-24: 13.058
25-44: 16.944
45-64: 8.606
65 and over: 2.578
REAL GDP GROWTH (per cent per annum) **1986*:** 5.5 **1987*:** 6.5
INFLATION RATE (per cent) **1986*:** 4.0-5.0 **1987*:** 3.5-4.5
UNEMPLOYMENT RATE (per cent) **1986*:** 3.6-3.8 **1987*:** 3.7-3.9
TELEVISION SETS (millions) 7.7

POLITICAL OUTLOOK/RISK
Labor unrest is a problem, along with rejuvenated opposition to President Chun Doo Hwan's government. That government will continue in power, however, and no repeat of the Philippines experience is seen.
ECONOMIC FORECAST
Fall in oil prices, interest rates and value of the U.S. dollar could push up growth this year. Automobiles, electronics and machinery prospects promising. Easing restrictions on foreign investment could help as well.
ATTITUDE TOWARD FREE MARKET
Free market generally accepted by major political parties, but the role of the president in economic matters remains strong.
ATTITUDE TOWARD FOREIGN INVESTMENT
Increasingly favorable, partly due to need for foreign capital and technology. But foreign ownership of advertising agencies remains severely restricted, and the subject of broad debate.

United Kingdom

1985 AD SPEND: $6.6 billion
NUMBER OF AD AGENCIES: 1,000
NUMBER OF NEWSPAPERS: 2,000
MAJOR MARKETERS: Procter & Gamble, Mars, Kellogg
POPULATION: (millions) 55.6
Breakdown by age:
0-14: 10.745
15-24: 9.144
25-44: 15.249
45-64: 12.321
65 and over: 8.182
REAL GDP GROWTH (per cent per annum) **1986*:** 3.0 **1987*:** 3.0
INFLATION RATE (per cent) **1986*:** 3.8 **1987*:** 4.3
UNEMPLOYMENT RATE (per cent) **1986*:** 13.0 **1987*:** 13.0
TELEVISION SETS (millions) 18.9

POLITICAL OUTLOOK/RISK
The Conservative government is pursuing mildly expansionary policies during the pre-election year.
ECONOMIC FORECAST
Modest growth in investment (3.0%), consumption (3.0%) and industrial production (3.5%). Unemployment and inflation to ease, as will credit.
ATTITUDE TOWARD FREE MARKET
Conservative government of Margaret Thatcher actively encourages the free market. State-owned enterprises have been turned over to the private sector and state monopolies forced to compete.
ATTITUDE TOWARD FOREIGN INVESTMENT
Foreign investment is actively encouraged to stimulate the economy. There are virtually no controls on foreign exchange.

Italy

1985 AD SPEND: $2.5 billion
NUMBER OF AD AGENCIES: 150
NUMBER OF NEWSPAPERS: 83
MAJOR MARKETERS: Fiat, Alfa Romeo, Parmalat
POPULATION: (millions) 56.9
Breakdown by age:
0-14: 11.311
15-24: 8.905
25-44: 15.312
45-64: 13.742
65 and over: 7.603
REAL GDP GROWTH (per cent per annum) **1986*:** 3.0 **1987*:** 2.7
INFLATION RATE (per cent) **1986*:** 6.5 **1987*:** 6.0
UNEMPLOYMENT RATE (per cent) **1986*:** 10.0 **1987*:** 10.0
TELEVISION SETS (millions) 13.8

POLITICAL OUTLOOK/RISK
Socialist Prime Minister Bettino Craxi's leadership under threat.
ECONOMIC FORECAST
Modest recovery highlighted by falling oil prices. Consumer prices will fall slightly.
ATTITUDE TOWARD FREE MARKET
Generally favorable and officially supported and encouraged.
ATTITUDE TOWARD FOREIGN INVESTMENT
Very favorable. Generous investment incentives open to foreign companies in Sicily.

New Hampshire toasts out-of-state liquor sales

By Lee Horwich

One state stands out in New England liquor consumption statistics. New Hampshire residents consume almost twice as much liquor as their neighbors, according to the Distilled Spirits Institute, Washington. But Bob Herlihy knows statistics don't always tell the whole story.

As director of marketing merchandise and stores for the New Hampshire State Liquor Commission, Concord, Mr. Herlihy realizes New Hampshire's high ranking reflects the success he has in selling the state's alcohol to the rest of New England. Although aggressive pricing on major brands and an increased ad budget have been key to the state's success, one factor remains pivotal: New Hampshire has no sales tax.

"We figure between 55% and 58% of all sales are to out-of-state customers," Mr. Herlihy says. Massachusetts alone accounts for one-third of New Hampshire's sales, he adds.

Since prohibition ended in 1933, New Hampshire has owned and operated all liquor stores in the state. While beer and wine can be sold in grocery stores, hard liquor can be sold only by the state.

Three governor-appointed liquor commissioners control the state's 72 stores. Vermont and Maine also have state-run liquor operations, but New Hampshire has better prices.

For example, a 1.75-liter bottle of Smirnoff brand vodka costs New Hampshire customers $2.25 less than in Vermont and $3 less than in Maine, according to a study by the National Alcohol Beverage Control Assn., Washington.

New Hampshire stores have about an 8% to 10% price advantage over privately run stores in Massachusetts, Mr. Herlihy says.

Neither Vermont nor Maine does any advertising for their stores; all liquor ads that appear in those two states are placed by the distillers.

State law prevents the Montpelier-based Vermont State Liquor Board from advertising, says Sandra Campbell, merchandising director of the board. "The law says we should not promote intemperance."

In Maine, the legislature doesn't appropriate any money for advertising, says Guy Marcotte, director of the state bureau of alcoholic beverages. "New Hampshire has a different philosophy than we do. They are high volume, low margin," he says. "We are just the opposite."

In fiscal 1985, Maine's total liquor sales were $68.5 million, Mr. Marcotte says. And in the same period, Vermont stores had total sales of $37.6 million, Ms. Campbell says.

Total liquor sales for New Hampshire were $154 million in 1985, a slight decrease from the previous year, Mr. Herlihy says.

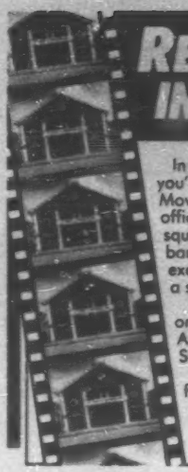
Even with economic factors in its favor, New Hampshire still maintains an aggressive marketing stance. Until 1983, liquor advertising was handled by the state. But at that time, the account went to Holmes-Lewis, Manchester, N.H., a local agency.

The agency avoids typical liquor store advertising, which generally crams the maximum number of prices into the minimum amount of space, says Chris Herbert, account exec for Holmes-Lewis.

"Our ads are cleaner than that," he says. Many of the ads are linked to holidays, typically the busiest time for liquor

(Continued on Page S-16)

Lee Horwich is a reporter for the Concord Monitor, *Concord, N.H.*



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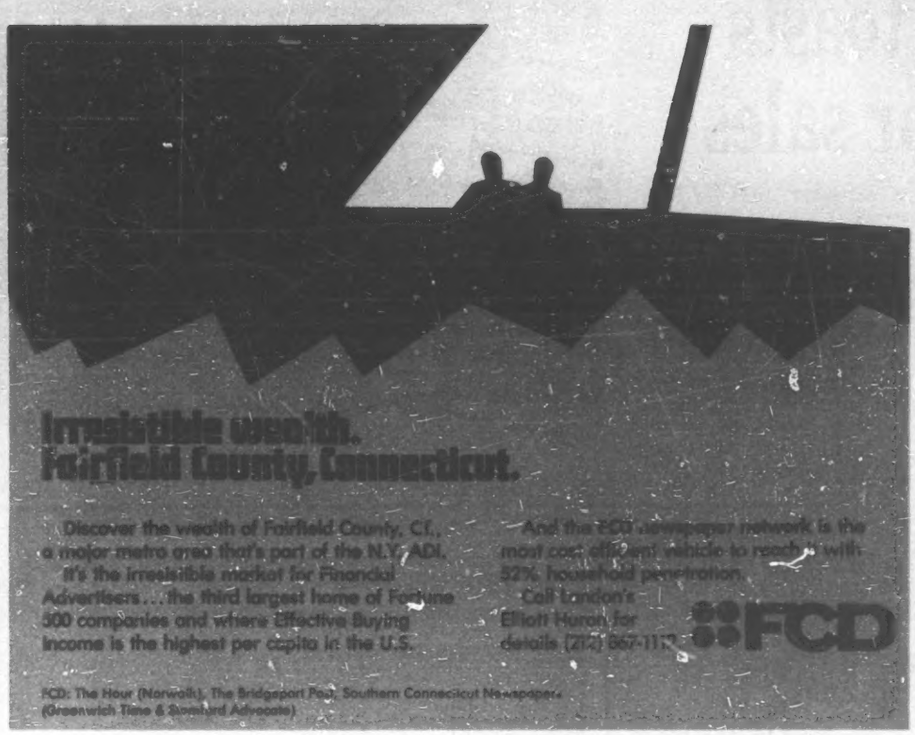
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New Hampshire toasts

(Continued from Page S-15)

stores, Mr. Herbert says. Heaviest sales volumes occur during the Christmas season, Memorial Day and Labor Day.

A recent St. Patrick's Day promotion was only marginally successful, Mr. Herbert says. An ad promoting several Irish-themed products yielded mediocre results, he says.

In 1985, liquor sales leveled off and the New Hampshire government decided to pay more attention, financially, to marketing and advertising. Subsequently, in fiscal 1986, which ends June 30, the state allocated a $255,000 ad budget, more than double the previous year's budget, Mr. Herlihy says. And that figure will increase more than 50% in fiscal 1987, he says.

However, according to state law, 80% of all money must be spent on out-of-state advertising, Mr. Herlihy says. Of that 80%, more than half will be spent on targeting the Boston market.

The New Hampshire State Liquor Commission also is broadening its marketing efforts to reach potential customers in western Massachusetts, Connecticut and Rhode Island, he says.

Equal money is spent on radio and newspapers. Other types of promotions for specific brands are nixed because political realities intrude.

"I am limited in certain things because the state owns the stores," Mr. Herbert says. "I would do more giveaways and co-op advertising," he says, "but the politics of giving business to one certain distributor over another would be too risky."

Instead, advertising is directed at tourists who come to New Hampshire for anything from skiing to fall foliage watching. A clear advantage is the location of many of the state's outlets, Mr. Herbert says.

Of New Hampshire's 72 stores, 25 are located along the interstate highways, with their own entrances and exits, making it convenient for tourists to stop on their way home.

Geography also is a plus for New Hampshire liquor sales. To get to Maine from Massachusetts, people pass through New Hampshire. The Portsmouth Liquor Store, which is along the route to Maine, accounts for $15 million in annual sales, or about 8.5% of the state's business, Mr. Herlihy says.

These built-in advantages assist the New Hampshire State Liquor Commission in its effort to garner the lion's share of the region's liquor business. And Mr. Herlihy has no intentions of leveling off the state's efforts to attract new customers.

"We are going to concentrate on the female market," he says, although no plans have been made. "In surveys we've done, we found they have greater control of discretionary spending. Also, women don't browse that much, they are more efficient shoppers."

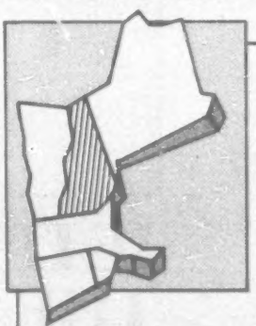
So for as long as Mr. Herlihy is in charge of promoting the state liquor business, New Hampshire will continue to try to be the bartender for New England's bargain hunters.

Liquor consumption in New England

Gallons of distilled spirits consumed per person

New Hampshire	4.59
Connecticut	2.46
Massachusetts	2.42
Vermont	2.31
Rhode Island	2.13
Maine	1.99
United States	1.84

Source: Most recent figures available (1984) from the Distilled Spirits Institute, Washington D.C.



New Hampshire

- The 1980 population total came to 920,610. Of that number, 4,324 are black, 5,248 are Hispanic.
- The top ethnic groups are French-Canadian (112,096), Irish (52,823) and German (20,150).
- The largest cities are Manchester, Nashua, Concord, Portsmouth, and Salem.
- The Portsmouth-Dover-Rochester, New Hampshire-Maine area, is rated third of the top 12 spots in the U.S. for dining out.
- With no income and sales tax in New Hampshire, residents carry the *lowest* yearly state tax burden of the 50 states—$77 per capita. Massachusetts residents pay $565 a year.
- The Connecticut River, which provides a natural border between Vermont and New Hampshire, is owned by New Hampshire—and it is responsible for its upkeep and cost.

Sources: 1980 Census Bureau, "Places Rated Almanac."

Ever heard of an ad agency that wanted to be judged on how much it returns on your investment?

Even some of the best agencies expect to be evaluated not on sales, but on the imprecise measurements of campaign awareness, salespoint playback or awards. But, in times of cost-accounting and cost-cutting, more top-management people want to *see* – not just sense – the results of ad expenditures. Which is where The DR Group comes in. We are one of the most complete and competent direct response agencies in the business. We put the proof of our abilities right on your bottom line. There's no place to hide in our business. The profits come in or the agency goes out. And it's all there in crisp, cold dollars and cents.

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Either way, if you've got a phone, we have one, too. Why not call Jim Schaefer (President) in New York or George Zahka (Chairman) in Boston.

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BOSTON GAS • AT&T COMMUNICATIONS • JOINT CENTER FOR POLITICAL STUDIES
BUREAU OF NATIONAL AFFAIRS • JOHNSON & JOHNSON • EXPLORATION CRUISE LINES

adWatch

(Continued from Page 4)

11.4%, Miller High Life with 9.1%, Miller Lite with 6.6% and Bud Light with 6.2%.

Despite multi-million-dollar ad spending and new campaigns in the soft-drink category, that segment, too, has seen little change in the past three months.

Pepsi had been losing ad awareness share to Coke during the last half of 1985.

But new ads featuring actors Michael J. Fox and Don Johnson and singer Glenn Frey boosted Pepsi's score 9.4 percentage points to 32.9% in February, allowing it to surpass Coke as the soft-drink category leader in advertising first mentions.

Last month, Pepsi's share dipped 2.6 percentage points to 30.8% of first mentions, not enough to be statistically significant, but just enough to edge it out as the advertising recall leader in the soft-drink category.

Coke gained 2.1 percentage points of ad recall in April to 33.8%, again not enough to be significant, but enough for the brand to regain the lead in soft-drink advertising first mentions.

No. 3 in ad recall in the soft drink category in April was 7-Up with 3.9%. Diet Coke followed with 2.9% and Diet Pepsi was fifth with 2.0%

The 10 best-recalled (unaided) ads in April were for, in descending order, Coca-Cola, McDonald's, Pepsi, Miller/Miller Lite, Budweiser/Bud Light, Burger King, Ford, Pampers, Tide and Chevrolet.

More than 56% of those queried answered "none" or "don't know" when asked to name the first ad they recalled having seen, heard or read in the previous 30 days.

In other news from the April adWatch survey:

- Johnson & Johnson's tamper-resistant replacement for Tylenol capsules—Tylenol caplets—made their first showing in last month's adWatch survey. Consumers named Tylenol caplets first 2.8% of the time.

Over-all, brand name Tylenol remained the leader in top-of-mind awareness among **medicine & drugs** with 37% of first mentions, up slightly over March. Bayer garnered 5.5% of first mentions; Advil, 5.4%; Anacin, 3.4% and Contac, 1.7%.

- Kodak gained 2.9 percentage points in the **camera** category in April, nabbing 22.6% of advertising first mentions on the strength of its VR-35 campaign, which broke March 24. Rival Polaroid on April 2 broke 100 days of heavy multimedia promotion for its new Spectra instant photography system, but that effort brought 8% of first mentions, an addition of only 1.9 percentage points from March, not enough to be considered statistically significant.

In the No. 2 slot was Canon, with 12.5% of first mentions.

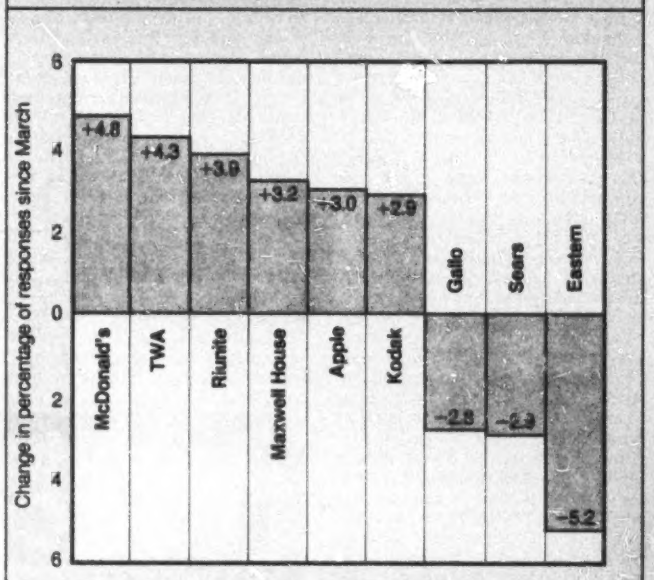
- In February, adWatch added a **credit card** category to its survey of advertising top-of-mind awareness. After three months on the survey, advertising for VISA leads the category in first mentions with 30.4%, MasterCard has 20%; American Express, 13.6%; Sear's Discover Card, 2.7%, and Americard, 1.6%.

- In the **wine** category, Riunite gained 3.9 percentage points to boost its score to 14.5% of first mentions, its highest share of first mentions. Gallo, on the other hand, lost 2.8 percentage points to drop its score to 7.5% of first mentions, its lowest score since last December. Advertising for Gallo's Bartles & Jaymes wine coolers remains in third place with 4.2% of first mentions. California Cooler popped into the top five for the first time since September with 1.8% of first mentions.#

For more information or data, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

April winners and losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 percentage points is statistically significant. Source: SRI Research Center Inc., Lincoln, Neb.



P&G shows teens with Crush

Shoots is a weekly report on recently produced commercials, listing the products, agencies and production houses.

Orange Crush from Procter & Gamble's Crush International, Cincinnati, will star in two new tv :30s in which teen agers urge one another to "peel me a Crush." For a sequence calling for a geyser of Orange Crush to spray from cans, director Andy Jenkins used a photosonic camera that shoots 2,500 frames a second. For another sequence in which a can bursts through a bucket of ice into a startled young man's hand, Mr. Jenkins used a special "bazooka-like rig with spring action." Creative team at Cunningham & Walsh, New York: Paul Schwartz, creative director; Jerry Rice, producer; Chip Lopez and Greg Flanagan, art directors, and Rob Goolrick and John Hahn, copywriters. Production credits at Jenkins Covington Newman, besides Mr. Jenkins: Stephen Cowell, executive producer, and Frank Nugent, producer.

Maybelline's Blooming Colors line of eye shadows and pencils is featured in a new :15 entitled "Pop-on Colors." It uses flashy sets, neon lighting and brightly hued clothes that complement the eye makeup colors. Creative team at Ted Bates Advertising/New York: David Sillon, creative director; Mary McInerney, producer; David Piatkowski, art director, and Sharon Glazer, copywriter. Production credits at Vorkapich/Lipson: Ed Vorkapich, director/cameraman. Also new from Mr. Vorkapich: A Woolite :30 from American Home Products' Boyle-Midway division. Set in a boutique full of sweaters and dresses bearing the "Trust Woolite" tag, the spot features playful dialog between a young woman trying on a sweater and her boyfriend. Creative credits at Cunningham & Walsh: Helene Balzarini, producer; Paul Schwartz, art director, and Steve Feinberg, copywriter.

CranFruit Sauce, a new product from Ocean Spray Cranberries, Plymouth, Mass., and Brownberry Milk and Honey bread, new from Arnold Foods Co., Greenwich, Conn., are featured in new test :30s produced by Southwest Productions at Duke City Studios, both Albuquerque. Agency and production credits were not given.

Elizabeth Arden Mousse Makeup stars in new tv and radio :30s. The "dreamlike" tv :30, entitled "Turns," shows a sophisticated woman appearing to float to the couch in her luxurious living room. Creative credits at Arden Advertising, New York, its house agency: Paulette DuFault, creative vp; Henry Lewis, art director; Robin Watt, copywriter, and Sue Forster, producer. Production credits: James Moore, director, James Moore Productions, and Suzanne Ciani, music composer, Ciani/Musica.

Peugeot Turbo 505 from Peugeot Motors of America, Lyndhurst, N.J., is put through some performance tests on a racetrack and highways to emphasize its engineering. Credits: Gary Baron, art director; Skip Allocco, producer/director, and Phil Kann, copywriter, all of Ogilvy & Mather, New York, with Madeline Wilson, editor, Jay Gold Films.

Public Broadcasting Service, Washington, has chosen Spotwise, Boston, to produce its 1986 promotional campaign. Marilyn McCoo and Billy Davis, once part of the Fifth Dimension, a 1960s rock group, will sing the "Tv Worth Watching" jingle theme, composed and arranged by Soundshop Productions.#

SHOOTS

Shoots is compiled by New York-based senior editor James P. Forkan.

Street Talk

The American Assn. of Advertising Agencies wants donations of prime time tv and drive time radio for its campaign against drug use. Will you make such time available and do you expect conflicts with other demands for public service time?

George Schweitzer, vp-communications, CBS Broadcast Group, New York: Last year, CBS donated $200 million worth of free time for hundreds of public service announcements. Many were related to drug and alcohol use, so we support the Four A's effort. Of course we can't use this campaign exclusively but we'll devote an appropriate amount of time for it. The only problem is they have a :30 spot and we only use :10s in prime time. We said, "Make some :10s and we'll use them," and we'll use the :30 in other dayparts.

G. SCHWEITZER

A. MAKUPSON

Amyre Makupson, public affairs manager, WKBD-TV, Southfield, Mich.: WKBD runs a minimum of 120 psas a week, and we're currently highly committed to anti-substance-abuse messages, including anti-alcohol. We get tons of requests for psa time, and we screen those to determine which are the most beneficial and which ones our general viewership will respond to. We give some prime time on a limited basis. If we can accommodate (the Four A's) we will, but nothing gets on without getting screened first.

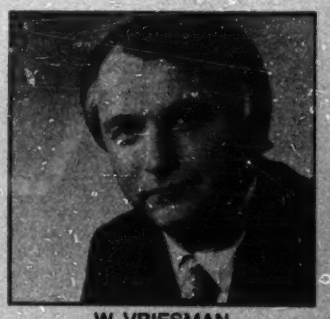
James Duffy, vp, Capital Cities/ABC, New York, and president-communications in the network & broadcast division: Capital Cities/ABC will do all it can to cooperate with the Four A's. At the same time, you are well aware that we have made a major commitment to mount a major campaign with the Public Broadcasting Service to combat adult illiteracy. . . . As we meet our needs for (Project Literacy U.S.), we will determine how best to accommodate requests such as the one the Four A's is making

J. DUFFY

R. TIMOTHY

Raymond Timothy, group exec vp, NBC-TV, New York: Drug abuse is a nationwide problem that needs addressing. NBC has met with a Four A's representative several times regarding their anti-drug campaign. We applaud their effort and look forward to working with them. We're now in discussion with the Four A's to see how we can work together to ensure the success of the campaign.

Wayne Vriesman, vp-general manager, WGN (am), Chicago: We could not add two minutes to our current prime time schedule. We all have our levels (of public service time), and in no way does that diminish our attempt to take on the problem. But we have to fit it in with demand for time from other well meaning organizations with campaigns in other areas of public concern. (As an all-talk station), we can talk to someone on a given subject and do more than a minute-structured spot can do. That's often more effective.


W. VRIESMAN

Advertising Age asks those who serve agencies and advertisers to share views on major advertising-related issues. If you want to be part of this weekly feature, you don't have to wait for the phone to ring. Send in your pithy comments—and a recent photo—to: Street Talk, Advertising Age, 220 E. 42nd St., New York 10017.

JUN 0 2 REC'D

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Monday, June 2, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

P&G, Colgate strike back

S&S/Bates deal triggers loss

By STEWART ALTER and NANCY GIGES

NEW YORK—The two clients that were central to conflict speculation arising from last month's $450 million Saatchi & Saatchi buyout of Ted Bates Worldwide apparently have voted against the deal.

Colgate-Palmolive, as expected (AA, May 12), has made its move, shifting $100 million in billings from the Bates side of the Saatchi network and splitting it between Young & Rubicam and Foote, Cone & Belding.

This departure—due to the superior weight of Saatchi's Procter & Gamble business—came as no surprise. But industry sources have told ADVERTISING AGE that P&G is preparing to take away a portion of its $173 million in billings at Saatchi.

It is not known whether Saatchi's DFS Dorland Worldwide, another shop that caused P&G to swallow hard when it was put together, will lose business.

Nonmerged agencies on P&G's roster are expected to benefit, with Leo Burnett Co. to be the biggest gainer. Burnett is scheduled to meet with P&G officials June 2.

A P&G executive told ADVERTISING AGE, "I wouldn't be surprised at some changes."

If the reports prove accurate, it could be the first time *both* clients entangled in a major account conflict moved business out of their agencies. The Colgate and P&G measures could be interpreted as a dramatic escalation of client unhappiness with megamerged agencies, although a P&G official went out of his way to deny that.

Around Cincinnati, the word is that P&G does not want the pending account shifts to look like a "public spanking." According to one P&G executive, "We've got to work with the agencies." P&G's thinking is said to follow this line: "To humiliate Saatchi would be dangerous and disruptive. They've got to continue to write ads. And taking away a big piece of the business would just make them mad at you. That would be dumb and we don't do dumb things."

Yet, other sources said a "slap on the wrist" is precisely what P&G wants to deliver. They verified reports that Robert Goldstein, vp-advertising, has made no secret of his anger in recent weeks. "Goldstein

(Continued on Page 90)

Last Minute News

Ayer snares $30M in Citicorp business

NEW YORK—Citicorp has assigned its first national consumer advertising account, estimated at $30 million, to N W Ayer. The decision follows a seven-month review that also included BBDO, Doyle Dane Bernbach, Lowe Marschalk and SSC&B:Lintas. Separately, Citicorp's Citibank subsidiary has dropped incumbent SSC&B:Lintas USA from the review for its $9 million northeastern consumer advertising account.

Upjohn's $5M account may be adrift

NEW YORK—Lowe Marschalk reportedly has resigned its $5 million Upjohn account—including Cortaid, Kaopectate and new products—in anticipation of new business. An Upjohn spokesman denied an agency review is under way and said the Kalamazoo, Mich.-based company had not been formally notified of a resignation. Marschalk had no comment.

Agencies seek Entre for $6M in advertising

VIENNA, VA.—Entre Computer Centers, the U.S.' second-largest franchiser of computer retail stores, has dismissed DFS Dorland Worldwide.

(Continued on Page 8)

New co-op to buy media

By VERNE GAY

NEW YORK—A newly formed media-buying cooperative does not yet have a name or an office or even an official client roster, but it already may be bad news for ad agencies.

The unique cooperative was announced last week by Ralston Purina Co. ad executive William Claggett and media/marketing consultant Herb Zeltner.

The co-op is expected to open with as much as $450 million in media billings, and it could be much more (AA, May 26).

Clients will have an ownership position in the co-op. Although no major advertisers have signed on yet, discussions are under way with a "major brewery and a major automotive company," Mr. Zeltner said.

According to sources, executives from Adolph Coors Co., Golden, Colo.; Ford Motor Co., Dearborn, Mich.; RJR Nabisco, Winston-Salem, N.C., and Ralston Purina, St. Louis, participated in the development stage of the co-op's business plan. But it was not known whether any of those companies would become actual members of the co-op. Mr. Zeltner would not confirm or deny that executives from these companies had been working with his new company.

If those advertisers were to take a position in the co-op and give it all their media buying, the operation would be handling more than $1.5 billion in billings. The entire independent media-buying-services industry currently handles about $2 billion in spending.

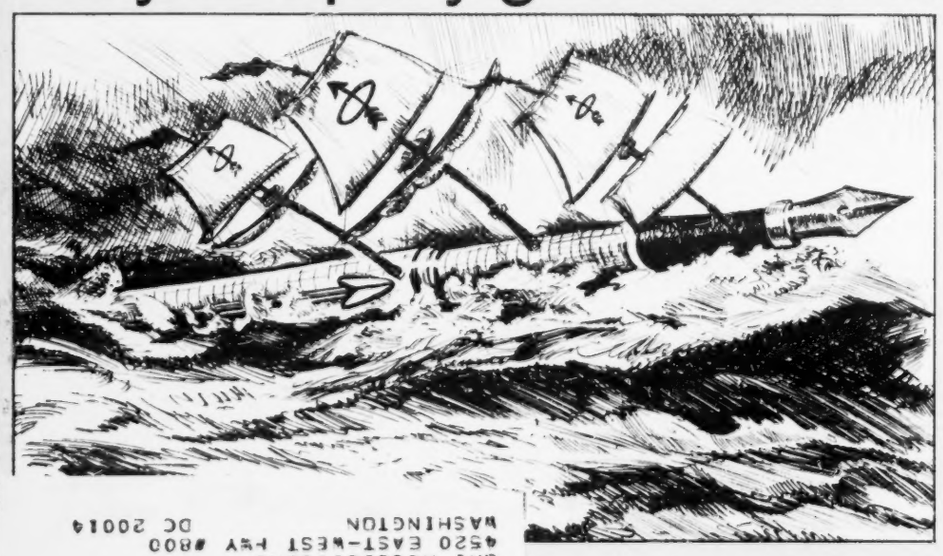
In theory, the co-op's immense buying power would give it an advantageous bargaining position and would reap savings for its client-partners.

Agency reaction to the new media co-op was generally subdued—though uniformly negative—pri-

(Continued on Page 90)

Parker Pen: What went wrong?

Why company global marketing plan foundered



By JOSEPH M. WINSKI and LAUREL WENTZ

JANESVILLE, WIS.—They gathered in the winter of 1984, uprooting families, abandoning secure jobs.

Richard Swart came from 3M in Minneapolis in January. Jack Marks followed in February from Gillette in Boston. Carlos Del Nero arrived two days later from Fisher-Price in New York.

Their leaders already were in place: James Peterson, a veteran from Pillsbury and R.J. Reynolds Industries, and Manville Smith, another 3M alumnus.

Individually they were some of the best and brightest minds of international marketing; collectively they were one of the most formidable teams of global business thinkers ever assembled.

What lured them to this sleepy little town in dairy country was a once-in-a-career opportunity. Janesville-based Parker Pen Co. planned to launch a global-marketing effort of perhaps unprecedented scope.

It was in some respects a quixotic venture. Parker Pen never had spent more than $20 million a year for advertising, and sales of the company's writing instruments never had topped $225 million—hardly the resources for mounting a big global assault.

But it was the sheer ambition of the effort, and its potential

(Continued on Page 60)

NEWSPAPER

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HIGHLIGHTS

New idea in media buying 1
A newly formed media-buying cooperative already may be bad news for ad agencies. The co-op is expected to open with as much as $450 million in media billings.

Global marketing on the prairie 1
They were one of the most formidable teams of global business thinkers ever assembled. What lured them to this sleepy little town in dairy country was a once-in-a-career opportunity. Janesville-based Parker Pen Co. planned to launch a global-marketing effort of perhaps unprecedented scope. ADVERTISING AGE looks at what happened, and why.

Spectra struggles 3
Polaroid Corp.'s new Spectra may be an instant success in camera stores but the photography system's over-all retail strength is developing slowly. A $40 million ad campaign backing the camera has been undercut by distribution delays that have forced retailers to ration film and hold off on tie-in promotions.

New horizons for Interpublic 6
Negotiations are under way that, if successful, would add the Interpublic Group of Cos. to the ranks of mega-agencies that are expanding their business beyond advertising.

Tampon market revives 12
The $409 million tampon market, suffering since 1980 from links to toxic shock syndrome, is now seeing signs of unit growth again. Over-all unit sales were up 5% to 3.7 billion in 1985.

Stroh branches out 24
With entries into the cooler, nonalcoholic malt beverage and juice-added soft-drink categories, Detroit-based Stroh Brewery Co. is committing itself to becoming a broad-based beverage company, growth-oriented but less dependent on increasing its share of the flat domestic beer market.

Bic fires up lighter pitch 37
Bic Corp. is continuing its assault on the lighter market with an $8 million-to-$9 million advertising and promotion budget this year. Some 60% of that spending will go to the new Mini-Bic, a small disposable that fits into a cigaret pack.

FEATURES

They reign in Spain 38
Jose Luis Zamorano, Luis Casadevall and Jose Maria Lapena rank among the hottest creatives in Spanish advertising.

A multi-talented pair 40
Englishmen Kevin Godley and Lol Creme are known to the American ad business, if at all, as the rock duo who dented the charts with such ingratiating platters as "An Englishman in New York," "Wedding Bells" and, most recently, "Cry." But how many people are aware that the

Godley

Creme

first and, until now, *only* commercial directed by this musical double act, Wrangler jeans' "Frozen Images" (1981), became one of the most lauded advertising films in the history of the business, carrying off top prizes at the British Television Awards, the Cannes Festival and the Design and Art Directors Awards?

CORPORATE CLOSEUP

Royal Crown fights back 4
Soft-drink industry pundits have all but written off feisty Royal Crown Cola Co. as a contender in the $16.4 billion cola wars. They say recent buyout proposals of Seven-Up Co. by PepsiCo and of Dr Pepper Co. by Coca-Cola Co. will create a virtual lock on the market. But RC hopes to increase its share of the total soft-drink market, though executives admit they have no chance of beating Coca-Cola and Pepsi. Rather, an improvement in profits, awareness and distribution for the RC brands are RC's primary goals.

INTERNATIONAL

Yes, Giorgio's expanding 58
Giorgio, the best-selling upscale perfume that sells for $150 an ounce, is launching an ambitious worldwide expansion and plans to double its current 55 outlets by yearend. This year's plans include entering markets in several European countries and Australia and expanding distribution in Canada.

Maestro at work 59
Conversations with people who have worked on ads with Federico Fellini, the eccentric Italian film director, indicate that working with *Il Maestro* is tense, restive, charming—and expensive. But there is also a bonus—the campaign attracts more attention than it otherwise would.

Opening up China 59
It is the first time that a Western-style, full-service agency—licensed by the Chinese government to operate anywhere in the country—will open up in China. That's what Alexander Brody, president and ceo of DYR Worldwide, is claiming about his newest joint venture—DYR Advertising Company Ltd., which opened its doors June 1 in Beijing.

OTHER NEWS

Colgate-Palmolive is banking heavily on the use of the well known Palmolive name in this summer's rollout of its new liquid automatic-dishwashing detergent. Page 3.

Business Publications Audit of Circulation this year will begin an audiovisual program to educate media planners and space reps on interpreting a business press circulation audit. Page 4.

Consumers want supermarkets to take a bigger role in providing single-stop shopping, a Food Marketing Institute survey indicates. Page 12.

Mergers among the largest agencies have focused attention on the problem of account conflicts. But mergers among agencies of any size are fraught with difficulties that have nothing to do with conflicts. Page 36.

McDonald's Corp.'s annual meeting May 23 combined a 20th anniversary celebration of the company's listing on the New York Stock Exchange with some barbs at its competitors and indications that it does not plan to alter its marketing strategy of emphasizing "the basics." Page 79.

National Journal Inc. is counting on cash infusions from its new owner, Times Mirror Co., to launch new, ad-supported publications to reach its target audience of political movers and shakers. Page 84.

Minneapolis and San Francisco shops dominated the 10th annual One Show Awards. Page 88.

Bacardi Imports is testing a new dark rum that will go up against longtime segment leader Myers's Original Dark Rum. Page 88.

CAMPAIGNS BREAKING

Bally Corp., Chicago, today breaks a 30-second spot promoting Splashwater Falls, a water ride at its Six Flags Great America, Gurnee, Ill., and Six Flags Over Georgia, Atlanta, theme parks. The spot will run in Illinois and Georgia markets with the theme "A ride for those who were born to get wet" (AA, May 19).

SPECIAL REPORT

Italy is noted for its food, fashion and fast cars. Now its ad community is putting the southern European nation on the map. Designers of ads, cars, furniture and clothes take the spotlight in Special Report.

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Chevy deserts Monday football

By ROBERT RAISSMAN

General Motors' Chevrolet division last week pulled out of ABC-TV's "Monday Night Football" for 1986, just a month after ABC reportedly spurned GM's $43 million offer to be the exclusive domestic auto in the network's coverage of the 1988 Winter Olympic Games.

Chevy, which held the "Monday Night Football" domestic auto exclusivity or shared it with other GM divisions since 1979, walked away from what would have been at least a $25 million commitment this fall.

ABC vp-sports sales Larre Barrett said Ford Motor Co., Chrysler, Buick and Pontiac have taken positions in the football broadcasts. A fifth domestic auto is being

(Continued on Page 93)

Daytime here early in upfront

By VERNE GAY

NEW YORK—It wasn't supposed to happen for at least two months, but the daytime upfront market has started moving.

Several advertisers last week were making requests to network executives for upfront daytime packages, with deals expected to be made as early as this week.

Upfront buying involves purchasing tv inventory months in advance of scheduled airing.

The flurry of activity was completely unexpected in most quarters. Daytime remains the softest daypart in network tv and there has been little impetus in the buying community

(Continued on Page 93)

West Coast news

Seafood chain taps Cochrane

Seafood Broiler Restaurants, Los Angeles, hired Cochrane Chase, Livingston & Co., Newport Beach, Cal., to succeed Scott Lancaster Mills Atha, Los Angeles, as its agency following a review. Contenders for the 23-restaurant chain's $1.5 million account included Keye/Donna/Pearlstein, Kresser, Craig/D.I.K. and Mendelsohn/Zien, all Los Angeles.

Akai America Ltd., Compton, Cal., named Klein/Richardson,

(Continued on Page 93)

Special Report

Ad community toasts emerging creativity

By R. Craig Endicott
and Cecelia Reed

After years of advertising that might as well have been stamped "Made Elsewhere," Italy's ad community has found its creative voice. It bespeaks the quality that underlies the nation's noted excellence in making food, fashion and fast cars, and reflects the Italian market's stable, though tightening economy.

Ad spending has been climbing in Italy, but the annual percentage increase declined. The resulting budgets, added to excessive tv ad clutter and growth in other advertising media, have ignited the need for greater creativity.

Total ad spending in Italy in 1986 is an estimated $2.67 billion, a 9.9% increase over 1985, according to ASSAP, the Italian agency association. Total ad spending in 1985 of $2.43 billion was up 14.6% from 1984, a 19.1% increase from 1983.

Economic expansion, which has stimulated advertising, spawned growth in Italian tv, which was cut loose from state control in the late 1970s. This growth, encouraged by regulatory oversight, has led to a profusion of commercials. The need to overcome such clutter has spurred shops, including RSCG Mezzano Costantini Mignani, STZ and Testa, Pella, Rossetti, Milan, to create advertising that stands out and is distinctly Italian to boot.

Legislation is pending to eliminate advertising clutter on state-run tv station RAI and the private stations. RAI has tried to diffuse the clutter by airing commercials in non-prime-time blocks; the national private stations, Canale 5, Italia 1 and RETE 4, have not.

Another problem for advertisers has been the confusion of media rates and prices. This unevenness has fostered the emergence of 14 independent media buying companies that sell media at discount prices. Recently, eight leading agencies formed their own group, Cristallo, to

(Continued on Page S-6)

Inside:

STZ uses touch of absurd
Page S-2
Milan shop makes product the star
Page S-2
Consumers have designs on Italy
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Exports fashion strong industry
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Memphis reflects modern world
Page S-4
Guigiaro leaves mark on autos
Page S-6

Giugiaro leaves his mark on world's autos

By Claire Wilson

Twelve million of his cars, including Volkswagen Rabbits and Lotus Esprits, are on the road today. He has a taxi design in New York's Museum of Modern Art, and his signature is on the only designer pasta that exists.

With all this to his credit, one might expect Italian industrial designer Giorgetto Giugiaro to take some time off—a minute perhaps to collect his thoughts or half an hour for lunch without the telephone ringing.

But slow is not Mr. Giugiaro's style. Seated in a conference room in the sleek headquarters of his company, Ital Design, in an industrial park on the outskirts of Turin, Mr. Giugiaro's repartee is a flow of one idea after another. He talks excitedly and jokes frequently, making sketches on a notepad to illustrate his point.

How busy is he? An aide jokes that the only successful meetings he can manage with the head man are running from his office to the model room.

"It's a long haul and he has no choice but to listen," the aide shrugs. "It's the only way."

Apparently, this pace is status quo for Mr. Giugiaro, the 48-year-old son of a Piedmontese fresco painter. With his northern Italian polish and good looks, he has the air of a person who rarely gets nervous about anything—as long as things move along quickly enough. Watching Mr. Giugiaro, the designer of the Fiat Uno and the Renault 5 as well as a Nikon camera and a Seiko watch, it is clear he and the group at Ital Design thrive on such a pace. "We are like a jet. If we don't stay at 1,000 kilometers, we go down," he says.

Anyone who follows car design knows his career is only picking up speed. In its third annual 10 best issue last year, *Car and Driver* magazine called Mr. Giugiaro "the world's best living automotive designer." Aldo Mantovani, Mr. Giugiaro's technical collaborator for almost 20 years, says the two now are working as they never have before. "At this point, Giugiaro is giving the best of himself," Mr. Mantovani says.

Some of that best is Detroit-bound. Like countryman Sergio Pininfarina, the designer of the recently unveiled Cadillac Allante, Mr. Giugiaro is at work on projects for the U.S. One is a midpriced, two-seater sports car for Ford that should be introduced in the late 1980s. The other projects have not been made public.

Mr. Giugiaro is much praised for his ability to create beautiful cars known for space and cost efficiency. He boasts he can engineer a prototype and calculate the man-hours needed to produce the car. He considers it part of Ital Design's service.

Giorgetto Giugiaro, who designed the Ibiza, believes in breaking rules in his designs.

Mr. Giugiaro got his start in automotive design at the age of 17 when he went to work at the Fiat styling center after graduating from the Turin Academy of Fine Arts. In 1959, he joined Carrozzeria Bertone, a car design studio, and in 1968, he was appointed director of the Ghia styling and prototype center in Turin. He founded Ital Design with his two partners, Mr. Mantovani and Mario Maioli, that year.

Ital Design was among the first to offer design engineering, prototype construction, final assembly process and manufacturing study in addition to presentation, model styling and construction services traditionally offered by such design studios.

Among Mr. Giugiaro's greatest successes are the Volkswagen Dasher and the original VW Scirocco, the Delta, Thema and Prisma for Lancia, the Fiat Panda and the Uno. There are 1.5 million Unos on the road and, according to Mr. Maioli, Fiat styling director, such cars are where Mr. Giugiaro exerts his real talent for innovative automotive design. "Smaller cars really allow him to express his creativity," Mr. Maioli says.

Critics of industrial design concur that Mr. Giugiaro makes beautiful cars, at any price. "He is a master of aesthetics and proportion," says Nigel Chapman, head of Transport Design at London's Royal College of Art. "He is a visionary in terms of analyzing new developments in cars, but his most extraordinary quality is his versatility."

Mr. Giugiaro might well be one of the most versatile designers to come down the pike. He is also responsible for the Alfa Romeo Alfasud, the Audi 4000, the Ferrari 250GT and the Maserati Bora.

His name is a selling point in TBWA Advertising's European campaign for the Spanish SEAT Ibiza, which he designed, and a prototype he did was the forerunner to such people carriers as the Renault Espace, the Nissan Prairie and the Honda Shuttle.

Ital Design turns out about 20 car designs a year, but Mr. Giugiaro has several other outlets for his creative energy. The pasta he designed was for Naples-based pasta maker Voiello, and it was the first new pasta shape in 50 years. Under a separate design division, Giugiaro Design, he has created a line of men's clothing for the Seiko Group in Japan, interiors for Agusta Helicopters, Parker Pens, office furnishing for Tecno, major appliances for Candy and a Necchi sewing machine.

His reputation for solving design problems is evident in a Seiko watch with a slanted crystal, so drivers don't have to strain to read it, and his design for the Nikon F3 camera where he put the motor on a slant for better balance.

Mr. Giugiaro, who is married and has two children, allows that he may be a little impulsive, but not being afraid to take design risks is part of his success. It is in that way the partners complement each other, according to Mr. Mantovani. "He's the one who says, 'Let's take the chance,'" the associate says. "And I say, yes, but . . . ."

Mr. Giugiaro already has experience in Detroit and does not expect to exercise any caprices with the big three U.S. auto makers. He lets on that Detroit's consumer pretesting of designs can be nerve-racking to the designer of the cars of the future, but he views it as a test of sorts for himself.

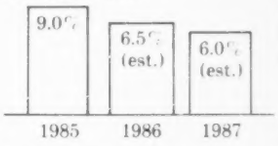
"I know that when one of my designs is accepted by the consumer panels," he says, "it is already obsolete and I have to get back to work." AA

Italy facts

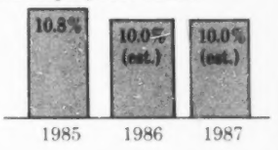
Population (000,000):
Total: 56.874
0-14: 11.311 25-44: 15.312
15-24: 8.905 45-64: 13.742
65 and over: 7.603

Real GDP growth (per annum.):

Inflation rate:



Unemployment rate:



Television sets: 13.8 mil.

Political outlook/risk:
The center-right coalition under some threat from midyear. Trend is for Communists to try a moderate "new look."

Economic forecast:
Modest recovery highlighted by falling oil prices, easing of credit and modest gains in investment, private consumption and production. Unemployment to remain stable; consumer prices to fall slightly.

Free market attitude:
Generally favorable and officially supported.

Foreign investment:
Very favorable; generous investment incentives open to foreign firms wishing to invest in the lesser developed areas of the south and Sicily.

Source: Business International Corp.

Toasts creativity

(Continued from Page S-1)

combat this encroachment.

The feverish merger activity affecting major advertisers and agencies on a global basis has company in Italy, particularly in the foreign-dominated agency business.

Of the 36 Italian agencies reported in the April 21 Advertising Age Foreign Income Report, only six were independent of either affiliation status or ownership from abroad. The affiliated shops accounted for $1.15 billion in billings in 1985, or 47.3% of the national ad pie.

The top three agencies are McCann-Erickson Italiana, J. Walter Thompson Italia and Foote, Cone & Belding, all U.S.-based.

The decline in oil prices should give Italy's economy an extra boost this year. Its gross domestic product, initially forecast to grow 2.0% in 1986 when oil prices were more than $25 a barrel, instead should hit 3.0% now that prices have dropped to less than $18 a barrel. This compares with 2.5% growth in 1985 when oil prices were higher. Oil is by far Italy's major import commodity. The country's economic fortunes also hang on internal developments in two major export markets--the U.S. and West Germany.

After years of soaring inflation, Prime Minister Bettino Craxi's Socialist government has brought inflation to 9% at the start of this year from 16% in 1983.

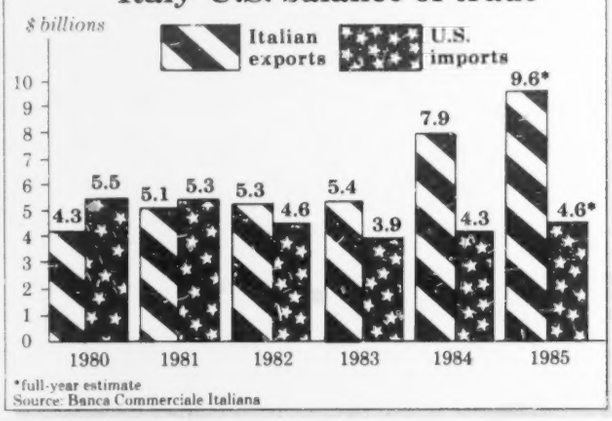
An annual reading of 6.5% to 7% is predicted by yearend. Unemployment remains a relatively stable 10%.

Italy's trade deficit continues to be nettlesome as imports are expected to grow 6% while exports increase 5%, predicts Business International Corp., New York, an international business consulting company, which notes those percentages are subject to change depending on oil prices. Italy had a $6.3 billion trade deficit in 1985. Should the depreciation of the dollar continue through 1986, however, Italy's balance-of-payments deficit could improve, according to Business International reports.

Lower inflation and an estimated 9% rise in wages (only a 1% increase in real wages) is not expected to stimulate the economy internally in 1986.

This economic leveling off will be reflected on the agency side. Italy's seventh largest agency, Ata Univas, for example, sees an increase of only 3.5% in billings in 1986, compared with 7.1% and 11% gains in 1985 and 1984, respectively, during more heady periods of economic and advertising growth. AA

Italy-U.S. balance of trade



*full-year estimate
Source: Banca Commerciale Italiana

Managing editor Cecelia Reed coordinated this report on Italy.

Coming
Next week Advertising Age's Special Report will focus on **Licensing.**

Newspaper Advertising MRCS/SAU Inches

March 1986 vs. March 1985

AKRON, OH

	1986 Full Run	1986 Part Run	1985 Full Run	1985 Part Run
Beacon Journal (E)	82 216	37 833	88 297	22 469
Beacon Journal (S)	81 075	32 195	91 527	12 142
Grand Total	163 291	70 028	179 824	34 611

NOTE: Part run figures supplied by publisher to Media Records.

ATLANTA, GA

Constitution (M)	170 766	64 430	179 143	39 317
Journal (E)	167 270	65 209	176 962	39 315
Journal & Constitution (S)	145 561	26 322	159 276	69 697
Journal & Constitution (Sat)	47 979	—	47 416	—
Grand Total	531 582	205 961	562 797	148 329

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

News American (S)	29 099	12 584	32 929	10 596
News American (E)	34 805	6 289	36 436	5 245
Sun (M)	116 412	4 080	109 863	3 366
Sun (E)	90 268	4 080	84 874	3 366
Sun (S)	156 348	46 082	166 718	39 348
Grand Total	426 932	73 115	435 820	61 921

BERGEN COUNTY, NJ

Record (E)	142 387	18 263	142 432	20 301
Record (S)	146 589	45 852	168 025	36 480
Grand Total	288 976	64 115	310 457	56 781

NOTE: Record Evening published five days a week only.

BOSTON, MA

Herald (M)	56 563	—	45 132	—
Herald (S)	19 142	41 021	19 912	31 809
Globe (M)	134 462	10 559	130 057	8 959
Globe (S)	208 584	73 641	203 723	25 021
Grand Total	418 756	85 221	398 824	65 789

BUFFALO, NY

News (AD)	107 605	15 725	106 905	12 292
News (S)	82 716	14 468	73 607	10 840
Grand Total	190 321	30 193	180 512	23 132

CAMDEN, NJ

Courier Post (E)	130 097	18 508	109 966	20 245
Courier Post (S)	67 440	11 286	63 131	5 771
Grand Total	197 537	29 794	173 097	26 016

CHARLOTTE, NC

News (E)	—	—	72 678	—
Observer (M)	119 395	—	119 382	—
Observer (S)	89 840	—	81 784	—
Grand Total	209 235	—	273 844	—

NOTE: News Evening ceased publication November 1, 1985. Part run figures not available.

CHICAGO, IL

Sun-Times (M)	134 173	84 416	121 274	60 824
Sun-Times (S)	76 259	28 064	72 139	50 077
Tribune (M)	119 618	253 731	128 745	220 109
Tribune (S)	117 092	72 101	132 517	88 049

NOTE: Tribune figures supplied by publisher to Media Records. 1986 figures represent advertising for 3/1/86 to 3/30/86. Tribune All Day changed to Morning publication effective August 19, 1985.

CINCINNATI, OH

Enquirer (M)	154 371	7 205	151 227	6 539
Enquirer (S)	157 727	13 893	156 200	8 092
Post (E)	71 503	20 153	73 035	34 005
Grand Total	376 541	40 251	380 462	47 636

CLEVELAND, OH

Plain Dealer (M)	135 128	32 925	132 549	23 519
Plain Dealer (S)	130 584	2 212	135 269	6 693
Grand Total	265 712	35 137	267 818	30 212

DALLAS, TX

News (M)	300 068	11 884	310 604	13 645
News (S)	205 765	18 968	210 076	11 430
Times Herald (AD)	230 176	33 129	259 296	16 307
Times Herald (S)	147 613	20 584	157 567	14 949
Grand Total	683 642	84 565	937 543	56 831

DENVER, CO

Rocky Mt. News (M)	260 919	4 707	294 117	1 456
Rocky Mt. News (S)	99 311	2 154	108 569	1 219
Post (M)	191 032	7 646	172 216	11 262
Post (S)	136 054	1 267	137 224	1 770
Grand Total	687 316	15 774	712 126	15 707

DETROIT, MI

Free Press (M)	102 141	28 038	94 420	33 041
Free Press (S)	56 151	28 732	53 227	33 607
News (AD)	139 371	45 641	131 368	34 311
News (S)	105 477	33 164	103 184	29 720
Grand Total	403 130	135 575	382 695	130 679

FORT LAUDERDALE, FL

News & Sun Sentinel (S)	127 848	—	151 021	—
Sun Sentinel (M)	318 396	—	341 179	—
Grand Total	446 244	—	492 200	—

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

Journal Gazette (M)	65 882	—	63 724	—
Journal Gazette (S)	80 399	—	77 620	—
News Sentinel (E)	72 506	—	74 419	—
Grand Total	218 787	—	210 763	—

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

Time (E)	74 498	979	78 348	548
Time (S)	71 285	—	69 198	—
Advocate (E)	97 662	7 674	101 766	1 667
Advocate (S)	69 387	314	71 122	—
Grand Total	312 832	8 967	320 434	2 215

HARTFORD, CT

Courant (M)	148 855	29 431	135 127	24 588
Courant (S)	90 717	138 538	93 813	128 402
Grand Total	239 572	167 969	228 940	152 990

HONOLULU, HI

Advertiser (M)	116 253	—	111 127	—
Star Bulletin (E)	110 624	—	101 455	—
Star Bulletin & Advertiser (S)	84 927	—	88 235	—
Grand Total	311 804	—	300 817	—

HOUSTON, TX

Chronicle (AD)	233 658	37 949	291 553	34 325
Chronicle (S)	141 712	28 591	164 432	43 484
Post (M)	167 495	29 593	182 484	36 919
Post (S)	91 622	28 961	88 312	55 488
Grand Total	634 487	124 094	726 781	170 216

LONG BEACH, CA

Press Telegram (M)	102 799	39 678	93 508	—
Press Telegram (S)	62 807	4 108	66 539	—
Grand Total	165 606	43 786	160 047	—

NOTE: 1985 Part run figures not available.

LONG ISLAND, NY

Newsday (E)	140 600	76 068	175 371	46 637
Newsday (S)	105 582	81 088	112 978	85 361
Grand Total	246 182	157 156	288 349	131 998

LOS ANGELES, CA

Times (M)	276 474	257 863	301 328	282 905
Times (S)	195 575	104 975	209 733	99 565
Herald Examiner (M)	53 465	9 174	58 340	12 905
Herald Examiner (S)	17 403	8 653	15 467	10 466
Grand Total	542 917	390 665	584 868	405 839

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	188 085	29 275	191 479	25 768
News (S)	93 924	4 439	98 685	10 346
Grand Total	282 009	33 714	290 164	36 114

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	212 626		203 699	
Grand Total	212 626		203 699	

NOTE: Figures supplied by publisher to Media Records.

*LOUISVILLE, KY

Courier Journal (M)	88 598	34 032	98 426	36 932
Courier Journal (S)	76 413	77 407	72 515	82 963
Times (E)	83 936	70 299	95 086	53 839
Grand Total	249 947	181 738	266 127	173 734

NOTE: Figures supplied by publisher to Media Records.

*MEMPHIS, TN

Commercial Appeal (M)	119 287	82 099	124 172	85 327
Commercial Appeal (S)	104 903	10 247	92 885	10 633
Grand Total	224 190	92 346	217 057	95 960

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	163 459	—	173 986	—
Herald (S)	108 321	—	119 885	—
News (E)	64 400	—	67 103	—
Grand Total	336 180	—	360 974	—

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	104 534	19 059	102 505	19 561
Star & Tribune (S)	153 687	3 394	159 133	2 404
Star & Tribune (Sat)	28 196	—	30 058	—
Grand Total	286 417	22 453	291 696	21 965

*NASHVILLE, TN

Banner (E)	106 746	—	106 218	—
Tennessean (M)	107 546	—	109 348	—
Tennessean (S)	100 387	—	108 280	—
Grand Total	314 679	—	323 846	—

NOTE: Figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	82 154	2 900	79 679	—
Home News (S)	82 883	1 664	79 057	2 209
Grand Total	165 037	4 564	158 736	2 209

NEW YORK, NY

Times (M)	164 247	13 911	163 297	14 255
Times (S)	232 515	120 762	242 909	111 203
News (M)	56 260	86 859	58 846	106 989
News (S)	39 980	88 700	37 415	92 293
Post (AD)	52 231	1 557	55 854	1 145
Grand Total	545 233	311 869	558 321	325 885

NEWARK, NJ

Star Ledger (M)	191 744	6 210	189 535	5 531
Star Ledger (S)	201 677	23 810	208 403	31 060
Grand Total	393 421	30 020	397 938	36 591

OAKLAND, CA

Tribune (M)	76 985	84 367	80 710	47 590
Tribune (S)	43 386	37 445	59 542	41 167
Grand Total	120 375	121 812	140 252	88 757

OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY

Blade Tribune (E)	82 637	2 973	—	—
Blade Tribune (S)	54 887	—	—	—
Grand Total	137 524	2 973	—	—

NOTE: Blade Tribune Evening published five days a week only. 1985 figures not available.

ORANGE COUNTY, CA

Register (AD)	288 845	74 843	293 967	71 981
Register (S)	136 255	10 633	152 598	6 638
Grand Total	425 100	85 476	446 565	78 619

PHILADELPHIA, PA

Inquirer (M)	153 036	35 905	159 600	49 313
Inquirer (S)	142 045	56 328	142 640	54 273
News (E)	77 217	9 468	77 309	8 095
Grand Total	372 298	101 701	379 549	111 681

*PHOENIX, AZ

Arizona Republic (M)	293 983	13 172	282 028	15 953
Arizona Republic (S)	190 664	—	189 528	—
Gazette (E)	283 101	13 241	268 619	18 752
Grand Total	767 748	26 413	740 175	34 705

NOTE: Figures supplied by publisher to Media Records.

*RIVERSIDE, CA

Press Enterprise (M & S)	257 242	14 848	233 253	14 805
Grand Total	257 242	14 848	233 253	14 805

NOTE: Figures supplied by publisher to Media Records.

*ST. LOUIS, MO

Post Dispatch (M)	104 518	39 913	94 455	32 362
Post Dispatch (S)	138 410	598	144 007	—
Grand Total	242 928	40 511	238 462	32 362

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	84 450	—	91 718	—
Pioneer Press Dispatch (S)	114 573	—	117 749	—
Grand Total	199 023	—	209 467	—

NOTE: Part run figures not available.

SAN ANTONIO, TX

Express News (AD)	126 230	30 739	131 828	11 483
Express News (S)	111 266	27 193	120 664	14 955
Express News (Sat)	47 455	—	49 409	—
Light (AD)	118 298	32 943	118 516	26 514
Light (S)	100 258	16 867	100 429	25 385
Light (Sat)	40 300	—	43 384	—
Grand Total	543 807	107 742	564 230	78 337

NOTE: Express News All Day and Light All Day published five days a week only.

SAN DIEGO, CA

Union (M)	211 578	21 944	217 340	20 145
Union (S)	139 245	—	150 102	—
Tribune (E)	214 099	22 558	215 382	25 642
Grand Total	564 922	44 502	582 824	45 787

SAN FRANCISCO, CA

Chronicle (M)	125 606	71 922	127 677	52 986
Examiner & Chronicle (S)	89 155	39 879	88 373	55 284
Grand Total	214 761	111 801	216 050	108 270

SAN JOSE, CA

Mercury News (AD)	281 223	24 738	274 309	26 569
Mercury News (S)	167 726	—	181 425	1 760
Grand Total	448 949	24 738	455 734	27 829

SHREVEPORT, LA

Journal (E)	85 047	4 114	79 247	4 047
Times (M)	106 825	15 996	106 292	12 218
Times (S)	77 942	7 053	79 673	9 703
Grand Total	269 814	27 163	265 212	25 968

*STATE COLLEGE, PA

Centre Times (E)	75 963	542	84 607	9 079
Centre Times (S)	41 214	405	35 912	542
Grand Total	117 177	947	120 519	9 621

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

Herald Journal (E)	80 348	31 091	82 198	23 191
Herald American (S)	52 296	46 164	61 149	29 872
Post-Standard (M)	78 587	32 790	74 969	28 163
Grand Total	211 231	110 045	218 316	81 226

*TAMPA, FL

Tribune (AD&S)	284 310	112 340	342 750	101 569
Grand Total	284 310	112 340	342 750	101 569

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	87 924	—	84 261	—
Blade (S)	104 528	—	96 371	—
Grand Total	192 452	—	180 632	—

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

Post (M)	265 272	42 887	273 367	41 762
Post (S)	168 743	36 717	183 782	31 238
Grand Total	434 015	79 604	457 149	73 000

WASHINGTON, DC SUBURBAN GROUP

Alexandria Journal (M)	70 790	369	66 353	—
Prince George's Journal (M)	58 952	227	57 822	1 668
Montgomery Journal (M)	61 128	766	56 175	1 668
Fairfax Journal (M)	72 666	2 326	68 836	870
Arlington Journal (M)	70 483	369	66 553	518
Grand Total	334 019	4 057	315 739	4 724

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	77 646	13 196	77 073	14 044
Reporter Dispatch (S)	90 883	18 441	84 227	21 002
Grand Total	168 529	31 637	161 300	35 046

WICHITA, KS

Eagle Beacon (M)	109 353	—	115 934	—
Eagle Beacon (S)	76 742	—	84 294	—
Grand Total	186 095	—	200 228	—

NOTE: Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in image but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

Monday, June 9, 1986

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Clients' 'retaliation' increases

Mars joins conflict watchers

An Advertising Age roundup

Mars Inc.'s longtime U.S. relationship with Ted Bates Advertising has come "under study" in the latest example of growing opposition by major advertisers to the recent agency megamergers.

The opposition, focused on a variety of new account conflicts, ranges from strong statements of concern or displeasure to switching of accounts.

In making its case against agency megamergers that create new account-conflict problems, Procter & Gamble last week began rewarding its nonmerging agencies. And Mars Inc., along with expressions of concern over U.S. conflicts arising out of the Bates-Saatchi & Saatchi deal, gave an as-yet-unknown assignment to Grey Advertising in London.

Other anxious or angry clients are General Mills, RJR Nabisco and Colgate-Palmolive.

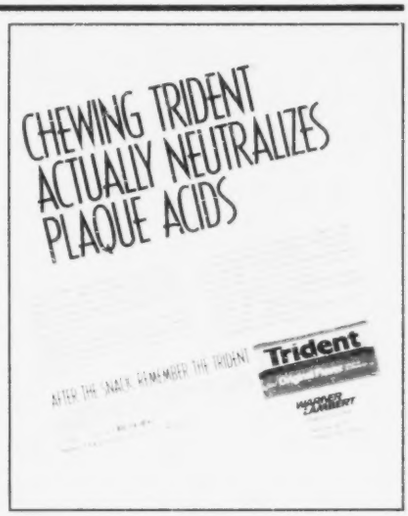
Their responses to date, and those expected to come, are a far cry from the votes of confidence the megamerged agencies had anticipated. The belief that a more relaxed attitude about account conflicts was evolving in the wake of the big mergers has begun to evaporate.

That client qualms are progressively becoming less private was evident when P&G seized the initiative by reassigning some of its newly acquired brands (AA, June 2). Cincinnati-based P&G gave new pieces of business to Wells, Rich, Greene (Oil of Olay), Leo Burnett Co. and Tatham-Laird & Kudner, taking accounts from Young & Rubicam, a major worldwide agency of rival Colgate-Palmolive, and Needham Harper Worldwide, which will be linked via its new holding company to BBDO, a key agency of a major P&G rival, Unilever.

But the picture is not altogether bleak. Other clients, particularly in the auto industry—where agency sharing under umbrella setups is a long-standing practice—are coming to terms with megamergers in mutually satisfactory ways.

At this point, however, short-term reactions indicate major advertisers are closely watching each other's moves—and especially P&G's—to help their internal deliberations along. The question is whether the megamerged agencies can persuade clients to go along with them, or, failing that, see the non-

(Continued on Page 92)



Warner-Lambert's American Chicle division promotes Trident's new positioning as a cavity fighter in this portion of a trade ad directed to dentists. Thomas C. Ferguson Associates, Parsippany, N.J., handles trade advertising for Trident; Ted Bates Advertising/New York handles consumer ads.

Xerox hopes Bates has keys to office market

By BRIAN MORAN

Xerox Corp. will lean heavily on new agency Ted Bates Advertising/New York to reignite the company's decadelong struggle to win a significant share of the office-automation market.

As expected (AA, June 2), Bates last week won a four-agency shootout for Stamford, Conn.-based Xerox's $41 million corporate and business systems products account, formerly handled by Needham Harper Worldwide. Bates' first creative work is expected to break by early August.

The assignment will put less emphasis on corporate image and copier products advertising, according to Michael Kirby, Xerox corporate advertising and promotion director. "We're more than a copier company," Mr. Kirby said. "We have [office] systems capability and we want to make sure people are aware of our presence in that business."

Xerox's office-systems products are manufactured and marketed by the company's Rochester, N.Y.-based business-systems group. Mr. Kirby said the new advertising will be "jointly managed" by himself and Douglas McLaine, the Rochester group's marketing communications manager. Mr. McLaine joined Mr. Kirby at Xerox's June 6 press conference announcing the account move.

Xerox executives said Bates won the business because of its execution of a "focused assignment" that Xerox gave to the agency and three other New York shops that competed for the account—DFS Dorland Worldwide, Scali, McCabe, Sloves and SSC&B. Xerox two weeks ago narrowed the search to Bates and DFS.

Sources report Bates snared the account partly on the strength of strategy points developed by Larry Light, president of the agency's international division. The Bates team also included president Donald Zuckert, exec vp Randall Hackett and Ralph Rydholm, the agency's recently hired creative head.

Mr. Zuckert said Bates will continue to handle the account of personal computer marketer Commodore International Ltd. Commodore's operation—targeted mainly at home users—does not conflict with Xerox's

(Continued on Page 92)

Trident gum tries cavity-fighter image in $15M campaign

By PATRICIA WINTERS

Trident gum joins mouthwashes, cereals and other foods that make health-benefit claims with a new $15 million-plus campaign that repositions the No. 1-selling sugarless gum as a cavity-fighter.

The multimedia campaign for Trident, from Warner-Lambert Co.'s American Chicle division, Morris Plains, N.J., cites new research (AA, June 2) that chewing sugarless gum after eating sugary snacks may help prevent cavities.

American Chicle will replace its current network tv and radio campaign with the new spots beginning June 12, via Ted Bates Advertising/New York. Commercials focus on a new study showing Trident's cavity-preventing benefits.

The company declined to disclose ad spending, but said it would exceed last year's budget. The brand received $15.5 million in measured media last year, according to Leading National Advertisers.

"We believe it [the new campaign] is very significant," said John Carroll, Warner-Lambert vp and Chicle president. "It's the first time a product of this sort is making this claim, and we are support-

(Continued on Page 90)

Last Minute News

'Big Bang' merger creates Omnicom

NEW YORK—Omnicom Group is the name of the new holding company resulting from the proposed merger of BBDO International, Doyle Dane Bernbach Group and Needham Harper Worldwide.

Congressman moves to ban tobacco ads

WASHINGTON—Rep. Michael Synar (D., Okla.) has called a press conference for today to introduce legislation calling for a nationwide ban on tobacco advertising and promotion.

BJK&E gets rude awakening from Sealy

CHICAGO—Sealy has ended its three-year relationship with Bozell, Jacobs, Kenyon & Eckhardt. The bedding marketer says it has chosen several Chicago agencies to vie for its estimated $8 million account.

Heileman taps 4 finalists for $5M account

LA CROSSE, WIS.—G. Heileman Brewing Co. has chosen four finalists to compete for its Special Export superpremium and imported beers, two bottled water brands and two coolers. W.B. Doner & Co., Baltimore; Ruhr/Paragon, Minneapolis, and two Chicago shops, Eisaman, Johns & Laws and HCM, will compete for the estimated $5 million account. Hal Riney & Partners, San Francisco and Chicago, previously handled.

U.K. gets its first spot starring U.S. 'Refrigerator'

CHICAGO—William (The Refrigerator) Perry on July 1 becomes an international commercial spokesman when he appears in a U.K. tv spot for London-based Tesco Plc, that nation's largest supermarket chain. Saatchi & Saatchi Compton handles. The spot precedes the Aug. 3 exhibition game in London that will pit Mr. Perry and his fellow Chicago Bears against the

(Continued on Page 8)

U.K. group to acquire HBM shop

By STEWART ALTER

WCRS Group, an expansion-minded U.K. agency holding company, is expected to announce this week the acquisition of HBM/Creamer in the U.S. for a price of roughly $50 million. Last week, WCRS Group bought a small British creative shop.

The publicly held WCRS Group is parent to London-based Wight Collins Rutherford Scott, a 7-year-old agency.

In acquiring HBM/Creamer, WCRS Group, with current combined billings estimated at $200 million, would be buying an agency with $400 million in billings in seven U.S. offices.

Such a move would echo the strategy of another U.K.-based

(Continued on Page 88)

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HIGHLIGHTS

Mars unearths merger opposition 1
Mars Inc.'s longtime U.S. relationship with Ted Bates Advertising has come "under study" in the latest example of growing opposition by major advertisers to the recent agency megamergers. Other anxious or angry clients are General Mills, RJR Nabisco and Colgate-Palmolive.

Trident makes health claim 1
American Chicle's Trident gum joins mouthwashes, cereals and other foods that make health-benefit claims with a new $15 million campaign that repositions the No. 1-selling sugarless gum as a cavity-fighter.

General Mills' new wrinkle 3
General Mills is pledging to spend $24 million on advertising and promotion to introduce its latest entry in the "wholesome snack" market, retail buyers report. General Mills July 1 starts shipping nationally Fruit Corners Fruit Wrinkles, a processed-fruit product shaped like coffee beans. It will go head-to-head with Sunkist Fun Fruits, a pellet-shaped product introduced last summer by Thomas J. Lipton Inc.

Back in the game 4
Home videogames, the spectacular rags-to-riches-to-rags electronics gadgetry of the late 1970s and early 1980s, are poised for a rebirth. That's the word from three major marketers hawking a new generation of game consoles and cartridges loaded with improved graphics at last week's Consumer Electronics Show.

Death of a designer 6
Designer Perry Ellis' death has brought into question not only the fate of his $260 million fashion and fragrance empire, but the future of "key man" insurance, often essential in industries in which a person personifies a company.

On the scent 28
The next fashion marketer to chase the scent of success may be designer Donna Karan, if another challenger, Cosmair, doesn't get there first with Notorious. A Karan executive confirmed that Ms. Karan has talked with Halston Fragrances about a fragrance of her own. She also has met with representatives of Estee Lauder and Revlon.

A Lowe blow 80
When the Standard Oil Co. (Ohio) fired Lowe Marschalk last month, it was more than just another business loss for the agency's Cleveland office. The 75-year-old account, originally handled in-house for Standard by McCann-Erickson founder Harrison McCann, represented one of the first pieces of business for what is now the Interpublic Group of Cos.

Oklahoma ad ban dumped 86
Oklahoma media will accept their first liquor and wine advertising in 25 years, following a federal court ruling that overturned a statewide ban.

Big gainer for game maker 89
Interactive VCR Games is gearing up to take on its giant competitors by advertising its newest product on ABC-TV's "Monday Night Football." The small Vancouver, Wash.-based company will spend $2 million to advertise its VCR Quarterback Game on "MNF" this fall because it is a "perfect" media buy.

FEATURES

A year with Eustace 42
A year after S.I. Newhouse Jr. spent $168 million to acquire *The New Yorker*, it seems he bought two magazines: One *New Yorker* expects to boost circulation by 15%. The other rapidly is losing ad

pages. In a rare interview, Mr. Newhouse acknowledges *The New Yorker* has "more complicated and interesting problems than I usually run into" and, as a result, calls it "the most interesting business situation I've ever had an opportunity to work with."

INTERNATIONAL

What would Lenin say? 61
Paolo Del Bravo, the "DB" of the young Rome agency DBR&F, works with an unlikely client, the Italian Communist party, and finds it a rewarding challenge. "For a mass-consumption product, it is a lot more intelligent than, say, Procter & Gamble," says Mr. Del Bravo, DBR&F's chief creative director. The Communists, for their part, feel they simply are making use of the media and techniques of P&G.

Hello, Brazil 61
For the first time in more than two decades, the Brazilian government has awarded advertising work to non-Brazilian advertising agencies. The decision could be a significant step toward opening up one of the biggest advertising markets in the world to U.S. agencies.

OTHER NEWS

Mars Inc.'s M&M/Mars division launches tv support today for Kudos chocolate-covered granola bars, its first major national product introduction since Twix milk chocolate cookie bars in 1977. Kudos was shipped to markets in the Northeast and Great Lakes in April and is now undergoing "a rolling launch." The product now is moving into Midwest markets and will be national by yearend. Page 3.

Network tv programers are getting an early start on the next prime time ratings war by moving key series this month into time slots they'll have next fall. Page 12.

Campbell Soup Co. has begun shipping nationally a new line of frozen Oriental-style dinners, aimed at capturing a major share in the rapidly growing $300 million category. Page 24.

Chiat/Day won the best-of-show award for the second year in a row and J. Walter Thompson USA took home more awards than any other agency at the American Marketing Assn./New York's 18th Annual Effie Awards ceremony. The Effie award is given in recognition of the effectiveness of advertising. Page 30.

For the third successive year, Fallon McElligott, Minneapolis, walked away with most of the honors, including seven gold and eight silver medals, at the Art Directors Club annual awards show. Page 30.

Drunk driving tops a list of most pressing community service problems, according to a survey sponsored by a new network of volunteer organizations launched in cooperation with major media and trade organizations. Page 80.

Joe Sedelmaier, who has directed commercials for everything from hamburgers to overnight delivery services, last week directed one to sell himself. Officially, the product being sold is Mattel Toys' videocassette trivia game "Commercial Crazies," but Mr. Sedelmaier and his work are its stars. Mattel Toys' first venture into game creation and marketing, Commercial Crazies challenges players to answer 200 questions about the 40 Sedelmaier-directed commercials included on tape. Page 86.

SPECIAL REPORT

Corporations are finding a new source of income in licensing their logos, trademarks and brand names to product marketers. The estimated $14 billion annual corporate licensing business is the focus of Special Report.

REGULAR FEATURES

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Chrysler, Ford ads quarrel on quality

By JESSE SNYDER

ANN ARBOR, MICH.—Ford Motor Co. broke a new round of print ads last week reasserting its "best built" cars and trucks claim that Chrysler is challenging.

Chrysler, meanwhile, struck a new blow of its own by breaking hard-hitting network tv commercial June 5 claiming quality superiority over Ford. Ford had challenged the new commercial before network review committees.

The commercial, via Bozell, Jacobs, Kenyon & Eckhardt, Birmingham, Mich., is an extension of Chrysler's print campaign.

Based on an updated survey that includes 1986 model cars, the Ford ads, via J. Walter Thompson USA, Detroit, claim Ford produces the

(Continued on Page 88)

Discounts spoil nets' daytime

By VERNE GAY

NEW YORK—Some advertisers say they are buying upfront daytime tv at discounts from 10% to 20% off 1985 prices, bringing to an end the once-automatic daytime price increases to which the Big 3 networks had grown accustomed.

If this trend continues, the economics of the business could be turned upside down. For example, daytime tv, for years the nets' most profitable daypart, likely will yield that distinction to late-night tv by the time the upfront season concludes this summer.

And, at the prices nets are said to be selling at now, this year's daytime upfront season

(Continued on Page 90)

West Coast news

Wexler, Shalek split up

Wexler & Shalek ceo-creative director Gary Wexler has left the Los Angeles agency he founded, at the insistence of president Nancy Shalek. Ms. Shalek, in the process of buying out her business partner since 1983, said they had "philosophical differences" over agency management. Mr. Wexler hasn't decided his future plans, but said he likely will free lance and write novels. Replacing Mr. Wexler at the agency with billings estimated at around $10 million is Alan

(Continued on Page 88)

Ellis death raises 'key' insurance questions

By PAT SLOAN

NEW YORK—Designer Perry Ellis' death has brought into question not only the fate of his $260 million fashion and fragrance empire, but the future of "key man" insurance, which is often essential in industries where a person personifies a company.

As of now, and certainly through this year, retailers, licensees of Perry Ellis products and financial analysts expect it will be business as usual at the enterprises of Mr. Ellis, 46, who died May 30. Beyond that, however, industry sources believe the continued success of Perry Ellis products will depend on whether future designs reflect his heritage of modern traditionalism.

It also depends, they say, on whether the consumer actually cares that, after 10 years, Mr. Ellis is no longer around to oversee the creation of men's and women's clothes that have glamorized every look from the slightly sloppy to the pure preppy, while remaining casual but classy.

Persistent speculation that the designer had Acquired Immune Deficiency Syndrome might also affect future sales, some sources allowed.

The official cause of death was given as viral encephalitis, a brain inflammation.

Said one executive close to Perry Ellis International, "This is the first time that it appears a really well known designer's life style has affected his life. I think his name means a lot and it will survive. But I think some of the products that are less fashion-oriented and based on a more emotional, sexual appeal, such as the fragrances, may have a tougher time."

The unconfirmed reports that Mr. Ellis died of AIDS are familiar to Ronald Cohen, owner of Hiram Cohen & Sons, a Williston Park, N.Y.-based insurance company that writes personal and professional policies for much of the apparel industry.

Mr. Cohen's company did not write the $5 million key-man policy that Manhattan Industries—marketer of Perry Ellis Menswear and Portfolio—is being paid, according to New York-based financial analysts.

But when asked if the rumors surrounding Mr. Ellis' death might make it harder for fashion companies to get insurance on key men, Mr. Cohen said, "That's already begun. Even before this. It's much harder to get insurance for designers than it was two years ago.

"Once written, a policy is locked in. I have lost several designers to AIDS where the policy was written before it was known they had a problem. Right now, I have one man who's a very big label on the street who I can't get insurance for, because he leads the kind of life style where he's considered a candidate."

Mr. Ellis is not the first fashion designer rumored to have been sick with AIDS.

Three years ago, Calvin Klein was harassed for months with the same rumor before he and his doctor finally had to make public denials which were published in *Women's Wear Daily*.

To be a designer and be linked with AIDS is feared because of what it might do to both public image and business

But so far, despite Mr. Ellis' death and the rumors connected with it, Mr. Ellis' business appears not to have suffered.

Noted Linda Hopler, vp-fashion director for Saks Fifth Avenue, "If the clothes are beautiful and they're created in the spirit of Perry, they'll still sell.

"We have a lot of things that aren't designed by anybody but customers buy them because they are wonderful.

"If the clothes change and they don't have the spirit of Perry, that's another question. Anne Klein actually got more interest from consumers after [the late designer's successors] took over."

Norman Fryman, president of the Greif Cos., New York, currently licenses Perry Ellis tailored clothing and is now negotiating another license for the designer's Portfolio line.

Neither the death nor the rumors, Mr. Fryman said, will affect his existing agreements nor the terms of future agreements: "Not at all. We trust the design staff at Perry Ellis and the organization under Robert McDonald [president of Perry Ellis International] will continue as it has, and so we have no problems with the association."

Jay Meltzer, analyst with Goldman, Sachs, said that even with the designer's death, Manhattan Industries is a stronger company than it was last year, due to a restructuring of its own. As for Perry Ellis International, he also thinks that it will continue to grow but, he added, "a central point of this is the Levi Strauss operation with Perry Ellis America. It's doing much better than a year ago, so there's momentum, and they should be in a position to capitalize on it."

When this line first debuted it was expected to produce sales of $30 million-plus at wholesale.

Instead it has just reached $20 million at wholesale, according to sources who attribute the shortfall during its first year to problems with fit, among other things.

A Levi spokesman said that, as of now, the company is pleased with the pickup on the line, adding that there are no plans for reviewing it.

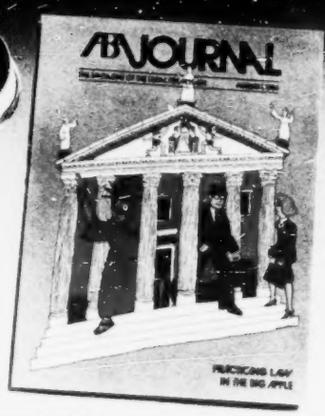
Levi's contract is good through 1987, and renegotiations are scheduled to begin at the end of this year.

Kitty Hawks, corporate creative director for Perry Ellis, said that no announcements are ready to be made yet as to who will assume control of design for Mr. Ellis' operations over-all. She also said there have been no problems with clients, licensees or banks following his death.#

Crain elects three new vps

CHICAGO—The board of directors of Crain Communications Inc., in recognition of their contributions to the company, has elected three new vps: Robert C. Adams, corporate production director, based in Detroit; *Electronic Media* publisher David Persson, New York, and Bryan Todd, managing director, London office.#

A CLOSER LOOK WILL BE MOST REVEALING.



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Miller Myers Bruce DallaCosta Harrod Mirlin

John Dalla Costa, advertising's exuberant master of analysis, the man who made "insouciance" a household word, is doing it again.

With much smarm we announce the appointment of John Dalla Costa as Senior Vice President and Managing Director of Miller Myers Bruce Dalla Costa Harrod Mirlin Inc., the advertising agency, world renowned for its modesty and circumspection.

In his new post, the redoubtable Dalla Costa will seek innovative opportunities outside traditional planning to grow clients' business.

That Mr. Dalla Costa will do so with alacrity as well as with charm, wit and verve goes without saying. He is, after all, for his age and height, one of the most incisive and strategic marketing minds in the industry. Too bad it's the heating industry.

If, in roaming world boardrooms cajoling, importuning, interacting and didacting, Mr. Dalla Costa moves people and benefits acrue to MMB, Mr. Dalla Costa's partners will loyally contrive to live with it.

Paeans of praise, cantos of congratulation, even verbalizations of vituperation may be directed to Mr. Dalla Costa at (416) 927-9302. In his absence, Mr. Dalla Costa's computer will respond with a medley of advertising's greatest hits.

CORRECTIONS & CLARIFICATIONS

- The correct title of Orbis Communications' new one-hour tv special (AA, May 26, P. 67) is "Into the Unknown." Also, the correct figure for coverage of U.S. tv homes for Orbis Communications' "Defenders of the Earth" is 78% (AA, June 2, P. 66).
- A photo caption indicated the wrong person as next year's chairman of the American Assn. of Advertising Agencies (AA, June 2, P. 72). It will be Charlotte Beers, chairman-ceo of Tatham-Laird & Kudner.
- The chart accompanying the March Flash Report on newspaper expenditures *(see Page 62)* incorrectly lists alcoholic beverage spending as up 17.5%. It was down 17.5% for the month.
- The co-authors of "The Executive Success Diet" (AA, May 26, P. 86) should have been identified as June Roth and Dr. Harvey Ross.#

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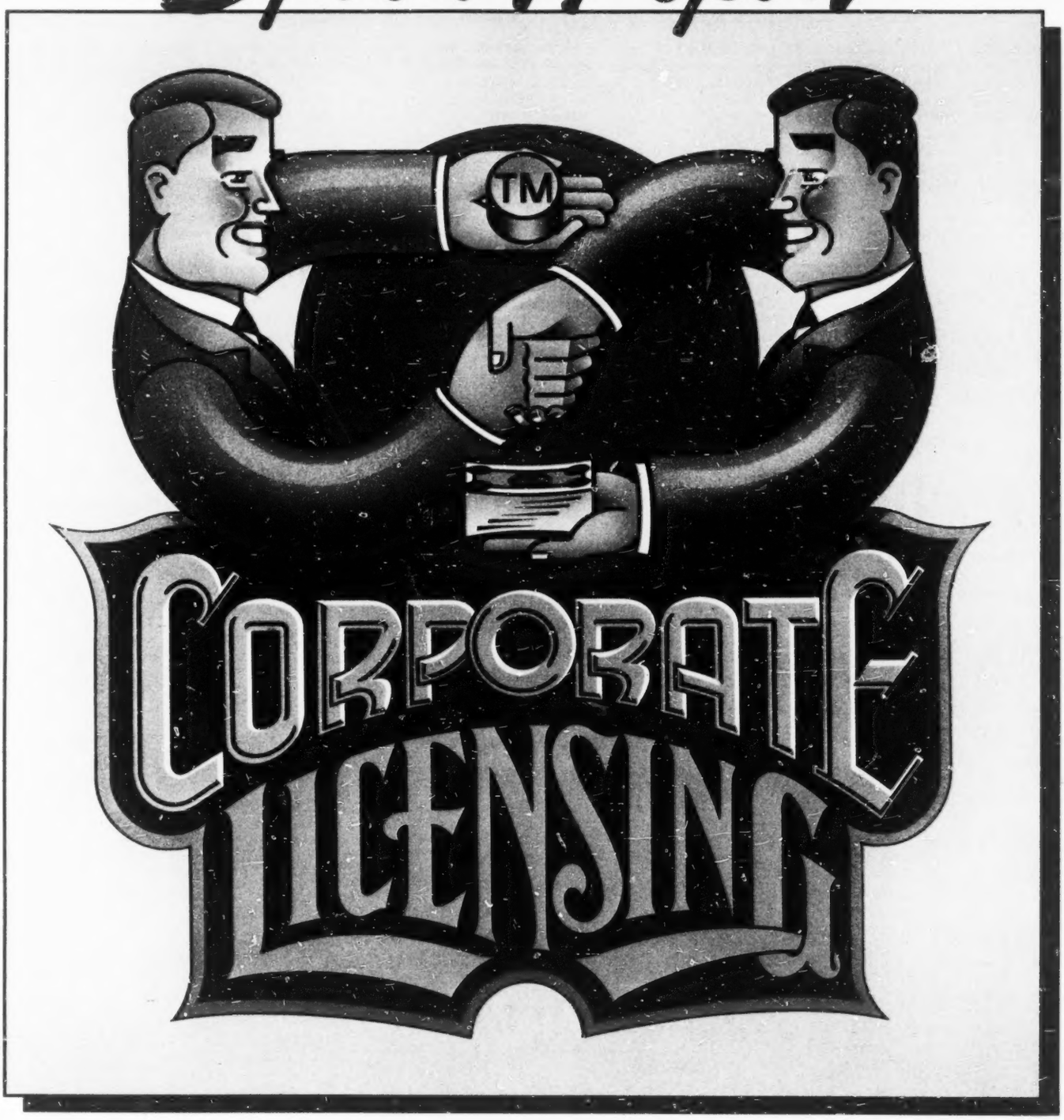


Steve Musgrave

Companies bring logos and profits full circle

By Eileen Norris

If you've tasted Nabisco's Oreo Cookies'n Cream ice cream or tried on the Coca-Cola line of Murjani apparel, then you've become a tenant in a lucrative business that's turning corporations into landlords that rent their logos, trademarks or brand names to product marketers. In return for the rights to those valued properties, the product marketers cross the company's palm with cash in the form of royalties on sales of the licensed goods.

The business of corporate licensing is becoming the envy of those corporations that haven't cashed in on the windfall or can't. "Probably 80% of the public knows the brand name Preparation H, but it's probably not something you'll see on the back of t-shirts," says Weston Anson, president, Marketing/Trademark Consultants, La Jolla, Cal.

Corporate licensing, a $14 billion annual business, usually is divided into two categories: Brand awareness and brand extension, says Nancy Bailey, president of the Miami-based licensing consultancy bearing her name.

With brand awareness licensing, a corporation permits a marketer to produce a product emblazoned with its registered trademark, logo, slogan. For example, St. Louis-based Seven-Up Co. licensed its name to a company that packaged everything from handkerchiefs to nightshirts inside an imitation 7UP can.

The other form of corporate licensing, brand extension licensing, is getting a big shot in the arm. A marketer of ice cream or apparel, for example, will link up with a successful corporation's brand or trademark and come out with new products that the trademark-owning company does not directly produce.

Others say corporate licensing cannot be bro-

(Continued on Page S-15)

Eileen Norris is a frequent contributor to Special Report.

Corporations' clout
1985 retail sales of licensed items

Type	Sales	% of total
1. Trademarks/brand names	$14,028	28
2. Cartoon characters	12,024	24
3. Sports	5,511	11
4. Art	3,507	7
Celebrities	3,507	7
Designers	3,507	7
Theatrical feature films	3,507	7
8. Tv programs	2,505	5
9. Publishing	1,002	2
10. Music	501	1
Other	501	1
Total	**$50,100**	**100%**

Source: "The Licensing Letter"

Louisville Slugger hits one out of the ballpark

By Lori Kesler

The folks who make Louisville Sluggers never said their wands worked magic, but plenty of people seem willing to believe it. And Hillerich & Bradsby Co., which has been turning out Louisville Sluggers for more than 100 years, knows better than to mess with a good myth.

There was the time, for example, the Cincinnati Reds asked H&B to help pull them out of a batting slump.

> ***"... our name still has a great degree of magic to it—and licensing helps support that."***
>
> **Bill Williams**
> **Hillerich & Bradsby**

A company employe dispatched a new supply of Louisville Sluggers with some solar-powered advice: Let the bats lie in the sun outside the dugout before using them.

The Reds did as they were told and started hitting again. The H&B employe later admitted he'd concocted the advice to prove baseball is "90% psychological."

And so, it seems, is the power of the Louisville Slugger name.

"Few words evoke such feelings of nostalgia and reminiscence," says Bill Williams, H&B's vp-advertising and licensing.

Recognized by eight out of 10 Americans, the Louisville Slugger name conjures up memories of baseball heroes and childhood sandlot games.

This may help to explain why grandparents and parents swathe their toddlers in sleepers bearing the logo of a sports equipment marketer.

Infant's and children's clothes have turned out to be some of Louisville Slugger's most successful licensed items. At first this surprised Mr. Williams.

"Our strength really lies with people 25 years and older," he says. "They're the ones who grew up with Louisville Slugger." Parents may be attempting to steal back a segment of their youth when they buy Louisville Slugger clothes for their children.

Men purchase almost one-third of all Slugger duds, according to Weston Anson, president, Marketing/Trademark Consultants, La Jolla, Cal., H&B's licensing agent. One-third may not sound too astounding, except men buy less than 10% of children's apparel, he says.

The children's clothes, licensed by U.S. Apparel, New York, have been sold through a wide range of retail outlets from K-mart to Bloomingdale's, something of a rarity in apparel marketing.

The line now is being carried more by upscale stores, however, says Jerry Perelmutter, exec vp, U.S. Apparel. Because U.S.-manufactured apparel typically is more costly, the lower end chain stores look for foreign-produced products.

He says New York's Macy's and several other department store chains are setting up permanent Louisville Slugger displays in their boys' clothing departments. The apparel line is expected to be promoted heavily during the fall back-to-school sales season.

Despite the strong brand identity among adults, H&B officials say Louisville Slugger's licensing program will continue to focus on kids.

The company figures one way to make sure children grow up with the Slugger name on their minds is to slug it on their clothes, their toys, even their toothbrushes.

Mr. Williams says H&B got into licensing for all the usual reasons—to generate revenues, penetrate new market areas and reinforce brand identity. But, he says, the company also wanted to use licensing to establish and strengthen its relationship with young children.

"There was a time when we were the only game in town," Mr. Williams says. "That's not the case today." Thanks to the miracles of high tech, children these days are learning to play ball with aluminum bats, which are lighter and more durable than wood.

Aluminum dominates virtually every area of amateur softball and baseball—only in professional baseball does wood reign supreme. That complicates things for H&B, which made 6 million wooden bats in 1975 and only 1 million last year.

"We own the wooden bat market. We do not own the aluminum market," Mr. Williams says. While 60% to 65% of all wooden bats sold in this country are Louisville Sluggers, fewer than 25% of aluminum bats carry the famous name.

Wooden and aluminum bats aren't H&B's only products. The bulk of the company's $50 million annual revenues now come from Louisville Slugger baseball and softball gloves, mitts and batting gloves, Louisville hockey sticks and Powerbilt golf clubs.

"We have to fight harder these days for our share of market [in all product categories]," Mr. Williams says. "However, we benefit from the fact that our name still has a great degree of magic to it—and licensing helps support that."

The licensing program keeps the name in the public eye "so kids will grow up knowing us not just for wooden bats," Mr. Williams says, "but for all our products."

In addition to children's clothes and hosiery, H&B has licensed plastic toy bat-and-ball sets, a toy battery-operated pitching machine, batting tee and a toothbrush shaped like a baseball bat.

A line of men's sportswear also recently reached retail. The clothes, licensed by MFB Industries, Gastonia, N.C., feature 12 styles of baseball shirts, t-shirts, sweat shirts and pants.

The company wants to license a line of linens, home furnishings and accessories sometime in the future.

And Mr. Williams says the company's cache of old baseball photographs are ripe for the picking. If all goes according to plan, a Louisville Slugger coffeetable book could be in the offing.

Mr. Anson says H&B has been careful to limit the number of licenses it grants. "They could easily have done lots of windup dolls and toys and all the usual garbage," he says. "But their goal was never to have more than eight or ten product licensees."

When a company licenses just a few products, "consumers assume that company actually makes those items," he says. "So it's important to give them quality products in a few select areas to maintain their trust." When a licensed name gets stamped on too many things, it no longer adds much value, Mr. Anson says.

If Louisville Slugger doesn't draw quite the same frenzied response as a name like E.T., that's not all bad, Mr. Anson says, because "an E.T. doesn't last. Neither do the licensed characters.

"Retailers are getting tired of the short-lived stuff, he says. "But Louisville Slugger is timeless. It's never going out of style."

Ironically, H&B likes to license products that don't depend too heavily on the Louisville Slugger name. "We want quality products that could stand on their own," Mr. Williams says. "Our reputation could be damaged if something were poorly made."

On the other hand, he says, H&B does not look to affiliate itself with the leading manufacturer in a product category. The company prefers to strike up partnerships with companies that make a good product, "but need our name to get them in the door."

Although he will not provide anticipated sales figures, Mr. Perelmutter says putting Louisville Slugger on his company's children's clothes may boost sales volume 6% to 8%, but he emphasizes quality is the far more important factor. "If the product doesn't have intrinsic value," he says, "it's not going to sell, no matter what."

> ***"Retailers are getting tired of the short-lived stuff. But Louisville Slugger is timeless."***
>
> **Weston Anson**
> **Marketing/Trademark Consultants**

Prospective and current licensees are not expecting an overnight success, Mr. Williams says. "They're looking for a long-term relationship."

For its part, H&B also doesn't expect to get rich quick with licensing. The company pulled in about $150,000 in royalties in 1985, the first year it had any licensed products on the retail market, he says.

"We broke even and learned a lot," Mr. Williams says. "We know you can't look at the flashier part of licensing—the blockbuster celebrity stuff—and expect corporate licensing to be the same."

That's true, says Milton Schulman, editor of *The Licensing Book*, New York. The corporate licenser—if it's doing things right—doesn't try to cover all the bases at once, he says. Instead, it picks a market niche where its name has the greatest significance.

Louisville Slugger, for example, represents a kind of nostalgic involvement with America's greatest sport, so H&B officials have tailored their licensing program to capitalize on that appeal, Mr. Schulman says. "They know who responds to their name," he says, "and they're looking to license products that strike a chord with those people."

H&B appears to be realistic in its expectations. "Maybe we don't have as much pizazz as a Rambo," he says. "We don't have anything that's sparkling and brand new. But we do have a name that's an American classic."

Ty Cobb and Babe Ruth thought so. They endorsed Louisville Slugger bats, as did Ted Williams, Hank Aaron, Mickey Mantle, Roger Maris, Johnny Bench and George Brett.

So take that, Rambo.

H&B strikes up relationships with manufacturers that need Louisville Slugger's name to score.

Lori Kesler, St. Louis-based Advertising Age *correspondent, profiled licensing agency Hamilton Projects and reported on Anheuser-Busch's corporate licensing program in last year's Licensing Special Report.*

Coca-Cola finds Murjani clothes are it

By Beth Sherman

If Coca-Cola Co. executives started to search for a tag line to hang on their licensing venture it might be "Coke goes better with clothes" or "Clothes are it." Aware that clothing represents about 40% of total corporate licensing revenues, company executives latched onto the idea of licensing a line of contemporary sportswear that would best reflect Atlanta-based Coke's lifestyle advertising.

In 1982, when the company established its first corporate licensing department and stamped its trademark on everything from beach towels to ice buckets and puzzles to posters, it launched a search for a licensee to manufacture apparel. Two years later representatives from New York-based Murjani International appeared on Coke's doorstep; Coke marketers finally found what they sought.

The co-venture is considered by many to be a prime example of corporate licensing at its best. In Murjani, Coke has found a company that not only has produced a fashion-oriented, quality product line, but also one that has merchandised the product in an innovative, exciting way.

"Murjani shares the same goals and aspirations that we do," says R. Bruce Gilbert, manager-merchandise licensing at Coca-Cola. "Instead of dribbling a few pieces out into the marketplace, they brought a high degree of integrity, design know-how and marketing skill to the project. Just look at their track record. They built up their Gloria Vanderbilt line from a pair of black jeans to a multi-million-dollar business."

The Coca-Cola clothing line—consisting of men's wear, women's wear, children's wear, lingerie, swimwear, sleepwear, maternity wear and accessories—is designed to complement the soft drink's image. The clothes are upbeat, made of cotton and denim, and fashioned in bold primary colors. Geared to appeal to consumers between the ages of 18 and 30, they epitomize the energetic youthfulness that Coke's product advertising has long represented.

Murjani marketers extensively researched the field, conducting focus groups and mall intercept interviews even before they approached Coca-Cola. What the clothing marketer found was that people responded positively to the Coke name, associating it with value and quality.

"Because of the advertising Coke had done over the years, it turned out that people had a picture in their minds of what the clothes would look like," says Carol Fox, a Murjani spokeswoman. "They envisioned a leisure-time life-style line. Also we tried to come up with the type of clothing that might be worn in a Coke commercial."

Murjani defined the market and the consumer segment it wanted to reach and then translated Coca-Cola's image to the clothes, says Milton Schulman, editor of *The Licensing Book*, a New York-based trade publication. "The clothes line was a breakthrough because it showed that a corporate logo, a brand name with high awareness, could be transformed into something very much like a designer name. And that's a first in corporate licensing."

Coca-Cola executives say their only objective in seeking a licensed apparel line was to protect the trademark. Since the venture was launched in August, 1985, Mr. Gilbert says, the unauthorized use of the company's trademark has dwindled.

Although the line's volume represents only a fraction of the company's total revenues—earnings of $722.3 million on sales of $7.9 billion last year—its success certainly has exceeded expectations.

Murjani projects retail sales of $200 million in fiscal 1986, far exceeding the company's original projections, which the company will not reveal. Ms. Fox says Coke's royalty "is standard for the industry," meaning it probably stands around 6% of wholesale sales. "This has been the most successful line that Murjani has ever had," she says, "including Gloria Vanderbilt."

Given corporate licensing's pitfalls and problems, Murjani and Coke took some deliberate steps upfront to forge their partnership. Both sides made moves to ensure the line's quality corresponded with the consumer respect awarded to Coke's name and image. To this end, each garment was tested to make sure it did not shrink, fade, stretch or tear.

"The greatest risk in corporate licensing is that the products will not represent good value and good design," says Michael Stone, president of New York-based Hamilton Projects, which acted as the licensing agent. "The single most important asset a corporation has is its name, so the last thing a company wants is to see closeouts on the sidewalks of 14th St."

Satisfied with the finished products, Murjani conjured up a merchandising style that utilized a high-tech, futuristic approach. In Murjani's two Fizazz specialty retail stores—located on Columbus Ave. in New York and the Paramus Park Mall in Paramus, N.J.—customers use video screens to view ensembles. The clothes are stocked cafeteria-style, with consumers placing their selections on trays.

The children's wear and other lines of Coca-Cola licensed clothing are designed to complement the soft drink's image.

Despite the program's success and groundbreaking retailing style, both companies admit the process was slow and based largely on trial and error.

"It is difficult for a licenser to enter a category it is not familiar with," says Arnold Bolka, publisher of industry newsletter "The Licensing Letter," Scottsdale, Ariz. "It's one thing for a toy licenser to enter the toy business; it's another thing if that same company enters the food business."

Coca-Cola executives acknowledge it took a while to adjust to retailing, with its longer manufacturing and lead times. "We learned that it takes several months, if not over a year, from the startup to the shelf," Mr. Gilbert says.

Along the way, Murjani made some discoveries of its own. When the company first began planning to merchandise the line, it came up with a nostalgia-type theme, which was supposed to tie in with Coke's back-to-America's-roots advertising approach.

The first design for the specialty stores revolved around imagery borrowed from a 1940s-style soda fountain.

"Initially, it made perfect sense," Ms. Fox says. "But it just

Beth Sherman is a New York-based free lance writer who likes to put pizazz into her shopping day.

Fizazz adds pizazz to retail stores

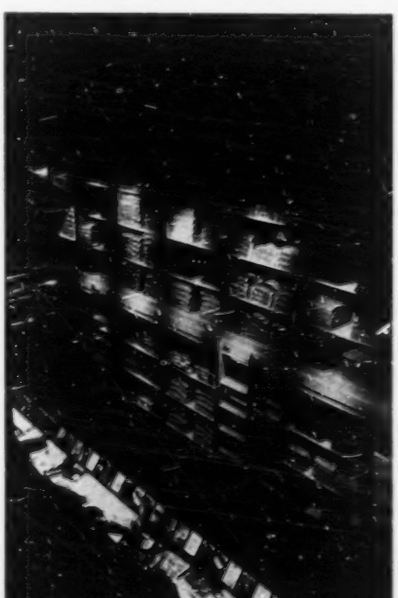
Fizazz . . . sounds like a cross between pizazz and carbonation gone wild. Soft drink marketers might have considered this as a new product name if New York-based Murjani International didn't beat them to it and use it as the label for its retail outlets featuring Coca-Cola Co. licensed apparel.

"We opened our own stores because we wanted to have our own showcase for the clothes," says Carol Fox, Murjani spokeswoman. "This is how shopping will be in the future."

The two Fizazz stores are high-tech retailing wonders. Located in New York and Paramus, N.J., the 1,000-sq.-ft. outlets are decorated in white and gray, with stainless steel fixtures and industrial rubber flooring.

Consumers entering the Manhattan store, located in the heart of chic Columbus Ave., confront two video screens and an entire menu of the store's selection. Select the "women's tops" category, for instance, and a range of sweat shirts, jackets, sweaters and t-shirts parades across the video screen. Pressing the video screen while a top is displayed will provide information on pricing, fabric, sizes and colors. Those who want another perspective can request different pictures of the items that include front and back views and closeups of collars and cuffs.

On the lower floor, a selection of clothes—striped polo shirts, drawstring shorts, miniskirts and tank tops—are arranged cafeteria-style on a stainless steel cart. The bulk of the line is made of cotton and denim in bold primary colors of red, yellow and blue, sprinkled with white and kelly green. The Coke logo shows prominently on some articles; on others it can be found only on the label.



More clothes are stacked overhead in cubicles, sending sales help clambering up ladders to retrieve them. The comfortable and casual line retails for between $30 and $60.

Some of the clothes are whimsical. One t-shirt features a cartoon character with a soda can on his chest and reads "Coca-Cola man to the rescue." Another shirt depicts an island setting where tourists carrying Coca-Cola satchels and luggage confront friendly natives. Other styles, like a white cotton camp shirt or a pair of khaki shorts, represent classic cuts and styles.

Murjani brings out new selections six times a year, a standard practice for women's ready to wear lines. "We feel fresh merchandise is important to make the point that this is not a promotional line, but a real sportswear line," Ms. Fox says.

Murjani expects to open another 50 stores in major markets by the end of this year, Ms. Fox says. The locations are being selected carefully, she says, to avoid conflict with retailers' franchises.

In New York, Fizazz is open seven days a week, until as late as 11 p.m. on Friday and Saturday. In the evenings, the video age meets the wonderful world of retailing as five front window monitors project surreal images—and the clothes—to passersby.

For the ultimate shopper, a 24-hour service using devices similar to automated teller machines reportedly is being considered. Customers would be able to order merchandise, pay by credit card and get next-day delivery.

The stores draw an eclectic customer mix. Recently, before the Manhattan store opened, two teen-age girls, two middle-age Japanese tourists, one Texas cowboy complete with 10-gallon hat and one punked-out young man already were in line. Once inside, the teen agers rushed past the video screens to the cart of clothes downstairs.

"Isn't this terrific?" said one, pointing to a periwinkle-colored vest dotted with the Coca-Cola logo. "What will they think of next?"

—Beth Sherman

didn't work. The clothes were so new and fresh that we needed a whole new concept. We began to visualize a 21st century situation, and that's how the whole futuristic concept evolved."

Meanwhile, Murjani tried to convince retailers that the first large-scale attempt to graft a corporate name onto designer goods would sell and that it would sell best if the stores set aside 450 sq. ft. of floor space to create in-store Coca-Cola clothing shops.

"When we first made the licensing announcement, an awful lot of department stores were unsure that the concept was right for them," Ms. Fox says.

"We held a press conference, and there were no clothes, no designs. All we had was a terrific concept with a lot of research to back it up."

Ten stores, including Macy's in New York, Rich's in Atlanta and Carson Pirie Scott in Chicago, agreed to gamble. Today, 350 retailers have decided they have some extra space for the line and have jumped on the licensing bandwagon.

Murjani's $7 million ad campaign, handled by Lois, Pitts, Gershon, takes full advantage of cross-promotions, special events and tie-ins between retailers and local Coca-Cola bottlers. Philadelphia-based John Wanamaker's, for example, raffled off a car provided by a bottling company. Rich's co-sponsored a fashion show in conjuction with its local Coke plant.

After the line was launched, Murjani ran into another snag. One retailer ran an ad promoting the line as "all-American." That angered U.S. textile manufacturers who said most of the clothes were manufactured in the Far East.

The outcry prompted Murjani to dramatically increase production in the U.S.

New items manufactured in the past six months—such as pajamas, swimsuits, maternity dresses and handbags—have been produced in Murjani's U.S. plants.

The hubbub hasn't kept Coca-Cola executives from thinking foreign thoughts. Although its corporate licensing program currently is confined to the U.S., the company is looking to safeguard its trademark "and plug up any holes in selected European countries," Mr. Gilbert says.

Coke's primary soft drink competitor perhaps has seen a silver lining in the furor over foreign production. Purchase, N.Y.-based Pepsi-Cola Co. is bringing out its own line of licensed apparel this fall. The licensee is VP Corp., New York, the largest publicly held apparel company in America and the maker of Lee jeans. A VF spokesman says the company will play up the fact in BBDO-created ads that the line of contemporary sportswear will be produced entirely in the U.S.

But it may take more than the current fervor for protectionism to catch up to Coke's enviable head start in licensing corporate image apparel. "A lot of companies are going to try to copy Coke's success," Hamilton Project's Mr. Stone says. "But Coke has a definite advantage because it's the first.

"The designs are so great, the visibility is so high," he says. "How do you do it better? How do you top it?"

Those are the questions the licensing and retailing worlds will watch VF and Pepsi grapple with this fall. Perhaps they will prove Pepsi consumers actually are "the apparel generation."

Clothes wear licensing well

1985 retail sales by licensed product type

($ billions)

Product	Sales	% of total
1. Apparel/accessories	$18.03	36%
2. Toys/games	8.52	17
3. Publishing/-stationery	6.01	12
4. Gifts/novelties	4.51	9
5. Home furnishings/-housewares	4.01	8
6. Food/beverages	3.51	7
7. Health & beauty aids	2.25	4.5
8. Computer/video programs	1.25	2.5
9. Sporting goods	1.00	2
Miscellaneous	1.00	2
Total	**$50.09**	**100%**

Source: "The Licensing Letter"

Characters make the most of their short life spans

By Sara E. Stern

Rainbow Brite has taken it upon herself to rid the world of evil. With the help of seven "lieutenants," this little girl keeps a vigil, spreading color and happiness to children and adults everywhere: A pretty tall order for a 3-year-old.

But Rainbow Brite is old beyond her years. Since her introduction in 1983, the vividly clad sprite, her colorful co-workers, her pony, Starlite, and a villain named Murky Lurky have appeared on hundreds of products in 80 categories, including children's clothing, greeting cards, ready-to-eat cereal and toys.

She also has starred in 13 animated tv specials, a five-part tv miniseries and two feature-length movies. And she's made a special appearance in the form of a helium balloon at the 1985 Macy's Thanksgiving Day Parade in New York. This girl has gotten around.

While an estimated $600 million has been made from the sale of Rainbow Brite-related products—toys accounted for $300 million in sales—executives at Hallmark Properties, the St. Louis-based licenser, anticipate her demise in 1988 at the ripe old age of 5.

"When a character is introduced, the possibilities for licensing are endless," says Jim McDowell, Hallmark Properties director-marketing services. "But three years is a long time to keep the spirit and the storyline of a fictional character fresh."

Children's short attention spans and the recent glut of licensed characters on the market keep even the most popular licensed characters in the spotlight usually for only one or two years. Mr. McDowell named only the Walt Disney, Looney Tunes and Peanuts characters as timeless personalities.

According to New York-based Toy Manufacturers of America, an average of three years and $2 million is spent developing a character whose life span is two years. The rewards are worth it, Mr. McDowell says.

For example, in 1983 Mattel Toys, Hawthorne, Cal., introduced Rainbow Brite dolls and accessories with $15 million of advertising support from Ogilvy & Mather, Los Angeles. The company more than recouped its investment. By the end of 1983, $110 million worth of units were sold, representing the best selling first-year product line in Mattel's history.

"Hallmark will undoubtedly introduce another character to the Rainbow Brite line next year, but nothing at this point will help to stir up awareness or sales," says Harvey Levin, vp-marketing/entertainment communications, Those Characters from Cleveland.

"A company can try to make a few more dollars introducing

©1986 TCFC

The end is in sight for Those Characters from Cleveland's line of Care Bears plush toys.

line extensions, but that's all they'll make," says Murray Altchuler, executive director, Licensing Industry Merchandisers Assn., New York. "The consumer—and specifically the child—is the final judge in determining if there's a value between the property and the product, not the licensee."

Rainbow Brite will live a long life—at least for a licensed character—thanks to home video movie sales, Mr. Altchuler says. Rainbow Brite is selling well in the paper goods and home video categories, Mr. Levin agrees, "but she's dead in the water as far as toy retailers are concerned."

Mr. Altchuler says, "Once a character's uniqueness has no value, get off the pot and create a new one!" While there are about 3,000 licensed characters in circulation today, only 75 of them are recognizable, he says. Next year, the same 75 characters probably will be replaced.

The glut in the licensing market is the direct result of too many licensers holding onto characters that are long past their prime, Mr. Levin says. TCFC's primary character properties—Care Bears, Herself the Elf, Holly Hobby, Sherman on the Mount and Strawberry Shortcake—are still alive in retail, although most have been around since the American Greetings subsidiary formed in 1981.

The company thrives on creating new characters to keep up with children's changing tastes. TCFC's newest creation —Popples, bear-like creatures that can be folded inside a pouch—has been licensed by 50 companies and will appear on everything from knapsacks to children's clothing. A plush toy version of Popples is being marketed by Mattel and supported with a $10 million ad campaign via Ogilvy & Mather, Los Angeles.

TCFC's Care Bears plush toys face a dim future, Mr. Levin says. The original line of pastel-colored cubs was introduced in 1981. Since then, several plush varieties by Kenner Products, Cincinnati, have been introduced successfully with $10 million in ad support from Dancer Fitzgerald Sample, New York. The Care Bears also have starred in two feature-length animated movies.

This success won't last, he says. "Longevity is not like it used to be," Mr. Levin says, adding he's surprised the plush line of Care Bears is still popular after five years. He attributes the license's success to the wholesome, timeless Care Bear storyline. "Characters like Care Bears, and I guess Rainbow Brite, too, have emotional appeal to little girls, boys and parents. They—or characters like them—will be popular long after the war toy craze is over."

Toy Manufacturers of America estimates 50% of licensed character sales can be attributed to toy versions of the product. "It isn't a surprise when a licensed character disappears one year after its toy counterpart has been pulled from the toy shelves," says Thomas Murn, editorial director, *Licensing Today*, New York.

"For every character introduced each year, one character should be eliminated," Mr. Murn suggests. That way, only those characters "in style" would be featured in stores and cartoons, he says.

A spokeswoman for Taft Productions, Cincinnati, the company that produces "Smurfs," disagrees. The company has had the top-rated children's animated program five years in a row even though the licensed toy products produced by the Applause division of San Diego-based Wallace Berrie Co. virtually disappeared after one year on the market.

"A toy's play value and the success of a cartoon based on that toy can't be compared," she says. "They appeal to children for different reasons."

Impressions from the cabbage patch still fresh

Cartoon Q rating* for characters used primarily in licensing

Character	Girls 6-11 yrs.
Cabbage Patch Kid*	75%
Care Bears	57
Smurfs	56
Rainbow Brite	56
Wuzzles	52
Strawberry Shortcake	48
Snorks	42
Herself the Elf	35
Holly Hobby	29
Avg. character	**41%**

*Cartoon Q Rating: % of sample rating character "one of my favorites" divided by % who are familiar with character. Source: Marketing Evaluations, Port Washington, N.Y.

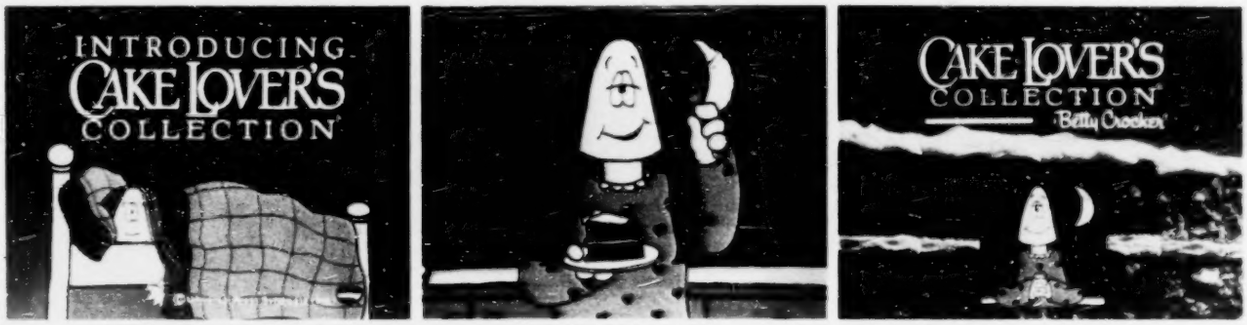
Advertisers draw cartoons into endorsements

By Anita Busch

Happiness is a warm insurance policy—and a lucrative contract as an advertising spokescharacter. Snoopy, Charlie Brown, Garfield the Cat, Dennis the Menace and Cathy are only a few of the many cartoon characters that have found themselves taking on jobs that in the past were reserved for members of Actors Equity Assn.

> ***"... you know [characters] aren't going to embarrass the sponsor with such things as divorce."***
>
> **Jeff Brown**
> **Mark McCormack**
> **International Management**

Licensed characters now endorse everything from insurance to cake. Licensing agents don't seem to worry about promoting their characters' advertising abilities because companies increasingly are approaching them to contract characters as product endorsers.

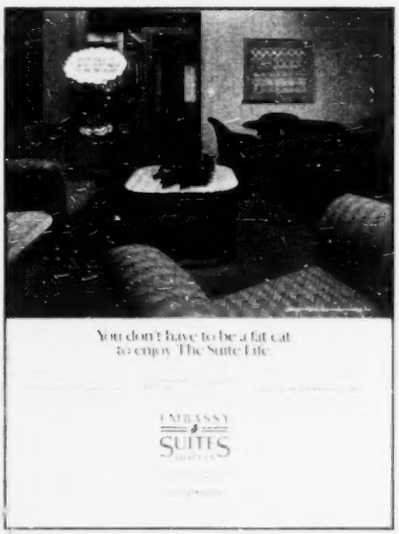


General Mills' Betty Crocker division hopes some of Cathy's widespread appeal will transfer to its new cake mixes.

Not only does this give the licensed character more exposure and increase the recall factor for the advertised product, but sales of other licensed products that bear the character's name usually are affected positively.

Jeff Brown, merchandising executive, New York-based Mark McCormack International Management Group, which handles licensing for Dennis the Menace, says his character's gig as a spokesperson has had a positive influence on sales of other Dennis-licensed products. The exposure also helps to license the blond menace in other product areas, he says.

"[Using Looney Tunes characters] gives ad support, creates more awareness of the product and more exposure for the characters," says Len Reiter, director-marketing, Licensing Corp. of America, which handles Looney Tunes characters. Sales of other Looney Tunes products also have been helped, he says, although declining to release exact figures.



Garfield was just what Embassy Suites needed. The animated cat loves to eat, sleep and rest.

"We see [this aspect of character licensing] as an area that has an opportunity for expansion," says Mike Georgopolis, senior vp-licensing for New York-based United Media Licensing.

The reasons are obvious. Marketers are finding these endorsers have established followings and wide appeal. They also work at a fraction of the cost of their human counterparts, and their egos are more difficult to bruise.

Costs could reach anywhere from $500,000 to $1 million per year when using a popular living spokesperson, says Roger Richman, president of Roger Richman Agency, Beverly Hills, Cal., which licenses the rights to such legends as Marilyn Monroe, W.C. Fields, Albert Einstein, Clark Gable and others. He cites the recent reported $15 million contract Pepsi-Cola USA offered Michael Jackson to represent its products.

The cost of using the licensed legends he represents ranges in the "low five figures per year," Mr. Richman says. None of the agents for the cartoon spokescharacters would provide their characters' salaries as endorsers.

It may be characters' emotional and social stability that makes them most appealing to advertisers. "The benefit in using [characters] is that you know they aren't going to embarrass the sponsor with such things as divorce or ... a drug problem. You also don't have to worry about them falling in and out of favor with the public," Mr. Brown says.

The risk is lower, agrees Mr. Georgopolis of United Media, which handles Peanuts characters and Garfield. "A cartoon is a known entity, the value is there—a proven value for a given entity."

Not every company that wants to use a certain character is granted permission, however. United Media Licensing is very particular about what product and company Garfield or Peanuts endorse, Mr. Georgopolis says. "We've had to turn companies away. We know what image we want to represent with the characters."

Garfield's image, a fat cat with an insatiable appetite for the good life, has universal appeal. Since his debut with his creator Jim Davis in American Express' "Do you know me?" campaign, the famous feline has been pursued by numerous companies that wish to employ his charm and dry wit. Garfield's latest campaign as spokescat for Embassy Suites, a Holiday Inn subsidiary, employs this uninhibited, unabashed sense of humor.

"We had been testing several different campaigns; we even considered using a spokesperson," says Judy Heinrich, director-communications, Embassy Suites, Irving, Tex. "Garfield tested real well with consumers. His character very much demands attention: He loves to eat, sleep and rest."

Being able to fulfill those needs at a low price is precisely the idea Embassy Suites wanted to convey in its ads, created by Stern/Monroe, Dallas, and tag lined "You don't have to be a fat cat to enjoy The Suite Life." Garfield lounges in one of Embassy's suites and later sits down to a huge, free, cooked-to-order breakfast. With a broad grin and yawning eyes, the pampered cat's personality surfaces as he sighs, "Let's face it, I was destined to be spoiled."

> ***"A cartoon is a known entity, the value is there—a proven value for a given entity."***
>
> **Mike Georgopolis**
> **United Media**

For Metropolitan Life Insur-

(Continued on Page S-10)

Crain Communications Syndicate associate editor Anita Busch, like Garfield, has an insatiable appetite for the good life, but she has yet to garner an endorsement contract.

It's a dog's (and fat cat's) life

Cartoon Q rating* for characters used as spokesperson

Character	6-11 yrs.	12-17	Females 18-49	Males 18-49
Garfield	70%	64%	47%	38%
Snoopy	58	49	52	39
Pink Panther	45	33	30	32
Road Runner	42	30	38	47
Dennis the Menace	37	29	26	22
Cathy	32	22	33	17
Avg. for cartoon/-comic strip characters	**43%**	**26%**	**22%**	**19%**

*Cartoon Q Rating: % of sample rating character "one of my favorites" divided by % who are familiar with character

Source: Marketing Evaluations, Port Washington, N.Y.

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Cartoons drawn into endorsements

(Continued from Page S-6)
ance Co., New York, Peanuts characters provide integrity and recognition. "Wholesomeness, integrity, family security and longevity can be represented through Peanuts characters," Mr. Georgopolis says. "Insurance companies have had a hard time finding a memorable graphic appeal. Peanuts provides this."

Met Life has been employing Peanuts characters since January, 1985. After trying numerous campaigns, Met Life chose Peanuts in an effort to establish an image as an innovative insurance company.

"After a fair amount of research, we decided on using the Peanuts characters," says Bob Weinstein, assistant vp-advertising. "The key thing in using Peanuts is that it separates us from the others in our industry. We were able to break through the ad clutter and make us look innovative in the conservative insurance industry."

Minneapolis-based General Mills' Betty Crocker division selected Cathy to promote the Cake Lover's Collection, a new premium layer cake mix.

Some of the criteria for the Cake Lover's spokesperson was that he or she be well known and have widespread appeal. Cathy filled the recipe, being syndicated in 500 newspapers that reach 50 million readers nationwide.

"[Cathy] has an established following and a consistent track record," according to Tom Drape, New York-based Universal Licensing, which handles Cathy. "She provides humor and warmth, broad appeal and attracts a younger audience."

Cathy Guisewite, who created Cathy in 1977, has been very involved in all aspects of her character's licensing. She is very active in advertising, marketing and promoting Cathy as are cartoonists Charles Schulz, Jim Davis and Hank Ketcham, the man behind Dennis the Menace. The creators retain final approval over licensing projects.

Fast food franchises also have realized the benefits of using licensed cartoon characters as spokespeople. For instance, Atlanta-based Arby's has been using United Media Licensing's Mr. Men & Little Miss since June, 1984. Mr. Men & Little Miss "is the longest running, intellectual ad for a restaurant of this type," Mr. Georgopolis says.

Arby's features these characters in ads and on meal boxes packaged for children. Called Arby's Adventure Meal, the box might have a crossword on one side and fun facts on the other.

"There is an element of education. Through their whimsical quality of human nature they teach children," says Sherri Shapiro, Arby's manager-marketing communications. "These characters appeal to children, but because it has a moral base, adults and parents like it too." The characters are extremely popular with teachers and are used as an educational aid, she says.

Dennis the Menace has been plugging Dairy Queen restaurants since the summer of 1971. As the No. 1 syndicated cartoon panel, according to Mark McCormack's Mr. Brown, the mischievous towhead has the apparently universally desired qualities of high recognition and unlimited age appeal.

Dennis is perceived as an all-American 5-year-old, he says. "It's easy to relate to someone in Dennis' world." He's been used mainly for family-oriented products like Rydelle Laboratories' Rhuli antiseptic cream; the American Dairy Assn.; Michigan Apple Growers Assn., and Encyclopaedia Britannica to name a few.

General Mills will use the overall-clad menace on 20 million boxes of Cheerios cereal beginning in the fourth quarter of this year, according to Chris Halwell, director, Dancer Fitzgerald Sample program exchange, the agency's syndication arm. This will follow an animated series starring Dennis that is set to debut Sept. 27.

General Mills "was searching for a well-known, nonviolent, nontrendy character that was not yet used by a toy company," Mr. Brown says. Dennis the Menace was the perfect choice.

This year the Trix rabbit will meet up with the hare-brained wit of Bugs Bunny in commercials. Bugs isn't the only Looney Tunes character to be used in ads. Bristol-Myers' Renuzit and McDonald's Corp.—for its McDLT—have adopted Pepe LePew as a spokesperson. Six Flags Corp., MTV: Music Television and Coca-Cola Co. all have used Looney Tunes animated characters to identify their services or products, and the Roadrunner can be seen in Hershey's "One of the all-time greats" commercial.

Although Mr. Richman is the man responsible for licensing the characters for the Hershey's commercial, he knows as well as anyone that licensed spokescharacters do not have to be illustrated creations.

His Hollywood legend properties currently appear in 14 different ad campaigns. Maxell videotapes recently signed a three-year contract for the rights to use the image of Marilyn Monroe in a Scali, McCabe, Sloves-created print campaign that will break in July.

Advertisers are using these famous faces for the recognition factor and to translate the star's personality to the company's image. "The stars are licensing legends that live forever," he says. "The recall is tremendous."

Their pen-and-ink counterparts possess the same pulling power. "Since we introduced the Garfield campaign, [toll-free number] call volume has increased over 58% from 1985, and this is directly attributed to Garfield," Embassy's Ms. Heinrich says.

Metropolitan Life performs an annual survey that tests slogan, ad and message recall and ad awareness. "They all had significant increases since the Peanuts campaign was introduced in January of '85," Mr. Weinstein says.

With performance like this, and barring any sudden submission to drug addiction by Charlie Brown and the gang, these and other animated characters will continue to find advertising a rewarding outlet for their talents.

Lots of life in Hollywood legends

Marilyn Monroe would have turned 60 June 1. With the birthday commemoration came a flood of Marilyn memorabilia—and a deluge of business opportunities.

Roger Richman, president of the Roger Richman Agency, Beverly Hills, Cal., which represents the legendary sex symbol, says many ad agencies have contracted Ms. Monroe's image to push their products. Coca-Cola Co., Eastern Air Lines, Hershey Foods, Maxell Corp. of America and Max Factor & Co. are using Ms. Monroe's likeness in ads for at least one of their brands.

In addition, Limited Express, a 200-store unit of Columbus, O.-based Limited Inc., will introduce 23 Marilyn Monroe accessory items July 1. The Limited promotion "should establish Marilyn Monroe as a fashion trendsetter," Mr. Richman says.

In addition, the Richman Agency has apparel licenses with New York-based Butterick Co. for dress patterns and Dector Mannequins, Los Angeles, which manufactures Marilyn Monroe look-alike mannequins. In May J.C. Penney Co. began a six-month Marilyn-style promotion in 1,800 stores.

The trend of using Hollywood legends to push products is accelerating, Mr. Richman says. Because they are legends, he says, their marketable life spans are endless, creating enviable recognition and recall value.

Since the California Celebrity Rights Law went into effect in January, 1985, more marketers are turning to these old stars for advertising, he says. Mr. Richman, who is known as the father of the law, says it guarantees advertisers exclusivity, prohibits the unauthorized use of licensed legends and clarifies the previously vague legal statute. The previous law had been around 14 years and did not include protection of both current and past celebrities' voices, signatures and photographs.

When the subject is Marilyn Monroe, once the signature, voice and photographs are plundered, there's not much left to steal. —*Anita Busch*

Hollywood legends have endless marketable life spans, creating enviable recognition.

Max Factor & Co. is just one of many marketers to use Marilyn Monroe's image.

"... integrity, family security and longevity can be represented through Peanuts characters."
Mike Georgopolis
United Media

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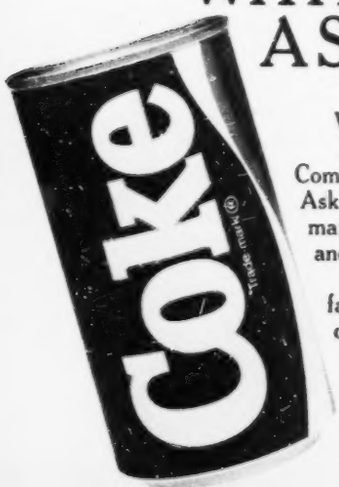

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Spokescritters speak up from retail shelves

By Julie Franz

Ralston Purina's activity in creating cereal concepts can be characterized quite easily: Buy, buy, buy, buy, buy, buy.

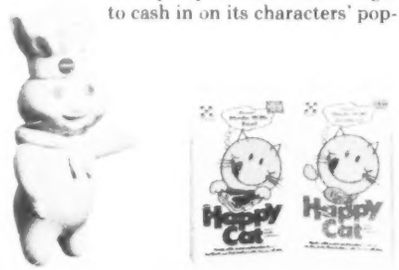
In rapid succession, the company bought the rights to Cracker Jack, Sun Maid, Cabbage Patch Kids, Rainbow Brite, G.I. Joe Action Stars and Ghostbusters, creating ready-to-eat or instant hot cereals based on those licensed concepts. With the St. Louis-based company poised to begin testing a product called Nerds, based on a newly created licensed character, it is easy to see licensed cereal products have become a stalwart in Ralston Purina's competitive battle with market-leading Kellogg and General Mills.

Recently Ralston took a different tack by selling the rights to its Purina Happy Cat cat food logo. In March Ralston hired Joan Hansen & Co., a New York-based licensing agency, to help the company strike deals with licensees interested in the happy-faced kitty.

Ralston joins a host of other food and consumer product companies that have begun selling their logos or corporate spokescritters to gain exposure. While the phenomenon isn't new, it is accelerating as consumer product concerns become more aware of corporate licensing. Happy Cat joins the likes of Pillsbury's Pop 'n Fresh Doughboy, Quaker Oats Co.'s Cap'n Crunch, Hershey Foods' Kisses, Lever Bros.' Snuggle Bear, Campbell Soup Co.'s Campbell Kids and Kellogg's Tony the Tiger.

These food and consumer product companies did not start with a licensed concept and then create products around them. They began with corporate or brand logos and spokescritters and suddenly discovered they had much more on their hands than a label graphic or a cute character for advertising purposes.

Kellogg began its corporate licensing program in the early 1980s, responding to consumer demand for products with Tony the Tiger, Toucan Sam and Snap, Crackle & Pop, all Kellogg product spokescritters. The company also was looking for a source of special gifts for shareholders and feeling the pressure from prospective licensees eager to cash in on its characters' popularity, a company spokesman says.



Pillsbury's Dough Boy, Ralston Purina's Happy Cat and Lever Bros.' Snuggle are turning up on consumer products.

A few years later, consumers now can buy pencil boxes, lunch pails, mugs, dish towels and various other items brightly emblazoned with Kellogg trademarks.

New York-based Lever Bros. is working on a contract to license its Snuggle Bear, the squeaky-voiced teddy that represents Snuggle fabric softener.

The logic behind the licensing is not uncommon: Protect the legal trademark. Beyond that, every Snuggle Bear that makes its way off the tv set and product package and into kids' toy boxes compounds the number of consumer impressions for the product and generates additional revenue.

Experts differ on whether corporate licensing is lucrative. While most corporations seem to minimize the importance of the additional income, licensing consultants are quick to point out the "purity" of licensed products' income stream.

The rule of thumb in licensing agreements is that 6% of every $1 million in licensed product sales goes to the licenser as well as an initial fee for the use of the license, says Joan Hansen, president of Joan Hansen & Co.

Return on investment can be higher, says Glen Konkle, president, Equity Management Inc., Palatine, Ill. EMI helped Quaker Oats create licensing opportunities for its Cap'n Crunch character. Returns can run as high as 400% to 500% after the first year and rise to 10,000% thereafter, he says, because corporations already have developed their logo or spokescritter and have built a strong brand franchise, something products created specifically for licensing have to spend money doing.

Expanding into unfamiliar product segments is another benefit of corporate licensing, says Milton Schulman, editor, *The Licensing Book*, a New York-based trade publication.

Happy Cat products will spread the whiskered yellow smiling face onto pet toys by year's end. Children's apparel, t-shirts and sportswear also are possibilities, Ms. Hansen says. The pet toys will be sold through pet stores, an outlet Purina doesn't use to sell its pet foods. Distribution there will expose the Purina Happy Cat name to consumers who ordinarily would not see it in that retail environment, she says.

Licensing also has its pitfalls, most often failing because the products are ill-conceived, says Seth Siegel, vp, Hamilton Projects, a New York-based licensing consulting company. "You can't stick a trademark name on products that look like premiums," he says.

Companies contemplating licensing ventures have to patiently stick to their initial strategies, Mr. Siegel says. Most efforts flop because too many different products featuring the spokescritters hit the market at once without a logical plan of introduction. Consequently, the consumer becomes overwhelmed, he says.

Although he won't identify them, EMI's Mr. Konkle says two projects involving the licensing of spokescritters never saw the light of day because both were viewed by consumers as "obvious exploitations. There were just no logical links in consumers' minds between the main brands and other products," he says.

EMI uses a research-based approach to licensed product development. The company uses groups, measuring the strength of a brand's image through psychological testing with individual consumers.

Corporations face the nightmare of a failed licensing program causing a backlash for the main brand, one expert says. "Consumers can become cynical or antagonistic about a licensed product, therefore lowering the image of the main brand." Luckily, he says, the market has not seen such a case.

Corporate-licensed logos and spokescritters face tremendous competition from products created for the sole purpose of licensing, like Hallmark Cards' Rainbow Brite, one industry expert says.

"Those companies hit the market with huge amounts of promotional dollars. If a corporate-licensed product isn't up to quality standards or isn't backed with enough bucks, who's going to buy it? Consumers won't buy junk and retailers prefer to stock a phenomenon like Strawberry Shortcake rather than a sub-par Keebler Elf doll, for example," the source says.

Spokescritters also fight an uphill battle with parents, another industry source says. "Those characters may be juvenile oriented, but the purchase is parent powered. Research shows that parents are resistant to bringing a character into their homes that's a spokescritter," the source says. "Parents have been trained to see licensed items with spokescritters as closeout sales on back-of-the-cereal box premiums."

Marian Garrison, manager-special projects for Camden, N.J.-based Campbell Soup Co., disagrees. In Campbell's case, so many parents grew up with the Campbell Kids, she says, they welcome licensed products that carry the Twins' image as momentos of their childhood. Collectors scramble for limited edition licensed items for some

The doughboy makes his point

Cartoon Q* rating for product characters

Food product	6-11 yrs.	12-17	18-49
Poppin' Fresh	50%	42%	39%
Charlie Tuna	42	29	31
Tony the Tiger	47	26	25
Keebler Elves	41	28	25
Nestle's Quik Bunny	52	31	25
Little Sprout	35	19	26
Snap/Crackle/Pop	48	27	22
Campbell Soup Kids	32	17	22
Planters Peanut Man	41	17	15
Cracker Jack Sailor	36	15	13
Cap 'n Crunch	38	21	11
Non-food product			
Snuggle	55	40	32
Scrabble People	43	19	22
Mr. Bubble	44	23	15
Sud Z. Lemon	42	23	13
Product character avg.	**53%**	**32%**	**21%**

*Cartoon Q Rating: % of sample rating character "one of my favorites" divided by % who are familiar with character.
Source: Marketing Evaluations, Port Washington, N.Y.

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Putting muscle into trademark protection

By Don Veraska

A corporation's trademarks and logos are valuable commodities. This value promoted even typically long-winded law makers to distill their thoughts into a coherent statement on the subject.

A Senate Judiciary Committee report on the Trademark Counterfeiting Act of 1984—created in part to correct inadequacies in the level of protection provided to corporations via the Lanham Act—put it clearly: For consumers, trademarks represent "a uniquely reliable source of information about potential purchases. For manufacturers, trademarks crystalize the reputation that they built up in the past and ensure that satisfied customers will know where to come back for more."

The dollar value of the reputation represented by a logo often is difficult to determine. But any company that exchanges its emblem for royalties on licensed goods sales quickly begins to tally in black and white the value of its corporate and brand symbols.

While trademarks are valuable, they also are fragile entities. By themselves, trademarks essentially are useless.

"All the little trademark TM designation says on a product is that I am claiming this as a trademark, that I am making an ownership claim to this name," says Seth Siegel, a lawyer and vp with licensing agency Hamilton Projects, New York. "The issue is not who registers a trademark first, but who uses it first. That use gives you a superior mark; it allows you to register it for a specific use."

A company or product with a well-known trademark—a Jack Daniel's whisky or a Harley-Davidson Motor Co.—has two means of protecting and reinforcing its trademarks. It may license that trademark for use in various products, then register its use in that category with the U.S. Patent and Trademark Office. This procedure protects against unauthorized use of the trademark in the product category and further establishes the basic corporate trademark. It also can be a corporate money maker.

Companies also can be diligent in guarding against illegal trademark use when it occurs, which means monitoring the marketplace and taking civil or criminal action when the companies encounter illegally trademarked goods. Failure to protect corporate logos against illegal use theoretically can result in the loss of the trademark.

The potential to lose revenue unfortunately is very real. Arnold Bolka, publisher of "The Licensing Letter," a Scottsdale, Ariz.-based licensing newsletter, estimates companies are losing about $20 billion annually from unauthorized copyright infringement. He labels this the industry's No. 1 problem.

Despite the $20 billion loss, companies appear to be doing little to improve the situation and enlarge their coffers. "Given that licensing involves two of the corporation's most sacred assets—its name and image—it is shocking that so little effort is committed by many corporations to the issues of control and license management," says Weston Anson, president, Marketing/Trademark Consultants, La Jolla, Cal.

Using an educational campaign, such as this from Mattel Inc., is one way to fight counterfeiters.

Corporate licensers have been lax in monitoring even their legal licensing arrangements, says Edward Albert, president, Licensing Management Group, New York. "Most companies just don't know what licensing is about. Somebody convinces them it's easy, but the companies aren't prepared to administer it."

When a company launches a licensing program, the licensees typically "do whatever they want to do," he says. "Licensees, after all, are independent entrepreneurs, used to running their own businesses. So you get a rough period. Maybe a year into their licensing business, the licenser has to catch up, to establish rules, to try to track the licensed products. They don't understand the significance of licensing until there's a problem."

The problems primarily arise from companies' failures to monitor licensees, he says. The results of this *laissez faire* posture are inferior products and marketing procedures or advertising practices that hurt the licenser's image, trademark and brands' marketplace performance.

It is rare when either the licenser or a licensing agency runs a licensing business adequately, Mr. Albert says, "as a tight ship, using the licensee to improve his business."

Hamilton Projects' Mr. Siegel disagrees, saying few companies have problems with the licensing business, particularly if that business is handled by a reputable licensing agent. It's all a matter of procedure, he says.

"You start with the licensing agreement, making sure by the contract that the licensee acknowledges your exclusive right to your trademarks, that they won't challenge your ownership of the mark," Mr. Siegel says. "You carefully supervise the creation of products, making sure the licensee is complying with the contractual obligations involving the creation, distribution and sale of the products and using appropriate trademark notices. Which is to say that they are exercising the use of your property in the correct manner."

The contract between licenser and licensee, he says, is the starting point, "a good road map that spells out the obligations of the licensee." The licenser or his

(Continued on Page S-14)

Minneapolis-based Pillsbury takes its own approach to protecting its equity in the Pop 'n Fresh Doughboy.

While several products with the Doughboy and Pillsbury's Best logos are on the market, Pillsbury put them there—not any licensee.

"We don't license our trademarks. We never have and we never will," a Pillsbury spokesman says. "We don't want to lose control over [the trademarks] or their image."

Pillsbury has been approached by prospective licensees on numerous items, but has never taken them up on their offers. Staples traditionally do not command strong brand loyalty, which is essential in licensing-related products. Pillsbury's primary products are staple items, like flour, he says, and "Who's to say that's [General Mills'] Gold Medal flour or ours in a canister bearing our name," he says.

Handling its own licensing gives Pillsbury more control over the number of items on the market. When the company oversees each item's production and distribution, it knows quickly when copyrights are being pirated, the spokesman says, rather than have to rely on its licensees to police the market.

The company also can control more effectively the marketing of the licensed items. "Marketing people usually want to make it a whiz-bang promotion to sell the product," he says. "But if they go too far and offend the public's sensibilities, that reflects on the brand franchise whose income is infinitely more valuable than that of the licensed product."

Companies seeking licenses cannot convince Pillsbury that licensed products will affect the main brand's sales. "I ask them, 'If I let you use the Pillsbury's Best on a flour canister, how much will it affect my sales?' They can't even tell you if sales will be up, down or a washout," the spokesman says.

Statistics reporting the long-term impact of a licensed item are not available, he says. "Does it last two days, two weeks or until the [competitor's] next coupon comes out?"

Pillsbury also is concerned about the risks involved in licensing. Should a licensee fill a Doughboy cookie jar with tainted product or a child swallow the button that made the Doughboy's eye, the consequences could be monumental, the spokesman says.

Consultants continue to stress that licensing plans must be undertaken with care, considering existing marketing trends. "If a product ends up looking like a premium offer, I flatly predict it will fail," Hamilton Project's Mr. Siegel says.

But with companies always willing to walk new revenue avenues and corporate licensing's continued role in building brand identity and loyalty, more companies will continue to see if they can squeeze more dollars out of their doughboys and other

Don Veraska is a free-lance writer based in the Washington,

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Trademark protection

(Continued from Page S-13)
agent, Mr. Siegel says, should inspect and approve the use of anything having to do with the licensed product, press releases, advertising, packaging and even the product hang tags.

The Licensing Management Group has developed a system of 14 computer programs designed to help licensers monitor all aspects of their licensing program. "Right now," Mr. Albert says, "the major licensing agencies are only mechanized to the point of collecting royalties. Our computer programs are geared to ensure that licensers understand all aspects of the business—product approval, royalties, sales and advertising."

The computerization eliminates the need for a large staff to police a licensing program, he says. In addition, illegal or unapproved trademark usage in court is easier to substantiate through the computerized records.

Both Mr. Siegel and Milton Schulman, editor of *The Licensing Book*, New York, argue that illegal trademark use is more of a problem than is inadequately policed legal licensing.

"Legal licensing use is usually a very carefully controlled area because a trademark is such a valuable product to protect," Mr. Schulman says. "Where there are problems is in the illegal knockoffs—product areas where things can be gotten out quickly, inexpensively, like paper-product items and t-shirts."

The counterfeit problem is very sophisticated, Mr. Siegel says, involving not only "multimillion-dollar criminal organizations engaged in systematic counterfeiting operations, but the fly-by-nighters who use a silk-screen press in their garage and sell t-shirts from pickup trucks at campgrounds."

A licenser can protect its trademark against illegal use in a variety of ways, Mr. Siegel says. "The most important is to run an educational campaign, which we do for our clients, with warning notices and trademark notifications in appropriate magazines and publications." Second, he says, notify the U.S. Customs Service about clients' licensing programs, keeping them informed about the possibility of foreign-produced illegally trademarked goods. Finally, licensing agents and licensers should educate retailers to buy only authorized licensed products.

Typically retailers that unknowingly buy illegally licensed goods only will be asked to pull the bogus products off the shelves. A few years ago Hamilton Projects discovered a major retailer was innocently selling thousands of "Where's the Beef?" t-shirts that were not licensed by Wendy's International. "We notified the retailer and the products were pulled. Word spread in the retailing industry, and retailers started calling us to make sure that so-and-so was an authorized source of licensed goods."

> ***"Legal licensing use is usually a very carefully controlled area . . . ."***
>
> **Milton Schulman**
> ***The Licensing Book***

Two companies that have taken different approaches toward licensing their trademarks are Harley-Davidson Motor Co. and Jack Daniel Distillery, although both have had their problems with illegal trademark ripoffs.

Allen Hovious, director-marketing coordination and communications at Jack Daniel, Lynchburg, Tenn., says while illegal products with the company's trademark are still found, the problem's severity has declined. For some 15 years, Jack Daniel has contracted with outside companies to produce branded products and has sold them at the company-owned Lynchburg Hardware & General Store and through The Company Store, a California wholesaler. No licensing was involved in these operations.

Jack Daniel's first major licensing operation began this spring with the marketing of grilling charcoal by a Tennessee company. The charcoal will carry the Jack Daniel's name, but not its familiar whisky bottle logo.

Mr. Hovious says Jack Daniel seldom has found it necessary to take legal action against legitimate retailers found selling unlicensed Jack Daniel's products. "Mostly, it's just a case of cease-and-desist letters to the retailers," he says.

Harley-Davidson's licensing enforcement program is more aggressive. The company has contracted with 40 licensees to produce products ranging from sportswear to school supplies to gold jewelry.

"We've been in this some three years," says John A. Heiman, manager-trademark licensing at the Milwaukee.-based company. "We became aware four or five years ago that we were being knocked off."

Harley-Davidson maintains a strong internal police force to guard against unlicensed products. "But our biggest police force are the sales marketing branches of our licensees," he says.

"Our intent is not to put people out of business but to uphold our trademark."

Harley, Mr. Heiman says, has not taken criminal action against counterfeiters, but has filed dozens of civil actions to get illegal products off the market. Kansas City, Mo.-based Hallmark Cards has been diligent in protecting its licensed trademark.

Special events may be a hot flash in the pan

By Joanne Y. Cleaver

Not all observers of Halley's comet cast their eyes toward the heavens. Some set their sights a bit closer to earth, eyeballing wallets and focusing on the excitement generated by the celestial snowball's visit and the licensing opportunities it created.

Joanne Y. Cleaver, a frequent contributor to Special Report, wrote the overview for last year's Licensing Special Report.

But marketers don't have to wait 75 years to take advantage of a one-time event. Special events—even man-made ones—offer licensing opportunities.

Many rules of thumb for being linked to one-time happenings run contrary to traditional licensing wisdom, however. As one-shot deals, the ability to merchandise them is tightened by time constraints.

Limited also by geographic location, the manpower and investment required often cannot be justified by the potential returns, one source says. For this reason he suggests licensers become involved in only large-scale events in major cities, or those that transcend metro boundaries such as the Statue of Liberty restoration.

The process of generating momentum for the properties also often cannot be controlled by the licensee or the licenser.

Still, special events offer a chance for companies to ride the swell of public interest events create. "Events have extremely high exposure and high emotional appeal," says Michael Stone, president of Hamilton Projects, New York. "Sponsors and licensees can take advantage of it to promote their products. There are lots of ways to associate a product with an event—advertising, point-of-purchase, packaging."

Tight planning is crucial. In other licensing situations, demand for the product is spurred by marketing until it runs its course. Events have shorter, more defined life cycles.

Many special events have specific licensers; regular sponsors of an event have a natural jumping off point for merchandising, says Michael Chesler, merchandising executive with Cleveland-based International Management Group.

For example, the All England Lawn Tennis and Croquet Club began to capitalize on interest in the Wimbledon Tennis Championship five years ago. In the U.S., tennis clothing and accessories, tagged with an official Wimbledon logo, sold well enough that a line of casual wear was added.

Everything from cosmetics to leather goods bearing the Wimbledon logo sells briskly year-round in Japan, Mr. Chesler says. The "Flying W" logo was created for merchandising the tournament's image, and licensees are on every continent but South America.

"Inherent in the name and event is a certain imagery that consumers like to be associated with," Mr. Chesler says.

The ownership of promotional rights to other happenings may be fuzzier, especially when the event is in the public domain. For example, at least three separate licensing campaigns have been created around the October America's Cup yacht race, and each is as legal and legitimate as the other.

Special events, such as the return of Halley's Comet, offer licensing opportunities.

In such cases, participating licensees actually are buying the licenser's interpretation of the public domain event—not exclusive rights to be linked to the event. "There will be some overlap in merchandising," says Len Mizerek, president of New York-based Mizerek Inc., a licensing agency that created a "Spirit of America" program to capitalize on the America's Cup race. "But the markets are big enough," he says.

Mr. Mizerek says his licensees need to establish their lines quickly in distribution channels to avoid competition from other America's Cup logos.

The Statue of Liberty also is in the public domain, but the logo for the "Keep the Torch Lit" license was created by Hamilton Projects. Mr. Stone says he first lined up a handful of well-known corporate spon-

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The company ran ads in trade publications late last year noting its ownership of the Rainbow Brite character, used both in greeting cards and licensed to Mattel to produce dolls. "Running ads is a common thing for a company to do when they develop a popular product like Rainbow Brite," a Hallmark spokesman says. "We hope to avoid litigation."

The company couldn't sidestep other litigation, when it was forced to defend itself in a federal court suit in March. The complaint, which Hallmark won, was filed by a Missouri woman who claimed Rainbow Brite closely resembled a character she had developed.

Hallmark also won a federal court infringement suit against a Kansas City automobile dealership named Hallmark Dodge. It also has brought action against a New York-based card and novelty marketer that uses the slogan "When you could care less about having the best," which Hallmark argues is a ripoff of its "When you care enough to send the very best" slogan.

And as more companies care enough to protect their trademarks, the industry's "No. 1 problem" may slide down in the priority listing. AA

sors—in exchange for exclusive licensing rights granted by the official nonprofit organization spearheading the restoration—to raise enough seed money to help finance the rest of the $250 million needed for the statue.

Now, at the height of the campaign, more than 90 licensees are using the official logo. Many other manufacturers are producing Lady Liberty products, he says, but only those with his license are donating part of their proceeds to the restoration—a fact put on product hangtags.

Running into others who came up with the same basic idea is just one of the pitfalls of public domain special events licensing. Other unforeseen and unpreventable factors can damage merchandising plans.

Mr. Mizerek's agency created a whimsical comet logo for Halley's Comet memorabilia. After an initial spurt of publicity at the beginnning of the year of the comet, public interest fizzled. To best view the comet, watchers had to travel to South America where it appeared as a blurry streak, Mr. Mizerek says.

Already facing apathy, merchandisers' hopes for a publicity push exploded with the space shuttle Challenger disaster. The shuttle was supposed to launch a satellite to take closeup pictures of the comet, and licensees were counting on a blitz of news coverage to boost sales.

Mr. Mizerek says some licensees were left with overstocks of merchandise. Some of these, he says, are trying to get rid of surplus using the slogan, "You didn't see the comet then, but you can see it now." Other licensees are trying to sell their goods in countries where the comet was more visible.

"I wish it was brighter," Mr. Mizerek says. "1910 was great." AA

Logos and profits come full circle

(Continued from Page S-1)

ken into two distinct types. Brand extension licensing is when a licensed product carries a brand into product categories of which it typically is not a part, say Arnold Bolka, publisher, "The Licensing Letter," Scottsdale, Ariz., and Glen Konkle, president, Equity Management Inc., Palatine, Ill.

"Brand awareness is perceived on the consumer end," Mr. Bolka says. "I don't think it's a licensing technique *per se*, it's just the desired end to exposure of a brand." Mr. Konkle agrees, saying it is simply "the output of having a name on a product."

Another opinion muddies the waters and shows that corporate licensing basically still runs an uncharted course with lots of eddies in its current of thought—although it reportedly started in 1904 with the licensing of Buster Brown.

Milton Schulman, editor of *The Licensing Book*, New York, sides with Ms. Bailey that two categories of corporate licensing exist. "Brand extension is when a full line of products are created; brand awareness licensing involves giving the right to one manufacturer to use your name on a specific item," he says.

Englewood, N.J.-based Popsicle Industries and Parsippany, N.J.-based Nabisco Brands' Oreo Cookies'n Cream program is the textbook example cited by licensing agents as a classically effective use of licensing to extend brands.

In the same breath they mention the marriage of Coca-Cola Co., Atlanta, and Murjani International, New York, which came out with a line of apparel under the Coke name.

"It's a way for a corporation to create a cost-effective way to develop new products," Ms. Bailey says.

"There's no research and development, no marketing, sales or production costs. The corporation doesn't make the total profit, of course, but it's a very nice revenue producer without the upfront commitment and risk."

The growth of this licensing segment is very dramatic, especially in terms of companies that want to look to corporate licensing as part of their over-all marketing and advertising mix, she says. The reason for the boom is apparent. "A corporation isn't going to make a lot of money with brand awareness licensing, but it can make some nice royalty fees out of brand extension," Ms. Bailey says.

Others look at corporate licensing's role in terms of overall marketing strategy. "Corporate licensing is the ultimate leveraged marketing strategy," says Mr. Anson, who liked this phrase so much he had it registered as a trademark. "Simply, it is the process of extracting more benefits from a strategy than the investment required," he says, estimating about 1,000 trademarks are being licensed in one or more consumer product areas.

Although estimates vary, Mr. Anson says, corporate licensing accounts for 15% of the total licensing market and has an annual growth rate of more than 20%.

A cool $14 billion in royalties was deposited in the pockets of corporate licensers last year, Mr.

Steve Musgrave

Bolka says.

That amount represented 28% of the $50.1 billion in 1985 licensed product retail sales and pegged corporate licensing as the largest and fastest growing segment of all categories in the field.

To stress corporate licensing's clout, cartoon character licensing came in second with $12 billion or 24% of total licensed retail sales; sports licensing accounted for 11% of licensing sales with $5.5 billion, putting it in a distant third place.

The Licensing Industry Merchandisers' Assn., however, says corporate licensing market share estimates of more than 15% are too high, although it does not offer any estimate.

A corporate licenser with a successful licensed product might expect anywhere from 2% to 10% of the royalties on wholesale sales. The average royalty is about 4%, according to a study Mr. Anson conducted of 17 licenser companies. The average earnings on these companies' licensing efforts ran from $4 million to $6 million annually, he says.

There's always been money to make in corporate licensing, but the movement is getting more publicity now, Mr. Bolka says.

In addition to the obvious opportunity to make money, corporate licensing is receiving more attention because it is perhaps the most flexible form of licensing. "Character licensing appeals only to a juvenile crowd," *The Licensing Book's* Mr. Schulman says. "Corporate licensing can bring into play other departments in a mass merchandise store," he says, while character licensing is concentrated in toy departments.

Increased corporate demand for information about the viability of licensing names or symbols has led Marketing Evaluations, a Port Washington, N.Y.-based market research company, to create a new division called Product Q, says Steven Levitt, president.

"We basically measure the popularity of brand names so we can tell a corporation how many consumers are familiar with the name and what appeal the brand has," he says. The company asks some 3,500 consumers to determine whether they know a product name, like the product and like it more than competitors' brands.

"A company that has this information can sit back and know if its symbol or brand has magic to it," Mr. Levitt says. "And they'll know if it's a good choice to license the brand to those other manufacturers."

Succeeding in corporate licensing depends not only on how well a company's name is known and liked by the general public, but also on the appropriateness of the relationship between the licensed product and the corporate name.

"Just as in the casting of tv commercials, a choice can be disastrous," Mr. Levitt says. "If the product doesn't have a reason for being, it won't work. Look at the choice of John Houseman for the Smith Barney commercials. It worked great. But then Houseman was cast for a McDonald's commercial selling hamburgers . . . and it just didn't work."

Some corporations have learned their lesson the hard way, Mr. Schulman says. "Last year it seemed like corporations were granting licenses across the board.

The results were a lot of products that looked like premium promotions." Companies' licensing arrangements recently have become more sophisticated and targeted, he says.

Although he says companies probably were too free in contracting licensees last year, Mr.

(Continued on Page S-16)

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Logos and profits come full circle

(Continued from Page S-15)

Schulman says no formula exists to determine the right amount. "That's impossible to answer. But a corporation does need a variety of product categories and not just one or two licensees." Because each corporation incorporates different goals into its licensing program, the number and types of licensees considered will differ as well.

The really important thing is to have a name with consumer awareness and acceptance, Mr. Schulman says. "And, of course, the new products developed should have a realistic relationship with the corporate name."

People involved in corporate licensing also are having a hard time convincing retailers of the advantages of shelving corporate vs. fad—mainly character-oriented—merchandise, he says. "The volume of corporate products is much lower than fad, but it's more steady and ongoing," Mr. Schulman says.

The astounding proliferation of character items and the competition for shelf space has made retailers wary. "The retailer reacts by asking, 'Do I really need this?'" says Michael Sisson, president, Sisson Associates, a New York-based licensing agency. "For the corporate items, it's a more long-term commitment and many [retailers] aren't willing to commit to it."

Because corporate products will not produce a high yield quickly, Mr. Schulman suggests they share retailer space, perhaps by forming corporate boutiques. "It could cover various product categories and be set up in a designated area of a store. But the idea needs to get the backing of retailers and it's just in the talking stages," he says.

Some progress already has been made by individual corporate lines in establishing a strong retail presence. Philadelphia-based J.G. Hook and Murjani, for example, have set up specialized boutiques and retail outlets for Walt Disney Productions and Coca-Cola licensed products, respectively.

In addition to the shelf space problem, corporate licensing is plagued by copyright infringements. This illegal activity siphons about $20 billion a year off licensing profits, estimates "The Licensing Letter's" Mr. Bolka.

"It is the No. 1 problem in the industry, but unfortunately there is no industrywide program mounted to attack it yet," he says. "The larger companies have the wherewithal to police their own property, but many smaller companies don't."

Toys, apparel, luggage, jewelry and cosmetics are all fair game for counterfeiters, sources say.

Steve Musgrave

"It's less of a problem now than it was two years ago," Mr. Anson says, because of increased policing by licensers and more education and awareness of the problem. The risk isn't what it was, Ms. Bailey agrees. Not too long ago many corporations feared getting into corporate licensing because of the problems associated with monitoring the company trademark.

"As long as a corporation and its licensee work with a reputable agent, you can be sure you'll get a good reflection of the corporation," she says. But just as properly conceived licensing arrangements can reflect handsomely on a company, a poorly executed job can hurt the company's image, Ms. Bailey says.

But the stakes are as high—or higher—for the licensee manufacturer as they are for the corporate licenser. "If a new product fails, it's not going to surface to that large of a degree for the consumer to be aware of. The corporation's not going to feel any backlash, but the licensee will," Mr. Sisson says. "The licensee has an investment in product and inventory. He's made a commitment to a new product, so he's the one that can lose."

Enough companies on both sides of the licensing contract have become interested in corporate licensing to stimulate further, significant growth, however. Consumers always will like brand names, industry observers say. "I believe corporate licensing has the greatest growth potential among all the categories in licensing," Ms. Bailey says.

But the boom times may be slow in developing. Companies will move very cautiously into corporate licensing, Mr. Schulman says.

"Their name is at stake and no company wants to adversely affect the value of their trademark," he says, especially in today's competitive licensing environment, where a name is much more than just a name.

Planning should precede corporate plunge

Corporations can learn a lesson from the tortoise and the hare. When it comes to making a go of it in corporate licensing, slow and steady is the way to run the course, the experts say.

For starters, companies must determine consumer awareness of their brands or trademarks. Market research companies can help garner the numbers. "You need to have facts and figures on how consumers relate to the logo or brand," says Michael Sisson, president of Sisson Associates in New York.

Not only does a company need good marks on consumer awareness, but it also will need to exactly define its potential audience, says Weston Anson, president of Marketing/Trademark Consultants in La Jolla, Cal. "It's not so much how many, but who, and how broad is that group?" he says.

But even a product with high consumer awareness isn't guaranteed success. The company or brand name has to ring well in the ears of the consumer, Mr. Anson says.

"I would bet that Brillo, for example, has a high awareness factor among consumers," he says. "But it's not an attractive name. It indicates grit and dirt to a lot of people. So then you have to ask yourself, where can you go with that? What product categories make sense?" The nature of some products simply limits their licensing potential, he says.

Start with common sense. British Airways may have a gold mine in a line of licensed luggage or apparel for traveling, Mr. Sisson says. But it would be useless to slap the airline name on tea biscuits, for instance, because there's not enough of a link between the company and the product, he says. "Of course, tea biscuits could be right if the airline served them to passengers and found it had a following that way."

A company that can be represented in a very specific item or image, such as Harley-Davidson Motor Co., often has a future in corporate licensing, says Nancy Bailey of Nancy Bailey & Associates in Miami. Category-leading products have strong licensing potential, as do life-style brands or an old company that hooks into nostalgia or history, she says.

Possessing the best market share won't guarantee success, however. "A corporation has to evaluate all the factors because there's so much competition in corporate licensing," Ms. Bailey says. "Everyone wants to get in."

Corporations interested in licensing should determine where they are missing product opportunities and whether corporate licensing can help to fill the gaps, Mr. Anson says. Look at the dark side of the deal as well. tive effects on the company's image and balancing those against the potential payoff.

A company also should look at its willingness to accept another company manufacturing a product with the licenser's name on it, says Glen Konkle, president, Equity Management Inc., a Palatine, Ill.-based marketing company specializing in licensing. "It's like letting the family money get out of the family. It takes a certain level of adjustment."

Selecting the right licensee to entrust with a corporate name should not be taken lightly. A corporation that is hooking up with a blue jean manufacturer, for example, wants to make certain that the company has a substantial share of the market in that particular category, Ms. Bailey says.

It might not be a good idea to go to the leading manufacturer, Mr. Konkle says. "How important is the product to the corporation? You often are not going to find the best deal with the largest manufacturer because they are not as motivated."

The licenser should look at a potential licensee as a business partner, he says, not simply as a licensee. Licensers should assess the licensee's stature in the industry, management depth, reputation for product quality and innovativeness, marketing capabilities and distribution, advertising and promotional aggressiveness, past experience in licensing and financial situation, Mr. Konkle says.

It's crucial for licensees to have the resources to fully commit to the new product's development, sales and distribution. "You want a licensee who will go that extra measure to make sure the product is placed at the retail level," Ms. Bailey says.

A corporation needs to have a relationship with a licensee that is prepared to use the license to the fullest extent, Mr. Sisson says. "For that reason, your marketing goals should be parallel."

shoes, jewelry and cosmetics, for example, can be put together so the products can be cross-promoted in ads and at point of sale.

Consultants warn corporations to stay away from licensees in overcrowded categories. "You can find out what categories to avoid by talking to manufacturers and retailers. Do your legwork," Mr. Anson says. "Talk to retailers about where there might be openings for new products or ask them about voids in particular market [segments] and at what price points."

Prospective licensees should do a little investigating of their own, primarily to guarantee they are dealing with the legal property owner. "There have been cases where people have been involved with companies that said they owned the trademark but really didn't," Mr. Konkle says.

Manufacturers also should assess the strength of the property and the licenser's commitment to it, he says. "Find out if they have a support program, involving such things as cross-promotions among their licensees, and check that they are involved in aggressive policing of the trademark, which is always the responsibility of the licenser."

Even a high-quality licensee producing an appropriate product for a very involved licenser may not make it. "It's impossible to predict," Mr. Sisson says. "You've got a great product, at the right price point; the quality is super and the marketing plans work. But the consumers reject it and say, 'We don't need that.'

"There are no guarantees in this business," he says.

—Eileen Norris

Senior editor Ed Fitch coordinated this report on Licensing.

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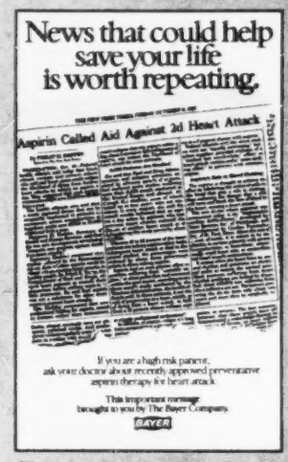
A textbook-perfect use of spot color is the highlight of this tune-in ad for a Lifetime Cable Network "informathon" on allergies. Merrell Dow, which sponsored the Lifetime show, used the ad, via Medicus Consumer Communications, New York, to call attention to the special. Copywriter: Hal Borofsky; art director: John Hegquist.

J. Walter Thompson USA, Chicago, uses a high-impact visual to promote Hyatt hotels and their practice of providing guests with all manner of toiletries. Creative director: Rita Winters; art director: Jim Root; copywriter: Keith Condon.

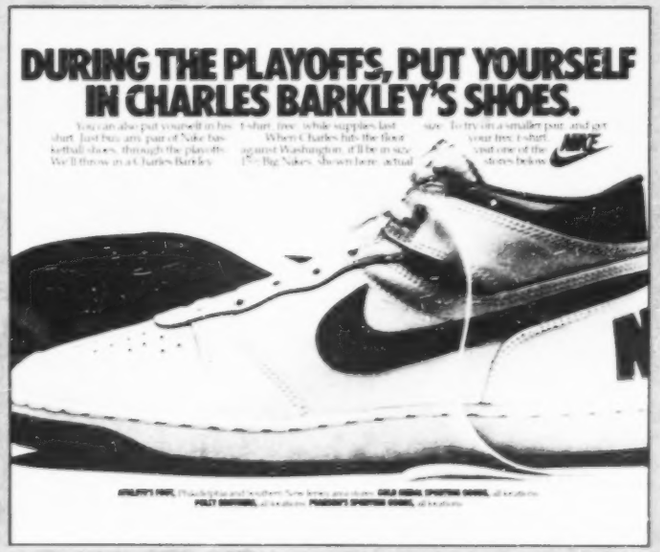


This ad for Sterling Drug's Bayer aspirin, via SSC&B, New York, uses an actual reprint of a *New York Times* news story to capitalize on the news value of its message and to present the appearance of public service. Executive creative director: Mike Shalette; creative director: John Lerch; art director: Bob Gula; copywriter: Kathleen Malone; photographer: Hank Dunning.

Fallon McElligott, Minneapolis, uses a graphic interpretation of sound to stress the quality of Allnet Communication Services' long-distance service transmission. Creative director: Tom McElligott; art director: Bob Barrie; copywriter: Phil Hanft; photographer: Rick Dublin.

The combination of an arresting headline and a strong graphic makes this ad for Ryder Truck Rental, via Burton-Campbell, Atlanta, a standout. Creative director: Gabe Massimi; art director: Tom Sapp; copywriter: John Jaeckel; illustrator: Gary Overacre.

National System inc., St. Louis, provides tear sheets to the Newspaper Advertising Bureau for much of this work. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to William F. Gloede in AA's New York bureau.



A series of ads showing the actual size of NBA stars' basketball shoes was the hook in this Nike campaign from Wieden & Kennedy, Portland, Ore. The shoes of NBA home-team stars in several cities were used for the campaign, which ran during the first rounds of the playoffs. This ad, featuring the shoe of Charles Barkley, the Philadelphia 76ers forward, ran in that city. Creative directors: Dan Wieden, David Kennedy; art director: Rick McQuiston; copywriter: Barrett Rossie; photographer: Pete Stone.

FLASH REPORT: Newspaper advertising investment for March

February 1986	IN 100 THOUSANDS IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR	1986	1985	ACTUAL $ G OR L	% G OR L
Amusements	1986	$32,010,825	$29,938,803	+2,072,025	+6.9
	1985				
Computer stores & supplies	1986	5,224,451	5,564,813	-340,362	-6.1
	1985				
Department stores	1986	90,922,861	90,796,100	+126,761	+0.1
	1985				
Food stores	1986	31,990,092	27,815,175	+4,174,917	+15.0
	1985				
Radio, tv, phonographs, records	1986	18,577,555	16,838,501	+1,739,054	+10.3
	1985				
General merchandise stores	1986	46,751,871	41,594,270	+5,157,601	+12.4
	1985				
Alcoholic beverages	1986	1,792,354	2,172,552	-380,198	-17.5
	1985				
Cameras, photo supplies & services	1986	300,060	146,168	+153,892	+105.3
	1985				
Computers, equipment & services	1986	2,886,779	4,062,622	-1,175,843	-28.9
	1985				
Public service utilities & communications	1986	4,489,422	8,007,976	-3,518,554	-43.9
	1985				
Publishing & media	1986	10,557,701	11,244,645	-686,944	-6.1
	1985				
Cigarets	1986	4,992,947	3,114,007	+1,878,940	+60.3
	1985				
Airlines	1986	19,643,846	11,440,523	+8,203,323	+71.7
	1985				
Passenger cars-new	1986	17,701,674	15,867,796	+1,833,878	+11.6
	1985				
Banks & trust companies	1986	9,908,320	9,505,841	+402,479	+4.2
	1985				
Stock, bond & investment houses	1986	2,673,573	1,792,917	+880,656	+49.1
	1985				

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Newspaper ads March up

NEW YORK—Advertiser investments in 52 newspapers increased 7.3% to $299.5 million in March, 1986, according to figures that Media Records compiled for the ADVERTISING AGE Flash Report.

Among the 16 major categories measured, airlines gained the most altitude, in total dollars, over the same period in '85, posting a 71.7% gain of $8.2 million to $19.6 million.

Other major gainers in those papers that Media Records tracked included cigarets, up 60.3% to $5 million; stock, bond and investment houses, up 49.1% to $2.7 million; food stores, up 15% to $32 million; general merchandise stores, up 12.4% to $46.8 million; new passenger cars, up 11.6% to $17.7 million; radio-tv-phonographs-records stores, up 10.3% to $18.6 million, and amusements, up 6.9% to $32 million.

Other gaining categories were department stores, up just 0.1% to $90.9 million; banks and trust companies, up 4.2% to $9.9 million, and cameras, photo supplies and services, soaring 105.3% to $300,000.

Losing categories were publishing and media, down 6.1% to $10.6 million; computer stores and supplies, down 6.1% to $5.2 million; alcoholic beverages, down 17.5% to $1.8 million; computers, equipment and services, down 28.9% to $2.9 million, and public service utilities and communications, down 43.9% to $4.5 million.

The 29 daily and 23 Sunday newspapers measured for the Flash Report are concentrated in the top 15 markets.#

C2710-1

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$1.50 a copy; $57 a year

Monday, June 16, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Illustration by Gerhard Smith

FLOVRISHING ROMAN AD BIZ FOVND

By RAYMOND SERAFIN

John Rokicki didn't set out to determine whether toga-clad men who never went to B-school really invented positioning. Nor did he anticipate solving the question "Who came first, the writer or the art director?"

Mr. Rokicki, now a copywriter at Doyle Dane Bernbach's Troy, Mich., office, was merely trying to come up with a master's thesis for a degree from Fairfield (Conn.) University's Graduate School of Corporate and Political Communication. His four years of Latin study at New ark (O.) High School and his interest in advertising led him to pursue the idea that advertising existed during the Roman Empire.

And his research led Mr. Rokicki to conclude that "advertising people, 20 centuries before the King of Beers was crowned, could write headlines, market imports, do brand extensions and place media."

He was surprised that he seemed to be breaking new ground. "There have been a lot of books that talked about the writings found on the walls of Pompeii, but they mostly concentrated on the graffiti, the 'Pseudolus loves Januarius' stuff," says Mr. Rokicki. Some 15,000 inscriptions have been found on the walls of the excavated cities of Pompeii and Herculaneum, which were buried by the lava of Mount Vesuvius in 79 A.D.

Mr. Rokicki pored through t[illegible]s of those writings and found evidence that wine marketing [illegible] time paralleled modern beer marketing. There were at least [illegible]0 wines, most of them branded, with price differentiations, point-of-purchase promotions and endorsements by poets such as Horace ("What would I rather do on the festival of Neptune? Come on, Lydia, hurry and bring forth the stored Caecubian.")

One product of the vine was classified as "frenzy wine." "Without ever having read [Al] Ries and [Jack] Trout, or sitting down with 600

(Continued on Page 93)

Cigaret ad hearings spark July fireworks

By STEVEN W. COLFORD

WASHINGTON—Spurred by a new House bill to ban all tobacco promotions, Rep. Henry Waxman moved ahead last week with plans for what could be the most severe examination of tobacco marketing since the congressional debate that resulted in cigaret ads being banned from broadcast media in 1971.

Rep. Waxman (D., Cal.), one of Capitol Hill's most outspoken tobacco opponents, set July 21 as the tentative start of tobacco advertising hearings before his health and environment subcommittee.

Potentially at stake is the approximately $2.8 billion spent by tobacco marketers each year on various forms of advertising and promotion.

Earlier this year, Rep. Waxman convinced Congress to force smokeless-tobacco ads from tv and radio and to require health warnings on all product labels and print ads. The setting of a tentative date for his tobacco-marketing hearings followed the introduction of a bill by Rep. Michael Synar (D., Okla.) to ban all tobacco promotions (AA, June 9), and the Defense Department's decision, also last week, to severely restrict tobacco use in the military.

American Medical Assn. eyes alcohol advertising—Page 90.

The subcommittee hearings on tobacco marketing could be significantly different from last year's congressional examination of beer and wine advertising, which ended with a rejection of suggestions that Congress impose new restrictions on marketers of those products.

Unlike the initial beer and wine hearings last year, the Waxman hearings take place against a back-

(Continued on Page 90)

'Cosby' leads network revenue parade

Thursday payday at NBC

By VERNE GAY

NEW YORK—What a difference a megahit makes.

Riding on the unrivaled success of "The Cosby Show," the NBC-TV Thursday-night prime time lineup has pulled in an estimated $401.4 million through the first three quarters of the 1985-86 broadcast year. And that's about $118.2 million, or 41.7%, more than the night delivered to the NBC network coffers for the same period the year before.

Those came despite "Hill Street Blues'" lukewarm pricing performance. "Hill Street" so far is running $2.6 million, or 2.4%, behind a year ago.

"Cosby" alone has brought in some $92.9 million in three quarters, up 102.8%, or $47.1 million, from 1984-85.

The program revenues are based on Broadcast Advertiser Reports and A.C. Nielsen Co. data obtained by ADVERTISING AGE. The data track average prices paid for 30-second units in all network shows and have been projected here on the basis of 10 network minutes per hour and a 12-week quarter. While BAR and Nielsen say the monthly reports cannot be used to project precisely what network revenues would be for an entire quarter, the actual figures would not be significantly different.

These dollar figures do not account for several factors that would result in less real revenues for the networks, including make-goods, stunting, bonus spots and pricing variations on multi-daypart deals. However, by applying the same criteria to each program, the projections provide the maximum revenue potential of a show and demonstrate the relative pricing strength of the show.

The data demonstrate just how strong NBC's market position is going into the 1986-87 prime time upfront market. Besides the huge increases for its Thurs-

(Continued on Page 4)

Big Mac cans S&S in Britain

By JOHN WOLFE

McDonald's Corp. fired Saatchi & Saatchi and named Leo Burnett Co. to handle its $12 million account in the U.K.

A source in London said McDonald's U.K. office was unhappy with Saatchi's creative work and the shift was "not because of international alignment." Other sources said the McDonald's-Saatchi relationship had been rocky from the start.

The basic sticking point, according to one insider, was that "Saatchi just doesn't want to do it [advertising] the McDonald's way and McDonald's doesn't do anything

(Continued on Page 8)

Last Minute News

O&M to prescribe HCA's ad strategies

NASHVILLE, TENN.—Hospital Corp. of America, the nation's largest healthcare company, has moved its $8 million account to Ogilvy & Mather, New York, from Eric Ericson & Associates here. The move, which includes a $5 million increase in projected billings, should make HCA more competitive with rival Humana, Louisville, which last month broke the first of 10 spot tv ads, via Grey Advertising, New York.

Oh's rolls national from Quaker

CHICAGO—Quaker Oats Co. on Sept. 7 will introduce nationally Oh's ready-to-eat cereal, which has been testing in the East since January (AA, Dec. 23). Quaker will spend $14 million on network and spot tv, plus another $13 million on coupons and promotions. Backer & Spielvogel handles. Also, Quaker has agreed to buy Golden Grain Macaroni Co., San Leandro, Cal., marketer of Rice-A-Roni, Ghirardelli chocolates and other products. Quaker said it has not decided the future of Golden Grain's $12 million account, now handled in-house.

N.Y. adman O'Sullivan joins HHCC in Boston

BOSTON—Eugene O'Sullivan, a top New York ad executive, is joining Hill, Holliday, Connors, Cosmopulos here in the new post of exec vp-director, account services. He was exec vp-director, client services, at Young & Rubicam, New York, before joining Ogilvy & Mather last year as a senior vp-group director. Separately, a spokesman confirms that HHCC had been "in discussions" to acquire a small creative New York shop but said that had fallen through. Malcolm MacDougall, president of HHCC's

(Continued on Page 8)

NEWSPAPER

CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HWY #800
WASHINGTON DC
SRI ACQUISITIONS
3.

HIGHLIGHTS

Tobacco marketing gets scrutiny 1
Spurred by a new House bill to ban all tobacco promotions, Rep. Henry Waxman moved ahead last week with plans for what could be the most severe examination of tobacco marketing since cigaret ads were banned from broadcast media.

B.C. wasn't B.A. 1
John Rokicki didn't set out to determine whether toga-clad men really invented positioning. But research led him to conclude that during the days of the Roman Empire "advertising people, 20 centuries before the King of Beers was crowned, could write headlines, market imports, do brand extensions and place media."

Execs still wary of conflict 3
Comments by leading executives among both advertisers and agencies indicate a strong conviction still exists that conflict-free proprietary relationships remain a basic of today's advertising business. Conflict was the subject of the latest Advertising Age Sounding Board Poll.

The name game 6
Its code name was "4108." But the word "Omni" was something the principals in the "big bang" merger of BBDO International, Doyle Dane Bernbach and Needham Harper Worldwide liked early on. So after numerous permutations of that word were explored, Omnicom Group emerged as the official name of the new holding company.

Murjani loves Tommy 35
When Murjani International sprung an ad campaign last fall, pushing Tommy Hilfiger as a top new designer, much of Seventh Avenue laughed. Now, it's Murjani's turn. In a sample of 800 people in six markets, Murjani found 82% of the target audience intended to purchase or would consider purchasing Mr. Hilfiger's clothes.

Kiam's somebody 36
Victor Kiam, president-ceo, Remington Products, is backing a new line of Remington leisure wear now selling at Sears, Roebuck & Co. stores. Just as Mr. Kiam patriotically touts his electric shavers as made in the U.S., he is touting the clothes as the U.S. textile industry's answer to foreign competition.

Rating agencies' work 76
Top agencies concede they do their best work for only 56% of their clients and top advertisers rate the quality of the work they get as a 7.5 on a 10-point scale, according to a survey released by Nancy L. Salz Consulting.

Beef marketers lighten up 89
Beef marketers have lost their marble. "Natural and light beef is no longer a niche—it's now a market segment," said one beef producer.

Wahl turns stubble 'play' 91
The stubble-face look, a trend made popular by king-of-the-5-o'clock-shadow Don Johnson, is sprouting sales for a new shaver that maintains the unruly growth. The Wahl Stubble Device is being billed by Wahl Clipper Corp. as the nation's first stubble-keeper.

FEATURES

'Cosby Show' duo 38
Three years ago, comedian Bill Cosby called his longtime agent and said he wanted to make another tv show. His terms, however, were not simple. He wanted a firm series commitment from a network without filming a pilot episode. And he wanted to tape the show on the East Coast. At that time, not even Bill Cosby had the clout to make that kind of deal. Enter Marcy Carsey and Tom Werner.

Sock it to 'em, Cynthia 56
Cynthia McKinney has ducked headhunters, weathered the Philippines coup, conquered anorexia and created her own company. She brings her poodle to the office and a smile to her work. She's 27. She designs socks.

INTERNATIONAL

Mac weighs pan-European tv 58
McDonald's Corp. is reassessing how big a commitment to make to pan-European tv, just as the regional channels are altering their strategies to stem the flow of red ink. The fast-food marketer is considering all its options—including reducing what it spends on pan-European tv—before entering its third year on Rupert Murdoch's Sky Channel, the pioneering and biggest pan-European station.

Heinz targets Third World 59
H.J. Heinz Co. is starting a major push into Third World and other markets where the company is not yet a factor. The strategy is to use a new fruit drink called Frutsi to enter these markets and, once there, find other niches Heinz can exploit. Heinz may also choose a global agency for the product.

OTHER NEWS

Frankenberry, Laughlin & Constable gave Hal Riney & Partners a run for its money in the 1986 Addy awards competition. Riney led the pack by picking up seven awards, four of them in the tv category. Frankenberry snatched six awards in five categories. Page 22.

Zale Corp. next month will start marketing its 38 carriage-trade jewelry retailers under the banner of its largest and most prestigious unit, Bailey Banks & Biddle Jewelers. Page 35.

Quaker Oats' Life cereal spokeschild "Mikey" will have one last hurrah with a promotion called "Where's Mikey?" scheduled for mid-July. Page 36.

Anheuser-Busch has brewed up a campaign for Dewey Stevens Premium Light wine cooler that makes an all-out appeal to active, young women but places little emphasis on the product's lower-calorie content. Page 60.

Baby-boomers don't quite fit their image, according to a new study by N W Ayer of 80 million Americans now between the ages of 25 and 44. Page 76.

Amway Corp., a direct seller of soaps, personal care items and housewares, is branching out as a service-oriented vendor of higher-ticket items such telephone and travel services, automobiles and real estate. Page 80.

Playboy Enterprises has shifted responsibility for its international publishing unit to a newly formed corporate licensing division. The move acknowledges the growing importance of product licensing to Playboy's financially troubled empire. Page 89.

AT&T last week reached out to customers and striking communications employes with a $1.5 million print campaign that details its contract proposals and efforts to maintain telephone service. Page 91.

Several companies showed up at last week's Licensing '86 show bearing properties based on cartoon characters that just lost berths on the tv networks' fall Saturday morning schedules. Page 94.

SPECIAL REPORT

Auto makers are striving for distinctive looks, brands and divisions in an effort to restore consumer loyalty. Special Report examines how corporate names are taking a back seat as marketing efforts focus on nameplate differences.

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HBM just start of plan by U.K. shop

By LAUREL WENTZ

LONDON—The $50 million takeover of the HBM/Creamer advertising and pr group is only the beginning of U.K. agency Wight Collins Rutherford Scott's plans for the U.S.

Like Saatchi & Saatchi when it entered the U.S. market several years ago, WCRS is eager to expand both internationally in advertising and into related business services in Britain and later the U.S.

At a press conference in London Wednesday, June 11, to announce a conditional agreement to buy the U.S. agency (AA, June 9), WCRS chief executive Peter Scott said privately held HBM/Creamer will be paid $42.2 million on completion of the deal. The balance will be

(Continued on Page 90)

Bartles' secret out in Portland

By BRIAN LOWRY

Bartles & Jaymes, the down-home duo who front for E. & J. Gallo Winery's wine cooler, have been unmasked.

Dave Rufkahr, a farmer from a small community outside Bend, Ore., does all the talking as Frank Bartles, while Richard Maugg, a Santa Rosa, Cal.-based businessman, nods occasionally as Ed Jaymes.

Mr. Maugg was identified in Advertising Age last year (AA, Aug. 22), but Mr. Rufkahr remained anonymous until last month, when local tv station KGW, Portland, ran a closing segment on his hidden celebrity.

Because everyone associated

(Continued on Page 90)

West Coast news

O&M exec quits after staff cuts

Ogilvy & Mather's Los Angeles general manager, Jim Surmanek, has resigned following a reorganization that included 10 layoffs from its formerly 197-person staff. As part of the restructuring, senior vp-director of account management Jill Himonas takes on the new title of director of marketing. Management supervisor Gary Elliott becomes executive group director. Managing director Jerry McGee said the layoffs reflect across-the-board reductions in cli-

(Continued on Page 90)

Payday for NBC

(Continued from Page 1)

ay schedule, NBC also has shown uge gains for "Highway to leaven" (bringing in 48.6%, or 27.6 million, more than the same eriod a year ago) and "Miami ice" (up 80.7%, or $74.8 million, hrough the first three quarters). Almost all NBC's returning series howed substantial price increases n April, compared with year-ago nd March, 1986, rates.

As a result, almost all of NBC's eturning shows are entering the pfront season with pricing moentum, giving the network a tremendous advantage over ABC and, o a lesser degree, CBS.

In addition, agency network neotiators have projected that NBC vill have at least three new hit hows this fall—"Amen" starring herman (George Jefferson) lelmsley, "L.A. Law" from "Hill treet Blues" creator Steven ochco, and "Matlock," the new ehicle for Andy Griffith *(see hart below)*. The admen also predict that CBS will have three new vinners ("Designing Women," Kate O'Brien, Surgeon" and Taking the Town") while ABC hould have one certified hit ("Our Kind of Town") and two possible uccesses ("Perfect Strangers" and Head of the Class").

According to those agency share projections, ABC will win Monday night with a 27.3 share average, beating CBS by 0.8 shares; a decisive 7.2 share win on Tuesday and a 1.5 share victory over NBC on Wednesday. The rest of the week ABC will come in third, except Sunday when it should finish 0.4 shares ahead of NBC. CBS will win Friday by 1.4 shares over NBC and will continue to dominate Sunday by 8.7 shares. NBC is expected to take Thursday by 10.0 shares and Saturday by 7.0 shares.

A share is the per cent of homes watching tv tuned to a particular show. A rating is the per cent of total tv households, whether turned on or not, watching a show.

Not all of the news is good for NBC. "The A-Team" has been in a serious revenue decline all season, bringing in $22.9 million, or 21.9%, less than the same period a year ago. "Facts of Life" also is running 8.2%, or $3 million, behind 1984-85.

CBS has had five returning shows demonstrate significant revenue gains so far this season. "Murder, She Wrote" is up $22.2 million, or 32.2%, compared with a year ago, while "Newhart," bolstered by a 56.6% increase in April compared with a year ago, has brought in $12.2 million, or 32.6%, more through three quarters. "Dallas" is up $7.2 million, or 6.3%, for the year; "Kate & Allie" is ahead $5.2 million, or 12.1%, despite a weak start, and "Cagney & Lacey" has brought in some $1.4 million, or 2%, more, although it had been ahead almost $6 million before April when its prices dropped 18.3% compared with last year.

Still, the power of "Cosby" and the Thursday-night landslide on NBC has cost CBS plenty. CBS' "Magnum, P.I." is off a hefty $23.3 million, or 25%, from a year ago, and "Simon & Simon" is down $14.9 million, or 13.5%. In the first three quarters of 1984-85, those two shows had estimated revenues of $203.1 million; this year they have delivered only $164.9 million.

CBS' "Falcon Crest" also is running behind 1984-85 by $8.7 million, or 9.4%, even though the show was ahead $1.3 million through the first 12 weeks of the season.

"60 Minutes," the crown jewel of CBS' schedule and the longest running prime time tv series, also has lost some luster recently. Once the highest priced CBS show, "60 Minutes" has seen its price tag erode during the last 18 months. A 30-second spot on "60 Minutes" in April cost an average of $180,000, compared with $183,000 a year ago. For the first three quarters, "60 Minutes" is down $6.4 million, or 3.8%, although the news show still has brought CBS $160.9 million this year.

ABC's two biggest price winners have been "Who's the Boss?" up $5 million, or 14.6%, and "Dynasty," ahead $5.8 million, or 4.3%. However, "Hotel" is off $13.3 million, or 13.4%, and "Webster" is down $7.4 million, or 20.4%. All four shows have been renewed for 1986-87.

The shifting fortunes of the three networks in part is a reflection of softening network economy. Last year net tv ad expenditures declined for the first time since 1971. But they also reflect a new hierarchy. While advertisers do not always "buy shows," they do purchase demographics, and NBC's commanding strength in prime time household ratings, as well as in key demographic categories, explains its substantial unit cost gains during the last year.

Each network is under pressure to maintain its cost base in key returning shows as they approach this year's upfront selling season. ABC is especially hard-pressed to reverse a yearlong slide in network revenues. As the price increases for "Cosby" demonstrate, even if ABC's new shows fare well, the ad prices won't reflect that success for at least another year.

Already Capital Cities/ABC senior management has predicted a loss for the network this year. CBS, which improved network revenues only slightly last year, is attempting to aggressively build its share of the softening marketplace. Only NBC among the Big 3 appears to have established significant momentum as the 1986-87 prime time upfront selling season approaches, the BAR/Nielsen figures reveal.

BAR collects the unit-cost information from the networks and agencies. This information then is sold to Nielsen, which publishes the costs twice each quarter in a booklet, the NTI/NAC Cost Supplement. The revenue projections here were based on Cost Supplements from October, 1984, to April, 1986, the most recent booklet.

Share projections, 1986-87 season

A survey of network negotiators at a dozen of the top agencies reveals the following audience share projections for the 1986-87 network prime time season. The figures are averages of all responses, although agency share projections never varied by more than two share points and in most cases were identical. The Big 3 tv networks declined to reveal their own share projections, although the agency sources said that by and large the networks expect each show to perform one to three share points better than the agency numbers. *Eastern Times. Source: *Advertising Age*.

		7:00*	7:30	8:00	8:30	9:00	9:30	10:00	10:30
MONDAY	ABC			MacGyver 22		NFL Monday Night Football 30			
	CBS			Kate & Allie 27	Taking the Town 25	Newhart 28	Designing Women 27	Cagney & Lacey 26	
	NBC			Alf 20	Amazing Stories 21	NBC Monday Night Movies 286			
TUESDAY	ABC			Who's the Boss 33	Growing Pains 30	Moonlighting 29		Our Kind of Town 26	
	CBS			Wizard of Elm Street 13		CBS Tuesday Night Movies 26			
	NBC			Matlock 25		Crime Story 21		1986 17	
WEDNESDAY	ABC			Perfect Strangers 24	Head of Class 24	Dynasty 32		Hotel 30	
	CBS			Together We Stand 17	Better Days 16	Magnum P.I. 20		The Equalizer 22	
	NBC			Highway to Heaven 30		Gimme A Break 23	You Again? 22	St. Elsewhere 24	
THURSDAY	ABC			Our World 10		Dynasty II: The Colbys 20		20/20 25	
	CBS			Simon & Simon 21		Knots Landing 28		Kay O'Brien, Surgeon 26	
	NBC			Cosby Show 49	Family Ties 45	Cheers 33	Night Court 29	Hill Street Blues 27	
FRIDAY	ABC			Webster 25	Mr. Belvedere 23	Last Electric Knight 12	Sledge Hammer! 13	Starman 17	
	CBS			Scarecrow & Mrs. King 24		Dallas 33		Falcon Crest 30	
	NBC			The A-Team 23		Miami Vice 32		L.A. Law 28	
SATURDAY	ABC			Life With Lucy 21	Ellen Burstyn 22	Cold Steel and Neon 16		Spenser: For Hire 22	
	CBS			Downtown 19		Mike Hammer 22		Twilight Zone 24	
	NBC			Facts of Life 27	227 27	Golden Girls 36	Amen 30	Hunter 26	
SUNDAY	ABC		Disney Sunday Movie 21			ABC Sunday Night Movie 25			
	CBS		60 Minutes 36	Murder, She Wrote 35		CBS Sunday Night Movie 28			
	NBC		Our House 16	Easy Street 20	Valerie 21	NBC Sunday Night Movies 27			

Shaded area indicates new program

NBC to keep limits on stand-alone 15s

By WAYNE WALLEY

KAANAPALI, HAWAII—NBC will mit the use of stand-alone 15-secnd commercials and will not uarantee exclusivity, network resident Pier Mapes revealed ere last week.

Mr. Mapes, here for the NBC affiliates meeting, said the network ill allow two 15s in each 60, 90 or 20-second ad block, but spots for ompeting advertisers could be laced side by side. "We will protect all our 30s and we will do our est to protect 15s, but we cannot guarantee it," he said.

Some observers at the meeting said this might discourage agencies and advertisers from using the shortened commercials on NBC, especially since CBS and ABC have embraced the new ad unit.

Even tv syndicators selling barter time have joined the 15-second bandwagon. Last week, San Francisco-based Golden Gater Productions said it will take 15s at 70% of the cost of a 30-second spot, and would reduce the cost to 60% if the agency or advertiser finds another

(Continued on Page 92)

U.S. NewsWatch

Marketing news from regional centers across the country

Continental, United express competitive flights

HOUSTON—Continental Airlines July 1 launches Continental Express, a network of regional carriers, from Denver with Rocky Mountain Airways and Trans-Colorado Airlines, both of which handle advertising in-house. Scali, McCabe, Sloves, handles Continental. Also: Fresno, Cal.-based WestAir has joined United Express, United Airlines' regional network. Leo Burnett USA, Chicago, handles Elk Grove Village, Ill.-based United; MTC & Associates, Eureka, will continue to handle WestAir.

ARDEN HILLS, MINN.—**Land O'Lakes** has expanded distribution of its 15-flavor ice cream line to Illinois and Wisconsin. Coupons in freestanding inserts support. Funari Fahden Advertising, Minneapolis, handles.

BALTIMORE, MD.—**Century Importers**, marketer of Canadian-imported Cinci Cream Lager, is heralding the return of the turn-of-the-century, impish-looking "handsome waiter" symbol with a humorous radio campaign. Century is repositioning the lager and plans to expand into East Coast and Midwest markets. W.B. Doner & Co. handles.

LOS ANGELES—**Summit Health** reportedly has assigned its $1 million account to Kaiser McEuen, which also has won the Riverside, Cal.-based Arlington Health Services account, estimated at $750,000 to $1 million.

EUGENE, ORE.—**Chef Francisco**, a baked goods marketer, has shifted its $1.5 million account to Lewis, Browand & Associates from J. Walter Thompson USA, both San Francisco.

SALISBURY, MD.—**Perdue Farms** is expanding into New York area with its oven-ready line of Perdue Done It! chicken nuggets, cutlets

(Continued on Page 74)

Special Report

A*R&R Communications

Chasing buyer loyalty with nameplate distinctions

What's in a nameplate? Plenty, according to the U.S. automotive industry, which is using an increasing share of its marketing to separate and advertise its divisions and brand names.

Entering the 1980s, domestic auto marketers were challenged to shore up profitability in the face of imports' growing market share, which has nearly doubled in the past decade—from 14.9% in 1976 to 27.7% in 1985, according to *Automotive News*. Although recognizing the need to broaden their offerings, auto marketers were short of capital to accomplish it.

The result was cookie-cutter cars. With Chrysler Corp.'s Dodge Omnis and Plymouth Horizons rolling off the same production line, sometimes even the assemblers couldn't tell the difference. They would tag a car Plymouth on the rear, Dodge on the front.

Customer dissatisfaction with the lack of divisional distinctions began to surface as a problem not only for Chrysler, but also for Ford Motor Co. and General Motors.

Ford's Lincoln-Mercury division played on the similarity between GM's large cars in a fall 1985 commercial, via Young & Rubicam, Detroit, that showed a valet unable to tell the difference among a Buick, an Oldsmobile and a Cadillac. GM officials were piqued, not because the view wasn't valid but because similar examples exist between Ford's two divisions.

Nameplate distinctions will continue to be the focus of the auto companies' marketing strategies. Corporate names are deemphasized or even considered a liability, particularly in bringing foreign models into the U.S. through joint ventures with overseas auto makers.

Divisions are being restructured and refocused to reach that elusive goal: Buyer loyalty.

It had better happen soon. Gerald Greenwald, chairman of Chrysler Motors, the automotive operations group of Chrysler Corp., says excess production capacity is creating a fierce marketing environment. "Somebody's blood is going to spill on the floor this year," he says.

Top 10 auto divisions

Division	% of 1985 U.S. car sales
Chevrolet	14.49%
Ford	12.55
Oldsmobile	9.65
Buick	7.66
Pontiac	7.21
Chrysler-Plymouth	6.39
Lincoln-Mercury	6.20
Toyota	5.61
Nissan	4.85
Dodge	3.93

Source: *Automotive News*

Performance image incites Dodge revolution

By Raymond Serafin

Buying a new car is akin to joining a club, says John Damoose, general marketing manager for Chrysler Corp.'s Dodge division.

"The way the market is going, it's clear that brands—the maker's mark, if you will—are becoming more and more important. People are buying not just a product, they're buying a company. They're buying a brand, buying into a club," Mr. Damoose says.

Establishing a distinct brand identity for Dodge means distinguishing itself not only from its acknowledged competition but also from its sister division, Chrysler-Plymouth. In contrast to Plymouth's reliable, basic transportation image and Chrysler's more luxurious, older target market, Mr. Damoose says Dodge is positioning itself as "the kind of club that's youthful, fun to drive, feisty, performance-oriented and affordable. It's more heavily skewed to males than what Plymouth might evolve as, or what Chrysler is."

Dodge Daytona Turbo Z ads emphasize handling, speed, acceleration and braking.

In advertising, via BBDO, Southfield, Mich., the new Dodge image entails a heavy use of music and fantasy aimed at the sort of men who form emotional bonds with their cars.

William Kelly, exec vp-general manager for BBDO in Southfield, says research shows Dodge's image already is sharply different from Chrysler's among consumers.

"It's a more gradual process of becoming distinct from Plymouth, but we're moving in the right direction. We're working harder than ever to make those brand images a higher priority," Mr. Kelly says.

Highland Park, Mich.-based Chrysler Corp. couldn't have set up such distinctions five years ago, when its survival was questionable and one division's products looked and drove a lot like the other's.

At that time, Chrysler probably couldn't have afforded to use its marketing to stress nameplate distinctions, anyway. Ads reminded consumers that the company was still in business.

But as it started to make money again, Chrysler, like the other domestic auto marketers, began to produce cars designed to fill specific niches.

The watershed for Dodge was the 1984 model year, when it added the sporty Daytona, the minivan Caravan and the Shelby Charger. To highlight the changes, Dodge introduced the still-running "An American revolution" tag line in a series of avant-garde science fantasy commercials.

In one, a leather-jacketed man wends his way through an eerie cityscape in which an outdoor board of a Dodge Daytona Turbo Z springs to life. Another spot showed a 600 ES Turbo convertible crawling up the side of a building, with "The dream is waiting" the only spoken words.

Although the "American revolution" theme echoes a late 1960s tag line, "Join the Dodge rebellion," Mr. Damoose says the new theme reflects a different standard of performance within the auto industry.

"In the late '60s, you had the muscle cars, with big engines and lots of street speed. Today, performance means something more balanced. It means handling, speed, acceleration and braking," he says.

But in targeting young male drivers, Dodge hasn't ignored the traditional performance criteria.

Dodge victories on the International Motor Sports Assn. sports car and off-road racing circuits have been trumpeted in ads during the past three years.

The current economic and demographic environment enhances a performance positioning, BBDO's Mr. Kelly says. "People are looking for a little pizazz in their life, and it helps that the economy is strong and gas prices are down."

If youthful buyers are what Dodge is driving at, the company seems to be on target. For each of the past four years, the average age of a Dodge buyer has been lowered by one year and now stands at 39. It would be even younger except for relatively older and less affluent demographics on the division's best seller, the Aries K-car. Chrysler buyers are in the low 40s, while Plymouth customers are slightly younger than Dodge's customers.

Dodge sales

	1985 sales	% of total Dodge car sales
Aries	116,284	26.8%
Omni	71,473	16.5
Charger	57,171	13.2
Dodge 600	55,330	12.7
Lancer	49,615	11.4
Daytona	49,533	11.4
Diplomat	34,919	8.0
Total Dodge car sales	**434,325**	

Source: *Automotive News*

Key to the age drop is the $9,000 Daytona, which "exemplifies the new Dodge image more than any other single car," Mr. Damoose says. Company research says the average Daytona buyer is 29 years old with a $30,000 income. Some 36% to 40% are college graduates, and 59% are male, the majority of them single.

"Relative to that highly competitive sports specialty market, the Daytona is different from the [Chevrolet] Camaros and the Mustangs," Mr. Damoose says. In it is embodied "the difference we're trying to communicate with Dodge: Here's a fuel-efficient, front-wheel-drive, high-tech, state-of-the-art, turbo-charged vehicle that nobody else offers."

If the Daytona exemplifies the new Dodge performance standard, its current tv spot, "Expressway to your heart," is the ad that comes closest to defining the new Dodge image, according to Mr. Damoose.

The commercial opens with a young man entering the abandoned Expressway Diner, a solitary building set in a southwestern desert. As he wipes some dust away from the jukebox, it begins to play the rock song "Expressway to Your Heart."

The music transports him into a Daytona that charges through the desert. The image of an attractive woman appears and disappears like a mirage—on the side of the road, on an outdoor board and in the seat next to him, where she fades as she leans close. In the final scene, the young man runs from the diner to a Daytona parked outside, where the woman—now in the driver's seat—closes the window and speeds away.

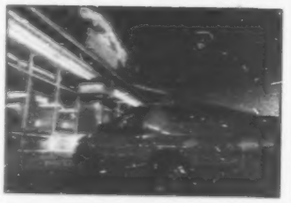
Dodge has been running the 1986 spot on network and cable tv programs skewed to young male viewers and also in movie theaters. Over-all, however, Dodge is using relatively less tv as it tries to reach its new target.

"College students and other young people are way under the national average in receiving effective commercial messages via tv," Mr. Damoose says. "They're much more print-oriented, so we do a lot of print and direct mail."

Dodge began moving more of its media spending into magazines, including the newsweeklies, general interest and sports magazines, and away from tv in 1984. Dodge spent $40.1 million in magazines in 1985, about 30% of its $146.8 million total spending, including dealer association spending, measured by Leading National Advertisers.

Most of Dodge's 47 regional dealer associations have been tying in to the new divisional image through the "Dodge Boys have more fun" theme developed by BBDO, which handles most of the dealer groups.

The differentiation of Dodge products will be enhanced this fall when Chrysler Corp. drops the Chrysler Laser, which is built on the same platform as the Daytona, in a move to give Dodge product exclusivity. The Daytona will receive a major update, while the Chrysler nameplate will feature exclusively the new J-body LeBaron GTC.



Daytona's "Expressway to your heart" spot epitomizes the new Dodge image, according to a company executive.

Both of Chrysler Corp.'s marketing divisions will get versions of the new upscale compact P-car, to be known as Dodge Shadow and Plymouth Sundance, as well as stretched versions of the Dodge Caravan/Plymouth Voyager minivans.

Mr. Damoose says Dodge will offer three "distinctly different" versions of the Shadow, including the ES performance package that will be exclusive to Dodge and marketed to the single male enthusiast driver. The four-door version will be marketed as a versatile family car, while the two-door model will be skewed toward female first-time buyers. Anticipated base retail price is about $8,000. A prelaunch ad campaign for Shadow will begin in mid-August, with the car set to debut Sept. 4.

Also new for 1987 will be the Dodge Dakota midsize pickup truck, for which advertising will break in mid-September. With an anticipated price of about $7,000, the truck will be positioned between large pickups favored by traditional truck drivers and the compact pickups competing for entry-level male buyers' attention.

With Dakota, "We think we're creating a brand new segment," Chrysler Corp. chairman Lee Iacocca said at the recent dedication of the $500 million revamped Dodge truck assembly facility in Warren, Mich.

Including the Caravan minivan, Dodge actually sells more trucks than cars—499,896 trucks vs. 488,788 cars during 1985—and Mr. Damoose says that on a per-vehicle basis, trucks get equal ad support.

Two commercials for Dodge pickups reinforce the division's performance image with a slightly different twist. The soft sell of the first one opens with a shot of a small boy asleep on his father's shoulders. A shot of the boy playing with a toy truck fades into a scene in which he has grown into a man driving a Dodge pickup. Country musicians sing, "Behind the wheel of a dream, and I'm a little boy again."

In the second spot, a Dodge pickup falls from the sky to emphasize its ruggedness, but Chevrolet and Ford trucks "fall short" on warranty protection and are left dangling in mid-air.

Mr. Damoose hopes truck sales will help Dodge achieve its over-all goal: To become No. 3 in total divisional car and truck sales by 1990. Dodge is currently fourth, behind Chevrolet, Ford and Oldsmobile.

"We'll be bringing out a new vehicle every six months for four years, and many of them will be exclusive to Dodge. We're going to be setting new standards for performance," he says, adding, "You may see that line" in 1987 advertising. AA

Buick would really rather have a younger buyer

By Julie Candler

It's easy to picture Sir John Gielgud behind the wheel of a LeSabre. But wouldn't Don Johnson really rather have a Buick, too?

General Motors hopes the answer is yes. Its mandate to Buick, the third largest GM division, is to expand the traditional Buick audience, keeping the affluent demographics but lowering the average buyer's age.

But to hang onto its No. 4 spot in over-all car sales among domestic auto marketing divisions, Buick needs to continue satisfying the loyal owners of its big luxury Electras and LeSabres. The division and its agency, McCann-Erickson, Detroit, are using contemporary ads and new technologies to maintain this split personality.

In its eight nameplates, Flint, Mich.-based Buick has something for everyone who seeks luxury extras and a prestigious name. Its products range from sporty subcompact Skyhawks to big luxury Electras, with base prices ranging from $7,800 for a two-door Skyhawk to $21,577 for a Riviera. Its best-selling Century was the seventh most popular car among U.S. buyers last year, according to *Automotive News* and the Motor Vehicle Manufacturers Assn.

Temporarily, however, there's trouble in Buick City, the radically modernized plant in Flint. Startup problems last fall slowed availability and sales of the new 1986 LeSabre, full-size twin of the Oldsmobile 88. Buick sales also suffered from GM's decision to drop its X cars; the X Skylark accounted for about 10% of Buick's annual vehicle sales. The new N-car Skylark and Somerset, built on the platform of Olds Calais and Pontiac Grand Am, have failed to take up the slack thus far. Rivieras also were in short supply at dealerships.

Julie Candler is a Detroit-based free-lance writer who has contributed to past Automotive Marketing Special Reports.

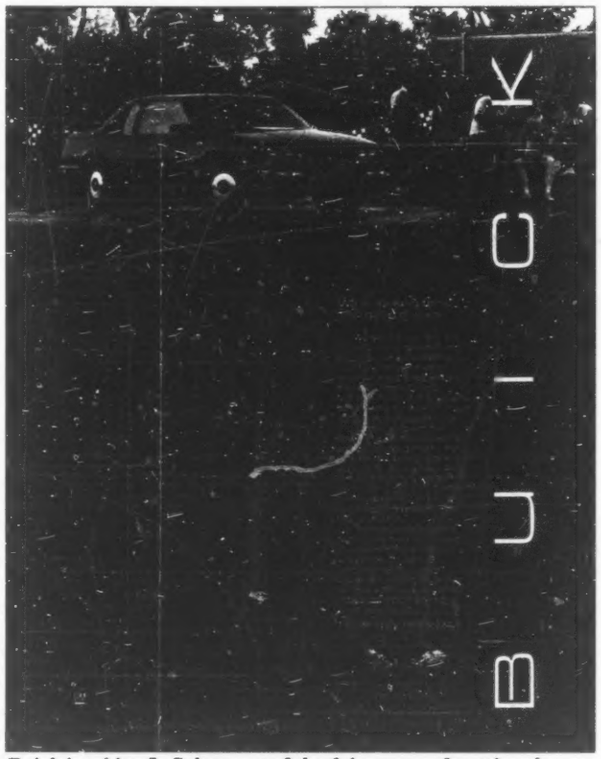
These problems hurt Buick's 1985 yearend statistics. Olds, third place in market share among U.S. auto manufacturing divisions at 9.65%, pulled farther ahead of fourth-place Buick in 1985, with a slight gain in sales to a total of just more than 1 million. Buick's sales of 845,579, down nearly 100,000 from 1984, represented a 7.66% share of 1985 U.S. car sales. Buick accounted for 18.4% of GM's total U.S. vehicle sales. Over-all, GM chalked up $89.1 billion in 1985 U.S. sales, up 28% from 1984, partly on the strength of record sales by the Oldsmobile division.

Buick and all other GM divisions have a mandate to change. It began in 1984, when GM reorganized its divisions into two groups: One handling Chevrolet, Pontiac and Canadian operations, the other working on Buick, Oldsmobile and Cadillac. Each nameplate division's role is marketing and sales-oriented; responsibility for manufacturing rests with the two larger groups.

Like Chrysler Corp. and Ford Motor Co., the reorganized corporation seeks greater product differentiation. Top brass see Buick currently competing in the same demographic marketplace as Oldsmobile. "The bad news," said Donald Hackworth, Buick's general manager in an interview this year with *Automotive News*, a sister publication of Advertising Age, "is our products look alike, feel alike and drive alike."

Variation among divisions will come chiefly from the design studios, Mr. Hackworth says. One of the first new Buick image-builders will be a 1987½ luxury sports two-seater, Reatta. The car, with an anticipated price tag of $25,000, will be powered by a sophisticated new Buick 3600 V-6 engine.

The Reatta exemplifies the sporty, performance-oriented



Buick is taking LeSabres out of the driveway and putting them on the track to emphasize performance.

younger niche Mr. Hackworth wants to carve for Buick, and he predicts the new models, along with targeted marketing, will help lower Buick's median buyer age of 50.

So that its new image won't escape attention, much of Buick's marketing is centering on performance sports activities and its technological strength in powertrains, particularly V-6 engines.

The new breed of Buick is roaring around the tracks and capturing championships in International Motor Sport Assn.'s Kelly American Challenge Series and International Hot Rod Assn. events. Four LeSabre coupes are vying in the National Assn. of Stock Car Auto Racing's 1986 Winston Cup series. Three March-Buick cars entered the 1986 Indianapolis 500, finishing 24th, 29th and 30th.

"We encourage dealer organizations to capitalize on the success we are having on the race track," says Tony Roman, Buick director-merchandising. "There is considerably more awareness of what our cars are doing."

He cites the successful visit of a van with engine displays and motor sports hardware at a Grand Rapids, Mich., dealership. With it came Scott Brayton, driver of 1986 Indianapolis 500 car No. 27. Powered by a turbo-charged Buick V-6 modified by the car builder, the car last year at Indianapolis set the single-lap speed record.

On the wall of Mr. Roman's big office is a huge framed poster prepared for dealerships. Headlined "Somerset a record," it pictures three speedy Buick Somersets and describes their 1985 championships.

In addition to the racing programs, Buick tv spots are targeting baby boomers. A typical 1986 Skylark spot shows a young family exercising to stay in shape, rushing to work, putting the baby in the car and stopping at a playground.

Mr. Roman says the hawk soaring into most Buick ads also has a youthful, yet universal, message that Buick is "dedicated to the free spirit in just about everyone."

Buick division spent $45 million in measured media spending in 1985, according to Leading National Advertisers. About two-thirds of that was spent on network and spot tv.

But even as Buick targets the baby boomers as a younger demographic, Mr. Roman points out that the group fast is approaching 40, and "Buick has products to appeal to them as they get older," he says.

Marketing strategies for 1987 will be shared with dealers in August. Mr. Roman says the company will call for active retailer participation in the regional marketing operations begun in October, when Buick consolidated all media buying at McCann-Erickson's Detroit office.

The agency predicted then that regional marketing would increase in importance to accommodate geographic market opportunities and special market and distribution needs.

"We will probably be more and more involved in [regional marketing]," Mr. Roman says. He points to the differences between dealer organizations and

Help is just a telephone call away

Buick was the first auto marketer to develop telemarketing that puts potential customers and current owners in touch with someone with answers to questions and complaints.

The company's toll-free telephone number, introduced two years ago, was the result of studies that showed cars competing with home entertainment centers and other big-ticket items for consumer dollars. Research also revealed that many consumers dislike visiting showrooms, yet are twice as likely to buy after taking a test drive.

The research showed that while a satisfied customer shares the experience with eight of his friends, a dissatisfied customer broadcasts his problems to 16 people. "We want to take those people who may be dissatisfied with a dealer or product and make it an opportunity to solve problems and make them happy," says Tony Roman, Buick director-merchandising. "From the time we receive a complaint to the time cases are closed is less than 10 days."

Now all print ads end with the message, "For more information, a test drive or a brochure, call: 1-800-86-BUICK." While competitors' 800 numbers are regional or reach an answering service, Buick boasts that its calls reach not only Flint, Mich., headquarters, but also operators who have computer access to thousands of answers about Buick and its competitors.

Last summer, Buick introduced another high-tech marketing approach, its Electronic Product Information Centers. An International Business Machines PC uses EPIC's software to provide consumers with product information. They can punch up competitors' prices, product specifications and other facts—even "build" the car of their choice—and take home a printout. EPIC also gives them the bottom line on monthly payments.

More than 400 dealerships now employ EPIC as a sales tool and 200 more are expected to add the system in the next year. An EPIC is being tried at Detroit's Metropolitan Airport and at the Churchill Downs Museum outside Louisville, Ky.

EPIC was set up early this year in transportable kiosks in Dallas' Irving Mall and Miami's International Mall. Customers are left alone inside the kiosk to test sound systems and use a touch-sensitive screen that features audio-visual product presentations. A telephone links them to customer assistance in Flint.

"We know it works," Mr. Roman says. "We got reports from dealerships of people bringing in EPIC printouts. I think sooner or later every manufacturer will be doing this."

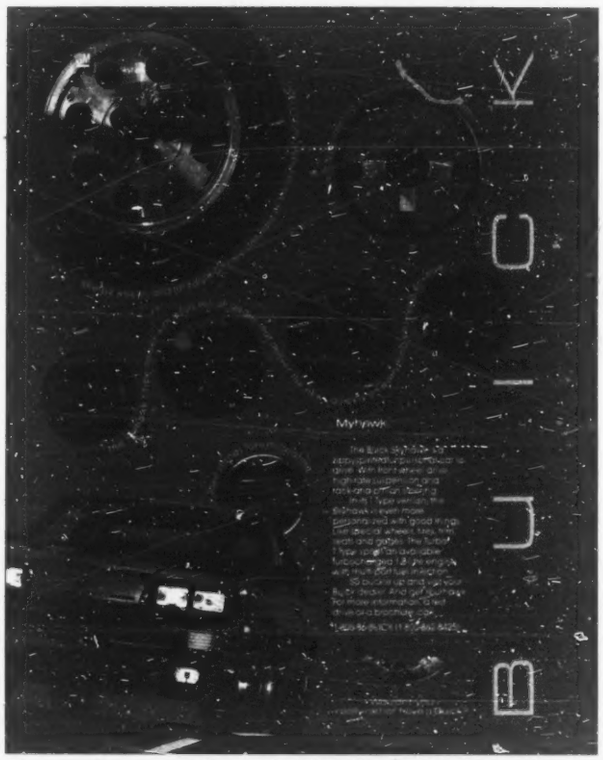
—*Julie Candler*

BUICK

Buick sales

	1985 sales	% of total Buick sales
Century	234,508	27.7%
LeSabre	115,212	13.6
Regal	112,590	13.3
Electra	99,185	11.7
Somerset Regal	95,098	11.3
Skyhawk	85,639	10.1
Skylark	54,513	6.5
Riviera	48,834	5.8
Total Buick sales	**845,579**	
% of GM sales	**18.4**	

Source: *Automotive News*



Younger buyers are the goal of Buick's contemporary advertising, such as this for "Myhawk" Skyhawk.

products sold in California and New York. "We have assistant general sales managers who reside in those areas and work actively with dealer organizations for the most targeted marketing possible."

The Somerset and Skylark Sports Editions produced recently for sale only in California have been received warmly. The cars, featuring Shelby aluminum wheels, special tires and handling packages, sport steering wheels and color-coordinated exterior trim, are designed specifically to attract the nontraditional Buick buyer.

"They are bringing to the showrooms a buyer that Buick dealers haven't seen before," Mr. Roman says. The buyers are primarily those who originally intended to buy an imported car, he says.

A special sesquicentennial 1986 LeSabre coupe produced for Texas' 150th anniversary of statehood sports special paint trims and options, with the state's outline branded inside and out. It also was received well, according to Mr. Roman.

Another regional activity is executed through Buick's dealer marketing and advertising groups, which often piggyback locally on Buick's national tv buys such as ABC-TV's "Monday Night Football," network news and the Academy Awards show.

Other specific groups also are being targeted. Last year, Buick and McCann-Erickson's Los Angeles-based subsidiary, La Agencia, conducted the division's first national campaign to reach Hispanics and directed a regional campaign in Florida to them.

But the regional and Hispanic marketing programs are only part of Buick's larger emphasis on a younger buyer. That new approach to youth is summed up by a print ad for the new LeSabre Grand National, with copy emphasizing its performance capabilities. It's headed: "We're looking for a few good drivers."

GM searches for the fountain of youth

What General Motors wants is five good, distinct images for its car divisions, which deal with model lines that sometimes overlap and compete. GM also is searching for a winning concept for its new Saturn. All of the new images must be youthful and performance-oriented to help the nation's largest auto maker recapture the two percentage points of market share lost in 1985, when it dropped to 42%.

The goal of product differentiation was summed up recently by Lloyd Reuss, exec vp of GM's North American Passenger Car Groups. By the 1989 model year, Mr. Reuss promises, "We will have more distinct divisional market segmentation and less overlap."

One way to diversify, he says, is to assign the divisions different body styles of the same car lines. As an example, he points to the J-body cars (Chevrolet Cavalier, Pontiac 2000, Buick Skyhawk, Oldsmobile Firenza and Cadillac Cimarron). Instead of all divisions handling all seven models of the J cars, he suggests, one might handle a sedan, while another might have the exclusive on the wagon.

During the next decade, that type of segmentation will be incorporated into development of GM models that will be sold by several divisions.

"The person who buys a compact station wagon and the buyer of a sport coupe are completely different demographically," says Tony Roman, Buick's director-merchandising. "If we can do well with a sporty model or a wagon, that's where we should be concentrating our efforts, instead of the broad spectrum of models within a segment."

One reason for the segmentation is to reduce the number of GM models. The reductions will help dealers market cars and lessen production costs.

GM also wants to encourage each division to go after outside competition, rather than its sister divisions.

In diagraming the niches each GM division's marketing strategy and new car additions seem to be working toward, Cadillac stretches between conservative and expressive. Buick and Pontiac are perceived as GM's expressive divisions, with Chevrolet and Oldsmobile on the conservative side. Saturn rests, at least temporarily, in a neutral center spot.

Marketing at each division reflects the new images they are seeking.

Chevrolet is taking over GM's challenge to the Japanese small-car competition with three low-price cars: Sprint, Spectrum and Nova. Chevy ads emphasize the large-volume sellers, Cavalier, Celebrity, Caprice and Impala. Reorganized field sales and marketing divide their operations into four geographic areas to meet "unique needs of each part of the country."

GM's top executives hope that 80% of Saturn sales will represent new business to the corporation.

The division was the first at GM to experiment with satellite dealerships at malls in Moline, Ill., and Appleton, Wis. In another move to reach more customers, Chevy is trying computer-based electronic display centers at malls.

Chevrolet emphasizes motor sports and promoted heavily the Corvette pace car at the 1986 Indianapolis 500.

With its first product due in the late 1980s, the Saturn division intends to market a low-price, but not bargain-basement, subcompact positioned between Chevrolet and Pontiac.

"We will start looking for an agency probably in the fall," a Saturn spokesperson says. "We will be definitely going for a young market and competing with the imports."

Saturn will be GM's testing grounds for new marketing techniques. GM's top executives hope that 80% of Saturn sales will represent new business to the corporation.

Pontiac is GM's representative to the lower price sports car market, with the best example of its niche the innovative two-seater Fiero. The division's 1986 strategy included a three-month, $4 million youth marketing campaign. A 1986 California ad blitz was part of a plan begun three years ago with opening of a West Coast marketing office to raise the Pontiac profile there.

Pontiac promotes motor sports heavily and publishes a "Winners Circle" monthly newsletter touting its wins.

Oldsmobile's market niche is upscale, conservative buyers. But a clue to Olds' desire also to look younger is its recent decision to replace celebrity spokesman Dick Van Patten with younger pro golfer Fuzzy Zoeller, who will be featured with his family in 1987 ads. Since 1981, Mr. Van Patten has appeared in ads with his wife and three sons, all in their 30s.

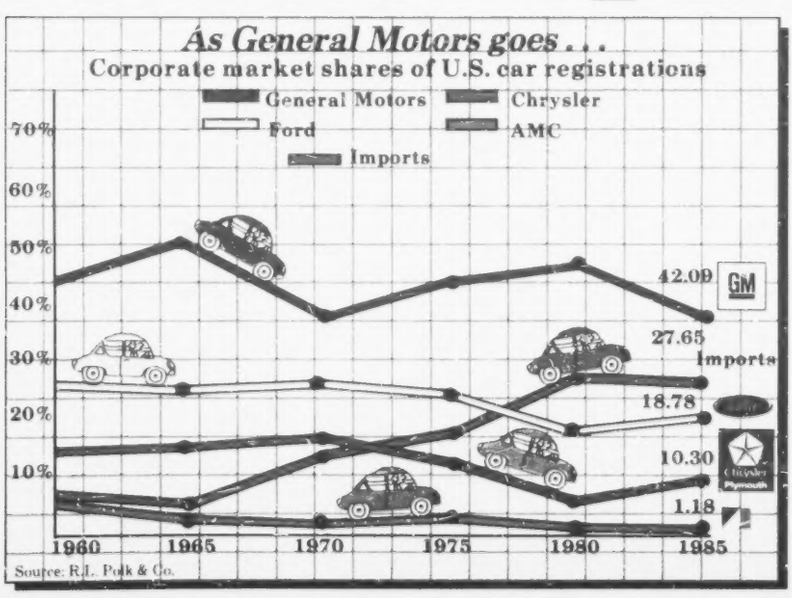
To further enhance its image with younger buyers, Olds plans to market a luxury sport coupe by the 1990 model year. Olds also continues to promote its participation in motor sports.

At the top of the GM price scale, Cadillac is fighting to keep its upscale reputation and be the luxury car leader in the face of strong competition from European imports.

A new ultra-luxury coupe/convertible, Allante, built in partnership with Italy's Pininfarina, will make its debut as a 1987 model. Hopes are that it will enhance Cadillac's image with younger buyers.

To separate Cadillac models from those offered by other GM divisions, an all-new, exclusive DeVille and Fleetwood will arrive for 1989. Present models of both cars will be stretched 2.5 ins. in wheelbase for 1987. Cadillac also is reassuring fans of the big rear-wheel-drive car that its Brougham and Brougham d'Elegance will be around as long as gas is plentiful.

—Julie Candler



How Cavalier

Top domestic car models by U.S. sales

		1985 sales	1984 sales	1984 rank
1.	Cavalier (General Motors-Chevrolet)	431,031	377,446	(1)
2.	Fscort (Ford)	420,690	353,578	(2)
3.	Celebrity (General Motors-Chevrolet)	363,619	322,198	(3)
4.	Cutlass Ciera (General Motors-Oldsmobile)	333,585	242,209	(8)
5.	Caprice/Impala (General Motors-Cheverolet)	245,826	258,902	(5)
6.	Tempo (Ford)	281,144	256,532	(7)
7.	Century (General Motors-Buick)	234,508	217,042	(9)
8.	Cutlass Supreme (General Motors-Oldsmobile)	217,504	302,087	(4)
9.	Camaro (General Motors-Chevrolet)	199,985	202,172	(10)
10.	Olds 88 (General Motors-Oldsmobile)	188,129	258,297	(6)

Source: *Automotive News*

Lincoln-Mercury steers toward brand strategy

By Richard Johnson

When the spotlight fell on the baby boomers in the early 1980s, Ford Motor Co.'s Lincoln-Mercury division found a ready-made demographic bull's-eye. And although almost every marketing unit in the country has courted the young careerists, at Lincoln-Mercury it truly seemed like a match made in heaven.

Richard Johnson covers Ford Motor Co. as a reporter for Automotive News, *a Crain Communications Inc. publication.*

The division traditionally has been perceived as a buttered-up version of meat and potatoes Ford Motor Co., Detroit, awaiting buyers with a little discretionary income. The objective now is to turn that image into a shiny symbol of upscale automotive value within Ford.

But to build an identity with the baby boomers it covets, L-M must map out a future as something more than a reflection of Ford. This full-scale advertising and marketing mission's grand strategy is brand strategy: Make Mercury mightier, build on Merkur, let Lincoln be Lincoln.

"We're looking at the division not as a whole, but rather looking at our brands," says Edsel Ford, L-M general marketing manager and great grandson of company founder Henry Ford.

The efficiencies of brand management make sense for L-M, which has a smaller ad budget than Ford. Ford executives estimate that Lincoln-Mercury will spend about $135 million on advertising in 1986, up about 10% from last year. Leading National Advertisers reports L-M spent $61.1 million in measured media in 1985. Ford division ad spending, on the other hand, is pegged at about $350 million for 1986, 12% more than 1985.

"From an image standpoint we're continuing to build three separate brand identities," says Chuck Riley, senior vp-group director for the L-M account for Young & Rubicam, Detroit. "The products are very different, the targets are very different and the advertising is very different."

For example, no longer is it "Lynx from Lincoln-Mercury"—it is "Mercury Lynx." Likewise, it's the "Lincoln Town Car."

"The rationale before," Mr. Riley says, "was to elevate Mercury, give it prestige status. It made sense as 'Lynx, the kind of comfort you expect from Lincoln-Mercury.' But it probably didn't do anything for the brand name Mercury. That was a big problem."

The division wants to pass the brand message on to dealers and have them apply the same principles to local advertising.

"People who want a Lincoln don't buy a Lincoln-Mercury. If we had our way, a dealer selling Town Cars would advertise itself as Hempstead Lincoln, not Hempstead Lincoln-Mercury, and when advertising Sable it would be Hempstead Mercury," Mr. Riley says.

Industry analyst Arvid Jouppi, senior vp for Keane Securities Co., Detroit, says while L-M has benefited from Ford Motor Co.'s over-all styling leadership, its products do not yet stand out from Ford's.

"They don't have enough product differentiation," he says. "It becomes a classic case of who can attract the most dealers because the products are pretty much the same. The numbers and effectiveness of the dealer body has been very important."

"I think people in the marketplace probably see Mercury as a jazzed-up Ford," Mr. Ford says. "We are trying to dispel that image and create a new image, and we'll start doing that with some of our future products, creating a unique market niche for ourselves."

By early 1987, six of 11 Lincoln-Mercury entries will be exclusive: The three Lincoln models, two Merkur products and a new subcompact based on the Mazda 323 that will be built in a new assembly plant under construction in Hermosillo, Mexico.

L-M hopes the new exclusives will help its market share, which stood at 6.2% in 1985, down from 6.5% the previous year, when stricter Japanese import restraints were observed. For the first four months of 1986, L-M's slice of domestic business

(Continued on Page S-8)

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14

Lincoln-Mercury steers

(Continued from Page S-6)
was 5.8%.

Total Mercury sales in 1985 totaled 519,059, down from 527,198 in 1984. Lincoln sales, with Town Car sales alone surging 29% to 117,606, increased to 165,138 from 151,474 despite declines for the low volume Continental and Mark VII models.

Division officials expect total L-M sales in the 700,000 range this year, with share holding at about 6%. The compact Topaz, one year older and facing tougher Japanese competition, is off 38% for the year, while Grand Marquis, with a platform dating to 1979, is off 21% from 1985 during the first four months of 1986. But improved supply of the Sable, which debuted Dec. 26, should help stabilize market share.

The key product at L-M is Sable, which division general manager Thomas Wagner has called the most important car L-M ever has introduced. The whole thrust of L-M marketing and advertising in the past three years has anticipated the new flagship model.

"The basic idea has been to establish a platform upon which to launch Sable," Mr. Riley says.

So far, Ford is selling out both the Atlanta and Chicago Sable assembly plants. Through the first four months of 1986, Sable sales stood at 26,921; the division has projected an annual rate of about 150,000 cars.

The Hermosillo car, which arrives early next year, is figured to be a Lynx replacement, although Mr. Ford says the two models will be sold side by side for "a short period."

How to market the Mexican car is still under study. L-M could present it as a sturdy world-beater, *a la* Escort, or as a sporty subcompact alternative to basic small-car transportation. Marketing executives also must decide whether to advertise the connection with Mazda, which is 25% owned by Ford and taking an increasingly large role in small-car product plans.

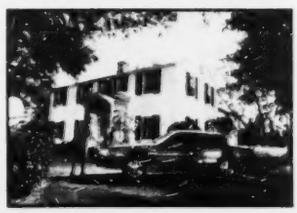
The departure of slow-selling Capri from the L-M line this fall leaves the division without a representative in the small, specialty segment.

Capri's woes exemplify the problems of a fuzzy market presence. With little to distinguish it from Mustang and short advertising shrift, Capri sales, at 15,389 in 1985, have been a mere fraction of Mustang's (157,821 sold in 1985). On the other hand, the Mercury Cougar, with its distinctive lines and youthful market orientation, has done well in relation to its cousin, Ford Thunderbird.

In its search for the ideal customers for these cars, L-M's objectives are clear cut.

"The 25-to-45-year-old age group with an income of $30,000 —that's our target," Mr. Ford says. The division does not define its market simply in terms of income and age. Mr. Riley says the baby boomers have a healthy self-image that Mercury wants for its own.

"They see themselves as keeping up with the times," he says. "They desire to be seen as very, very contemporary."



Lincoln-Mercury's tv ads featuring songs of the 1960s have been a hit with baby boomers.

Specifically, L-M wants climbers: Younger overachievers earning handsome salaries today and well positioned to do even better in the future.

For instance, when L-M set a comprehensive new women's marketing plan into motion a few weeks ago it announced yearlong contractual buys in three career magazines, *Ms.*, *Savvy* and *Working Woman*, while bypassing the Seven Sisters.

So far the strategy seems successful. Buyers of the new Sable are younger than the average 60-year-old buyer of the Marquis it replaced.

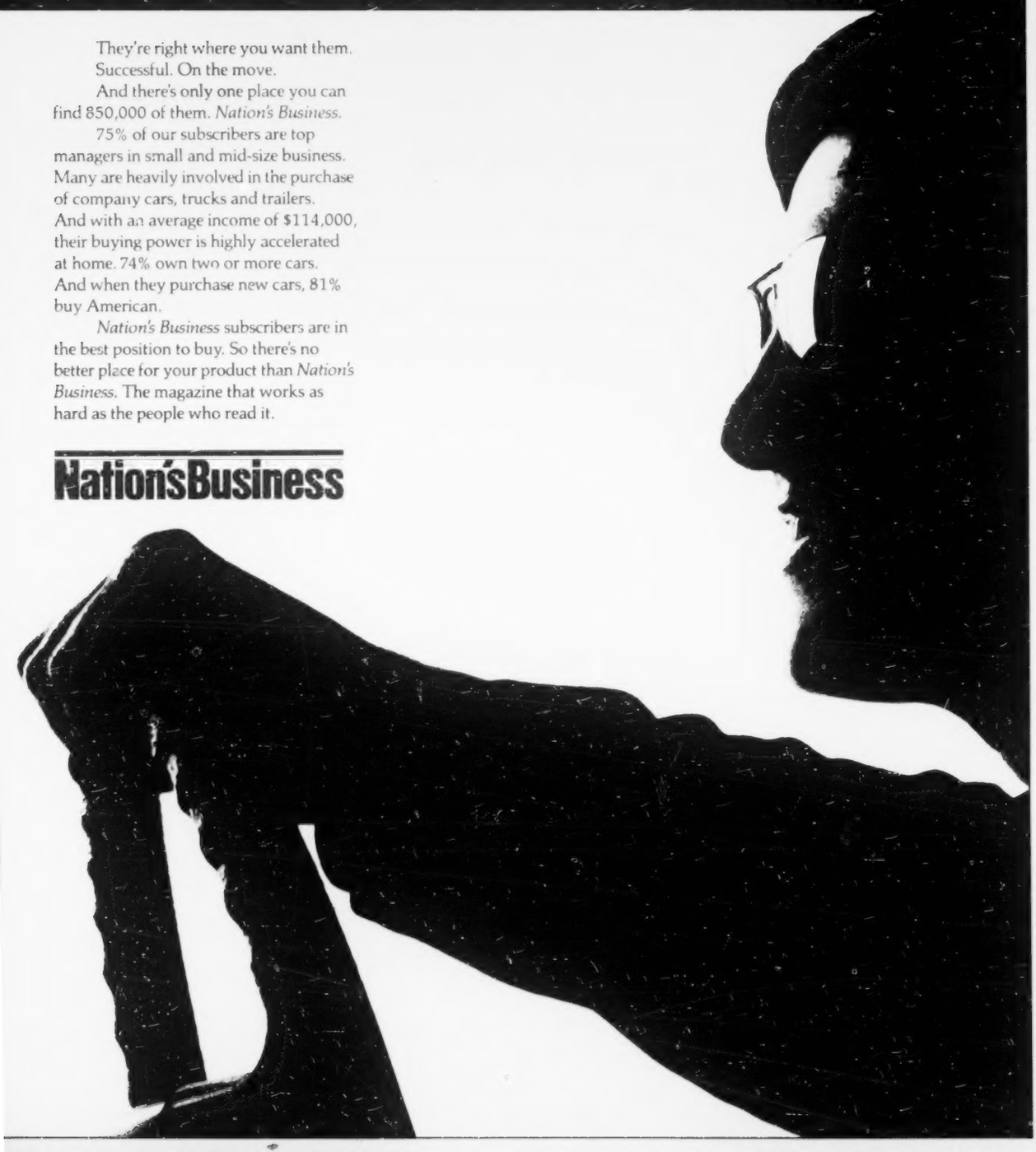
The original target for the Sable was a 48-year-old customer; preliminary research shows buyers in their mid-50s with incomes ranging between $40,000 and $50,000, according to Mr. Ford. The average Cougar customer today is 35, compared with 44 in 1983.

To reach the baby boomer target, Mercury's current tv campaign is keyed to songs of the 1960s. Although it seems to have been part of an avalanche of oldie-but-goodie musical themes on tv, Y&R has done it differently than most, leaving lyrics intact, replicating the original record down to the last moan and shout and marrying music to slice-of-life vignettes, not product spec sheets.

The first wave, which began in September, 1984, featured eight songs of the '60s. Last fall's second set of spots offered original talent—The Four Tops' rerecording of "Reach Out," The Temptations' "Get Ready," sung by one of the group's original members, Eddie Kendricks and a Martha Reeves revival of "Heat Wave"—as well as soundalike versions of the Beatles'

(Continued on Page S-12)

In the driver's seat.



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Nation's Business

Lincoln-Mercury steers

(Continued from Page S-8)

"Good Day Sunshine," the Beach Boys' "Surfin Safari" and Bette Midler's "Do You Wanna Dance?"

One story line was carried over into this year's spots. A 1985 Cougar spot, set to a thumping rendition of "Proud Mary," depicts a young woman who quits a newspaper job and rides off in her Cougar to write the great American screenplay.

L-M followed up this year with the same woman—screenplay finished—walking out on sleazy producers for someone more promising.

The idea has been to use the cars as backdrop to the owners' lives, rather than the other way around. But with tv now overrun with rock nostalgia, L-M is considering a different approach.

"Everyone comes up and tells us they really like what we're doing and it seems to be doing a relatively good job for us," Mr. Ford says. "But on the other hand everybody is doing it now. So I've said to the agency that we've got to evaluate our effectiveness and see if it is time to do something else."

Mercury's additional "The shape you want to be in" theme also attaches to the baby boomer fitness binge and accents Ford's aerodynamic styling.

Meanwhile, Lincoln's "What a luxury car should be" has played off Cadillac's problems carving out an identity for down-sized, front-wheel-drive models.

A Town Car tv spot called "Valet" features country clubbers mistaking Caddies for Buicks and Olds. The pointed humor reportedly has peeved Cadillac executives, but Mr. Ford sounds less than contrite.

"Reaction has been interesting," he says. "We didn't mean it as an insult to Cadillac, although based on what I've read they have chosen to take it that way. It was our attempt at having some fun."

LINCOLN **MERCURY**

Lincoln-Mercury sales

	1985 sales	% of total L-M sales
Grand Marquis	135,202	19.8%
Cougar	119,225	17.4
Lincoln	117,606	17.2
Marquis	87,844	12.8
Lynx	85,871	12.6
Topaz	73,098	10.7
Continental	27,679	4.0
Mark VII	19,853	2.9
Capri	15,389	2.2
Sable	2,430*	0.4
Total L-M sales	**684,197**	
% of Ford sales	**33.0**	

*Includes only a part of 1985

Source: *Automotive News*

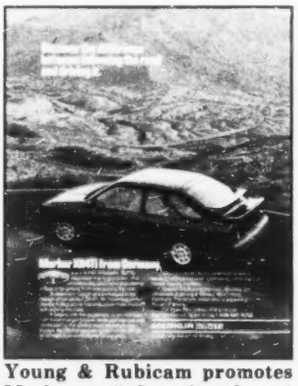
Shaky start sends Merkur for repairs

One of Lincoln-Mercury's worries in courting the baby boom generation was the appeal of trendy European sport sedans. To counter that competition, most L-M dealers have been awarded franchises for the division's new Merkur product line.

It is a strong marketing base for the technically sophisticated high-performance cars, built by Ford of Germany to do battle in the industry segment controlled by BMW, Volvo, Saab and Audi. But the March, 1985, launch of the XR4Ti hatchback was anything but smooth.

Advertising was in motion before dealers were adequately stocked, and once inventory was on hand, L-M discovered it had asked for the wrong mix of options. The division underestimated U.S. demand for automatic transmissions, leather interiors and exterior colors other than silver and gray.

L-M originally targeted sales of 20,000 units, but only about half that sold in the first 12 months. The division is now eyeing annual sales of between 15,000 and 18,000 cars.



Young & Rubicam promotes Merkur as "advancing the art of driving."

A second Merkur model, the $20,000 to $25,000 Scorpio luxury sedan, will join the lineup late this year and a third car—probably a new Sierra notchback to be introduced in Europe early next year—is expected to arrive in late 1987 or early 1988.

With "Advancing the art of driving," Young & Rubicam has placed Merkur advertising squarely in the Eurosedan sophisticated enthusiast mode. L-M general marketing manager Edsel Ford says the theme line will continue with Scorpio.

L-M's strategy of emphasizing brands is key to Merkur. There is a lingering identity problem with the new German line and some confusion about whether Merkur is a make or a model.

As a result, L-M has tried to raise awareness for the perhaps overly alphanumeric XR4Ti name and has sought to increase exposure for the car by pressing it into daily rental service, a ploy that helped ignite Lincoln Town Car sales three years ago.

By the end of this month, some 3,000 Merkurs should be available at about 300 Budget Rent-A-Car airport locations around the country. L-M will have to wait and see if the added exposure remedies Merkur's bad start.

—*Richard Johnson*

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Korean company roars into mini market

By Michael Kaplan

Just three years ago, Hyundai Motor Co. was a tiny division of a giant, but obscure, Asian construction conglomerate, producing fewer than 100,000 cars a year and exporting just 18,500—and none to North America.

Times have changed. Today, Hyundai (which rhymes with Sunday) manufactures the best-selling imported car in Canada, and its splashy entrance into the U.S. market this February—with the $4,995 front-wheel-drive Excel subcompact—has sent shock waves reverberating throughout executive suites in Japan and Detroit.

Priced $500 to $1,000 lower than most other cars in its class—defined as minicars, or those smaller and cheaper than subcompacts—the Excel is more than just another low-price import diverting customer attention away from the Big Three auto marketers. It represents the opening salvo in what promises to be a no-holds-barred multinational battle for the low end of the American auto market.

It's not that the Excel is a revolutionary car. It's not. But it's place of origin is: South Korea, a country better known for manufacturing sneakers than sedans.

Thanks to a skilled work force, low labor costs and a favorable currency exchange rate, South Korea successfully has entered markets, including steel, shipbuilding and electronics, once dominated by the Japanese, underpricing them as Japan underpriced Western companies a decade before. Now the battle is over auto exports.

By the end of this year, Hyundai Motor America, Garden Grove, Cal., expects to sell 100,000 cars, the most ever by a foreign company in its first year of U.S. operation. Although total Japanese imports, by contrast, will top 2.5 million units in 1986, the Hyundai threat is real.

The company's U.S. debut is backed by a $25 million national ad campaign from Backer & Spielvogel, Huntington Beach, Cal. A network of 200 new dealerships has gambled an average of $2 million to $3 million each that the Japanese can be beaten at their own game. Many industry analysts think the bet is a safe one.

That's because Hyundai is concentrating on minicars where price—Korea's strength—is more important to the consumer than technical sophistication,

Hyundai Motor America fired the first round in the multinational minicar battle with its $4,995 Excel.

which remains a strong Japanese advantage. The U.S. market for minicars is expected to grow dramatically over the next several years, reaching 1.5 million cars by the end of the decade, according to a recent Merrill Lynch Pierce Fenner & Smith research report.

Long conceded by Detroit, this market was largely abandoned by the Japanese, too, when imports were restricted in 1981.

"The import quotas had the effect of leveraging the Japanese out of the economy-car market, forcing them to concentrate on higher-profit items," says Robert McElwaine, president of the American International Automobile Dealers Assn., a Washington-based organization of foreign car dealers.

"We estimate there were 2 million Americans who wanted or needed to buy a new car last year, but simply couldn't do it at today's prices."

According to Mr. McElwaine, customers have been forced to settle for used cars or simply have held onto their current vehicles. The current average age of cars on the road, more than seven years, is the oldest since the end of World War II, he says.

"When the Japanese got leveraged out by quotas, it left the entry-level field wide open," Mr. McElwaine says. "Since the market hates a vacuum just as much as nature does, things will always rush in to fill it."

Last summer, the $3,990 Yugo, a minicar imported from Yugoslavia, was introduced on the East Coast. Minicars from Romania, Italy, Czechoslovakia and the U.S.S.R. are available in Canada and poised to enter the American market. And the Big Three U.S. auto marketers are looking to bring in their own imports, too *(see separate stories)*.

But Hyundai is clearly the

(Continued on Page S-18)

Michael Kaplan is a Los Angeles-based free-lance writer.

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Koreans roar into minicar market

(Continued from Page S-16)
front-runner, thanks largely to its dramatic success in Canada.

Hyundai had hoped to sell about 5,000 cars a year when it entered the Canadian market in 1984. But helped by favorable trade incentives offered by the Canadian government to developing nations—including unrestricted, duty-free imports—and quotas on imports of Japanese cars, Hyundai was able to undercut the competition and sell 25,000 Ponys in 1984, using newspaper ads with the simple slogan: "Take a Pony for a ride." By the end of 1985, Hyundai had become Canada's No. 1 importer and the Pony was Canada's best-selling car.

But the Pony, a rear-wheel-drive vehicle designed in the mid-1970s (and given a face lift before its Canadian launch), was heavy and sluggish, and an early model reportedly failed U.S. safety and emissions tests.

Hyundai struck a deal with Japan's Mitsubishi Motors, exchanging a 10% interest in the company (later increased to 15%) for technical assistance in developing a new front-wheel-drive car, the Excel. The model is produced at a massive new plant near Pusan, South Korea, with the capacity to build 300,000 cars a year.

With its high-tech, aerodynamic styling and a Mitsubishi-designed 1.5-liter overhead-cam engine, the four-door Excel looks and handles like most other Japanese and European subcompacts. While obviously not a luxury model, neither is the Excel completely stripped down.

The $4,995 base model, a five-door hatchback, is equipped with four-speed manual transmission and includes as standard equipment steel-belted radial tires; halogen headlights; rack-and-pinion steering; full carpeting; a rear window defroster; reclining front bucket seats; a split, fold-down rear bench seat; front and rear mud guards, and rear seat heating vents.

Suggested retail price for the most expensive Excel model, a GLS four-door sedan with automatic transmission, is $6,915; a comparable Toyota Corolla retails for more than $8,000.

Despite the obvious industry interest in the Excel as the first South Korean car available in the U.S., both tv and print ads for the car pointedly ignore its country of origin.

"It wasn't that we felt we had an image problem being from Korea, but that there was no image at all," says Joe Corey, Hyundai's national ad manager, and one of many top Hyundai executives hired away from Toyota's North American operations.

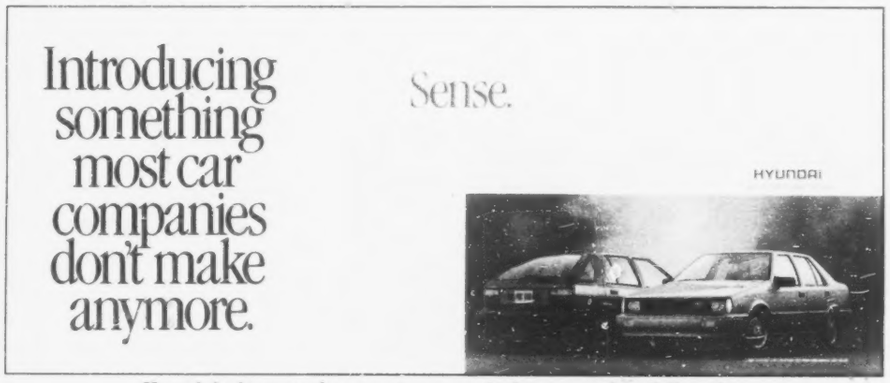
"Who'd ever heard of Hyundai? Who'd ever heard of anything automotive from Korea? So you will not see the word Korea in any of our advertising. We're trying to sell the fact we produce a durable, reliable, basic transportation type of car."

More important to Hyundai's marketing strategy is stressing the size, strength and diversity of its parent company, whose 1985 sales of $14 billion, representing 10% of South Korea's gross national product, earned it a ranking in *Fortune's* top 40 corporations outside the U.S. Print ads introducing the Excel were headlined, "Its father was a locomotive. Its mother was a ship," and a series of tv spots reinforce that message.

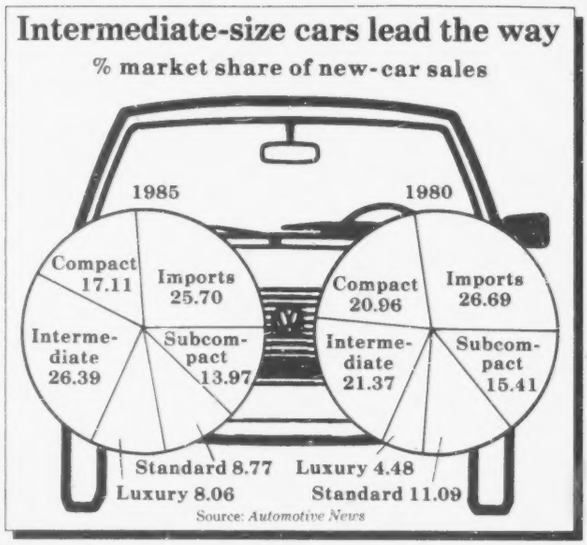
"We felt we had to position Hyundai as a large, multinational corporation that does a lot of other things very successfully in 65 countries around the world, and not just some Third World company," Mr. Corey says. "The whole tone was 'Here's a company that builds locomotives and bridges and nuclear reactors and now that company's coming to the U.S.'"

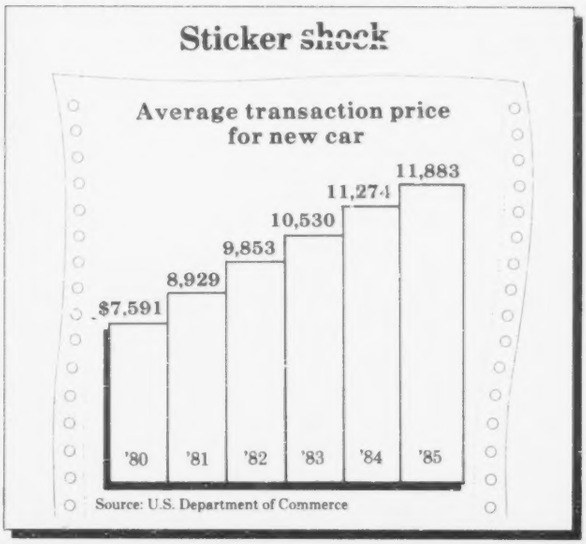
As the Hyundai is rolled out in each new market, a trio of tv spots introducing the car and the company are run for three weeks. The company and local dealers then shift to conventional product ads on tv and in newspapers. Because the car

(Continued on Page S-22)



Hyundai ads stress the parent company's size, strength and diversity.





11,848,000 7.97 1,2

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Yugo confident despite sluggish sales

By Michael Kaplan

Of all the minicars available in the U.S., none is quite as mini as the Yugo, a $3,990 Yugoslavian car that has positioned itself as the successor to another inexpensive European import, the Volkswagen Beetle.

Yugo bills itself as reliable transportation similar to the Beetle and Model T.

The front-wheel-drive three-door hatchback, imported by Yugo America, Upper Saddle River, N.J., has become something of a cult item since its arrival in U.S. dealerships last August, despite some indications of problems with the car's reliability and safety.

Although only 10,000 Yugos were imported during the car's first eight months in the U.S. market, the Zastava, Yugoslavia, plant, where cars bound for America are assembled on separate lines using top workers, has increased production capacity. Yugo sold only 3,895 cars in the U.S. last year and 1986 sales have stabilized at about 2,000 cars a month, according to *Automotive News*, but company officials still predict they'll sell 60,000 cars in 1986, with annual sales increasing to 150,000 by the end of the decade.

Yugo's $12 million ad campaign from Rosenfeld, Sirowitz & Humphrey, New York, makes no effort to hide the car's Eastern European heritage.

"When we did our original research, what people were concerned about was: 'Is the car going to give me what I want? Is it a quality car? Is it going to hold up?' more so than where the car came from," says Ron Edelson, Yugo's vp-marketing services.

"We thought there might be certain reservations about purchasing a brand new car like this, but the Yugo was accepted very quickly. Obviously the price was a very big attraction," Mr. Edelson says.

At $3,990, not including tax, title, dealer prep and transportation costs, the Yugo costs less than the average U.S. used car, which sold for $5,150 in 1985, according to the National Automotive Dealers Assn.

A number of extras are thrown in, including twin dome lights, three grab handles, a vanity mirror and a cigaret lighter.

However, Yugo executives understand that people shopping for a $4,000 car are more concerned with monthly payments than vanity mirrors. A typical print ad, headlined "Introducing the same old idea," shows the car alongside a Model T Ford and a VW Beetle—cars known for value, not frills.

"The Yugo's not a whiz-bang, high-tech vehicle," Mr. Edelson says. "It's not a performance vehicle. It is what it is: Basic, reliable transportation. That's what the Model T represented then, and what the Beetle represented when *it* came out."

> ***"There's a market here for these cars, as long as they come up to standards, and they will."***
>
> **Ron Edelson**
> **Yugo**

Other ads point out that Yugo America imported 180 tons of spare parts before the first car went on sale.

The company also has announced a 72-hour "air bridge" between the Yugoslavian factory and dealers' showrooms in the U.S. to expedite emergency parts shipments.

Sales promotions also play a large role in the Yugo marketing scheme.

The company sponsors the U.S. men's and women's Olympic volleyball teams and had reason to crow when they defeated South Korea's teams, sponsored by Hyundai Motor America. Yugo also has staged several Beetle-esque stuffing contests to see how many bodies can be crammed inside the car—30.

For all the high spirits and good press the company received upon the Yugo's debut last summer, serious questions have been raised about the car.

Though it has undergone a battery of mechanical and cosmetic changes over the years, the Yugo is based on the Fiat 128, a design dating to the early 1970s.

Since Yugo's introduction in the U.S., the company has gone through a major safety recall, and the car received low marks in crash tests conducted by the federal government.

Perhaps most damaging was a critical report in the February issue of "Consumer Reports," which faulted the car's transmission, bumpers and controls, as well as the over-all quality of construction.

"The particular sample delivered to us would have been better served squeezed into a glass of iced tea," the magazine reported.

The magazine also questioned the track record of Yugo America chairman Malcolm Bricklin, who has failed three times before to launch a new car company, most recently importing the Fiat X1/9 and Spider (renamed the Bertone and Pininfarina).

"It's already clear that consumers are having problems with the Yugo," says Jack Gillis, author of "The Car Book," a yearly guide to the safety, performance and costs of available

Ads touted the 180 tons of spare parts Yugo imported before it began selling in the U.S.

models. "The dealer support system is woefully inadequate. The Yugo has nowhere near the level of quality of Japanese imports."

Some industry analysts, including Jack Kirnan, vp-director of automobile consulting services for Merrill Lynch Pierce Fenner & Smith, New York, say the Yugo can't match the quality of the expected wave of low-price imports coming from South Korea, Brazil, Mexico and Taiwan.

"It's the wrong car at the wrong place at the wrong time," Mr. Kirnan says. "We don't think the Yugo will be a major player in the coming years."

But don't count the Yugo out quite yet. At the 1986 National Automotive Dealers Assn. convention, officials unveiled the first of two new models. The GVS, available soon, will feature a sporty trim package and an am/fm stereo, and retail for less than $4,800. The GVX, due in 1987, will offer GVS styling with a larger, 1.3-liter engine and choice of two new transmissions (a five-speed manual and an automatic).

Plans also call for a larger, five-door hatchback, a two-seat sports car, a four-door sedan and a convertible by the end of the decade.

Company officials say the cars will be priced below either its American or its Japanese competitors.

"There's a market here for these cars, as long as they come up to American standards, and they will," Mr. Edelson says. "Our commitment has been to keep our profit levels down as the importer and distributor. The manufacturer concurs with this, and so do our dealers.

"We're all making profits," he says.

"You *can* make healthy profits and be a healthy company, and still be able to sell a car at this price."

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Koreans roar into minicar market

(Continued from Page S-18)
won't be available nationally for another year—dealerships currently are spread among 31 western, southern and East Coast states—there is no national advertising yet.

According to Mr. Corey, the message is directed toward a relatively upscale, well-educated market: 25 to 49-year-old adults who tend to be college graduates and have a household income of $30,000.

Surprisingly few pitches are directed at college students or those considering used cars. More typical is the ad directed toward young suburban couples looking for a second car; ads note that two Excels cost less than one average American sedan.

In addition to Hyundai's $25 million national account, Backer & Spielvogel administers a $20 million ad budget for the three regional dealer associations. Spot tv ads reinforce the Hyundai corporate message, but are geared toward getting customers to visit a showroom.

Although Jack Kirnan, director-automotive consulting for Merrill Lynch, says he expects Hyundai to sell 100,000 cars in the U.S. this year and 175,000 in 1987, the jury is still out on the long-range success of the Excel. It generally takes a year or so to work out the mechanical bugs for any new car model. Though some South Korean goods have been faulted for sloppy workmanship, consumer protection advocates say they have received few complaints about the Excel.

Hyundai management, however, has been tested in Canada and has earned a reputation for listening and responding to customer complaints.

"We found that for a new car company that had never dealt with us before, they were very receptive," says George Iny, a counselor at the Automotive Protection Assn., a Montreal-based consumer watchdog group that has battled other minicar importers over poor service.

"Hyundai has been hurt by having to grow very quickly. But considering where they were two years ago, starting from almost zero, they have done an unusually good job."

Hyundai's American sales network was designed to ease customer concerns. For starters, buyers automatically are given a free one-year membership in a nationwide auto club with 8,000 service outlets offering 24-hour road service.

"Since we don't have dealers all over the country," Mr. Corey says, "this gives the customer the comfort that wherever he is, his problem is going to be taken care of." Parts are stocked in three regional distribution centers.

With 4,000 applications for just 200 dealerships, Hyundai was able to handpick its retailers and then insist on separate showrooms and service facilities, for a total investment of $500 million. In the revitalized minicar market, a separate dealer network means low-price cars aren't shuffled off in the showroom corner while salesmen concentrate on higher-profit models.

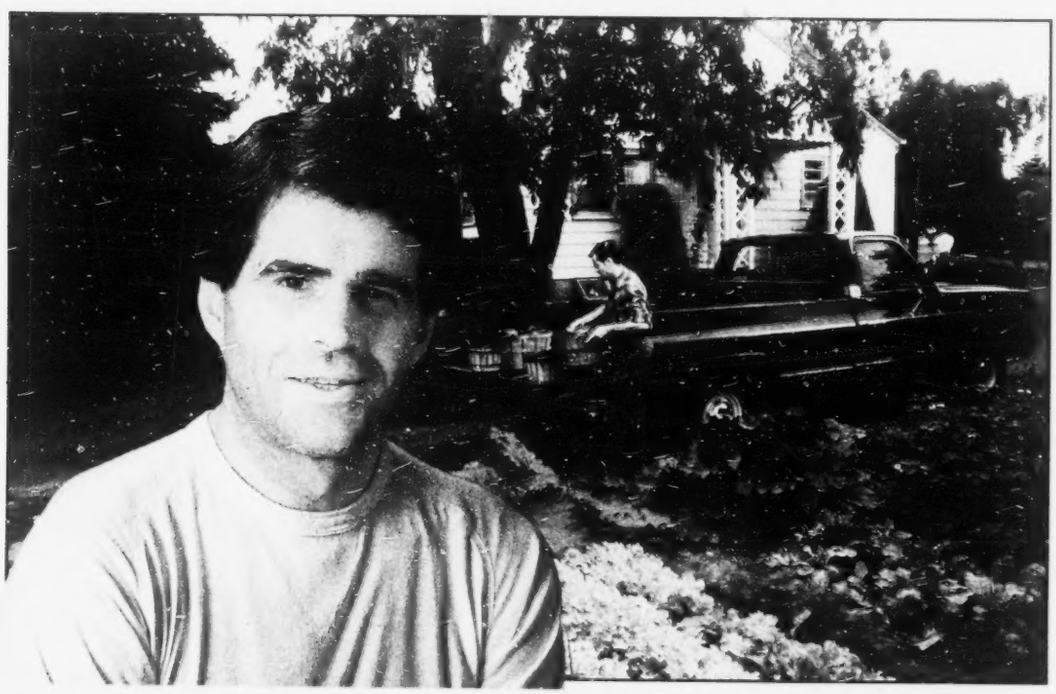
A separate dealer network also will smooth the way for the introduction of new models in the coming years. Hyundai already has the Stellar, a midsize car first manufactured in 1983 and currently available in Canada, and has announced work on a high-priced sedan, to be developed jointly with Mitsubishi.

"One of the key things we've got to do is not just introduce the Excel, but to lay the tracks for the future," Mr. Corey says. "We don't intend to be just an Excel company for the rest of our time in the United States. We intend to grow."

Although good news for economy-minded American consumers, that may be a disquieting thought for Japanese and American auto marketers.

"The automobile market is going to get very interesting over the next few years," Mr. Corey says. "You're going to have to have good value, or you're not going to make the cut."

Spot tv ads from Backer & Spielvogel for Hyundai's dealer associations urge consumers to visit a showroom.



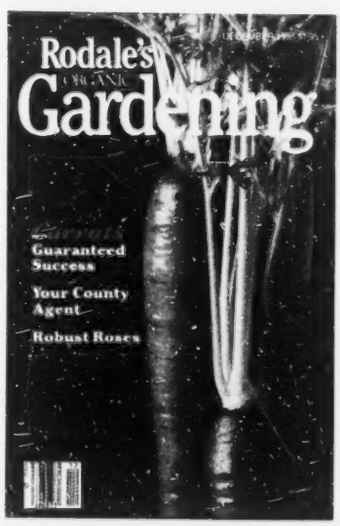
"My favorite gardening tool? It's my pickup truck."

That's what one of our "Gardeners of the Year" recently told us. And, the pickup truck is obviously among the favorite tools of our three million-plus readers, too.

According to the latest SMRB Survey, *Rodale's Organic Gardening* leads all SMRB magazines (by index) in ownership of two or more light-duty trucks. We also lead the traditional truck media in van ownership *and* compact pickups bought new.

This marks the 4th consecutive year that *Rodale's Organic Gardening* ranks at or near the top—and reflects a basic fact of lifestyle.

For gardeners, vans and light-duty trucks are essential tools. There's just no other way to get their garden supplies and outdoor power equipment to where they're needed. So the choice isn't whether to buy a small truck or van. It's which one and how many.



The advertiser looking to reach this prime market faces an even simpler choice—*Rodale's Organic Gardening*. With nearly twice as many readers as its two closest competitors combined, it's hard-working—like a truck.

For more information, contact Roy Swanson at (215) 967-5171.

Sources: 1985 SMRB ABC

Rodale's ORGANIC Gardening®
It works like a truck.

Small cars invading the U.S. from many fronts

By Michael Kaplan

Minicars are expected to become one of the fastest-growing segments of the auto industry. Although yearly auto sales are predicted to level off at about 11 million units, sales of subcompacts, fueled largely by minicar sales, should jump from less than 25% of the market in 1985 to nearly 30% in 1990, according to reseach conducted by Jack Kirnan, director-automobile consulting services for Merrill Lynch Pierce Fenner & Smith, New York.

> ***"These cars are going to force Detroit to keep prices down on the low end of the scale."***
>
> **Jack Gillis**
> **"Car Book" author**

Certainly Detroit and Japan will contribute to this expanding market. But increasingly, automobiles will come from countries that never before supplied cars to the U.S. market. "The growth in subcompact sales," Mr. Kirnan says, "will clearly be tied to some new players who are going to be entering the U.S. market between now and 1990."

Yugo and Hyundai are only the first of these new players. Within the next 18 months, perhaps as many as six new low-cost minicars will be arriving in dealer's showrooms.

To keep the price of these cars down, manufacturers are turning to nations where labor costs are only a fraction of U.S. wages. In South Korea, for example, where auto workers are paid an average of less than $3 an hour, plans call for a massive increase in production to service both American and Japanese distribution pipelines:

- Ford Motor Co. is planning to import as many as 75,000 small cars a year from Kia International, a Korean truck manufacturer that recently received government approval to begin passenger car production. Japan's Mazda Motors (25% owned by Ford) is supplying technical assistance and some key components. At one point, Ford had negotiated to become Hyundai's U.S. distributor, but talks fell through.
- General Motors will import its new German-designed Pontiac LeMans from Daewoo Motor Co., Korea's second largest car company (after Hyundai). Plans call for production of 167,000 cars a year, with half available for export to the U.S. Isuzu Motors, GM's Japanese ally, will provide technical support and a share of the output for the Japanese market.
- Chrysler has been negotiating to purchase cars from Samsung, known in the West primarily for tvs and videocassette recorders. While awaiting the Korean government's approval, Samsung will supply Chrysler with auto parts.

In 1987, Ford is expected to begin importing between 50,000 and 100,000 subcompacts from a plant in Hermosillo, Mexico, and Volkswagen of America plans to bring in 50,000 newly designed minicars from its plant in Brazil.

By the end of the decade, the international roster also is expected to include Taiwan, where six companies currently compete locally, splitting sales of about 120,000 vehicles a year. Yue Loong Motor Co., Taiwan's biggest car manufacturer, builds cars under license to Nissan Motor Corp. By 1988, however, it hopes to design its own car, what analysts call a "poor man's BMW," for sale in the U.S. Ford Lio Ho, Ford's Taiwan affiliate, soon will begin exporting cars to Canada.

And then there's Eastern Europe. Minicars including the Czechoslovakian Skoda, Romanian Dacia, Italian Innocenti and Russian Lada are all available in Canada, although it's not certain when, or if, any will be imported to the U.S. The Yugo is available in both countries.

"I'm very optimistic about these new imports," says Jack Gillis, author of "The Car Book," a yearly guide to auto safety and performance. "Even if some of these cars are clearly shoddy, the consumer will ultimately benefit. These cars are going to force Detroit to keep prices down on the low end of the scale."

Price isn't everything, however, and most analysts are hedging their bets. They're waiting until a decision is handed down by the car buying public.

"The real story won't be known for a year or two," says Robert McElwaine, head of the American International Automobile Dealers Assn., a trade association of foreign car dealers. "That's when you find out whether these minicars have earned a permanent spot in the American market, or whether they're going to be a flash in the pan.

"You have to remember that at one time, Renault was the largest selling imported car in America. Things change."

FOUR SCENES IN SEARCH OF AN AUTO

The days when a standard 4-door sedan was the only car most families needed are gone forever. For a large and growing group of consumers, good mileage, great hauling ability, and all-terrain potential are just as important as air-conditioning and cut-pile carpeting.

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Sources: Subscriber Study—1985; MRI—Spring, 1985

RODALE'S
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Financing subsidiaries shift into high gear

By Patricia Strnad

You're on vacation and you made the mistake of leaving home without your American Express card. No problem, as long as you have a Chrysler credit card tucked in your wallet.

It's not as improbable as it seems. Chrysler Service Contract Co., a unit of Chrysler Credit Corp., is testing a dealer-oriented credit card for customers purchasing auto parts and dealer services. The card eventually may get wider applications and become another travel and entertainment credit card, says J.J. Madden, exec vp of Chrysler Credit Corp., a division of Chrysler Financial.

GMAC promotes its credit offerings to women via national magazines and a brochure.

It's also one more indicator of how important finance subsidiaries have become to the Big Three U.S. auto marketers. Growing and diversifying at a dizzying pace, they have become true financial giants.

General Motors Acceptance Corp., GM's Detroit-based financing arm, posted total worldwide receivables of $75.6 billion at the end of 1985, up $18.5 billion from 1984.

In 1985, GMAC acquired Colonial Mortgage Service Co., a group of mortgage banking companies, and the mortgage servicing portfolio of Norwest Mortgage Inc. The operations of both were merged and renamed GMAC Mortgage Corp. With receivables of $21.5 billion, that division is now the second largest mortgage-servicing company in the U.S.

In May, the company announced plans to offer its Michigan good-credit car-loan customers home mortgages via a GMAC Mortgage direct mail campaign, probably beginning in late summer.

Meanwhile, Ford Motor Co. last year bought First Nationwide Financial Corp., a savings and loan company, and merged it with Ford Motor Credit Co. The credit company had 1985 receivables of $35 billion, up about 35% from 1984.

Chrysler Financial Corp., Highland Park, Mich., posted 1985 record receivables of $17.7 billion, up 133% from 1984, an increase attributable in large part to an 85% increase in the number of car loans provided. In addition, the company last year formed a joint venture with General Electric Credit Co. That was followed by the acquisitions of E.F. Hutton Credit Corp. and FinanceAmerica. These two companies, Chrysler Insurance Co. and Chrysler Credit, make up Chrysler Financial.

Despite the diversification strategies, the mainstay business of the auto companies' finance subsidiaries is still auto loans. For example, according to a spokesman, 98% of GMAC's current business is auto loans. The subsidiaries support dealers by supplying capital for building dealerships and maintaining high inventory levels, and they provide consumers with financing options and opportunities.

Through an auto company's finance division, the American who needs wheels can choose to buy or lease a car. He can take advantage of the auto marketer's own financing programs and often its preapproved credit. He can use a balloon payment program in lieu of leasing. Now, he can even try to finance his new home.

"The premises under which GMAC was formed in 1919 was to help GM market vehicles by providing customers with convenient on-the-spot financing and to help GM dealers maintain an adequate supply of inventory," says Charles Newcomer, GMAC spokesman.

"The broader the range [of financial options], the more likely you can meet the needs of most consumers."

William Odom, president of Ford Motor Credit, adds, "Clearly we want to sell cars and to finance them; that's the bottom line. We believe that having a well-organized and geographically diverse finance and leasing organization is definitely a competitive advantage to our dealers."

Of the various financing programs offered, some evolved during the auto companies' early 1980s "dark days" and slow sales periods. Others are offensive measures to capture market share. Preapproved credit, for example, is a fairly recent program each of the Big Three uses to lure buyers to dealerships.

GM, through GMAC, offers recent college graduates preapproved credit on all GM cars via direct mail brochures. GMAC

If you want to reach households that earn over 25,000 of these...

arranges financing to good credit risks who can show proof of current or pending employment within 90 days of their graduation.

On occasion, GMAC also offers women preapproved credit in programs advertised via national women's magazines and a 16-page brochure available in dealerships. Campbell-Ewald, Warren, Mich., handles.

Likewise, Ford's College Graduate Purchase Program offers graduates $400 toward the purchase or lease of Ford or Mercury cars and trucks with preapproved credit levels. Ford also has a new three-part preapproved credit program geared toward women that began April 1 in California.

Chrysler now offers preapproved credit, via direct mail, to good-credit Chrysler vehicle owners with current accounts at Chrysler Credit. Its college graduate finance plan offers to delay the first car payment for 90 days until the graduate settles into his new job. Payments increase gradually each month as the graduate develops his income and never exceed 25% of monthly disposable income.

American Motors Corp. will offer preapproved credit to college graduates next year through American Motors Credit Corp., says Martin Levine, general marketing manager.

All four domestic auto companies lease cars as another consumer option. With leasing, the dealer determines a vehicle's worth at the end of the financing period. The consumer's monthly payments are based on the difference only plus interest. For example, a consumer would finance only $6,000 for a $10,000 car with a residual value of $4,000 after four years. At the end of that time, the consumer may give the car back to the dealer, lease another or finance the difference to buy it.

In 1985, GMAC leased about 530,000 vehicles worldwide, up from 200,000 in 1981. Before, the dealer purchased vehicles, then leased them. Now, the finance company buys the car from the dealer and leases it. According to Leading National Advertisers, GMAC spent about $3.5 million to advertise its leasing programs in 1985.

Ford Credit says it decided to take the risk of leasing the cars itself in 1981 because it wanted to encourage dealers to use the Red Carpet Leasing program. "We figured it would double our volume," Mr. Odom says, adding that the number increased tenfold, from 20,000 in 1981 to about 200,000 each year since.

In the past six months or so, the growth rate for leasing has flattened because of low interest rate programs.

As an alternative to leasing, auto companies are testing balloon payments, which are similar to leasing except a down payment is usually required and the vehicle is purchased by the consumer. Consumer advantages include lower monthly payments with a large sum left at the end of the contract, and under current federal tax law the interest would be deductible.

Each of the Big Three is testing a balloon payment program: GMAC is trying out its pilot Buyer's Choice program in Michigan; Ford's Customer Option Plan is being tested in Michigan, Connecticut, New York and California, and Chrysler's Fixed Value Payment Plan in June became available nationwide.

However, Mr. Odom says special low financing rates also are undermining balloon payment loans. GM, through GMAC, in late April offered financing rates from 5.9% to 9.9% on most GM cars. In May, Ford matched that, while Chrysler extended its own low rates.

Ford now is experimenting in eight states with variable-rate financing, new to the auto industry.

Chrysler Credit also is looking at variable-rate financing and expects to initiate a test in about the next six months, Mr. Madden says.

While most domestic auto marketers believe these incentive programs put them at a competitive advantage over import companies that don't have financial arms, AMC disagrees.

"Banks and credit unions are very competitive in those areas," Mr. Levine says. "But I think the concept of a good deal is an all-around good deal, not just a good interest rate."

A spokesman for Toyota Motor Corp. USA, Torrance, Cal., says he doesn't think the domestic companies have a serious competitive advantage because "Toyota dealers can use any financial source they want."

However, in February, 1983, Toyota established Toyota Motor Credit Corp., which now serves Toyota dealers and car buyers in 30 states. The new company expects to be operating nationally by 1988, says John McLaughlin, Toyota Motor Credit business development manager.

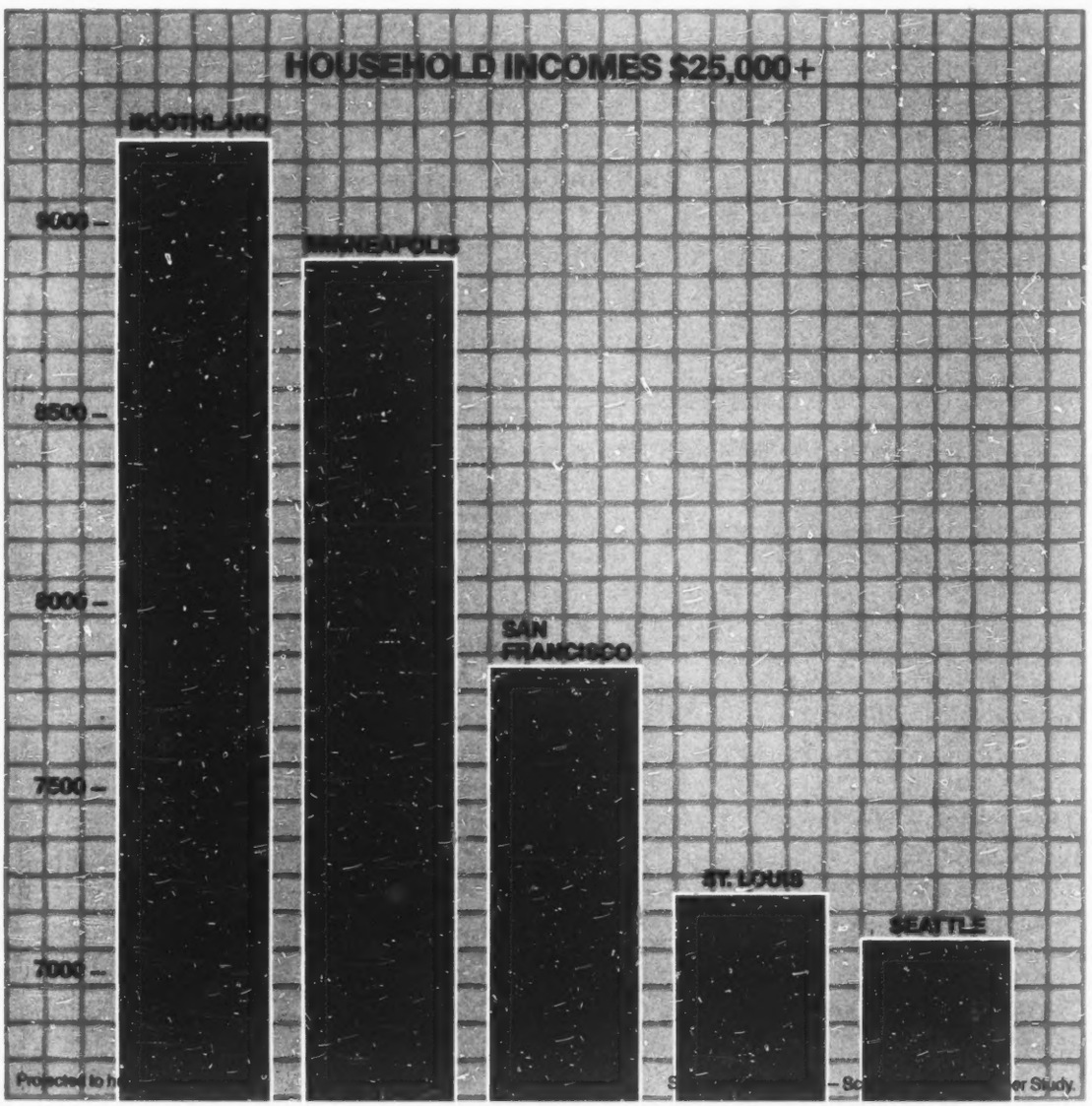
"We started back at a time when getting financing was pretty difficult for the auto industry," he says. "Interest rates were high and dealers were having trouble getting financing."

While Toyota leases cars through Toyota Motor Credit, it doesn't offer preapproved credit and it stays away from low annual percentage rate programs.

"Low, incentive financing is a marketing tool to try to sell cars in a slow period," Mr. McLaughlin says, pointing out that Toyota's import quotas alone have kept dealerships busy.

Toyota doesn't advertise its finance arm or services to the consumer. However, it runs print ads about four times a year in *Automotive News*, a trade publication owned by Crain Communications Inc., parent of Advertising Age.

Auto marketers have more new financial concepts on the drawing boards, but aren't willing to lift the veil of secrecy. "There are some things we're going to be experimenting with in the next year, but nothing we're ready to talk about," AMC's Mr. Levine says.



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Design still powers buying decisions

By Roger Rowand

Auto marketers go to work these days with an impressive array of lures for prospective customers: Electronic gadgetry, extended warranties, niche positioning, dazzling dealerships and tempting financing arrangements.

It's impossible to rank the impact of such factors in the purchase decision, often formulated after weeks, months and even years and after considering dozens, or perhaps hundreds, of individual factors. But among auto merchandisers there is little doubt that design remains one of the most critical factors in the purchase decision.

"Design still is 80% to 90% of why people buy cars," says Louis E. Lataif, vp-sales operations for Ford Motor Co.'s North American automotive operations. It ranks extremely high among purchase-decision factors including price, reliability, electronic options, nameplate loyalty and vehicle dynamics.

"My evidence of that is the Ford Taurus and Mercury Sable. They have not been subject to any of the [low-rate financing] programs that have been going on since they were introduced. Still, they are our lowest days-supply cars. They haven't missed a beat. They've just been selling magnificently," Mr. Lataif says.

He forecasts Taurus/Sable will sell at an annual rate of 560,000 units through the balance of this calendar year. Last year, by comparison, GM's Chevrolet Cavalier was the nation's top selling car model, with 431,031 sold.

Those cars are of Ford's new design, which began in 1983 with the Thunderbird and Cougar, Tempo and Topaz. The exterior styling has stimulated a great deal of discussion in auto-buff circles, with some critics saying the cars look too round, bulbous or inflated.

But, Mr. Lataif says, "We have the equivalent of three-quarters of the year's orders in hand after four months of selling. There is no explanation for why that car is doing so well except that it's in demand because of its over-all design."

J.D. Power, president of J.D. Power & Associates, also points to Taurus and Sable as design leaders among current American best sellers. "The styling has come through very, very strong for a conventional, middle-size American sedan," he says.

"With those cars, Ford Motor Co. for the first time is attracting higher-income, better-educated buyers. It's having a strong impact on the midrange General Motors category."

"I think what can be called design, the basic product attributes, is still the major reason people buy automobiles or any other commodity," Mr. Lataif says. "There always will be a small fraction of people who will be lured into something they really didn't start out to buy because the deal was so irresistible. That is not a high proportion of the total business, nor is it a good diet for a manufacturer to be on. That's all artificial. It doesn't stick to the ribs.

"Good cars stick to the ribs," he says.

He uses an analogy of interpersonal relationships when talking about styling.

"Styling is extremely important. One first needs to have his or her head turned. A pretty or handsome face does at least get your attention. Whether it holds your attention will be a function of whether it can converse and has some character, which is the vehicle in usage. At least you get the attention by the shapes and the look and the features you can see and touch and appreciate even in the showroom."

The other vector goes in the direction of sportiness, he says. Sports cars are highly dependent on styling as are the sporty sedans. Predictably, in a basic sedan it's not as important. "The buyer of the bread-and-butter car is looking for function rather than appearance," Mr. Power says.

"People will buy for appearance. It can be an overriding issue in certain buyers' minds—the Corvette and the Mustang come to mind."

Mr. Power says the things people consider most important as they start looking for a car change as they progress through the buying cycle.

For example, styling appearance and body style might be most important early in the cycle, then later in the cycle may

Chrysler Corp. headquarters in Highland Park, Mich. Thomas C. Gale, vp-product design, says, "Appearance is the point of entry for consideration in the minds of potential customers. And consideration of product is the first step in the buying process. If the appearance isn't right for the target market segment, then consideration diminishes drastically."

But the importance of design in the over-all picture depends on the category of cars you're in, says Mr. Power, whose Thousand Oaks, Cal.-based customer survey company analyzes consumer buying plans. "The higher the price of the car the greater the impact of the styling, the design."

A Ford executive cites Taurus and Sable sales as proof that design is a major factor in the decision to buy a car.

People who buy a Chevrolet Corvette are buying the car in large part for its appearance.

Styling such as that of this Cavalier convertible can turn consumers' heads.

The sales success of the Plymouth Voyager is called design-driven.

Dodge Caravan designers kept an eye on space, function, style, order and quality.

93% of our readers own at least 1 car, with 1 in 5 preferring standard or luxury models.

50 plus

issues and then make, price and availability.

"Owner loyalty is a thing of the past, not just for company but for type of vehicle too," Mr. Power says.

"People go from pickup to sports car to sedan. At one time in the past, a sedan buyer bought another sedan. Today, people are looking for new experiences.

"But mostly, what customers are looking for is a complete package that includes car, dealer, satisfaction or trouble-free operation," Mr. Power says.

Peter G. Guptill, vp-U.S. sales for American Motors Corp., Southfield, Mich., agrees that the importance of design considerations depends on the consumer's place in the buying cycle.

"Design is probably more important when you are just generally thinking about buying a new product. At that point all the offers are probably discounted because you're not in the market right then," Mr. Guptill says.

"You probably are getting an idea of what cars fall into the 'I like' category.

"On the specific day you're going to leave the house to go shopping for a car is the day

"Design is probably more important when you are just generally thinking about buying a new product."

Peter Guptill
AMC

things like [financing] programs mean more," he says.

One of the most dramatic recent examples of design-driven automotive success is that of Chrysler Corp.'s minivan, Plymouth Voyager/Dodge Caravan, which went into production for the 1984 model year.

"Designers have packaged and styled the interiors with an eye constantly on space, function, order, style and quality," Chrysler's Mr. Gale says.

"Engineers have innovated electronic engine controls and instrumentation that is more useful in terms of comfort, convenience, safety and ease of service.

"The designers have played a key role in making these features acceptable to the buyer in terms of driver and passenger environment.

"That is, instrument clusters are easy to read and understand, lighting is improved, the occupants 'feel better' inside the car with improved seating, more useful features, luxury appointments and harmonious colors and fabrics," Mr. Gale says.

Chrysler-Plymouth sold 219,000 Voyager and Caravan models in 1985, up from 167,000 the previous year.

But David Cole, professor of mechanical engineering at the University of Michigan, Ann Arbor, and automotive consultant, says the industry is in a design transition period—one in which gimmickry and solid functional design are competing for consumers' attention.

"Things are very mixed up right now because of the transitory nature of the industry. The market is confused," he says.

However, he believes only those design features that make fundamental contributions help the sales of those automotive products. Others he classifies as gimmicks.

Among useful design features, Mr. Cole lists on-board electronic diagnostics, antilock braking systems and electric power steering.

His tally of gimmicks, meanwhile, includes talking dashboards and dashboards dotted with buttons.

"Some of it strikes me as being vehicle erotica, as though someone was trying to sell me erotica," he says.

"I like technology, but a lot of things smack of being sold on the basis of technology rather than on their function.

"We're going through a sorting-out process on this type of thing."

"With [the Sable and the Taurus], Ford Motor Co. for the first time is attracting higher-income, better-educated buyers. It's having a strong impact on the midrange General Motors category."

J.D. Power
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ESSENCE
ESSENCE WOMEN MEAN BUSINESS

Volvo selling the company behind the car

By Kenneth Wylie

When Volvo Cars of North America added an extra word to its advertising theme in May, it signaled a new attitude for the Swedish auto marketer. No longer was Volvo simply "a car you can believe in" —now it calls itself a car *company* to believe in.

Building on a 30-year-old image as an importer of safe, reliable automobiles, Volvo now is ready, with new ads and a full product lineup, to boost its 1% share of U.S. auto sales.

From its first import, the 1956 PV444, to its now-promised Bertone-bodied beauty, Volvo has been kicking the tires and slamming the doors of American buyers, attempting to find what kinds of cars they wanted.

Volvo carefully has picked and pursued its target markets, all affluent.

But now Volvo, the largest pure European importer of cars to the U.S., is ready for more universal acceptance. The company has adopted something of the philosophy that General Motors was talking about 10 years ago: Its business is no longer selling cars but selling marketing.

April issues of consumer magazines carried a Volvo ad with the display line "The Volvo Book of Records" and accounts of the car's longevity, owner loyalty, speed, ample body capacity and structural strength as shown by the famous stack of seven Volvos. But only a few weeks later came ads for the new On Call membership card, boasting the revised tag line, "A car *company* you can believe in." Both were the work of Volvo's agency, Scali, McCabe, Sloves, New York.

This corporate approach is something new for Volvo's part of the auto marketing spectrum, which is "near luxury," according to Fred Hammond, product publicity coordinator for Volvo Cars of North America, Rockleigh, N.J. For chief competitors Daimler-Benz, Bavarian Motor Works and Saab-Scania, the machinery is the message.

Volvo ads from Scali, McCabe, Sloves for the new On Call program now boast "a car company you can believe in."

Says Gerry Dudzik, national advertising manager for Volvo Cars of North America, "Volvo advertising in the U.S. is aimed at enhancing and evolving our reputation for quality, safety, reliability and price value."

In 1986, that is extended with the On Call program. Buyers of 1986 Volvos receive the On Call program, introduced May 1, in addition to a three-year unlimited mileage warranty.

On Call, according to Volvo's new marketing strategy, is not just an add-on, but an extension of the car's mechanical quality. "We try to make ourselves the best value, and now we are doing that specifically through our software program—the unlimited warranty and the On Call service," Mr. Hammond says. "What that means is that when you buy our car, you're buying into our company."

Volvo offers the On Call program in cooperation with the Amoco Motor Club, which administers it. On Call offers a traditional road assistance program *plus* service as often as needed, 24 hours a day, 365 days a year. Volvo has announced it nationally through its normal print schedule, including broad-reach magazines including *Time*, *Newsweek* and *Sports Illustrated*, vertical publications including *Fortune*, *Forbes* and *Business Week* and major metropolitan daily newspapers.

The service is similar to one Mercedes-Benz of North America introduced three years ago. Mercedes' Roadside Assistance program provides one-call emergency help after "normal service hours." That service costs the stranded motorist the dealer's hourly repair charge plus a $25 service charge. And it, like Volvo's plan, is coupled with a warranty for 48 months or 50,000 miles.

The On Call plan is appealing as an add-on to close a deal. But why this lavishing of care from the tough engineers, this sudden warmth from the Swedish reserve? Volvo has a nuts and bolts answer.

"Building a better car is no longer enough," says Joseph L. Nicolato, president and chief executive officer of Volvo Cars of North America.

Mr. Hammond elaborates: "Automation has allowed a lot of manufacturers to catch up in quality. Safety requirements imposed by government have *made* car producers manufacture safe cars. So Volvo had to go a step further. That's why we've introduced software like On Call."

This transition is not the first since Volvo began production in 1927. Heavily backed by the big Swedish ball-bearing maker SKF, Volvo aimed to give Scandinavian customers—then big buyers of U.S. cars—a product it considered better able to take the rough roads and cold winters of the North and keep on muttering, "I roll," the English translation of the Latin *volvo*.

In the 1950s Volvo began to develop its own distinctive exterior style. Emphasis has been on serious, formal design, with the engine in the front and the drive wheels behind, in a boxy, well-girded body. Prices were broadly affordable.

That first Volvo export to the U.S. and Canada, the 1956 PV444, was offered in just two styles, the two-door fastback and a three-door station wagon.

In the 1960s, Volvo was shipping its Amazon 1800 Series sedans, two-doors and station wagons to North America. A broader, increasingly partisan Volvo public was developed. Later in the 1960s came the 140 Series, with new marketing emphasis on Volvo safety.

The 1960s also saw the arrival of the Japanese offerings, priced

Volvo sales

Model	1985 U.S. sales (number of cars)
240 DL	39,169
240 GL	9,578
240 GLT Turbo	2,166
Diesel	1,938
740 series	37,164
760	4,064
Tourist	1,962

Source: *Automotive News*

Kenneth Wylie, a frequent contributor to Ad Age, examined cellular telephone service in the May 16, 1985, Automotive Marketing Special Report.

Swedish marketer travels new road

Volvo Cars of North America begins its product segmentation this year, with two long-anticipated models.

In October, publicity will begin on the Volvo 780, a two-door coupe scheduled to be available in 1987 with a $20,000 to $30,000 price tag. Carozzeria Bertone S.p.A. of Turin, Italy, is designer and builder of the body.

The only component the Bertone coupe will share with the rest of Volvo's 700 series is the floor pan, and the informed word is the car will have a family resemblance to other Volvos but in a smoother, evolutionary form.

Gerry Dudzik, national advertising manager for Volvo, says there is a strong possibility there will be a presale of the 780 Bertone coupe.

Customers may be allowed to view a display model or sales presentations and then place orders.

The advertising manager says that in the first 12 months of North American availability, total Volvo 780 shipments will be fewer than 2,000 automobiles.

Reginald Duquesnoy, securities analyst with Arnold & Bleichroeder, New York, says, "If Volvo sells [the Bertone 780] in the 5,000 to 10,000 range [annually] it will be a roaring success."

He expects the car to "nibble at the heels of Daimler-Benz," the German parent of Mercedes-Benz of North America, in the latter's more expensive automotive lines.

Tilting toward the other end of the price scale will be Volvo's second example of product segmentation, the DAF/Volvo 480 ES, set for 1988 availability in the U.S.

This two-door sports coupe with front-wheel drive is a first for Volvo; a version is currently available in Europe. It is the product of Volvo Cars BV, a Dutch subsidiary.

The DAF coupe probably will come to the U.S. almost fully equipped and will be one of the first cars to have fully adjustable rear seats. Pricing is expected to be between $13,000 and $16,000. All Volvo dealers are slated to receive the car.

Carozzeria Bertone of Italy designed and built the new Volvo 780 to be available in 1987.

According to Mr. Dudzik, the target consumer for the 480ES is younger than current Volvo buyers, perhaps skewed male, and could offer the first big opportunity to broaden Volvo's market.

"With any luck," Mr. Dudzik says, "this could afford Volvo Cars of North America the opportunity to bring more people back into the line at an entry level." —*Kenneth Wylie*

Buffalo's driving ambition

Buffalo loves cars. 680,000 Buffalo CMSA adults own a car that they purchased from a dealer — and 71% of those car owners read the daily Buffalo News. Just in the past year, about 30% of the Buffalo CMSA adult population purchased a car. And 89% of those new car buyers read the Sunday Buffalo News.

Buffalo loves to drive. And the best way to reach the man behind the wheel is the Buffalo News. Call Bill Best at (716) 849-5422 for space reservations and information.

Source: Scarborough Research, 1985

THE BUFFALO NEWS
Bag Buffalo in one buy!

to sell. Although Volvo continued to find a receptive American public for its new 240 Series in the 1970s, all was not well. So said Volvo's car division president, Haken Frisinger, as quoted in Graham Robson's Volvo-approved book, "The Story of Volvo Cars" (Patrick Stephens Ltd., 1983):

"In the middle of the 1970s, we lost some image with [the 240 Series]. The quality suffered—yes, really—and perhaps the car didn't look different enough from the old 140 Series. So we started up in 1976 and 1977 with a stronger product-development program." This resulted in the new sharp-creased 700 Series. Statistics told the need for the change; Volvo production dropped from about 232,000 cars in 1973 to 158,000 in 1977.

"We reworked, redesigned the car," Mr. Hammond says. "We put in more value such as fuel injection. We went upmarket in the price. The buyer up to then would spend $4,000 for a good car but might not spend $8,000 or more."

"Volvo has done a better job than anyone else so far in making a major product upgrade, going from a $10,000 car driven by university professors to a $20,000 driven by yuppies," says Reginald Duquesnoy, securities analyst with Arnhold & Bleichroeder, New York.

In making this change, Mr. Duquesnoy says, Volvo needed to maintain its image of crash-safety quality and reliability—and it has. "They also needed to convince buyers that they're getting 'German' quality at Swedish prices," he says. "Volvo has tried to ride piggyback on the German automotive reputation [but] Volvo is not quite BMW, [and] is one notch below Daimler-Benz."

Today, the company has the capacity to build a maximum of 400,000 cars a year. On those terms, Volvo cannot compete with the Japanese. So what it has done is take the car of the past and embedied its same virtues in today's line of Volvos—higher priced but, the company says, giving style and value for the money.

In response to the changes, Volvo's U.S. sales started rising again in 1978 and have climbed about 4% a year since. In 1985 Volvo sold 104,000 cars in the U.S. plus 8,000 in Canada, and Volvo projects total U.S. sales of 110,000 for 1986.

"Volvo is now designed with the American market in mind," Mr. Duquesnoy says. "Their real forte is the station wagon." He says Peugeot Motors of America and Daimler Benz have produced quality station wagons, but at a higher price.

Mr. Dudzik sheds more light on the company's positioning. "In its station wagons, Volvo has made one of the strongest commitments [to a product] of any auto maker. That is, Volvo devotes more of its product line—now more than 34%—to wagons than any other company."

Station wagons now sold by Volvo in the U.S. are the 240 Series, priced from about $15,100 to $17,800, and the bigger 700 series, which sells for $21,300 to $25,400.

The next marketing stage for Volvo is product segmentation, aimed at securing a bigger U.S. market share. *(See sidebar.)*

Volvo engineers its sales targets like its automobiles—precisely. Marketing and sales forces plot four demographic variables for each model. For example, promotion for the 240 DL and GL family sedans is aimed at both male and female 25 to 54-year-olds who have attended or graduated from college, with household incomes of $35,000-plus. Variations are apparent for the 240 Series station wagons, where the target is skewed 40% male.

To reach its targets, Volvo relies heavily on consumer magazines. The company now is spending about 45% of its budget in North America for space in national newsweeklies, business magazines, car buff books, science and life-style publications. But the list is shorter than three years ago, down from 40 to 23 titles in an effort to free ad dollars for other media, although both total budget dollars and frequency have climbed.

In 1985, Volvo's U.S. measured-media ad spending totaled $20.3 million, with about $11.1 million spent on magazines. An additional $7.7 million was spent on spot tv buys in 35 markets, with additional outlays for radio and newspaper support in some of those markets.

"In Volvo advertising," Mr. Dudzik says, "we feel strongly that what we are doing is awareness-building, not just selling a product."

With a quality reputation established and new products on the way, Volvo now is poised for an era of greater segmentation with a strong tilt toward near-luxury and luxury offerings. "We are proud of the cost-value equation of our cars," Mr. Hammond says. "Yes, you pay more, but you're getting more—getting what you pay for."

Wisdom in the auto import business seems to point this way in the mid-1980s. Everybody recognizes, so the reasoning goes, that there is little value in increasing production to increase revenue. Instead, you upgrade the market. Today, growth in the export car markets is said to be in the higher-price auto lines, and, according to Mr. Duquesnoy, 80% to 85% of the world's luxury-car market lies in the U.S. And wealth has its privileges.

"For one thing, in this end of the business, you're not competing on price but on deep consumer feelings," Mr. Duquesnoy says. "So you're immune from Japanese competition.

"For another, there's a much higher content of automotive technology in these [higher-price] products. Volvo is like most European car makers. They've had much longer to learn the car business. The Japanese will have to earn their stripes. You just don't come up overnight."

It took Volvo 59 years.

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Rolls-Royce rides on reputation, not ads

By Brian Oliver

In a memorable ad, David Ogilvy once wrote, "At 60 miles an hour the loudest noise in a Rolls-Royce comes from the electric clock."

Mr. Ogilvy's sentence captured the quality image that has formed the basis of the British car's worldwide brand identity since Mr. Rolls and Mr. Royce teamed up in 1906.

Rolls-Royce has become a term for excellence. In fact, the company's legal department is kept busy dealing with inquiries from other marketers who want to use the name in their ads. "The Rolls-Royce of dental chairs" is one phrase London-based Rolls-Royce Motors recently refused.

"The Rolls-Royce image is one that anyone would envy," says Reg Ludlow, General Motors' ad manager in London. "You tend to just take it for granted."

Saab-Scania's London-based advertising and sales promotion manager, Paul Banks, agrees. "It must be a great advantage to have such total worldwide awareness that potential customers already know your product and its unique selling proposition."

Rolls-Royce Motors sustains this brand identity with a minimal amount of advertising, handled by three agencies worldwide: Della Femina, Travisano & Partners, New York; Cogent Elliott, London, and Dancer Fitzgerald Sample & Roth, Munich, which handles advertising throughout continental Europe. The auto marketer advertises a little in the Middle East, but hardly at all in the Far East and Latin America.

Although Rolls-Royce officials say they will put about $285,000 in 1986 ad support behind both the Rolls-Royce and Bentley marques in Great Britain, the company won't disclose its worldwide ad budget.

"Our ad spending is not as high as people expect," says T. John Foster, Rolls-Royce marketing operations director. "We are naturally a target for publications' advertising managers, and they are often quite shocked when we tell them we *don't* advertise [very extensively]."

Sue Gay, associate publisher of Morgan-Grampian's *Autotrade*, says Rolls-Royce is also the only company that doesn't provide a test car for automotive journalists.

With the average Silver Spirit selling for $100,000 in the U.S., that's perhaps understandable.

Mr. Foster says the company's marketing strategy is based on a "rifle" approach—with research used extensively to identify potential customers and their requirements.

For example, one recent worldwide survey revealed that the most popular Rolls-Royce colors are white and black, with white models appealing mostly to Americans.

In some cases, local dealers—despite its relatively small volume, Rolls-Royce never sells directly to customers—will pinpoint potential individual as well as corporate buyers. "There is no substitute for getting a man behind the steering wheel," Mr. Foster says. "It says so much more than any ad."

Rolls-Royce's advertising may appear scant, but it is backed by a substantial amount of promotional activity at the dealer level. This includes social occasions for potential customers ranging from fashion shows to clay-pigeon shoots and polo matches.

Anthony Thompson, who until last August owned Rolls-Royce of Beverly Hills, Cal., says the largest task for a dealer is measuring up to the potential customer's expectations of what buying a Rolls-Royce should be.

"You have to recognize in selling a very expensive item—a yacht, a motorcar—you're selling first style. You present the style they expect with the maximum amount of panache."

Generally selling between 80 and 90 cars annually, Mr. Thompson was the largest U.S. Rolls dealer during eight of his ten years in business. His Beverly Hills ad budget was based on $400 per car, which was matched by Rolls-Royce for an annual budget of between $60,000 and $80,000.

The basic strategy contained three elements: Sponsoring a weekly classical music radio program, participating in several charities and hosting periodic parties known as "Rolls-Royce of Beverly Hills Happenings."

In one instance, Mr. Thompson showcased Rolls-Royce cars at a mansion to commemorate the 75th anniversary of the company. Another time, he hosted Princess Margaret at the opening of his new service department. "If we couldn't do it very, very well, then we didn't do it at all," he says. "We wanted to create a whole picture of a quality product."

Mr. Thompson says his job was to "demonstrate the way of life and the quality of life that comes with Rolls-Royce ownership. One cannot drive his $7 million house down the street, but if he drives a Rolls-Royce, people most certainly will think he has a $7 million house tucked somewhere up above Sunset Blvd."

Mr. Foster says Rolls-Royce does not have a central ad strategy mainly because the car is perceived differently in each market, and buying patterns and attitudes vary. As a result, the creative approach, coordinated by operating centers in the U.S., Great Britain, Canada and Switzerland, also differs in each territory. Only the media mix tends to be similar, with a heavy emphasis on glossy, upscale magazines.

"Our advertising approach is determined by local taste and judgment," he says. "The positioning of the car in each territory depends on social acceptance and attitudes to price."

He says local dealers are required to spend a preset amount on advertising, augmented by incentives from the company. Rolls-Royce is not involved in the creation or placement of advertising, although headquarters approves all ad copy.

North America is an important market for Rolls-Royce; 49% of the 2,500 cars it sold last year went to the U.S. American sales increased by 2.5% last year, while total worldwide sales rose about 8%.

As a result the company advertises more heavily in the U.S.

Rolls-Royce advertising plays off the luxury car's reputation.

Brian Oliver is an Advertising Age correspondent in London.

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Source: 1985 Simmons–Scarborough Study

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than anywhere else in the world. "We recognize that we have a number of competitors, like Cadillac, which are very aggressive," Mr. Foster says. "Clearly, we have to be in the race as well, and we are now competing very strongly in the U.S. market."

A year ago, Rolls-Royce Motors of Lyndhurst, N.J., broke a new U.S. campaign, through Della Femina, comparing its cars directly with chief competitors Mercedes-Benz, BMW and GM's Cadillac division. Print ads, with the tag line, "Simply the best motor car in the world," are running in upscale magazines including *The New Yorker, Metropolitan Home* and city magazines.

Mr. Foster says U.S. automobile marketers now are producing "some excellent and very creative pieces of advertising," and adds, "I've never really been a fan of British car advertising."

Rolls-Royce's British advertising is confined to used cars, or "previously owned" cars, as the company prefers to call them. Rolls-Royce "hasn't advertised new cars in the U.K. for a number of years, although we advertise new cars fairly aggressively in the U.S.," Mr. Foster says.

Research shows that most Rolls-Royce owners enter the market by buying a used model.

"Outside the U.S., I don't believe advertising is the medium by which people are attracted to Rolls-Royce. There is certainly no evidence in the U.K. to show that advertising has any significant influence on the buying process. But it *can* sell previously owned cars."

Research shows that most Rolls-Royce owners enter the market by buying a used model, says Chris Morris, a director of Rolls-Royce Motors' British ad agency, Cogent Elliott.

A similar approach has popped up in the U.S. during the past year, with BMW of North America and Jaguar of North America both introducing factory warranties on used models to provide an "entry level" for potential new car buyers.

Mr. Morris says the British ads mostly appear in prestigious, glossy magazines, including *Tatler* and *London Gentleman*, and national newspapers such as the *Sunday Times*.

Many competitors believe reputation is sufficient to sell Rolls-Royces. They have mixed feelings about the company's advertising.

"It is predominantly bland and hardly sets the world on fire," Saab's Mr. Banks says. "But, with Rolls-Royce's image and high level of awareness, there's probably little point in spending millions on advertising anyway."

Meanwhile, GM's Mr. Ludlow describes Rolls-Royce advertising as "very laid-back and confident. Their used car advertising in the U.K. is a very clever move," he says. "As well as enabling new people to enter the market, it is making it easier for existing owners to sell their cars and replace them with new ones."

On the European continent, however, the emphasis is on selling new Rolls-Royces through ads in selected life-style magazines and Paris-based Hermes' prestigious mail-order catalog. In each case, the company's objective is to be positioned alongside other high-quality merchandise.

Switzerland and West Germany are Rolls-Royce's biggest European markets outside the U.K. In terms of numbers, France and the Benelux countries are also considered important markets, although the company rarely advertises in France or Italy, where the rich generally buy sports cars.

"We are now competing very strongly in the U.S. market."

T. John Foster
Rolls-Royce

The company has found that its Bentley marque has greater appeal in countries such as Italy. In 1982, the Bentley was repositioned as a sportier alternative to a Rolls-Royce.

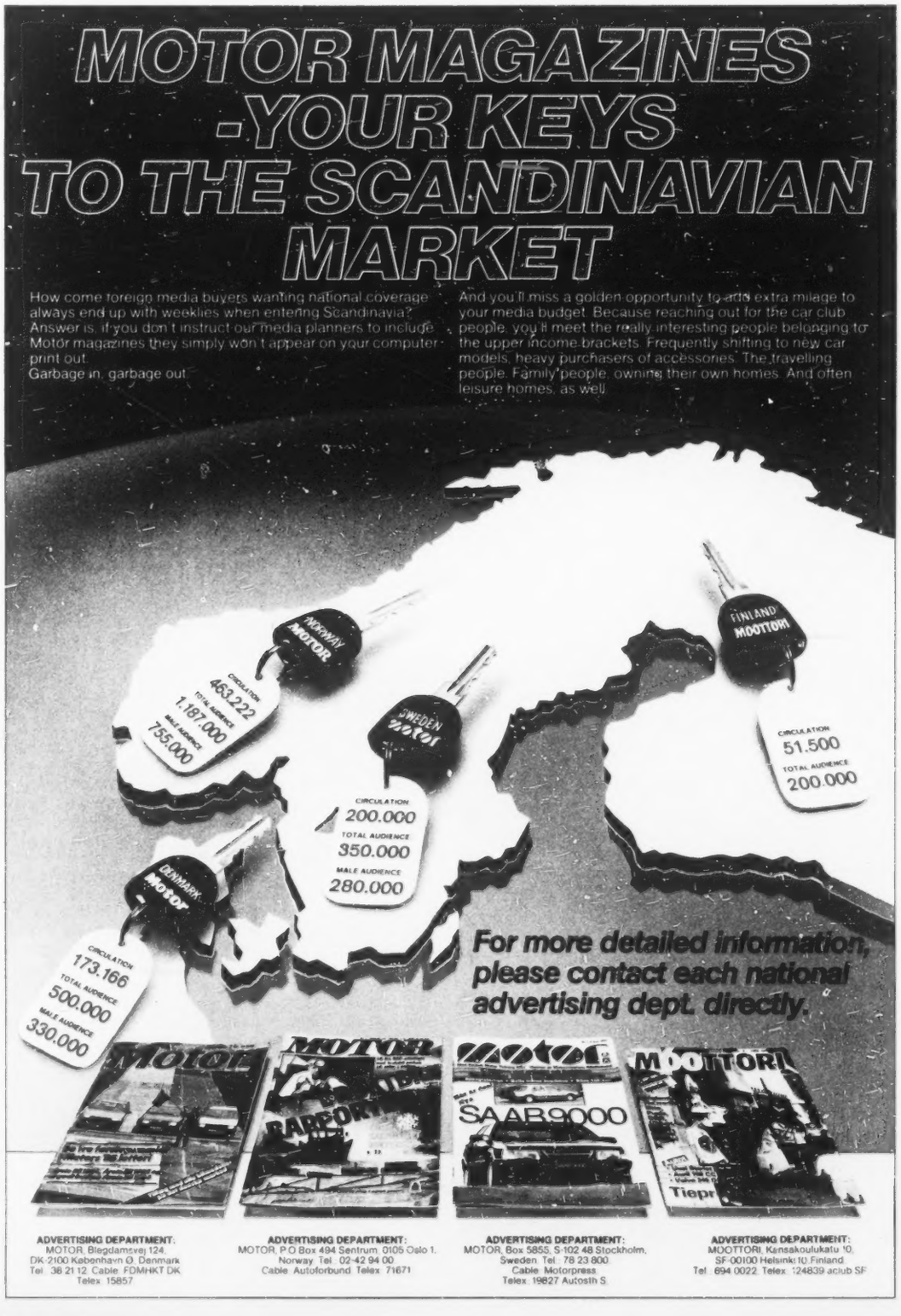
Industry observers say it is moves such as Rolls-Royce Motors' decision to separate the marketing of its Rolls and Bentley marques that are enabling the company to market its way out of recession.

As recently as 1982—when economic recession was biting at the heels of companies all over the world—Rolls-Royce's sales were hindered by the car's ostentatious image as "the ultimate status symbol."

Apart from the fact that many struggling companies no longer could afford a Rolls, it became harder for a company president or government official to justify buying a new model.

Ford Motor Co. says political pressure is leading cash-conscious authorities in Britain and Europe to move away from "the Rolls-Royce image." According to Ford, it is now selling more of its top-of-the-range cars into the traditional Rolls-Royce market. Even members of the British royal family drive Fords on informal occasions, the company says.

But Cogent Elliott's Mr. Morris stresses that the Rolls-Royce market is now "very buoyant. The company has its strongest order book for years."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Mapping regional marketing differences

By Thomas L. Moore

Stung by sagging market share, domestic automobile marketers are scrambling to translate corporate strategies into the most effective marketing for specific regions throughout the country.

That's not to say national concept advertising is going the way of the Model T. But regional marketing campaigns that accurately reflect consumer expectations and cater to local tastes can expand, improve or, in some places, replace the national marketing message.

By tailoring a message to regions, car marketers are acknowledging that what plays in Peoria may not make it in Southern California.

Thomas L. Moore is a freelance business writer.

Auto marketing executives say American car-buying habits vary from region to region. In the Northeast, for example, people are more concerned about fuel economy and front-wheel drive for snow and maneuverability on tight city streets. In the South and the Southwest, more pickup trucks are sold. And in Florida, a large older population has increased demand for full-size cars.

To accommodate these differences, General Motors' Chevrolet division has divided the country into four areas, while its sister Buick division uses two regions. Chrysler Corp. designates five regions and 25 zones within those.

Regional marketing started in California, which accounts for one-eighth of U.S. car sales but lags behind the rest of the nation in domestic car registrations.

Only 51.7% of California's 1985 new car registrations were domestic models, compared with 72.3% nationwide, according to R.L. Polk & Co., Detroit.

"Because of the inroads of Japanese imports, all domestic manufacturers are doing significantly poorer in the West than they are in the rest of the country," says Irwin Davis, a partner in Vic Oleson & Partners, Los Angeles, the regional ad agency that handles Chevy's $10 million West Coast efforts.

"So they looked to the West first to protect their own flanks.

"They found they had some problems in the West and [so far have] treated those differences successfully. Now it's a question of looking around and identifying the regions and the differences that can be treated in each."

Domestic car marketers were a step behind the import car companies. "The imports did regional marketing from the beginning," says John Burrow, marketing manager-west for Chevrolet, Thousand Oaks, Cal.

Import restrictions forced foreign marketers to adopt a regional marketing approach based on where the cars were available. The importers targeted California first—the closest port of entry—then moved to the major population centers on the East Coast and through the South.

The recent arrival of Hyundai Motor America bears this out. Although as a Korean manufacturer the company escapes the federal government's import limits, Hyundai still didn't have the number of cars to meet expected demand.

> ***Import restrictions forced foreign marketers to adopt a regional marketing approach based on where the cars were available.***

"It makes no sense to launch a nationwide campaign if you don't have the product available nationwide," says Joe Corey, national advertising manager for Hyundai Motor America in Garden Grove, Cal. "As dealers fulfill our franchise agreements, we start our advertising effort."

Lee Gallas says the domestic auto makers were slow to wake up to the realities of the marketplace. Mr. Gallas is founder of Competitive Edge, an Albuquerque, N.M.-based ad agency specializing in auto dealer accounts, and the author of eight books on regional marketing, or, as he prefers to call it, direct result marketing.

Imports spend about 60% of their marketing budgets at the regional level, Mr. Gallas says. General Motors, by comparison, spends about 20% to 30% on regional marketing and other domestic auto makers about 10%.

Regional marketing, however, means something different for each division. Many view the regional efforts as an extension of dealer association initiatives aimed at generating immediate sales. Others augment national image campaigns with regional efforts.

For instance, Chevrolet's California campaign through Vic Oleson & Partners will do little to change the national marketing campaign for the Corvette or the Camaro.

"There's no reason to change because the reasons for buying the car are the same no matter where you live," Mr. Davis says. "You are selling a prestige and performance car."

But that's not so with Cavalier. Chevy's top seller nationwide ranked a lowly 16th in California two years ago, before the company adopted its regional marketing campaign.

Nationally, Cavalier is sold as a utility family vehicle that, for the price, can carry a lot of people.

But in California, Mr. Davis says, "We emphasize the sportiness and excitement of the car." In fact, Chevy introduced a special Cavalier designed especially for California that features a bigger engine and subtler styling. That approach helped catapult Cavalier to the No. 9 position in the state last year.

Chrysler also has created a special line for California: The Lancer Pacifica, an all-white version of the Lancer with different wheel covers, spoilers and air dams.

Chevrolet tailored a special California campaign for Nova, the new line being produced through the joint venture between GM and Toyota Motor Sales Co. The national campaign, "The best of both worlds," was "not the way to go in California," Mr. Davis says. "That wouldn't reach the audience we needed. The theme line that did the best job of reaching those we wanted to reach was, 'Imported from America.'"

Chevy's Mr. Burrow says that to be effective, the regional campaign "must work hand in hand with the national efforts." What Chevy does is to "fine-tune the national efforts through spot buys and regional feeds for those product lines that are not getting the proper emphasis."

More often than not, the auto marketers are working with dealer associations to target the proper audience and develop the most effective campaigns.

Chevy's California campaign, although coordinated by headquarters, works closely with the dealer associations. "They are one of the keys to the success of regional marketing," Mr. Burrow says. "They have huge war chests. We work hand in glove with them."

Automotive marketers disagree on the merits of using local ad agencies for regional marketing.

"I'm not sure we need regional agencies," says Chevy's Mr. Burrow, whose company is dealing with a regional agency on the West Coast, but working through Campbell-Ewald, Warren, Mich., in its other three regions.

"What you must have is a local specialist, the dealer. It's important to be on the scene and to live here to make sure the products are appealing to consumers and to make sure you understand the buying habits. It's better than being in Detroit."

John Dables, general director of marketing and sales planning for Buick Motors, has found success working through a single agency, McCann-Erickson, Troy, Mich.

Buick kicked off its California campaign by choosing nine dealers and discussing both factory and dealer strengths and weaknesses. "We needed to discover what our major problems were, both in terms of the product and our approach," Mr. Dables says.

In response to Buick's regional marketing plans, McCann-Erickson established a regional marketing organization, a partnership that coordinates activities in the various regions.

Not only does McCann-Erickson put regional marketing executives in each of the regions, but it also has set up a local broadcast group responsible for factory funds that dealer associations use for local buys.

According to Jan Starr, M-E senior vp-management representative, the regional marketing organization was put together in response to "intensified auto sales competition, increased product offerings, increased importance of regional marketing to optimize marketing opportunities in specific geographical areas."

> ***"It is a national phenomenon. The ability to understand markets better on a regional basis allows us to fully take advantage of opportunities."***
> **Jan Starr**
> **Buick**

"This partnership between the national and regional activities is a two-way street for information," he says. "The regional marketing organization provides national strategies to dealer organizations on a timely basis, so they can supplement and complement the national marketing campaign and, at the same time, to get feedback from areas to develop smarter national strategies."

But despite these successes with single national agencies, Competitive Edge's Mr. Gallas predicts tough times ahead.

"Corporations are asking for more bang for the buck and for more accountability," he says. "And when you ask for that, you're talking about direct result. It will be very hard for the huge behemoth agencies to think retail.

"We're talking about one-night stands and they're used to playing one network show a year."

Although regional marketing still is a new concept, so far marketers are pleased with their re-

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gional marketing efforts.

"Sales are up, but market share has not increased dramatically," Mr. Dables says. But Buick is looking at this as an educational campaign.

"This is not a buy-now philosophy. We're committed to the long-term educational effort of our staff and our dealers to meet customers' expectations. We must make sure they're satisfied so when they come in they buy Buick."

M-E's Mr. Starr agrees. "It is a national phenomenon. The information regarding target audiences and the ability to understand markets better on a regional basis allows us to fully take advantage of opportunities."

After opening offices in both New Orleans and Houston, Chrysler increased sales by some 70%, says Tom Houston, manager-pr for Chrysler's Dodge division in Detroit. He believes the day is near when auto makers will use regional marketing efforts to concentrate on specific metropolitan areas or even specific sections of those areas.

Car marketers also are looking to regional campaigns as test runs for national ads, although it is more likely that a successful regional campaign would be transplanted to another region.

However, Chrysler's "Over There" campaign, in which the Chrysler LeBaron GTS outperformed BMW, Mercedes-Benz and Audi, went over so well in California that the company adopted it nationwide, says Joe Tetherow, manager-pr for the western division of Chrysler.

Another campaign, an upbeat commercial featuring quick cuts of cars and California scenes in which Chrysler chairman Lee Iacocca makes a cameo appearance, aired successfully first in California before going national.

But regional marketing is not without its hurdles. National sales trends become meaningless as better regional breakdowns are emphasized.

Regional marketing also requires good, open communications to assure consistency of the over-all message.

"Any time you have a number of people trying to sell the same thing and they're going in different directions, it's not going to work," Mr. Davis says. "They all have to point in the same direction. Otherwise you end up with some sort of Tower of Babel and nobody knows where it is going."

In addition, regional marketing can mean extra work in implementing media buys as well as higher production costs. "Instead of making one commercial, you're making three or four, so there are cost implications," Mr. Davis says.

But so far, these haven't deterred auto marketers from initiating regional marketing plans. "It doesn't happen overnight," says Richard Hill, vp-national account group services for McCann-Erickson, Buick's agency. "But a lot of marketers—auto and others—have adopted regional strategies. I think it's here to stay."

Subaru drives into new niches

By Jesse Snyder

Subaru of America always has been as unconventional as its name. The only U.S.-owned, publicly traded marketer of Japanese cars, Subaru grew up selling odd-looking four-wheel-drive cars to outdoorsmen, farmers and "granola-crunching, earth shoe wearers" in rural areas other importers ignored. Even its advertising was low key.

That's why the announcement that Isuzu Motors and vehicle supplier Fuji Heavy Industries Ltd., Tokyo, which owns 49% of Subaru, would build a joint-venture assembly plant in the U.S. was big news.

The auto marketer has grown large enough to be affected by competition and international trade issues.

It is perhaps the first acknowledgment that Subaru has grown large enough to be affected by encroaching competition and international trade issues. And the push for higher sales volume will call for even greater company dependence on strategy-minded agency Levine, Huntley, Schmidt & Beaver, New York.

The plant arrangement is unusual, the only such combination between Japanese auto manufacturers. While joint-venture auto plants are increasingly common in the U.S. and Europe, most agreements are between auto marketers based on different continents.

The Fuji-Isuzu pact also is unprecedented because it links companies aligned with rival Japanese automotive groups. Fuji is considered part of the Nissan group and Isuzu is partially owned by General Motors.

(Continued on Page S-34)

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Subaru drives into niches

(Continued from Page S-33)

No site has been selected yet, but the new plant will be designed so it can be expanded as needed. Initially, plans call for producing 60,000 Subaru cars and 60,000 Isuzu trucks annually by 1989. The factory will be 51% owned by Fuji, giving Subaru's minority partner control of the timetable for adding capacity.

Top-selling wagons and sedans will be assembled in the U.S., while vehicles for smaller or new market niches will be built in Japan, where Fuji can boost sales by offering the model in the Japanese home market or exporting elsewhere.

Since informal but binding quotas were imposed by the Japanese Ministry of International Trade four years ago, Subaru's biggest concern has been inventory. "Our problem is getting more cars," says Thomas Gibson, president and chief executive officer of the Pennsauken, N.J.-based company. Company executives once considered import restrictions a short-term phenomenom, but the U.S. plant is a tacit acknowledgment that import limitations will be maintained into the 1990s.

While waiting for the new factory, Subaru sales are hovering at slightly more than 150,000 cars a year. The company is trying to build a retail network capable of selling 250,000 to 300,000 units annually, Mr. Gibson says.

In addition to Subaru's established product lineup, the dealer network will be selling cars aimed at new market segments. One niche is the emerging minicar segment, two or four-seat cars with wheelbases of less than 90 ins. and three or four-cylinder engines as small as one liter.

> ***Subaru is trying to build a retail network capable of selling 250,000 to 300,000 units annually.***

Subaru's contribution to the minicar market is the Justy, a car similar to the Fuji-built model already sold in Japan, but with a larger, 1.2-liter engine. Scheduled to be introduced in early 1987, it is likely to be priced less than $5,000, Mr. Gibson says.

"It's a [market] that will grow," he says. "We'll be in early with the best value." On-demand four-wheel drive will be offered eventually.

The Justy would be the first major departure from Subaru's one-platform-fits-all approach, with wagons, sedans, hatchbacks and even the new XT sport coupe built on essentially the same front-drive chassis and drivetrain.

But Subaru's Justy strategy of seeking dominance in an emerging market segment is very much in company tradition. Subaru pioneered the use of four-wheel drive in passenger cars, and the company's spring 1985 introduction of the XT coupe marked the first appearance of an Italian-designed, Japanese-manufactured sports car. This strategy has paid for Subaru, which was a relative latecomer when it first began selling cars in the 1969 model year.

Since then, Subaru has increased sales to 178,000 units in 1985, good for a 1.6% share of the total U.S. car market and sixth place among all importers. Those figures place Subaru behind Toyota, Nissan, Honda, Mazda and Volkswagen in total units, but ahead of such importers as Volvo, Mercedes-Benz, BMW, Audi and Saab.

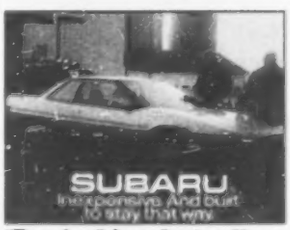
The elements that comprise the Subaru strategy are relatively simple in concept but difficult to execute and balance. In addition to niche marketing, the company wants to establish a strong dealer network and a reputation for customer satisfaction —and to promote it all with strategic advertising.

Finding good dealers and satisfying customers are closely linked goals—and in that way, Subaru found its late entry into the U.S. a blessing. The company says it has been able to be more selective, taking on experienced car dealers who are better funded, more professional and firm believers in advertising and personnel training.

Subaru entered the U.S. in rural markets, but in moving to urban points in the 1980s has upgraded its entire dealer network. Mr. Gibson says larger, better-trained and better-stocked dealerships with intense factory support are a direct reason Subaru is ranked second only to Mercedes-Benz in the Customer Satisfaction Index published annually by consultant J.D. Power & Associates, Westlake Village, Cal.

Another element in the overall strategy is picking the right niches, ones that play to a company's strengths. A niche must not be large enough to attract formidable competition, but it must be profitable and stable or growing.

In its first 15 years, Subaru's main niche has been four-wheel drive passenger cars, which skirted the main strengths of American Motors Corp.'s Jeep trucks and sports utility vehicles such as Ford Bronco and Chevrolet Blazer. With increased interest in four-wheel drive has come new competition: Smaller four-wheel drive utility vehicles including Ford Bronco II, Chevy S-10 Blazer and Jeep Cherokee; four-wheel drive import station wagons such as Honda Civic, Toyota Tercel and Dodge Colt Vista; four-wheel drive versions of domestic cars such as Ford Tempo, plus performance-oriented fulltime four-wheel drive models like Audi 4000S and 5000CSI Quattro.



"Farmboy" from Levine, Huntley connected Subaru's new sports car with its old image.

But Subaru executives say they welcome the competition.

"We are delighted, ecstatic, that others are adding four-wheel drive," says David Sippel, director-corporate communications, which includes advertising, merchandising and research. "Before, we were alone . . . in pioneering passenger car four-wheel drive. This reinforces the idea we were right."

"The Quattros and Tercels helped broaden our market," says Chris Wackman, national ad manager. "They'll all help with the educational process."

He says that process depends on the close relationship between Subaru marketing executives and Levine, Huntley. Mr. Sippel, who previously worked for the Lincoln-Mercury division of Ford Motor Co., calls the closeness "a very refreshing change."

Levine, Huntley is involved in strategy sessions and advanced planning, from president Robert Schmidt on down, he says. "It's almost like having another department in the company."

As Subaru moved upscale and adopted a more urban focus, magazine ads began using four-color more often and finally went to all four-color for the 1986 model year.

A complementary emphasis on tv buys gives Levine, Huntley a chance to do what Mr. Sippel says the agency does especially well: Storytelling.

It is not easy to tell, in 30 seconds, the story of how a company shifted gears from a back-country four-wheel drive station wagon to an Italian-styled sports coupe like the Subaru XT. Levine, Huntley, however, helped create a connection with the 1985 Clio-winning "Farmboy."

In the spot, a young man asks his farmer father what kind of car to buy. Pointing to the rusty family Subaru, the father praises the company's reliability, durability and utility. When his son returns in the racy XT, the farmer says impatiently, "I thought you were going to buy a Subaru." The son's answer: "But Dad, I did."

The spot ends with Subaru's tag line, "Inexpensive. And built to stay that way."

" 'Farmboy' captures the essence of where Subaru is going," Mr. Wackman says.

It also helped capture the attention of dealers. In the past 15 months, Levine, Huntley has landed three major Subaru dealer accounts, billing a combined $9 million to $10 million. That gives the agency eight of the 13 distributorships as well as the national account worth $28 million to $30 million in 1985, up 12% from 1984.

Levine, Huntley also prepared the "You always hurt the one you love" tv spot, which was voted one of Advertising Age's 15 best tv commercials for 1985. The spot features Subaru owners abusing their vehicles by overstuffing trunks, slamming doors and banging into garbage cans.

The upscaled ads, new U.S. factory and additional models are evidence that Subaru is a growing force in U.S. auto sales —and seems built to stay that way.

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Honda accelerates into luxury sales with Acura

By Cleveland Horton

"It was only a matter of time," American Honda Motor Co.'s marketers said. They may be right.

The second largest Japanese car importer and the fourth largest U.S. automobile manufacturer introduced its upscale Acura division in late March with the above theme. Although Honda established a beachhead in the U.S. by underselling Detroit and building an image for reliable, well-built and economical cars, it now has its sights set on the emerging market for higher-price, often European-built automobiles.

"A matter of time" showed the business community's reaction to the new Acura division.

Honda hopes to capitalize on the growth of the U.S. market for luxury cars, which is expected to grow to 2.8 million cars, or 25% of the 11 million cars sold in the U.S., by 1990.

Judging from the initial figures, Acura is well on its way to its first-year sales goal of 58,000 automobiles. Within five weeks, the division had sold almost 5,000 cars—1,992 copies of its $20,000 Legend luxury sedan and 2,773 units of its $10,000 Integra sports coupes.

The figures, however, may be deceptive. As with any all-new models, the first sales are the easiest. Enthusiasts, learning about the new division long before the dealers open their doors, flock to the showrooms on the official starting date. This pentup demand assures early strong sales, which aren't necessarily an indication of the long-term strength of the line.

The true test of consumer demand for the Acura line, and the division's ability to promote it," will come in the next few months.

Working against it will be the traditional summer car-sales doldrums when consumers anticipate the traditional fall rollouts of the new model year. Industry analysts, pointing to the number of new domestic and foreign entries in the U.S. market, expect this fall to be one of the noisiest car marketing seasons in history.

In anticipation of the upcoming marketing battle, Honda chose to establish the Acura line as separate from the Honda marque.

The new line is sold only by separate Acura dealers. The division officially began selling cars at the end of March through 50 dealers, but it is adding about 10 dealers a month to the network. Existing Honda dealers weren't assured of winning an Acura dealership, a fact that rankled some dealers who, after as many as 25 years of service to Honda, felt betrayed.

American Honda selected some current Honda dealers as well as highly productive dealers of other makes to set up the Acura network. Industry observers say many Honda dealers, operating in a seller's market, fail to actively market the Honda line. By starting a second network, the company says it hopes to infuse a new sales spirit in both the Honda and Acura dealers.

Although Honda's decision to establish a separate division for the Acura line is unusual, it is typical of the Japanese importers' efforts to bring in higher priced cars. Operating under the federal Voluntary Restraint Agreement, which limits the number of cars that can be imported to the U.S., the importers need to bring in cars with higher sticker prices to continue to boost U.S. sales. All the Japanese importers have focused on the higher ends of their lines, while paring back on the stripped-down models.

However, unlike the other Japanese manufacturers, Honda is using its U.S. production ca-

(Continued on Page S-36)

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Accelerates into luxury

(Continued from Page S-35)
pacity to a distinct advantage. By using its factory in Marysville, O., to produce smaller models, Honda is able to import Acuras without reducing the number of cars it sells in the U.S.

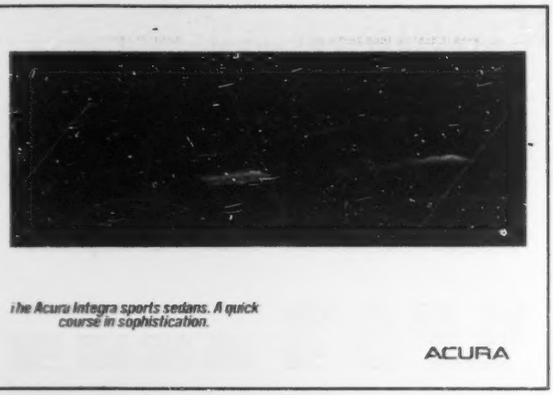
Honda will continue to emphasize price, economy and reliability for its Civics, Accords and Preludes on the Honda side. For the Acura line, however, the emphasis will be on performance and luxury.

Honda's initial Acura advertising hammered home the theme of "precision-crafted automobiles" from "a new division of American Honda." Ketchum Advertising, Los Angeles, handles the Acura account, which, it is estimated, will bill as much as $20 million this year.

The account is handled separately from American Honda, which remains at Rubin, Postaer & Associates, Los Angeles. In 1985, Honda's measured media spending totaled $96.9 million, according to Leading National Advertisers.

But a few question marks, not entirely anticipated by Honda management, remain in the generally successful Acura launch. While the Legend easily is positioned within Honda's U.S. lineup as the highest priced and most luxurious automobile, the Integra's positioning and image is floundering.

The target market for the Legend is easily defined. Honda says it isn't interested in conquest sales, or convincing a Porsche or BMW owner to give up that marque in favor of an Acura. Rather, Honda is attempting to create intercept sales--to attract the customer about to trade up to those European models to at least consider the Legend.



The Integra sports sedan faces a tougher marketing job than the Acura Legend.

The Integra is a different story. By price, the base Integra comes in at $9,448, above the Civic's top end but below some models of the Accord and Prelude. Likewise, the U.S. consumer is well aware of the concept of the "luxury sedan," but may have a harder time understanding what Acura means when it describes the Integra as a "sport sedan."

Although traffic in the new Acura dealerships is reportedly brisk, few people come in asking to see an Integra. "Right now, the Integra is being dragged along by the Legend," says Craig Mathiesen, general manager of Ketchum's Los Angeles office.

He says the agency is creating more product-oriented advertising to help develop the category.

A good indication of the level of consumer acceptance of the Acura models is the price these cars command, as opposed to the manufacturer's suggested retail price.

Like their sister Honda dealers, Acura dealers are packing the Legend with surcharges. However, most dealers are selling the Integra at the factory sticker price or discounts.

The willingness of dealers to deal on the Integra may prove positive in the long run. "The seeds of their initial failure may be the seeds of their future success," one industry observer says.

In many ways, Honda is following in the footsteps of Detroit, adding divisions with distinctly separate characters to reach a larger share of the car-buying consumer. Like General Motors, whose offerings range from entry-level Chevrolets to upscale Cadillacs, Honda is embracing the cradle-to-grave credo and attempting to market automobiles for every life style and pocketbook.

Ask anyone in Detroit, and they'll tell you it was only a matter of time.

Associate editor Julie Liesse Erickson coordinated this report on Automotive Marketing.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Florida.**

Smokeless tobacco volume sales drop

By JOHN C. MAXWELL JR.

Volume sales in the total smokeless tobacco industry dropped about 1% in 1985, a change over previous years when sales showed a slightly upward trend.

The only products that were up were the moist snuff and fine cut. This portion of the industry is pretty well owned by U.S. Tobacco, which grew slightly over one share point over-all within the industry. They managed to maintain their No. 2 position, despite the acquisition of R.J. Reynolds' trademarks by Pinkerton.

In the moist snuff area, U.S. Tobacco shares dropped to 88.8% from 89.3%. A share point was picked up by Conwood, led by its Kodiak product. Nonetheless, U.S. Tobacco's Copenhagen was up some 7%, and Skoal and Skoal Bandits were up somewhat. In the case of Helm, total shares declined slightly but its Redwood product almost tripled in volume.

The market leader, Conwood, was up 1.3 share points. This was the biggest jump of any company, led by increased shares, not only in moist snuff and fine cut, but also a 2 share-point jump in loose leaf. Pinkerton was up only because of the inclusion of the recently acquired RJR names, and all other companies were down in share penetration.

The main concern we see on the horizon is new labeling and taxation. It has been well publicized that the tobacco companies will be excluded from many of the media; they have rotating warning labels and federal taxation.

In addition, quite a few states have decided to add taxes of their own and to try to limit availability of the products to the public. The combination can only be adverse to the consumption trends of this industry, with a particular impact on the moist snuff and fine cut area.

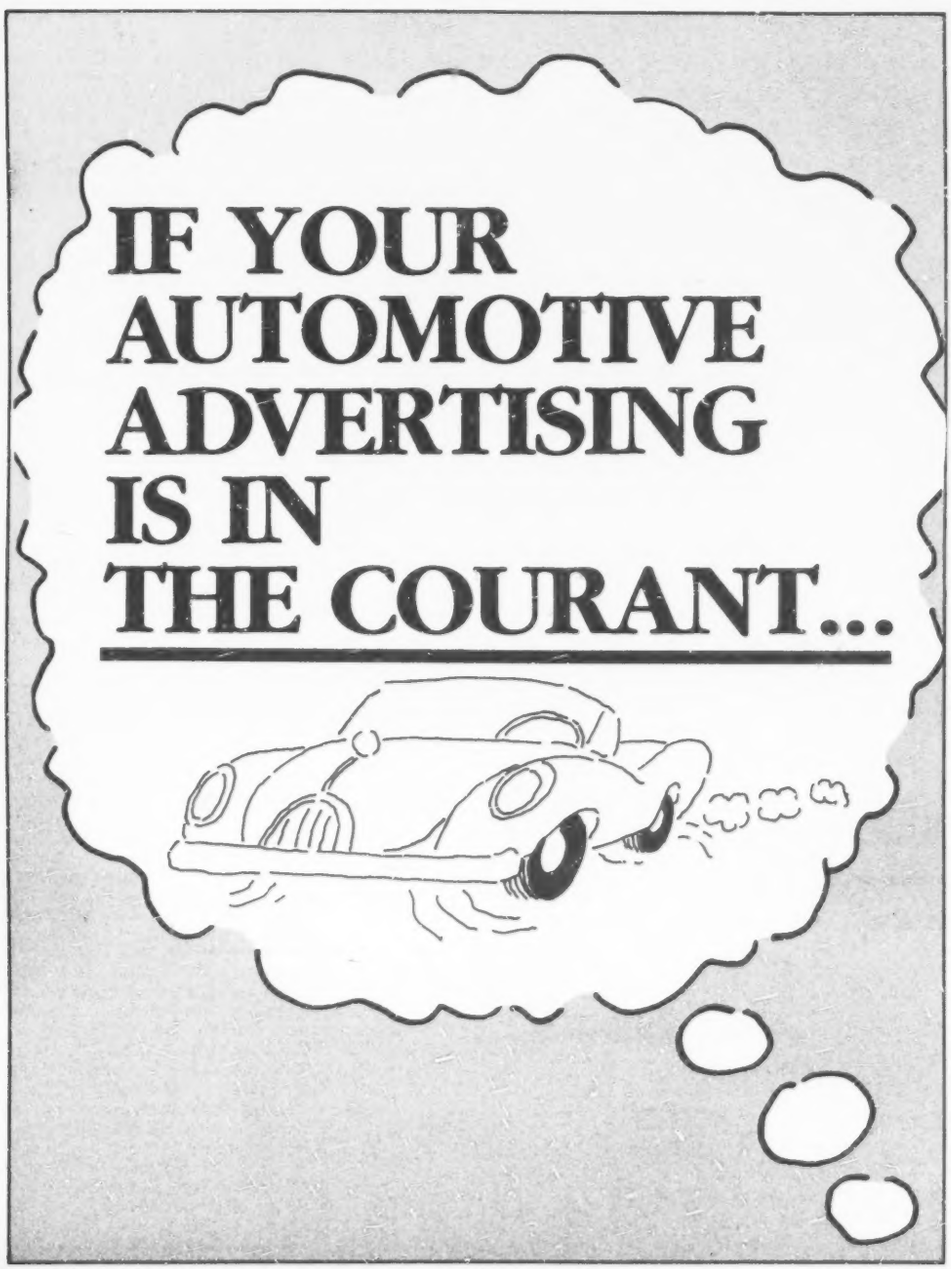
We continue to believe that "sin," in the form of various tobacco and alcohol products, has been singled out by Congress for new excise taxes. Recent discussions in the press on total excise tax increases of $25 billion over five years will necessarily come from these two areas.#

Mr. Maxwell is with Furman Selz Mager Dietz & Birney, New York.

Total smokeless tobacco

A slight upward trend in the over-all smokeless tobacco market was reversed last year with total volume sales suffering a 1% decline. Labeling restrictions and taxation may pinch consumption even more. *Alfred & Christian & Peterson acquired RJR trademarks in November 1985 and licensed them to Pinkerton. Pound figures are listed in thousands. *Source: John C. Maxwell.*

Brand	1983 Lbs.	1983 Share	1984 Lbs.	1984 Share	1985 Lbs.	1985 Share
Conwood	34,608	26.2	36,990	27.4	38,429	28.7
U.S. Tobacco	33,070	25.0	35,341	26.2	36,457	27.3
Pinkerton	29,070	22.0	28,690	21.3	35,169*	26.3*
Lorillard	11,900	9.0	11,914	8.8	11,593	8.7
Helm Tobacco	10,850	8.2	10,694	7.9	9,825	7.3
R.J. Reynolds	10,050	7.6	8,411	6.5	—*	—*
Brown & Williamson	1,858	1.4	1,790	1.3	1,594	1.2
R.C. Owen	782	0.6	767	0.6	712	0.5
Total	132,205	100.0	134,921	100.0	133,739	100



Smokeless tobacco sales

Moist snuff and fine cut were the only segments of the smokeless tobacco industry to chalk up any growth last year. Conway led the surge, paced by its Kodiak brand, but market leader U.S. Tobacco slipped by about half a point in this category—even though Copenhagen brand jumped by 7%. [1]Alfred & Christian & Peterson acquired RJR trademarks in November 1985 and licensed them to Pinkerton. Pound figures in thousands; shares may not total 100 due to rounding. *Source: John C. Maxwell.*

Company/Brand	1983 Lbs.	1983 Share	1984 Lbs.	1984 Share	1985 Lbs.	1985 Share
Plug						
R.J. Reynolds	6,261	65.5	5,701	65.6	5,250	65.5
Conwood	1,910	20.0	1,660	19.5	1,611	20.0
Brown & Williamson	1,065	11.1	1,036	11.5	898	11.2
Pinkerton	320	3.4	290	3.4	260	3.3
Total	9,578	100	8,687	100	8,019	100
Moist plug						
Pinkerton						
Redman Moist Plug	1,300	30	1,200	30	1,200	31
R.J. Gold[1]	824	19	518	13	350	9
Conwood						
Taylors Pride	1,020	23	1,070	27	1,017	27
Levi Garrett Plug	1,210	28	1,168	30	1,275	33
Total	4,357	100	3,956	100	3,842	100
Dry snuff						
Conwood	4,590	43.0	4,335	42.5	4,010	42
Helm Tobacco	3,500	32.8	3,344	32.8	3,095	32.4
U.S. Tobacco	1,800	16.8	1,785	17.5	1,747	18.3
Brown & Williamson	793	7.4	735	7.2	696	7.3
Total	10.7	100	10.2	100	9.5	100
Moist snuff and fine cut						
U.S. Tobacco	31,300	89.3	33,478	89.3	34,710	88.8
Helm Tobacco	1,000	2.9	950	2.6	910	2.3
Conwood	2,730	7.8	3,050	8.1	3,469	8.9
Total[2]	35.0[2]	100	37.5[2]	100	39.1[2]	100
[2]Millions of pounds						
Twist/roll						
Conwood	918	54	865	53	804	53
R.C. Owen	782	46	767	47	712	47
Total	1,709	100	1,632	100	1,516	100
Loose leaf						
Pinkerton						
Redman	25,100	35	24,800	34	22,300	31
Work Horse[1]	2,965	4	2,193	4	1,700	2
Granger	—	—	—	—	900	1
Total	30,415	43	29,393	40	28,069	39
Conwood						
Scotten, Dillon	1,100	2	1,000	1	900	1
Levi Garrett	18,840	27	21,669	30	21,500	30
H.B. Scott	1,390	2	2,050	3	2,150	3
Red Fox	900	1	900	1	800	1
Rough Country	—	—	—	—	900	1
Total	22,230	31	25,619	35	26,250	37
Lorillard						
Beech-Nut	10,907	15	11,116	15	10,957	15
Total	11,929	17	11,914	16	11,593	16
Helm Tobacco						
Chattanooga Chew	2,700	4	2,550	3	2,150	3
Total	6,350	9	6,050	8	5,820	8
Total	70,924	100	72,976	100	71,732	100

Kerryn King, Texaco exec, dies

NEW YORK—Kerryn King, 68, retired Texaco senior vp-worldwide marketing, died May 23 at Memorial Sloan-Kettering Hospital after a long illness.

At the time of his death, Mr. King was a senior consultant with Hill & Knowlton, chairman of the Civilian Public Affairs Committee to the U.S. Military Academy at West Point, a director of the Allergy Foundation of America, exec vp of the Eye-Bank for Sight Restoration and an advisory director of the Metropolitan Opera Assn.

In 1979, Mr. King served as president of the Public Relations Society of America. In 1976, *Public Relations News* named him "Public Relations Professional of the Year."

Mr. King also served as a director of the American Petroleum Institute and was the first chairman of its Committee on Public Affairs.

He served on the board of Caltex Petroleum Corp., a 50%-owned affiliate of Texaco, from 1961 to 1963. In 1963, he was appointed head of the company's Latin American operations and in 1965 was named vp-public relations and personnel.

In 1971, Mr. King was elected Texaco's senior vp-worldwide marketing, pr and personnel, and head of public affairs in 1972.#

U.S. shops storm Cannes

By CLAIRE WILSON

PARIS—Perhaps encouraged by having taken the top Grand Prix award two years in a row, Americans are entering a record number of candidates in next week's International Advertising Awards Film Festival at Cannes.

U.S. commercials entered at the festival are up 25% from last year, for a total of 578 spots from U.S. agencies and other U.S. sources this year.

Terry Laughren, president and managing partner of Screenvision, the U.S. member of the Screen Advertising World Assn., which organizes the Cannes festival each year, said last year's Grand Prix winner (BBDO's "Archeology" spot for PepsiCo) and the previous year's (Chiat/Day's "1984" spot for Apple Computer) are probably the strongest factors encouraging Americans to enter. The Grand Prix is the top award given for excellence in tv and cinema advertising at the festival.

"Everybody likes to win, and when they saw 'Archeology' they probably said, 'Wait a minute, we did work that was better than that' and decided to give it a shot," said Mr. Laughren. "Americans are on a roll, they're winning the prizes."

The American shops' chief rivals, British agencies, also increased their entries, from 394 last year to 437 this year.

Japanese entries jumped from 174 last year to 217 for next week's festival.

Last year, however, British agencies copped the most total prizes in Gold, Silver and Bronze categories, unlike the previous year, when U.S. agencies led in total awards. U.S. agencies won two Gold Lions, the most coveted award next to the Grand Prix, in 1985, compared with 10 for British shops.

On another front, organizers say fears of terrorism have not dampened enthusiasm for the festival. "There were a lot of Americans saying they would not be attending this year because of all that. But those were the ones who never came anyway," Mr. Laughren said.#

Gold Lion winners at Cannes

The Gold Lion award is given for excellence in tv and cinema advertising. *Grand Prix winner (award not given in 1980). Source: *Screenvision/SAWA*

Country	'80	'81	'82	'83	'84	'85	Total
Great Britain	3	7*	5	4	7	10	36
United States	5	1	0	2	7*	2*	17
Brazil	0	3	4	4	1	1	13
France	0	1	3	0*	4	1	9
West Germany	0	2	1	1	0	0	4
Japan	0	1	0*	2	1	3	7
Australia	1	0	2	1	1	0	5

G&R to handle Range Rover intro

By LISA E. PHILLIPS

NEW YORK—Range Rover of North America is preparing to steer its $30,000 high-performance, four-wheel-drive luxury import into the U.S. next March as the first client of 4-month-old Grace & Rothschild.

The assignment of the expensive vehicle officially launches the shop here formed by Roy Grace and Diane Rothschild, who resigned as Doyle Dane Bernbach's creative chief and exec vp-creative director, respectively (AA, Feb. 3, *et seq.*).

The Lanham, Md.-based U.S. subsidiary of Land Rover-Leyland International Holdings, London, has not completed its ad budget, but its goal is to sell 3,000 Range Rovers in 1987.

Its closest competitor, American-made AMC/Jeep Wagoneer, was backed by $4 million in measured media last year.

Range Rover chose G&R after creative presentations by three finalists, narrowed from a field of 12. Charles Hughes, president, Range Rover of North America, declined to identify the other contenders, but said, "It was a tough choice. In spite of the megamergers going on, there's still a lot of character and individualism out there."

Creative was the final criterion, he said, and G&R "had the best creative. We all parted with a great deal of respect" for the other contenders, he added.

How could G&R hold out for four months before landing its first account? "We ate a lot before February," joked Mr. Grace, who is G&R's chairman. "Actually, we're well capitalized, and have enough financial backing to keep going," he said, until the Range Rover account begins billing next year or until another account is won. He declined to say whether the agency is pitching any other accounts.

The $30,000-range price tag for Range Rover makes it the highest-price four-wheel-drive vehicle in the U.S., easily topping the AMC/Jeep Grand Wagoneer's fully loaded $25,000 price tag.#

USFL scores fall syndication deal

By ROBERT RAISSMAN

NEW YORK—The U.S. Football League has struck a deal beginning Sept. 25 to syndicate 13 live, prime time Thursday games of the week.

The move could have implications for its $1.32 billion antitrust suit against the National Football League, because the USFL is arguing in court that the NFL tv contracts with the Big 3 networks have denied the USFL access to network tv. Most observers contend that the USFL is really seeking a merger with the NFL, and that if it loses its antitrust suit, it will simply fold.

Dom Camera, director of marketing for the USFL, said league executives considered the impact that syndication might have on its antitrust suit but decided to go ahead.

Mizlou Television Network will handle station clearances and production. ProServ, the Washington-based sports marketing agency that represents the USFL, will handle advertising sales. The package, which will not affect the USFL's cable contract with ESPN, is a straight barter deal, with stations paying nothing for the games and the USFL retaining 50% of the commercial inventory for national sale.

But few national advertisers will go into a syndicated property with less than 60% clearance of U.S. tv households, and that could be a problem. There are only eight franchises remaining in the league, with only New Jersey among the top 10 markets.

David Bagliebter, senior vp, ProServ, conceded it will be difficult to clear the league games in the required 60% of the U.S. He added that the USFL expects to make as much as $4 million in profits from the broadcasts, but that expectation appears optimistic.

There are other potential problems in the plan. The USFL, which started as a spring football league, is now going to play during the heaviest tv sports months, competing against NFL and college-football coverage, the final weeks of Major League Baseball coverage and the start of pro and college basketball and hockey. The tv sports marketplace has been extremely weak for the past few years, and the USFL inventory will only soften the market more.

National advertising is expected to be offered at cost-per-thousand rates considerably below network and other syndicated programing cpms. Mr. Bagliebter said advertisers were "sitting back" and waiting to see the outcome of the trial. Written presentations will be in the hands of advertisers within 10 days, he said. "We will time our selling so it will coincide with a time when the trial is coming to a conclusion," he said.#

NBC

(Continued from Page 4)

company to buy the adjoining 15.

But Mr. Mapes said he is not convinced stand-alone 15s are the future of advertising. When the networks relaxed their standards to accept 30-second spots, split-60s totaled 80% of the business, he said. At present, split-30s account for only about 10% of NBC's volume.

The 207 NBC affiliates attending the meeting were buoyed by General Electric Co.'s $6.4 billion purchase of RCA Corp., NBC's parent, and by NBC Entertainment president Brandon Tartikoff's multiyear contract extension.

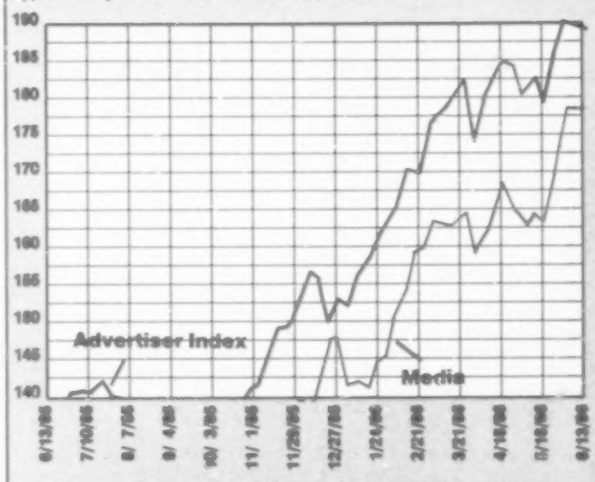
Fairfield, Conn.-based GE concluded its purchase of RCA about the same time NBC exec vp Ray Timothy opened the affiliate session June 9.

"GE gives the network the resources to do things no one else can. CBS is in a bind. ABC is cutting back. That leaves NBC to just go up and up," said C.E. (Pep) Cooney, president-general manager of affiliate KPNX-TV, Phoenix. "Making sure Brandon Tartikoff will stay also ends any concern about GE changing things."#

Advertiser/media results

AD AGE STOCK INDEXES

The AA indexes are based on calculations involving the stock prices of the publicly held companies in the AA list of 100 Leading National Advertisers (AA, Sept. 14) and the 100 Leading Media Companies (AA, June 28). The base of 100 was set as the composite for both stock groups as of July 1, 1983. The figures for the weekly stock reports are provided by MPACT Securities, Austin, Texas.



GAINERS & LOSERS

	6/13	6/ 6	% change		6/13	6/ 6	% change
Advertisers							
1. Hasbro	56¼	50⅛	12.2	1. AMR	52	54⅝	−5.0
2. Honda	71⅜	68⅛	4.4	2. UAL	53⅜	56⅛	−4.9
3. Time	87½	84	4.2	3. DeltaAr	41¾	43⅞	−4.9
4. Pfizer	66¼	63⅞	3.7	4. ChesPn	49⅝	52¼	−4.8
5. Greyh	34⅞	33⅞	2.9	5. AppleCmp	36¼	38	−4.8
Media Companies							
1. RogersCbl	17⅝	16⅝	5.9	1. DowJn	55⅛	57⅝	−3.9
2. UCbTV	31⅞	30⅛	5.8	2. HarBrJ	97½	101⅛	−3.8
3. Time	87⅛	84	4.3	3. Pittway	101⅛	104½	−3.2
4. Playboy	7⅛	6⅞	3.6	4. TurnB	26⅝	27½	−3.2
5. BelcAH	55¼	53½	3.3	5. SFN	7⅛	8	−3.1

Agencies' stock performance

Agency	6/13	Price 6/ 6	P/E	Change $	Change %	52-week High	52-week Low
Ally	11¼	11¼	10	0	0.0	14½	7⅛
BBDO	30½	30¾	19	−¼	−0.8	35¼	23¾
DDB	24	24	23	0	0.0	28½	18⅛
FCB	62	62½	15	−½	−0.8	67½	45¼
Grey	115	115	16	0	0.0	125	94½
Interpublic	58½	59	17	−½	−0.8	60¾	42
JWT	38	36⅝	17	1⅜	3.8	41½	30
Lorimar	29⅜	28¼	30	1⅛	4.0	31¾	22½
Mickelberry	5¾	6	NM	−¼	−4.2	6¼	3½
O&M	34½	34¼	16	¼	0.7	42	28⅞
Saatchi	35⅝	35⅝	17	0	0.0	44½	32⅞

The ADVERTISING AGE stock index for advertisers slipped lower by 0.27% to 189.8 for the week ended June 13. The media index dipped 0.17% to 177.5. The Dow Jones Industrial Average also ended the week lower, down 0.49%.

Honda, Greyhound up, but airlines on slide

NEW YORK—Among advertisers, **Honda's** rise follows sharply higher early June car sales of 3,135, vs. 1,845 a year ago. **Pfizer** gained among a strong drug group. **Greyhound's** rise follows management's authorization to buy back another 2 million shares, or 4.3% of its outstanding stock. Airlines continued their decline, as the chairman of **AMR**, parent of American, told analysts that yields for his company and, by extension, the industry continue to fall short of expectations, and the summer traffic surge many observers expect doesn't seem to be developing.

Among media, "all cable stocks recently went up [because] of the home-shopping craze," said Steve Rosenberg, an analyst with Paul Kagan & Associates, Carmel, Cal. "What Wall Street is realizing is that if there is a business in home shopping, then the cable systems will benefit." Two of last week's gainers, **Rogers Cablesystems** and **United Cable Television**, are potential partners in new home-shopping networks. **Playboy Enterprises** rose following some weeks of declines, while **Turner Broadcasting** declined following gains the previous week when it sold off assets of MGM/UA Entertainment Co.

Among agencies, **JWT Group** rebounded from the previous week's decline that is now being called an overreaction to word it is acquiring Gray & Co.#

Written by Stuart J. Elliott from New York staff reports.

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C27/0-1

Monday, June 23, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Shell tunes up for Fourth

Stealing a beat on the Fourth of July weekend, Shell Oil Co. breaks a four-day multimedia "Get ready America" campaign June 26 as part of a $5 million cola-giveaway for SU 2000 super unleaded gasoline. Ogilvy & Mather Southwest handles.

Ad Council vetoes 4A's solo drug fight

By STEWART ALTER

NEW YORK—The American Assn. of Advertising Agencies, which planned to bypass the Advertising Council and spearhead its own three-year, $1.5 billion public service campaign against drug use, appears ready to capitulate to behind-the-scenes pressure by advertisers who want to involve the Ad Council.

Plans are being developed for the campaign, which will seek an unprecedented $500 million a year in free media time and space (including prime time network tv, which is unusual for public service efforts), to be managed by a newly formed group tentatively called the Media Advertising Partnership for a Drug Free America.

That 11-member group reportedly will consist of three members of the Four A's plus Four A's consultant Richard O'Reilly, three Ad Council members and two members each from the Assn. of National Advertisers and the American Advertising Federation.

The antidrug effort, scheduled to start in September, was first announced at the recent Four A's annual meeting (AA, May 12), to the surprise of the Ad Council, which had no indication it was going to face such a major rival in asking for donations of media time and space for public service.

The Ad Council, whose 83-member board is made up of advertiser, ad agency and media executives, is the industry's main coordinator of public service ad campaigns. Its campaigns currently use the equivalent of $800 million in donated media a year.

The council's own antidrug campaign has garnered the equivalent of $99 million in free media from late 1983 through 1985. A recent anticocaine segment of the campaign has had free time donated on prime time network tv.

The Ad Council was informed that the Four A's was planning some antidrug effort "over a year ago," said council president Bob Keim. He said the Ad Council also got calls from the Four A's asking about how it distributes materials.

But the Ad Council was never told the dimensions of the campaign being planned by the Four A's, Mr. Keim said, noting that it was not brought formally to the Ad Council board.

Asked about Ad Council reac-

(Continued on Page 84)

New account-shift wave hits megashops

An Advertising Age roundup

Continuing fallout from agency megamergers contributed to at least $85 million in account shifts last week, and that easily could climb to as much as $200 million.

These billing shifts follow on the heels of the $300 million in business already changing hands because the new combinations of huge shops have run afoul of client conflict policies.

The latest round of moves:

- Procter & Gamble's reassignment of the $30 million European Oil of Olay business to Saatchi & Saatchi Compton Worldwide from Young & Rubicam, just two weeks after denying Saatchi the U.S. portion of the Olay account. That had been seen by some as a reprimand for Saatchi's acquisition of Ted Bates Worldwide, which at the time was a major Colgate-Palmolive agency.
- IBM Corp.'s dismissal of Doyle Dane Bernbach, Leber Katz Partners and Geer, DuBois.
- Tri-Honda Auto Dealers Assn.'s $6 million shift to Korey, Kay & Partners from Needham Harper Worldwide.
- Warner-Lambert's reported plan to move some business out of Ted Bates Advertising/New York because of conflicts at DFS Dorland Worldwide, also a Saatchi shop.

Also last week, Mars Inc. pulled a new cat food, Sheba, from Bates overseas because its acquisition by Saatchi created a conflict with Carnation Co. Saatchi & Saatchi handles Carnation pet foods in France, Belgium, Austria, Germany and Sweden. Sheba cat food is sold in those countries.

The decision seems to show that Mars is taking a strict global look at Saatchi. A Mars spokesman in London said the company made its decision about Sheba "after a review of the worldwide Saatchi & Saatchi client list, but discussions are still pending."

Mars has reassigned the new product to Grey Advertising in Japan and Australia, and will assign Sheba in other countries to its existing stable of shops.

It was earlier reported that Bates' relationship with Mars had come "under study" (AA, June 9) because of the Saatchi deal.

In the U.S., Grey also picked up the $20 million creative assignment for Detroit-based Stroh Brewery's Old Milwaukee brand, which had been resigned by BBDO after it agreed to combine with Doyle Dane Bernbach and Needham Harper Worldwide. Needham is an Anheuser-Busch agency. Other finalists for Old Milwaukee were Lowe Marschalk; McCann-Erickson; Jordan, Case, Taylor & McGrath, and N W Ayer. The media-buying assignment on the entire $80 million Stroh account, still unassigned, is ex-

(Continued on Page 80)

Last Minute News

Riney plans expansion to New York

SAN FRANCISCO—Hal Riney & Partners, which expanded into Chicago earlier this year, is likely to open in New York by yearend, possibly through a merger or acquisition, says Ogilvy Group vice-chairman James Benson. He denied absolutely reports that Riney was involved in merger talks with Chiat/Day or any other agency. Riney was spun off from Ogilvy, which retained a 40% stake. Neither Riney nor Chiat principals were available for comment.

FTC opposes cola giants' acquisitions

WASHINGTON—The Federal Trade Commission on July 20 turned thumbs down on the proposed acquisitions by Coca-Cola Co. of Dr Pepper Co. and PepsiCo of Seven-Up Co. brands. The FTC voted unanimously to ask a federal district court this week to enjoin the cola giants from proceeding with the deals. It said the acquisitions would reduce competition in the distribution and sale of carbonated soft drinks in the U.S. Also July 20,

(Continued on Page 8)

RJR will fight FTC complaint

By STEVEN W. COLFORD

WASHINGTON—R.J. Reynolds Tobacco Co.'s decision to fight a Federal Trade Commission complaint challenging one of its 1985 "issue" ads could lead advertisers to a clearer definition of the differences between commercial and free speech.

Commercial speech is subject to government regulation, while free speech, even for corporations, is more completely protected by the First Amendment.

In its complaint, the FTC contends Reynolds overstepped the protected boundary by misrepresenting the results of a govern-

(Continued on Page 80)

Rehnquist cool to ad rights

By STEVEN W. COLFORD

WASHINGTON—William Rehnquist's nomination as Chief Justice may represent the end of an era for advertisers who welcomed expanded First Amendment protections from Supreme Court decisions of the 1970s and '80s.

Despite his personal disdain for lawyer advertising, retiring Chief Justice Warren Burger was generally sympathetic to fundamental advertiser arguments that commercial speech is entitled to many of the same constitutional rights as free speech.

But Justice Rehnquist, with one exception, always has voted on the other side, according to several court watchers.

He, in effect, voted against expanding the First Amendment rights of advertisers in the landmark advertising cases of *Central Hudson Gas & Electric Corp. v. Public Service Commission* (1980), *Bolger v. Youngs Drug Products Corp.* (1983) and *Virginia State Board of Pharmacy v. Virginia Citizens Consumer Council* (1976).

How that record would manifest itself in a true ad ban case is open to speculation. But William Rogal, general counsel to the American Advertising Federation, says, "Mr. Rehnquist never met an ad ban or

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RJR takes free speech stand 1
R.J. Reynolds Tobacco Co.'s decision to fight a Federal Trade Commission complaint challenging one of its 1985 "issue" ads could lead advertisers to a clearer definition of the differences between commercial and free speech.

Court may get tough on ads 1
William Rehnquist's nomination as Chief Justice may represent the end of an era for advertisers. Retiring Chief Justice Warren Burger was generally sympathetic to advertiser arguments that commercial speech is entitled to many of the same constitutional rights as free speech.

U.S. shops' Cannes outlook 3
The high hopes that a record number of Americans are carrying to Cannes this week for the International Advertising Awards Film Festival may be dashed. The consensus of creative advertising people worldwide is that chances of U.S. agencies walking off with the top Grand Prix award, or even a handful of Gold Lions, are slim.

AAF sounds alarm 4
The outgoing chairman of the American Advertising Federation last week called on the organization to strengthen its lobbying in light of several congressional moves to restrict or ban advertising of certain products.

High hopes for Brooke 30
When Carter-Wallace signed Brooke Shields to endorse Arrid antiperspirant, the company hoped to freshen its successful but tired "Get a little closer" theme.

Aluminum, Alzheimer's linked? 58
Aluminum, the earth's third-most-abundant element, found in a variety of foods and even water, is under scrutiny as part of intensive scientific investigation into the cause of Alzheimer's disease, the most common form of dementia.

Ford keeps on truckin' 67
The newest sports car from Ford Motor Co. isn't a car at all. It's a truck.

Burnett: No urge to merge 77
Leo Burnett Co. president-ceo John Kinsella last week reiterated his company's aversion to mergers while voicing concern over the perception that "unmerged" agencies are less able to compete for business.

CORPORATE CLOSEUP

Quaker has a plan 6
Quaker Oats Co.'s proposed acquisition of Golden Grain Macaroni and Gaines Foods is another phase of the "buy or be bought" strategy that has fueled the company's recent success. Both proposed deals are in line with chairman-ceo William Smithburg's corporate growth plan of buying small, independent companies and building their brands with bigger marketing budgets and expanded distribution.

FEATURES

Love & marriage & ads 34
When Purex Industries hired Carlson, Liebowitz & Olshever as its ad agency in 1979, the event was a triumph for Bonnie Baruch, the account

supervisor who figured prominently in the pitch. But she couldn't fully revel in the fruits of her victory: The win came at the expense of Chiat/Day, the agency where her husband, Hank Antosz, is media director. Such are the considerations of married couples who work in the advertising industry. While there are no firm data on the number of couples in the field, it's becoming more common as women flood the formerly male-dominated business.

Star Gazit 36
Doron Gazit has created enormous balloon sculptures for the Olympics, the movies and the new Jacob Javits Convention Center in Manhattan. He is considered an engineer, an artist and a creative light. But perhaps only in the deserts of his native Israel is he considered a god.

INTERNATIONAL

Omnicom eyes Japan 50
A move by the new holding company of BBDO Worldwide, Needham Harper Worldwide and Doyle Dane Bernbach to create a powerful new agency group in Japan may be a long way off. Executives of the new Omnicom Group holding company hope to set the stage for a new competitor to Dentsu by fostering cooperation between the agencies' Japanese partners and affiliates.

Sara Lee broadens horizons 51
Kitchens of Sara Lee, a division of Sara Lee Corp., is expanding its product lines and distribution in Asia and Western Europe. The pastry marketer signaled its plans to expand internationally last year when it promoted Tom MacLeod Jr. to president and ceo of Kitchens of Sara Lee Worldwide.

OTHER NEWS

The $2.8 billion disposable-diaper market, now dominated by Procter & Gamble and Kimberly-Clark Corp., soon may welcome a new arrival. Weyerhaeuser Co. is on the verge of marketing its own branded premium disposable diapers, priced below those of the two industry giants. Page 12.

The best national campaign and the best regional campaign in the 1986 tv commercial portion of the Clio Awards have something in common: Both used the same production house, Venice, Cal.-based Pytka. Pytka emerged as the top U.S. tv prize-taker at this year's Clio ceremonies. Page 25.

Levine, Huntley, Schmidt & Beaver emerged from the New York Festivals award competitions with the most prizes, six "gold awards" for print and radio advertising excellence. Page 26.

Wall Street Journal vp-marketing Bernard Flanagan was elected 1986-87 chairman of the American Advertising Federation, effective July 1, at the AAF national convention last week. Page 77.

The Advertising Club of New Orleans, Ad 2 Atlanta and Honolulu Ad II Club won G.D. Crain Jr. Memorial Awards for best ad-club public service/volunteerism programs at the American Advertising Federation national convention. Page 79.

CAMPAIGNS BREAKING

Kraft Inc., Glenview, Ill., June 29 breaks a network tv, radio and coupon campaign for its three-item line of Sealtest Candy Disk ice creams. N W Ayer, New York, handles (AA, May 19).

Pillsbury Co., Minneapolis, today breaks a network tv campaign for its three-item line of Microwave Classic Casseroles, introduced in April (AA, April 14). Magazine ads are set to break in October issues of women's magazines. BBDO, New York, handles.

SPECIAL REPORT

Disney World, orange juice and retirees are making room for new businesses and young professionals in Florida's economy. Newcomers are pouring into the state to take advantage of new business opportunities. Some of these opportunities are outlined in Special Report.

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RED TAG ABP ABC MPA AAAA

Carbide account deserts 2 shops

By JANET MEYERS

Union Carbide Agriculture Products Co.'s consolidation of its $12 million account with Howard Merrell & Partners last week shook three regional agencies.

The switch dealt a crippling blow to Fletcher/Mayo Associates' Atlanta office, which is left with billings of about $6.5 million after losing $10 million in Union Carbide business. Ogilvy & Mather, Atlanta, also suffered from the agency switch, losing about $2 million in consumer garden-products business.

The small Raleigh, N.C., shop that won the account saw its billings shoot from $23 million to about $31 million.

Union Carbide, Research Trian-

(Continued on Page 82)

ABC-TV grid grip slipping?

By ROBERT RAISSMAN

NEW YORK—ABC-TV's 23-year coverage of college football is in jeopardy following the breakdown last week of its negotiations with the College Football Assn. for a new four-year contract to start in 1987.

The 63-member CFA, whose 1986 season games will be carried by ABC this fall, has been considering forming its own ad hoc tv network since January.

Tentatively named the College Football Network, CFA would use its tv and marketing agent, Greenwich, Conn.-based Sports Marketing & Television International, to produce, syndicate and sell advertising in its own game of the week. Since

(Continued on Page 82)

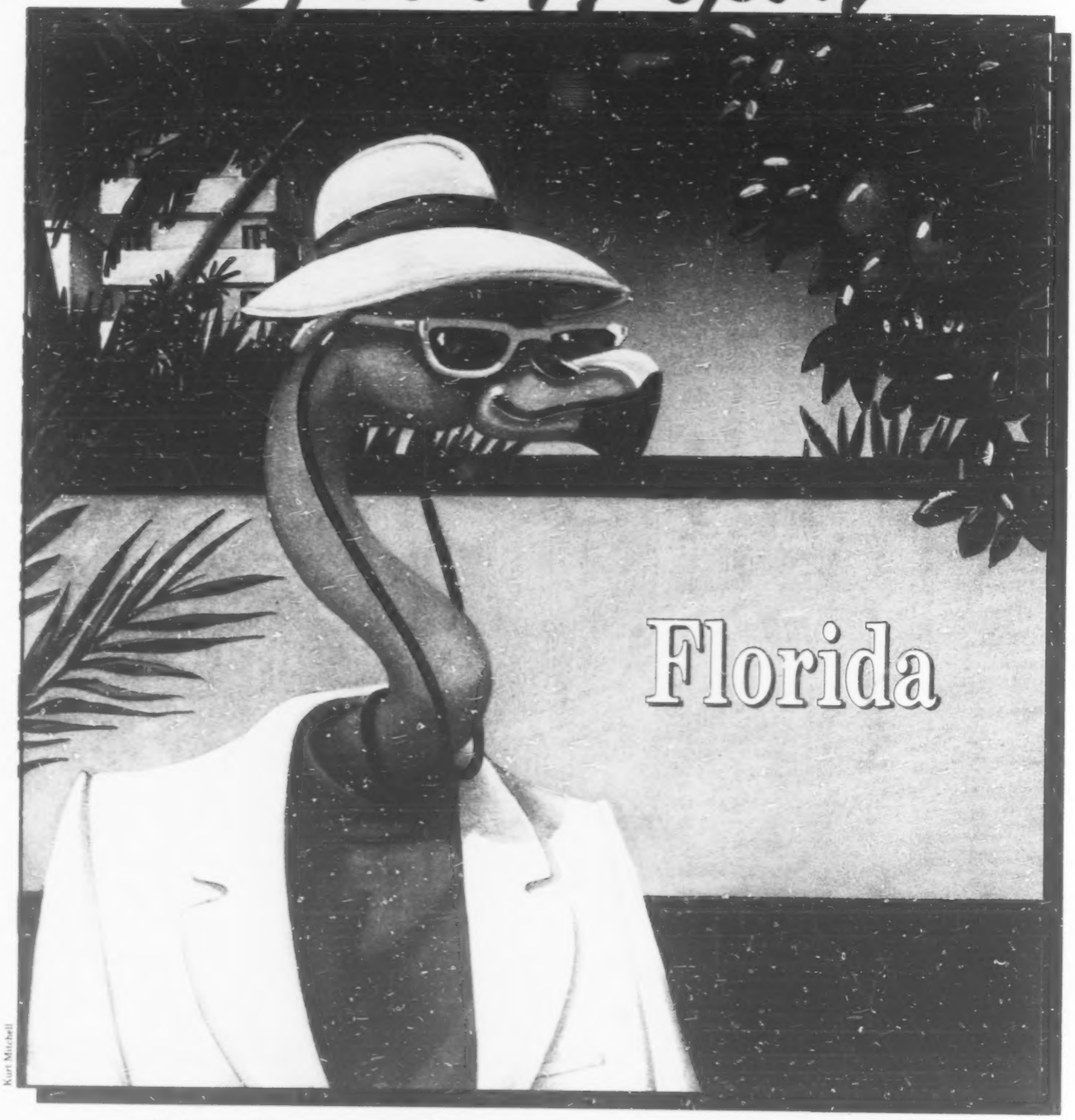
West Coast news

DDB exec switches to McCann

Richard Edler, president, Doyle Dane Bernbach, Los Angeles, for the past five years, will become exec vp-general manager of McCann-Erickson's Los Angeles office, effective July 7. The 42-year-old veteran of Procter & Gamble, Cincinnati, and Ketchum Advertising/San Francisco replaces Frank Mainero, whom McCann let go a few weeks ago. The dismissal followed the transfer of the $25 million Century 21 International account from Los An-

(Continued on Page 84)

Special Report



Kurt Mitchell

New image fits a growing economy

In "Miami Vice," the NBC-TV hit series, the pastel-clad heroes prowl the city's neon-lit, art deco haunts. True, "Vice" portrays Miami as a violent city. Yet the show's more seductive and trendy elements have become part of the building of a new Florida image.

While retirees playing mahjong by the pool, orange juice and Disney World are still very much a part of the scene, a more aggressive picture of Florida is emerging.

An influx in recent years of new businesses—and young professionals—prompted one observer to say, "It's a kind of rough-and-tumble frontier state. It's growing, and it's still young."

According to the Florida Department of Commerce, Tallahassee, the state's population increased almost 32% between 1974 and 1984. Currently, it's the sixth largest state with a population of 11.4 million. Many newcomers are arriving to take advantage of Florida's healthy business climate, not to mention its year-round tropical one.

"Beginning in the early '70s, the fundamental nature of the state's economy began to change," says *Florida Trend* magazine assistant managing editor Thomas J. Billitteri. "Until the mid-'70s recession, the economy rolled along, based on old-line industries—the three-legged stool of tourism, real estate/construction and agriculture. Then the recession hit and all economic indicators were shaken." The real estate industry almost collapsed, and the oil embargo hurt tourism.

"Florida has gradually evolved into a service-oriented economy," he says. "High-tech companies have come, and with them new employment opportunities. In addition, Miami has become a major player in international trade and finance. And as the economy changes, pressures will continue to change the state—where people live and how they live. And pressure to manage the state's growth will remain a big issue here."

It sounds like Florida is becoming the place to go for a vacation—and stay for a job.

Goin' south

From 1980-84 Florida ranked first in the U.S. in net population migration change. More than 1,000 people moved to the state than left.

	Net migration change
1. Florida	**1,092**
2. Texas	1,009
3. California	950
4. Arizona	207
5. Georgia	182

Source: Florida Dept. of Commerce

Businesses discover welcoming climate

By Maureen Glabman

In these days of increasingly competitive industrial recruiting, it seems odd that in the early 1970s, executives who considered moving their companies to Florida found little help from the state.

"We weren't interested in attracting business to Florida then," says Steve Mayberry, director of Florida's Division of Economic Development, Tallahassee. "Our economy was based on tourism, agriculture and construction."

> ***"We are suffering all the problems of success. Declining industrial states . . . would love to have our problems."***
>
> **James Nicholas**
> **University of Florida**

That attitude ended soon after the 1973 oil embargo and the recession of 1974-75. "The state realized it could not depend on the cyclical nature of our biggest three industries," Mr. Mayberry says. "It became evident [the state] needed to diversify."

Now Mr. Mayberry's division has an $8 million annual budget to lure companies southward. The state offers an attractive package of tax benefits: No inventory tax, no state income or net worth taxes, and exemption from sales tax on new machinery and equipment. Florida is a right-to-work state with few unions; thus, salaries tend to be low. Employes, however, benefit from the state's low cost of living and inexpensive housing, varied cultural and sports activities and tropical climate.

Mr. Mayberry, who directs a staff of 141, says Florida is perceived as having a good quality of life. "Today site decisions are made on subjective as well as on objective factors," he says.

Grant Thornton International, a Chicago-based accounting firm, has rated Florida as having the sixth best business climate among the 48 contiguous states.

Critics, however, cite several obstacles that hinder Florida in its pursuit of new businesses. Among them: Lack of skilled labor, inconvenient location for shipping companies and a paucity of universities from which to draw talent or obtain postgraduate degrees.

Maureen Glabman is a Miami-based Advertising Age correspondent.

Industrial companies, nonetheless, came to the state at a fast and furious pace from 1978 to 1983. According to the State Department of Commerce, during those years 461 new companies came to Florida. They made $350 million in capital investments and employed an estimated 35,348 people.

Because Florida's labor supply is short on industrial experience, many companies import their skilled and technical workers from the Northeast and Midwest, says James Nicholas, associate director of the University of Florida's Growth Management Studies, Gainesville. Although labor is cheaper in Florida, new companies need skilled labor as well as labor at bargain prices.

"We are suffering all the problems of success," Mr. Nicholas says. Services, especially education, are not keeping pace with the state's growth. "Declining industrial states like Ohio and West Virginia would love to have our problems."

Mr. Nicholas says many companies tend to import executives because Florida does not have enough advanced technological universities from which to draw. That has prompted defections among transferees seeking to further their education, Mr. Nicholas says. "Many people want to continue their education, but there is no place to do that. Plus, the quality of public education for their children is [poor]."

"Education is not one of our stronger suits," says Warren Henderson, spokesman for the State Department of Commerce, Tallahassee. "It's a concern. There is room for improvement."

Mr. Henderson says Florida's out-of-the-way location, while excellent for companies that do business with Latin America, is not wholly conducive to U.S. shippers. "Florida's location isn't always a benefit," Mr. Henderson says.

"Companies want to be in the center of their market, not at the edge," Mr. Nicholas says.

Employers, though, still find Florida a good place for consolidation and business expansion. The Division of Economic Development's Mr. Mayberry is proud of the Siemens Energy and Automation deal made in 1984.

The manufacturing company built a $50 million high-tech hydrogenerator plant in Manatee County in Southwest Florida. Siemens, which moved from Milwaukee, employs 600 people in Florida and is one of the biggest employers ever to move to the state.

Siemens looked at six Sunbelt sites before choosing Florida. Utility Power Corp., also a subsidiary of Siemens' parent company, Siemens A.G. in West Germany, was already in Florida and helped to sway the relocation decision. Florida's Gov. Bob Graham also helped by arranging more than $1 million in aid, partially through federal grants and in-state job training funds.

Another company that chomped on the state's bait was Equitable Relocation Management, which consolidated its New York and Chicago co-headquarters in Orlando in 1985.

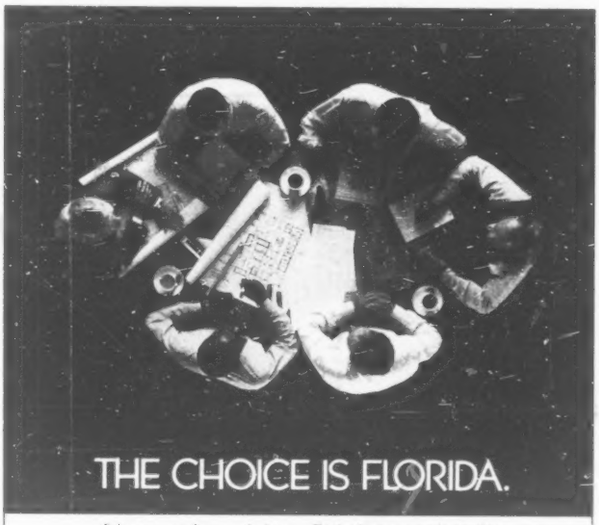
Company spokesman Joe Halberstadt says Equitable reviewed Dallas and Atlanta, as well as New York and Chicago, but chose Orlando despite the fact that the majority of the company's business is outside the state. The state's favorable tax benefits and inexpensive office space were attractive, he says. Also, Equitable wanted to stay in the eastern time zone, where most of its customers are.

Not all companies that move to Florida stay there. Burroughs Corp., which came to Florida in 1974, recently closed its Coral Springs and Orlando manufacturing plants. However, a company spokesperson says the operations were moved to an existing facility in Michigan based on a business decision that had nothing to do with Florida.

DED's best year to date was 1985, division economist Jim Hosler says. The state aided 216 companies, which made an estimated capital investment of $1.3 billion and provided employment for 30,780 people. In 1984, 133 companies were helped to establish offices in Florida. They provided 14,480 jobs and expended $300 million in capital, Mr. Hosler says. The figures do not account for companies that did not ask for state assistance in relocating.

Miami ad agency Beber, Silverstein & Partners acquired the Division of Economic Development's account in 1981. The $700,000 ad budget is earmarked

(Continued on Page S-6)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They chose Florida because of our business climate. Our state and local governments exist and welcome new businesses. And our corporate taxes allow businesses to be competitive. There is no unitary tax. And no personal income tax.
And they looked at the most current data and found Florida to be the trend-setting state in the nation. So when you're looking at Florida today, you're seeing the state of the future.
The bottom line: Florida is considered to be the premiere business opportunity state in the country.
So when they set out to open their new facility, it was clear why we got it.
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FLORIDA

The Division of Economic Development runs print ads in national business magazines, high-tech trade and real estate journals.

Florida earns and spends

Total personal income is a good indicator of retail market growth and small business profitability. Florida ranks first in the southeast in all these categories.

Total personal income

($ millions)

1.	California	$367,538
2.	New York	250,433
3.	Texas	202,031
4.	Illinois	158,024
5.	Pennsylvania	146,894
6.	**Florida**	**137,774**
7.	Ohio	132,404
8.	New Jersey	114,837
9.	Michigan	113,600
10.	Massachusetts	84,497

Total retail sales

($000)

1.	California	$153,627,397
2.	Texas	94,797,004
3.	New York	89,498,386
4.	**Florida**	**69,550,635**
5.	Pennsylvania	60,483,693
6.	Illinois	58,872,067
7.	Ohio	54,967,153
8.	Michigan	46,783,106
9.	New Jersey	44,013,608
10.	Massachusetts	38,556,664

Small business profits

($ millions)

1.	California	$7,096,294
2.	Texas	4,496,231
3.	New York	3,881,163
4.	Pennsylvania	2,838,811
5.	Illinois	2,531,439
6.	**Florida**	**2,506,973**
7.	Ohio	1,992,193
8.	New Jersey	1,891,292
9.	Massachusetts	1,641,138
10.	Michigan	1,601,286

Source: 1984 statistics, Florida Dept. of Commerce

Counties cultivating growth

Much of the business growth and activity around Florida has been evident in several counties: To the north, Duval, to the center, Orange and Seminole, and to the south and east, Broward and Palm Beach, says Steve Mayberry, director of Florida's Division of Economic Development.

Dade County, Florida's most populous county, has not kept pace with growth in other areas. The county has been coping with an image problem. Many residents have left the area in reaction to an influx of Haitian and Cuban refugees, and narcotics-related crime continues to be a problem in Miami, although city officials say it is declining.

Despite the fears of some that recruiting industry would bring the state problems as well as benefits, individual counties have tried to attract business:

Orange and Seminole

The largest claims of success are echoed by enthusiatic executives in Central Florida's Orange and Seminole counties, home to Orlando. "Orlando has had more companies move to it than any other city in the state," says Ron Thibodeaux, senior vp, Industrial Development Commission of Mid-Florida.

Orlando experienced much growth from 1980-83, when more than 100 companies launched major new projects in the area. Among them: American Bell, General Electric, Western Electric (now AT&T Technologies), Westinghouse and Harcourt Brace Jovanovich.

But Mr. Thibodeaux says the pace has slowed. "We have seen a slowdown in the movement of 'name brand' companies in the last two years. This seems to be the case all over. Companies are tending to want to better use their existing facilities" in their home states.

Mr. Thibodeaux says the IDC still receives 210 inquiries a month from companies seeking to locate in the area. The agency has a $600,000 budget this year and will spend $110,000 on trade print advertising via Gouchenour Inc., Orlando.

Although tourism remains the backbone of central Florida's economy, with Disney World and Epcot Center at the core, industrial development slowly is adding another dimension to the area still widely known as the orange belt.

Palm Beach

Bill Fruth, executive director of the Palm Beach County Development Board, West Palm Beach, has raised $600,000 through private and county contributions this year for the first

(Continued on Page S-9)

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Businesses find welcome

(Continued from Page S-2)

largely for a print campaign with the themes "The choice is Florida," "Hatched in Florida," "You name it we got it."

The ads run in national business magazines, high-technology trade magazines and real estate journals

"The decision to add another plant in Florida could take years," Charles Roedema, a Beber senior vp, says. "The point of advertising is to remind the executives that Florida should be an option when considering expansion plans."

Some of the business journals are regional buys, part of an in-state effort because state recruiters, who once concentrated their efforts on *Fortune* 500 companies, recently have turned their attention toward in-state expansions.

One company that has undergone continuous expansion is defense contractor Harris Corp., which moved its corporate headquarters from Cleveland to Melbourne near the Kennedy Space Center in 1978. The company since has built or purchased 24 buildings and hired at least 4,000 more employes for a total of 14,000.

Harris is one of an estimated 100 defense contractors in the state. According to state economists, in the past 10 years, Florida has moved from the nation's 14th largest defense contracting state to the eighth.

Defense contractors historically were the first large manufacturers to locate in Florida. Pratt & Whitney opened its government products divison in Palm Beach County in the 1950s.

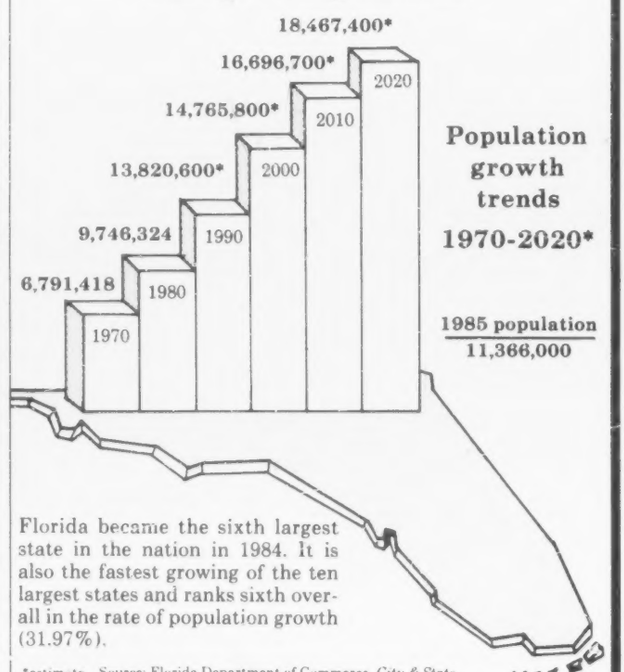
Harris has had an electronics division near the space center since the late 1950s. Martin Marietta, Florida's largest defense contractor, started its Orlando division in 1957.

Top 10 cities

City	Population
1. Jacksonville	580,594
2. Miami	380,446
3. Tampa	276,444
4. St. Petersburg	243,002
5. Hialeah	157,680
6. Ft. Lauderdale	151,543
7. Orlando	143,320
8. Hollywood	124,025
9. Tallahassee	116,239
10. Miami Beach	96,913

Source: 1985 statistics, Florida Dept. of Commerce

Fast growing Fiorida



Florida became the sixth largest state in the nation in 1984. It is also the fastest growing of the ten largest states and ranks sixth overall in the rate of population growth (31.97%).

*estimate Source: Florida Department of Commerce, *City & State*

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City/State/Zip _____
Telephone _____

Overseas dollars pour into Miami

By John F. Sugg

Miami is experiencing a somewhat different kind of tidal wave: Billions and billions of overseas dollars are flooding the city, transforming it into a global financial and commercial center. Over the last seven years Miami has gone from being the nation's 50th largest banking center to the fifth, trailing only New York, Chicago, Los Angeles and San Francisco.

John F. Sugg is vp and Miami manager for The Communications Group.

Illustrating the scope of this economy, Miami's Federal Reserve branch takes in $22 for each $1 distributed. The national average is $1 in, $1 out.

Professor Jan Luytjes of Florida International University fears that Miami's cash-hungry economy, with its chrome and pastel facade and murky substrata, will turn the city into a new Calcutta, black hole and all. Yet Mr. Luytjes sees the flow of international capital into Miami as being responsible for the city's commercial growth and necessary for continued expansion.

"The major problem is that for years we relied on only a few trading partners, primarily Venezuela," he says. "When economic conditions there worsened, we were hurt."

"We were too tied to one product—Latin America," agrees Dennis Nason, general manager of the Miami branch of Credit Suisse and current president of the International Center, Miami's forum for offshore trade and finance. "But we have been maturing, and now are strongly tied to Europe, the Far East and Africa, as well as the Caribbean and Latin America."

Miami, the gateway to the Caribbean and South America, also is in an excellent location for the world's economies to cross. The emerging infrastructure and expertise available in Miami also is winning nods from multinational enterprises.

As an example of Miami's far-flung endeavors, the large local personal products company Windmere Corp. recently sent its attorney, Cyrus Hornsby, to the People's Republic of China to form one of the first trading companies acceptable both to the laws of that Communist country and to U.S. corporate regulations. The project was so successful that companies from Japan and elsewhere now want to form joint ventures with Windmere's Chinese trading company.

"Miami's emergence as an international banking center is the result of many factors," says Bowman Brown, a banking specialist with the Miami law firm of Shutts & Bowen. "The area's geographic location and cultural

(Continued on Page S-12)

Florida expands

Florida's economic growth is reflected in its high 1984 ranking of new plant start-ups and business expansions.

New plants

1.	Texas	186
2.	**Florida**	**149**
3.	California	114
4.	North Carolina	84
5.	Pennsylvania	81
6.	New York	70
7.	Georgia	60
	Indiana	60
9.	Maryland	58
10.	Illinois	56

New business expansions

1.	California	298
2.	Alabama	122
3.	Kentucky	101
4.	New York	86
5.	**Florida**	**74**
6.	Kansas	73
7.	Texas	68
8.	Tennessee	67
9.	Arkansas	59
	Missouri	59

Source: 1984 statistics, Florida Department of Commerce

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Overseas dollars pour in

(Continued from Page S-10)

and economic ties make it almost as much a part of Latin America as of the United States. Miami's population is approximately 58% Latin in origin. Spanish is widely spoken and the city has a Latin character."

According to Tony Villamil, senior vp and economist for Southeast Bank N.A., Miami's proximity to Latin America and the comfortable bilingual environment provide an irresistible lure for the affluent in the Caribbean and South America. More than 1.5 million Latins visit Miami each year, and with them comes money—lots of it.

This money spurred a boom in international trade, transforming a sleepy tourist town into a major import-export center. More than $5 billion in goods flows annually through the Port of Miami.

To facilitate the trade, international banks began eyeing the city. In the city today there are more than 90 foreign bank agencies and Edge Act banks, which are subsidiaries of U.S. banks licensed to engage in foreign trade.

Miami's international banks surpass New York both in number and in volume of assets, according to the Greater Miami Chamber of Commerce. Total offshore deposits are estimated at $10 billion to $15 billion. "Those deposits are increasing at a rate of 50% a year," Credit Suisse's Mr. Nason says.

James Whisenand, an attorney for many of the foreign banks, says this growth "is especially significant when you realize that six years ago, we had no foreign agency or Edge Act banks here."

This money's impact on Miami is fairly substantial. According to a recently completed study by Robert Grosse of the University of Miami's International Banking Institute, the international sector accounts for about $800 million to $900 million of Miami's $20 billion annual payroll. That is a much higher ratio than most other U.S. cities.

Miami's banks, foreign and domestic, have a distinctly multinational flavor. Recently, for example, the Private Bank & Trust Co., which provides European-style services, opened its doors on Brickell Ave., Miami's fashionable version of Wall St.

"They may only have 30 clients the first year," Mr. Whisenand says, "but they will be very substantial clients."

Many of the banks now have offshore owners. For example, Miami National Bank now is controlled by a Spanish group headed by Francisco de Borbon, the Duke of Seville, currently a Miami Beach resident. Other banks are owned by Brazilians, Ecuadoreans, Portuguese.

All this international capital in Miami has spurred the growth and sophistication of many support services, but some bankers and executives believe Miami doesn't market itself well.

National law firms vigorously compete for the offshore clients. The Big 8 accounting firms tailor their services to a multinational clientele. Commercial office areas vie for tenants with boasts of international amenities. One Miami suburb, Coral Gables, is the haven for more than 100 multinational corporate headquarters.

Despite the burgeoning growth of such service indus-

'Smurfs' cleaning up in international economy

Now for the seamy side of Miami's multi-billion-dollar international economy.

Bundles of offshore dollars flowing into Miami are tainted by drugs, gunrunning and other exotic activities. That's where the Miami "smurf" comes in. And in Miami, these smurfs definitely are not for kids, and the more appropriate color for them is green, not blue.

A smurf, in Miami's "Spanglish" lingo, is someone who travels from bank to bank converting $9,900 in hundred-dollar bills into money orders.

Why $9,900? Because a $10,000 cash transaction must be reported to federal banking authorities.

So anyone—drug smuggler, corrupt South American politician sandbagging money away in the U.S., clandestine arms dealer—with a lot of hundred-dollar bills uses "smurfs" to transform those bills into money orders that can be privately deposited into a bank account.

—*John F. Sugg*

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Today, as CEO of Arvida Disney Corporation, Cobb is in charge of Disney real estate throughout the world.

Chuck Cobb, Trend subscriber. He has been reading Florida Trend since he arrived in Florida in 1972. Appreciates Trend's leadership role in getting business to act in the best interests of the state. Reads Georgia Trend to keep current on developments in Georgia, where his company has numerous projects.

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While the international banking business has been booming in Miami, some have criticized the city's marketing of its operations.

young city, and we still don't have our act completely together," Mr. Nason says. "We are still building the infrastructure [to support international trade], and we still are in transition from what we were to what we will be."

The infrastructure is taking shape, however. Mr. Nason says that within recent weeks, Miami took the first steps to the creation of a World Trade Center.

"In international banking, I think we are maturing and there is a general shift to private and investment banking along European lines," Mr. Whisenand says. "This should draw even more foreign capital to Miami and will even more firmly establish Miami as a world financial and trade center." AA

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tries, the city is lamentably lax in selling its international skills. "We have not marketed ourselves well," Mr. Nason say. "I guess you could say that banking is not a very sexy subject to market, but that's no excuse for us not being more aggressive."

Although many Miami advertising agencies have handled prestige tourism accounts, few have won kudos for marketing international financial services.

Miami "agencies really don't have much skill in dealing with foreign markets," says Sandy Tinsley, chairman of Tinsley Advertising, one agency that has promoted the city's trade and finance through work for the Port of Miami, the City of Coral Gables and the Dade County (greater Miami) Economic Development Coalition.

Looking to the future, Miami has more problems than just marketing itself to the world. It has crime—on the wane, perhaps, but still real. And Miami's international elite, new to the field, still are uncomfortably trying to adjust to a changing world economy.

Much-publicized drug smuggling accounts for an estimated $8 billion annual local cottage industry. Also, massive amounts of cash flow into a variety of unlikely and often unsavory enterprises.

Major league multinational financial scams also are a part of the Miami milieu. Mr. Whisenand's law firm represents the Venezuelan government, which is trying to recover $800 million allegedly misappropriated by a fugitive financier, Florida's largest banking group and a once-powerful Miami law firm.

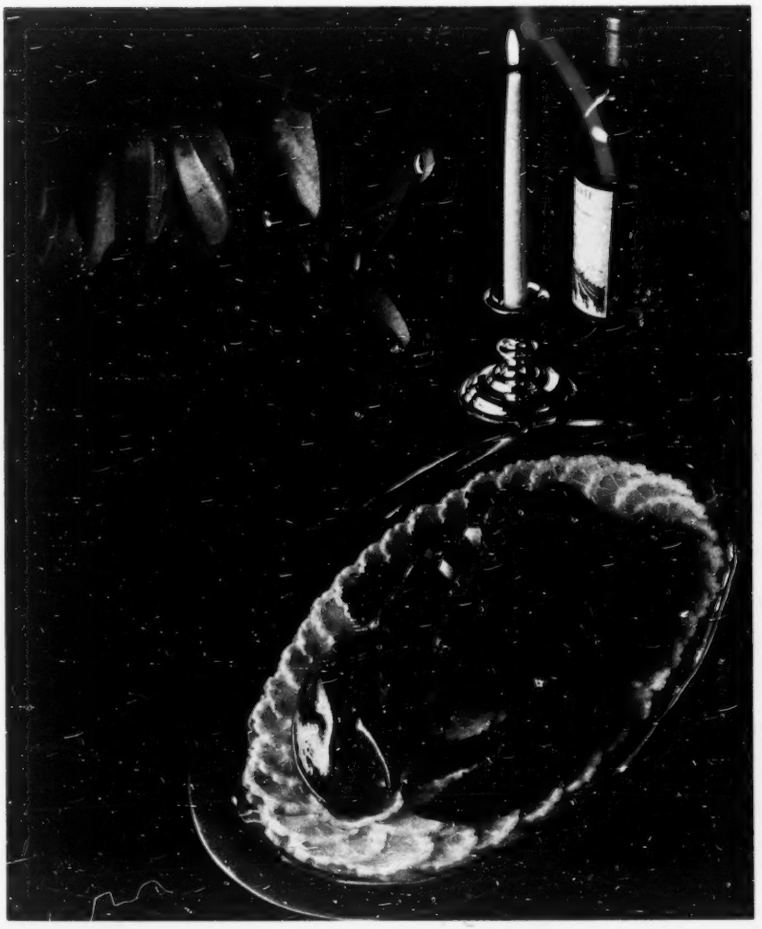
Money laundering has been hit hard by regulators, but still surfaces. Miami's Sunshine State Bank was closed last month; investigators suggested that it was the first bank that may have been purchased for the primary purpose of laundering funds.

Of greater concern to the bankers and merchants is how to turn Miami's boisterous international infant into a mature and stable adult global community.

"Our future continues to rely on a vibrant Latin American economy," Mr. Villamil says, noting that Miami has trailed the rest of Florida in economic recovery because the debt-plagued Latin economies have been anything but vibrant. "We're a

More about Florida's Money Market

Ft. Lauderdale/South Palm Beach is the #1 major Florida market in per capita food and beverage sales.



The News/Sun-Sentinel delivers two out of three readers in Florida's affluent Money Market.

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Tourism trade shifts strategy to lure travelers

By Maureen Glabman

Henry Flagler didn't have the title, but he was Florida's most important early tourism official.

Mr. Flagler came to the state before the turn of the century, built a railroad along its east coast, erected at least five hotels near its tracks and then advertised Florida as a resort in northern newspapers. He created the first important device to make Florida a tourist state—accessibility between the North and South.

Things have only gotten better since Mr. Flagler came south, because tourism has grown to become Florida's largest industry. In the past, the weather was used to lure tourists, but a new strategy uses activities in the state as the bait.

State tourism today is a $22 billion industry, according to Rene Welti, assistant director, Florida Division of Tourism. An estimated 30 million out-of-state visitors arrived in 1985, a 7% increase from 1984.

Some of the reasons for the boom are apparent. College students migrate south to Florida for spring break and families fondly view the state as the domain of Disney World.

Helping to round out potential visitors' visions of the state is Florida's Division of Tourism and Economic Development, which presides over a $9.3 million statewide budget. Additional individual county and city agencies have tourist-luring war chests that total $36 million.

A bill that would have more than doubled the division's budget to about $20 million with a tax levied on accommodations, taverns, attractions and rental cars was defeated before the state legislature adjourned June 6.

However, the state gave the division an additional $500,000 for its 1986-87 budget. The state's tourism picture still could change radically if voters approve a casino gambling referendum in November.

During the 1960s and 1970s, tourism helped keep Florida's economy on even footing when it traveled a rocky road because of real estate investment speculation and double-digit inflation. Although tourism has had a steadying influence on the state's economy, over the years it has developed its own sensitivities, hinging on the dollar's strength overseas and the price of gas, to name just two.

Florida gets a lion's share of Latin American business. But Latin currencies are volatile, and the state cannot bank on a steady deposit of Latin tourist dollars. In response, tourism officials search for business within the U.S. and from Europe.

Strategy is a word heard a lot in state tourism circles. Florida's tactic once was to attract winter-weary tourists through a six-year campaign created by Mike Sloan Advertising, Miami, and tag lined "When you've got it bad, we've got it good."

Although officials called that strategy successful, the planning has changed. For the first time in the state's history, tourism ads do not focus on weather but on the diversity of available activities.

The first ad campaign created by Miami-based Beber, Silverstein & Partners, which took over the state account last year, stressed diversity in big winter and spring pushes in 36 U.S. print and tv markets.

More than 80% of the campaign, which carried the theme, "We got it. Florida," was delivered through broadcasting.

Several tv spots opened with views of grassy areas, cowboys and horses—scenes not usually associated with Florida. They were followed with attraction and beach scenes. "What we were saying is that there is so much to see and do in Florida," Beber partner Sid Levin says.

The state also has begun its first major in-state summer print campaign, which is running in 25 Florida newspapers this month.

The theme, "Play in your own back yard," headlines a four-page, four-color ad of 32 Florida flings and a calendar of summer events. Some 44 radio stations were given accompanying public

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service announcements.

Summer tv spots convey another theme: Family fun. Tourism division-financed studies showed Florida was losing family business because families typically travel to cooler climes during the summer. To counter this, the agency created tv spots that show a grandfather and son fishing, a mother and daughter at the beach and a little girl smiling. The voiceover says: "The best thing about your Florida vacation is the smile on your child's face."

"All along we've been going after the sun idea, promoting winter business," Mr. Welti says. "Now we're promoting Florida as a year-round travel destination."

State officials hope the calen-

(Continued on Page S-16)

Counties take initiative on inviting visitors

The lure of Florida's sun, sand and surf notwithstanding, the state's counties and cities are leaving nothing to chance. They are backing up Florida's tourism budget of $9.3 million with another $36 million in individual efforts. The aggressive tourism drives are financed in part by a 2% state tax on accommodations.

Some counties and cities, notably the Miami-Fort Lauderdale and Orlando areas, are big winners in attracting tourist dollars. The other cities and regions are competing to increase their take in the tourist trade.

Much of the tourist action is centered in the Orlando area where popular attractions such as Sea World and Disney's Epcot Center and Magic Kingdom are located. More than 10 million visitors passed through Orlando last year, says Bill Peeper, executive director, Orlando/Orange Convention and Visitors Bureau. Orlando will have 60,000 hotel rooms at the end of 1987, up from 40,000 in 1984.

Although Disney has an estimated $17 million promotions budget, the bureau has a mere $500,000, most of which goes toward salaries, Mr. Peeper says. The low budget is the result of the county's bed tax revenue having been used to build a new convention center. The bed tax goes to 3% next year, and the budget will increase to $1.7 million.

Orlando will have 60,000 hotel rooms at the end of 1987, up from 40,000 in 1984.

Broward County's Tourist Development Council has a $5.5 million budget, $2.5 million of which advertises a diversity theme. Created by BDA/BBDO, Atlanta, and placed in northern markets, Broward's four-color "Imagine That" ads stress its restaurants, sports, water activities, hotels and cultural events. Of the 3 million Broward visitors last year, several hundred thousand flocked to Fort Lauderdale and Pompano Beach during collegiate spring breaks.

Palm Beach County, which has a $3.4 million budget, is spending $1 million on a spring-

(Continued on Page S-17)

Florida's quality of life

Miles of coastline, state park acreage and warm weather are "quality of life" measures. Florida ranks in the top 10 in all three.

Miles of coastline

1. Alaska	6,640
2. Florida	**1,350**
3. California	840
4. Hawaii	750
5. Louisiana	397
6. Texas	367
7. North Carolina	301
8. Oregon	296
9. Maine	228
10. Massachusetts	192

Total acreage of state parks

1. Alaska	3,029,949
2. California	1,116,301
3. New Jersey	290,353
4. Pennsylvania	278,909
5. Illinois	273,358
6. Massachusetts	261,354
7. New York	255,911
8. Florida	**252,696**
9. Michigan	247,737
10. Washington	220,000

Mean number of days minimum temperature of 32 degrees or less

1. Hawaii	0
2. Florida	**8**
3. Louisiana	27
4. California	32
5. Texas	40
6. Alabama	50
7. Mississippi	54
8. Georgia	55
9. South Carolina	56
10. North Carolina	70

Source: 1984 statistics, Florida Department of Commerce

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The Garden Of Eden, circa 1980, by Erasure S. Field

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Rank		Ad Pages	Rank		Ad Pages
1	SAN DIEGO	153.3	6	PHILADELPHIA	130.7
2	LOS ANGELES	150.1	**7**	**ORLANDO**	**128.0**
3	CHICAGO	147.8	8	MINNEAPOLIS	111.5
4	BOSTON	142.1	9	SAN FRANCISCO	104.7
5	DALLAS	133.2	10	COLUMBUS	92.6

Call 305/644-3355 for media kit or write Box 2207, Orlando, FL 32802.

*National Planning Assn. forecast

Tourism shifts strategy

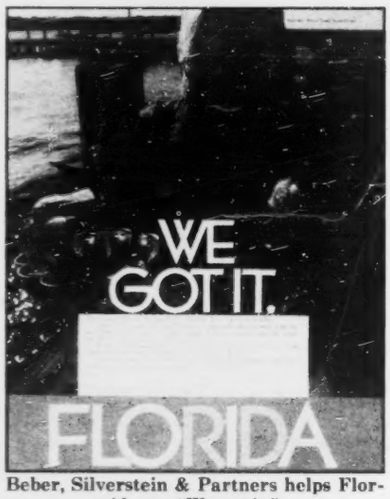
(Continued from Page S-15)

dar of events will draw some tourists who might want to avoid the crowd at New York's Statue of Liberty unveiling. "We're listing 25 July Fourth events," Mr. Welti says. "That's our counter to July Fourth in New York."

Although this will be a good year for New York tourism, says Vivian Deuschl, spokeswoman for the U.S. Travel and Tourism Administration in Washington, prospective Florida and New York tourists are not in the same economic bracket. "Families will head to Florida this summer because a hotel room that might have been unaffordable in winter is reasonable in summer," she says.

It is too soon to tell if Florida's summer campaign will be a success, Ms. Deuschl says. "You can't overestimate the fact that people think Florida is hot in summer. And in summer, people don't want to go someplace that is hotter than where they are. They want to get away from it—to Alaska for example."

In addition to advertising, the tourist division takes part in trade shows, serves free orange juice at six of seven welcome centers, educates the state's hotel and restaurant personnel on the value of service, finances research and staffs foreign offices in London, Toronto and Frankfurt.



Beber, Silverstein & Partners helps Florida say "We got it."

Florida competes with Sunbelt states, including California and Texas, during the winter, and Colorado, Canada and northern states in summer, Mr. Welti says. Despite the fact Florida does not spend as much as other states—Illinois spends $15.5 million and Michigan allocates $11.8 million to Florida's $9.3 million—the southern state is better known as a tourist destination.

"Florida has the strongest tourism image of any state because they've been promoting it longer," Ms. Deuschl says. "For years, states like Illinois didn't have big tourism budgets. Florida has a big advantage in that people know it as a resort, where a state like Illinois has to work harder."

Until two years ago, she says, California had nearly the lowest state tourism budget. "Now California spends over $6 million. They saw they were losing their share of the market.

"States have looked at tourism as a new source of revenue in view of declining industries," she says. "They are starting to realize that every dollar spent on tourism rolls over 18 times in other areas." U.S. tourism officials say all states combined will spend $216 million on tourism in 1985-86, up 13% from 1984-85.

Mr. Welti says Florida tourism should grow another 7% this year. Some of the factors mirror Mr. Flagler's railroad, continuing improvements in transportation. Others are beyond any tourism director's control.

"It sounds like it's going to be a banner year because there is strong consumer confidence in travel, discretionary income, and fuel and air prices are competitive," he says. "There's also a trend to travel in America because of the weak dollar and terrorism abroad. Consumers are looking at safety as part of travel, and Florida is perceived as a safe destination." AA

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June

	Current month 1986	1985	Year-to-date 1986	1985
— Art & antiques —				
American Artist	—	—	—	—
Antiques	—	—	—	—
Art in America	—	—	—	—
Southwest Art	62.0	62.0	427.4	467.5
Total Group	**62.0**	**62.0**	**427.4**	**467.5**
% change		**-0.0%**		**-8.5%**
— Auto/cycle/rec. vehicles —				
Auto Week (52X)	202.3	139.1	899.6	798.3
Car & Driver	93.6	115.5	582.1	635.3
Car Collectors & Car Classics	17.5	20.3	89.7	114.7
Car Craft	82.1	80.7	440.7	436.3
Circle Track	60.6	55.2	372.2	321.6
Cycle	55.2	57.4	325.7	337.8
Cycle Guide (11X)	52.9	55.1	309.3	279.0
Cycle World	60.9	65.3	353.5	389.7
Dirt Rider	47.1	38.5	273.8	210.7
Dune Buggies & Hot VW's	86.1	105.5	520.5	535.7
Family Motor Coaching	139.0	134.9	898.1	893.4
4 Wheel & Off-Road	92.1	84.2	519.2	442.0
Four Wheeler	86.4	96.2	505.6	519.7
Hot Rod	72.6	73.2	384.3	384.7
Motorcyclist	63.0	48.0	334.3	253.5
Motor Trend	77.5	98.8	413.8	468.1
Motorhome Life	107.2	109.8	576.7	589.3
Pick-Ups & Minitrucks	—	—	—	—
Rider	68.2	69.3	348.6	375.9
Road & Track	126.2	133.7	613.2	693.8
3 Wheeling	60.7	62.4	355.2	324.4
Trailer Life	137.0	148.8	726.6	801.8
Total Group	**1,788.2**	**1,791.9**	**9,842.7**	**9,805.7**
% change		**-0.2%**		**+0.37%**
— Boating & yachting —				
Boating	119.7	127.7	912.8	901.1
Chesapeake Bay	41.5	31.1	223.7	188.7
Cruising World	107.0	117.4	753.8	784.6
Lakeland Boating (10X)	69.8	58.0	431.0	412.5
Motor Boating & Sailing	148.8	140.8	1,154.6	1,087.6
Sail	99.5	130.1	707.1	859.1
Small Boat Journal (6X)	53.7	49.9	166.8	153.4
Sport Fishing (6X)	—	—	—	—
Trailer Boats (11X)	43.3	32.1	296.5	235.4
Western Boatman (6X)	—	—	132.8	148.8
Yachting	121.4	153.3	887.2	1,066.8
Total Group	**804.7**	**840.4**	**5,666.3**	**5,838.0**
% change		**-4.2%**		**-2.9%**
— Canadian —				
L'Actualite	86.7	73.7	520.3	371.8
Chatelaine				
English Edition A	92.1	83.7	579.6	553.2
French Edition	81.0	70.3	505.3	452.9
City and Country Home (8X)	57.3	49.3	269.9	200.5
City Woman	—	—	—	—
Equinox (6X)	—	—	—	—
Financial Post Moneywise A	36.4	37.6	228.8	202.6
Figure A	60.4	64.2	443.0	387.7
Maclean's (52X) A	143.5	106.3	816.2	703.1
Montreal Magazine (10X)	—	—	—	—
Montreal Ce Mois Ci	—	—	—	—
Reader's Digest				
Canadian-English A	91.5	89.7	435.4	391.2
Canadian-French A	90.3	65.5	358.1	299.8
Toronto Life	98.1	99.2	548.1	492.8
Vancouver	—	—	—	—
Total Group	**837.3**	**739.5**	**4,704.7**	**4,055.6**
% change		**+13.2%**		**+16.0%**
— Civic/fraternal —				
American Legion	19.3	16.4	145.7	161.6
Elks (10X)	15.4	15.9	112.1	119.5
Kiwanis	15.6	23.5	107.5	98.4
Lion (10X)	5.3	6.0	30.0	30.7
Rotarian	10.1	10.9	88.8	71.9
V.F.W. (11X)	26.4	28.9	163.9	159.3
Total Group	**92.1**	**101.6**	**648.0**	**641.4**
% change		**-9.3%**		**+1.0%**
— Comics —				
DC Comics	3.5	7.0	33.5	34.5
Marvel Comics Group	8.0	7.0	40.0	36.5
Total Group	**11.5**	**14.0**	**73.5**	**71.0**
% change		**-17.8%**		**+3.5%**
— General —				
American Health (10X)	—	—	—	—
American West (6X)	—	—	—	—
The Atlantic A	24.6	41.2	232.9	289.7
Audubon Magazine (6X)	—	—	—	—
Bon Appetit A	78.7	96.7	496.9	510.1
Changing Times	42.4	43.2	292.6	237.5
Connoisseur	78.7	75.6	432.5	377.2
Consumer's Digest (8X)	14.0	16.3	89.0	99.8
Ebony	95.0	96.1	578.1	551.5
Fifty Plus	32.5	31.0	244.8	188.8
Food & Wine	40.5	51.7	274.4	254.6
Games	14.1	14.8	106.7	95.5
Gourmet	94.9	101.4	550.4	558.7
Home Entertainment (8X)	29.0	28.3	124.6	129.3
Harper's A	19.2	27.7	142.4	159.9
Let's Live	50.0	40.0	288.0	265.0
Life	51.0	68.1	333.4	397.2
Modern Maturity (6X)	43.8	43.2	129.4	142.2
Money	—	—	—	—
Moneysworth (4X)	10.0	12.4	37.2	30.5
Mother Earth News (6X)	—	—	—	—
Mother Jones (9X)	15.8	16.4	78.8	78.9
National Geographic	—	—	—	—
Natural History	26.8	39.4	247.7	262.7
Prevention	57.7	52.5	375.4	357.0
Psychology Today	24.9	21.6	158.2	151.2
Reader's Digest A	—	—	—	—
Saturday Evening Post (9X)	40.6	41.8	150.7	141.1
Signature	74.4	56.6	427.9	341.9
Smithsonian	63.1	91.6	470.3	551.6
Success	—	—	—	—
Sylvia Porter's Personal Finance (10X)	34.8	38.8	203.0	118.3
Town & Country	99.7	105.7	706.6	752.7
Travel-Holiday	33.1	41.7	270.7	304.9
Travel & Leisure	128.2	106.3	640.1	666.1
Vanity Fair	38.7	44.6	253.4	198.8
Writer's Digest	33.4	23.2	155.4	143.5
Yankee	66.2	67.1	428.8	412.1
Total Group	**1,455.8**	**1,535.0**	**8,920.3**	**8,768.3**
% change		**-5.1%**		**+1.7%**
— Home —				
Americana (6X)	25.4	23.1	94.2	110.8
Architectural Digest A	172.6	190.1	771.2	812.3
Better Homes & Gardens	121.9	130.5	687.4	698.0
Colonial Homes (6X)	72.5	79.5	188.8	187.7
Columbus Monthly-Homes (4X)	—	—	52.3	—
Country Home (6X)	49.0	29.5	141.1	96.7
Country Journal	20.0	32.9	148.8	193.2
Country Living	65.9	66.7	429.2	396.4
Dallas-Ft. Worth Home & Garden	66.9	88.5	478.8	402.5
Family Handyman (10X) A	—	—	331.7	323.4
Flower & Garden (6X)	29.2	33.0	130.0	125.6
Harrowsmith (6X)	33.1	—	128.6	—
Home	55.5	50.7	306.7	305.5
Home Mechanix	—	—	—	—
The Homeowner (10X)	21.6	22.1	162.7	143.2
Horticulture	—	—	—	—
House Beautiful	78.0	121.6	464.9	505.0
House & Garden	87.0	96.1	574.9	591.8
Houston Home & Garden	73.5	95.7	459.8	516.7
Metropolitan Home	56.1	71.9	366.3	399.2
New Shelter (9X)	—	—	262.7	270.5
1,001 Home Ideas	49.5	39.1	271.6	275.8
Rodale's Organic Gardening	50.4	46.4	394.8	370.6
Phoenix Home/Garden	55.7	57.2	407.0	397.1
Rx Being Well	28.0	23.0	77.0	75.0
San Diego Home/Garden	69.4	88.8	416.8	434.8
South Florida Home/Garden	—	—	—	—
Southern Accents (6X)	—	—	—	—
Southern Living	155.1	127.2	893.1	792.5
Sunset Magazine A	147.3	156.2	876.1	894.0
Texas Homes	64.0	59.1	394.6	482.4
Workbench (6X)	—	—	159.8	171.7
Total Group	**1,647.6**	**1,728.9**	**10,071.2**	**9,972.4**
% change		**-4.7%**		**+0.99%**
— In-flight & other passenger —				
Alaska Airlines	71.2	55.9	339.4	279.9
American Way (25X)	—	—	—	—
East/West Network				
Eastern Review	71.7	84.5	564.5	589.7
Frontier	32.7	27.0	181.0	129.1
Northwest Orient	43.8	45.0	272.6	229.8
Ozark	35.8	45.2	269.1	228.9
PSA Magazine	103.2	80.7	547.7	453.5
Pan Am Clipper	54.3	63.0	285.4	348.3
Republic Scene	43.2	46.5	301.8	267.2
Spirit	118.8	113.5	579.9	518.4
United	102.0	92.8	557.1	530.0
Western's World	58.7	49.0	370.9	316.7
Halsey Publications				
Air Cal	60.5	55.0	316.3	274.9
Delta Sky	83.0	69.3	462.3	432.1
People's Expressions	32.0	—	187.3	—
US Air	48.0	30.9	265.7	272.5
Hawaii (6X)	25.6	23.8	170.4	135.6
Pace	105.1	93.7	544.1	389.6
Presidential Airways (6X)	9.2	—	29.2	—
Southwest Airlines	—	—	—	—
Spirit of Aloha (6X)	25.4	23.7	168.6	146.2
TWA Ambassador	59.7	61.1	301.4	301.3
Total Group	**1,183.9**	**1,060.6**	**6,685.5**	**5,843.7**
% change		**+11.6%**		**+14.4%**
— Men's —				
Esquire A	197.5	172.5	621.3	641.5
Firehouse Magazine (13X)	71.3	73.6	270.5	273.6
Gentlemen's Quarterly A	130.1	138.0	859.0	825.2
M	45.3	41.3	320.3	303.0
Penthouse A	—	—	—	—
Playboy A	73.5	83.0	386.9	431.8
Total Group	**552.6**	**552.7**	**2,674.3**	**2,712.9**
% change		**-0.0%**		**-1.4%**
— Metropolitan —				
Aloha (6X)	—	—	—	—
Atlanta	59.7	50.2	324.3	316.9
Baltimore	61.5	100.2	432.1	467.5
Boston	149.7	134.2	879.5	868.0
California	73.3	95.0	445.2	422.0
Charlotte (10X)	—	—	—	—
Chicago	131.4	181.0	730.8	792.1
Chicago's North Shore	90.2	74.5	465.1	455.7
Cincinnati	47.0	54.6	352.2	322.5
Cleveland	74.5	74.0	429.6	441.4
Coast (38X)	310.6	424.1	1,101.2	1,189.6
Columbus Monthly	60.4	77.2	382.9	399.7
Connecticut	103.5	100.4	562.0	535.7
D/Magazine, Dallas/Ft Worth	114.6	123.3	749.9	772.1
Denver	38.0	34.7	212.6	176.1
Detroit Monthly	86.2	71.7	491.4	349.2
Grand Rapids	28.7	33.7	240.5	285.9
Gulfshore Life (10X)	77.0	61.1	523.7	380.0
Honolulu	52.5	56.6	343.2	346.4
Houston City	51.0	82.7	322.3	447.7
Indianapolis	—	—	—	—
Kansas City	—	—	—	—
Los Angeles	143.6	166.3	899.4	1,011.6
Louisiana Life (6X)	—	—	119.0	166.0
Madison	81.0	63.0	394.0	362.0
Metropolitan Detroit	77.3	78.1	446.2	439.2
Miami Mensual	—	—	—	—
Mid-Atlantic Country	55.0	50.2	240.4	284.6
Milwaukee	57.6	47.5	394.9	367.8
Minneapolis/St. Paul	85.9	102.6	557.4	580.2
Nashville	24.0	40.0	209.0	211.0
New England Monthly	33.9	30.9	220.3	177.5
New Jersey Monthly	82.4	65.5	466.9	353.9
New Mexico	—	—	—	—
Ohio	67.6	76.0	358.8	390.3
Orlando	90.5	94.0	594.7	599.9
Palm Beach Life	24.5	27.1	421.1	510.5
Palm Springs Life	50.6	56.3	678.6	702.3
Philadelphia	120.4	122.9	745.2	785.4
Phoenix	74.2	67.3	563.5	582.1
Pittsburgh	104.2	102.2	395.5	377.8
St. Louis	40.0	54.0	269.3	339.5
San Diego	130.0	150.2	823.2	941.4
San Francisco (6X)	—	—	—	—
San Francisco Focus	—	—	—	—
Texas Monthly	127.4	143.2	780.5	702.6
Twin Cities	71.9	81.7	308.9	347.1
Ultra	61.8	70.2	361.5	436.7
The Virginian	—	—	175.0	173.0
Washington (7X)	90.5	44.0	228.0	97.0
Washington Dossier (11X)	53.1	90.0	305.2	345.6
The Washingtonian	135.0	139.8	870.0	899.8
Total Group	**3,492.2**	**3,792.2**	**20,815.0**	**21,153.0**
% change		**-7.9%**		**-1.5%**
— Movie/romance/radio/tv —				
Macfadden's Women's Group				
Modern Romances	21.6	18.6	124.0	110.3
Secrets	21.6	18.6	124.0	110.3
True Confessions	21.6	18.6	124.0	110.3
True Experience	21.6	18.6	124.0	110.3
True Love	21.6	18.6	124.0	110.3
True Romance	21.6	18.6	124.0	110.3
Sterling Women's Group				
Daytime TV	26.5	28.5	151.5	173.0
Modern Screen	16.5	12.3	47.5	41.8
Movie Mirror (6X)	1.0	24.5	17.5	70.5
Soap Opera Stars	16.3	20.5	49.6	59.5
TV Movie Screen (6X)	9.3	6.3	25.9	19.3
TV Picture Life (6X)	1.0	2.0	10.6	15.0
Total Group	**200.2**	**205.7**	**1,046.6**	**1,040.9**
% change		**-2.8%**		**+0.54%**
— Music/entertainment —				
American Film (10X)	—	—	—	—
Audio	97.5	108.8	443.2	495.5
Circus Magazine	—	—	—	—
Dance Magazine	44.1	42.3	346.4	355.3
Musician	49.5	56.5	327.6	338.5
Playbill	40.0	41.2	262.1	297.3
Stereo Review	75.6	41.5	412.7	232.2
Video	82.6	74.6	448.7	456.6
Video Review	—	—	—	—
Total Group	**389.3**	**364.9**	**2,240.7**	**2,175.4**
% change		**+6.6%**		**+3.0%**
— National Sunday magazines —				
Parade (52X)	59.4	52.5	327.9	319.9
Total Group	**59.4**	**52.5**	**327.9**	**319.9**
% change		**+13.1%**		**+2.5%**
— Outdoor & sport —				
Alaska	36.8	51.3	279.9	299.9
The American Handgunner (6X)	35.0	34.0	100.0	102.0
American Hunter	—	—	—	—
Backpacker (6X)	—	—	86.0	104.3
Bass Master (9X) A	—	—	353.8	359.1
Bicycling (9X)	93.5	106.5	460.7	520.2
Duck's Unlimited (6X)	—	—	80.0	59.7
Equus	—	—	—	—
Field & Stream	85.7	79.3	561.6	554.7
Fins & Feathers A	28.4	—	246.9	177.0
Fishing World	—	—	166.5	140.6

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net, except Los Angeles Times Home Magazine and New York Times Magazine.

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June

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
Florida Sportsman	99.2	83.5	756.8	691.6
Flying	41.3	48.8	211.5	272.2
Golf Digest	164.0	124.4	673.5	629.0
Golf Magazine	—	—	—	—
Gun Dog (6X)	—	—	—	—
Guns	40.0	24.0	183.0	130.0
Guns & Ammo	45.3	41.7	284.0	245.2
In-Fisherman (6X)	61.5	68.0	333.5	366.0
Muscle & Fitness	110.0	111.3	648.3	643.3
Outdoor Life	—	—	—	—
Outside	57.4	43.9	293.4	270.7
Petersen's Hunting	40.3	33.6	246.0	208.0
The Runner	30.8	35.2	184.0	218.2
Runner's World (13X)	34.3	43.5	194.8	225.4
Salt Water Sportsman	77.1	94.8	662.4	576.4
Shooting Times	—	—	—	—
Sierra	32.4	38.5	108.9	107.9
Skiing (7X)	—	—	146.2	175.2
Skin Diver	108.2	95.5	570.0	496.5
Shooting Times	32.5	56.2	220.7	204.3
Southern Outdoors	—	—	224.4	179.4
Sport Fishing	35.0	—	105.0	—
Sports Afield	71.2	78.4	460.0	532.5
Tennis	93.6	96.2	442.6	483.0
Waterski (8X)	59.0	56.0	321.0	309.0
Western Outdoors (10X)	29.0	31.3	301.7	288.2
Wildfowl (6X)	—	—	—	—
Windrider (7X)	31.3	36.0	90.6	106.0
Women's Sports & Fitness	18.3	25.3	122.3	99.6
World Tennis	40.3	51.0	294.8	51.0
Total Group	**1,665.7**	**1,634.2**	**13,411.7**	**9,895.1**
% change		**+0.87%**		**+5.6%**

— Photography —

American Photographer	36.2	43.2	218.5	242.5
Petersen's Photographic	32.9	29.2	152.6	165.8
Popular Photography	77.2	82.8	389.4	532.6
Total Group	**146.3**	**155.2**	**760.5**	**940.9**
% change		**-5.7%**		**-19.1%**

— Religious —

Christian Herald (11X)	21.2	24.7	168.1	183.4
Christian Life	25.2	23.8	131.9	154.7
Christianity Today (18X)	24.8	41.5	274.0	376.3
Inside (4X)	71.8	58.8	167.8	142.0
Moody Monthly (11X)	30.2	42.7	267.0	313.5
Today's Christian Woman (6X)	41.2	38.7	96.0	128.4
Total Group	**214.4**	**230.2**	**1,104.8**	**1,298.3**
% change		**-6.8%**		**-14.9%**

— Science/electronic/mechanic —

Discover	23.6	26.3	181.8	191.4
Family Computing	45.5	28.6	249.4	243.5
Home Mechanix	40.1	57.7	395.9	415.3
Info World (52X)	166.0	149.0	733.0	763.0
Omni	56.3	72.9	337.3	345.8
Personal Computing	131.6	155.4	686.3	881.6
Popular Mechanics	66.7	95.8	548.6	594.5
Popular Science	64.5	54.2	492.9	451.2
Science Digest	13.7	20.7	75.6	150.1
Science 86 (10X)	17.6	17.7	107.0	154.2
Scientific American	39.4	42.5	205.0	281.6
Spectrum	67.6	88.9	527.3	636.5
Total Group	**732.6**	**809.7**	**4,540.1**	**5,108.7**
% change		**-9.5%**		**-11.1%**

— Women/fashion/service —

Bride's Magazine (6X) A	302.4	252.5	1,096.8	965.0
Cosmopolitan A	220.1	217.3	1,228.1	1,174.6
Essence	62.6	54.7	483.7	489.9
Family Circle (17X) A	124.5	107.4	874.7	856.2
Family Magazine	—	—	—	—
Glamour	157.6	160.0	1,052.8	1,018.0
Good Housekeeping A	181.0	141.8	986.3	1,007.8
Harper's Bazaar	64.8	80.0	736.2	776.1
Health	35.7	39.9	245.6	235.4
Ladies' Home Journal	117.5	105.3	681.9	647.4
Mademoiselle	107.7	106.3	735.1	722.8
McCall's	88.0	94.9	554.1	550.8
Military Lifestyle (10X)	62.8	36.5	317.7	194.4
Modern Bride (6X)	239.8	241.9	945.1	911.4
Ms	34.1	37.3	238.4	296.5
New Woman	71.5	49.9	426.6	310.4
Parents A	88.5	82.0	531.7	532.7
Redbook	98.6	87.8	564.9	533.1
Self	93.2	91.2	568.9	577.6
Seventeen	102.1	116.0	630.1	698.9
Shape	75.5	65.9	427.8	361.2
Soap Opera Digest (26X)	16.8	32.2	115.1	174.7
Teen Magazine	50.3	46.3	288.5	282.3
True Story A	38.5	45.8	271.3	276.8
Vogue	159.1	161.7	1,410.5	1,459.7
W Magazine	62.0	65.0	601.4	600.3
Weight Watchers	33.3	32.2	202.5	166.6
The Workbasket (10X)	29.7	37.2	208.7	227.4
Working Mother	54.9	71.0	397.4	437.5
Total Group	**2,772.6**	**2,660.0**	**19,481.9**	**16,487.5**
% change		**+4.2%**		**+18.1%**

— Youth —

Boys' Life	15.4	12.8	95.4	93.8
Campus Life (10X)	22.3	38.6	207.5	249.9
Total Group	**37.7**	**51.4**	**302.9**	**343.7**
% change		**-26.6%**		**-11.8%**

May

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985

— Business —

Advantage	67.0	43.0	289.0	247.0
Arizona Bus. Gazette (52X)	29.4	28.5	160.8	140.2
Atlanta Bus. Chronicle (52X)	86.5	51.6	380.6	242.9
Austin Business Journal (52X)	47.3	49.3	236.7	263.3
Baltimore Business Journal	152.0	168.0	756.0	556.0
Barron's (52X)	198.4	174.8	949.7	953.2
Boston Bus. Journal (52X)	156.0	144.1	701.0	676.5
Business Atlanta	55.1	62.3	281.5	296.6
Business First of Buffalo	47.0	64.6	282.7	299.9
Business First of Columbus	92.8	78.9	400.4	359.9
Business Journal/Milwaukee	103.4	101.6	478.8	538.6
Business Journal/Sacramento	44.1	25.4	190.5	164.9
Business North Carolina	49.3	40.2	196.8	163.7
Business Week (52X) A	333.4	435.4	1,535.0	1,813.5
Business West	31.0	28.0	82.0	62.0
Cincinnati Business Courier	93.1	56.8	372.9	288.5
Corporate Report/Kansas City	27.7	42.9	155.1	242.3
Corporate Report/Minnesota	91.0	103.0	405.0	478.0
Crain's Chicago Bus. (52X)	185.0	174.0	797.3	742.0
Crain's Cleveland Bus. (52X)	54.9	88.8	287.5	383.5
Dallas/Ft. Worth Bus. (52X)	54.1	51.5	281.1	250.5
Dun's Business Month	50.1	45.0	225.2	247.2
Financial World (24X)	53.3	27.5	267.8	187.1
Florida Trend (13X)	69.1	68.9	440.2	489.5
Forbes (26X)	251.0	261.6	1,252.2	1,428.6
Fortune (26X)	225.3	230.5	1,045.5	1,328.4
Frequent Flyer	64.2	76.1	297.2	308.9
Futures (13X)	45.4	44.0	230.6	243.0
Georgia Trend	47.9	—	263.8	—
Grand Rapids Bus. Journal	41.7	17.7	159.7	68.2
Hawaii Business	54.3	53.2	222.0	227.0
High Technology	23.1	29.5	94.2	165.2
Houston Bus. Journal (52X)	69.0	86.0	423.5	597.8
Inc. Magazine A	126.1	118.6	431.1	504.6
Income Opportunities	56.5	47.1	260.9	221.8
Industry Week (25X) A	134.2	114.1	455.2	463.8
Indianapolis Bus. Journal (52X)	145.3	113.6	700.6	573.4
Kansas City Bus. Journal	116.7	144.4	588.9	675.9
Manhattan, inc	82.6	50.0	340.1	163.8
Nation's Business A	41.7	30.0	174.3	186.9
New England Bus. (20X) A	93.4	114.4	404.4	452.5
Pacific Bus. News (52X)	118.8	125.0	548.8	523.0
Philadelphia Bus. Journal (52X)	101.4	79.5	543.3	441.4
Pittsburgh Bus. Times (52X)	92.9	91.9	435.2	333.8
Regardie's	123.7	116.5	737.2	659.4
San Jose Bus. Journal	116.0	82.6	476.0	531.3
Savvy	32.2	32.8	146.3	176.1
South Florida Bus. Journal	87.8	77.9	517.0	405.2
St. Louis Bus. Journal (52X)	152.5	155.8	673.6	682.2
Texas Business	44.4	53.5	266.3	334.4
Venture	93.4	102.1	342.7	321.6
Total Group	**4,752.5**	**4,537.9**	**22,184.2**	**22,105.2**
% change		**+4.7%**		**+0.35%**

— National Sunday magazines —

Parade	45.7	52.1	268.5	267.4
USA Weekend (52X)	47.5	49.8	268.0	248.5
Total Group	**93.2**	**101.9**	**536.5**	**515.9**
% change		**-13.1%**		**+2.5%**

— Newspaper Sunday magazines* —

Boston Globe	202.0	204.9	1,015.8	937.2
Chicago Tribune	87.1	105.4	440.0	519.8
Cleveland Plain Dealer	51.3	51.8	238.2	217.5
Columbus Dispatch	41.7	51.8	207.5	223.8
Denver Post-Empire	164.0	192.0	708.0	764.0
Detroit News	76.0	77.0	400.0	358.0
L.A. Times Magazine	62.4	60.1	391.0	334.7
Miami Herald	62.7	33.1	242.4	199.7
New York Times Magazine	338.1	356.2	1,580.6	1,821.2
Philadelphia Inquirer	69.6	54.4	337.9	229.4
San Francisco Image	67.3	56.5	347.8	257.5
Seattle Times	53.0	46.0	251.0	207.0
Toledo Blade Magazine	38.4	54.7	197.8	185.5
Washington Post	129.3	133.6	644.4	563.1
Total Group	**1,462.9**	**1,477.5**	**7,002.4**	**6,818.4**
% change		**-0.98%**		**+2.6%**

— Weeklies/bi-weeklies —

The Advocate (26X)	129.0	87.9	728.6	467.0
Army Times Military Group				
Air Force Times (52X)	174.0	174.0	903.7	763.9
Army Times (52X)	168.9	169.5	808.9	742.7
Navy Times (52X)	189.6	173.6	870.3	816.1
The Blood-Horse (52X)	233.0	256.2	1,856.2	2,103.7
Capper's Weekly (26X)	23.0	19.5	149.9	132.3
Commonweal (22X)	6.8	8.6	43.3	38.1
Grit (52X) A	23.3	12.5	124.6	101.6
National Journal (50X)	69.3	67.3	296.7	272.0
National Review (25X)	30.2	33.6	151.7	116.6
New Republic (48X)	38.8	35.5	172.3	136.2
New York Magazine (50X)	288.0	274.8	1,185.7	1,155.0
New Yorker (52X)	209.7	268.1	986.3	1,221.0
Newsweek (52X) A	196.0	241.8	970.1	1,072.8
People (52X)	386.6	342.1	1,424.2	1,446.0
Rolling Stone (25X)	114.1	94.0	501.7	406.7
Sports Illustrated (52X) A	236.9	242.5	1,119.6	1,114.3
Time (52X) A	225.4	236.5	1,027.3	1,085.4
TV Guide (52X) A	367.5	319.9	1,617.9	1,633.9
TV Update (52X) C	2,601.0	2,066.0	12,219.0	11,071.0
U.S. News &				
World Report	132.4	144.6	621.6	695.1
Total Group	**5,725.5**	**5,268.5**	**33,048.1**	**26,591.4**
% change		**+8.6%**		**+24.2%**

— Foreign —

Business Week Int'l (52X)	153.5	143.5	604.6	585.2
Cosmopolitan Foreign				
Editions				
Australia	62.9	83.3	287.4	270.9
Brazil	54.7	50.0	253.0	168.0
France	157.2	149.2	297.3	528.1
Germany	152.0	128.8	522.5	483.9
Great Britain	121.0	143.0	469.5	515.8
Greece	70.0	50.3	205.0	329.4
Holland	99.0	95.0	300.0	303.3
Italy	102.0	78.3	367.8	276.9
Japan	41,3	46.3	254.7	160.6
Cosmopolitan en Espanol				
Central America	6.3	1.3	14.0	4.0
Colombia	17.0	24.7	38.0	49.0
Mexico	60.5	69.5	146.3	190.8
Peru	—	4.0	—	11.0
Puerto Rico	24.0	26.0	51.7	104.8
U.S. (Spanish language)	38.7	11.7	118.5	81.2
Venezuela	16.3	37.0	55.0	108.2
Good Housekeeping Foreign				
Editions				
Australia	30.9	28.0	131.6	148.7
Great Britain	164.6	140.4	605.0	547.8
Japan	79.0	69.5	309.7	323.1
Buenhogar				
Central America	2.0	2.0	4.0	5.0
Chile	2.0	1.0	6.0	6.0
Colombia	43.2	40.2	127.5	131.7
Mexico	41.0	30.8	129.3	158.0
Peru	11.0	10.0	24.0	34.5
Puerto Rico	9.0	14.0	40.5	39.0
Venezuela	24.0	39.7	102.7	123.7
Geomundo				
Central America	4.0	3.0	17.0	23.5
Chile	4.0	4.0	17.0	25.5
Colombia	8.0	11.5	35.3	40.0
Ecuador	3.0	3.0	13.0	18.0
Mexico	9.0	6.0	25.5	30.0
Peru	2.0	3.0	12.0	25.5
Puerto Rico	3.0	2.0	9.0	19.0
Venezuela	14.0	6.5	50.0	42.5
Hombre De Mundo				
Central America	12.0	3.0	31.0	17.0
Chile	14.0	4.0	30.0	20.0
Ecuador	9.0	3.5	24.0	19.5
Mexico	48.5	11.5	70.5	39.5
Peru	8.0	2.0	19.0	14.0
Puerto Rico	12.0	3.0	25.0	18.0
Venezuela	37.5	20.5	87.5	67.5
Ideas Para Su Hogar				
Colombia	19.5	20.5	44.2	58.5
Ecuador	2.0	5.0	8.0	19.0
Mexico	10.8	15.7	19.8	33.2
Peru	8.0	2.0	12.0	10.0
Puerto Rico	—	2.0	—	5.0
Venezuela	15.8	16.0	44.2	62.5
Mecanica Popular				
Argentina	2.7	1.3	13.3	15.0
Central America	9.5	7.5	44.3	49.8
Chile	3.0	1.3	23.3	17.8
Colombia	17.5	11.2	75.2	55.8
Mexico	10.0	15.7	43.7	57.0
Peru	10.5	8.5	46.8	59.2
Puerto Rico	7.0	8.0	33.8	52.5
Venezuela	11.0	11.3	47.6	58.0
Vanidades Continental				
Central America	20.3	6.5	63.5	29.5
Chile	3.3	3.3	17.7	13.7
Colombia	48.8	66.2	240.0	291.5
Ecuador	15.7	14.7	81.2	94.7
Mexico	68.3	52.7	279.5	306.0
Peru	6.3	8.7	39.7	57.0
Puerto Rico	36.2	31.8	151.0	175.3
U.S.	54.2	44.3	205.0	188.8
Venezuela	28.8	52.8	146.8	227.5
International				
Communications				
African Business	34.8	28.0	142.1	120.6
New African	19.8	11.4	92.8	73.6
The Middle East	8.1	21.4	45.5	90.3
International Management				
Europe	54.5	52.8	216.7	223.7
Middle East	10.5	15.0	46.3	85.2
Johnston International				
Alam Attijarat	41.1	48.2	171.9	230.5
Modern Africa (6X)	24.0	13.2	53.1	36.8
Modern Asia (11X)	32.3	42.0	149.3	145.3
Newsweek International A				
Atlantic (52X)	97.2	114.2	376.6	382.3
Latin America (52X)	35.5	32.2	140.4	114.0
Pacific (52X)	63.0	74.4	260.4	268.4
Progreso (9X)	15.5	11.0	27.2	35.6
Reader's Digest				
Arabic	2.5	6.5	21.0	45.0
Asian	199.0	251.0	1,067.3	902.0
Australian	69.5	58.5	292.9	261.6
Belgian-Flemish	85.3	142.0	324.6	395.5
Belgian-French	36.0	80.0	188.8	283.5
British	46.6	59.6	203.6	228.4
Chinese B	89.0	120.0	460.5	546.5
Danish	35.5	37.8	137.2	165.2
Dutch	38.5	39.8	159.6	214.1
Finnish	55.5	38.8	172.0	197.1
French	25.0	46.3	86.0	250.3
German	70.0	76.3	333.6	350.2
Iberian	2.5	2.5	4.5	31.0
Indian-English	87.0	119.5	452.0	505.0
Indian-Hindi	9.0	14.0	54.0	48.5
Italian	62.0	44.0	200.0	188.5
Korean	29.0	25.6	135.4	121.1
Latin American				
Argentina	14.5	10.0	55.0	85.0
Brazil	—	4.0	14.0	19.0
Central America	4.0	5.5	27.0	37.0
Chile	10.0	8.5	46.5	38.5
Colombia	26.0	23.0	71.0	113.0
Ecuador	4.0	6.5	27.0	36.0
Mexico	68.7	46.3	230.4	176.4
Peru	3.0	4.0	31.0	41.5
Puerto Rico	—	3.0	19.5	23.0
U.P.B.	6.0	4.5	27.0	33.5
U.S. Spanish	11.5	13.5	91.5	43.0
Venezuela	5.0	5.5	37.5	51.5
New Zealand	43.0	59.0	244.0	236.0
Norwegian	11.5	22.0	37.0	101.5
South African	79.5	122.5	334.5	439.0
Swedish	33.0	12.5	88.0	64.5
Swiss-French	25.3	27.0	111.3	125.0
Swiss-German	32.0	38.0	148.0	174.5
Time International				
Time-Asia	74.0	84.5	330.3	375.0
Time-Atlantic	109.8	111.6	458.4	451.0
Time-Canada	213.5	177.4	916.9	821.1
Time-Latin America	50.0	48.2	214.4	173.5
Time-South Pacific	101.1	105.2	372.5	499.8
Visao (52X)	110.6	111.6	665.4	556.7
Vision/Latin America (26X) A	34.3	24.0	114.0	104.1
Total Group	**4,633.8**	**4,714.8**	**18,339.7**	**18,639.6**
% change		**-1.7%**		**-1.6%**

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Monday, June 30, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Saatchi, Omnicom losses mount

An Advertising Age roundup

The newly created mega-agencies lost nearly $200 million in billings last week as RJR Nabisco and Warner-Lambert Co. joined the growing ranks of advertisers that strictly enforce conflict policies.

Saatchi & Saatchi/Ted Bates Worldwide and the three agencies combining to form the proposed Omnicom Group—BBDO International, Doyle Dane Bernbach and Needham Harper Worldwide—have now lost $550 million in accounts since their mergers in April and May *(see chart at right)*.

The moves from Saatchi, Bates and the Omnicom shops clearly indicate advertisers are reasserting authority over their agencies, serving notice they not only are unwilling to bend the rules as much as the agencies had hoped, but will not let old relationships deter them from sticking to their policies.

In last week's display of hard-ball tactics:

- W-L terminated its 30-year relationship with Bates in the U.S., assigning $68 million in drug and gum advertising to Young & Rubicam, New York, and J. Walter Thompson USA, New York. W-L said the decision on whether to remain with Bates overseas would be left up to

(Continued on Page 70)

Megamerger billings scorecard

Reaction to the "Big Bang" mergers that took place in April and May, combined with client consolidations and realignments, have taken a toll on the two newly created mega-agencies. The table below details how those agencies have fared and contrasts their performance with the leading unmerged agency -- Young & Rubicam -- during the same period. All dollar amounts in millions. Source: *Advertising Age*.

Account	Agency	billings
Saatchi & Saatchi/Bates	**Net loss — $255 million**	
Won		**$103 million**
Xerox	Bates	41
RJR Nabisco	DFS	32
Oil of Olay	S&S Worldwide	30
Lost		**$358 million**
Colgate	Bates	100
RJR Nabisco	Esty	96
Warner-Lambert	Bates	68
Michelob	Bates	38
Republic Airlines	DFS	25
P&G (Encaprin)	DFS	19
Almay	S&S Compton	10
Nivea	S&S Worldwide	2
General Foods (Maxim)	Bates	0
Mars (Shaba cat food)	S&S Worldwide	NA
Omnicom	**Net loss — $117 million**	
Won		**$ 88 million**
Apple	BBDO	50
Michelob	Needham	38
Lost		**$205 million**
Needham Harper L.A./Honda	Needham	100
RJR Nabisco	DDB	32
IBM	DDB	30
Stroh	BBDO	20
P&G	Needham	[illegible]
Honda Canada	Needham	[illegible]
Tri-Honda	Needham	6
Young & Rubicam	**Net gain — $254 million**	
Won		**$294 million**
Colgate		55
TWA		55
RJR		50
Eastman Kodak		47
Warner Lambert		30
British Gas		22
G. Heileman Brewing (Old Style)		15
Strida Department Stores (Italy)		10
Toys 'R' Us (London)		10
Lost		**$ 40 million**
P&G/Richardson-Vicks		40

Client splits force shops to pare staff

By BRIAN MORAN

New York—The sluggish national advertising market and a dramatic flurry of client defections—some attributable to megamerger fallout—are prompting units of the major agency networks to trim staff.

Doyle Dane Bernbach this week is expected to make the first in a series of layoffs that could affect up to 200 employes even before DDB's planned combination with BBDO International and Needham Harper Worldwide, to form Omnicom Group, is complete.

Details of the layoffs were being worked out late last week, a DDB spokesman said.

The cuts would come on the heels of the agency's loss of about $32 million in RJR Nabisco billings and the impending departure of $30 million in business from IBM Corp. (AA, June 23). DDB this year also resigned its Kool cigaret business from Brown & Williamson.

The DDB cuts also are an element in the anticipated elimination of redundant positions at DDB and Needham when the completed Omnicom deal creates a combined agency to be known as DDB Needham Worldwide.

Needham says it has made no merger-related cutbacks yet, though the agency has not replaced 16 employes laid off after losing the Xerox account to Ted Bates Advertising here. BBDO says it has made no layoffs.

DFS-Dorland Worldwide, a unit of No. 1 megashop Saatchi & Saatchi, has dismissed close to 100 employes this year. A DFS spokeswoman attributed the reductions to "cutbacks in advertising spending across the board and general economic softening." DFS joined the Saatchi empire earlier this year (AA, March 3).

Last week, merger account fallout saw Ted Bates, another Saatchi shop, lose $68 million in Warner-Lambert business on top of a $100 million Colgate-Palmolive account loss in May. Bates subsidiary William Esty Co. yielded $96 million in RJR Nabisco billings. When SSC&B, an Interpublic Group of Cos. agency, trimmed 40 employes earlier this year, ceo Larry Lamattina cited clients' cautious spending and "flat budgets."

U.S. ad spending so far this year has fallen short of forecasts due to "continued sluggishness in the economy and a much lower than expected inflation rate," according to McCann-Erickson's semi-annual outlook *(see story, Page 6)*.#

Last Minute News

HHCC snares Grand Prix award at Cannes

Cannes—A campaign by Hill, Holliday, Connors, Cosmopulos for John Hancock Financial Services, both Boston, won the Grand Prix here last week at the International Advertising Awards Film Festival, sources said at press time. Two 60-second spots, both directed by Joe Pytka, were entered. In the first, a man discusses financial responsibilities with his younger brother. In the second, a young man talks to his baby daughter about their future. Both spots were written by senior vp-copy supervisor Bill Heater and produced by Mary Ellen Argentieri and Jan Wieringa. Don Easdon was the art director *(see related story on Page 64)*.

Noxell to go national with Clarion

Baltimore—Noxell Corp. in September will introduce Clarion cosmetics nationally following test-marketing (AA, Dec. 9). Noxell will spend $10 million via SSC&B, New York, during November and December, and the budget is expected to hit $20 million in 1987.

Army ad meet draws crowd of agencies

Fort Sheridan, Ill.—The U.S. Army's fiscal 1987 ad budget should rise 16% to $110 million, Army officials said last week, sweetening the pot for

(Continued on Page 8)

'Cosby' smashes upfront records

By VERNE GAY

New York—"The Cosby Show" has broken all network series pricing records by commanding $350,000 to $400,000 for 30 seconds in the 1986-87 network upfront market, up more than 40% per spot over last season's rates.

"Cosby" now becomes the highest-price series ever, with a per-unit cost second only to the last two Super Bowls. Next season the show should deliver to NBC at least $1 million per episode more than last season, when its price almost tripled to $247,000 per :30.

The "Cosby" figures were only the cream of the good news last week at NBC, whose control of the network tv upfront market is even greater than last year.

The No. 1 rated network is expected to close $1.3 billion in upfront business, much of it by July 4, the traditional starting date for upfront deal-making. NBC's total upfront sales would be 30% higher than last year.

That would leave CBS and ABC slugging it out for the remaining $900 million to $1.1 billion expected to be spent upfront this year—or about 41% less than the two networks split last year.

Total upfront spending this year is expected to be $2.2 billion, according to ad agencies, down 12% from last year. However, ABC expects upfront to total $2.45 billion this year, down 4% from last year.

The situation could force ABC and CBS to cut back pricing, though both networks are still trying to tag onto the NBC juggernaut.

No network has ever lowered prime time cost-per-thousand prices from the previous year. But all three networks this year dropped prices about 10% for 1986-87 daytime upfront buys.

NBC, which went into the mar-

(Continued on Page 72)

The biggest story for U.S. media companies in 1985 carries some now-familiar themes: Mergers, acquisitions and divestitures.

Beginning on Page S-1, Advertising Age *profiles the Top 100 U.S. media companies, ranks them in order of their 1985 revenues and lists in detail their wide range of activities.*

NEWSPAPER

CONGELI AA 862699 99 82A
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WASHINGTON DC 20014

HIGHLIGHTS

Merger fallout prompts layoffs 1

The sluggish national advertising market and a dramatic flurry of client defections—some attributable to megamerger fallout—are prompting units of the major agency networks to trim staff. Doyle Dane Bernbach this week is expected to make the first in a series of layoffs that could affect up to 200 employes.

"Cosby" hits jackpot 1

"The Cosby Show" has broken all network series pricing records by commanding $350,000 to $400,000 for 30 seconds in the 1986-87 network upfront market, up more than 40% per spot over last season's rates.

BA books a winner 3

British Airways bookings have rebounded dramatically in the month following the debut of its "Go for it" U.S. promotion and contests. Net bookings are now coming in at a rate of 64,000 a week. In contrast, bookings plunged to a net loss of 27,000 in the week following the April 14 U.S. raid on Libya.

P&G tries whitener 4

While most of the new-product activity in the $1 billion dentifrice category centers on plaque and tartar-control toothpastes, Procter & Gamble is promoting its restaged Gleem as a teeth whitener. P&G has repackaged Gleem in a metallic-gold box with bright blue-and-orange lettering that now is being shipped to retail outlets. P&G hopes that will steal some of the thunder from Colgate-Palmolive Co.'s expected introduction this summer of a tartar-control formula.

Ad spending slow here 6

U.S. ad spending is faring a bit worse than had been predicted last year, but overseas ad spending is doing considerably better. "Continued sluggishness in the U.S. economy and a much lower than expected inflation rate" led Robert Coen, senior vp-director of forecasting at McCann-Erickson, New York, to paint a bit more pessimistic picture for U.S. spending.

History in the making 24

First, there was the U.S. Bicentennial in 1976, then the upcoming Statue of Liberty centennial. Next up, and the subject of marketing and media plans, is 1987's 200th anniversary of the U.S. Constitution. The Big 3 tv networks are among the first to jump on this next big event in U.S. history, and several other broadcasters and syndicators are boarding the bandwagon, too.

Honda simply makes it 58

American Honda Motor Co. expects its North American car sales to soar to 1 million units by 1990, but that's not all it expects. Honda's automotive car plans for the U.S. and Canada have many cards yet to be played. Among them: Rolling out the new upscale Acura division; broadening Acura's model lineup, and turning subsidiary Honda of America Manufacturing's local-assembly toehold into a complete manufacturing operation.

Edler in charge 60

When Richard Edler, former local chief of Doyle Dane Bernbach, takes over at McCann-Erickson in Los Angeles July 7, he'll inherit a shop with sagging morale, sliding profits and the distractions of a managerial merry-go-round. Known as a conciliator and low-key manager, Mr. Edler seems undaunted.

B/PAA gets creative message 69

Business-to-business advertisers attending the Business/Professional Advertising Assn.'s 64th annual conference were urged to embrace strong creative concepts to make product advertising stand out. "Good ads are directly related to a good concept, not to company logos, tag lines or design of the ad itself," said Don Just, president of Martin Agency, Richmond, Va.

BASICS

Producing production 41

Spiraling tv production costs continue to be one of the advertising industry's most aggravating problems. This month, Basics looks at how production companies work with agencies to control costs; spends a day on the set with Toronto-based Dalton/Fenske & Friends to film a tv spot for the Illinois Office of Tourism, and examines Joe Sedelmaier's creative approach to the GMAC ads.

INTERNATIONAL

Wight makes right 46

Wight Collins Rutherford Scott is now fast-growing and ambitious enough to be compared, following the U.S. acquisition of HBM/Creamer announced June 11, with the early days of Saatchi & Saatchi. But such comparisons are misleading because WCRS says it is more concerned with a reputation for quality than with ultimate size.

Levine goes abroad 46

Levine, Huntley, Schmidt & Beaver is looking for a European partner and will begin by courting France's No. 1 and No. 2 agencies—Publicis International and Belier. The agency also is looking for a link in the U.K.

OTHER NEWS

Two major marketing and media research subsidiaries of Time Inc. and Control Data Corp. plan to launch a new commercial monitoring service that will compete with the established service of Broadcast Advertiser Reports and with a proposed service from A.C. Nielsen Co. The service, named MediaWatch, will track commercial activity in the top 75 markets 365 days a year, starting early in 1987. Page 4.

As Chief Justice of the U.S., William Rehnquist would bring with him an antipathy toward advertising that Warren Burger reserved only for advertising by lawyers. Justice Rehnquist, the Supreme Court's strongest opponent of efforts to extend First Amendment protection to commercial speech, has a broad and deep distaste for advertising, a review of his voting record shows. Page 12.

Barely a month before the Statue of Liberty centennial weekend celebration, tie-in products have begun hitting the skids at closeout stores in New York. Page 24.

Texize this year will spend almost $2 million on tv and newspaper advertising to raise funds for the missing-children program at the National Crime Prevention Council. The Dow Consumer Products division credits a similar promotion last year with sparking big sales gains for its products. Page 34.

ISC Wines of California has halved its ad budget and cut its executive staff by 25% as the company suffers through an industrywide slump. ISC has let go seven middle-level managers, including its vp-marketing, as part of a merger with ERLY Industries, a bulk wine processor. Page 58.

Regardie's, the Washington-based business magazine, took five first-place awards and tied for a sixth last week in the magazine category of the Assn. of Area Business Publications' sixth annual editorial awards. Page 58.

John Walsh, new president of Warner-Lambert's American Chicle division, is a financial man who, observers say, is charged with improving the profit margin of a division that has seen little growth in the 1980s. Page 60.

Christopher McNaughton, president of Kellogg Co.'s U.S. food products division and corporate senior vp, has resigned in the wake of a reorganization that combines Kellogg's domestic and Canadian consumer food operations into a new division called Kellogg Co. North America. Page 60.

CAMPAIGNS BREAKING

McDonald's Corp., Oak Brook, Ill., this week breaks its minicampaign promoting speed-of-service. Network tv spots, themed "You get it hot, you get it fast," feature sports commentator John Madden (AA, June 2). Leo Burnett USA, Chicago, handles.

REGULAR FEATURES

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'Times' ' are a' changin' hands

An Advertising Age roundup

The anticipated sales of two major U.S. dailies appear to prove that even newspapers on the losing end of competitive battles can command hefty prices.

At press time, an announcement was imminent on *Chicago Sun-Times* publisher Robert Page's plan to buy the No. 2 Chicago daily in a leveraged buyout from Rupert Murdoch's News America Corp. for $130 million. At the same time, William Dean Singleton and Richard Scudder were poised to buy the *Dallas Times Herald* from the Times Mirror Co. for $110 million.

The *Sun-Times* deal includes riverfront real estate in downtown Chicago. Mr. Murdoch paid $100 million to Field Enterprises for

(Continued on Page 68)

TBS eyes cable net purchase

By VERNE GAY and JUDANN DAGNOLI

NEW YORK—Turner Broadcasting System reportedly is preparing a bid for Time Inc.'s one-third ownership of USA Network in order to turn the cable system into the much ballyhooed "superbasic cable service" featuring all original programing.

Although Time Inc. spokesmen confirmed that the company has "held discussions" with the Atlanta-based TBS, they denied that TBS has made an offer or that Time Inc. is seeking to sell its interest in USA Network. Time Inc. reportedly has been looking for several months to sell its stake

(Continued on Page 68)

West Coast news

MGM, UA look hard at WRG

The reorganization of **United Artists** and **MGM** following their repurchase by financier Kirk Kerkorian may set Wells, Rich, Greene, Los Angeles, up to lose half or all of the studio's current $25 million in billings. A UA spokesperson said MGM and UA executives are evaluating all operations as part of a plan to rejoin the two companies. UA chairman-ceo Lee Rich said last week MGM and UA, which now market their films through the combined UA/MGM

(Continued on Page 70)

Gleem's in P&G's eye

By LAURIE FREEMAN

While most of the new-product activity in the $1 billion dentifrice category centers on plaque and tartar-control toothpastes, Procter & Gamble is promoting its restaged Gleem as a teeth whitener.

Cincinnati-based P&G has repackaged Gleem in a metallic-gold box with bright blue and orange lettering that now is being shipped to retail outlets. New network tv advertising from Leo Burnett USA, Chicago, breaks in August (AA, June 23). P&G hopes that will steal some of the thunder from Colgate-Palmolive Co.'s expected introduction this summer of a tartar-control formula of its Colgate brand.

Although the estimated $7 million P&G will spend on Gleem ads pales in comparison to its estimated $35 million-to-$50 million budget for Crest Tartar-Control Formula, P&G is confident the campaign will "reaffirm Gleem's whitening superiority," said a spokeswoman.

Among whitener brands, Gleem, with a 2% share, competes with Lever Bros.' Close-up, which holds a 7% share, and Colgate's Ultra Brite, which hovers between a 1% and 2% market share. J. Walter Thompson USA, New York, is the Close-up agency; Foote, Cone & Belding, New York, handles Ultra Brite.

Powered by Crest Tartar-Control and Colgate's Dentagard, a $250 million plaque/tartar segment has been squeezed out of the $1 billion category. The new segment also includes Chaska, Minn.-based Minnetonka's Check-Up; Plax, a prebrushing rinse in the midst of an $8 million national introduction by Oral Research Laboratories, New York, and Fort Collins, Colo.-based Vipont Laboratories' Viadent toothpaste and mouth rinse.

Crest Tartar-Control leads the segment with an estimated 14.5% share, while the over-all brand has a 37.5% share.

Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis, is the Check-Up agency; Ally Gargano/MCA, New York, handles Plax, and McCaffery & Ratner, New York, is Viadent's agency.#

ADWATCH

Surf aims at Tide's turf

Lever brand boosts awareness

By JULIE FRANZ

Procter & Gamble's Tide should be wary: Surf's up.

Surf, Lever Bros.' new laundry detergent, sneaked into the second position for share of advertising awareness among laundry products with 4.1% in ADVERTISING AGE's May adWatch survey.

Surf had been No. 9 in April when 1.8% of consumers surveyed named that brand's advertising first.

Surf's campaign, from Ogilvy & Mather, New York, touts the product's ability to remove not only dirt but odors from clothes. Saying it provides "two kinds of clean," ads call Surf "the new detergent that removes the dirt you can see and the dirt you smell."

Lever said research conducted before the Surf introduction showed that one-third of consumers complained that their current detergent didn't fully remove odors (AA, Oct. 25, '84).

The adWatch survey measures share of first mentions for advertising of different brands in various product categories. Although a change of 2.8 percentage points or more is considered statistically significant—and Surf was up only 2.3 points—its score is still an amazing feat because it has just begun moving into national distribution. Most of Surf's advertising awareness comes from just one of the four regions adWatch tallies.

Introducing SURF: The new detergent that removes the dirt you see and the dirt you smell.
Surf
New Surf removes dirt and odors for two kinds of clean.

Advertising for Lever Bros.' Surf laundry detergent shot into second place in top-of-mind awareness among consumers surveyed in ADVERTISING AGE's monthly adWatch survey.

Surf grabbed half its score from the South Central region, where advertising first broke in test markets last November. Ads for Surf were named first in May by 6.6% of the consumers in that region, while P&G's Tide was named first by 26% of consumers surveyed.

Consumers in the West also began naming ads for Surf more often, with 9% to Tide's 23% of first mentions.

Tide, with its proliferating line extensions and ad themes, far and away remains the leader in top-of-mind advertising awareness in the laundry products category with 26.1% of first mentions in May. That score was unchanged from Tide's April showing. Saatchi & Saatchi Compton, New York, handles Tide.

Lever Bros.' All moved into the No. 3 spot with 3.8% of first mentions, P&G's Cheer was fourth with 2.9% and P&G's Era was fifth with 2.6% of first mentions.

AdWatch is a joint project of AD AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projectable sample of consumers to name ads, in a variety of categories, that first come to mind from all seen, heard or read in the previous

(Continued on Page 69)

New competitor for BAR, Nielsen

Service to scan commercials

By VERNE GAY

NEW YORK—Two major marketing and media research subsidiaries of Time Inc. and Control Data Corp. plan to launch a new commercial monitoring service that will compete with the established service of Broadcast Advertiser Reports and with a proposed service from A.C. Nielsen Co.

The service, named MediaWatch, will track commercial activity in the top 75 markets 365 days a year, starting early in 1987. Cost details were not released.

MediaWatch will provide information about commercial daypart placement, budget levels, unit costs and whether specific commercials represented new products, the participants said. Also, MediaWatch plans to track how commercials actually affected product movement.

ScanAmerica, the joint venture between Control Data's Arbitron Ratings Co. unit and Time Inc.'s Selling Areas-Marketing Inc., will operate the service.

"MediaWatch is superior to any previous monitoring service as it will deliver more data that clearly are more precise, more timely and more flexible," said SAMI president Carlyle Daniel.

Like Nielsen's proposed Monitor-Plus service, which is also scheduled to start next year, MediaWatch will use a pattern recognition system. After a spot runs, a computer establishes a specific identification pattern for the specific ad. The next time the commercial runs, the computer "recognizes" and records it.

BAR, which has virtually monopolized commercial monitoring for years, immediately lashed the new service. "SAMI and Arbitron join a list of 10 companies that have come around in as many years. . .[These] companies have given up," said BAR president Jerry Grady. BAR relies on a manual method of recording commercial plays.

Separately, ScanAmerica said that in 1988 it would begin a national "single-source" measurement service.

"Single-source" relates product-purchase patterns with tv viewership patterns. Since 1985, ScanAmerica has collected such data on a limited basis in Denver.

ScanAmerica has used a peoplemeter device resembling the apparatus proposed by Nielsen and Audits of Great Britain. The national service will start with a sample of 5,000 households.

Some preliminary results from the Denver test revealed that, contrary to data released by Nielsen and AGB, viewing levels do not drop when a people meter replaces a diary.

Results from the ScanAmerica panel in Denver showed that households using tv are 17.1% higher when measured by a people meter than with a diary. Network affiliate ratings also were 2% higher.

With the exception of teens ages 12 to 17, the ScanAmerica people meter reported higher viewing levels than the diary in all major viewing levels.

The company attributed its results, in part, to differing "prompting" techniques between Nielsen, AGB and ScanAmerica. Nielsen and AGB have a red light on their meter boxes to remind viewers to record viewing choices; ScanAmerica's system flashes a question mark on the tv screen every 15 minutes.#

U.S. NewsWatch

Marketing news from regional centers across the country

D'Arcy names Joey Reiman's successor

ATLANTA—D'Arcy Masius Benton & Bowles has promoted B.A. Albert to senior vp-creative director from vp-group creative director, replacing Joey Reiman, who left in April (AA, March 24).

HOUSTON—**Houston Cellular Telephone Co.** intensifies its battle against GTE Mobilnet for subscribers with a radio, print and outdoor campaign themed "Clearly the best," via Fogarty & Klein.

MILLBRAE, CAL.—**U.S. Venture Partners** will open Home Express in August in Freemont. The new discount chain will sell china, home electronics and linens. Marketing Inc., Oakland, handles.

MINNEAPOLIS—**Ruhr/Paragon** June 27 purchased Roy Wallace & Associates. The independent pr shop will be renamed.

DALLAS—**Pearle Health Services'** Pearl Dental Centers this month expands its tv campaign to Milwaukee to promote its newest center. Foote, Cone & Belding, Chicago, handles.

SAN PEDRO, CAL.—**Danica of Scandinavia**, a national furniture marketer, will test in July its first direct-marketing, magazine and

(Continued on Page 52)

HOW WOULD YOU LIKE TO HAVE ADVERTISING THAT'S AS GOOD AS FRAM'S?

"You can pay me now, or pay me later"

15 years ago, we created the campaign that swiftly made Fram the number-one oil filter among do-it-yourselfers.

Now, the clever creative people who came up with "Pay me now, or pay me later" are available to do the same thing for you.

If you have an oil filter, spark plug, oil, fan belt, battery, or any other automotive aftermarket product that could use a boost, call Jim Symon at 212-505-0688.

And do it now.

After all, a chance like this only comes along once every 15 years.

SYMON & HILLIARD, INC.
48 East 21st Street, New York, NY 10010

Coen sees U.S. ad spending slowdown

Cuts '86 growth outlook to 7.6%

By STEWART ALTER

NEW YORK—U.S. ad spending is faring a bit worse than had been predicted last year, but overseas ad spending is doing considerably better.

"Continued sluggishness in the U.S. economy and a much lower than expected inflation rate" led Robert Coen, senior vp-director of forecasting at McCann-Erickson, to paint a bit more pessimistic picture for U.S. spending, particularly national advertising.

Ad watchers can expect a small improvement in U.S. spending in 1987, however, while increases in international spending will slow down.

Speaking June 25 at his semi-annual Advertising/Media Outlook Seminar here, Mr. Coen, who last December had predicted 8% growth in total U.S. ad spending for 1986, lowered that to 7.6%, projecting a total expenditure of $101.9 billion.

Six months ago, he had forecast national advertising to be up 7.7%, but has now dropped that to 7% for a total of $57.1 billion. And local advertising, which he previously said would be up 8.5%, is now going to be up only 8.2% to $44.8 billion, he said.

While the McCann executive lowered his U.S. spending projections, he said that the 7.6% growth rate still was outpacing the growth of the economy and that it compares "favorably with most nominal GNP estimates that cluster around 5.5%."

In contrast, the overseas advertising picture needs no qualifiers. Mr. Coen expects overseas ad spending to rise 26.7% to $78.3 billion in 1986. And he predicted that worldwide ad expenditures in dollars would rise 15.1% to $180 billion. That's well ahead of his projection in December that the worldwide total would be up 8.2% to $172.6 billion.

But some of that overseas advertising growth comes from favorable exchange rates for the U.S. dollar.

"Ad spending in local currencies has been growing at a rate starting to approach double-digit levels in many countries and, when converted to dollars, a number of overseas ad budgets are showing gains of 25% to 35% over 1985 levels," he said.

Mr. Coen also made his first projections for 1987: U.S. spending will increase 8% to $110 billion, overseas spending will rise 15% to $90 billion and total worldwide spending will increase 11.1% to $200 billion.

That's still below the 8.3% gain

(Continued on Page 69)

The outlook for 1986

	Change over '85 (%)	Millions of dollars
Magazines	+ 5.0	5,410
Newspapers	+ 4.5	3,500
National Tv	+ 4.0	8,615
Spot Tv	+ 8.0	6,485
Cable Tv	+13.0	720
Radio	+ 7.5	1,830
Direct Mail	+10.0	17,050
Other National	+ 6.1	13,500
Total National	+ 7.0	57,110
Total Local	+ 8.2	44,800
Grand Total	+ 7.6	101,910

Source: Robert Coen, McCann-Erickson

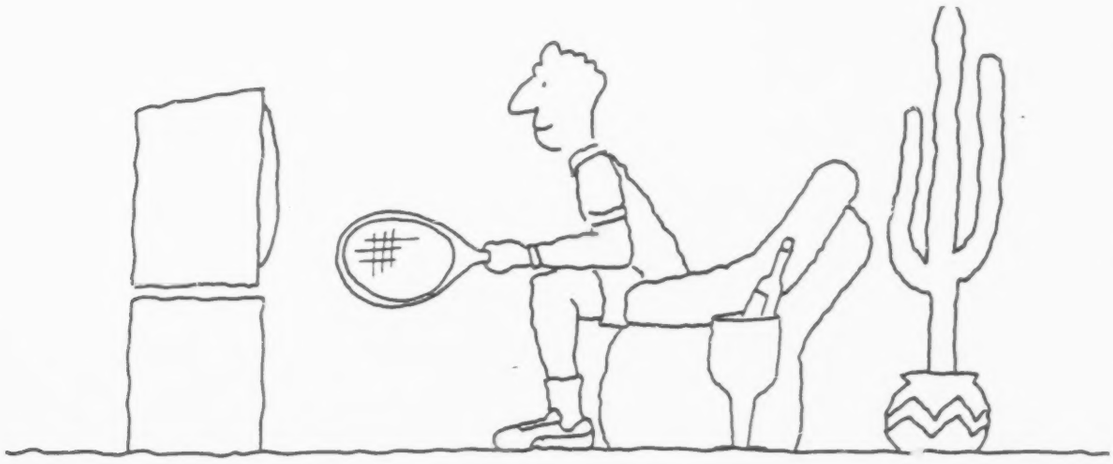
CORRECTIONS & CLARIFICATIONS

- The chart listing advertiser share projections for 1986-87 network prime time programs (AA, June 16, P. 4) should have listed a 28 share for the NBC "Monday Night at the Movies."
- Frankenberry, Laughlin & Constable, Milwaukee, won seven Addy awards at the recent American Advertising Federation convention in Chicago, while Hal Riney & Partners, San Francisco, won six. The numbers of awards for the two agencies were misstated earlier (AA, June 16, P. 22).
- J. Walter Thompson Co. has a nonequity affiliation with Nara Advertising, in Seoul, Korea, and not a "former" affiliation (AA, June 2, P. 3).
- In a photo caption (AA, June 23, P. 84), the number of stores in the Zales Jewelers chain should have been 760.
- Dalton/Fenske & Friends was misspelled on P. 41 of this issue.#

Pageant seeks new owner

NEW MILFORD, N.J.—"Miss American Teen-Ager Pageant," a 26-year-old property, is being put up for sale by Sol Abrams Associates here.

Apart from a late-night ABC-TV telecast in the 1970s, the annual pageant has been barter-syndicated to stations.#



Free. The facts on cable viewers.

Today's marketers are looking for more effective media buys. If you're considering cable, NDL has actionable facts for you.

Did you know that cable viewers are 85% more likely to have children under two years of age? You probably guessed they're strong in VCR ownership, but are they fitness enthusiasts? Or personal computer users? Are they blue collar or management?

We're offering you our national profile of cable viewers, free of charge, as our way of introducing you to NDL's 25-million-name consumer database, *The Lifestyle Census*™. It represents nearly one-third of all U.S. households, specifying fifty lifestyle and ten demographic characteristics for each household. It includes millions of cable viewers. And millions of skiers, photographers and stock-and-bond investors.

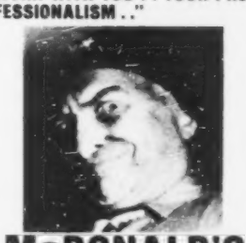
So whether you're interested in the facts about cable, on a market-by-market basis, or any combination of sixty demographic/lifestyle variables, we have the answers. Call Jeff Hastings today for your free cable viewer profile. And find out what *The Lifestyle Census*™ can do for you. Offer expires July 31, 1986.

THE LIFESTYLE CENSUS

National Demographics & Lifestyles / 1621 Eighteenth Street, Denver, Colorado 80202 / Phone 303-292-5000
Denver • New York • London

WILL JORDAN AS GENERAL PATTON

"YOU BROUGHT PATTON BACK TO LIFE! WHAT A GREAT PERFORMANCE! AN EXCELLENT CHARACTERIZATION . . . YOU TOOK COMMAND . . A PLEASURE TO WORK WITH YOU . . YOUR PROFESSIONALISM . ."



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McD.L.T. MANAGERS RALLY
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June 30, 1986

Advertising Age

100 LEADING MEDIA COMPANIES

1986 EDITION

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Media feast fuels growth

By R. CRAIG ENDICOTT

The top 100 media companies as measured by the Leading Media Companies Report of Advertising Age went to dinner in 1985 and ate each other, and if they didn't outright cannibalize the other, they picked away at the pieces.

Thirteen companies in this sixth annual report, in which media companies are ranked on the basis of their revenues from media, are either absent or newly named from the previous year, including No. 1, Capital Cities/ABC. Of the 10 new entries this year, half rose to new revenue highs through acquisition.

The business climate has been ripe for such aggressiveness: Stock typically has been undervalued, attracting megadeals with megabucks; a depressed economy has some media companies electing to take the big buyout; maintaining growth in a tight economy is difficult from within, so acquisition becomes a major recourse. Growth is needed to generate cash flow to retire the debt incurred in the buyout.

In all, among the top 100, there were 95 print transactions involving 142 properties and 113 electronic (tv, radio, cable) transactions encompassing 155 properties. The one check that has humbled the industry from calendar 1985 through the first quarter of 1986—the period covered in this report—has been a poor business climate reflected in the minimal circulation increases, at best, in the major newspapers, a virtual across-the-board decline in magazine ad pages and an abstinence from network tv of national advertisers.

This business climate is forcing media companies to become more aggressive on the sales side. The method of operation of media marketers is changing dramatically: Magazines are cutting their rate bases, launching editions to target just the cream of their subscribers and offering free pages with sizable upfront buys; cable companies are selling videocassette recorders that tape other channels as viewers watch the cable movie; the tv networks in 1985 began offering stand-alone 15-second commercials to "price-in" advertisers formerly priced-out.

Growth among the companies, too, has been affected by government regulations prohibiting crossownership of media in the same market, because acquisitive companies must spin off newly bought media units that duplicate existing properties. Growth also has come as a result of creative responses to encroachment from new forms of competition such as vcrs.

The No. 1 media company again was ABC, although it was bought out by the 16th largest company in the 1985 report, Capital Cities Communications, to become Cap Cities/ABC. The merger percolated throughout the 100 as eight companies bought up properties cast off—primarily because of FCC cross-ownership rules. The merger signaled that all media companies were vulnerable to takeover artists.

A major beneficiary of the deal was the No. 15 Washington Post Co., which expanded into cable for the first time through the acquisition of the entire 375,000-subscriber Cap Cities Cable operation.

And a major tv network to rival the Big Three was created out of Metromedia, No. 28 in the 1985 report, which dropped from the list. Rupert Murdoch's News America Publishing, No. 21, purchased Metromedia's independent tv stations and assembled them into Fox Broadcasting Co., covering 21% of households in the nation. Additionally, 18 affiliates have flocked to Fox, a showcase for the film library of Twentieth Century-Fox, which Mr. Murdoch also bought.

The News America purchase required the sale of Metromedia's WCVB-TV in Boston, purchased by Hearst Corp., and is forcing Mr. Murdoch to sell the *New York Post* and the *Chicago Sun-Times*—papers located in cities served by the former Metromedia stations. It was Metromedia's sale of Foster & Kleiser, the outdoor advertising company, to Patrick Media Group that vaulted this fledgling Scranton, Pa., company to No. 52 on the chart.

Rocky Mountain News plants an asterisk on *Denver Post* ABC publishers statements it finds suspect.

Gannett Co., No. 6, got what it went after in taking over the Evening News Assn., the 40th largest media company in 1984, and the *Courier-Journal* and *Louisville Times*, the jewels of the 85th largest media company in 1985, the Courier-Journal & Louisville Times Co. Gannett, with a paper seemingly in every port, spun off much of the broadcasting in both deals, with No. 10 Knight-Ridder taking the Evening News tv units and No. 57 Providence Journal Co. getting the C-J&LT's WHAS-TV in Louisville.

The largest newspaper deal to date occurred in May, 1986, when No. 5, Times Mirror Co., bought No. 49 A.S. Abell Co., owner of Baltimore's Sunpapers.

The purchase came the day after Baltimore lost its other newspaper, the *News American*, a failing daily closed by Hearst Corp. Only one other market could vie with Baltimore in the media trauma category—Orlando, Fla., where the three network tv affiliates were sold in 1985. H&C Communications, No. 95, now owns WESH-TV (NBC), Cox Enterprises operates WFTV (ABC), and First Media Corp. of Potomac, Md., owns WCPX-TV (CBS).

The other 1985 entries did not return to the 1986 chart because of buyout activity within the chart itself: Metromedia was pieced out; Storer Communications went to No. 19 Kohlberg Kravis Roberts & Co.; Cox Communications was bought by sister company, No. 13 Cox Enterprises; American Express Co. was bought out by its partner in Warner Amex Cable, No. 35 Warner Communications. Family Media lost its big revenue generator, *Ladies' Home Journal*, to No. 32 Meredith Corp.; SFN Cos. sold WFTV, its major tv station in Orlando, to Cox Enterprises, and MTV Networks was swallowed by No. 29 Viacom International.

The buyouts have sent corporate directors scurrying for cover under an antitakeover umbrella bearing a litany of measures—all stockholders must get the same deal if a buyout should occur; additional stock is issued to dilute holdings of greenmailers and raise the value of the stock; the number of directors and the percentage required for approval of a buyout is increased, the big stock accumulators are bought off, and valuable media subsidiaries are even sold to add stability to undervalued stock—a sure sign of a pending corporate takeover.

The latter measure resulted in the divestiture by Westinghouse Corp. of Group W Cable. Despite the fact that Group W contributed handsomely to Westinghouse's 95% growth in operating income in 1985, Westinghouse sold it to a consortium led by No. 22 Tele-Communications Inc. and No. 3 Time Inc. (American Television & Communications Corp.) for $2.1 billion, using the proceeds to buy back 25 million of its shares outstanding. This will put more stock under the company's direct control and prop up its perceived value.

The private companies, which might not appear vulnerable to corporate vultures, were not free of takeover attempts. The Courier-Journal & Louisville Times Co. broke up when Bingham family members began squabbling over the direction of the company. Dissident family shareholders of the closely held No. 42 Pulitzer Publishing Co. were enticed by an offer for their stock from a nonfamily member. But a counteroffer from the entrenched side of the family actually running the company apparently has won out. Heirs of R.C. Hoiles are battling for control or dissolution of Freedom Newspapers, No. 37.

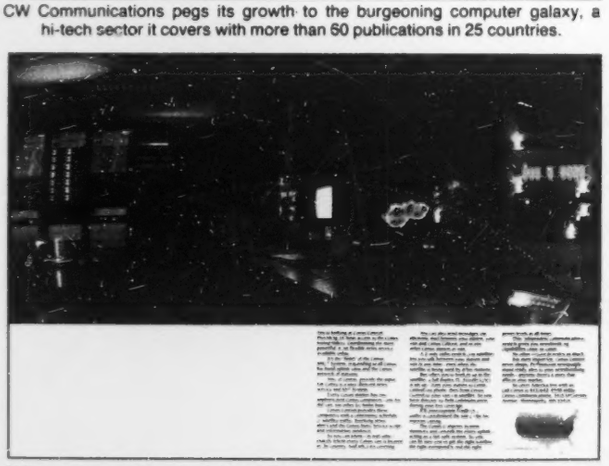
The bottom lines of these defenders-of-the-takeover suffered under the added financial burden often involved in mounting defensive tactics. Multimedia, No. 33, recapitalized by borrowing $625 million and issuing $480 million in debentures as its solution to putting off Jack Kent Cooke, Wesray Capital Corp. and Lorimar Productions (now Lorimar-Telepictures), all of which made bids for the company. Currency used by Affiliated, No. 31, in buying back 727,000 shares and paying for acquisitions in cellular telephones, will be proceeds from the sale this year of its nine radio stations, a divestiture of an entire media division.

Aside from the impact on earnings of the debt from buyouts, media companies labored under pressures caused by a weak economy in most parts of the country. Media operating in Houston found out what happens when the oil and real estate industries, the city's economic mainstays, go bust. No. 58 Houston Chronicle Publishing Co. and No. 45 Maclean Hunter Ltd., operators of the *Houston Chronicle* and *Houston Post*, respectively, reported negligible economic movement as did the radio division of No. 70 LIN Broadcasting (KILT am, fm) and the tv side of No. 27 A.H. Belo Corp. (KHOU).

The networks particularly suffered in the national economic slowdown.

Naegele Outdoor helped Morris Communications, its new parent as of midyear, 1985, make a bigger splash on Advertising Age's top 100 media companies chart.

CW Communications pegs its growth to the burgeoning computer galaxy, a hi-tech sector it covers with more than 60 publications in 25 countries.



Aiding news coverage is Hubbard Broadcasting's Conus Control, the conduit between specially equipped news vans, satellites and Conus network stations.

Reader's Digest Assn.'s anti-alcohol poster commissioned by Fallon McElligott went out to 16,000 high schools.

Aggregate revenues of $8.31 billion from the three networks in 1985 was down 3% from the previous year, the first such drop since 1971 when cigaret advertising was taken off the air.

The CBS Broadcast Group's operating profit dropped 12% on a 2% decline in revenues. ABC's net income fell 19% on a 10% decline in revenues—the year-to-year movement particularly affected by strong gains from the Olympics in 1984.

Only NBC showed strength, its operating income rose 53.8% on a 12% growth in revenues—results that came largely because of its strong programming that overtook CBS in prime-time ratings. It also has remained relatively strong during the prolonged sales drought that has continued into the first and second quarters of this year.

The networks have opted for the 15-second stand-alone commercial quicker than expected because of the economy. Further pressure for the tv ad dollar will come from the big "subnets"—News America's Fox Broadcasting Co., covering an estimated 21% of U.S. households through its owned and operated independent stations and not including 18 recently signed affiliates, and No. 9 Tribune Co., covering 18.6% of U.S. households.

The financial performance of the magazine sector at the New York Times Co. was typical of the magazine business in 1985. Its magazine sector suffered from a softness in national advertising and an industrywide falloff in single-copy and some subscription sales. The group posted a 2.5% decline in ad pages from 1984 and a 3.1% circulation decline. Higher rates helped push up revenues and operating income, however.

New York Times Magazine led all magazines in ad pages with 4,360, yet that was down 7.5% from the previous year, causing a decline of 1.3% in revenue from that publication. In the aggregate, ad revenues in the magazine industry in 1985 rose just 4% over-all.

Hearst Corp.'s *Good Housekeeping* led the women's service pack with 2,032 ad pages, but registered only a 1% gain in pages. Ad pages were off 0.9% at *Redbook*, 6.9% at *Woman's Day*, 9.1% at *Better Homes & Gardens* and 3.1% at *McCall's* during 1985, according to Publishers Information Bureau. *BH&G* and *Redbook* were the only women's service publications to gain in single-copy sales—by 12.1% and 20.1%—for the monitoring period through mid-1985.

Diversification, new editions geared to a segmented portion of subscribers, rate base cutting and discounting of the rate card have captured the industry during this period.

McGraw-Hill, No. 16, which registered a 2.2% increase in net income and 6.4% growth in revenue, rapidly is diversifying into electronic publishing, a sector already rewarding No. 8 Dun & Bradstreet, which had a 22.9% increase in media revenues.

McCall's cut its rate base from 6.2 million to 5 million, reducing its ad rates by 13.6% in 1985 to keep pace in the highly competitive women's service sector, which in addition to the economy has felt the brunt of a refocusing of several R.J. Reynolds cigaret brands. *National Geographic* dropped its rate base to 8.2 million from 8.4 million and raised its color page rate by 6.4% in late 1985, a year in which the publication had an 0.2% increase in ad pages. The publication, which edged its rate base back up to 8.25 million in 1986, has lost its vitality.

In the men's entertainment segment, both *Playboy* from Playboy Enterprises, No. 65, and *Penthouse* and *Forum* from Penthouse International, No. 78, have been reeling under publicity from the Justice Department's commission on pornography and its influence on convenience store companies, including Southland Corp., some of which have banned the sale of the publications. Both publishers have sued the Justice Department.

Meanwhile, *Playboy* lost 4.9% in newsstand sales in 1985 as its ad pages dropped 2.6% on a growth of 5% in revenue. In the first six months of 1986, ad pages are off 11%. *Playboy* expanded its metropolitan editions from three to 13 cities to allow smaller advertisers to afford the magazine, which has a $60,000 national page rate.

The *Dallas Morning News* brews another "taster's choice" ad against rival, the *Dallas Times Herald*.

In a more general category, No. 56 Reader's Digest Assn. cut ad rates 3.8% and circulation rate base 8.4% to 16.25 million on Jan. 1 for the *Reader's Digest* to build back advertising. Ad revenue at the publication dropped 1.1% in 1985 on 0.4% fewer ad pages. With the restructured rate base, *Reader's Digest* gained 45 pages in the first quarter of 1986, the highest first quarter in the past five years.

Economic performance in the newspaper industry generally was geographically-related, with Florida, the Southwest and Far West showing success, with those in the Midwest and East returning flat performances.

While circulation dropped 0.2% for No. 9 Tribune Co.'s *Chicago Tribune* and 8.3% for its New York *Daily News*, Florida contributed the most to corporate growth. The *Orlando Sentinel*'s circulation grew 7.6% to 263,865, and circulation at the *Fort Lauderdale Sun-Sentinel*, increased 22% to 155,197.

The industry wrote obituaries for Hearst's *News American* in Baltimore, No. 26 Oklahoma Publishing Co.'s *Colorado Springs Sun* and No. 18 Scripps Howard's *Columbus* (O.) *Citizen-Journal*, which was folded when the joint operating agreement with the *Columbus Dispatch*, owned by No. 72 Dispatch Printing Co., was terminated the first of this year and a buyer could not be found. A JOA is being sought in Detroit by No. 10 Knight-Ridder's *Detroit Free-Press* and Gannett's newly bought *Detroit News*. Gannett and Scripps Howard also retooled existing JOAs in Knoxville and El Paso.

The newspaper market also saw a host of papers shift to morning from evening publication, including No. 42 Pulitzer Publishing Co.'s St. Louis Post-Dispatch, Scripps Howard's *Knoxville News-Sentinel* and No. 62 Lee Enterprises' *Southern Illinoisan*.

Cable companies have been forced to be an innovative media sector, because of heavy capitalization that runs up debt, fulfilling pie-in-the-sky concessions wrung out of them by franchisee cities, which they willingly accepted to get the contract, and the emergence of the vcr.

Cable industry leader, No. 22 Tele-Communications Inc., capsuled the kind of creative action taking place in the business. TCI plans local origination "super" channels in remote areas of the country where a station can cover a multistate area. Sports, movies and syndicated shows would be the fare in these areas.

TCI signed an agreement with C.O.M.B. Co., a mail order house, to create a cable tv-based merchandising service. The service allows subscribers to shop at home. Tiring of the inroads made by the vcr, TCI joined the vcr revolution by offering 24,000 vcr units at cost to subscribers in an attempt to make cable "friendlier" to vcr owners and encourage the building of film libraries. To further combat vcr competition, TCI and No. 67 United Cable Television Corp. among others are moving quickly into pay per view.

United launched a "First View Theater" package in which the customer gets movies before the movies are aired by premium cable services. Advertising, still relatively untapped as a revenue generator among multiple system operators, increasingly is propping up the bottom line. TeleCable Corp., No. 82, launched its TeleCable Targeting ad program in five markets and raised $4.5 million in ad revenues—hiking the ad revenue per subscriber from $5.50 a year to $10.26 in the test systems, well above the industry average of $7.20 per subscriber per year.

Cable companies, involved heavily in acquisitions since their inception, were themselves subject to ownership changes. Group W Cable, the third largest cable system, was sold to a consortium led by TCI and Time Inc.'s ATC, and Time Inc. is selling 20% of ATC in a public offering to raise cash to buy back stock. Warner Communications, No. 35, bought out its half-partner, American Express Co. in Warner Amex, the sixth largest cable system, and sold its share in MTV Networks to No. 29 Viacom International to help pay for the deal.

Chatty *New Yorker* ads helped rejuvenate circulation 1.1% in 1985, but ad pages continue to decline.

Outdoor companies, much like magazines, are feeling the slowdown in cigaret advertising, which has fallen from 43% of total outdoor advertising in 1980 to 31% in 1985. Alcoholic beverages have taken a similar dive, from 19% to 11% in the same period.

Winston Network, No. 92, is expanding its outdoor capabilities by developing telephone poster coverage in New York, and expanding its eight-sheet poster business to reach market segments in urban areas where zoning laws make it difficult to put up the big 30-sheet boards. Winston is going after package goods, retail and healthcare categories.#

100 leading media companies

Rank	Company	Media revenues
1	Capital Cities/ABC	$3,841.2
2	CBS Inc.	3,170.4
3	Time Inc.	2,852.0
4	RCA Corp.	2,647.5
5	Times Mirror Co.	2,171.3
6	Gannett Co.	2,152.5
7	Advance Publications	2,030.0
8	Dun & Bradstreet	1,717.7
9	Tribune Co.	1,683.5
10	Knight-Ridder Newspapers	1,678.8
11	Hearst Corp.	1,540.0
12	New York Times Co.	1,393.8
13	Cox Enterprises	1,326.0
14	Westinghouse Electric Corp.	1,069.2
15	Washington Post Co.	1,037.0
16	McGraw-Hill	1,031.0
17	Dow Jones & Co.	978.1
18	Scripps Howard	900.0
19	Kohlberg Kravis Roberts & Co.	768.4
20	Triangle Publications	720.0
21	News America Publishing	584.2
22	Tele-Communications Inc.	577.2
23	International Thomson Holdings	560.0
24	Harte-Hanks Communications	550.0
25	John Blair & Co.	549.3
26	Oklahoma Publishing Co.	410.7
27	A.H. Belo Corp.	385.1
28	Central Newspapers	384.1
29	Viacom International	376.3
30	Thomson Newspapers	373.2
31	Affiliated Publications	366.0
32	Meredith Corp.	356.2
33	Multimedia Inc.	336.3
34	Turner Broadcasting Co.	332.3
35	Warner Communications	330.9
36	Media General	330.6
37	Freedom Newspapers	325.0
38	Copley Newspapers	304.0
39	Continental Cablevision	295.0
40	Morris Communications Corp.	284.4
41	McClatchy Newspapers	275.0
42	Pulitzer Publishing Co.	272.1
43	GFV Corp.	270.0
44	Landmark Communications	259.0
45	Maclean Hunter Communications	257.5
46	Chronicle Publishing	255.0
47	Cowles Media	240.6
48	Donrey Media Group	236.7
49	A.S. Abell Co.	235.0
50	Ingersoll Publications	235.0
51	National Geographic Society	220.0
52	Patrick Media Group	219.7
53	Journal Co.	215.8
54	RKO General	213.3
55	Cahners Publishing Inc.	210.0
56	Reader's Digest Assn.	208.7
57	Providence Journal Co.	208.0
58	Houston Chronicle Publishing	206.2
59	3M	200.0
60	Taft Broadcasting Co.	189.6
61	International Data Group	185.0
62	Lee Enterprises	183.3
63	Howard Publications	177.6
64	Blade Communications	174.0
65	Playboy Enterprises	172.3
66	Seattle Times Co.	170.2
67	United Cable Television Corp.	168.9
68	Chris-Craft Industries	168.2
69	Times Publishing Co.	166.6
70	LIN Broadcasting Corp.	163.1
71	National Enquirer	159.0
72	Dispatch Printing Co.	156.3
73	McCall Publishing Co.	152.9
74	Media News Group	150.0
75	U.S. News & World Report	144.8
76	Harcourt Brace Jovanovich	137.0
77	Sammons Communications	132.2
78	Penthouse International	132.0
79	Hubbard Broadcasting	125.0
80	Ziff Communications Co.	125.0
81	Allbritton Communications	122.0
82	TeleCable Corp.	122.0
83	Petersen Publishing Co.	121.5
84	Bonneville International Corp.	120.0
85	Macromedia Inc.	120.0
86	Rogers Cablesystems	117.7
87	Times Journal Co.	115.2
88	Outlet Communications	114.9
89	Forbes Inc.	114.6
90	Berkshire Hathaway	107.9
91	Park Communications	105.3
92	Winston Network	105.0
93	Ackerley Communications	104.4
94	Crain Communications	101.9
95	H&C Communications	101.9
96	Rollins Communications	99.9
97	Pittway Corp.	98.3
98	Stauffer Communications	96.1
99	Heritage Communications	95.9
100	Knapp Communications	93.4

NOTE: Dollars in millions

Buyouts shuffle 1985 media rankings

A.S. Abell Co.

RANK 49

Baltimore

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	235	195	20.5
Total sales	235	195	20.5
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	178	138	29.2
Magazine	2	2	53.3
Broadcast	55	56	(1.8)
Cable	—	—	—
Outdoor	—	—	—

Top 100's media revenues of $52.7 billion grew 9.5% in 1985 in outpacing the group's aggregate growth in sales of 3.8% to $84.2 billion. Print carved the largest media pie in accounting for 54.7% of total media revenues.

The newspaper market in Baltimore turned topsy-turvy in late May, 1986, as Times Mirror Corp. agreed to buy A.S. Abell Co. the day after Hearst Corp. folded Abell's only competition in the city, the *Baltimore News-American*.

The acquisition for a reported $600 million in cash is for all Abell properties, which include the Baltimore *Sun* and *Evening Sun*, the NBC-affiliate WMAR-TV in Baltimore, the independent WRLH-TV in Richmond, Va., and the company's regional magazine ventures.

The purchase price for the daily, evening and Sunday newspapers is expected to run about $450 million of the total, the largest price for a newspaper to date. The previous record was the *Louisville Times & Courier Journal*, sold to Gannett Co. two weeks earlier for $300 million.

The Hearst closure of the financially troubled *News-American* the day before the announced purchase by Times Mirror, already assured the Sunpapers of continued market dominance. With that closure, the Sunpapers will pick up considerably more circulation as well as ad revenues.

The 213-year-old *News-American* had 10 successive years of circulation declines, and had dropped from a daily circulation of 200,000 in 1984 to approximately 110,000 at the time of closure. Its Sunday paper fell from 290,000 to 140,000 during the same period. It had been losing from $500,000 to $1,000,000 a month over the past few years, according to media analyst, John Morton of Lynch, Jones & Ryan, Washington.

During 1985, the Sunpapers had a strong 3.2% increase in the circulation of the *Sunday Sun*, restructured its broadcast side, including the acquisition of a uhf tv station, and pulled in two more Pulitzer Prizes.

Abell, whose media revenues climbed 20.5% from 1984 to 1985 ranking the company the 49th largest media company, nonetheless faced declining circulation in its *Evening Sun*, reflecting a now mature national trend. Los Angeles-based Times Mirror reportedly has no plans to fold the evening into the morning paper. The two have separate staffs but share the same facilities.

Abell reports revenues of $180 million in 1985 generated by A.S. Abell Publishing Co., which operates Baltimore Sunpapers, *Mid-Atlantic Country* magazine, *Ski Racing, Ski Racing International, New England Skiers Guide* and a ski tabloid newspaper. This represents a 30% increase in revenues over 1984 totals, and breaks out as $177.7 million in revenue at the newspapers and $2.3 million for magazines.

The Baltimore Sunpapers came on strong in 1985, in both circulation and advertising growth. Publishing's president and publisher, Reg Murphy, says Sunpapers carried 86% of full-run advertising linage in the Baltimore market in 1985, up from 82% in 1984. The advertising increase represented overall growth of categories, led by the daily and Sunday classifieds, Mr. Murphy says.

"We have succeeded by selling Baltimore as a marketplace. Advertisers are beginning to respond to that. We have had to convince them that Baltimore is big on its own. It's not affiliated with any other market," Mr. Murphy says.

In the circulation arena, Sunpapers showed dramatic increases, with the *Sunday Sun* circulation coming in at 427,785, according to ABC Fas-Fax for March 31, 1986, up from 414,330 in the same period in 1985.

The *Morning Sun* had circulation of 204,774, according to ABC, up from 194,426, with the *Evening Sun* dropping to 152,153 from 155,475. The *Saturday Sun* has climbed to 339,066 from 332,478 the year earlier.

Mr. Murphy links some of the circulation success of the *Sunday Sun* with the increased popularity of four zoned tabloid editions carried as part of the Sunday paper in outlying Carroll, Harford, Howard and Anne Arundel counties.

"Much of our growth is coming from the suburban areas surrounding Baltimore," Mr. Murphy says. In the first quarter of 1986, he says, advertising volume in these zoned editions was 22% ahead of 1985 figures.

During 1985, the Sunpapers were awarded two Pulitzer Prizes, the 11th and 12th in the paper's history. Graphics and editorial color were enhanced, as sections were redesigned.

"I think it has happened because we have made a much stronger distinction between the two papers. The *Morning Sun* is a stronger national newspaper, while the *Evening Sun* is more of a local product. In this market place, the differentiation was important," he says.

Since 1982, A.S. Abell Publishing has been pursuing growth through acquisition in the area of specialized publications such as *Mid-Atlantic Country* and Abell's stable of ski publications. "There are lots of niches that are not being filled by other publications," Mr. Murphy says. "We see some opportunities for growth in areas that have been overlooked." He notes the company is investigating other publishing acquisition opportunities.

The end of 198., was marked by changes at *Mid-Atlantic Country*. Effective with the January, 1986, issue, the name of the magazine was changed from *Country* and leadership of the magazine changed hands. Walter Nicklin, founder and former editor and publisher, left the magazine. He was replaced by Patricia McCarthy, general manager, and Jim Scott, editor.

"The name change clarifies our regional identity," Ms. McCarthy says. "We try to achieve the dual goal of serving the unique travel and life-style needs of people from Pennsylvania south to North Carolina." She says there has been some change in editorial direction, reflecting reader's strong interest in home and life-style sections of the magazine.

Through 1985, ad revenues were up 44% from 1984 to $1.1 million. Ad pages were up 11.4% to 558. In 1985, ad revenues were 53% of total revenues of $2.1 million.

The magazine offered a 100,000 rate base in 1985 and had a yearend circulation of 100,395, according to ABC reports. Circulation growth was aided by a yearend mail drop campaign.

Into 1986, Ms. McCarthy sees continued advertising growth, particularly in the home, furnishings and distinctive real estate categories. "We are bringing in more full-page advertisers, and more full-page color ads," she says.

During 1985, Abell's ski publishing group purchased *New England Skiers Guide*. From Poultney, Vt., the group publishes *Ski Racing, Ski Racing International*, a glossy annual directory of ski racing competitors, and *Ski Show Daily*, circulated during the March Ski trade show in Las Vegas.

In 1985, Abell Communications completed a major restructuring that began in 1984 with the sale of its six radio stations. As part of that transaction, on June 1, 1985, Abell acquired WRLH-TV, in Richmond, Va., from TVX Broadcasting Group of Virginia Beach.

According to Arnold Kleiner, president of Abell Communications, WRLH-TV, a uhf station, is the No. 1 independent station in the market. Richmond ranks as the 55th media market in areas of dominant influence as measured by Arbitron Ratings Co.

Abell Communications also owns and operates WMAR-TV, the ABC affiliate in Baltimore, the 21st ADI. Revenues at the station were enhanced by NBC's ratings surge in 1985, says Abell. The station also continued to carry away games of the Baltimore Orioles. WMAR-TV's "grandfathered status" that permits joint ownership between the stations and newspapers cannot be transferred under new ownership, so Times Mirror will either have to trade or sell the station.

Prior to Times Mirror, Abell has been owned by heirs of Arunah Shepherdson Abell, founder of the paper in 1837, and several other families who have bought into the papers over the years. The largest block of stock was held by the Abell Foundation.

MEDIA PROPERTIES

Broadcasting

TV: WMAR-TV, Baltimore; WRLH-TV, Richmond.

Magazines

Mid-Atlantic Country, New England Skiers Guide, Ski Racing, Ski Show Daily.

Newspapers (dailies)

Baltimore Sun, Baltimore Evening Sun, Baltimore Morning Sun, Sunday Sun.

Newspapers (nondailies)

Baltimore Saturday Sun, Baltimore Sunday Sun.

Ackerley Communications

RANK 93

Seattle

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	104	90	15.9
Total sales	113	98	14.9
Net income	(9)	(7)	21.9

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	28	20	42.4
Cable	—	—	—
Outdoor	76	70	8.6

Ackerley Communications, one of the nation's largest out-of-home media companies, is eyeing broadcast stations for acquisitions as it completes the purchase of its fourth tv station since 1983, and it remains interested in newspaper properties despite two aborted attempts to move into print in the past 18 months.

The Seattle-based company, whose media revenues increased 15.2% for the year, expects a similar 15% growth in over-all sales for 1986, according to Barry A. Ackerley, president, ceo, cfo.

The nation's 93rd largest media company derived 73% of its 1985 media revenues from outdoor and airport board operations and 27% from broadcast. The company generated $8.1 million in revenue from its Seattle SuperSonics National Basketball Assn. franchise. The basketball team, acquired in 1984, has never made money for Ackerley.

Since 1983, Ackerley has spent $95.8 million to acquire four of its current five tv stations, the latest a $13.1 million purchase of KCBA-TV in Salinas, Cal., its three radio stations and the Sonics. KCBA-TV is a Spanish-language station with four affiliated low-power tv stations from Santa Barbara to Monterey Bay, an audience equal to an ADI ranking in the top 50 markets. Ackerley also has a tv property in Bakersfield. It is reported Ackerley wants to convert the Salinas station, hooked up to the SIN Network, to English-language.

In 1985, the company completed the purchase of KVOS-TV in Bellingham, Wash., for $27.1 million, acquired from WBC Broadcasting Corp., a spin-off of Miami-based Wometco Broadcasting, and rock radio stations KSGO in Oregon City and KGON (fm) in Portland, Ore., for $6.75 million, acquired from the Des Moines Register & Tribune Co. Ackerley filed March 31 with the FCC for approval of its purchase of KCBA-TV from Sainte Broadcasting Co., Modesto, Cal.

Ackerley has purchased the rights for KSGO to broadcast University of Oregon football and basketball games starting this fall, "which we think will be very helpful" in the ratings of the solid-gold-format station, Mr. Ackerley says.

Four of the company's five tv stations are in fast-growing western markets: Colorado Springs, Colo.; Bakersfield and Salinas, Cal., and Bellevue, Wash. After spending millions updating equipment, all five have the top-rated local news and locally originated programing in their markets, according to Mr. Ackerley.

Ackerley finances its expansion through long-term debt, a strategy Mr. Ackerley says will continue. The company's debt at the end of 1985 stood at $132 million, compared with $97.5 million at the end of 1984. Although its revenues have grown rapidly, Ackerley's bottom line continues to droop. Ackerley sustained a net loss of $8.87 million in 1985, compared with losses

Reader's guide to media boxes

Mediamerge Communications

RANK 7

Media, Pa.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	300	200	50.0
Total sales	300	200	50.0
Net income	30	20	50.0

Sales by media	1985	1984	% chg
Newspaper	60	40	50.0
Magazine	60	40	50.0
Broadcast	60	40	50.0
Cable	60	40	50.0
Outdoor	60	40	50.0

Mediamerge Communications answered a questionnaire sent to the company by Ad Age in early February. If the editors had not heard from Mediamerge by late March, the company was telephoned for a response.

The company is headquartered in Media, Pa.

The company is ranked seventh in the U.S. by revenues from media properties only. Ad Age's definition of media is explained on Page S-6.

Media revenues, total revenues and net income were obtained from company annual reports and financial statements wherever possible.

Sales by media are estimated by Ad Age with the help of company sources. Publicly held companies' sales by media also are estimated in many cases.

Ad Age bases annual company profiles on interviews with company executives.

of $7.3 million in 1984 and $769,000 in 1983.

Mr. Ackerley brushes off the year's losses and insists profits are not the true measure of his company's performance. "We're a cash flow company," he says. "We're like a cable system . . . our liquidity is good." The company's cash flow from operations hit $25.6 million in 1985, up from $24 million in 1984 and $22.3 million in 1983. Cash flow is revenue less commissions, discounts and operating expenses. The losses result largely from non-cash expenses such as amortization and depreciation.

By Mr. Ackerley's measure, the company has done well: Since 1983, gross revenues have increased 42%; net revenues have grown 43%. Continuing into 1986, Ackerley will add in the first full year of revenues from KVOS-TV and KSGO and KGON (fm), and add partial-year revenue from KCBA-TV.

Ackerley's diversification strategy targets companies that complement its advertising presence in major metropolitan markets. The $20 million acquisition of the SuperSonics, for example, ties in with Ackerley's outdoor boards, airport displays, and radio and tv stations in the Seattle area.

However, two attempts by Ackerley in the past 18 months to acquire newspapers have not been successful.

In 1985, Ackerley's $156.5 million bid to acquire the assets of the Des Moines Register & Tribune Co. fell short of Gannett's bid of $200 million. Although Gannett took the newspaper, Ackerley succeeded in picking up the two Portland-area radio stations.

Earlier this year, Ackerley dropped out of the bidding for the newspaper, radio and cable tv assets of the Tribune Publishing Co. of Tacoma, Wash., publisher of the 108,000-circulation Tacoma *News-Tribune*. McClatchy Newspapers of Sacramento and Viacom International Inc. of New York acquired the assets for a reported $205 million.

Mr. Ackerley says he still wants to buy a newspaper in the right market and at the right price, but considers broadcast a higher priority. "We have a lot of room to grow in the tv area," he says.

Mr. Ackerley, a former advertising salesman for *Better Homes & Gardens* magazine, began building his company in California, where he and some partners purchased outdoor board companies, later selling to Gannett. He moved to Seattle in 1975 and bought the Foster & Kleiser area unit from Metromedia and Obie Outdoor Advertising of Eugene, Ore. In 1976, Ackerley Communications moved into south Florida and two years later into the Boston area. The company moved into airport advertising in 1980.

Ackerley Communications is the nation's third largest outdoor advertising company, with about 11,100 signs concentrated in Seattle/Tacoma, Wash.; Portland/Salem, Ore.; Miami/Fort Lauderdale, Fla., and Boston/Worcester, Mass.

Prospects for growth through acquisition in the outdoor business are limited because there are few, if any, board companies for sale that concentrate in the top 25 ADIs. During 1985, Ackerley acquired a net of just 100 new signs. In 1985 Ackerley became a member of Outdoor Network/USA, a Gannett outdoor-buying service. As a member it pays an undisclosed commission to ON/USA for outdoor advertising arranged by the Gannett affiliate.

Although Ackerley Communications generally avoids publicity, Mr. Ackerley recently has been in an acrimonious battle with Seattle officials over changes in the Sonics' lease for the Seattle Center Coliseum, where the Sonics play home games.

Mr. Ackerley has requested the city provide 4,500 parking spaces, with revenue to go to the Sonics; give three years of free rent; share concession sales and allow the Sonics joint management of the coliseum. Without the concessions, Mr. Ackerley says he would like to build a new arena on city-donated land or build an arena outside Seattle. Ackerley could buy out of the remaining nine years of the lease for $3.1 million.

Mr. Ackerley says the lease concessions in addition to an improved win-loss ratio would make the team profitable. The Sonics had an operating loss of $1.3 million in 1985 and a loss of $793,000 in 1984.

Seattle Mayor Charles Royer labeled Mr. Ackerley's demands "extortion," and as of late June the city and team owner had not resolved their differences.

Ackerley Communications has an unusual ownership structure. The company in 1980 issued $20 million worth of junk bonds through Drexel Burnham Lambert to which were attached warrants convertible into common stock. A year ago it issued common stock in exchange for the warrants. Mr. Ackerley personally owns 90.3% of the common stock outstanding that has voting rights; the balance of the voting common is owned by about 40 individuals and corporations. Trading in the voting common, handled by Kidder Peabody, the investment banking company, occurs infrequently.

First Chicago Investment Corp., an affiliate of First of Chicago, owns 100% of an issue of non-voting common stock and four series of preferred stock.

MEDIA PROPERTIES
Broadcasting

TV: WIXT, Syracuse, N.Y.; KKTV, Colorado Springs; KGET, Bakersfield, Cal.; KVOS-TV, Bellingham, Wash.; KCBA-TV, Salinas, Cal. (pending FCC approval).
RADIO: KJR, Seattle; KSGO, KGON (fm), Portland, Ore.

Other media operations

Ackerley Communications (outdoor), Transportation Displays (airport transit signage).

OTHER OPERATIONS

Seattle SuperSonics National Basketball Assn. franchise.

RANK **7**

Advance Publications

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	2,030	1,900	6.8
Total sales	N/A	2,000	N/A
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	1,350	1,250	8.0
Magazine	510	490	4.1
Broadcast	—	—	—
Cable	170	160	6.3
Outdoor	—	—	—

Parade, which showed a 23% gain in circulation and 26.1% gain in ad revenues in 1985—not all its own doing—and *The New Yorker*, which became part of Advance Publications' growing media properties, were major forces that pushed revenues up about 6.8% for the year.

New York-based Advance, the privately held company owned by the family of the late Samuel I. Newhouse, is the nation's seventh largest media company with 1985 media revenues estimated at $2.03 billion.

Advance, controlled by Mr. Newhouse's two sons, S.I. Newhouse Jr. and Donald Newhouse, does not release financial data on the company. However, growth estimates were made by applying those of the newspaper industry in general to the company's 1984 revenues based on an analysis by John Morton, newspaper industry analyst for Lynch, Jones & Ryan, Washington. Newspaper operations contribute the majority of Advance's revenues.

Storm clouds continued to hang over the Newhouse empire in 1985. The Internal Revenue Service is seeking estate taxes and penalties amounting to some $914 million from the estate of the late S.I. Newhouse. The family argues it owes only $47 million. The case has yet to be settled.

Another case involves a grand jury investigation of allegations that S.I. Newhouse Jr. illegally tried to monopolize the newspaper market in Cleveland by conspiring with industrialist Joseph Cole, owner of the *Cleveland Press*, to fold that newspaper in 1982.

Advance, which owns the *Cleveland Plain Dealer*, has been accused of paying Mr. Cole $14.5 million for the newspaper's circulation list, which normally is considered all but worthless once a paper is folded, and thereby effectively paying Mr. Cole to fold the paper, giving the *Plain Dealer* a monopoly in Cleveland. The case also has yet to reach disposition.

Newhouse, with large newspaper and magazine interests, continued to build the latter through acquisition by buying in May, 1985, the New Yorker Magazine Inc., publisher of *The New Yorker* and several other publications. Advance, which paid $165 million for New Yorker Magazine Inc., is selling some of the other properties such as Raven Press and *Horticulture*.

The New Yorker fell upon hard times in 1985 as a result of an advertising page erosion that has plagued the magazine since 1981. According to Publishers Information Bureau, the magazine had $52.7 million in ad revenue in 1985, down 12.4%, on a drop of 15% in ad pages to 2,997, its lowest total since 1945. Since 1981, ad pages have fallen 30.4% from 4,309.

Circulation at *The New Yorker*, however, is on the rise, with a total of 506,103 reported to ABC at yearend, an increase of 1.1% from a year earlier. Circulation, spurred by a $2.5 million promotion campaign, climbed to the 540,000 level in June, 1986. The magazine responded by raising its rate base to 525,000 while increasing its rates 14.8%, effective Oct. 6, 1986. This is the first increase in the circulation rate base since 1981.

Among the company's other magazines, owned via its Conde Nast Publications subsidiary, ad pages for *Bride's* decreased 5% to 1,814, but ad revenues increased 1.3% to $22.9 million, according to PIB. Circulation was up 0.2% to 342,912, according to ABC. At *Glamour*, ad pages were off 1.3% to 2,135, while ad revenues climbed 8.4% to $76.5 million. Circulation was up 0.5% to 2,300,807.

Gourmet's ad pages increased 14.7% to 1,142, while ad revenues soared 33.4% to $18.6 million. Circulation was up 49.1% to 991,026. At *Gentlemen's Quarterly*, ad pages were off 3.1% to 1,863, but ad revenues were up 10.4% to $29.5 million. Circulation fell 1.3% to 633,501. *House & Garden* increased ad pages 5.9% to 1,160 and increased ad revenues 9.2% to $20.6 million. Circulation rose 2.9% to 591,694.

Mademoiselle's ad pages were off 10.7% to 1,503, and ad revenues were off 4.5% to $34.1 million. Circulation was up 2.1% to 1,236,392. *Self* ad pages were up 2.1% to 1,182, and ad revenues were up 8.6% to $26.3 million. Circulation was up 1% to 1,077,090. *Vanity Fair* ad pages were up 28.4% to 431, and ad revenues climbed 52.7% to $6.2 million. Circulation was up a whopping 50.5% to 399,792. *Vogue* ad pages were off 6.4% to 3,246, but ad revenues were up 6.2% to $71.5 million. Circulation was off 3.2% to 1,179,339.

Parade, the Sunday newspaper distributed magazine and Advance's largest circulation publication, got considerable spillover circulation when Gannett Co. bought the old *Family Weekly* from CBS Magazines in early 1985. Gannett subsequently dubbed it *USA Weekend* and redesigned the magazine to look like its national daily newspaper, *USA Today*.

By the time the dust settled, *Parade* had been picked up by 145 new newspapers and its circulation had increased 23% to 30.8 million. Also in 1985, *Parade* benefited from the best automotive ad space order it had ever received: a 25-page order from General Motors. It ended the year with ad pages up 2.7% to 657 and ad revenues up 26.1% to $198.4 million.

Among Advance's four leading newspapers, daily circulation at the *Star-Ledger* in Newark, N.J., rose 3.9% to 452,148 and 3.2% on Sunday to 682,469. Circulation at the *Plain Dealer* was down 2.1% to 454,042 daily and stable at 549,580 on Sunday. At the *Oregonian* in Portland, daily circulation rose 8.3% to 335,162 and remained stable at 407,829 on Sunday.

The *New Orleans Times Picayune/States-Item* held steady in daily circulation at 280,889 and picked up about 8,000 on Sunday to 351,575. The *Syracuse* (N.Y.) *Post Standard* and *Herald Journal's* combined daily circulation remained steady at 186,857 as did the circulation of the Sunday *Herald American* at 232,617.

MEDIA PROPERTIES
Cable/video

MetroVision: ILLINOIS: Blue Island, Berwyn, Crestwood, Hickory Hills (90% interest), Melrose Park, Midlothian, Northlake, Palos Hills, Posen, Stickney, Tinley Park, Westhaven. INDIANA: Portage. KENTUCKY: Newport. LOUISIANA: St. John the Baptist Parish. NEBRASKA: Auburn, Crete, David City, Fairbury, Fremont, Humbolt, Lincoln, Nebraska City, Pawnee City, Seward, Superior, Table Rock, Tecumseh, York. OHIO: Green Township. TEXAS: Belton, Belmead, Beverly Hills, Greenville, Killeen, Lacey-Lakeview, Robinson, North Woodway, Temple, Waco. WISCONSIN: Lannon (90% interest), Menomonee Falls. WYOMING: Sheridan. NewChannels Corp.: ALABAMA: Anniston, Eufala, Greenville, Wetumpka. NEW YORK: Binghamton, Carthage, Cooperstown, Corning, Delhi, Fulton, Malone, Massena, Ogdensberg, Oenonta, Potsdam, Rome, Sidney, Syracuse, Troy. PENNSYLVANIA: Canonsburg, Coraopolis, Crescent Township, Moon Township, Neville Township. Vision Cable Communications: FLORIDA: Clearwater (90% interest), Kenneth City, Pinellas Park. LOUISIANA: Alexandria, Houman. NEW JERSEY: Fort Lee. NORTH CAROLINA: Albemarle, Concord, Jacksonville, Morehead City, Salisbury, Shelby, Southport, Wilmington. PENNSYLVANIA: DuBois. SOUTH CAROLINA: Darlington, Florence, Sumter.

Magazines

Conde Nast Publications: *Bride's, Glamour, Gourmet, Gentlemen's Quarterly, House & Garden, Mademoiselle, Self, Vanity Fair, Vogue*. Conde Nast Publications Ltd.—England. Les Editions Conde Nast SA—France. Edizioni Conde Nast SPA—Italy. *The New Yorker, Parade*.

Newspapers (dailies)

ALABAMA: *Birmingham News & Post-Herald, Huntsville Times, Huntsville News, Mobile Press, Mobile Register*. LOUISIANA: *New Orleans Times-Picayune/States-Item*. MASSACHUSETTS: *Springfield Republican, Springfield Union News*. MICHIGAN: Booth Newspapers—*Ann Arbor News, Bay City Times, Flint Journal, Grand Rapids Press, Jackson Citizen Patriot, Kalamazoo*

What is media?

Pinning a definition on media is a lesson in futility. As soon as a consensus is seemingly reached, "media" slips out from under those constraints.

This year, 17 of the companies on the top 100 media chart contained "communications" in their titles, a word that seems broad enough in the case of many of these companies to still identify activities that ranged far from the classical forms of media that show up in the names of most media companies: Broadcasting, newspapers, printing, publishing, cable, outdoor, news and media.

Drawing a cue from the implied idea that "communications" is more than media (but not that much more), the editors opened up their traditionalist eyes to let new forms of communications slip under the media door.

Advertising Age's definition of media in this sixth annual report has opened up to encompass total market coverage units within newspaper companies in general, and also from companies as freestanding as their inserts—in short, direct marketers.

Videodiscs, subscription-based information networks that provide everything from electronic news services to analysis of corporate returns and commodity information to farmers, specialty advertising calendars and the networking of news and information via satellite to member stations also merged into the definition.

Media, of course, continues to be cloaked in the traditional mantle in which revenues from communications vehicles are derived from advertisers or subscribers—which is the language that ruled the first few Ad Age top 100 media issues.

Still on the doorstep, but not included in Advertising Age's interpretation of media, are program production, motion pictures, syndication activities, book publishing and revenues derived by ad rep companies for sales made to non-owned broadcast stations. The classical view still dominates.

But what about those companies fixated on electronic catalogs or mass Mylar balloon floatings? Will they be the "media" of the future?

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Lettering by Jeffrey Toth.

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100 leading media cos. by revenue

Rank 1985	Rank 1984	Company	Headquarters	Media revenues 1985	Media revenues 1984	Media revenues % chng	Total revenues 1985	Total revenues 1984	Total revenues % chng	Media % total	Net income 1985	Net income 1984	Net income % chng
1	—	Capital Cities/ABC	New York	$3,841	$3,953	(2.8)	$4,320	$4,625	(6.6)	88.9	$301	$331	(9.0)
2	2	CBS Inc.	New York	3,170	3,031	4.6	4,756	4,640	2.5	66.7	27	212	(87.1)
3	3	Time Inc.	New York	2,852	2,576	10.7	3,404	3,067	11.0	83.8	200	216	(7.4)
4	4	RCA Corp.	New York	2,648	2,371	11.7	8,972	8,671	3.5	29.5	369	341	8.2
5	5	Times Mirror Co.	Los Angeles	2,171	1,988	9.2	2,959	2,805	5.5	73.4	237	233	1.9
6	6	Gannett Co.	Rosslyn, Va.	2,153	1,915	12.4	2,209	1,960	12.7	97.4	253	224	13.1
7	7	Advance Publications	New York	2,030	1,900	6.8	N/A	2,000	N/A	N/A	N/A	N/A	N/A
8	10	Dun & Bradstreet	New York	1,718	1,459	17.8	2,772	2,397	15.6	62.0	295	256	15.2
9	9	Tribune Co.	Chicago	1,684	1,597	5.4	1,938	1,794	8.0	86.9	124	103	20.2
10	8	Knight-Ridder Newspapers	Miami	1,679	1,619	3.7	1,730	1,665	3.9	97.1	133	141	(5.8)
11	11	Hearst Corp.	New York	1,540	1,400	10.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
12	12	New York Times Co.	New York	1,394	1,230	13.3	1,394	1,230	13.3	100.0	116	100	16.3
13	19	Cox Enterprises	Atlanta	1,326	1,226	8.2	1,376	1,271	8.3	96.4	N/A	N/A	N/A
14	15	Westinghouse Electric Corp.	Pittsburgh	1,069	935	14.4	10,700	10,265	4.2	10.0	605	536	13.0
15	13	Washington Post Co.	Washington	1,037	984	5.4	1,079	984	9.7	96.1	102	86	18.6
16	14	McGraw-Hill	New York	1,031	964	7.0	1,491	1,402	6.4	69.1	147	144	2.2
17	17	Dow Jones & Co.	New York	978	910	7.5	1,039	966	7.6	94.1	139	129	7.4
18	18	Scripps Howard	Cincinnati	900	829	8.6	N/A	N/A	N/A	N/A	N/A	N/A	N/A
19	38	Kohlberg Kravis Roberts & Co.	New York	768	729	5.4	N/A	N/A	N/A	N/A	N/A	N/A	N/A
20	20	Triangle Publications	Radnor, Pa.	720	657	9.6	720	657	9.6	100.0	N/A	N/A	N/A
21	27	News America Publishing	New York	584	440	32.8	636	463	37.4	91.9	N/A	N/A	N/A
22	26	Tele-Communications Inc.	Denver	577	449	28.5	577	449	28.5	100.0	10	17	(42.0)
23	23	International Thomson Holdings	New York	560	550	1.8	2,292	2,256	1.6	24.4	144	127	13.4
24	25	Harte-Hanks Communications	San Antonio, Tex.	550	500	10.0	550	500	10.0	100.0	N/A	N/A	N/A
25	22	John Blair & Co.	New York	549	416	31.9	631	487	29.4	87.1	(29)	11	(377.1)
26	29	Oklahoma Publishing Co.	Oklahoma City	411	384	7.0	N/A	N/A	N/A	N/A	N/A	N/A	N/A
27	31	A.H. Belo Corp.	Dallas	385	354	8.8	385	354	8.8	100.0	24	29	(16.8)
28	30	Central Newspapers	Indianapolis	384	380	1.1	384	380	1.1	100.0	N/A	N/A	N/A
29	44	Viacom International	New York	376	254	48.0	444	320	38.8	93.1	37	31	21.2
30	34	Thomson Newspapers	Toronto	373	294	26.8	683	581	17.5	54.6	126	110	14.2
31	32	Affiliated Publications	Boston	366	343	6.8	367	344	6.8	99.6	31	27	13.1
32	33	Meredith Corp.	Des Moines, Ia.	356	327	8.9	475	451	5.3	75.0	43	38	12.4
33	36	Multimedia Inc.	Greenville, S.C.	336	304	10.5	336	304	10.5	100.0	22	34	(35.9)
34	45	Turner Broadcasting Co.	Atlanta	332	266	24.9	369	300	23.0	90.2	1	10	(83.0)
35	42	Warner Communications	New York	331	271	22.1	1,201	1,090	10.2	27.6	195	(586)	(133.3)
36	35	Media General	Richmond, Va.	331	295	12.1	579	548	5.6	57.1	33	40	(18.0)
37	41	Freedom Newspapers	Santa Ana, Cal.	325	295	10.2	325	295	10.2	100.0	26	26	0.0
38	37	Copley Newspapers	La Jolla, Cal.	304	280	8.6	308	285	8.1	98.7	N/A	N/A	N/A
39	51	Continental Cablevision	Boston	295	226	30.5	295	226	30.5	100.0	N/A	N/A	N/A
40	53	Morris Communications Corp.	Augusta, Ga.	284	219	29.9	284	218	30.5	100.0	N/A	N/A	N/A
41	47	McClatchy Newspapers	Sacramento, Cal.	275	255	7.8	275	255	7.8	100.0	N/A	N/A	N/A
42	46	Pulitzer Publishing Co.	St. Louis	272	243	12.2	272	243	12.2	100.0	20	15	31.6
43	48	GFV Corp.	Livonia, Mich.	270	211	28.0	270	211	28.0	100.0	N/A	N/A	N/A
44	52	Landmark Communications	Norfolk, Va.	259	225	15.1	262	229	14.4	98.9	N/A	N/A	N/A
45	43	Maclean Hunter Ltd.	Toronto	258	248	3.9	696	646	7.8	37.0	43	35	20.7
46	50	Chronicle Publishing	San Francisco	255	231	10.4	260	251	3.6	98.1	N/A	N/A	N/A
47	49	Cowles Media	Minneapolis	241	232	3.7	241	232	3.7	100.0	19	16	22.3
48	60	Donrey Media Group	Fort Smith, Ark.	237	198	19.5	N/A	N/A	N/A	N/A	N/A	N/A	N/A
49	62	A.S. Abell Co.	Baltimore	235	195	20.5	235	195	20.5	100.0	N/A	N/A	N/A
50	56	Ingersoll Publications	Lakeville, Conn.	235	207	13.5	235	207	13.5	100.0	N/A	N/A	N/A
51	55	National Geographic Society	Washington	220	213	3.3	356	327	9.1	61.7	22	17	33.3
52	—	Patrick Media Group	Scranton, Pa.	220	204	7.7	220	204	7.7	100.0	N/A	N/A	N/A
53	61	Journal Co.	Milwaukee	216	197	9.5	339	340	(0.4)	63.7	36	34	5.3
54	59	RKO General	New York	213	200	6.7	406	371	9.4	52.5	N/A	N/A	N/A
55	58	Cahners Publishing	Newton, Mass.	210	200	5.0	352	270	30.4	59.7	N/A	N/A	N/A
56	57	Reader's Digest Assn.	Pleasantville, N.Y.	209	205	1.8	1,450	1,567	(7.5)	14.4	N/A	N/A	N/A
57	65	Providence Journal Co.	Providence, R.I.	208	172	20.9	434	398	9.0	47.9	N/A	N/A	N/A
58	54	Houston Chronicle Publishing	Houston	206	217	(5.0)	206	217	(5.0)	100.0	N/A	N/A	N/A
59	—	3M	St. Paul, Minn.	200	174	14.9	7,846	7,705	1.8	2.5	N/A	N/A	N/A
60	66	Taft Broadcasting Co.	Cincinnati	190	172	10.2	375	454	(17.3)	50.5	49	39	24.4
61	80	International Data Group	Framingham, Mass.	185	138	34.1	200	160	25.0	92.5	N/A	N/A	N/A
62	64	Lee Enterprises	Davenport, Ia.	183	169	8.2	207	190	8.7	88.7	31	27	15.0
63	68	Howard Publications	Oceanside, Cal.	178	166	7.0	178	166	7.0	100.0	N/A	N/A	N/A
64	69	Blade Communications	Toledo, O.	174	158	10.1	N/A	N/A	N/A	N/A	N/A	N/A	N/A
65	67	Playboy Enterprises	Chicago	172	166	3.8	192	187	2.8	89.6	7	27	(75.5)
66	72	Seattle Times Co.	Seattle	170	150	13.5	170	150	13.5	100.0	N/A	N/A	N/A
67	78	United Cable Television Corp.	Denver	169	141	19.8	169	141	19.8	100.0	11	4	169.2
68	73	Chris-Craft Industries	New York	168	151	11.1	190	171	11.5	88.4	18	(21)	(185.5)
69	71	Times Publishing Co.	St. Petersburg, Fla.	167	152	9.8	167	152	9.8	100.0	N/A	N/A	N/A
70	75	LIN Broadcasting Corp.	New York	163	143	14.2	172	149	15.4	95.0	36	29	23.0
71	77	National Enquirer	Lantana, Fla.	159	147	8.2	159	147	8.2	100.0	N/A	N/A	N/A
72	70	Dispatch Printing Co.	Columbus, O.	156	152	2.8	156	152	2.8	100.0	N/A	N/A	N/A
73	93	McCall Publishing Co.	New York	153	129	18.8	161	145	11.1	95.2	N/A	N/A	N/A
74	—	Media News Group	Woodbury, N.J.	150	125	20.0	150	125	20.0	100.0	N/A	N/A	N/A
75	74	U.S. News & World Report	Washington	145	151	(3.8)	169	176	(3.7)	85.7	N/A	N/A	N/A
76	83	Harcourt Brace Jovanovich	Orlando, Fla.	137	119	15.1	990	755	31.1	13.8	50	34	47.1
77	88	Sammons Communications	Dallas	132	120	10.0	132	120	10.0	100.0	N/A	N/A	N/A
78	86	Penthouse International	New York	132	115	14.8	N/A	N/A	N/A	N/A	N/A	N/A	N/A
79	—	Hubbard Broadcasting	St. Paul, Minn.	125	115	8.7	N/A	N/A	N/A	N/A	N/A	N/A	N/A
80	—	Ziff Communications Co.	New York	125	115	8.7	125	115	8.7	100.0	N/A	N/A	N/A
81	89	Allbritton Communications	Washington	122	112	8.9	122	112	8.9	100.0	N/A	N/A	N/A
82	95	TeleCable Corp.	Norfolk, Va.	122	99	23.5	122	99	23.5	100.0	N/A	N/A	N/A
83	76	Petersen Publishing Co.	Los Angeles	122	112	8.3	125	116	7.8	97.3	N/A	N/A	N/A
84	84	Bonneville International Corp.	Salt Lake City	120	119	0.8	151	151	0.0	79.5	N/A	N/A	N/A
85	91	Macromedia Inc.	Hackensack, N.J.	120	109	10.1	121	109	10.6	99.5	9	N/A	N/A
86	81	Rogers Cablesystems	Toronto	118	90	30.5	254	211	20.1	46.4	(16)	(22)	(27.1)
87	98	Times Journal Co.	Springfield, Va.	115	96	20.0	155	133	16.5	74.3	N/A	N/A	N/A
88	94	Outlet Communications	Providence, R.I.	115	105	9.4	115	105	9.4	100.0	N/A	N/A	N/A
89	92	Forbes Inc.	New York	115	109	5.1	150	134	11.9	76.4	N/A	N/A	N/A
90	—	Berkshire Hathaway	Omaha, Neb.	108	102	6.2	940	729	28.9	11.5	93	70	32.3
91	96	Park Communications	Ithaca, N.Y.	105	98	7.4	105	98	7.4	100.0	15	14	7.8
92	—	Winston Network	New York	105	95	11.0	105	95	11.0	100.0	N/A	N/A	N/A
93	100	Ackerley Communciations	Seattle	104	90	15.9	113	98	14.9	92.8	(9)	(7)	21.9
94	—	Crain Communications	Chicago	102	86	19.0	109	95	15.3	93.3	N/A	N/A	N/A
95	82	H&C Communications	Houston	102	73	38.8	102	73	38.8	100.0	N/A	N/A	N/A
96	—	Rollins Communications	Atlanta	100	86	16.8	100	86	16.8	100.0	12	10	21.2
97	87	Pittway Corp.	Northbrook, Ill.	98	101	(3.1)	548	496	10.5	17.9	N/A	N/A	N/A
98	—	Stauffer Communications	Topeka, Kan.	96	89	8.3	114	105	8.6	84.4	7	6	9.8
99	—	Heritage Communications	Des Moines	96	84	13.6	157	129	22.2	60.9	8	7	25.8
100	97	Knapp Communications	Los Angeles	93	98	(4.7)	100	111	(9.9)	93.4	N/A	N/A	N/A

NOTE: Dollars in millions
Sources: Media revenues are Advertising Age estimates. Total revenues were obtained through company sources where possible.

Revenue breakout by media

Rank 1985	Rank 1984	Company	Newspaper 1985	Newspaper 1984	Magazine 1985	Magazine 1984	Broadcast 1985	Broadcast 1984	Cable 1985	Cable 1984	Other 1985	Other 1984
1	--	Capital Cities/ABC	$405	$380	$210	$191	$3,094	$3,272	$132	$110	—	—
2	2	CBS Inc.	—	—	385	310	2,785	2,721	—	—	—	—
3	3	Time Inc.	—	—	1,482	1,321	—	—	1,370	1,255	—	—
4	4	RCA Corp.	—	—	—	—	2,648	2,371	—	—	—	—
5	5	Times Mirror Co.	1,620	1,472	144	140	129	125	279	252	—	—
6	6	Gannett Co.	1,680	1,483	—	—	265	233	—	—	$208	$200
7	7	Advance Publications	1,350	1,250	510	490	—	—	170	160	—	—
8	10	Dun & Bradstreet	—	—	406	380	—	—	—	—	1,312	1,079
9	9	Tribune Co.	1,357	1,275	—	—	273	237	53	40	—	—
10	8	Knight-Ridder Newspapers	1,534	1,489	—	—	65	63	—	—	80	67
11	11	Hearst Corp.	740	687	569	503	224	204	7	6	—	—
12	12	New York Times Co.	1,109	958	217	211	42	38	26	22	—	—
13	19	Cox Enterprises	644	587	—	—	261	234	421	405	—	—
14	15	Westinghouse Electric Corp.	—	—	—	—	539	495	530	490	—	—
15	13	Washington Post Co.	556	517	326	332	155	136	—	—	—	—
16	14	McGraw-Hill	—	—	676	658	83	82	—	—	272	224
17	17	Dow Jones & Co.	844	794	32	30	—	—	—	—	102	86
18	18	Scripps Howard	702	651	50	49	135	118	14	11	—	—
19	38	Kohlberg Kravis Roberts & Co.	—	—	—	—	278	285	491	444	—	—
20	20	Triangle Publications	72	68	648	589	—	—	—	—	—	—
21	27	News America Publishing	435	407	149	33	—	—	—	—	—	—
22	26	Tele-Communications Inc.	—	—	—	—	—	—	577	449	—	—
23	23	International Thomson Holdings	—	—	560	550	—	—	—	—	—	—
24	25	Harte-Hanks Communications	230	215	—	—	74	71	37	24	209	176
25	22	John Blair & Co.	—	—	—	—	99	89	—	—	450	327
26	29	Oklahoma Publishing Co.	240	229	2	2	154	141	15	12	—	—
27	31	A.H. Belo Corp.	221	—	—	—	164		—	—	—	—
28	30	Central Newspapers	383	379	—	—	—	—	2	1	—	—
29	44	Viacom International	—	—	—	—	84	71	293	184	—	—
30	34	Thomson Newspapers	373	294	—	—	—	—	—	—	—	—
31	32	Affiliated Publications	349	327	—	—	17	16	—	—	—	—
32	33	Meredith Corp.	9	9	228	210	115	104	5	4	—	—
33	36	Multimedia Inc.	109	103	—	—	153	135	74	66	—	—
34	45	Turner Broadcasting Co.	—	—	—	—	206	177	127	88	—	—
35	42	Warner Communications	—	—	35	35	—	—	296	363	—	—
36	35	Media General	253	241	11	12	42	35	25	8	—	—
37	41	Freedom Newspapers	280	250	—	—	45	45	—	—	—	—
38	37	Copley Newspapers	304	280	—	—	—	—	—	—	—	—
39	51	Continental Cablevision	—	—	—	—	—	—	295	226	—	—
40	53	Morris Communications Corp.	231	218	1	1	—	—	—	—	52	—
41	47	McClatchy Newspapers	248	214	—	—	14	12	13	13	—	—
42	46	Pulitzer Publishing Co.	181	162	—	—	91	81	—	—	—	—
43	48	GFV Corp.	—	—	—	—	—	—	—	—	270	211
44	52	Landmark Communications	217	192	—	—	36	28	6	5	—	—
45	43	Maclean Hunter Ltd.	129	138	52	47	—	—	77	63	—	—
46	50	Chronicle Publishing	129	116	—	—	93	84	33	31	—	—
47	49	Cowles Media	241	232	—	—	—	—	—	—	—	—
48	60	Donrey Media Group	192	158	—	—	28	27	8	6	9	7
49	62	A.S. Abell Co.	178	138	2	2	55	56	—	—	—	—
50	56	Ingersoll Publications	235	207	—	—	—	—	—	—	—	—
51	55	National Geographic Society	—	—	220	213	—	—	—	—	—	—
52	—	Patrick Media Group	—	—	—	—	—	—	—	—	220	204
53	61	Journal Co.	176	165	—	—	40	26	—	—	—	—
54	59	RKO General	—	—	—	—	213	200	—	—	—	—
55	58	Cahners Publishing	—	—	210	200	—	—	—	—	—	—
56	57	Reader's Digest Assn.	—	—	197	194	—	—	—	—	12	11
57	65	Providence Journal Co.	102	109	15	12	32	28	60	35	—	—
58	54	Houston Chronicle Publishing	206	217	—	—	—	—	—	—	—	—
59	—	3M	—	—	—	—	—	—	—	—	200	174
60	66	Taft Broadcasting Co.	—	—	—	—	190	172	—	—	—	—
61	80	International Data Group	—	—	185	138	—	—	—	—	—	—
62	64	Lee Enterprises	132	121	—	—	52	49	—	—	—	—
63	68	Howard Publications	147	139	—	—	18	16	13	11	—	—
64	69	Blade Communications	136	125	—	—	13	10	25	23	—	—
65	67	Playboy Enterprises	—	—	149	147	—	—	24	19	—	—
66	72	Seattle Times Co.	170	150	—	—	—	—	—	—	—	—
67	78	United Cable Television Corp.	—	—	—	—	—	—	169	141	—	—
68	73	Chris-Craft Industries	—	—	—	—	168	151	—	—	—	—
69	71	Times Publishing Co.	153	142	13	15	—	—	—	—	—	—
70	75	LIN Broadcasting Corp.	—	—	17	14	146	129	—	—	—	—
71	77	National Enquirer	159	147	—	—	—	—	—	—	—	—
72	70	Dispatch Printing Co.	118	117	2	2	36	33	—	—	—	—
73	93	McCall Publishing Co.	—	—	153	129	—	—	—	—	—	—
74	—	Media News Group	150	125	—	—	—	—	—	—	—	—
75	74	U.S. News & World Report	—	—	145	151	—	—	—	—	—	—
76	83	Harcourt Brace Jovanovich	—	—	119	103	18	16	—	—	—	—
77	88	Sammons Communications	—	—	—	—	—	—	132	120	—	—
78	86	Penthouse International	—	—	132	115	—	—	—	—	—	—
79	—	Hubbard Broadcasting	—	—	—	—	125	115	—	—	—	—
80	—	Ziff Communications Co.	—	—	125	115	—	—	—	—	—	—
81	89	Allbritton Communications	44	41	—	—	78	71	—	—	—	—
82	95	TeleCable Corp.	—	—	—	—	—	—	122	99	—	—
83	76	Petersen Publishing Co.	—	—	122	112	—	—	—	—	—	—
84	84	Bonneville International Corp.	—	—	—	—	120	119	—	—	—	—
85	91	Macromedia Inc.	98	87	—	—	22	22	—	—	—	—
86	81	Rogers Cablesystems	—	—	—	—	—	—	118	90	—	—
87	98	Times Journal Co.	115	96	—	—	—	—	—	—	—	—
88	94	Outlet Communications	—	—	—	—	115	105	—	—	—	—
89	92	Forbes Inc.	—	—	114	108	—	—	—	—	1	1
90	—	Berkshire Hathaway	108	102	—	—	—	—	—	—	—	—
91	96	Park Communications	56	51	—	—	50	47	—	—	—	—
92	—	Winston Network	—	—	—	—	—	—	—	—	105	95
93	100	Ackerley Communciations	—	—	—	—	28	20	—	—	76	—
94	—	Crain Communications	—	—	102	86	0.1	—	—	—	—	—
95	82	H&C Communications	—	—	1	1	101	73	—	—	—	—
96	—	Rollins Communications	—	—	—	—	27	24	47	39	25	23
97	87	Pittway Corp.	—	—	98	101	—	—	—	—	—	—
98	—	Stauffer Communications	60	58	14	12	21	19	—	—	—	—
99	—	Heritage Communications	—	—	—	—	2	—	66	56	28	28
100	97	Knapp Communications	—	—	93	98	—	—	—	—	—	—

NOTE: Dollars in millions
Sources: Media revenues are Advertising Age estimates.

Gazette, Muskegon Chronicle, Saginaw News. MISSISSIPPI: *Pascagoula Press & Chronicle*. NEW JERSEY: *Jersey Journal* (Jersey City), *Newark Star-Ledger*. NEW YORK: *Staten Island Advance, Syracuse Herald-Journal, Syracuse Post-Standard*. OHIO: *Cleveland Plain Dealer*. OREGON: *Oregonian* (Portland). PENNSYLVANIA: *Harrisburg Patriot-News*.

Other media operations

Eastern Microwave (Common Carrier).

OTHER OPERATIONS

Random House Inc., Alfred A. Knopf, Ballantine Books, Vintage Books, Modern Library, Random House.

RANK **31**

Affiliated Publications

Boston

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	366	343	6.8
Total sales	367	344	6.8
Net income	31	27	13.1

Sales by media	1985	1984	% chg
Newspaper	349	327	7.0
Magazine	—	—	—
Broadcast	17	16	1.8
Cable	—	—	—
Outdoor	—	—	—

Affiliated Publications boasted record sales and earnings for 1985 despite a difficult year at the *Boston Globe*, the company's lead property, and a disappointing performance by its broadcasting units.

With the resignation of Michael Janeway as *Globe* editor followed by the elevation of John Driscoll, a *Globe* editorial veteran, to the top editorial spot, and a resumption of daily circulation gains, the newspaper appears to be back on track. The situation with Affiliated Broadcasting is less clear. In March, 1986, the company put all its radio station properties up for sale.

Affiliated, ranked 31st among media companies, registered a 6.8% increase in revenues over 1984, down from the previous year's 17% gain. Operating income rose 6.8% over 1984 to $65.2 million in 1985, but again that gain was less than the previous year's 19.8% jump.

The *Globe* continues to provide the bulk of Affiliated revenues, $349.4 million in 1985, up from $326.5 million the year before. *Globe* operating income rose from $60.4 million in 1984 to $68 million in 1985, which is more than Affiliated made in total operating income. (There were income losses in "other" and "general corporate" segments.)

Advertising linage in 1985 increased 2.1% over 1984, slower than the 10.9% increase the previous year. The *Globe's* daily circulation rose to 514,097 in March 31, 1986, from 510,567 the year earlier, according to the ABC Fas-Fax report. The *Sunday Globe* circulation reached 811,149 for the same period, up from 802,891.

Affiliated Broadcasting had only a small gain, from $16.3 million in 1984 to $16.6 million in 1985, but operating income nose-dived from $3.4 million in 1984 to $683,000 in 1985. Much of that decline is being attributed to the startup costs of the two fm stations acquired by Affiliated in 1985, KHEP-FM in Phoenix and KFYE (fm) in Fresno. During 1985 the company sold four stations, WHYN (am, fm) in Springfield, Mass., and WFAS (am, fm) in White Plains, N.Y., for a combined price of $12.8 million.

In March, 1986, Affiliated put all nine radio properties up for sale. "It was not an issue of profitability. It was time to do other things," says John Giuggio, president of Affiliated Publications and the *Boston Globe*. According to reports published in the *Globe*, the sale of the stations could generate $65 million to $75 million. There is no firm plan to sell the stations either as a group or individually. "We want to try to do it quickly," Mr. Giuggio says.

The company has stated it will use a portion of its proceeds from the broadcast sale to finance the buy back of 400,000 shares of stock. The remainder of the money will be used to finance future acquisitions, particularly in the cellular telephone area where the company sees a "window of opportunity," Mr. Giuggio says. The company also is shopping for "a meaningful newspaper acquisition," he says. If successful, the *Globe* will no longer be an only child.

The company paid more than $19 million to buy back 400,000 shares of its own stock from Warren Buffett, chairman of Berkshire Hathaway and who is credited with orchestrating the merger of Capital Cities Communications and American Broadcasting Cos. In addition, the company purchased 327,000 more shares of its own stock over the past six months. Mr. Giuggio dismisses suggestions that the buy back was meant to counter any unfriendly takeover and says there were no further plans to buy back stock.

Although the company is firmly in the hand of the Taylor family and changes made last year in the way the board of directors is organized make an unfriendly takeover unlikely, the investment community is reading a poison pill strategy into a recent Affiliated plan to dilute the company's stock.

Affiliated owns 45% of McCaw Communications Co., which is not consolidated in Affiliated financial reports except for its earnings share on the equity side. McCaw is a multiple system cable tv operator and microwave common carrier concentrated primarily in the West. It suffered a net loss of $17.6 million in 1985 on operating revenues of $77.8 million, compared with an operating loss of $4.7 million in 1984 on operating revenues of $36.4 million.

McCaw, combined with Affiliated, operates 35 cable systems, up from 26 last year. Four more cable tv systems are operated by Affiliated and McCaw as a joint venture. The company also sells and services mobile telephones and pagers to 68,300 customers in eight western states. In January, 1986, McCaw signed an agreement to purchase interest in 12 cellular partnerships owned by MCI Communications Corp. The $120.1 million price tag also includes MCI's paging systems.

In November, Affiliated ended its involvement in the Knight-Ridder Viewtron system being tested in Florida. The company had wanted to expand the system to New England but the Florida test was disappointing. Videotex remains attractive to Affiliated. The company will continue to monitor developments in that area.

Among nonmedia activities, Affiliated purchased a small book publishing concern, Auburn Press, adding it to its Globe Pequot Press property. Other than newspapers and broadcast, book publishing is Affiliated's only other business segment, contributing $1.3 million in revenues in 1985, up 23% from 1984. It suffered a loss of $166,000 in 1985 compared with a loss of $232,000 in 1984. Book publishing will remain a tiny segment of the company's business, Mr. Giuggio says.

The *Globe* was victorious in its defense of a libel suit filed by gubernatorial candidate John Lakian and stemming from the newspaper's coverage of his campaign. Another libel suit brought by former Massachusetts Gov. Edward King has been dismissed recently by the court.

The resignation of Michael Janeway as top editor at the *Globe* and his short tenure there was traumatic, Mr. Giuggio says, but it is a small issue in the over-all scheme at Affiliated. John Driscoll appears to have quickly established a firm hand in the editorial room, something Mr. Janeway was suspected of lacking in a newsroom that had been ruled for two decades by Thomas Winship, who retired two years ago.

Mr. Giuggio also gained the vice chairmanship of the Globe Newspaper Co. subsidiary to add to his Affiliated level post as president/coo. Richard C. Ockerbloom, exec vp/general manager at Globe Newspaper, moved up to president/coo.

MEDIA PROPERTIES

Broadcasting

RADIO: KAMJ (fm), Phoenix; KHEP-FM, Pheonix; KFYE (fm) Fresno, Cal.; KRAK, KSKK (fm), Sacramento, Cal.; WOKV, WAIV (fm), Jacksonville, Fla.; KMPS (am, fm), Seattle.

Cable/video

SYSTEMS: (45% ownership) ALASKA: Fairbanks, Juneau, Ketchikan, Sitka. ARIZONA: Fairfield, Tucson. HAWAII: Hawaii Kai, Maui. MISSISSIPPI: Greenville. MISSOURI: Poplar Bluffs. NEW MEXICO: Clovis. NEW YORK: Syracuse. OREGON: Astoria, Baker, LaGrande, Cottage Grove, Florence, Redmond, Rogue Valley, St. Helens, Scapoose, Columbia City, The Dalles. TEXAS: Bryan/College Station, Paris, Victoria. WASHINGTON: Aberdeen, Centralia/Chehalis, Cle Elum, Hoquim, North Bend, Okanogan Valley, Walla Walla, Yakima, Yakima Valley. WYOMING: Jackson Hole.

Newspapers (dailies)

Boston Globe.

OTHER OPERATIONS

McCaw Communication's Companies (45% owned), Globe Pequot Press, Auburn Press, Cellular radio telephones.

Media companies by estimated newspaper revenues

Company	Newspaper revenues 1985	Newspaper revenues 1984	1985 media revenues	Newsp. revs % of media revs	Top newspaper by daily circulation	1986 circ. of top newsp	'86-'85 % chng
Gannett Co.	$1,680	$1,483	$2,153	78.0	*USA Today*	1,168,222	0.5
Times Mirror Co.	1,620	1,472	2,171	74.6	*Los Angeles Times*	1,088,155	1.7
Knight-Ridder Newspapers	1,534	1,489	1,679	91.3	*Detroit Free Press*	645,266	(0.2)
Tribune Co.	1,357	1,275	1,684	80.6	*New York Daily News*	1,275,268	(8.3)
Advance Publications	1,350	1,250	2,030	66.5	(Cleveland) *Plain Dealer*	454,042	(2.2)
New York Times Co.	1,109	958	1,394	79.5	*New York Times*	1,035,426	2.2
Dow Jones & Co.	844	794	978	86.3	*Wall Street Journal*	1,985,559	(0.2)
Hearst Corp.	740	687	1,540	48.1	*Los Angeles Herald Examiner*	245,291	3.3
Scripps Howard	702	651	900	77.9	*Rocky Mountain News*	320,441	(2.7)
Cox Communications	644	587	1,326	48.6	(Atlanta) *Constitution*	251,042	6.8
Washington Post Co.	556	517	1,037	53.6	*Washington Post*	781,371	1.3
News America Publishing	435	407	584	74.5	*New York Post*	751,798	(16.6)
Capital Cities Communications/ABC	405	380	3,841	10.5	*Kansas City Times*	277,051	(1.1)
Central Newspapers	383	379	384	99.6	*Arizona Republic*	331,491	1.8
Thomson Newspapers	373	294	373	100.0	(Canton, O). *Repository*	58,103	(4.0)
Affiliated Publications	349	327	366	95.5	*Boston Globe*	514,097	0.7
Copley Newspapers	304	280	304	100.0	*San Diego Union*	243,004	5.1
Freedom Newspapers	280	250	325	86.2	*Orange County* (Cal.) *Register*	300,985	3.2
Media General	253	241	331	76.6	*Tampa Tribune*	228,708	1.3
McClatchy Newspapers	248	214	275	90.2	*Sacramento Bee*	235,991	2.5
Cowles Media	241	232	241	100.0	*Minneapolis Star & Tribune*	382,499	(0.3)
Oklahoma Publishing Co.	240	229	411	58.4	(Oklahoma City) *Oklahoman*	239,404	(5.1)
Ingersoll Publications	235	207	235	100.0	*Trentonian*	67,938	1.3
Morris Communications Corp.	231	218	284	81.2	(Jacksonville) *Florida Times-Union*	162,105	0.1
Harte-Hanks Communications	230	215	550	41.8	*Corpus Christi Caller*	62,647	2.9
A.H. Belo Corp.	221	—	385	57.4	*Dallas Morning News*	390,275	5.9
Landmark Communications	217	192	259	83.8	*Norfolk Virginian-Pilot*	143,526	1.5
Houston Chronicle Publishing	206	217	206	100.0	*Houston Chronicle*	425,434	(1.8)
Donrey Media Group	192	158	237	81.2	*Las Vegas Review-Journal*	105,478	3.8
Pulitzer Publishing Co.	181	162	272	66.5	*St. Louis Post-Dispatch*	318,587	16.4
A.S. Abell Co.	178	138	235	75.6	*Baltimore Sun*	204,774	5.3
Journal Co.	176	165	216	81.6	*Milwaukee Journal*	294,502	(2.4)
Seattle Times Co.	170	150	170	100.0	*Seattle Times*	260,509	14.3
National Enquirer	159	147	159	100.0	*National Enquirer**	4,552,047	3.2
Times Publishing Co.	153	142	167	92.0	*St. Petersburg Times*	315,698	9.7
Media News Group	150	125	150	100.0	*North Jersey Herald-News*	58,055	(1.1)
Howard Publications	147	139	178	82.8	*Hammond* (Ind.) *Times*	66,327	(3.1)
Blade Communications	136	125	174	78.2	*Pittsburgh Post-Gazette*	173,482	(0.9)
Lee Enterprises	132	121	183	71.7	*Wisconsin State Journal*	77,559	0.3
Chronicle Publishing	129	116	255	50.6	*San Francisco Chronicle*	544,611	(0.1)
Maclean Hunter Communications	129	138	258	50.1	*Houston Post*	316,209	2.0
Dispatch Printing Co.	118	117	156	75.3	*Columbus Dispatch*	238,325	—
Times Journal Co.	115	96	115	100.0	Service (Times) publications	320,000	0.0
Multimedia Inc.	109	103	336	32.4	*Greenville* (S.C.) *News*	86,787	(1.3)
Berkshire Hathaway	108	102	108	100.0	*Buffalo News*	317,024	(9.2)
Providence Journal Co.	102	109	208	48.9	(Providence, R.I.) *Bulletin*	119,310	(4.8)
Macromedia Inc.	98	87	120	81.3	Bergen County (N.J.) *Record*	161,969	3.2
Triangle Publications	72	68	720	10.0	*Daily Racing Form*	107,163	39.9
Stauffer Communications	60	58	96	62.7	(Topeka) *Capital Journal*	67,079	1.2
Park Communications	56	51	105	53.0	*Lockport* (N.Y.) *Union Sun*	18,349	1.0
Allbritton Communications	44	41	122	36.1	*Trenton* (N.J.) *Times*	65,505	5.5
Meredith Corp.	9	9	356	2.5	*Hollywood* (Cal.) *Independent*	47,450	(0.1)

NOTE: Dollars in millions.

Source: Audit Bureau of Circulations Fas-Fax averages for six months ended March 31, 1986. * denotes weekly newspaper.

RANK **81**

Allbritton Communications

Washington

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	122	112	8.9
Total sales	122	112	8.9
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	44	41	7.3
Magazine	—	—	—
Broadcast	78	71	9.9
Cable	—	—	—
Outdoor	—	—	—

Allbritton Communications Corp. ended 1985 the way it began, with five daily newspapers and five tv stations, but already in 1986 the privately held,

Washington-based company has dispatched two of those newspapers and is believed on the prowl for media acquisitions.

In 1986, the nation's 81st largest media company already has sold the *Union City Dispatch* and the *Patterson Times*, both New Jersey dailies, to a subsidiary of Garden State Newspapers, a company partially owned by Media General. Sale price was not disclosed. Both papers were suffering at the aggressive marketing hands of the *Record* of Bergen County, N.J.

Although Allbritton would not disclose revenue or income figures, president Larry Hebert acknowledged the company's growth was "on average with industry standards," which would put its total revenues from newspapers and broadcast at about $122 million in 1985, up 9%. He emphasized the company's interest in other properties, principally newspaper and broadcast, but possibly cable as well.

"We're fairly open and are looking at everything," he says. "We sold those papers . . . because we felt the growth was in other markets . . . than northern New Jersey."

On the newspaper side, virtually all growth came from Allbritton's linchpin, the *Trenton Times*, where ad growth was about 10% and circulation growth was nearly as impressive. As of March 31, 1986, daily circulation was 65,505, up from 62,098 for the year earlier, and Sunday circulation was 84,059, up from 78,797. Those totals keep the *Times* ahead of its Ingersoll Publications' rival, the Sunday *Trentonian*, which had circulation of 64,615, up from 63,246, but behind the morning *Trentonian's* 67,939, up from 67,087 in the previous year.

Michael Moore, president of Allbritton's newspaper division, attributes much of the 1985 growth to the success of the newspaper's newly zoned editions. Within barely a year, the paper has gone from one edition to three zoned editions, with a full-service advertising, business and editorial office in Princeton, N.J. Its third zoned edition, aiming for markets south of Trenton, began April 28, and Mr. Moore already sees "encouraging trends."

Rounding out Allbritton's print triad are the *Westfield* (Mass.) *News* and the *Irwin* (Pa.) *Standard Observer*, small dailies with a combined circulation of about 21,000. Mr. Moore characterizes both as "stable little situations that operate profitably and serve their communities, but they lack great growth potential."

Classified ads at the *Times* grew about 20% last year, according to Mr. Moore, while all the dailies enjoyed classified growth of about 15%.

In broadcast, Allbritton's empire includes the same five fiefdoms: KATV, Little Rock, Ark.; KTUL-TV, Tulsa, Okla.; WCIV, Charleston, S.C.; WJLA-TV, Washington, and WSET-TV, Lynchburg, Va.

All, with occasional variation, are either first or second in their markets, according to Mr. Hebert. "We've been very pleased with our results and hope to continue our operational and financial gains."

MEDIA PROPERTIES

Broadcasting

TV: KATV, Little Rock, Ark.; KTUL-TV, Tulsa, Okla.; WCIV, Charleston, S.C.; WJLA-TV, Washington; WSET-TV, Lynchburg, Va.

Newspapers (dailies)

MASSACHUSETTS: *Westfield News*. NEW JERSEY: *Times* (Trenton). PENNSYLVANIA: *Irwin Standard Observer*.

Singing One's Praises

Belo Corp.'s WFAA-TV released its "Spirit of Texas" theme song to the public domain in 45 rpm at a Dallas supermarket chain in February, 1986. Recorded by the popular Texas band, Mason Dixon, and written by Jim Kirk, the song, featured in a music video airing on the station, embodies the interaction of WFAA-TV with the community through triumph and tragedy. The melody has been the station's theme song for two years.

RANK **27**

A.H. Belo Corp.

Dallas

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	385	354	8.8
Total sales	385	354	8.8
Net income	24	29	(16.8)

Sales by media	1985	1984	% chg
Newspaper	221	—	—
Magazine	—	—	—
Broadcast	164	—	—
Cable	—	—	—
Outdoor	—	—	—

A.H. Belo Corp. characterizes 1985 as a year of "assimilation and stabilization" as it experienced the first full year of operation with the four stations acquired from Dun & Bradstreet Corp. That boiled down to a decline in operating earnings, a drop that has continued into 1986.

The Dallas-based media company, ranked 27th among the nation's media companies in 1985 based on revenues, suffered a 56% decrease in net earnings. That decrease, however, was a decline of only 16.8% in net operating earnings when excluding nonrecurring gains in 1984 of $25.5 million that elevated 1984 net earnings to $54.1 million compared with $23.8 million in 1985. The continued decline is attributed to weak broadcasting margins, especially in Houston, and to general economic conditions in Houston and Dallas.

Through the first quarter of 1986 ended March 31, Belo had net earnings of $1.6 million, down 33% from the corresponding quarter a year earlier. The drop reflects continued softness in advertising linage and local spot tv sales, increased costs associated with higher circulation and increased tv programing costs, according to Belo. Net operating revenues for the quarter were $90.2 million, up 5.3%, divided into $53.8 million in newspaper publishing, up 6.4%, and $36.4 million in broadcasting, up 4.2%.

Belo's 1985 media revenues of $385.1 million were up 8.7% over the previous year. That broke down into $221.2 million for newspapers, up 12.9%, or 57.4% of total revenues, and $163.9 million for tv and radio broadcasting, up 3.4%, or 42.6% of total revenues. Publication of the Texas Almanac accounts for 0.02% of total revenues.

Earnings from operations in 1985 were $84.5 million, down 7.2%. Of those earnings, $32.7 million or 38.7% were from newspaper publishing (down 2.2%), and $56.8 million or 67.1% were from broadcasting (down 9.4%). Earnings were reduced by corporate expense and other business activities totaling $4.9 million.

Newspaper advertising revenues, principally from the *Dallas Morning News*, totaled $191.1 million in 1985, up 13.1% from 1984, while advertising volume rose only 0.6% to 6.1 million ins. The company attributed its increased ad revenues primarily to 11% increases in ad rates in January and September, 1985.

The *News'* full-run advertising share charted by Media Records rose 1.5% in 1985 to 55.4%, represented by a 52.9% share of retail, 54.6% share of general, and 58.6% share of classified in the local market. For the second year in a row, the *News* published more full-run advertising than any other newspaper in the country, according to Media Records figures, and led the nation in classified advertising linage in 1985.

The *News* celebrated its 100th anniversary in the fall of 1985 with publication of 10 special sections, each of which focused on a 10-year segment of "100 Years with the News."

Circulation revenues in 1985 rose 8.6% to $15.1 million. The *News* increased its home delivery rate to $9 from $8 a month beginning December, 1985. During calendar 1985, the *News* widened its circulation lead over the Times Mirror-owned *Dallas Times Herald* to 146,619 copies daily and 169,130 copies Sunday.

In the ABC Fas-Fax report for the six-month period ended March 31, 1986, the News sustained its lead over the *Times Herald*, circulating 145,646 more daily copies and 173,643 more Sunday copies than the rival. The *News'* daily circulation in that report was 390,275 in 1986 vs. 368,683 in 1985 and Sunday circulation was 521,727 vs. 476,004 in 1985.

In January, 1985, Belo's new 220,000-sq.-ft. offset printing facility in Plano, Tex., began printing newspapers for distribution. About one-third of the *News* circulation is printed at the plant, along with some advance sections for the entire circulation. Belo's board approved a five-year capital spending program of $103.4 million to expand the new facility by adding four more offset presses, tripling the plant and enabling production of the entire newspaper there by 1990. The plant includes state-of-the-art offset presses, fiber optics and laser scanners for transmission of page images from the downtown plant, high-speed inserters and a computerized distribution system.

Belo's wholly owned subsidiary, Dallas-Fort Worth Suburban Newspapers Inc. (formerly News-Texan Inc.), reported 68,119 as the 1985 average daily paid circulation for its six daily suburban community newspapers. Total operating revenues of the subsidiary increased 15.7% in 1985, which Belo says was attributable to increases in ad revenue of 3.4%, circulation revenue of 17.6% and job printing of 70.2%. The group will relocate to a new central facility in Arlington, Tex., during 1986.

Belo's flagship tv station, WFAA-TV, Dallas, was first in over-all share at sign-on to sign-off, 5 p.m. news and prime time throughout 1985. Also, the station was dominant in the 10 p.m. news block. In the first quarter of 1986, WFAA-TV laid off 21 employes in a cutback attributed to "continuing flat business performance." The ABC affiliate is feeling the effects of ABC's own Nielsen ratings slump as well as the impact of video recorder penetration and soft general economic conditions, the company says.

In Houston, Belo's KHOU-TV began to register audience gains in the fall of 1985 after extensive research and programing changes. Belo says the station now is ranked No. 2 over-all in the Houston tv market. The plunge in oil prices has severely depressed the city's economic activity.

Belo's Sacramento (KXTV) and Hampton-Norfolk (WVEC-TV) properties also improved ratings and financial performance in 1985, the company says. In Tulsa, the company's KOTV continued to rank No. 2. Phillip J. Keller was named KOTV vp-general manager in September.

KZEW (fm), Dallas-Fort Worth, continued to be rated high among its target market of 18-to-34-year-old men, Belo says. In Denver, KOA ranked No. 4 in its target market, and was Denver's No. 1 am station overall. KOAQ (fm) finished the year fifth in its target market, Belo says.

In late 1985, Belo moved some of its personnel from the *Dallas Morning News* building and from other downtown buildings into the new 17-story Belo Bldg. across the street from the *News* headquarters. Belo is a limited partner in the partnership that constructed the building. The company in January, 1986, purchased more than a block of downtown Dallas as an investment and for future development. The property is adjacent to almost four blocks the company owns between the Dallas Convention Center and Union Station along Young Street.

A portion of Belo's capital expenditures in 1985 went toward development of an electronic library at the *News*. The newspaper linked its database to that of Datatek, owned by Oklahoma Publishing Co., which made the *News* library available through DataTimes, a subscription database.

Belo completed arrangements for a $500 million, 10-year revolving line of credit with a group of eight banks led by the First National Bank of Chicago and InterFirst Bank Dallas N.A. as co-agents. The agreement, announced in late January, 1986, replaced an existing term loan for $330 million originated in 1983.

The company, which earlier had said it was interested in further expansion of its newspaper holdings, was mentioned among the media companies considering acquisition of the *Los Angeles Daily News* and the Courier-Journal and Louisville Times Co. However, it did not join in the bidding for either.

To further ensure it would not be the subject of an unwanted takeover effort, Belo, in early 1986, created a new class of preferred stock that will enable stockholders to get an equal return on their investment in the event of an attempted takeover. The previous year, Belo stockholders voted to require changes in bylaws to be approved by a two-thirds vote.

During late 1985, the *News* closed its Selective Media Services operation because the unit's profit return was determined insufficient. While experiencing increased competition from larger direct mail operations, *Newsweek*, one of the cornerstones of SMS' package, withdrew from alternative methods of distribution, leaving SMS with a much less desirable offering.

Belo spent almost $9 million for advertising during 1985, compared with 1984's advertising cost of $8.2 million and 1983's $11.2 million. The figure represents total advertising expenses incurred outside the company on behalf of the *News* and Belo's individual broadcast properties.

At the beginning of 1986, the *News* promoted Jack Freudenfeld to advertising director from display advertising director. Marvin Veal, director of classified advertising, assumed the added title of director-advertising information systems. Russell Dealey, formerly assistant to the senior vp, was named advertising services manager, succeeding Larry Kreamer, who retired. Jerry Coley, formerly an assistant retail advertising manager, was named retail sales manager.

MEDIA PROPERTIES

Broadcasting

TV: KHOU-TV, Houston; KOTV, Tulsa, Okla.; KXTV, Sacramento-Stockton, Cal.; WFAA-TV, Dallas; WVEC-TV, Hampton-Norfolk-Portsmouth-Newport, Va.
RADIO: KRQX, KZEW (fm), Dallas-Fort Worth; KOA, KOAQ (fm), Denver.

Newspapers (dailies)

Dallas Morning News. Belo's Dallas-Fort Worth Suburban Newspapers-*Arlington Daily News, Garland Daily News, Grand Prairie Daily News, Irving Daily News, Mid-Cities Daily News, Richardson Daily News*.

Newspapers (nondailies)

Belo's Dallas-Fort Worth Suburban Newspapers-*Metrocrest News*.

OTHER OPERATIONS

Publishes the Texas Almanac.

RANK **90**

Berkshire Hathaway

Omaha, Neb.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	108	102	6.2
Total sales	940	729	28.9
Net income	93	70	32.3

Sales by media	1985	1984	% chg
Newspaper	108	102	6.2
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Berkshire Hathaway, a multifaceted holding company whose Omaha-based chairman, Warren Buffett, is perhaps better known than the company, recorded modest gains in its lone media property, the *Buffalo News*.

The *News*, which reported a 6% increase in revenues in 1985 despite a slight across-the-board circulation decline, is, however, far from the company's only media interest. The parent has major holdings in Cap Cities/ABC, Washington Post Co., Time Inc. and Affiliated Publications.

The *News* revenue makes Berkshire Hathaway the 90th largest media company in 1985.

Berkshire, which had its roots in the New England textile industry before shutting down all of its textile operations in July, 1985, is involved in insurance, banking, candy, home furniture, steel service industries in addition to apparel, and owns West Coast-based Blue Chip Stamps, a trading stamp company.

Berkshire's earnings without investment gains were $92.9 million, up 32% from 1984. However, investment gains in 1985 of $342.9 million brought net earnings to $435.8 million, compared with the prior year net earnings of $148.9 million, which included investment gains of $78.7 million. Most of the investment gains in 1985 were from the sale of General Foods common stock to Philip Morris Cos. in PM's successful tender of General Foods.

Berkshire, which obtained the *News* in 1983 when it bought the newspaper's parent, Blue Chip Stamps, runs the newspaper through the 105-year-old Buffalo Evening News Inc., Buffalo, N.Y. Blue Chip Stamps purchased the *News* in 1977.

The *News* in 1985 had a Monday through Friday circulation of 317,024, down slightly from 317,750 the year earlier, according to ABC Fas-Fax reports for the period ended March 31, 1986. Saturday circulation was 282,081 compared with 282,050 in 1985, and Sunday circulation of 370,748 compared with a year-earlier total of 373,071.

The *News* publishes seven editions daily and is the only metropolitan daily newspaper in its 10-county distribution area. It ranks among the leaders in penetration in the country's top 50 primary markets, with a 79% penetration daily and 82% on Sunday. It is ranked 25th in circulation among the nation's daily newspapers. It employs 970 people fulltime.

The newspaper generated 1985 revenues of $107.9 million, up 6.1%, and produced operating profits of $29.3 million, up 9.7% from 1984. The *News* had net earnings of $14 million in 1985, up 9.3%.

Ad linage increased at the *News* in 1985, although the gain was attributed to preprints. Run-of-press linage was down.

In early 1986, Berkshire Hathaway bought an 18.7% interest in Capital Cities Communications when it took 3 million shares at $172.50 a share, or $517.5 million, helping Cap Cities' $3.5 billion purchase of American Broadcasting Cos., which was completed in January.

As part of the deal, Berkshire Hathaway relinquished voting control of its stock to Cap Cities ceo Thomas S. Murphy, or to Daniel B. Burke, if and when he succeeds Mr. Murphy as ceo, for as long as either heads the company. It also agreed to give Cap Cities the right of first refusal to repurchase stock until Jan. 3, 1997, and agreed to restrictions regarding the sale of its holdings, particularly to a larger holder, without the approval of Cap Cities' management.

In Mr. Buffett's 1985 letter to shareholders, he waxes humorously about his timeliness in investing in Cap Cities over the years:

"Of course, some of you probably wonder why we are now buying Cap Cities at $172.50 per share, given that your chairman, in a characteristic burst of brilliance, sold Berkshire's holdings in the same company for $43 per share in 1978-80. Anticipating your question, I spent much of 1985 working on a snappy answer that would reconcile these acts: 'A little more time, please.' "

As of the end of 1985, Berkshire Hathaway reported holding 900,800 shares of ABC, which it bought for $54.4 million and has a market value of slightly less than $109 million. The company also holds 1,868,600 shares, or 16.6%, of the Washington Post Co. The shares sell for about $164 on the American Stock Exchange, giving

erkshire Hathaway holdings worth 306.4 million. The Post last year ought from Cap Cities its cable tv oprations in the Midwest, West and outh. Those cable tv operations serve 5,000 subscribers.

Berkshire Hathaway also holds 036,461 shares of Affiliated Publicaons, which it bought for slightly more an $3.5 million and values at $55.7 illion. Affiliated's main holding is e Globe Newspaper Co., which pubshes the *Boston Globe*. Berkshire also s 847,788 shares bought at $20.4 illion and valued at $52.7 million, in me Inc., publisher of *Time* magazine d other national publications.

MEDIA PROPERTIES
Newspapers (dailies)
ffalo News.
OTHER OPERATIONS
me-state subsidiaries—Cornhusker Casty Co., Omaha; Kansas Fire & Casualty ., Topeka; Continental Divide Insurance ., Ingelwood, Colo.; Cypress Insurance ., Pasadena, Cal.; National Indemnity /Columbia Insurance Co., Philadelphia; dwood Fire & Casualty Co., San Bruno, l.; National Indemnity Co./National Fire Marine Insurance Co., Omaha; See's ndy Shops, South San Francisco; Neska Furniture Mart Inc., Omaha; Wesco ancial Corp.—Mutual Savings & Loan n, Pasadena; Precision Steel Warehouse ., Franklin Park, Ill.; K&W Products Dion, Santa Fe Springs, Cal.; Associated tail Stores Inc., Long Island City, N.Y.; e Chip Stamps, Los Angeles; Nebraska rniture Mart, Omaha; and various land d stock holdings. Interest in Affiliated blications, Capital Cities Communicans (18.7% interest), interest in Time Inc., shington Post (16.6% interest).

RANK
64

Blade Communications
Toledo, O.

($ in millions)

orp. returns	1985	1984	% chg
Media sales	174	158	10.1
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A

ales by media	1985	1984	% chg
Newspaper	136	125	8.8
Magazine	—	—	—
Broadcast	13	10	30.0
Cable	25	23	8.7
Outdoor	—	—	—

Revenues that increased 10.1% in 5 at Blade Communications Inc. ect the purchase of a new tv station, tinued growth in Buckeye Cablevi- and improved advertising performnce among newspaper properties. ch offset daily circulation declines he company's two leading newspa-

lade, ranked 64th in media reveis based on its 1985 performance, is ent of 10 businesses, all media, inding three newspapers, three cable systems and four tv stations. The pany was founded by Paul Block n the early 1920s. His sons, Paul k Jr. of Toledo and William Block ittsburgh, are co-owners.

he Toledo, O.-based company ed to its media holdings in 1985 en it bought KTRV-TV, npa/Boise, Ida., on July 1, paying ton Broadcasting Ltd. $4.9 million. ustry sources say Blade Communiions adopted the station's debts, retedly raising the acquisition cost to million. At th of the purse, the compar tv propwas projected annual revues of $3 million i million. The npany's other tv properties are FI-TV, Lafayette, Ind.; WLIO, a, O., and WDRB-TV, Louisville, The broadcast sequence at Blade ried an estimated $13 million in enues, up 30% from 1984.

addition to buying another tv sta-, Blade Communications continto improve its trio of cable tv sys-, particularly Buckeye Cablevi-, its largest. "Buckeye is growing at % to 30% rate annually," a corpoexecutive reports. The three sys- have about 127,300 subscribers, 5.2% from last year. The company cial says Buckeye Cablevision has ut 105,000 customers, while Erie County Cablevision, which serves the Sandusky, O., area, has about 16,000, and Monroe Cablevision, Monroe, Mich., has about 6,300.

Blade Communications improved its cable tv operations, rebuilding both the Erie County and Monroe systems during the past 18 months. The improvements increased the Erie County system's capacity from its original 12 channels to a capacity of 44 channels. The three cable systems are estimated to generate $19 million from subscriber fees in 1985. Buckeye Cablevision produces local ad revenue, although the company declines to give details.

A cable spokesman says Blade Communications has not emphasized local advertising at its two smaller systems, "but at the one in Toledo, we have, and it's growing nicely." He says there should be some advertising growth at the smaller systems as the company gains experience with Buckeye Cablevision. "Many cable operators don't even bother with it," he says of local advertising for small cable systems.

Newspapers, the largest component of media activity at Blade, had estimated revenues of $136 million in 1985. The leading breadwinner, the *Toledo Blade*, lost 1.2% of its daily circulation in mid-1985, dropping to 161,217 as of March 31, 1986, compared with the year-earlier period. Its Sunday circulation rose 0.4% to 219,867 for the same period.

At the *Pittsburgh Post-Gazette*, daily circulation fell 0.9% to 173,482 as of March 31, 1986. The competing *Pittsburgh Press* lost 3.2% of its daily circulation, dropping to 239,849 in the same period. The Sunday *Press* dropped 2.4% to 579,910 as of the March 31 reporting period. The *Post-Gazette*, does not publish on Sundays. It has a joint operating agreement with the *Press*, a Scripps Howard paper.

The *Monterey Peninsula* (Cal.) *Herald* saw its daily circulation rise 2.2% to 33,519 as of the March 31 report. Its Sunday circulation was 35,145, or 1.7% more than in the year-earlier reporting period.

A Blade executive says his company has learned the same lessons as other

Paper shores up fete

Providence Journal & Evening Bulletin took a major corporate sponsorship role in Rhode Island's 350th birthday celebration this year. Owner, Providence Journal Co., contributed $50,000 to RI 350, a state nonprofit agency set up to organize activities, the high point of which is the five-day visit of the Tall Ships to Newport the end of June before they sail to New York City for the July 4th celebration at the Statue of Liberty.

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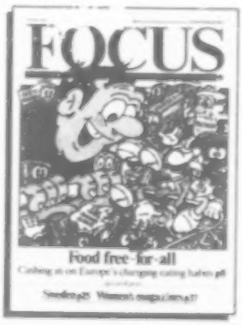

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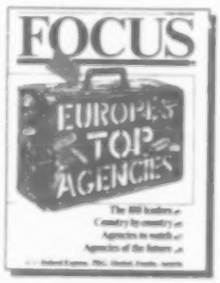

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ADVERTISING AGE'S SPOTLIGHT ON PAN-EUROPEAN MARKETING

media companies diversifying into broadcasting and cable tv: "Newspapers are far more expensive, in terms of the people you need," he says. The executive notes broadcasting provides "much better leverage than newspapers, which cannot provide the kinds of operating revenues as broadcasting does, nor the cash flow of cable. But they're bigger.

"Cable," he says, "is a terrible consumer of capital, but once it's in place, it's a tremendous generator of cash.

"We're quietly trying to grow and stay successful," the executive says of Blade Communications.

MEDIA PROPERTIES

Broadcasting
TV: KTRV, Nampa/Boise, Ida.; WLFI-TV, Lafayette, Ind.; WLIO, Lima, O.; WDRB-TV, Louisville, Ky.

Cable/video
SYSTEMS: OHIO: Buckeye Cablevision-Harbor View, Holland, Lucas County, Maumee, Ottawa Hills, Oregon, Perrysburg, Perrysburg Township, Rossford, Springfield Township, Sylvania, Sylvania Township, Toledo, Washington Township, Wood County; Erie County Cablevision-Bay View, Castalia, Erie County, Huron, Huron Township, Margaretta Township, Oxford Township, Perkins Township, Sandusky. MICHIGAN: Monroe Cablevision- Monroe.

Newspapers (dailies)
CALIFORNIA: *Monterey Peninsula Herald*. OHIO: Toledo Blade. PENNSYLVANIA: *Pittsburgh Post-Gazette*.

John Blair & Co.

New York

RANK 25

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	549	416	31.9
Total sales	651	497	29.4
Net income	(29)	11	(377.1)

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	99	89	11.7
Cable	—	—	—
Other	450	327	37.5

John Blair & Co., New York, the 25th largest media company, last year began a restructuring program that could lead to the company's acquisition later this year.

Bidding for the company had heated up by early June, 1986, between Reliance Capital Group, perceived by Blair as a "white knight," and Macfadden Holdings, as a knight-errant whose initial offering included a condition that the Advo-System unit at Blair would be sold off for $100,000. However, as of mid-June, a Macfadden counterbid included more cash per share than Reliance Capital and an assurance that Advo would not be divested.

Media revenues, which climbed from 85.4% to 87.1% of total revenues in 1985, came largely from Blair's marketing services segment, which included its Advo-System and freestanding insert business, and its tv and radio properties. Most of the company's nonmedia revenue is derived from its broadcast representation companies, which had revenues of $66 million in 1985, up 6.1% from 1984.

However, in 1985, media operations contributed a $16.3 million loss compared with a $26.1 million gain the prior year. Over-all, in 1985 the company reported a loss of $29.1 million compared with a gain of $10.5 million the prior year.

In the media area, Blair's losses came from its marketing services unit, which in 1985 consisted principally of Advo-System, the Hartford, Conn.-based direct mail facility and the Blair Sunday newspaper freestanding inserts. For the year, revenues from marketing services were $449.9 million with an operating loss of $30.7 million.

Blair purchased Advo in March, 1984, for about $35 million. Another $70 million was invested in Advo to improve its facilities and expand its distribution. At the time, Blair believed that the combination of Advo and its inserts would create a synergy in the marketplace to benefit both marketing programs.

The reality turned out otherwise. The insert, once the market leader in a field of four, slid uncontrollably into fourth place. And Advo generated consecutive losses despite being scaled back from an average weekly circulation of 45 million to 30 million.

The inserts changed leadership again in 1985, as the division had done the year before when Advo president Jack Valentine replaced Bob Henim, the division's founder. This time, in March, it was Mr. Valentine who stepped down, to be replaced two months later by Edward Fuhrman, a former package-goods marketer at General Foods. Under Mr. Fuhrman's direction, the division began to come back and in October, it published its single largest issue. But that proved to be too little, too late.

Just a month later, with the company's entire debt hovering about $300 million, Blair announced a sweeping reorganization that included the sale of its freestanding insert and three printing companies. Before the year was out, the insert division had been sold to Quad/Marketing, Pewaukee, Wis., for about $12 million, and one of the three printing companies was sold as well. This spring, the other two printing companies were sold, completing the restructuring program. The sale of the four properties is estimated to have brought in about $100 million, which will be applied to Blair's debt.

The considerably trimmed down John Blair turned out to be an attractive takeover target.

In April, Macfadden Holdings, a New York-based publishing company, launched a $25 per share takeover bid that was rejected by Blair's board of directors as inadequate. Especially distressing to the board, even more so than the $25 per share price it considered low, was Macfadden's proposed plan for disposing of Advo. Contained in Macfadden's offering was the proposed sale of Advo to California investor Paul Bilzerian for just $100,000. The suggestion that Blair had turned a $100 million investment into just $100,000 in two years was maddening, and the board began seeking a friendly partner to make a higher bid.

First, Blair found what it considered to be a more suitable buyer for Advo in Warburg, Pincus Capital Partners, a New York investment banking concern. Warburg has agreed to purchase a one-sixth interest in Advo for $10 million. For that, Warburg will receive a majority of the preferred shares and, hence, a controlling interest in the company. The remainder of the stock will be distributed directly to Blair's shareholders.

Sources close to Advo suggest those Advo shares will have a market value of about $5, but Wall Street analysts

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suggest the initial market value may be closer to $2. That would peg the market value of Advo at anywhere from $22 million to $55 million, a great deal more than the $100,000 offered by Mr. Bilzerian, but equally far from the $100-plus million invested by Blair.

Second, Blair found a white knight to acquire the remainder of the company in the Reliance Capital Group, an investment concern controlled by Saul Goldstein. Reliance Capital is offering $27 a share for about two-thirds of Blair's shares and debentures worth a similar amount for the remainder.

Macfadden, however, upped its cash offer to $30 a share and other notes for a total bid of $340 million, and reversed its position on selling Advo. Blair's stock has been trading at more than $28 per share, and has been valued as high as $32 a share.

Throughout these various takeover bids, Blair's broadcast properties repeatedly have emerged as the attraction. In 1985, Blair went on the air with its fifth tv station, WSCV, Miami-Fort Lauderdale. The company says the station captured 33% of the South Florida Spanish-language audience.

An important key to its success, Blair says, was that the station had introduced programing tailored to the Hispanic residents of South Florida, including an hourlong news program format.

In contrast, Blair's other Spanish-language station, WKAQ-TV, San Juan, was hurt by local economic conditions. Sales came back sharply in the fourth quarter, however, and continued to lead in audience share.

The remaining Blair radio and tv properties turned in a solid performance, the company says, and the division had revenues of $99.4 million, up 11.7%, and posted operating profit of $14.3 million, down 8.8%.

MEDIA PROPERTIES

Broadcasting

TV: WSCV, Fort Lauderdale, Fla.; WKAQ-TV, San Juan, P.R.; KOKH-TV, Oklahoma City; KSBW-TV, Salinas, Cal.; KSBY-TV, Santa Barbara, Cal.

RADIO: KVIL (am, fm), Dallas; WHDH, WZOU (fm), Boston; WIBC, WNAP (fm), Indianapolis; WFLA (am, fm), Tampa, Fla.

Other media operations

ADVO-System (direct mail media services).

OTHER OPERATIONS

Blair Entertainment, Blair Radio, Blair/RAR, Blair Television, BlairSpan, RPR Productions, Selcom Radio, Torbet Radio.

Bonneville International Corp.

RANK **84**

Salt Lake City

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	120	119	0.8
Total sales	151	151	0.0
Net income	N.A.	N.A.	N.A.

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	120	119	0.8
Cable	—	—	—
Outdoor	—	—	—

The past year brought no change in Bonneville International Corp.'s lineup of media holdings—two tv stations, and five am and seven fm radio stations—and little internal growth, leading to an 0.8% increase in revenues for those properties in 1985 over the previous year.

Instead, the Salt Lake City-based company switched personnel and formats, the latter involving numerous call letter changes. An equally flat performance also was turned in by its nonmedia business encompassing music syndication and telecommunications.

Bonneville, ranked 84th in the nation on the basis of its media revenue performance, is a closed corporation of the President of the Church of Jesus Christ of Latter-day Saints, commonly known as the Mormon Church. Last year marked the retirement of company president Arch Madsen, who became president emeritus. Rodney Brady, who had been the president of Weber State College in Ogden, Utah, succeeded him on July 1, 1985.

Among Bonneville's broadcast operations, home-based KSL-TV and KSL radio continued to be the dominant stations in Salt Lake City. KSL radio remained a strong No. 1, with a 12.9 over-all rating, in a market in which fm predominates with 72% of the listening audience. KSL holds a 40% share of the am market.

KOIT (am, fm), San Francisco, tried new formats. KOIT moved from easy listening to light rock, and although it was the No. 2 station in the easy listening genre, the market had "a hole in the 25-to-49 age group big enough to drive a truck through—sideways," says Jack Adamson, the new senior vp at Bonneville, who oversees KSL tv and radio in addition to broadcast operations in San Francisco, Los Angeles, Chicago and New York.

Chuck Tweedle became the new vp-general manager at KOIT (am, fm), replacing Cary Johnston-Winston, when she left the radio combo to become vp-general manager of KBIG-FM in Los Angeles, a position formerly held by Mr. Adamson. Mr. Adamson now occupies the post formerly held by Jay Lloyd, who died last September.

With a new manager on board, KOIT took the plunge into a new format last June, taking a more circuitous route than its fm sister station. Sporting new call letters, KXLR, the am station adopted "trendformat," which is used extensively in Great Britain. In-depth discussion is coupled with light jazz and New Age music. Information is presented in "magazine, rather than newspaper format," Mr. Brady says. Although the new approach was enthusiastically received by a small segment of the viewing audience, "we couldn't get any numbers on it," Mr. Adamson says, and the format was pulled off the air in January, 1986, following a six-month maiden run.

Mr. Adamson remains optimistic about trendformat and believes "the souffle didn't rise, but perhaps we took it out of the oven too soon." For the time being, however, KXLR is once again KOIT-AM with an adult contemporary format. Because trendformat is a low-cost format that can be sold in tandem with fm to advertisers, the trendformat trial was, at the very least, a worthy "experiment to see what you can do with am radio in markets already strong with news and information stations," Mr. Adamson says.

Another Bonneville station, KAFM (fm) in Dallas, also changed its format and call letters. KAFM became KZPS-FM and moved from a contemporary hit radio, youth-oriented sound, up the chronological scale to adult contemporary in early March, 1986, mainly because of increased competition. The new sound, which contains elements of contemporary jazz, is "highly researched, and our unaudited numbers show solid gains on both new formats in Dallas," Kenneth Hatch, president-ceo of KIRO Inc. and a senior vp at Bonneville, says.

KAAM became KZPS in Dallas and switched from an adult contemporary format to Music of Your Life, a syndicated service of music of the '50s and '60s.

KMBZ, an information/sports radio station, and KMBR (fm) in Kansas City, an easy listening station, together hold a dominant position in that market. According to Mr. Hatch, the two stations form "an ideal selling combination of information/news and easy listening," since both formats encourage audience crossover, Mr. Hatch says.

Last October, KMBZ lured the World Series champion Kansas City Royals from KCMO, the local CBS station, and Mr. Hatch is confident the acquisition of the Royals will cause ratings to climb beyond the 12-plus ranking the station currently enjoys.

KMBR (fm) is an example of what Mr. Hatch calls Bonneville's ULTRA format—easy listening music coupled with news at the top of the hour. Bonneville serves 155 stations in 85 to 90 of the top 100 markets in the country with its ULTRA format.

Bonneville's frontrunner in the adult contemporary mode continues to be Chicago's WCLR (fm), with its "Chicago's Lite Rock" theme. Starting in April, WNSR (fm), Bonneville's New York broadcast property, also made the leap into soft rock and adopted new call letters, WRFM (fm). Research showed slippage in the easy listening category, and this triggered WRFM's switch to the new format as "New York's Soft Rock."

Seattle properties, KIRO, KSEA (fm) and KIRO-TV, Bonneville's CBS affiliate, continued to do well. According to Messrs. Brady and Hatch, KIRO radio is the dominant news station in the Northwest by a wide margin. The news-radio and sports station picked up additional major league franchises for broadcast last year, including the Seattle Mariners baseball team, basketball's SuperSonics and Seattle's National Football League team, the Seahawks. In addition, KIRO radio picked up the rights to broadcast the University of Washington Huskies sports events for $1.5 million.

KIRO-TV is the No. 1 news station in the market both in terms of ratings and in the amount of news programing it broadcasts daily, Mr. Hatch says.

Bonneville Broadcasting System, an easy listening music syndication company, headquartered in Northbrook, Ill., is the largest easy listening music syndication in the country, serving more than 150 stations.

Bonneville Telecommunications, under newly appointed president Blaine Whipple, formerly vp-finance at Bonneville, continued to move ahead on its teletext program, which utilizes CBS news feeds and local news and passes it via signals from KSL-TV and telephone lines to tv set subscribers and home computer users.

The division also operates transponders, which it leases to such clients as Western Union Industries and Southern Pacific Transportation Co., but because the demand for use and programing is low compared with the number of transponders in orbit, this segment has not shown any growth.

However, Bonneville Telecommunications has been busy developing informational systems for such clients as Chicago First National Bank, American Can Co. and Thiokol Chemical Corp. The Telecommunications division also developed an information network for Dow Jones, which began operating in April, that feeds data to major stock exchanges. In addition, the subsidiary signed major contracts with privately owned networks, like the Hilton Hotel chain, for which it provides teleconferencing capabilities. Other new product development activities are in the works, Mr. Whipple says.

Bonneville Media Communications, a full-service communications company that also offers advertising agency services, greatly expanded its business role this past year. The Mormon Church has been a major client for 14 years, both for programing and advertising.

The company's multimedia division, which puts together multiple-slide presentations and other multimedia events for national and local companies, numbers among its clients such companies as American Express,

Media companies by estimated magazine revenues

Company	Magazine revenues 1985	Magazine revenues 1984	1985 media revenues	Mag revs % of media revs	Top U.S. magazine by ad revenues	1985 ad revs of top mag	'85-'84 % chng
Time Inc.	$1,482	$1,321	$2,852	52.0	*Time*	$346,570	3.3
McGraw-Hill	676	658	1,031	65.5	*Business Week*	169,100	(8.5)
Triangle Publications	648	589	720	90.0	*TV Guide*	313,974	3.2
Hearst Corp.	569	503	1,540	36.9	*Good Housekeeping*	142,376	6.8
International Thomson Holdings	560	550	560	100.0	*Medical Economics*	N/A	N/A
Advance Publications	510	490	2,030	25.1	*Vogue*	71,509	6.2
Dun & Bradstreet	406	380	1,718	23.6	*Datamation*	N/A	N/A
CBS Inc.	385	310	3,170	12.1	*Woman's Day*	107,347	(2.7)
Washington Post Co.	326	332	1,037	31.4	*Newsweek*	247,079	(0.0)
Meredith Corp.	228	210	356	63.9	*Better Homes & Gardens*	123,262	(2.3)
National Geographic Society	220	213	220	100.0	*National Geographic*	31,922	6.4
New York Times Co.	217	211	1,394	15.5	*Family Circle*	145,788	11.5
Capital Cities/ABC	210	191	3,841	5.5	*W*	20,470	12.0
Cahners Publishing Inc.	210	200	210	100.0	*Restaurants & Institutions*	N/A	N/A
Reader's Digest Assn.	197	194	209	94.4	*Reader's Digest*	110,578	(1.1)
International Data Group	185	138	185	100.0	*Computerworld*	N/A	N/A
McCall Publishing Co.	153	129	153	100.0	*McCall's*	80,849	6.0
News America Publishing	149	33	584	25.5	*New York*	38,331	12.3
Playboy Enterprises	149	147	172	86.2	*Playboy*	57,235	5.0
U.S. News & World Report	145	151	145	100.0	*U.S. News & World Report*	102,641	1.1
Times Mirror Co.	144	140	2,171	6.6	*Popular Science*	21,080	(8.1)
Penthouse International	132	115	132	100.0	*Penthouse*	20,179	(8.4)
Ziff Communications Co.	125	115	125	100.0	*PC Week*	41,000	—
Petersen Publishing Co.	122	112	122	100.0	*Motor Trend*	23,254	24.6
Harcourt Brace Jovanovich	119	103	137	86.9	*Modern Medicine*	N/A	N/A
Forbes Inc.	114	108	115	99.1	*Forbes*	109,726	—
Crain Communications	102	86	102	99.9	*Advertising Age*	26,200	—
Pittway Corp.	98	101	98	100.0	*Machine Design*	N/A	N/A
Knapp Communications	93	98	93	100.0	*Architectural Digest*	28,653	3.3
Maclean Hunter Communications	52	47	258	20.2	*Progressive Grocer*	N/A	N/A
Scripps Howard	50	49	900	5.6	*Houston Business Journal*	N/A	N/A
Warner Communications	35	35	331	10.6	*DC Comics*	N/A	N/A
Dow Jones & Co.	32	30	978	3.3	*Barron's*	N/A	N/A
LIN Broadcasting Corp.	17	14	163	10.2	*GuestInformant*	N/A	N/A
Providence Journal Co.	15	12	208	7.2	*Soap Opera Digest*	2,320	7.7
Stauffer Communications	14	12	96	15.0	*Grit*	N/A	N/A
Times Publishing Co.	13	15	167	8.0	*Florida Trend*	N/A	N/A
Media General	11	12	331	3.4	*Consultant*	N/A	N/A
A.S. Abell Co.	2	2	235	1.0	*Mid-Atlantic Monthly*	N/A	N/A
Dispatch Printing Co.	2	2	156	1.5	*Ohio Magazine*	N/A	N/A
Oklahoma Publishing Co.*	2	2	411	0.4	—	N/A	N/A
Morris Communications Corp.	1	1	284	0.4	*Quarter Horse News*	1,000	11.1
I&C Communications	1	1	102	0.9	*Washington Journalism Review*	900	80.0

NOTE: Total magazine and media revenues in millions. Magazine ad revenues in thousands. Source: Publisher's Information Bureau.
*Oklahoma Publishing Co. sold the *Oklahoma Texas Farmer Stockman*.

Rockwell International, Boise Cascade and Blue Cross and Blue Shield. The programing department at Bonneville Media prepares special and corporate films for clients.

The greatest area of growth has been in the advertising agency sector, however. A natural extension of the award-winning work the agency has done for the Mormon Church was to expand its roster of clients to other cause/relief organizations.

The most recent new client, Boy Scouts of America, joined Bonneville Media's agency in April. In January of this year, Church World Service, a relief organization headquartered in New York, left Ketchum Advertising in favor of Bonneville Media to develop its radio and tv campaigns. The National School of Safety Center in Sacramento, Cal., became a Bonneville client last year.

Advertising and corporate film work focuses on the problems of drug abuse, violence and truancy on school campuses. Recently, the Houston Film Festival bestowed an award for Bonneville's work on that account. The advertising arm of Bonneville has earned more than 300 creative awards.

Bonneville Media plans to enter the commercial sector, including such industries as healthcare and communications. In particular, the agency seeks "clients who can utilize the emotional kind of sell we specialize in," says Jeffrey L. Hilton, vp-marketing at Bonneville.

More recently, Bonneville Media entered the world of media buying, further expanding its full-service communications company role.

In addition to the personnel changes already cited, John Scott Davenport, Bonneville International's director of research, was named vp-research and analysis. Former assistant general counsel, Bruce Reese, became vp-general counsel.

MEDIA PROPERTIES
Broadcasting

TV: KSL-TV, Salt Lake City; KIRO-TV, Seattle.
RADIO: KBIG (fm), Los Angeles; KIRO, KSEA (fm), Seattle; KMBZ, KMBR (fm), Kansas City, Mo.; KOIT (am, fm), San Francisco; KSL, Salt Lake City; KZPS (am, fm), Dallas; WCLR (fm), Skokie, Ill.; WREM (fm), New York.

OTHER OPERATIONS

Bonneville Broadcasting System, Bonneville Media Communications, Bonneville Telecommunications, Radio Data Services.

RANK **55**

Cahners Publishing

Newton, Mass.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	210	200	5.0
Total sales	352	270	30.4
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	210	200	5.0
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Like many of the top media companies that concentrate on print properties, Cahners Publishing Co. expects relatively flat revenues and earnings in 1986, unless its financial results are lifted by acquisition as they were in 1985.

Media revenue growth of 5% at Cahners, all from magazines, was much less impressive than the company's over-all revenue growth of 10.4% in 1985, most of that coming from Cahners' growing expositions and trade shows division.

Cahners' media revenues come from 16 business publications, ranking the publisher as the 55th largest media company. Based in Newton, Mass., Cahners is a division of Reed Publishing U.S.A. Revenue totals in this profile are all for Cahners.

Cahners, however, plans to build on its existing titles while waiting for advertisers to become more confident about the economy and let loose of their advertising dollars. "We're trying to run better by battening down the hatches and waiting for the storm to pass, for the sun to come out again," says Bill Platt, president of the magazine division. "We want to publish good quality magazines and not spend our assets for now," he says, adding the proverbial "unless a particularly good acquisition comes along."

That "particularly good acquisition" would be one of high quality offering strong growth potential in keeping with the publisher's growth strategy. At the same time, Cahners is weeding out magazines that don't show that potential. The idea is not to have a large number of titles, but to own magazines that dominate their markets and have room to grow, Mr. Platt says.

He refers to a magazine's life cycle to illustrate the company's decision to sell or fold several magazines this year. *Appliance Manufacturer*, which was sold to Corcoran Communications, Solon, O., earlier this month, was the No. 1 magazine in its field with 60% of the market. But the market was a "shrinking pie" because many appliances are made overseas, he says. The magazine no longer offered the growth Cahners looks for.

Bar Business, which was published for eight issues starting in September, was killed because it failed to attract the advertising needed to support the magazine's high costs, although it received strong readership interest, he says.

Other media operations sold were *Cardiovascular Medicine*, which from the time it was purchased never met the company's expectations, and the newsletter division, sold to the staff member who headed the division.

A purchase that was termed a "major acquisition" was that of R.R. Bowker Co., publisher of three magazines: *Library Journal*, *Publishers Weekly* and *School Library Journal*.

Cahners will be on the lookout for other publishing properties in 1986 and expects to announce one such major acquisition in the next few months. According to Mr. Platt, the company is talking to major publishing companies that have a lot of good properties on the market.

During the year Cahners also bought *Physicians Travel & Meeting Guide*, *Electronic Purchasing* and launched two spinoffs of *EDN*, *EDN Product News* and *EDN Career News*. The latter two publications are doing well because of the strength of *EDN*, according to Mr. Platt, and because the industry is eager for product and recruitment news.

Electronic Purchasing, launched as a monthly magazine to compete with an every-other-week buyers guide paper, gives Cahners editorial coverage in every area of the electronics business, which is predicted to be a growth area for the company. A major sales push for the magazine will start in September. Cahners also expects the medical healthcare area to be a major growth area. The most troublesome category for Cahners is the computer magazine group, reflecting the softness in the computer market.

Total circulation for the company's publications is now about 2.5 million. Ad pages were relatively flat for 1985, reflecting an industrywide trend for magazines, whether consumer or business. Total ad pages were about 49,000, down from 50,000 the year before. The ad page leaders for 1985 were *EDN* at 5,912 pages; *Restaurants & Institutions*, 4,480; Design News, 4,968; *Interior Design*, 3,216; *Electronic Business*, 2,237; Electronic Packaging & Production, 1,875; *Purchasing*, 2,304; *Emergency Medicine*, 1,696; *Mini-Micro Systems*, 1,674; Professional Builder, 1,775, and *Modern Materials Handling*, 1,942.

MEDIA PROPERTIES
Magazines

Brick & Clay Record, Building Design & Construction, Building Supply & Home Centers, Business Computer Systems, Ceramic Industry, Construction Equipment, Corporate Design & Realty, CPI Purchasing, Design News, EDN, EDN Career News, EDN Product News, Electronic Business, Electronic Packaging & Production, Electronic Purchasing, Emergency Medicine, Hotels & Restaurants International, Foodservice Equipment Specialist, Interior Design, Library Journal, Mini-Micro Systems, Modern Materials Handling, Packaging, PC Products, Plastic World, Professional Builder, Purchasing, Restaurants & Institutions, School Library Journal, Security Distributing & Marketing, Security World, Semiconductor International, Specifying Engineer, Traffic Management.

Other media operations

U.S. Industrial Directory in addition to annual buying guides and services directories produced by some of the individual magazines.

RANK **1**

Capital Cities/ ABC

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	3,841	3,953	(2.8)
Total sales	4,320	4,625	(6.6)
Net income	301	331	(9.0)

Sales by media	1985	1984	% chg
Newspaper	405	380	6.6
Magazine	210	191	10.2
Broadcast	3,094	3,272	(5.4)
Cable	132	110	19.7
Outdoor	—	—	—

When Capital Cities bought American Broadcasting Cos. on Jan. 3, 1986, it officially became the world's largest media conglomerate with media revenues of $3.84 billion, a figure equal to 89% of total revenues of the merged operation.

Capital Cities, now Capital Cities/ABC Inc., quickly encountered the most difficult and complex year in its history. Accustomed to fast growth and high profit margins and a self-described "lean" management style, Cap Cities' suddenly faced a poor financial picture in 1986 and a merged partner characterized by a huge payroll and management bureaucracy.

The expected corporate culture clash was over almost before it began. ABC found itself transformed quickly as new managers replaced some of the best known names in broadcasting and some of the company's best known broadcast properties were sold. Fred Pierce, the president, resigned in January, only one week after the companies completed their merger.

Cap Cities immediately began the task of transformation. Other top ABC execs departed before and after the merger began, including Tony Thomopoulos, president of ABC Broadcast Group; Everett Erlick, general counsel, and Ben Hoberman, president of radio. Cap Cities immediately began shrinking the payroll. As many as 300 positions in various divisions of the company have been eliminated, with more expected. Before his departure, Fred Pierce had ordered the layoff of 350 employes in August, 1985. The layoffs affected almost 3% of ABC's 13,000 employes.

A number of new executives were added to the corporate roster. John Sias, formerly president of Cap Cities' Fairchild Publications and group vp of Metromedia Inc. in the 1960s, was named president of the ABC division of Capital Cities/ABC. Michael Mallardi, formerly chief financial officer for ABC, was named president of the company's broadcasting division. The owned-and-operated tv station group, the largest such group in the country, was split into eastern and western groups. Named to the presidency of the western region was Kenneth Johnson, formerly president-gm of Cap Cities' KTRK-TV, Houston. Lawrence Pollock, formerly president-gm of WPVI-TV, Philadelphia, was named president of the eastern stations.

In addition to changes in the personnel roster, four tv stations, eight radio stations, a newspaper and the cable division of Cap Cities were sold to meet FCC cross-ownership rules. The sale of properties before the merger yielded about $920 million in pretax gains for the company. ABC also phased out its movie division last year. Cap Cities sold its 53 cable systems to Washington Post Co. for $350 million.

The financial performances of both ABC and Cap Cities differed dramatically in 1985, mainly because of revenue shortfalls at the ABC tv network. Cap Cities had a record year in both earnings and revenue. For the first time in Cap Cities' 31-year history, net revenues exceeded $1 billion, reaching $1.02 billion, a 9% increase over 1984. Net income in 1985 was $142.2 million, a 5% increase. ABC's net revenue fell 10% to $3.3 billion while net income plummeted 19% to $158.4 million.

ABC's fall was related primarily to the extraordinary gain realized from the Olympics in 1984 as well as its continued drop in prime-time network ratings. Broadcast revenues dropped 14% to $2.84 billion last year while operating income in the division dropped 20% to $340.8 million. ABC broadcast figures include cable. The plunge would have been greater had it not been for a record year in local sales for owned-and-operated tv stations. Top executives at the company warned earlier this year that the ABC tv network could suffer a financial loss in 1986.

Cap Cities' broadcast segment revenues, minus cable, finished the year at $293.7 million, an 8% gain, while income from operations increased 3% to $145.8 million.

Both companies fared significantly better in other areas. ABC's publishing segment's revenues gained 2% to $322.1 million while income from operations increased 4% to $35.5 million. Cap Cities' publishing division increased revenues 9% to $642.6 million while income from operations grew 4% to $138.5 million.

Cable tv-related ventures also grew at both companies last year. Cap Cities' cable division, sold to meet FCC regulations prohibiting tv networks from owning cable systems, had revenues of $84.6 million, an 11% gain, with income from operations of $5.2 million, up 100%.

ABC's new technology sector (including ESPN and the Arts & Entertainment Network, among other enterprises) cut in half 1984's loss. Revenues were $129.0 million last year, a 101% increase over 1984. The loss in the division shrank from $44.6 million in 1984 to $17.3 million last year.

ABC's network performance, pallid in comparison to the triumphant 1984 season, had a few bright spots. The network has had and continues to have a more successful new product development track than CBS, which fell to the No. 2 position in prime-time household ratings. Despite this, ABC's total household audience dropped to 12.8 million from 13.07 million in 1984. The network's season-to-date average, a 14.9 rating and a 23 share, was 18% behind NBC's season leading average and 13% behind that of CBS. Thomas Murphy, chairman of Cap Cities/ABC, told a shareholder meeting that a priority in 1986 was "restoration of prime-time audience levels for ABC tv network to at least parity with CBS and NBC."

The final season average also reflected a decline over the entire year: ABC had a midseason rating average of 15.7. Two strong performances turned in by the network were the World Series last October and "North and South," the miniseries that ran during November sweeps. The six-part series averaged a 38 share, three points ahead of the 35 guaranteed to sponsors. The sequel, an equally ambitious broadcast, also had a successful run by garnering a 33 share over six nights in May.

The man responsible for the epic's creation, Brandon Stoddard, was elevated to the presidency of ABC Entertainment, replacing Lew Erlicht last November. Mr. Stoddard was formerly vp-miniseries.

The network suffered setbacks in two other programing areas, daytime and early morning. While CBS gained in total households at ABC's expense, ABC managed to hold onto its No. 1 ranking. It was not so lucky in the morning: the long-running and highly successful "Good Morning America," fell behind a dazzling and faster-paced "Today" on NBC-TV. However, ABC's evening network news broadcast, "World News Tonight," gained strength last year.

Besides a cost-conscious new management, one of the sharpest changes foisted on ABC was the slew of station sales that occurred after the merger was completed.

Eight radio stations were unloaded before the merger for more than $100 million. Gannett Co. acquired ABC's Denton (Dallas), Tex.-based KTKS (fm) for $16 million; Malrite Communications, Cleveland, bought ABC's KSRR (fm), Los Angeles, and Cap Cities' KLAC and KZLA-FM for $75 million, and Park Communications, Ithaca, N.Y., purchased Cap Cities WPAT-FM and am sister WPAT, Paterson, N.J. for $49 million. Price Communications Corp. purchased Cap Cities' WKBW, Buffalo for $14 million. Silver Star Communications-Detroit Inc. bought WRIF (fm), Detroit.

Cap Cities also obtained an 18-month temporary waiver from the FCC to hold onto several major market radio stations. Cap Cities says it needed the deferral to study the relationship between the owned-and-operated radio stations and the ABC Radio Networks, the largest radio network operation in the U.S.

Cap Cities/ABC could be required to divest by mid-1987 at least seven of the following stations: WABC, WPLJ (fm), New York; KABC and KLOS (fm), Los Angeles; WLS, WYTZ (fm), Chicago; KGO, San Francisco; WJR, WHYT, Detroit; WMAL, WRQX (fm), Washington; WBAP and KSCS (fm), Dallas-Fort Worth; WPLO (am), WKHX (fm), Atlanta, and WPRO and WPRO-FM, Providence, R.I.

Cap Cities/ABC also sold four tv stations to comply with FCC ownership regulations. Scripps Howard Broadcasting purchased WXYZ-TV, Detroit, for about $220 million. The company also purchased WFTS-TV, Tampa, for about $40 million.

Whitcom Investment and partner Cook Inlet Region Inc., Anchorage, Alaska, purchased WTNH-TV, New Haven/Hartford, Conn., for $170 million. William Paley, the former chairman of CBS, is one of the partners of Whitcom, which owns a third interest in the *International Herald Tribune*. A group made up of the Jackson Brothers, O.J. Simpson, Julius Erving and Edward Lewis, ceo-publisher at Essence Communications, publisher of *Essence* magazine, bought WKBW-TV, Buffalo, N.Y., for $65 million. With the exception of WXYZ-TV, each of the tv stations formerly was owned by Capital Cities. The aggregate net proceeds from the radio and tv sales was about $650 million.

Cap Cities/ABC also could have been required to sell WPVI-TV, Cap Cities' top affiliate in Philadelphia as a result of the merger. The company received a permanent waiver to keep the station.

Cap Cities' Red Bank, N.J., *Daily Register* and *Ocean County Reporter* was sold to Price Communications, New York for 7.5 million. Also, in August, 1985, the company sold its other New Jersey weekly in Toms River, N.J., *Ocean County Reporter*. ABC Publishing/Midwest division also added to its holdings in 1986 with the purchase of P.E.M.C.O., a trade show management company in Des Plaines, Ill.

MEDIA PROPERTIES
Broadcasting

TV: WABC-TV, New York; WLS-TV, Chicago; WPVI-TV, Philadelphia; WTVD, Durham-Raleigh, N.C.; KABC-TV, Los Angeles; KGO-TV, San Francisco; KTRK-TV, Houston; KFSN-TV, Fresno, Cal.
RADIO: KABC, KLOS (fm), Los Angeles; KGO, San Francisco; KSCS (fm), WBAP, Fort Worth; WABC, WPLJ (fm), New York; WJR, WHYT (fm), Detroit; WPLO, WKHX (fm), Atlanta; WPRO (am, fm), Providence, R.I.; WMAL, WRQX (fm), Washington D.C; WLS, WYTZ (fm), Chicago.

Cable/video

CHANNELS: ESPN (Bristol, Conn.), ARTS & Entertainment Network (38% ownership), Lifetime (33% ownership).

Magazines

ABC Consumer Magazines: *High Fidelity, High Fidelity/Musical America Directory, High Fidelity Test Reports, McCall's Needlework & Crafts* (including special interest publications). Modern Photography. Modern Photography/Photo Information Almanac, Photo Buying Guide, Schwann Record & Tape Guide, Video & Sound, Wolfman Report. American Traveler Group: *Travel Agent*. Chilton Co.: *Automotive Industries, Automotive Marketing, Commercial Carrier Journal, Distribution, Electronic Component News, Food Engineering No. America, Food Engineering International, Food Engineering Master, Hardware Age, IMPO (Industrial Maintenance & Plant Operations), IMPO News, Industrial Safety & Hygiene News, Instrument & Apparatus News, Instrument & Control Systems, Iron Age/Manufacturing Management, Iron Age/Metal Producers, Jewelers Circular Keystone, Motor Age, Owner Operator, Product Design & Development, Review of Optometry*. COMPUTE! Publications: *COMPUTE! Apple Applications, COMPUTE!, COMPUTE!'s Gazette*. Electronic Publishing: *Securities Data, Videolog Communications*. Fairchild Publications: *American Metal Market, Daily News Record, Electronics Retailing, Energy User News, Entree, HFD-Retailing Home Furnishings, Home Fashions Textiles, Heat Treating, M, Metal Center News, Metalworking News, MIS Week, Multichannel News, Sports Style, Supermarket News, W, Women's Wear Daily*. Farm Progress Cos.: *Indiana Prairie Farmer, Prairie Farmer, Wallace's Farmer, Wisconsin Agriculturalist*. Hitchcock Publishing Co.: *Assembly Engineering, Assembly Technology Buyers Guide, Industrial Finishing, Industrial Finishing Buyers Guide, INFOSYSTEMS, Machine and Tool Blue Book, Machine and Tool Blue Book Directory, Manufacturing Systems, Office Products Dealer, Quality*. International Medical News Group: *Clinical Psychiatry News, Family Practice News, Internal Medicine News, Ob. Gyn. News, Pediatric News, Skin & Allergy News*. Los Angeles Magazine: *Los Angeles Magazine*. Miller Publishing Company: *Dairy Herd Management, Farm Store Merchandising, Feedlot Management, Feed Additive Compendium, Feedstuffs, Feedstuffs Reference Issue, Garden Supply Retailer, Hog Farm Management, Tack 'n Togs, Tack 'n Togs Buyers Guide*. Philatelic Publications: *Stamp Collector, Stamp Wholesaler*. Professional Press Group: *International Contact Lens Clinic, Journal of Learning Disabilities, Optical Index, Optometric Monthly, Institutional Investor Domestic Edition*.

Newspapers (dailies)

GEORGIA: *Albany Democrat-Herald*. ILLINOIS: *Belleville News-Democrat*. MICHIGAN: *Oakland Press* (Pontiac). MISSOURI: *Kansas City Times, Kansas City Star*. OREGON: *Daily Tidings* (Ashland). PENNSYLVANIA: *Times Leader* (Wilkes-Barre). TEXAS: *Fort Worth Star-Telegram*.

Newspapers (nondailies)

CALIFORNIA: Pennysavers in Orange, Riverside and San Diego counties, Sacramento and Stockton. CONNECTICUT: Shore Line Newspapers, Guilford. ILLINOIS: *Highland News-Leader*. KANSAS/MISSOURI: *Pennysaver Shopping News* (Wichita and Topeka, Kan., and Springfield, Mo.). OREGON: *Gresham Outlook, Newport News-Times, Nickel Ads* (Portland), *Springfield News, Cottage Grove Sentinel, Sandy Post*. TEXAS: *Arlington Citizen-Journal*. WASHINGTON: *Little Nickel Want Ads* (Seattle-Tacoma), *Nickel Nik* (Spokane).

Other media operations

Securities Data Co.; Videolog Communications; National Price Services; NILS Publishing; Word Inc.

RANK **2**

CBS Inc.

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	3,170	3,031	4.6
Total sales	4,756	4,640	2.5
Net income	27	212	(87.1)

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	385	310	24.4
Broadcast	2,785	2,721	2.4
Cable	—	—	—
Outdoor	—	—	—

CBS Inc. survived takeover attempts by Ted Turner, Marvin Davis, Ivan Boesky and Fairness in Media, a conservative group allied with Sen. Jesse Helms (R, N.C.) in 1985-86, but it experienced a difficult year that saw profits plummet and its position as the top-rated tv network in prime time fall to second place behind NBC.

Future leadership at the New York-based media company, ranked the second largest U.S. media company, continues to be a matter of speculation. While Loews Corp. chairman Laurence A. Tisch says he would amass as much as 25% of CBS stock, many believe the powerful New York financier is now heir apparent to the seat William Paley, CBS' founder and former chairman, occupied for more than five decades. The Loews' stake, which was 17.9% in June, 1986, also should provide a shield against any further hostile takeover activity.

Operating profits declined sharply in CBS' three core businesses. Operating profits fell 12% to $360.6 million in 1985 at CBS/Broadcast Group because of a soft advertising climate, especially during the fourth quarter, according to the company. Revenues increased 2% to $2.79 billion.

CBS/Publishing recorded a $41.1 million operating profit last year, a 30% decline from the year before, as revenues grew 14.8% to $710.7 million. The segment sold *Family Weekly* to Gannett in early 1985 for $42.5 million and purchased the 12-title consumer magazine business of Ziff Corp.'s Ziff-Davis Publishing Co. in February, 1985, for $362.5 million. CBS remains the largest publisher of special interest publications in the country.

CBS/Records Group, which was hurt by the absence of superstar album releases, posted operating profits of $87.2 million, a 29% drop from the year before. Revenues declined 3% to $1.22 billion.

CBS also completed the purchase of five radio stations from Taft Broadcasting Co. in 1985 for $108 million.

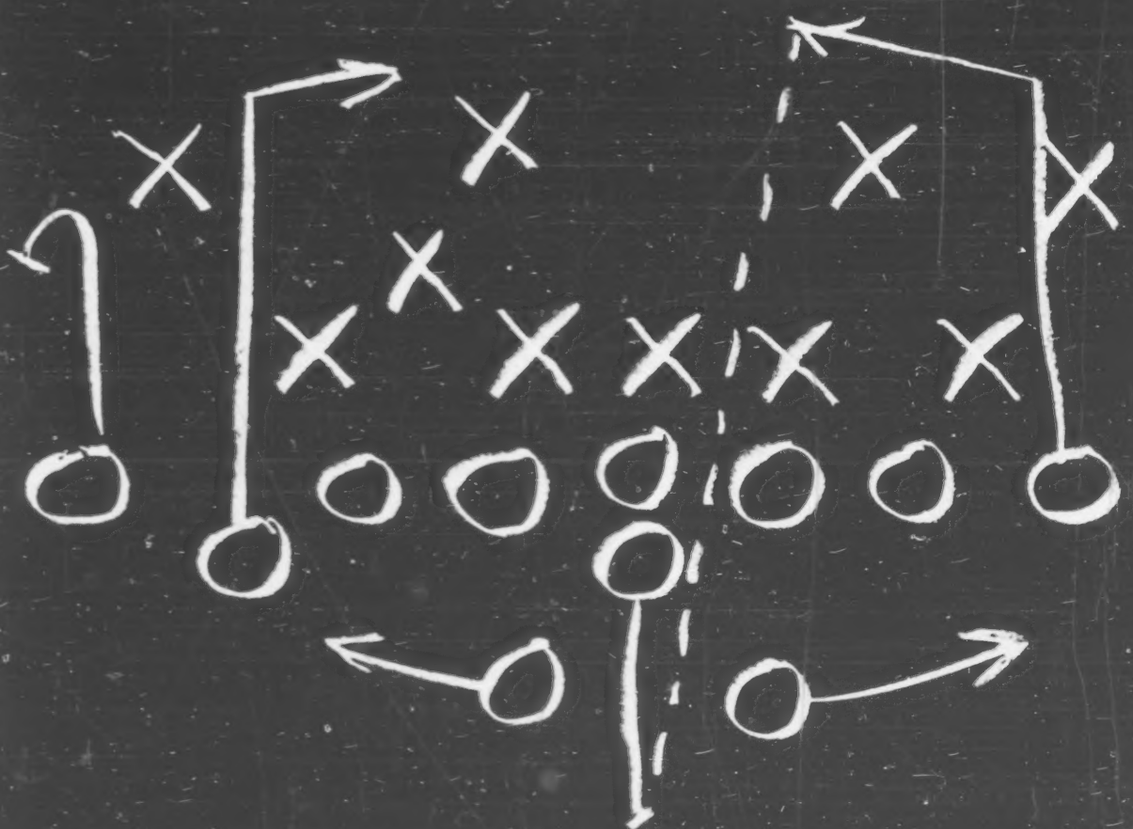
Financial matters dictated many key business decisions in 1985. In August, the company purchased 21% of its outstanding stock as an anti-Turner-takeover maneuver. The near-Draconian measure put substantial debt on CBS' balance sheet but effectively put off Mr. Turner in his $5.4 billion attempt to buy CBS.

While Turner—and presumably future suitors—were turned away by CBS' massive recapitalization, the effect on the company was traumatic. The stock buyback plan was largely responsible for the 88% decline in net income.

A month later, in seeking to pare employes from its massive payroll, CBS offered early retirement to 2,000 employes, or 7% of its work force. Employe cutbacks in most divisions continued into 1986. Several top company officials, including James Rosenfield, senior exec vp, CBS/Broadcast Group, also took early retirement.

In efforts to reduce the huge debt, CBS divested several marginally profitable properties. The plan was to quickly erase $300 million in debt on the balance sheet. As a result, KMOX-TV, St. Louis, was sold to Viacom International. CBS Toys and CBS Software were sold. CBS sold its interest in Tri-Star Pictures, which it co-owned with Coca-Cola Co.'s Columbia Pic-

IF YOU'RE TRYING TO REACH UPSCALE MEN, WE'VE GOT THE BEST GAME PLAN.



The combination of ESPN and CFA College Football is one that advertisers are finding virtually unbeatable. Saturday nights this fall ESPN will be bringing the very best in college football into America's living rooms with exclusive live, prime time CFA coverage. With a line-up that includes defending national champion Oklahoma, Texas, Notre Dame, Penn State and Nebraska it's not surprising that upscale men are turning from the networks to ESPN in record numbers.

And these men form a very impressive line-up of their own. For instance, ESPN's average football viewer buys 30% more imported cars, does 82% more business travelling and buys 44% more life insurance than the national norm.

Without ESPN, your television budget is underdelivering these upscale men. Just 10% of your national TV budget allocated to ESPN will dramatically increase its effectiveness. You'll be reaching the men who spend and do more, and you'll be doing it at a much lower cost-per-thousand.

So give us a call at (212) 661-6040. Because with ESPN's game plan you can't lose.

Also Special Labor Day and Thanksgiving presentations available.

ESPN
THE TOTAL SPORTS NETWORK

tures and Home Box Office. There were even rumors that the CBS magazine group might be put on the block.

The "asset redeployment" successfully netted the nearly $300 million CBS sought. In an unrelated action, CBS also sold its Dallas-Fort Worth cable tv system, Black Hawk Cable Communications. CBS purchased the 19,000-subscriber system in 1982 for experimental purposes.

The company also was enmeshed in litigation during the year. In April, CBS sued the New York-based arbitrageur Ivan Boesky, charging he had amassed his 8.7% stake in CBS by using his stock as collateral to purchase more stock. The company also charged he was committing "greenmail." Mr. Boesky later dropped much of his $247.1 million stake as part of a settlement and agreed not to increase a minority ownership position.

CBS became embroiled in a lawsuit with Ziff Corp. Filed in May, CBS' suit charged that $4 million in expenses were not reflected in Ziff's statement of the magazines' earnings. Some analysts, however, estimated CBS may have overpaid as much as $40 million for the magazines. The outcome is pending.

Last October, Laurence Tisch, chairman of Loews Corp., purchased 11.3% of the company's stock. While CBS officials quickly dubbed the relationship a "mutual love affair," most observers read Mr. Tisch's action as a prelude to eventual takeover. Mr. Tisch subsequently was awarded a seat on the CBS board.

Loews, a $5 billion conglomerate with interests in hotels, real estate, financial services and tobacco, said it intended to purchase up to 25% of the company. But eventual takeover is expected. In documents filed with the SEC, Loews disclosed it had held talks about acquiring CBS after Mr. Turner made his bid.

Mr. Tisch, very active in New York financial, political and philanthropic activities as well as a close friend of former ABC chairman Leonard Goldenson, has been viewed as a stabilizing influence at the beleaguered company. Many consider a successful takeover of the company unlikely without the blessing of Mr. Tisch.

CBS concentrated heavily on marketing the tv network in 1985 and 1986, efforts sharpened by a general downturn in the over-all network economy in 1985, which saw three network revenues decline nearly 3% to $8.31 billion, the only single-year drop since cigarets were taken off the air in 1971.

CBS became the first network to sell stand-alone 15-second spots, a policy since adopted by its rivals. The network in part hopes to attract new advertisers to the medium via the shorter unit. So far the success of the venture is uncertain. CBS also aggressively courted advertisers by cutting multiyear deals, including an unusual late-night multiyear contract with Procter & Gamble. The network also initiated an early assault on the "upfront" children's market, in which advertisers purchase inventory 52 weeks in advance. By cutting early deals with advertisers, CBS secured more than half of all children's advertiser budgets, despite its second-place position in Saturday morning viewership.

The network's program schedule also underwent dramatic change. While CBS audience circulation in 1984 was matched in 1985, the network still slid to second place behind NBC. This was the first such decline for CBS in five years. The network's staple programing—"Kate & Allie," "Newhart," "60 Minutes," "Murder, She Wrote," "Knots Landing"—maintained ratings strength in 1985-86. CBS' "Sunday Night Movie" was also a major success for the network. However, "Dallas" suffered some ratings erosion.

CBS' new product development was also weak last year. The only shows developed in 1985 that will return to the 1986 schedule are "Twilight Zone" and "The Equalizer." CBS was once again forced to recast its Wednesday night schedule in 1986-87. Wednesday has been the weakest night on the CBS schedule. In a risky move, the network will move "Knots Landing" to 9 p.m. (ET) from 10 p.m. The show will compete with two strong shows on the NBC schedule.

Special programs in 1985 included "Death of a Salesman" and miniseries "Space," "Kane & Abel" and "Christopher Columbus." "Space," telecast in April, 1985, was a major disappointment for the network. The other miniseries scored well in the Nielsen ratings. In another key development in programing, longtime program chief Harvey Shephard left the company for a post at Warner Bros. He was replaced by Kim LeMasters.

In sports, the network signed a new four-year contract with the National Basketball Assn. and the U.S. Open.

News underwent two major executive changes in 1986. Edward Joyce resigned under fire as president of the division earlier this year. In May, "The CBS Evening News with Dan Rather" replaced its executive producer, Lane Venardos, with Tom Bettag. The shift comes as "CBS Evening News," after five years as the top-rated network news show, fell to a tie with NBC's "Nightly News" in April. "The CBS Morning News" continued to lag the other network morning news shows in the ratings. A new prime-time news program, "West 57th," also premiered late 1985. The show has had lackluster ratings.

There was personnel turmoil in the entire division during the past year. As a result of the Turner assault, more than 125 jobs were eliminated. Then Don Hewitt, the "60 Minutes" producer, approached top management at the company about purchasing the entire news division. Representing a group of CBS employes, including Dan Rather, Mr. Hewitt expressed concern that the division might be sold in the event of a hostile takeover of CBS.

In July, 1985, CBS Radio acquired five radio stations from Taft Broadcasting Co. The new stations are KTLR-FM, Houston; WLTT (fm), Washington; KTXQ (fm), Dallas-Fort Worth; WSUN and WYNF (fm), Tampa-St. Petersburg. CBS Radio's RADIORADIO, a youth-oriented network, also added new program feeds last year.

The CBS Publishing Group underwent major changes. Management was revamped twice while 11 top execs—nine from Ziff-Davis and two from CBS—departed.

The increase of $91 million in revenues for the segment, up 15% in 1985, came largely from the 12-title consumer magazine group from Ziff. Profits declined sharply because of the charges associated with the acquisition.

Last September, a new CBS Magazine Network called Magnet was created out of the new group, comprising 11 magazines and 20 million readers. CBS added seven titles from the Ziff-Davis Magazine Network to its existing four.

MEDIA PROPERTIES

Broadcasting

TV: CBS Television Network, network owned stations—KCBS-TV, Los Angeles; WBBM-TV, Chicago; WCBS-TV, New York; WCAU-TV, Philadelphia.

RADIO: CBS Radio Network, RADIORADIO, network-owned stations—KNX, KKHR (fm), Los Angeles; KCBS, KRQR (fm), San Francisco; WBBM (am, fm), Chicago; WHTT (fm), Boston; KMOX, KHTR (fm), St. Louis; WCBS (am, fm), New York; WCAU (am, fm), Philadelphia; KTXQ (fm), Dallas-Fort Worth; KTLR-FM, Houston; WSUN, WYNF (fm), Tampa-St. Petersburg; WLTT (fm), Washington.

Magazines

American Photographer, Audio, Backpacker, Boating, Car & Driver, Cycle, Cycle World, Field & Stream, Flying, Home Mechanix, Modern Bride, Popular Photography, Road & Track, Skiing, Skiing Trade News, Stereo Review, The Runner, TV Crosswords, Woman's Day, Yachting.

OTHER OPERATIONS

CBS Records Group—CBS Records International, Columbia House, CBS Songs, CBS Masterworks (classical), CBS Music Video Enterprises, Winterland Productions (50%). CBS/Publishing Group—CBS Educational and Professional Publishing division: W.B. Saunders, TransMedica, Les Editions HRW Ltee., Canada; Holt, Rinehart & Winston Press. CBS/FOX (partnership with 20th Century-Fox). TRINTEX (partnership with IBM and Sears, Roebuck & Co.). Interest in SportsChannels, Rainbow Services.

RANK **28**

Central Newspapers

Indianapolis

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	384	380	1.1
Total sales	384	380	1.1
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	383	379	0.9
Magazine	—	—	—
Broadcast	—	—	—
Cable	2	1	50.0
Outdoor	—	—	—

Central Newspapers, the nation's 28th largest media company, faces two directions at once—the slowing industrial/agricultural heartland from its Indianapolis headquarters, and the growing Sunbelt, from its major operation in Phoenix—and the financial performance of its papers in 1985 reflected "what was going on in the local economy," company executives say.

During 1985, a Central Newspapers publication for the first time topped the half-million circulation mark. The Sunday *Arizona Republic* passed that total with an average 508,008 for the six-month reporting period ended March 31, 1986, up 2% from the corresponding period a year earlier. The morning *Arizona Republic* also was up almost 2% to 331,491 during the same period.

The Phoenix market, despite its growth tied to electronics, aeronautical products, food processing and year-round tourist and sports activities—industries that enabled the market to surpass Indianapolis in the 1970s in population—could not isolate itself from the national trend of declining evening papers.

The *Phoenix Gazette* suffered the biggest drop in circulation in the chain, down 10% to 112,976.

A source at Phoenix Newspapers Inc. says the drop was caused mainly by the *Gazette's* change from carrier collections of subscription fees to "office pay" or central billing.

The resulting longer-term invoices, for higher amounts than the familiar weeklong charges, have tended to discourage some subscribers, the source says, who also adds that the *Gazette* circulation is moving up again in recent months.

Indianapolis, its growth stymied by the loss of gear and machine companies but actively engaged in a downtown renaissance, was inhospitable to the *Indianapolis Star* during the March 31, 1985, ABC reporting period in which circulation dropped 0.8%, to 225,759 daily, from a year earlier.

Central, concerned about sagging circulation at the *Indianapolis Star* during 1985, saw a drop in the evening *Indianapolis News* of 1.5% to 128,387 for the March reporting period, but the drop was less than the 2.2% decline experienced a year earlier. The Sunday *Indianapolis Star* total was up 0.5% to 394,643.

Other Central Newspaper properties are in Muncie, Ind., a university and manufacturing city with a population of 130,000, and Vincennes, a historic Wabash River port, university town, and farming center with varied manufactures and total city-county (Knox) population of about 43,000. Here, Elihu Root founded Indiana's first newspaper, the weekly *Indiana Gazette*, in 1804. The print shop burned, and in the summer of 1807, Mr. Root started the paper again as the *Western Sun*, the forerunner of today's Central Newspapers' daily, the *Vincennes Sun-Commercial*.

Circulation at the Sun-Commercial was off 3% to 14,846 for the daily and 3% to 16,097 for the Sunday edition. Circulation of the Muncie papers was flat. The morning daily *Muncie Star* dropped 1% to 29,374, and the *Muncie Evening Press* circulation dropped 2.1% to 15,408. The *Sunday Star* also dropped 1.5% to 35,193.

Two other specialized weeklies published by Phoenix Newspapers include the *Arizona Business Gazette* and *City Life*. Central president Frank Russel says the company is pleased with the performance of both. *Arizona Business Gazette*, issued Mondays, is a full-sized paper, founded in 1880. ABC shows 5,250 net paid for the Dec. 31, 1985, period, a 46% increase from 3,600 in 1984.

City Life, a Wednesday tabloid launched in 1983 and covering arts and entertainment, has a distribution of 23,000 nonpaid and displayed in free-standing racks and 90,000 inserted in Wednesday copies of the Republic and *Gazette*. Issues run about 56 pages each with a vellum cover and average about 90 ads for an advertising-editorial break of 52-48.

City Life advertising sales manager Pete Miles says, "We want to attract a broad base of readers, including those who may have stopped reading the 'regular' newspaper. Our readership is in the age 25-to-55 range—which is broader than our competition *New Times* with an 18-to-40-year range."

Central's Telegroup cable subsidiary offers videotex services called Teleguide at many of Phoenix's high-traffic locations—hotels, shopping centers, schools, transport terminals. Not a part of the Phoenix Telegroup are other Teleguide services in which Central has interests, operating in several California cities: Los Angeles, Sacramento, San Francisco and San Diego.

A major event of 1985 at Phoenix Newspapers Inc. was the resignation of publisher Darrow (Duke) Tully the day after Christmas. He left his position after stating that for 30 years he had fabricated information about Air Force service in the Korean and Vietnamese wars and a nonexistent degree from Purdue University.

He was replaced as publisher by *Arizona Republic* editor and columnist Pat Murphy, who had pursued and written the truth about his boss, leading to the resignation. Mr. Tully is now with Wick Newspapers as publisher of the *Williston* (N.D.) *Daily Herald* and ceo of the *Williston Plains Reporter* and Sidney (Mont.) *Herald*, both weeklies.

Referring to these changes, Central's Mr. Russel says: "Pat Murphy has full responsibility for the papers. We have run two credibility surveys, and they show that the papers have not been damaged by the Duke Tully affair."

In activities ancillary to newspaper production, Mr. Russel says the company has installed new state-of-art printing presses to enhance output at its Southwestern production plant in Mesa, Ariz.

The joint-venture project to develop a newsprint mill in Washington State has a slight setback with the withdrawal of one partner, the Chronicle Publishing Co. (*San Francisco Chronicle*), leaving Central, McClatchy Newspapers (*Sacramento Bee*), Kearns-Tribune Corp. (Salt Lake *Tribune*) and Copley Newspapers, San Diego. They are looking for a fifth partner, according to Mr. Russel.

Central Newspapers was the creation of Eugene Collins Pulliam, one of this century's patriarchal publishing titans. Mr. Pulliam, who died in 1975, created at least three newspaper chains, married three times, assembled considerable wealth and left an extended family of many journalist relatives. Rather than give Central Newspapers to the family, he left it in the hands of a three-person trust that is to run it until 21 years after the death of all his descendants living in 1973. Since the youngest of these was a great-grandson, then 2, that should keep Central in the trust's hands at least into the 2040s or 2050s.

MEDIA PROPERTIES

Newspapers (dailies)

ARIZONA: *Arizona Republic, Phoenix Gazette*. INDIANA: *Indianapolis News, Indianapolis Star, Muncie Press, Muncie Star, Vincennes Sun-Commercial*.

Newspapers (nondailies)

ARIZONA: *Arizona Business Gazette, City Life*.

Other media operation

Teleguide (videotex—Phoenix, Los Angeles, Sacramento, San Diego, San Francisco).

RANK **68**

Chris-Craft Industries

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	168	151	11.1
Total sales	190	171	11.5
Net income	18	(21)	(185.5)

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	168	151	11.1
Cable	—	—	—
Outdoor	—	—	—

The tv division at Chris-Craft Industries Inc. showed strong revenue growth of 11.1% from its seven stations in 1985 over 1984 but a nominal 0.3% improvement to $42.7 million in operating income because of slow advertising growth and increased programing costs.

The division of New York-based Chris-Craft, which earned the company a 68th ranking among the nation's media company, is comprised of two units—BHC Inc., which owns and operates two vhf stations, and Minneapolis-based United Television Inc. (UTV), which owns and operates three vhf stations and two uhf stations and is 50.3% owned by BHC. The division also gained on Dec. 23, 1986, its fourth independent—KUTP-TV, a uhf station in Phoenix, the 23rd area of dominant influence, according to Arbiton.

The station group, ranked ninth among tv broadcasters, serving 10.3 million homes and covering 12% of the nation, operates in five of the nation's top 25 largest markets. Ad sales are boosted by near total inclusion in national spot ad campaigns and strong local advertising bases. In the past year, revenues from local advertisers slightly exceeded revenues from national spot advertisers. Value Line Investment Survey predicts advertising will be up 7% to 9% for 1986.

Los Angeles-based KCOP, the company's strongest station, posted record earnings in 1985, according to the company. Both Arbitron Ratings Co. and A.C. Nielsen Co. show the station recorded its largest audience during November, 1985. Arbitron had KCOP tied with the CBS owned-and-operated station, Monday through Friday, sign-on to sign-off. KCOP also is the only major market independent station to air first-run programming for 90 minutes in the 6 p.m.-to-8 p.m. time period.

Profits at KPTV, Portland, Ore., and KMSP-TV, Minneapolis, were hurt by entry into their markets of new uhf stations within the past few years.

A $5.8 million news upgrading in 1984 has strengthened news ratings at several stations: KCOP is within one rating point of tying the 10 p.m. news leader; KTVX-TV, Salt Lake City, an ABC affiliate, increased its early news share 36% from November, 1984, to November, 1985, and KPTV recorded its highest news ratings in the station's history.

At its annual meeting in May, Chris-Craft confirmed it was holding talks with MCA Inc. about becoming a minority partner in WOR-TV, Secaucus, N.J. MCA, a Los Angeles-based entertainment and real estate company, earlier agreed to buy the station from RKO General, a subsidiary of Akron-based GenCorp, and find a partner to help operate it. A Chris-Craft spokeswoman says the company is looking for possible acquisitions, although no particular station seems likely at press time.

In 1984, BHC and UTV agreed in principle to a corporate combination of their stations. As of June, 1985, that decision was postponed indefinitely. The tv division continues its associa-

tion with Operation Prime Time, which offers first-run programing to independent stations.

Chris-Craft's total revenues grew 11.5% over 1984 as net income from continuing operations increased to $18.3 million compared with a loss of $21.4 million in 1984—a loss precipitated by a $28.1 million loss by BHC. That BHC loss was its equity share of large losses from discontinued operations by Warner Communications Inc. Chris-Craft switched from an Aug. 31 fiscal yearend to Dec. 31. All 1984 figures are unaudited.

In December, 1983, Chris-Craft swapped 42.5% of its tv broadcast properties in exchange for 19% of WCI stock in an effort to thwart a takeover attempt of WCI by Rupert Murdoch's News America Corp. Chris-Craft, through BHC and UTV, became WCI's largest shareholder. Chris-Craft has increased its holdings and now owns 29.3% of WCI securities.

In February, 1986, WCI agreed to increase its board of directors to 16, adding two and increasing Chris-Craft's representation on the board from three to six. The companies also agreed on methods and procedures for implementation of WCI's right of first refusal in the event of "certain tender offers for or other significant events."

Rumors of the WCI and Chris-Craft relationship persisted throughout the year: WCI would go private, or Chris-Craft would take it over, or Chris-Craft chairman Herbert J. Siegel would give up the battle for control of WCI and take Chris-Craft private with cash generated from selling its stake in WCI. Mr. Siegel controls 42% of the company.

According to Value Line Investment Survey, both Chris-Craft and WCI want to disentangle themselves from one another, yet no solution has been agreeable to both parties. However, a company spokeswoman says the two companies have no plans to break their ties, as both are making money and "everybody is happy."

Chris-Craft's income through ownership of WCI securities was $30 million, up 268% from 1984, reflecting the income gains by WCI on the sale of investments, record earnings in its filmed entertainment and recorded music division, improved results from its broadcast and cable communications division and reduced interest expense.

In other areas, subsidiaries of UTV gained minority interest in cellular telephone systems in Austin, Tex., in 1985. Applications for other markets await FCC lottery.

Chris-Craft's other operations are contained in an industrial division that manufactures continuous-web specialty films, foams and fiber materials. Its operating income of $1.9 million grew 14.3% in 1985 on revenues of $22 million, up 14%.

Among management moves, John C. Siegel, 33, and William D. Siegel, 31, sons of chairman Herbert Siegel, were elected vps in 1985.

MEDIA PROPERTIES
Broadcasting

TV: KCOP, Los Angeles; KPTV, Portland, Ore.; KMSP-TV, Minneapolis/St. Paul; KTVX, Salt Lake City; KMOL-TV, San Antonio, Tex.; KBHK-TV, San Francisco; KUTP-TV, Phoenix, Ariz.

RANK **46**

Chronicle Publishing Co.

San Francisco

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	255	231	10.4
Total sales	260	251	3.6
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	129	116	11.2
Magazine	—	—	—
Broadcast	93	84	10.7
Cable	33	31	6.5
Outdoor	—	—	—

Chronicle Publishing Co. reported modest gains from its newspaper, broadcast and cable operations in 1985, a year lacking the revenue stimuli provided in 1984 by the Democratic National Convention and the Super Bowl.

The nation's 46th largest media company, San Francisco-based Chronicle Publishing includes the *San Francisco Chronicle*, three tv stations and a cable tv operation. Newspaper operations in the Bay Area and in Illinois are the major producers, with revenues of $129 million, followed by the broadcast group's $93 million in revenues.

Extensive real estate holdings, as yet mostly in the development stage, make only a small contribution to total revenues, but a book publishing group and a videotex system (not classified as a media property) add another $5 million in sales to bring total corporate revenues to $260 million.

The company is wholly owned by the family trust of the M.H. de Young estate and has published San Francisco's leading newspaper since 1895. Publisher Richard Tobin Thieriot is a great-grandson of founder Michel H. de Young, as is Francis A. Martin III, president of Chronicle Broadcasting Co.

Daily circulation of the *Chronicle*, as reported in the March 31, 1986, ABC publisher's statement, was 553,258, down slightly from the 554,979 in the corresponding period a year earlier. The company's Sunday paper, under a joint operating agreement with Hearst Corp.'s *San Francisco Examiner*, shares 50-50 in the Sunday *Examiner & Chronicle*, which has a combined circulation of 709,398, down slightly from the 717,426 in 1985.

"Our 1985 circulation took a little beating," assistant publisher Phelps Dewey says, pointing to the lack of the big media events that captured the Bay Area in 1984 as affecting the year-to-year comparison.

"At present," he says, "the downward trend in circulation has reversed itself at the *Chronicle*."

The paper has taken a number of steps to upgrade the product, including a $40 million plant expansion in the East Bay Area, which is now in full operation. In April, 1985, it beefed up its business coverage on Mondays with an expanded Business Extra section, which Mr. Dewey reports has been "very successful."

Another extra feature was added on Mondays, the SportsExtra, made up of the normal sports section and six to eight extra pages of outdoor sports news, specially designed to appeal to the participating sports fan. The extra features, Mr. Dewey says, help make Monday editions more popular with advertisers.

Penetration rate of the *Chronicle*, criticized for being lower than most papers its size, is defended by Mr. Dewey, who notes, "We have the largest circulation area of just about any regional paper in the country." The area extends from Bakersfield in the south to the Oregon border, with the circulation from the coast deep into the state. Bulk of the *Chronicle* circulation, however, is Bay Area suburban "where we have a lot of competition from a some very respectable papers in San Jose, Oakland and Santa Rosa."

On the other hand, market penetration of the *Bloomington* (Ill.) *Pantagraph*, the company's other daily, is at the 87% level. The March 31, 1986, ABC figures for this smaller, concentrated market places daily morning circulation at 53,057 and 56,865 on Sunday, up from 52,941 and 56,104, respectively, in the year-earlier period.

The Bloomington market has been far less dynamic than the Bay Area. Seeds of rapid growth in that market have been planted, however, with the announced construction of Chrysler and Mitsubishi auto assembly plant there. "We're looking to substantial growth in that market in the next few years," Mr. Dewey says.

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KRON-TV, the NBC affiliate in San Francisco, which, according to Mr. Dewey, ranks No. 1 in the market in prime time and is second in news ratings only to KPIX-TV, the CBS affiliate. The company also owns NBC affiliate WOWT in Omaha, Neb., and KAKE-TV, the ABC affiliate in Wichita, Kan., both top stations in these markets.

Western Communications, the company's cable tv subsidiary, reports 177,000 subscribers, up from 150,000 in 1984, for its five cable systems. Western continues to experiment with pay-per-view operations and has been running commercial spots on its cable system in Monterey, Cal., the latter a move that will be extended to its other systems in the coming year.

The past year also saw Chronicle Information Services, a division of Chronicle Publishing, acquire Computer Sports World, a Las Vegas-based sports videotex operation. The new company's database offers sports scores, standings, statistics, injury reports and other sports information via home computers and telephone communications. Computer Sports World also offers statistical analysis for parimutuel betting.

Bay Area Teleguide, a public access videotex system in the company's CIS division, has increased the number of terminals in operation—mostly in heavily trafficked San Francisco locations—to more than 300. Two new branch offices are located in Palo Alto and Oakland. Total monthly accesses to the system now number about 6.1 million, Mr. Dewey says, pointing out, "When you get up into figures like that you know the system is beginning to become an advertising medium."

MEDIA PROPERTIES
Broadcasting
TV: KAKE-TV, Wichita, Kan.; KRON-TV, San Francisco; WOWT, Omaha, Neb.
Cable/video
SYSTEMS: CALIFORNIA: Butte County, Carmel-by-the-Sea, Carmel Valley, Chico, Clayton, Concord, Contra Costa County, Corning, Del Monte Forest, Del Ray Oaks, Glenn County, Hemet, Marina, Monterey County, Orland, Pacific Grove, Palm Springs, Salinas, San Mateo County, Seaside, South San Francisco, Willows. NEW MEXICO: Dona Ana County, Los Cruces, Mesilla.
Newspapers (dailies)
CALIFORNIA: *San Francisco Chronicle, San Francisco Sunday Examiner & Chronicle* (owned jointly with the Hearst Corp.). ILLINOIS: *Bloomington Daily Pantagraph.*
Other media operations
Chronicle Books.
OTHER OPERATIONS
Chronicle Videotex, Chronicle Productions, Chronicle Features, Computer Sports World.

RANK **39**

Continental Cablevision

Boston

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	295	226	30.5
Total sales	295	226	30.5
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	—	—	—
Cable	295	226	30.5
Outdoor	—	—	—

The purchase of two cable systems helped push the cable subscriber count up 170,000 to 1,137,000 at Continental Cablevision, which showed a 30.5% revenue gain because of that subscriber growth in 1985.

Privately held Continental, the 39th largest media company, also participated in a large stock buy-back plan in early 1986 to lessen Dow Jones & Co.'s 25% interest in the company. Dow Jones is the only corporate stockholder in Continental.

Continental, based in Boston, is the seventh largest multiple system operator in the U.S., operating 92 cable systems in 14 states. It closed out 1985 providing basic service subscribers with 1.3 million supplemental pay tv subscription, a 17% increase over a year earlier. As a result of its acquisition of two systems during the year, the company's asset base increased to $676 million, up 18.6% over 1984.

In February, 1985, Continental purchased for $13 million the remaining 60% it did not own of Commonwealth Cable Corp., Westfield, Mass., serving the Springfield-Chicopee area. As part of the purchase, Continental acquired a 68% interest in Natick Cablevision Corp., Natick, Mass.

As a clustering strategy, the next month Continental also purchased 3,000-subscriber PCNH Inc. system in Hampton, N.H., from Tele-Communications Inc., Denver, for $3.3 million. The system name since has been changed to Continental Cablevision of New Hampshire. The following month, TCI assumed Continental's 50% interest in Stellar Continental Cable, Chicago, which the company divested for $5.5 million.

Continental's Jacksonville, Fla., system was its success story in 1985. The system had 82,000 subscribers when acquired by Continental in 1984. It reported 120,000 at the end of 1985.

Continental carries a systemwide pay to basic ratio of 1:1.5, ranking it among the top 10 companies in the industry with such a high ratio. In addition to pushing increased pay units, Continental's various operating entities are seeking advertising revenues generally on a local level. Some of the New England systems are hooked up to various interconnects. The majority of advertising sales, however, are handled by an in-house sales force on a system-by-system basis.

Continental last December issued $200 million in subordinated debt to raise funds to buy back 6 million shares in what was termed a recapitalization plan. Continental then paid Dow Jones $50 a share, or $100 million, for 2 million shares of Dow Jones' 3.1 million shares, reducing DJ's stake in the company to 17% from 24.7%.

DJ, which needed the cash to finance its acquisition of Telerate, a computerized financial data company, had purchased the stock in 1981 at $25 a share. Continental had only 450,000 subscribers when DJ invested in the company five years ago.

Continental's president, Amos Hostetter, assumed the post of chairman last February. Succeeding him as president was Timothy Neher, previously exec vp.

MEDIA PROPERTIES
Cable/video
SYSTEMS: CALIFORNIA: Continental Cablevision of California-Manteca/Lathrop, Stockton/San Joaquin County. ILLINOIS/IOWA/MISSOURI: Continental Cablevision of Cook County-Calumet City/Calumet Park/Dolton/Riverdale, Elmhurst/Berkeley/Oakbrook Terrace/Bensenville, Forest Park, Franklin Park/River Grove/Rosemont/Schiller Park, Lombard, Unincorporated DuPage County, Westchester/Hillside, Westmont/unincorporated Westmont, Elmwood Park; Continental Cablevision of Illinois-Freeport/Cedarville/Stephenson County, Keokuk/Carthage/Hamilton/Warsaw, Kewanee, Lincoln/Logan County, Morton, Pekin/Groveland, Marquette Heights/N. Pekin/S. Pekin/Tazewell County/Tremont, Quincy; Continental Cablevision of Morton Grove-Morton Grove; Continental Cablevision of St. Louis County-Belleville/Fairview Heights/O'Fallon/St. Clair County/Swansea, Jennings/Bellefontaine Neighbors/Country Club Hills/Flordell Hills/Moline Acres, Northwoods/Pine Lawn/Riverview/Wherry Housing Base, Breckenridge Hills/Brentwood/Clayton/Edmundson/Maplewood/St. Ann/University City/St. Louis County-Area B/Overland/Maryland Heights. CONNECTICUT/MAINE/MASSACHUSETTS/NEW HAMPSHIRE: Continental Cablevision of Connecticut-Enfield; Continental Cablevision of Brockton-Brockton; Continental Cablevision of Massachusetts-Beverly/Hamilton/Marblehead/Wenham,Newton/Wayland/Wellesley/Weston, Reading, Saugus, Watertown; Continental Cablevision of Needham-Needham; Continental Cablevision of Northhampton-Deerfield/Bernardston/Northfield/Sunderland, Northampton/Hatfield/Williamsburg; Continental Cablevision of Southern Massachusetts-Berkeley/Dighton/Freetown, Hanson/East Bridgewater/Holbrook/West Bridgewater/Whitman, Middleboro/Lakeville, Stoughton/Avon/Easton/Raynham; Natick Cablevision-Natick; Continental Cablevision of Springfield-Longmeadow/Springfield; Rockingham County Cablevision-Hampstead/Plaistow. Continental Cablevision of Western Massachusetts-Agawam/Granby/Holyoke/S. Hadley/Southwick/Westfield/West Springfield; Continental Cablevision of Winchester-Winchester; Continental Cablevision of New Hampshire-Concord/Allenstown/Boscawen/Bow/Pembroke/Hopkinton, Dover/Rollinsford/Somersworth/Berwick/S. Berwick, Lawrence/Methuen/North Andover, Portsmouth/Eliot/Greenland/Hampton/Kittery/New Castle/Rye/Stratham, Saco/Old Orchard Beach, Salem/Derry; Pease Cablevision-Pease Air Force Base. FLORIDA: Continental Cablevision of Jacksonville-Jacksonville; Cablevision Service Co.-Bristol-Alexandria/Bridgewater/Bristol/New Hampton, Hillsboro-Antrim/Derring/Hillsboro/Henniker, Seacoast-Durham/Epping/Exeter/Hampton Falls/Newfields/Newmarket/North Hampton/Raymond/Seabrook. NEW YORK: Vision Cable of Staten Island-Borough of Staten Island. MICHIGAN: Continental Cablevision of Michigan-Holland, Jackson/Blackman Township, Lansing/Dewitt/Eaton Rapids/Grand Ledge/Delhi, Delta Township/Dewitt Township/Eaton Rapids Township/Hamlin Township/Lansing Township/Oneida Township, Roseville; Continental Cablevision of Oakland County-Dearborn Heights, Hazel Park, Madison Heights, Oak Park, Southfield/Lathrup Village, West Bloomfield Township, Westland. MINNESOTA/NORTH DAKOTA: Continental Cablevision of St. Paul-St. Paul; Continental Cablevision of North Dakota County-Inver Grove Heights/Lilydale/Mendota/Mendota Heights/S. St. Paul/Sunfish Lake/W. St. Paul. OHIO: Continental Cablevision of Ohio-Athens/The Plains, Bay Village/Avon Lake, Bellevue/Clyde/Green Springs, Butler Township/Clayton/Englewood/Madison Township/Randolph Township/Trotwood/Union/Vandalia, Eastlake/Fairport Harbor/Grand River/Timberlake/Wickliffe/Willoughby/Willoughby Hills, Elyria/Carlisle, Elyria Townships, Fairborn/Donnelsville/Enon/New Carlisle/Bath Township/Bethel Township/Mad River Township, Finley/Arlington/McComb/Mt. Cory/Rawson/Van Buren, Fostoria/Tiffin/Arcadia, Galion/Crestline/N. Robinson, Haber Heights/Harrison Township, N. Ridgeville/Amherst/S. Amherst/Amherst Township, Norwalk/Milan/Monroeville, Springfield/Harmony, Moorefield, Pleasant Township/Springfield Township/South Vienna Village, Kettering/Beavercreek/Beavercreek Township/Bellbrook/Centerville/Clearcreek Township, Corwin/Franklin Township/Miamisburg/Miami Township/Moraine/Oakwood/Springboro/Sugar Creek/Washington Township/Wayne Township/Wayneville/West Carrolltown, Upper Sandusky/Nevada, Willard/Attica/Greenwich Village/New Haven/New Washington/North Fairfield/Plymouth/Republic/Shiloh, Xenia/Cedarville/Jamestown/New Jasper/Silver Creek/Spring Valley/Wilberforce/Cedarville Township/Spring Valley Township/Xenia Township; Insight Communications-Franklin et al. VIRGINIA: Continental Cable of Richmond-Richmond; Continental Cablevision of Virginia-Ashland, Goochland County, Hanover County, Henrico County, James City County, York County.

RANK **38**

Copley Newspapers

La Jolla, Cal.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	304	280	8.6
Total sales	308	285	8.1
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	304	280	8.6
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Copley Newspapers recorded another year of continued growth for all its newspapers in 1985 in increasing companywide media revenues by 7.9% over 1984. Earlier this year the company acquired its 12th daily.

La Jolla, Cal.-based Copley, which operates newspaper properties concentrated in California and Illinois, also runs the profitable Copley News Service. The company's only nonmedia activities include a resort hotel and a computer service.

Copley, ranked the 38th largest media company, had combined daily circulation from its five California papers and six Illinois papers exceeding 727,500, up from 711,600 a year earlier, according to Robert F. Crouch, vp-finance.

The company's expanded coverage in a rezoned market area in San Diego resulted in increased circulation of its flagship newspapers, the morning *San Diego Union* and the evening *San Diego Tribune*. The *Union* reported an average daily circulation of 234,004 for the March 31, 1986, ABC audit period, up 5.1% from the same period in 1985. The evening *Tribune's* average daily numbers rose to 124,724, up 1.7%.

Copley president Hubert Kaltenbach attributes much of the San Diego circulation growth to the expanded coverage in five zones: Central or metropolitan, North County, North Coastal, South Bay and East County. Both the morning *Union* and the afternoon *Tribune* went from three to five main editions that were geared to meet the population growth in these metropolitan and suburban areas.

The broader coverage included communities served by smaller widely read evening newspapers, such as the *Californian* in El Cajon, *Times-Advocate* in Escondido and *Blade-Tribune* in Oceanside. Both Copley newspapers are expanding neighborhood news to win over new subscribers who have moved to San Diego to work in the growing high-technology and biomedical fields.

Advertiser acceptance of the new zones, however, has yet to meet earlier expectations at Copley. After failing to attract sufficient ad revenues, last fall the *Union* and *Tribune* cut back the number of days it sells space in its zones from six days a week to three.

Early this year Copley expanded its Midwest media base with the acquisition of the *Courier* in Lincoln, Ill., a daily with circulation of 7,000. The company's other Illinois newspapers include the *State Journal-Register* in the capital city of Springfield and five other dailies that ring metropolitan Chicago. All posted modest circulation gains during the past year.

Going into 1986, Copley's cable tv partnership, Copley/Colony Inc., began to generate its first revenues from its ownership and operation of cable tv systems in Southern California. The partnership is a joint venture with Colony Communications, owned by the Providence Journal Co., Providence, R.I.

The corporation currently has six cable franchises: Wilmington, San Pedro, Harbor City, Lomita, Costa Mesa and Cypress. It also covers part of unincorporated Orange County, which is presently inactive because there are too few homes to justify new construction. However, at the end of 1985 the cable franchises included more than 97,000 homes, with construction of five of the six franchises now virtually completed.

Copley continues to operate an electronic classified ad service called CLEO (Computer Listing of Employment Opportunities) in California. The service lists jobs in professional and technical areas, such as engineering and computer programing. The ads are purchased by area businesses and accessed by personal and business computer users via telephone. The system has been expanded from its base in Los Angeles to include all major metro areas in California.

The past year saw Copley put a hold on its negotiations with Chronicle Publishing and Hearst Corp. in San Francisco, McClatchy Newspapers in Sacramento, Kearns-Tribune Co. in Salt Lake City and Phoenix Newspapers Inc. to form an entity called Ponderay Corp., which would produce newsprint in Washington state. The venture was expected to be operational by 1987, but now Mr. Crouch of Copley says a decision probably will be forthcoming in the next several months.

MEDIA PROPERTIES
Cable/video
SYSTEMS: CALIFORNIA: San Pedro-Wilmington-Harbor City, Lomita and portions of unincorporated areas, Los Angeles County, Costa Mesa, Cypress, unincorporated area in Orange County.
Newspapers (dailies)
CALIFORNIA: *San Diego Evening Tribune, San Diego Union, San Pedro News-Pilot, Daily Breeze* (Torrance), *Santa Monica Evening Outlook*. ILLINOIS: *Aurora Beacon-News, Elgin Courier-News, Joliet Herald-News, Lincoln Courier, Springfield State Journal Register, Waukegan News-Sun, Wheaton Daily Journal.*
Newspapers (nondailies)
CALIFORNIA: *Borrego Sun.* Also, 23 nonpaid circulation weeklies and shoppers associated with dailies.
Other media operations
CLEO (electronic classified ad service); Copley News Service; Copley Press.

Reach the people who buy in your markets. Advertise in these Chilton publications.

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Automotive Industries
Automotive Marketing
Motor Age
Commercial Carrier Journal
Owner Operator

Product Development
Product Design & Development

Distribution Management
Distribution News

Eye Care
Review of Optometry

Food and Beverage
Food Engineering
Food Engineering International
Food Engineering Master

Hi-Tech
Electronic Component News
IAN
I&CS

Metal and Metalworking
Iron Age Manufacturing Mgt.
Iron Age Metals Producer

Retailing
Jewelers' Circular - Keystone
Hardware Age

Physical Distribution
Distribution

Plant Operation
Industrial Maintenance & Plant Operation

Safety
Industrial Safety & Hygiene News

Chilton
ONE OF THE [illegible] PUBLISHING COMPANIES

OTHER OPERATIONS
La Casa del Zorro (resort hotel); Copley Computer Services.

Paper raises promo ante

Times Journal Co. spent almost $500,000 in radio advertising in its Washington market promoting circulation and classified advertising for the Journal papers in 1984 and 1985. The company has added tv in 1986, much of it in support of its redesigned Friday real estate section—now a tabloid insert—and will spend an estimated $1.5 million in radio and tv promotional efforts. The campaign covers the five suburban daily newspapers.

RANK **47**

Cowles Media

Minneapolis

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	241	232	3.7
Total sales	241	232	3.7
Net income	19	16	22.3

Sales by media	1985	1984	% chg
Newspaper	241	232	3.7
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

With circulation of its western states properties showing slight decreases—attributed to the depressed agricultural economy—and circulation at its Minneapolis paper holding close to year-earlier levels, Cowles Media Co. registered only slight revenue gains in 1985.

The Minneapolis-based company, whose lead property is the *Minneapolis Star & Tribune*, ranked the 47th largest media company in 1985 on the basis of its media revenues, which were up only 3.7% over the previous year. However, earnings increased by 22% to $19.2 million. Cowles' revenues and earnings come 100% from media.

The daily *Minneapolis Star & Tribune* had a decline of less than 1% in circulation to 382,499 for the six-month ABC report ended March 31, 1986. The Sunday *Star & Tribune*, however, showed a 3% increase to 612,604. James Alcott, vp-administration for Cowles, attributes the growth to editorial improvements made over the past two to three years. He says the new subscriptions came from the paper's primary market area.

Knight-Ridder Newspapers's competing *St. Paul Pioneer Press & Dispatch* showed a 5.6% decline in its daily circulation and a slight decline in Sunday.

The *Star & Tribune* raised its single copy price for the daily to 35 cents from 25 cents, and the Sunday price to $1.25 from $1. The increase was attributed to rising production costs.

Cowles announced this spring that it will accelerate its move to a new printing and production plant. Originally scheduled to be built in stages, reaching completion between 1985 and 1992, the plant now will be completed by late 1987. The company says it will save $10 million by this change, bringing the cost down to $100 million. The first two presses in the new plant will begin running in April, 1987, with the remaining three in operation by early 1988.

In November, 1985, Cowles sold its Information Publishing unit, a commercial printer, to American Spirit Company. After offsetting tax benefits, the proceeds of the sale were reported to be $2.9 million.

Cowles is monitoring the progress of its videotex pilot program, launched in October, 1985, and working to improve the service it provides to shoppers in the city's skyway system. The company reports it is getting 45,000 to 50,000 "touches" a week on its touch-screen information terminals. The first advertiser contracts are up for renewal this October.

The company is planning its growth strategy and is not ready to reveal what steps it might take, although expansion plans might include acquisitions in either print or broadcast.

The *Rapid City Journal* moved into a new $8 million printing and mailroom plant this year and David C. Sharp became president and publisher of the paper in November. He had been director of advertising.

David Cox became Cowles ceo; he already held the title of president.

MEDIA PROPERTIES
Newspapers (dailies)
MINNESOTA: *Minneapolis Star & Tribune*. MONTANA: *Great Falls Tribune*. SOUTH DAKOTA: *Rapid City Journal*. IDAHO: *South Idaho Press*.
Newspapers (nondailies)
COLORADO: Sentinel newspapers in Arapahoe, Arvada, Aurora, Commerce City, Englewood, Lakewood, Littleton, North Glen-Thornton, South Jefferson, Westminster, Wheat Ridge; IDAHO: *Minidoka News, Reminder Shopper*.
OTHER OPERATIONS
Sun Communities Directories Inc.

Marketing Assistance

At Chilton we build it, one step at a time.

1 Pinpoint the Market. Chilton's Ad Chart/Ad Access is a marketing technique not only for identifying your best market by segment, job function, title and reader psychographic, but it can offer you the opportunity for field testing your product to determine pricing, new uses, or resistance.

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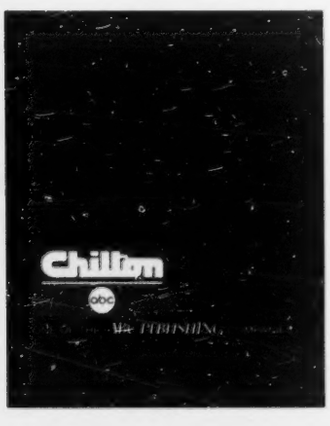
3 Evaluate the Inquiries. Chilton's Ad Recap can benchmark what an advertisement should do by product segment, job title, SIC or even geographically and trend that information over many years.

4 Quick Reader Response. Chilton's state-of-the-art Rapid Inquiry System closes the loop between reader, publisher and advertiser electronically using the touch tone phone, our computer and the advertiser's computer.

For more information on any Chilton service or publication, write Corporate Marketing Department, Chilton Company, Radnor, PA 19089. Chilton is an operating unit of ABC Publishing.



RANK **13**

Cox Communications

Atlanta

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	1,326	1,226	8.2
Total sales	1,376	1,271	8.3
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	644	587	9.7
Magazine	—	—	—
Broadcast	261	234	11.5
Cable	421	405	4.0
Outdoor	—	—	—

The merger of Cox Communications into Cox Enterprises Inc. in 1985 created the 13th largest media company in the U.S. It cost the Cox family $1.26 billion to acquire the nearly 60% of stock it did not own in Cox Communications.

The combined unit reports 1985 media revenues of $1.37 billion, up 7% from revenues of both companies in 1984 before consolidation. Newspapers generated $644 million of the revenue; broadcasting, $311 million, and cable, $421 million, according to Cox Enterprises vp-cfo John R. Dillon. Broadcasting totals exclude a $50 million contribution from TeleRep, a media rep firm.

Anne Cox Chambers, once the U.S. ambassador to Belgium, and her sister, Barbara Cox Anthony, now lead a family that controls 97% of the stock of Cox Enterprises. Another 3% is reserved for management.

The company owns 21 daily newspapers, 22 weeklies and three monthlies. It also owns eight tv stations, 12 radio stations and 24 cable systems.

Cox in March, 1985, added the *Orange Leader* in Orange, Tex., to its newspaper stable. The daily has a 20,835 circulation, according to ABC audit reports for March 31, 1986. Cox sold Guide Newspapers in New Orleans after accusing the New Orleans *Times-Picayune* of using predatory pricing to try to monopolize the area's suburban print advertising market. *Times-Picayune* eventually bought the rival Guide's printing plant and offices for $8 million. The lawsuit then was dismissed.

The company's flagship newspaper, the *Atlanta Constitution*, had circulation of 251,042 for the six months ended March 31, 1986, compared with 235,044 for the same period in 1984, according to ABC.

The afternoon *Atlanta Journal* circulation averages rose to 187,816 from 185,112.

In broadcasting, the company in early June, 1985, agreed to buy WFTV in Orlando for $185 million, or $60 million more than SFN Cos. paid for the station 11 months earlier. The ABC affiliate is the eighth tv station owned by Cox.

In cable, Cox has embarked on a program to sell almost 30 of its operations. Among those sold after December or pending sale are Lewistown, Lockhaven and Tyrone, in Pennsylvania; The Dallas and Lower Columbia, in Oregon, and Great Neck, N.Y.

Cox boasts 1,318,260 basic cable subscribers, an increase of 3.9% over 1984. Its system in San Diego, Cal., is the largest in the U.S., with 266,125 subscribers.

Even with its divestiture of 282,000 customers, Cox remains the fifth largest multiple system operator in the country, according to Cabletelevision Advertising Bureau. Cox Cable reports an 11% increase in revenues.

Despite all the activity, Cox says it remains on an even course. "The Cox family has controlled both of these companies," Mr. Dillon says. "So it's really business as usual." And the usual is a far cry from the 1890s when 28-year-old James M. Cox paid $26,000 for the Dayton *Evening* (now *Daily*) *News*.

Twenty-two years later, Mr. Cox, by then also owner of the *Springfield* (O.) *Press-Republic*, was running for president.

Cox lost that 1920 race to Warren G. Harding. His running mate: A young New Yorker named Franklin Delano Roosevelt. After losing the election, Cox devoted himself to the media business, acquiring WHIO, the first radio station in the Dayton area in 1934.

Today, WHIO is No. 1 in am radio in Dayton with its adult contemporary format. And WHIO-FM's "beautiful music" format topped the fm list.

Cox also has established TeleRep, its national tv sales representation company. Cox says TeleRep is the third largest rep company in the U.S. in both billings and coverage. Coverage exceeded 63% of the nation in 1985.

Cox's Television Programming Enterprise is involved in syndicating several popular shows, including "Entertainment Tonight," "Star Search" and "Lifestyles of the Rich and Famous." It plans a new entry this fall called "You Write the Songs," a showcase for talented new songwriters with Ben Vereen as host.

In September, Cox plans to syndicate the popular network cartoon program "The Smurfs."

Cox, which bought *On Cable* cable tv program guide in 1984, ceased publication during 1985. It closed the 1.5 million circulation monthly in the face of tough competition from the 5.5 million circulation *Cable Guide*. *On Cable's* general manager says when Cox went private, efforts at a merger collapsed and *On Cable* was stopped because it was unprofitable.

Cox reports one major change in personnel.

James O. Robbins took over as president of the Cable Television Division, replacing David Van Valkenberg, who joined a cable operation in Denver.

The company also has minority interests in two Florida papers, both nonconsolidated subsidiaries whose performances are not reflected in the revenue figures. They are the *Miami News*, once rumored to be about to close because of a circulation slide (that slide continued with circulation of 58,387 in March 31, 1986, vs. 60,286 in the previous ABC reporting period), and the *News* and *Journal* in Daytona Beach. Cox owns 49% of the Daytona Beach operation; 15% of the *Miami News*.

The *News* operates under a joint operating agreement with Knight-Ridder's *Miami Herald*.

Cox also owns 80% of Landsburg Co., which develops network series, movies and first-run syndication programs mainly for broadcast tv.

Cox's newest tv acquisition, WFTV in Orlando, continued for a seventh year to be the news leader in its market. Its Dayton, O., station, WHIO-TV, has led the market in news for at least a decade. It has double the news audience of the second-place station.

In Atlanta, Cox's headquarters city, ABC affiliate WSB-TV, the flagship station, is locked in what the station's vp-general manager Andrew Fisher calls a "back and forth battle" with Storer's CBS affiliate WAGA-TV and Gannett's WXIA-TV NBC affiliate for dominance in the crucial 6 p.m. news hour.

Recent Arbitron figures show WSB-TV with a 15 rating and 26 share for that time period; WAGA-TV, with 16/27, and WXIA-TV with 14/24. The February Nielsen's showed WSB-TV with a 16/28; WXIA-TV with 16/27, and WAGA-TV with 14/24. Says Mr. Fisher, "It's so close that it's fair to say it's a tie."

MEDIA PROPERTIES

Broadcasting

TV: KDNL-TV, St. Louis; KTVU, Oakland-San Francisco; WHIO-TV, Dayton, O.; WFTV, Orlando, Fla.; WKBD-TV, Detroit; WPXI, Pittsburgh; WSB-TV, Atlanta; WSOC-TV, Charlotte, N.C.

RADIO: KFI, KOST (fm), Los Angeles; WCKG (fm), Chicago; WHIO (am, fm) Dayton, O.; WIOD, WAIA (fm), Miami; WSB (am, fm), Atlanta; WSOC (am, fm) Charlotte, N.C.; WZGO (fm), Philadelphia.

Cable/video

SYSTEMS: CALIFORNIA: Bakersfield, Eureka, San Diego, Santa Barbara. CONNECTICUT: Hartford. FLORIDA: Gainesville, Ocala, Pensacola. GEORGIA: Macon, Warner Robbins. ILLINOIS: Quad Cities. IOWA: Cedar Rapids. LOUISIANA: Jefferson Parish, New Orleans. MICHIGAN: Saginaw. NEBRASKA: Omaha. NEW YORK: Staten Island (under development). OHIO: Cleveland. OKLAHOMA: Oklahoma City. RHODE ISLAND: Cranston/Johnston. SOUTH CAROLINA: Myrtle Beach. TEXAS: Lubbock. VIRGINIA: Roanoke, Tidewater. WASHINGTON: Spokane.

Magazines

Kenner Plus, Palm Beach Dining and Entertainment Guide, Palm Beach Life Magazine.

Newspapers (dailies)

ARIZONA: *Chandler Arizonan, Mesa Tribune, Tempe Daily News, Yuma Sun & Sentinel.* COLORADO: *Daily Sentinel* (Grand Junction), FLORIDA: *Evening Times, Miami News, Palm Beach Daily News, The Post* (West Palm Beach). GEORGIA: *Atlanta Constitution, Atlanta Journal.* OHIO: *Dayton Daily News, Journal Herald, Springfield News-Sun.* TEXAS: *Austin American-Statesman, Longview Daily News, Longview Morning Journal, Longview News-Journal, Lufkin Daily News, Orange Leader, Port Arthur News, Waco Tribune Herald.*

Newspapers (nondailies)

ARIZONA: *Arizona Pennysaver* (Mesa), *Arizona Spirit, Valley Foothills News* (Yuma). COLORADO: *Delta County, Shopping News.* FLORIDA: *Delray Beach/Boynton Beach News Journal, Florida Pennysaver* (West Palm Beach). LOUISIANA: *Apartment Shopper, East Orleans Guide, Jefferson Business, Kenner City News, Metairie Guide* (Gretna), *St. Bernard Guide, West Bank Guide.* OHIO: *DownTowner* (Dayton), *Town & Country Guide, Tri-County Shopper News* (Springfield). TEXAS: *Ad Pak* (Longview), *Community Post, Mid-Week Waco, Opportunity Valley News* (Port Arthur), *Shopper of East Texas* (Lufkin)

OTHER OPERATIONS

Cybertel radio common carrier, Datext Inc., Landsburg Co., Southeast Paper Manufacturing Co., TSC Express Co.

Media companies by estimated broadcast revenues

Company	Broadcast revenues 1985	1984	1985 media revenues	B-cast revs % of media revs	Number of stations am	fm	vhf	uhf
Capital Cities/ABC	$3,094	$3,272	$3,841	80.5	9	8	7	1
CBS Inc.	2,785	2,721	3,170	87.9	7	11	4	3
RCA Corp.	2,648	2,371	2,648	100.0	3	5	5	0
Westinghouse Electric Co.	539	495	1,069	50.4	6	6	5	0
Kohlberg Kravis Roberts Co.	278	285	768	36.1	0	0	4	2
Tribune Co.	273	237	1,684	16.2	3	2	4	2
Gannett Co.	265	233	2,153	12.3	8	9	6	2
Cox Enterprises	261	234	1,326	19.7	5	7	6	2
Hearst Corp.	224	204	1,540	14.5	4	3	6	0
RKO General	213	200	213	100.0	7	6	1	0
Turner Broadcasting Co.	206	177	332	61.9	0	0	0	1
Taft Broadcasting Co.	190	172	190	100.0	7	8	7	5
Chris Craft Industries	168	151	168	100.0	0	0	4	3
A.H. Belo Corp.	164	—	385	42.6	2	2	5	0
Washington Post Co.	155	136	1,037	14.9	0	0	4	0
Oklahoma Publishing Co.	154	141	411	37.5	2	1	4	3
Multimedia Inc.	153	135	336	45.6	4	4	4	1
LIN Broadcasting Corp.	146	129	163	89.8	4	5	4	3
Scripps Howard	135	118	900	14.9	2	2	6	4
Times Mirror Co.	129	125	2,171	5.9	0	0	5	1
Hubbard Broadcasting	125	115	125	100.0	3	2	4	1
Bonneville International Corp.	120	119	120	100.0	5	7	2	0
Outlet Communications	115	105	115	100.0	1	3	5	2
Meredith Corp.	115	104	356	32.2	0	0	5	3
H&C Communications	101	73	102	99.1	1	0	7	0
John Blair & Co.	99	89	549	18.1	4	4	3	2
Chronicle Publishing	93	84	255	36.5	0	0	3	0
Pulitzer Publishing Co.	91	81	272	33.5	5	2	1	1
Viacom International	84	71	376	22.2	4	6	4	1
McGraw-Hill	83	82	1,031	8.1	0	0	3	1
Allbritton Communications	78	71	122	63.9	0	0	5	0
Harte-Hanks Communications	74	71	550	13.5	0	0	4	0
Knight-Ridder Newspapers	65	63	1,679	3.9	0	0	8	0
A.S. Abell Co.	55	56	235	23.4	0	0	1	0
Lee Enterprises	52	49	183	28.3	2	2	5	0
Park Communications	50	47	105	47.0	8	7	4	1
Freedom Newspapers	45	45	325	13.8	0	0	5	0
New York Times Co.	42	38	1,394	3.0	1	1	2	3
Media General	42	35	331	12.6	0	0	2	1
Journal Co.	40	26	216	18.4	2	2	2	1
Dispatch Printing Co.	36	33	156	23.2	1	1	2	0
Landmark Communications	36	28	259	13.9	1	1	2	0
Providence Journal Co.	32	28	208	15.1	0	0	1	2
Ackerley Communciations	28	20	104	27.0	2	1	3	2
Donrey Media Group	28	27	237	11.8	4	3	1	0
Rollins Inc.	27	24	100	27.3	5	1	3	1
Macromedia Inc.	22	22	120	18.7	0	0	3	1
Stauffer Communications	21	19	96	22.3	4	3	2	1
Harcourt Brace Jovanovich	18	16	137	13.1	0	0	2	1
Howard Publications	18	16	178	10.1	0	0	1	0
Affiliated Publications	17	16	366	4.5	3	6	0	0
McClatchy Newspapers	14	12	275	5.1	2	2	0	0
Blade Communications	13	10	174	7.5	0	0	1	3
Heritage Communications	2	—	96	1.9	0	0	2	1
Crain Communications	0.1	—	102	0.1	0	1	0	0

NOTE: Dollars in millions

Sources: Broadcast and media revenues are Advertising Age revenues
Companies supply number of stations

RANK **94**

Crain Communications

Chicago

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	102	86	19.0
Total sales	109	96	15.3
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	102	86	18.9
Broadcast	0.1	—	—
Cable	—	—	—
Outdoor	—	—	—

Crain Communications Inc., a new entry to the list of top 100 media companies, is in a period of digestion following a number of startups, relaunches and other editorial and business-side moves in 1985.

Crain, ranked 94th among the media companies in 1985, is called "one of the fastest-growing companies in publishing" by the *Wall Street Journal*. In 1985, the company's total revenues grew by 15.3% as its media business increased by 19%. The company focuses on specialty business publications such as ADVERTISING AGE, *Automotive News*, *Crain's Chicago Business* and *Crain's New York Business*. Publications represent 93% of total company revenues. Printing and consumer operations account for the remainder.

The Chicago-based company is expected to resume its ambitious growth activities after its digestive phase, which was not an inactive period on the acquisition side. The company in March purchased *Media World*, a London-based monthly covering the U.K. media scene.

A key development in 1985 was the introduction of two new weekly business publications: *Crain's New York Business* and *Crain's Detroit Business*, which join *Crain's Chicago Business* and *Crain's Cleveland Business*. *CNYB*, with a circulation of about 85,000, was introduced in January, 1985, and is facing fierce competition in the New York market.

The $7 million Crain expects to spend on the startup of *CNYB*, which has had a number of editorial-side changes since its debut, makes it the company's most expensive launch. To help reduce the competition *CNYB* has encountered, Crain in August, 1985, bought a rival local business paper, *New York CityBusiness*, from MCP Inc., Minneapolis, and merged it into *CNYB*.

Last September saw the introduction of *Crain's New York Business* Radio Network, a customized business news minute prepared and reported by *CNYB* editorial staff.

Crain's Detroit Business, which was introduced in February, 1985, has a circulation for the six months ended Dec. 31 of 31,198, which included 13,966 paid. It is being called the company's fastest-growing publication in terms of subscribers and over-all acceptance.

ADVERTISING AGE continued its leadership in the advertising trade field while facing intense competition from other trade publications as well as stepped-up coverage of advertising, marketing and media in consumer magazines and newspapers. Circulation for the six months ended Dec. 31 rose 2.8% from the year-earlier period, to 87,469, although advertising linage was down about 8%.

Early in 1985, AD AGE revamped its *Thursday* edition to emphasize features and "soft" news articles rather than the original news focus the publication had when it was introduced in April, 1984. But advertisers still did not respond to *Thursday*, and publication was discontinued in March, 1986. Many of *Thursday's* features since have been combined into the traditional Monday edition.

The only other publication discontinued at Crain was *Crain's Illinois Business* which ceased publication in late May, 1986. The company cited insufficient advertising. The quarterly, founded in 1982, had a controlled circulation of 25,000. The company at the same time decided not to exercise an option to buy a 50% stake in *Washington Journalism Review*, owned by H&C Communications. The company recently ended an arrangement in which it assisted *WJR* in its noneditorial functions.

Automotive News published its largest issue ever Oct. 30, 1985, a 378-page special issue marking the centennial of the automobile. Its 190 ad pages represented $1.26 million in billings, a Crain record. Articles and photos from the issue appeared in 100 newspapers via the Crain Syndicate. *AN's* circulation for the six months ended Dec. 31 rose 3.9% from the year-earlier period, to 64,246.

AutoWeek, the auto-enthusiast newsweekly, last September disclosed plans to change to a glossy 8½-by-11-in. magazine format from its tabloid format in order to compete better with the "buff books," the mainstream consumer auto magazines. The change, which took effect with the Jan. 6, 1986, issue, enables *AutoWeek* to reproduce color photographs with higher quality. Its smaller size is expected to make the weekly more competitive on newsstands. Circulation for the six months ended Dec. 31 rose 12.5% from a year ago, to 161,111.

City & State, a new tabloid newspaper focusing on the financing of local and state governments, was introduced in January, 1985. Circulation for the six months ended Dec. 31 totaled 30,697, including 781 paid; a long-term goal is a circulation of 100,000. *C&S'* parent publication is *Pensions & Investment Age*, which has a circulation of about 40,000.

Crain's Chicago Business, which has had notable growth on the advertising side, last September began producing local business reports to be aired by WBBM radio, Chicago. Circulation for the six months ended Dec. 31 fell 0.7% from a year ago, to 46,681.

Detroit Monthly is the new name, effective January, 1986, of what formerly was known as *Monthly Detroit*. The city monthly doubled its circulation as of last October, adding an equal amount of controlled circulation to its paid circulation by matching the demographics of its paid subscribers. *Detroit Monthly's* paid circulation for the six months ended Dec. 31 rose 1.4% from the year-earlier period, to 40,561; with the controlled circulation of 40,000, total circulation exceeds 80,000. A new publisher, Patricia Venuti, formerly advertising director of *Crain's New York Business*, was named in May.

Modern Healthcare increased its frequency to 26 issues a year, beginning in January, 1985, from 16. Circulation is about 79,000.

Crain entered a new communications field, radio, in January, 1985, when it set up Crain Broadcasting, a new subsidiary, to operate WWUS (fm), Big Pine Key, Fla., serving Key West.

The station was acquired from Lower Keys Broadcasting Co. and its owner, Robert Bell. The station complements Crain publications *Florida Keys Magazine* and *Humm's Guide to the Florida Keys*. These two publications and a telephone sales unit comprise Crain Press, the Reno-based sector of which was sold.

Crain established a joint book publishing venture in March, 1985, with National Textbook Co., Lincolnwood, Ill., in which the latter took over the operation of Crain Books, which had been Crain's independent book division.

The company's nonmedia activities in 1985—primarily outside printing, seminars and computer services—accounted for $7.2 million in revenues, compared with $9.1 million in 1984.

In the personnel area, Crain last year named William Morrow as senior vp-operations, based in Detroit, from managing tax partner of the Detroit region offices of Touche Ross & Co. H.L. Stevenson, former editor-in-chief of United Press International, became corporate editor.

MEDIA PROPERTIES

Broadcasting

RADIO: WWUS (fm), Key West, Fla.

Magazines

Advertising Age, Advertising Age's Focus, American Clean Car, American Coin-Op, American Drycleaner, American Laundry Digest, Automotive News, AutoWeek, Business Insurance, Business Marketing, Crain's Chicago Business, Crain's Cleveland Business, Crain's Detroit Business, Crain's New York Business, Crain's Tire Business, City & State, Electronic Media, Florida Keys Magazine, Humm's Guide to the Florida Keys, Modern Healthcare, Detroit Monthly, Pensions & Investment Age, Rubber & Plastics News.

Other media operations

Crain News Syndicate.

OTHER OPERATIONS

Crain Computer Services

Spending A Little Dough On The Post-Dispatch Made You One Smart Cookie.

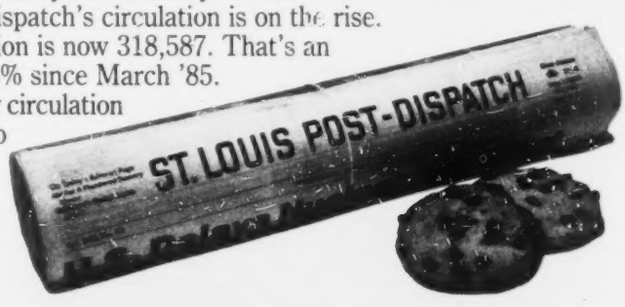
Ah, the sweet taste of success.

You knew the St. Louis Post-Dispatch was a good buy when you made it. But perhaps you didn't know exactly how smart you were.

The Post-Dispatch's circulation is on the rise. Daily circulation is now 318,587. That's an increase of 16% since March '85.

And Sunday circulation has climbed to 519,505. A 5% jump in the last year.

	MARCH '85	MARCH '86
Daily Circulation	273,784	318,587
Sunday Circulation	495,111	519,505



When our numbers look that good, you look like one smart cookie. All because you spent a little dough in just the right place.

Represented by Newhouse Newspapers. ABC Newspaper Publisher's Statement, March 31, 1986.

Dispatch Printing Co.
Columbus, O.
RANK 72

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	156	152	2.8
Total sales	156	152	2.8
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	115	117	0.6
Magazine	2	2	15.0
Broadcast	36	33	10.0
Cable	—	—	—
Outdoor	—	—	—

Dispatch Printing Co., Columbus, ., took dramatic steps to reverse a ownward trend in circulation at its ad property, the *Columbus Dispatch*, y switching from evening to morning ublication, filling the time frame va- ated by its competitor, which shut own after termination of a joint oper- ting agreement between the two apers.

There was little movement on the evenue side at Dispatch Printing Co., he 72nd largest media company in 985, as revenues increased an esti- nated 2.8%. The private company, wned by the Wolfe family, publishes he only daily newspaper in Columbus nd a statewide regional magazine, nd also owns and operates two tv and wo radio stations.

Morning circulation and lack of ompetition, however, should stimu- te growth at the *Columbus Dispatch*, hich entered the morning field Jan. 1, 986. The switch marked the demise f Scripps Howard's *Citizen-Journal*, he market's longtime morning news- aper.

The beginning of the end for the cripps Howard paper began three ears ago when Dispatch Printing in- ormed Cincinnati-based Scripps oward it would not renew a joint op- rating agreement struck in 1959 and cheduled to expire Dec. 31, 1985. nder the JOA, the *Citizen-Journal* as housed and produced at the *Dis- atch* facility.

The JOA had become an albatross or Dispatch Printing, preventing the *ispatch* from converting to the po- ntially more lucrative morning mar- et. It also prevented the *Citizen-Jour- al* from becoming an afternoon aper. Scripps Howard closed the *Citi- en-Journal* on Dec. 31, 1985, rather han compete head-to-head with the *ispatch* in the morning, enter the af- rnoon market or sell the paper.

Dispatch Printing for a long time ad seen that more and more money ad to be spent on the *Dispatch* side ust to keep the numbers even," ac- ording to Terry De Vassie, assistant rculation director of the *Dispatch*, hile the *Citizen-Journal* "grew by its wn volition," he says, with promo- on supplied by the *Dispatch* as part of e JOA.

Just before the switch to morning, *ispatch* circulation dropped to less an 200,000. However, circulation for e three-month period ended March 1, 1986, rose to an unaudited 238,000 n a daily basis and 371,500 on Sun- ay. The *Dispatch* implemented an an- ual January rate increase, but a spe- al audit conducted by ABC will re- lt in an adjustment of the rates to flect the current cost per thousand. Most recent audited figures for the six- onth period ended Sept. 30, 1985, laced circulation at 202,114 for the vening edition and 362,745 for the unday paper. Those figures represen- d a slight decline from the preceding 2-month period.

Under the JOA, Scripps Howard as responsible for staffing and main- aining the *Citizen-Journal* on the edi- rial side, but the *Dispatch* provided xecutive positions and a separate cir- ulation staff for the *Citizen-Journal*. he same advertising staff served both apers. When it became apparent that he *Citizen-Journal* would cease publi- ation, the *Dispatch* operated with a ared-down crew in order to keep jobs pen for *Citizen-Journal* personnel in those departments for which it was responsible. As a result, the *Dispatch* was able to save jobs for *Citizen-Journal* executives, according to Mr. De Vassie, retaining salary and benefits, though not necessarily at the same position level.

Since the transition to morning, the *Dispatch* added 50 new employes to its editorial department to provide increased coverage, particularly in sports and local news. The *Dispatch* also increased coverage of the six counties contiguous to the paper's home, Franklin County. In August, 1985, the *Dispatch* launched a new zoned product, "Neighbor News," which covers six separate, marketable zones within Franklin County to serve advertisers and those readers.

The zoned editions replaced the paper's total market coverage product, which had suffered a lukewarm response from advertisers. *Dispatch's* tmc vehicle, in existence since 1978, had delivered advertiser's preprints within a midweek extra edition. But, Mr. De Vassie says, the program was disbanded in May, 1985, because the midweek edition "was usually void of preprints" and the zoned edition was already in the works.

The expanded and now morning edition of the *Dispatch* was promoted in January via sampling to 123,000 Sunday-only subscribers. It represented the only promotion of the *Dispatch's* morning edition and was "one of the single best things we did during the conversion," Mr. De Vassie says. Surveys revealed 59% of the *Citizen-Journal* circulation had overlapped the *Dispatch* to begin with, and the promotion enabled the paper to pick up 20% of the sampled audience. In order to avoid lawsuits from Scripps Howard, the *Dispatch* could not speak to the *Citizen-Journal* audience via direct contact and had to dispose of all its existing records on *Citizen-Journal* subscribers. A new subscription drive was launched the first week in April.

During the past year, the *Dispatch* began using Knight-Ridder's database and library service, Vu-Text, as an electronic library. The Knight-Ridder service is used by 21 other newspapers and the Associated Press.

Ohio magazine, a statewide regional publication, increased circulation to 100,580, of which 95,864 are subscribers. Subscription rates increased May 1 to $15 a year, up from $12. The monthly magazine averages 112 to 128 pages an issue.

WTHR, Dispatch's NBC-TV affiliate in Indianapolis, ranked No. 3 in the 6 p.m. news slot with a 20 share. It was bested by the ABC affiliate with a 23 share and CBS affiliate with a 22 share. WTHR's "Jeopardy" and "Wheel of Fortune" hour of programing dominates the 7 p.m. to 8 p.m. time period, doubling its closest competitors. The station's February primetime seven-day average tied with CBS in the Indianapolis market. NBC's over-all high ratings with programs such as "The Cosby Show," which commands a 50-plus share, continue to rub off favorably on WTHR, says Brian Beglane, director of marketing.

"AM Indiana—Track 13" debuted April 28 as the only local morning show in the market. It competes with "Donahue" in the 9 a.m. to 10 a.m. slot, Monday through Friday, and also will be opposite Oprah Winfrey's new show next fall. Hosted by Dick Wolfsie, former host of "Good Morning, New York" on WABC-TV, New York, "AM Indiana" airs from a broadcast studio in Indianapolis' Union Station, recently converted into a mall.

The promotional campaign at WTHR, "People you can count on," is echoed at Dispatch's second tv holding WBNS-TV, a CBS affiliate in Columbus. WBNS-TV ranks No. 1 in the 6 p.m. news slot in that market, Monday through Friday, followed by WCMH-TV (NBC) and WTVN-TV (ABC). A.C. Nielsen Co. ranks the 6 p.m. news at a 33 share and 18 rating, while the Arbitron rating stands at a 34 share and 18 rating.

WBNS-TV continues to feel the pressure exerted by new independent station WTTE, which "took 8 or 9 shares away from the over all market," says John Haldi, WBNS-TV program director. The station has restructured several time periods this past year. Notable are the unusual placement of "Trapper John, M.D." in the 10 to 11 a.m. slot and the airing of "M*A*S*H" reruns at 5 p.m., just before the local news. "M*A*S*H's" numbers climbed from single to double-digit shares and the show provides "a strong lead-in to the news," Mr. Haldi says. Last summer, the local news program was moved back a half-hour to 5:30 p.m. to compete directly with its two network-affiliate competitors. As a result, WBNS's local news program has conquered that time slot.

WBNS-FM is an easy listening radio station in the Columbus market. WBNS, the am station with an adult contemporary format, is billed as "the adult alternative" in tv and outdoor board advertising.

MEDIA PROPERTIES
Broadcasting
TV: WTHR, Indianapolis; WBNS-TV, Columbus.
RADIO: WBNS (am, fm), Columbus.
Magazines
Ohio.
Newspapers (dailies)
OHIO: *Columbus Dispatch.*
Other media operations
Dispatch Consumer Services.

Donrey Media Group
Fort Smith, Ark.
RANK 48

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	237	198	19.5
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	192	158	21.6
Magazine	—	—	—
Broadcast	28	27	3.7
Cable	8	6	25.0
Outdoor	9	7	28.6

Donrey Media Group continues to do what it does best—grow and change. In recent months, Donrey added four new midwestern daily papers, a cellular phone company in Tulsa, Okla., and a catfish farm in Nevada.

The company, ranked the 48th largest media company, has its administrative headquarters in Fort Smith, Ark. But its president-ceo and sole owner, native Oklahoman Donald Reynolds, directs the media conglomerate, which he founded in 1940, from its new national headquarters in Las Vegas, site of the chain's largest newspaper.

Donrey remains "bullish on acquisitions," exec vp Fred Smith says. By mid-1986, the company owned 54 daily newspapers, 55 nondailies in 12 states, seven radio stations, one tv station, five Cablevision franchises, 12 outdoor advertising markets with about 13,000 outdoor boards, a 50% interest in Kilgore Cable system, Kilgore, Tex., and a 40% interest in Falcon Communications Cable, Los Angeles County, Cal.

With an ongoing program of acquisitions for growth, Donrey seeks newspapers in small to medium-size communities, often when they are passing from the hands of their founders or longtime owners and are going through transitions in management, reorganization or finance. For example, in 1985 Donrey bought the *Norman* (Okla.) *Transcript* from its two owners, a trust held by the wife, son and daughter of ex-publisher Harold Belknap, and Belknap's successor, Don Frensley. And it bought the *Minot* (N.D.) *Daily News* from the two families who had owned and managed that paper for about 65 years, the Dobsons and the Davies.

Daily circulation of the five-evening *Norman Transcript* fell slightly to 17,027 in the March 31, 1986, ABC reports compared with the corresponding period a year earlier. Sunday circulation during the same period was up 101 subscribers to 18,305. Daily circulation of the six-evening *Minot Daily News* fell 4% to 28,233 during the period.

Also in 1985, Donrey acquired the evening *Clinton* (Ia.) *Herald* and the evening *Altus* (Okla.) *Times* and its Sunday paper. The *Clinton Herald* dropped 2.1% in circulation, to 20,411 in March 31, 1986. The *Altus Times* carried a daily circulation of 5,963, down 13% for the period. Sunday was 6,703, down 11%.

Making a nonmedia but communications-related acquisition, Donrey bought a 92% interest in Tulsa's nonwireline car phone system, called Cellular One. Tulsa is one of 28 cities where Donrey has applied for cellular franchises.

Cellular One, which began services March 21, 1986, now has 10 cells or area transmitters around metropolitan Tulsa, two more than competitor United States Cellular Telephone Co., a subsidiary of TDS.

Donrey has been open to innovation in news and advertising dissemination. For example, in Bartlesville, Okla., the city's daily newspaper, Donrey's *Examiner-Enterprise*, and the Donrey Cablevision system are running a test of cable tv delivery of newspaper news, sports, classified ads and other material. If successful, Donrey says it may expand the print-cable linkage to other towns with a Donrey newspaper-cable tv combo.

All such new approaches haven't worked out for Donrey the past year. In Las Vegas it dropped out of a videotex partnership called InfoView because it wasn't producing to the company's expectations. Also, in Las Vegas, Donrey no longer participates in a new approach to outdoor advertising called MultiVision. This 14-by-48-ft. outdoor board has a computer-controlled mosaic surface of 35mm electronic cubes that alter the image every 20 seconds to 30 different advertising messages. The problem was poor resolution in the board graphics.

Donrey entered outdoor advertising in 1963 with its purchase of the Naegele properties in Las Vegas. Today it is a major force in U.S. outdoor, serving 12 markets in the Midwest, Southwest and Northwest.

"Donrey Outdoor had a record year in 1985," says Don Burris, vp, Donrey outdoor, broadcast, cable division. "This was despite the falloffs—the cutbacks—in tobacco and alcohol advertising," he adds. This falloff is made up by working the territory more energetically to get local independent advertising from banks, car dealerships, new types of products and services—car leasing, frozen yogurt, fast-food, he says.

The heart of Donrey continues to be its newspaper business, with dailies ranging from the *Las Vegas Review-Journal*, with 105,478 daily circulation on March 31, 1986, up 3.7%, and 122,090 Sunday, up 5.2%, to the *Wewoka* (Okla.) *Times*, with 1,610 for both daily and Sunday.

Combined average daily circulation for the 54 Donrey daily papers was about 874,000 in 1985, up 14.3%, largely through acquisitions. The 1985 tally also includes about 30,000 additional subscribers from Saturday editions in Bartlesville and Norman, Okla. Sunday's combined circulation for 1985 of 647,000 was up 9.7%.

A move with important implications for Donrey's newspaper acquisition program was a federal judge's ruling in August, 1985, that the subscription list acquired by Donrey Media Group when it bought the *Washington* (Ind.) *Times-Herald* is a depreciable asset for tax purposes. The company was aided in its case by the research of Morton Research, Washington, and Urban & Associates showing that the subscription list had a useful life of 23 years. The ruling is subject to IRS appeal.

Also related to its acquisitions program and increasing over-all efficiency is Donrey's new Information Systems Plan. This is a computer-based strategy for reaching out from Fort Smith headquarters to link Donrey units in a management information system. It should help to gather data quickly, avoid high information costs, and cut expenses in making acquisitions by reducing staff requirements.

Donrey ventured into a fast growing new food industry in 1985—catfish. The company capitalized on the geothermal springs at Donald Reynolds' Duckwater, Nev., property, using them for aquaculture. In a venture called Donrey Catfish Growers, catfish are being raised, processed and sold to wholesalers.

Mr. Reynolds conducts two nonprofit foundations to benefit the communities in which he does business. Donrey Public Foundations raises funds to send children to summer camp. The Donald W. Reynolds Foundation makes contributions and grants to aid civic and charitable organizations in health, culture and education. Each year the foundation awards $100,000 to junior-year journalism students at 10 selected universities. In 1984, the University of Nevada-Reno named its new journalism school the Donald W. Reynolds School of Journalism and Center for Advanced Media Studies.

MEDIA PROPERTIES
Broadcasting
TV: KOLO-TV, Reno, Nev.
RADIO: KBRS, Springdale, Ark.; KEXO, KLDR-FM, Grand Junction, Colo.; KOCM (fm), Newport Beach, Cal.; KORK, KYRK-FM, Las Vegas; KOLO, Reno, Nev.
Cable/video
SYSTEMS: ARKANSAS: Donrey Cablevision-Rogers. CALIFORNIA: Donrey Cablevision-Vallejo; Falcon Cable-Los Angeles. OKLAHOMA: Donrey Cablevision-Bartlesville, Blackwell, Guymon. TEXAS: Kilmore Cable-Kilmore.
Newspapers (dailies)
ARKANSAS: *Northwest Arkansas Morning News* (Rogers), *Southwest Times Record* (Fort Smith), *Springdale News*. CALIFORNIA: *Chico Enterprise-Record, Daily News* (Red Bluff), *Lompoc Record, Ontario Daily Report, Progress Bulletin* (Pomona), *Redlands Daily Facts, Ukiah Daily Journal, Vallejo Times-Herald, Woodland Daily Democrat*. HAWAII: *Hawaii Tribune-Herald* (Hilo), *West Hawaii Today* (Kailua-Kona). INDIANA: *Washington Times-Herald*. IOWA: *Clinton Herald, Oskaloosa Herald*. KENTUCKY: *Glasgow Daily Times*. MISSISSIPPI: *Picayune Item*. MISSOURI: *Macon Chronicle-Herald, Moberly Monitor-Index and Democrat*. NEVADA: *Nevada Appeal* (Carson City), *Ely Daily Times, Las Vegas Review-Journal*. NEW MEXICO: *Alamogordo Daily News*. NORTH DAKOTA: *News* (Minot). OKLAHOMA: *Altus Times, Bartlesville Examiner-Enterprise, Blackwell Journal-Tribune, Chickasha Daily Express, Durant Daily Democrat, Frederick Daily Leader, Guthrie Daily Leader, Guymon Daily Herald, Henryetta Daily Free-Lance, Holdenville Daily News, Norman Transcript, Okmulgee Daily Times, Paul's Valley Daily Democrat, Pawhuska Daily Journal-Capital, Wewoka Daily Times*. TENNESSEE: *Daily Herald* (Columbia). TEXAS: *Borger News-Herald, Cleburne Times Review, Gainesville Daily Register, Jacksonville Daily Progress, Kilgore News Herald, Sherman Democrat, Sweetwater Reporter, Weatherford Democrat*. WASHINGTON: *Aberdeen Daily World, Auburn Daily Globe News, Kent Daily News Journal, Renton Daily Record Chronicle*.
Newspapers (nondailies)
55 nondailies in 12 states.
Other media operations
Donrey Outdoor Advertising.

Dow Jones & Co.
New York
RANK 17

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	978	910	7.5
Total sales	1,039	966	7.6
Net income	139	129	7.4

Sales by media	1985	1984	% chg
Newspaper	844	794	6.3
Magazine	32	30	6.7
Broadcast	—	—	—
Cable	—	—	—
Other	102	86	19.0

Dow Jones & Co., New York, took steps in 1985 to expand beyond its traditional print media activity encompassing the *Wall Street Journal*, com-

munity newspapers and *Barron's* by purchasing a major share of Telerate Inc., a computerized financial data company.

The nation's 17th largest media company in media revenues, New York-based Dow Jones experienced slow growth in 1985, when over-all revenues and net income grew about 7%, which reflects its media activity because media account for 94.1% of DJ's total revenues.

DJ gave a boost to its most profitable division—information services—through its $282.3 million purchase of 32% of Telerate from Exco International, a British financial services company. DJ's share evolved from a deal it struck with Oklahoma Publishing Co. in August to acquire a combined 52% interest in Telerate Inc. The outlay is the largest in the company's history.

Telerate is expected to enhance DJ's existing news ticker and stock and news retrieval services among its electronic publishing offerings. DJ hopes its own and Telerate's data eventually may be accessible to home users and small companies worldwide.

The company moved to reduce its acquisition debt on the Telerate deal by selling 8% of its 25% interest in Boston-based Continental Cablevision back to Continental for $100 million in January, 1986.

During 1985, Dow Jones' leading publication, the *Wall Street Journal*, saw its advertising linage drop 5.2%, although increased rates ensured an advance in ad dollars. The company attributed the decline to industrywide softening in advertising during the year, although ad linage in 1984 did little more than break even as well. Classified advertising in the *WSJ* was off significantly during 1985, particularly help wanted and condominium ads.

DJ plans to boost the *WSJ's* ad rates about 7% in 1986. National and regional rates were increased 9.5% and 8%, respectively, in late 1985. The paper also has increased its annual subscription fee to $114 from $107. The 50¢ cover price remains unchanged. To further offset weakened ad revenue, the paper plans to trim costs in 1986 and keep them in line with revenue increases. The plan includes a hiring freeze.

So far in 1986, the *WSJ* has not rebounded. Ad linage for the first quarter ended March 31, 1986, declined 10.4%. The ABC six-month average as of March 31, 1986, placed the *WSJ's* circulation at 1,985,559, down from the year-earlier figure of 1,990,025, which was off 4.4% from 1984.

In a move to boost specialized advertising, the *WSJ* in 1985 expanded its editorial content with the introduction of special one-time sections on small business, financial planning and new technology. The paper expanded coverage of personal finance, completed its changeover to front-end pagination and bolstered its press capacity to 72 pages from the former 64-page limit.

The paper's plans to construct a $20 million printing plant in Oklahoma City were held up during the year over concern about local laws. Because the *WSJ* runs liquor ads, company officials feared that the printing plant would violate a 1959 Oklahoma law prohibiting alcoholic beverage advertising.

Negative publicity for the *WSJ* surrounding the R. Foster Winans case surfaced again in 1986 when the former reporter was convicted on 59 counts of conspiracy and criminal securities, wire and mail fraud and was sentenced to 18 months in prison and fined $5,000. Mr. Winans was convicted of leaking advance information about topics of the *WSJ's* "Heard on the Street" columns to outsiders.

DJ's Ottaway Newspapers showed a 3.7% gain in advertising volume during 1985 and a 12.9% gain in ad revenues for its 22 dailies.

On the magazine side, the weekly *Barron's* showed slight gains in advertising linage on a per-issue basis and in circulation during 1985 and an over-all ad revenue improvement of 6.1% because of higher rates. Circulation in 1986 gained 1.4% to 264,200. *American Demographics* took off as circulation increased 38% to 14,500 and ad revenues rose 46%. Together, the two magazines had estimated revenues of $32 million.

Both *Barron's* and the Ottaway operation remained static the first quarter ended March 31, 1986. Ad linage for the period was up 2.5% at Ottaway and 0.1% at *Barron's*, although advertising at the latter was off 7.6% on a per-issue basis. Both Ottaway and *Barron's* recorded modest circulation increases during the quarter.

During 1985, ad revenues at the company's *Asian Wall Street Journal* increased 17.2% and circulation gained 4.9%. The paper's European edition gained 16.9% in circulation and 25.4% in ad revenue, although it continued to operate at a loss.

DJ's information services, which include database publishing and the DJ news wires, recorded 1985 operating earnings of $17.7 million, up 160.3% from 1984, on revenues of $102.2 million, up 19%. The unit in 1986 plans to develop its Corporate America Wire specifically to serve executives.

DJ's major nonmedia activity is book publishing, which totaled $54.6 million in 1985, up 10%. The company also generates revenues from newsprint operations.

Amid the mania of corporate takeovers, DJ has taken steps to retain its independence. Shareholders at its annual meeting in April, 1986, adopted anti-takeover measures that include staggered terms for board members, "fair price" measures requiring a prospective purchaser to make the same offer to all stockholders, and the inclusion of noneconomic factors among "relevant factors" considered in prospective takeover moves.

MEDIA PROPERTIES

Magazines

American Demographics, Asian Wall Street Journal Weekly, Barron's, National Business Employment Weekly.

Newspapers (dailies)

Asian Wall Street Journal, Wall Street Journal, Wall Street Journal/Europe. Ottaway Newspaper Group-ARIZONA: *News-Sun* (Sun City). CALIFORNIA: *Santa Cruz Sentinel.* CONNECTICUT: *Danbury News-Times.* KENTUCKY: *Ashland Daily Independent.* MASSACHUSETTS: *Times* (Beverly-Peabody), *Cape Cod Times, Gloucester Daily Times, New Bedford Standard-Times, Newburyport Daily News.* MICHIGAN: *Traverse City Record-Eagle.* MINNESOTA: *Mankato Free Press, Owatonna People's Press.* MISSOURI: *Joplin Globe.* NEW YORK: *Middletown Times Herald-Record, Oneonta Daily Star, Plattsburgh Press Republican, Tri-State Gazette.* OREGON: *Medford Mail Tribune.* PENNSYLVANIA: *Pocono Record, Sharon Herald, Sunbury Daily Item.*

Equity interests

Telerate Inc. (32% interest), *Far Eastern Economic Review* (49% interest), *South China Morning Post* (16% interest), Press-Enterprise Co. (20.1% interest).

Other media operations

Dow Jones News Service, DowAlert, Dow Jones News/Retrieval, Dow Jones Cable News (videotex).

OTHER OPERATIONS

AP-Dow Jones (50% ownership), Richard D. Irwin Inc. (publisher, newsprint mills).

Pulliam, a newspaper titan

Central Newspapers is the creation of Eugene Collins Pulliam. Born in Ulysses, Kan., Mr. Pulliam learned his craft from William Rockhill Nelson, publisher of the *Kansas City Star* when Mr. Pulliam was a reporter for the paper. From 1930 to 1934, he and Texas millionaire Charles Marsh built a 25-paper chain called General Newspapers, but Mr. Pulliam pulled out when he became uneasy with the strong commercial orientation of Mr. Marsh. Mr. Pulliam took the Oklahoma and Indiana papers, but then sold off all but the two Vincennes, Ind., papers which he merged, before assembling today's Central family. He died in 1975.

BUSINESS WITH BILL*

[Frankly, an advertisement]

Yes, frankly, this is an ad. Our objective? If we can reflect to you the uniqueness of our Bill Communications' properties, then you can judge us even better as a reader, perhaps an advertiser, and maybe even a future fellow employee.

John Hartman
Chairman of the Board
Bill Communications, Inc.

Back in 1970, when I first joined the Company, Market Statistics was a friendly place. After the reorganization in 1971, it remained friendly, but it also became a place to explore, develop, and grow. We formed a nucleus of skillful, hard-working professionals, with Bill Communications management behind us, encouraging us along the way.

In just a few years, Market Statistics is at the top of the demographic research community in the nation. Our statistical publications rank high in prestige, our individual sales analyses are being used by our clients in their marketing decisions, and our demographic reports are commonly referred to by firms across the economic spectrum. The diversity of our business keeps our professional interest at high levels, but we pursue only those ideas which we feel will be of value to our readers and clients and at the same time will satisfy our professional standards. In this pursuit of advancement, it's important to know that the support of our corporate heads at Bill will always be there.

I'm proud of my long association with Bill Communications and, specifically, with Market Statistics, where we still retain our humanity in the midst of the business labyrinth.

Elias Fokas
Senior Vice President
Market Statistics

With Bill: 16 Years

"We aren't in the business of selling advertising, we're in the business of making magazines that serve our readers well." A cliché? I thought so, the first time I heard a Bill corporate officer make that pronouncement. But I hadn't worked at Bill Communications very long before I learned that behind those words is surprising substance.

At Bill, the commitment to editorial excellence is a "given" that colors every corporate endeavor. In the budgetary process, for example, editor and publisher make their case as a team for each year's budget—and together stand accountable for the results. It is never a case of "let's see how little you can spend to put out the book" but rather, "justify what you need to do the best job possible."

The climate of cooperation born of shared risks and rewards helps foster good team relationships—and thus, good editorial content—here at *Restaurant and Hotel Design*. It keeps all of us in synch as we pursue our common goal of producing the best possible magazine for our specialized field.

M.J. Madigan
Editor
Restaurant and Hotel Design

With Bill: 1½ Years

Freedom . . . to succeed . . . or to fail . . . What more could one ask for in business? By freedom, I mean being provided the financial tools, the responsibility and management encouragement to realize your own personal concepts of effective, profitable business communications.

The only restrictions I've found on evaluating a new or different publishing opportunity at Bill is that it must (1) fill an editorial need in the marketplace, (2) offer the opportunity for becoming a quality publication, and (3) provide a good long-term potential for profitability against the calculated investment.

The hallmark of BillCom is decentralization and what's called participative management. Decentralization precludes the layers of hierarchical authority that, in a large corporation, blunt the impact you have on the corporation.

Participative management means that everyone you work with participates in the decision-making. It's one of the toughest management concepts . . . and it can cause problems. But when it works, it is by far the most rewarding for the person.

Above all, you have the freedom to succeed, and to fail. And the proof of the value of this freedom is in the pudding of success I've watched BillCom enjoy over the past 24 years.

Malcolm W. Riley
Publisher/Editorial Director
Plastics Technology/PLASPEC

With Bill: 24 Years

*BILL COMMUNICATIONS, INC. *PUBLICATION DIVISION:* INCENTIVE MARKETING □ INSTITUTIONAL DISTRIBUTION □ JOBBER RETAILER □ MODERN TIRE DEALER □ PLASTICS TECHNOLOGY □ RESTAURANT BUSINESS □ RESTAURANT AND HOTEL DESIGN □ SALES AND MARKETING MANAGEMENT □ SUCCESSFUL MEETINGS □ *INFORMATION DIVISION:* BILLCOM LIST RENTAL □ PLASPEC □ MARKET STATISTICS □ SALES BUILDERS □ SM DATA BANK

CORPORATE HEADQUARTERS: 633 THIRD AVENUE, NEW YORK, NY 10017 [212-986-4800].

RANK **8**

Dun & Bradstreet

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	1,718	1,459	17.8
Total sales	2,772	2,397	15.6
Net income	295	256	15.2

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	406	380	6.8
Broadcast	—	—	—
Cable	—	—	—
Other	1,312	1,079	21.6

Since divesting itself of high-performing Corinthian Broadcasting two years ago Dun & Bradstreet Corp. has generated just as strong, if not stronger, performances from its more scaled down and focused media properties. In 1985, the New York-based company recorded year-to-year growth in media revenues of 22.9%.

Media at D&B, the 8th largest media company, accounted for 62% of total D&B operating revenues and 75.7% of total operating income.

D&B derives its media revenues from two business segments: the largely ad-generated publishing segment, with 22 trade and professional publications produced in the segment's technical publishing division as well as telephone directories and airline schedule guides; the marketing services segment, which includes Donnelley Marketing cooperative mailing programs, A.C. Nielsen Co.'s marketing and media research groups and high-tech researcher Dataquest.

D&B's only nonmedia business segment is business information services, which includes D&B credit services, administration of small-business group insurance plans, commercial collection and computer services.

The publishing segment contributed 6.8% of total operating revenue and 8.9% of total operating income in 1985. The segment is basically comprised of Technical Publishing's 22 magazines, which posted moderate revenue gain on lower operating income. The unit's ad pages dropped, reflecting the downturn in heavy industries and the technology markets served by the publications.

Datamation, which serves the information-processing market, and *Test & Measurement World*, a magazine serving engineers responsible for testing high-tech products at the point of manufacture, both experienced growth during the year. D&B says *Highway & Heavy Construction* boosted its market share and showed a gain in ad pages as a result of that industry's rebound.

During 1985, D&B expanded its activity in Yellow Pages classified directory publishing via the Donnelley Directory subsidiary. Early in the year, the company split Donnelley into units handling Yellow Pages for telephone companies and for independently published directories. Donnelley acquired four classified-directory companies during the year and published new directories in Florida, Oklahoma and Texas. Donnelley during the year also launched Talking Yellow Pages, a service that allows telephone users to access databases of information on products and services.

Donnelley Directory lost two major contracts during the year, with Bell of Pennsylvania and Diamond State Telephone in Delaware. The company says it plans to market its own Yellow Pages directories in those areas in 1986.

Also in the publishing segment, D&B's Official Airline Guides had an acceptable year, as usage of the on-line version of the service increased.

In the first quarter of 1986, the publishing segment led all segments in revenue growth with a 23.3% gain, compared with business information, up 9.8%, and marketing services, up 5%.

D&B's only major 1985 divestitures were the sale of three A.C. Nielsen Co. units: Compucon, Neodata France and Neodata Germany. However, most of the 13 cash acquisitions for which D&B paid $66 million in 1985 were to support Nielsen and Donnelley.

A.C. Nielsen Co., acquired by D&B in 1984, fell to pressure from the three major networks to delay the introduction of its people meter until September, 1987, a year later than planned. Tested since January, 1986, the meters were showing lower demographic ratings for several popular prime-time shows. This called into question whether the traditional diary method had been overstating viewing levels in prime and daytime.

The rise of the people meter marketed by London-based AGB Research forced Nielsen management to consider alternatives to its tv audience measurement methodology.

Nielsen's marketing research unit in 1985 introduced Scantrack Plus, a device used by major package-goods companies to supplement scanning-produced marketing data with information on in-store promotions and couponing. By yearend, 25 major U.S markets were covered by Scantrack Plus. Nielsen plans to add information on tv advertising spending and tv viewing to the service in 1986.

Effective last Jan. 1, A.C. Nielsen president N. Eugene Harden was elected an exec vp of D&B. James Murray Jr., D&B Plan Services, was named to the additional post of senior vp-customer information needs.

The company in 1985 also acquired: Thomas Cook Travel USA, formerly the North American travel agency division of Thomas Cook Group Ltd.; National Group Administrators, a third-party insurance administrator, and Southwestern Directory Co., an independent Yellow Pages publisher.

MEDIA PROPERTIES
Magazines

American Journal of Cardiology, American Journal of Medicine, American Journal of Surgery, Consulting Engineer, Contractor, Control Engineer, Cutis, Datamation, Dun's Business Month, Electric Light & Power, Fire Engineering, Graphic Arts Monthly, Highway & Heavy Construction, Industrial Distribution, Multibus Buyers Guide, Plant Engineering, Plant Engineering Products, Power Engineering, Research & Development, Solid State Technology, Test and Measurement World, World Mining Equipment.

Other media operations

Dataquest, Donnelley Directory and Donnelley Information Publishing, Donnelley Marketing, Donnelley Marketing Information Services, Dun's Marketing Services, D&B Business Marketing Services, Financial Services Industry Group, Moody's Investors Services, Nielsen's Clearing House, Nielsen's Market Research, Nielsen's Media Research, Neodata Services, Official Airline Guides, Salesnet, Technical Data Resources.

OTHER OPERATIONS

Business Information Services, including Dun & Bradstreet Credit Services, D&B International, D&B Plan Services (insurance), D&B Commercial Collections, D&B Computing Services, Dunsplus, McCormack & Dodge, Zytron.

RANK **89**

Forbes Inc.

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	115	109	5.1
Total sales	150	134	11.9
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	114	108	5.2
Broadcast	—	—	—
Cable	—	—	—
Other	1	1	—

Static circulation and a modest increase in total advertising despite a decline in ad pages in the business fortnightly, *Forbes*, led to a flat year in media at parent Forbes Inc.

The New York-based company owned by flamboyant editor-in-chief Malcolm Forbes ranked as the 89th largest media company in media revenues in 1985, which accounted for an estimated 75.7% of total revenues.

Forbes' also publishes *American Heritage* and Forbes Special Situation Survey, that latter through the Forbes Investors Advisory Institute. The survey, usually issued monthly, is a 7-8 page report on a special stock situation. Subscription is $500 annually.

Nonmedia holdings at Forbes are real estate holdings—Laucala Island in the Fiji Islands, Sangre de Cristo Ranch and Lake of the Ozarks, a resort.

The only recent change in the Forbes' media family has been the January, 1986, purchase of *American Heritage*, the 137,316 circulation every-other-monthly history magazine. Forbes bought the publication from American Heritage Publishing Co. and Samuel Reed, a principal investor.

Forbes magazine retained its position in 1985 as the third largest magazine in ad pages, according to Publishers Information Bureau, with a total of 3,711, down 3.2%. It trails rival and No. 1 *Business Week*, which had 4,214 pages, down 15.2%, and *People* magazine with 3,866, down 4.9%. The declining pages mirrored the general over-all malaise in the magazine field in 1985.

The company's benchmark for 1985 was surpassing rival *Fortune* in ad revenues for the first time in its history. PIB initially reported *Forbes'* gross ad revenue at $115.72 million, up 5.5%, compared with *Fortune's* $115.74 million, a 3.6% increase. PIB, however, later found $100,000 in previously unreported ad revenue for *Forbes*. That number, says Don Garson, communications director at Forbes Inc., put *Forbes* ahead of *Fortune*. While *Business Week* ad revenues dropped 8.5%, they continued ahead of both rivals, at $169.1 million.

Mr. Garson says *Forbes*, which has "never been shy about" calling attention to itself, would have used the information in a splashy new ad campaign had it known earlier. Mr. Garson says it may still call attention to the matter.

Forbes circulation reached 732,607, up less than 1% from 1984.

American Heritage has had few changes since the ownership turnover. Ad pages in 1985 ran about 45% ahead of 1984 levels, but 1984 levels were token. Currently, advertising is about 20% of editorial. The publication started taking advertising in 1981. *American Heritage*, bought for an estimated $8 million to $9 million, has been sold twice in the past eight years. McGraw-Hill sold the 31-year-old magazine in 1978. The magazine generated an estimated $2.3 million in revenues in 1985.

The purchase of the publication brought into the fold another Forbes family member, Timothy Forbes, named to the new post of president of *American Heritage*. The younger Forbes, 33, is a 1976 graduate of Brown and a former screenwriter whose credits include scripts for the "Disney Sunday Movie" and other films. Forbes Inc. intends to move *American Heritage* from Rockefeller Plaza location to its Fifth Ave. offices in New York later this year.

Malcolm Forbes, *Forbes'* editor-in-chief, is said to be a longtime subscriber and fan of *American Heritage*, which in 1985 won two National Magazine Awards for general excellence and best single topic issue.

Forbes continued to run its hard-hitting "capitalist tool" trade ad campaign via Doremus & Co., New York. A recent spread promoting the *Forbes* 500 singled out its competitors as "downright silly" and "obsolete."

In 1985, *Forbes* also began its first tv campaign to boost circulation, though Mr. Garson says it is meant more as an image-building campaign than a circulation drive. The upbeat campaign, via Zadoc Media, New York, features computer-driven animation that visually demonstrates its script. The commercial notes, for example, that *Forbes* doesn't "follow the herd," a comment that is followed by animation showing a herd of sheep. The campaign is airing on Financial News Network and Cable News Network.

Forbes says its average reader has annual household income of $138,935 and has a net worth of $1.146 million.

While *Forbes'* illustrious editor-in-chief has never appeared in a campaign for his magazine, Mr. Forbes this year was seen in another commercial touting the *New York Post*. A good friend of Rupert Murdoch, owner of the *Post*, Mr. Forbes agreed to be part of that paper's campaign to promote its business pages. Mr. Forbes is seen standing in front of his desk, holding the paper and saying that while he reads other newspapers, to keep up to the minute he reads the *Post*.

In addition to his *Post* campaign, Mr. Forbes continues to make the news pages regularly with his widely publicized travels and numerous awards. In July, Mr. Forbes promises yet another international escapade—this time a "good-will tour" through Japan with an entourage of motorcyclists.

Mr. Forbes does it all for fun, but as Mr. Garson says coyly, "I'd be lying if I said we weren't the beneficiaries [of the publicity]."

MEDIA PROPERTIES
Magazines

American Heritage, Forbes.

Other media operations

Forbes Specific Situation Survey

OTHER OPERATIONS

Forbes Investors Advisory Institute, Forbes Galleries, art collection, various real estate holdings including Forbes Sangre de Cristo Ranch, Fort Garland, Colo.; Forbes Lake of the Ozarks resort, Warsaw, Mo.; Laucala Island in the Fiji Islands.

RANK **37**

Freedom Newspapers

Santa Ana, Cal.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	325	295	10.2
Total sales	325	295	10.2
Net income	26	26	0.0

Sales by media	1985	1984	% chg
Newspaper	280	250	12.0
Magazine	—	—	—
Broadcast	45	45	0.0
Cable	—	—	—
Outdoor	—	—	—

The intrafamily struggle for control of Freedom Newspapers had no apparent effect on the chain's profitability and revenues. A pending court case, however, could result in the dissolution of the chain in 1986.

The Santa Ana, Cal.-based company is ranked 37th in media revenues. All Freedom operations are media. It operates 29 daily and three weekly newspapers in 11 markets across the U.S. (total daily circulation of 953,506), including its flagship, the *Orange Country Register* in Santa Ana.

This year Freedom continued to expand into broadcast with the March 4 acquisition of WRGB-TV, Schenectady, N.Y., from General Electric Co. for a reported $57 million. Now the owner of five tv stations, the company purchased its first in 1982.

Heirs of R.C. Hoiles, who bought the *OCR*, then the *Santa Ana Register*, in 1935, are locked in a battle for control or dissolution of the chain. Principals are the three Hoiles children, who each own about a third of the privately held company, and their families.

Last fall, R.C. Hoiles' son Harry placed the value of the company at $1.01 billion when he offered to buy the other family members' shares for a total of $682.5 million or to sell them his shares for $330 million. Subsequent offers by Mr. Hoiles, which also were rejected, reached as high as $900 million. In the absence of a sale, he has filed suit to dissolve the corporation. The suit is scheduled for trial this summer. Cited among the points of contention is his objection to Freedom's expansion into tv.

This recent litigation has permitted details of the financial performance of the closely held company to surface. Freedom's earnings were $26.4 million in 1984, on revenues of $295.8 million in 1984. Advertising Age estimates total sales increased 10% to $325 million in 1985. The *OCR* reportedly accounts for more than half of Freedom's revenues and cash flow.

Audited ABC figures show the *OCR* paid circulation average for the six-month period ended March 31, 1986, was 300,985, up 3.1% from the same period a year earlier. The *Sunday OCR* increased circulation 4.2% to 340,427. By year's end, the *OCR* had increased its lead over the *Los Angeles Times* in Orange County to 115,996 daily and 106,242 Sunday. The *OCR* gains in Orange County mirrored its over-all gains as the largest circulation newspaper in Orange County, while the *Times* lost circulation in this affluent suburban area south of Los Angeles.

The *OCR* offers 32 community editions, which cover the county with zoned advertising capability and local news coverage, providing the newspaper with total market coverage. The community editions are mailed to more than 300,000 households each week. On Tuesdays, they are inserted in the *OCR*.

In April, 1985, the *Register* added Orange County to its title, about the time the paper won the Pulitzer Prize for spot news photography for its coverage of the 1984 Summer Olympic Games. The *OCR* also continued to maintain its technological lead in the industry with the addition of a color pagination system to produce faster and better color, said to be the first of its kind in the world.

Acquisition of WRGB in Schenectedy brings the total number of Freedom's tv properties to five, all CBS affiliated stations, except for WTVC, Chattanooga, an ABC affiliate. WRGB, according to Gary Chapman, tv director for Freedom, was one of the first tv stations to begin broadcasting in the U.S., beginning as a tv testing facility and the lead station for General Electric Co. in 1928.

Four of the five tv stations are ranked the No. 1 news stations in their markets, including WRGB; WTVC; KTVL, Medford, Ore., and KFDM-TV, Beaumont, Tex. Lagging behind but gaining ground is WLNE, New Bedford, Mass., which, according to Mr. Chapman, has moved from No. 3 to No. 2 position in late night news in Arbitron ratings.

Three major construction projects undertaken during 1985 include completion of a new plant for the *Appeal Democrat* in Marysville, Cal., a two-story corporate office building in Irvine, Cal., and a 180,000-sq.-ft. five-story office tower adjacent to the *OCR's* existing plant in Santa Ana. The latter two are expected to be completed this year.

Keeping pace with circulation gains at the *OCR* were increases in advertising linage. According to Media Records, in 1985 the paper ranked No. 1 nationally in full-run daily advertising, No. 3 in classified, No. 4 in retail and No. 4 in total advertising, up from No. 6 position in 1984.

Among Freedom's other newspaper properties, the Colorado Springs *Gazette-Telegraph*, with a combined daily circulation of 107,448, up 5.7%, is the next largest after the *OCR*. In early 1986, the company also acquired assets of the defunct *Colorado Springs Sun* after the rival newspaper ceased publication.

MEDIA PROPERTIES
Broadcasting

TV: KFDM-TV, Beaumont, Tex.; KTVL, Medford, Ore.; WLNE, New Bedford, Mass./Providence, R.I.; WRGB, Schenectady, N.Y.; WTVC, Chattanooga, Tenn.

Newspapers (dailies)

CALIFORNIA: *Anaheim Bulletin, La Habra-Brea Daily Star-Progress, Marysville Appeal-Democrat, Porterville Recorder, Orange County Register* (Santa Ana), *Turlock Daily Journal, Victorville Daily Press.* COLORADO: *Colorado Springs Gazette-Telegraph.* FLORIDA: *Playground Daily News* (Fort Walton Beach); *Fort Pierce News Tribune, Panama City News-Herald.* INDIANA: *Crawfordsville Journal Review, Seymour Daily Tribune.* MISSISSIPPI: *Greenville Delta-Democrat Times.* NEBRASKA: *Columbus Telegram.* NEW MEXICO: *Clovis News Journal.* NORTH CAROLINA: *Bur-*

lington Times-News, Gastonia Gazette, Jacksonville Daily News, Kinston Daily Free Press, New Bern Sun-Journal. OHIO: *Bucyrus Telegraph-Forum, Lima News.* SOUTH DAKOTA: *Huron Daily Plainsman.* TEXAS: *Brownsville Herald, Harlingen Valley Morning Star, McAllen Monitor, Odessa American, Pampa Daily News.*

Newspapers (nondailies)

ALABAMA: *Dothan Progress.* Three weeklies-Dothan. COLORADO: Community Press Newspapers-28 shoppers.

RANK **6**

Gannett Co.

Rosslyn, Va.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	2,153	1,915	12.4
Total sales	2,209	1,960	12.7
Net income	253	224	13.1

Sales by media	1985	1984	% chg
Newspaper	1,680	1,483	13.3
Magazine	—	—	—
Broadcast	265	233	13.8
Cable	—	—	—
Outdoor	208	200	4.0

For Gannett Co., Rosslyn, Va., 1985 was a watershed year as it either concluded or began acquisition deals totaling more than $1 billion, including the early 1986 purchase of the Evening News Assn. and an agreement to buy the *Courier-Journal* and *Louisville Times*.

Gannett was the nation's sixth largest media company in 1985, its media revenues accounting for 97.4% of total revenues of $2.21 billion. Over-all revenues combined with those of Evening News Assn., Detroit, which Gannett formally acquired in February, 1986, gives Gannett a pro forma reading of $2.51 billion, up an additional 14%.

Gannett, heretofore known primarily as a profit maximizer in small markets and often monopolistic situations, in 1985 suddenly began offering itself as a white knight to the likes of CBS and Time Inc. and gaining the reputation of getting what it goes after. The big deals included the $200 million purchase of the Register & Tribune Co., Des Moines, Ia.; the $717 million acquisition of the Evening News Assn., Detroit, and, early in 1986, the $300 million purchase of *Courier-Journal* and *Louisville Times*.

Among the logotypes, mastheads and call letters brought into the Gannett fold during 1985 were the *Des Moines Register; Detroit News*; WDVM-TV, Washington; KVUE-TV in Austin, Tex.; the *Desert Sun* in Palm Springs, Cal.; *Family Weekly*; the Triangle Sign Co. in Chicago; the *Star* in Peekskill, N.Y.; the *Jackson Sun* in Jackson, Tenn.; Daily News in Indio, Cal.; the *Vinland Times-Journal* and the *Millville Daily* in New Jersey; KTKS (fm), Dallas-Fort Worth, and, in spring, 1986, the *Courier-Journal* and *Louisville Times*.

Having brought Gannett into the forefront as one of America's largest media companies, Allen H. Neuharth, Gannett's ceo since 1973 and chairman since 1978, passed on the ceo title to John J. Curley, Gannett's president, in late May at the company's shareholders meeting. Mr. Neuharth will now concentrate on long-range planning and acquisitions.

The top priority within the Gannett sphere of operations is presently *USA Today*, the almost 4-year-old national daily newspaper that analysts estimate lost $85 million in 1985. The paper, launched in September, 1982, is supposed to break even by the end of 1987, according to Gannett's original five-year plan. Mr. Curley says the paper is on target and will break even in the fourth quarter of 1987.

During 1985, *USA Today's* ad pages climbed to 3,375, representing a 44% gain in volume and a 67% gain in revenue over 1984.

Despite a price increase from 35 cents to 50 cents in late summer, 1985, paid circulation at *USA Today* increased 0.5% to 1,168,222 in March, 1986, according to ABC. Total circulation, including so-called bulk sales to hotels and airlines, was 1.41 million as of March, 1986.

In 1985, Gannett pulled 14 of its newspapers out of the ABC in a dispute over bulk circulation. While bulk is not a major issue with most newspapers, for *USA Today* it is vital. With some 250,000 papers distributed by hotels, airlines and other institutions and another 450,000 cut-rate, bulk sales now coming on stream as a result of a promotion with General Mills, bulk is becoming increasingly important to the national daily.

Gannett, however, apparently rethought its position regarding ABC after 50 publishers, among them the publishers of the country's largest and most respected newspapers, issued a statement supporting the ABC. Gannett returned the 14 dailies to ABC membership early this year.

Gannett's purchase and subsequent revamp of CBS Magazines' *Family Weekly* helped transform the Sunday magazine business while putting Gannett squarely in the eye of a storm swirling around the remake of *FW* into *USA Weekend*. As its name implies, *USA Weekend* bears a close resemblance to *USA Today*, and that led some 130 newspaper publishers to drop *FW* when it became *USA Weekend*.

Undaunted, Gannett began signing several big dailies, including the *Dallas Times-Herald, Denver Post, Chicago Tribune, Houston Post* and *Detroit News* to carry *USA Weekend*, in the process picking up all but about 200,000 of the 4.5 million circulation it lost to *Parade* magazine as publishers defected.

In the broadcasting segment, Gannett made some major moves in 1985 that made the company a much bigger force in the business. Though Gannett had tv outlets in Atlanta, Boston, Denver, Minneapolis-St. Paul, Oklahoma City and Phoenix, when it acquired (as part of the ENA deal) WDVM-TV, the CBS affiliate in Washington, gaining a much-sought-after local editorial voice in the nation's capital. It also added KVUE-TV, Austin, Tex., in the deal with ENA. The tv division was separated from radio beginning this year.

In its newly formed radio division, revenues were up 32% in 1985 (though the company does not yet break out the figures for radio alone). Gannett ended 1985 with 14 radio properties. There are now 16, including KTKS (fm) in Dallas, acquired in early 1986, and KHIT (fm), Seattle, acquired in May, 1986. That number will grow to 18 pending FCC approval of a just announced agreement to purchase the combo, KCMO and KBKC-FM, in Kansas City, from Summit Radio of Kansas City for $11.2 million.

Relocation moves also were announced for both the tv and radio divisions. Gannett will move its radio division from St. Louis to Los Angeles in 1986 and its tv division from Atlanta to Washington in mid-1987.

MEDIA PROPERTIES

Broadcasting

TV: KOCO-TV, Oklahoma City; KPNX-TV, Phoenix; KUSA-TV, Denver; KVUE-TV, Austin; WDVM-TV, Washington; WLVI-TV, Boston; WUSA-TV, Minneapolis-St. Paul; WXIA-TV, Atlanta.

RADIO: KIIS (am, fm), Los Angeles; KKBQ (am, fm), Houston; KHIT (fm), Seattle; KSDO (am, fm), San Diego; KUSA, KSD-FM, St. Louis; KTKS (fm), Dallas; WDAE, WIQI (fm), St. Petersburg-Tampa; WGCI (am, fm), Chicago; WCZY (am, fm), Detroit; KCMO, KBKC-FM, Kansas City (pending FCC approval).

Magazines

USA Weekend.

Newspapers (dailies)

USA Today, Washington.

ARIZONA: *Tucson Citizen.* CALIFORNIA: *Indio Daily News, Marin Independent Journal, Palm Springs Desert Sun, Salinas Californian, San Bernardino Sun, Stockton Record, Visalia Times-Delta.* COLORADO: *Fort Collins Coloradoan.* CONNECTICUT: *Norwich Bulletin.* DELAWARE: *Wilmington Morning News, Evening Journal.* FLORIDA: Cocoa Florida Today, Fort Myers News-Press, Pensacola News Journal. GEORGIA: *Gainesville Times.* GUAM: *Pacific Daily News* (Agana). HAWAII: *Honolulu Star-Bulletin, Sunday Honolulu Star-Bulletin.* IDAHO: *Boise Idaho Statesman.* ILLINOIS: *Danville Commercial-News, Rockford Register Star.* INDIANA: *Lafayette Journal and Courier, Marion Chronicle-Tribune, Richmond Palladium-Item.* IOWA: *Des Moines Register, Iowa City Press-Citizen.* KANSAS: *Coffeyville Journal.* LOUISIANA: *Monroe News-Star-World, Shreveport Times.* MICHIGAN: *Battle Creek Enquirer, Detroit News, Lansing State Journal, Port Huron Times Herald, Sturgis Journal.* MINNESOTA: *St. Cloud Daily Times.* MISSISSIPPI: *Hattiesburg American, Jackson Clarion-Ledger, Jackson Daily News.* MISSOURI: *Springfield Daily News, Springfield Leader & Press.* NEBRASKA: *Fremont Tribune.* NEVADA: *Reno Gazette-Journal.* NEW JERSEY: *Bridgewater Courier-News, Camden Courier-Post, Millville Daily, Vineland Times-Journal.* NEW MEXICO: *Santa Fe New Mexican.* NEW YORK: *Binghamton Press & Sun-Bulletin, Elmira Star-Gazette, Ithaca Journal, El Diario-La Prensa, Niagara Gazette, Poughkeepsie Journal, Democrat and Chronicle* (Rochester), *Times-Union* (Rochester), *Saratoga Springs Saratogian, Utica Daily Press & Observer-Dispatch.* Westchester Rockland Newspapers—*Mamaroneck Daily Times, Mount Vernon Daily Argus, New Rochelle Standard Star, Ossining Citizen Register, Peekskill Star, Port Chester Daily Item, Tarrytown Daily News, White Plains Reporter-Dispatch, Yonkers Herald Statesman.* OHIO: *Chillicothe Gazette, Cincinnati Enquirer, Fremont News-Messenger, Marietta Times, Port Clinton News Herald.* OKLAHOMA: *Muskogee Daily Phoenix and Times-Democrat.* OREGON: *Salem Statesman-Journal.* PENNSYLVANIA: *Chambersburg Public Opinion, Lansdale Reporter, Tarentum.* SOUTH DAKOTA: *Sioux Falls Argus Leader.* TENNESSEE: *Jackson Sun, Knoxville Journal, Nashville Tennessean.* TEXAS: *El Paso Times.* VERMONT: *Burlington Free Press.* VIRGIN ISLANDS: *Virgin Island Daily News* (St. Thomas). WASHINGTON: *Bellingham Herald, Olympia Olympian.* WEST VIRGINIA: *Huntington Herald-Dispatch.* WISCONSIN: *Green Bay Press-Gazette, Wausau Daily Herald.*

Newspapers (nondailies)

40 publications in Connecticut, Florida, Georgia, Iowa, Mississippi, New Jersey, New York, Pennsylvania and Virginia.

Media companies by estimated cable revenues

Company	Cable revenues 1985	Cable revenues 1984	1985 media revenues	Cable revs % of media revs	Cable revenue source(s)	1985 subscribers	'85-'84 % chng
Time Inc.	$1,370	$1,255	$2,852	48.0	ATC Corp.	2,500,000	4.2
					HBO	14,600,000	0.7
					Cinemax	3,700,000	12.1
Tele-Communications Inc.	577	449	577	100.0	Tele-Communications	3,660,938	10.9
Westinghouse Electric Co.	530	490	1,069	49.6	Group W/Chicago**	75,000	N/A
Cox Enterprises	421	405	1,326	31.7	Cox Cable Communications	1,475,647	(4.2)
Warner Communications	296	363	331	89.4	Warner Cable	1,158,805	(5.8)
Continental Cablevision	295	226	295	100.0	Continental Cablevision	1,064,000	13.3
Viacom International*	293	184	376	77.7	Viacom Cablevision	820,000	4.5
					MTV:Music Television	28,200,000	9.3
					VH-1	11,900,000	116.4
					Nickelodeon	26,300,000	5.6
					Showtime	5,200,000	(3.7)
					The Movie Channel	3,000,000	(6.3)
Times Mirror Co.	279	252	2,171	12.8	Times Mirror Cable Television	996,606	0.3
Advance Publications	170	160	2,030	8.4	Newhouse Broadcasting	927,000	6.2
United Cable Television Corp.	169	141	169	100.0	United Cable Television	949,000	39.6
Sammons Communications	132	120	132	100.0	Sammons Communications	665,000	2.5
Capital Cities/ABC	132	110	3,841	3.4	Capital Cities Cable	375,838	3.0
					ESPN	37,000,000	3.6
Turner Broadcasting Co.	127	88	332	38.1	WTBS, Atlanta	35,219,000	N/A
					CNN	33,501,000	4.0
					CNN Headline News	18,898,000	23.5
TeleCable Corp.	122	99	122	100.0	TeleCable Corp.	455,365	6.4
Rogers Cablesystems	118	90	118	100.0	Rogers Cablesystems	586,860	(0.3)
					UA Cablesystems	711,000	2.4
Maclean Hunter Communications	77	63	258	29.7	Maclean Hunter Cable Tv Ltd	247,407	4.0
Multimedia Inc.	74	66	336	22.0	Multimedia Cablevision	268,063	2.3
Heritage Communications	66	56	96	68.9	Heritage Communications	585,450	N/A
Providence Journal Co.	60	35	208	28.8	Colony Communications	216,320	12.0
Tribune Co.	53	40	1,684	3.2	Tribune Cable Communications	219,124	21.6
					WGN-TV, Chicago	19,925,000	28.6
					WPIX, New York	2,257,000	88.1
Rollins Inc.	47	39	100	47.2	Rollins Cableview	202,790	N/A
Harte-Hanks Communications	37	24	550	6.7	Harte-Hanks Communications	140,569	3.3
Chronicle Publishing	33	31	255	12.9	Western Communications	175,845	16.2
New York Times Co.	26	22	1,394	1.9	NYT Cable	125,337	3.6
Blade Communications	25	23	174	14.4	Buckeye Cablevision	125,925	(25.8)
Media General	25	8	331	7.4	Media General Corp.	81,429	40.4
Playboy Enterprises	24	19	172	13.8	Playboy Channel	753,000	(5.9)
Oklahoma Publishing Co.	15	12	411	3.7	Nashville Network	25,000,000	19.0
Scripps Howard	14	11	900	1.6	Scripps Howard	234,411	11.5
McClatchy Newspapers	13	13	275	4.7	McClatchy Newspapers	81,783	(2.0)
Howard Publications	13	11	178	7.1	Falcon Cable Tv	245,000	103.2
Donrey Media Group	8	6	237	3.2	Donrey Cablevision	42,384	2.9
Hearst Corp.	7	6	1,540	0.5	Hearst Cablevision	35,000	16.7
Landmark Communications	6	5	259	2.3	Weather Channel	19,800,000	N/A
Meredith Corp.	5	4	356	1.4	Star CATV	N/A	N/A
					Planned Cable System	45,000	N/A
Central Newspapers	2	1	384	0.4	Telegroup	N/A	N/A
Kohlberg Kravis Roberts & Co.	1				Storer Cable Communications	1,521,000	N/A
					Wometco	N/A	N/A

NOTE: Dollars in millions. Source: Cabletelevision Advertising Bureau, Cable Tv Fact Book. * Nick-at-Nite, the evening component of Nickelodeon, has 20.9 million subscribers. Lifetime, a joint venture of Capital Cities/ABC, Hearst and Viacom, has 25 million. ** Only Group W system not sold.

Other media operations
Gannett Media Sales, Gannett News Service, Gannett Outdoor Advertising, Gannett Satellite Information Network, Gannett Program Productions, Louis Harris & Associates, Gannett Offset, Mediacom.

GFV Communications RANK 43
Livonia, Mich.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	270	211	28.0
Total sales	270	211	28.0
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Fsi	270	211	28.0

With the number of newspapers running GFV Communications free-standing inserts up 13% in 1985, boosting over-all circulation 2.5%, and the average frequency per insert growing substantially from 1984, total revenues for this producer of Valassis newspaper inserts have improved 28% in fiscal 1986 from the previous year.

The Livonia, Mich.-based company ranked 43rd among media companies with media revenues of $270 million for the fiscal year ended April 30, 1986, up 28% from $211 million in 1984.

In 1985, GFV began to experience an evolution in the type of clients served. In addition to its traditional package goods clients, the company began to serve larger numbers of marketers of healthcare products, small appliances and household batteries. "The variety continues to expand," says Barry Hoffman, GFV general counsel.

GFV is the largest U.S. producer of free-standing inserts. These are the cents-off, coupon-bearing folders reproduced in high-quality paper, four-color and typically placed in Sunday newspapers to promote sale of food, household and personal products. The traditional GFV client presents artwork or film for printing and distribution by GFV. GFV offers a design service for clients needing that help. Its fees are based on creative, printing costs and total circulation.

Total distribution of GFV's Valassis inserts also continues to expand. The number of newspapers served—almost all of them Sunday editions—is up about 13%, to 289 (in early 1986) from about 250 in 1984; frequency in 1985 jumped to 33 times annually from 26 the previous year; circulation per insert is up about 2.5% to 47.1 million from 46 million in 1984; and total annual circulation climbed to 1.56 billion in 1985 from slightly more than 1 billion in 1984.

Between January, 1986, and May, GFV has added 13 newspapers nationwide, with circulations totaling about 910,000. A strategy seems apparent in these additions: They are mostly the same size, between 40,000 and 60,000, except for the *San Antonio* (Tex.) *Express-News* with 229,863 for its Sunday paper as measured by ABC for the six-month period ended March 31, 1986. The other newspapers and their Sunday circulations for the same period: In Massachusetts, the Brockton *Enterprise*, 62,992; *Lawrence Eagle-Tribune*, 60,750; Framingham *Middlesex News*, 53,892, and Lowell *Sun*, 56,365. Also, the Atlantic City, N.J., *Press*, 87,197; *York* (Pa.) *Daily Record*, 40,594 (a morning, six-day paper); *Gainesville* (Fla.) *Sun*, 53,646, and *Ocala* (Fla.) Star Banner, 48,095; *Sioux City* (Ia.) *Journal*, 46,813; *San Gabriel* (Cal.) *Valley Daily Tribune*, 79,761, and Pasadena (Cal.) *Star-News*, 45,840; and the *Anchorage* (Alaska) *Times*, 50,070.

In a seemingly rapid turnover, GFV in the fall of 1985 sold the JAMI Group, a Fort Lee, N.J., list management company GFV had bought in September, 1984. GFV will say only the sale was "for business reasons."

Promotion of Valassis inserts continued at a substantial level in 1985 with spending again, as in 1984, at about $500,000 for print media.

As the marketing needs of advertisers have grown more varied, production of Valassis inserts has become more complex. Products increasingly are being promoted with different messages across the country or even in the same region to meet varying test marketing programs, changing product availability, and multiple advertising strategies.

On line are its two new production facilities, Thomas C. Lane Publishing Co. in Durham, N.C., and Valassis Color Graphics in Wichita, Kan. These are state-of-the-art plants for heat-set offset lithography, using custom-designed printing equipment, robots, wire-guided vehicles for product movement in-plant. The original plant in Livonia, Mich., a Detroit industrial suburb, is the largest of the plants handling heavy production, including those runs that are too big for the other two.

Distribution of Valassis inserts moves through regional centers in Ridgefield, Conn.; New York; Atlanta; Chicago, and Los Angeles. In addition, GFV spots field representatives at various locations around the U.S. to give customers local attention.

A glance at a Valassis insert tells something about the genesis of these slick addenda to the Sunday paper.

George P. Valassis established the four-color, fsis during the early 1970s when he concluded high-volume consumer products—especially food—could not be depicted successfully in only black and white coupons. Operating from his Livonia printing plant, he introduced the four-color, cents-off coupon in the Detroit area.

Today four major players compete in the fsi marketplace, GFV and its three main competitors: NCC, based in Connecticut; Quad Inserts of New York and Pewaukee, Wis., and Market Showcase, New York.

Coupons, as such, are a highly competitive field, including not only fsis but also direct mail, coupon pacs, bound-in magazine inserts and on-door promotions. But fsis are the Valassis specialty, and that's where GFV sees continuing success.

MEDIA PROPERTIES
Valassis Inserts and Promotion Watch, both of Farmington Hills, Mich.; Valassis Printing, Livonia, Mich.; Thomas C. Lane Publishing, Durham, N.C.; Valassis Color Graphics, Wichita, Kan.

Harcourt Brace Jovanovich RANK 76
Orlando, Fla.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	137	119	15.1
Total sales	990	756	31.1
Net income	50	34	47.1

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	119	103	15.5
Broadcast	18	16	12.5
Cable	—	—	—
Outdoor	—	—	—

Harcourt Brace Jovanovich Inc., which completed the move of its corporate headquarters from New York to Orlando, Fla., in 1985, got a strong 22.4% increase in revenues from its trade magazines, a gain attributed to acquisitions concluded during the year

Tv's shareholders split
CBS has surfaced as a potential buyer of Boston's WNEV-TV, one of the few remaining major market stations that's locally owned. But while one faction of WNEV shareholders argues selling for a good price in a bull market, another faction likes running a broadcast station. CBS, with four owned stations, would have five in the top six markets with WNEV.

We delivered fat figures for Diet Dr Pepper.

John Albers
President, Dr Pepper Company

"Recently we used a television commercial to offer viewing households nationwide a free can of Diet Dr Pepper. All consumers had to do to take advantage of the offer was call a toll-free number.

"It was the single largest sampling effort in the history of the Dr Pepper Company. We felt a campaign of this magnitude could only be handled by the largest telemarketing company in the country. WATS Marketing of America. Not only did WATS Marketing have the size and technical capability, but based on our past experience with them, we knew they could do the job.

"Strategic staffing and thorough pre-planning guaranteed we'd get the results we wanted. And we did. In fact, the promotion was so successful, we're considering doing it again."

Helping clients reach marketing objectives. That's our goal at WATS Marketing of America. Nobody has more experience and nobody gets results like we do.

For information on how WATS Marketing of America can help you achieve your marketing goals, give us a call. We know how to get sweet results for any promotion.

Call our President, Tony Holzapfel
1-800-351-1000

WATS MARKETING of America, Inc.
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Full Range of Outbound Services Available.

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and to increased advertising revenues.

The over-all gain, which came despite a decline in advertising revenues from the farm periodicals, made HBJ the 76th largest media company. Media represents only 14% of total sales at HBJ, which is involved in parks, insurance and book publishing in addition to trade magazines.

The bulk of HBJ's publishing activity consists of textbooks and other instructional materials for kindergarten to university students. Combining revenues from HBJ's school department with those of Coronado Publishers and the Psychological Corp., the company is among the country's largest educational publisher.

HBJ Publications, which includes 121 titles for business, industry and the professions, also publishes newsletters in connection with many of these publications and coordinates trade and consumer shows. Newsletter revenues are merged into those for magazines in this report.

Most business magazines and directories under the HBJ umbrella are controlled circulation publications. Distributed free to professionals, manufacturers and product dealers, the periodicals are supported by advertising.

During the year, the publications division acquired *Pocket Survival Guide* and "Showpower" from Media Group Ltd., a Los Angeles-based communications company. *Pocket Survival Guide* is distributed before and during major industry shows and professional conventions, providing data on show events. More than 45 such guides are published annually.

"Showpower" is a series of tv commercials produced and designed to air concurrently in cities where major shows are held. Patrick M. O'Rourke, former president of HBJ's Beckley-Cardy Co., the world's largest school supplies dealer, was named president of the two new HBJ acquisitions.

HBJ in late May, 1986, bought *Oklahoma/Texas Farmer-Stockman* magazines from Oklahoma Publishing Co., Oklahoma City. Terms were not disclosed. At about the same time it sold its financially struggling *Legal Times*, a weekly tabloid newspaper, to Am-Law Newspapers Corp. for an estimated $3 million.

The company also announced a series of promotions within its publications division. Named group vps were Bill Dolan, Jim Donnelly and Bob Early. Mr. Dolan is publisher of the beverage industry publications, while Mr. Donnelly is publisher of the energy publications, and Mr. Early is publisher of the lawncare publications.

Pete Sullivan and Larry Cohen were named group publishers. Mr. Sullivan's publication responsibilities include the manufacturing and plastics titles, where Mr. Cohen oversees the newest operation, Group Travel Publications and Services. Other promotions include Bob Hillique to the new position of publishing director of the candy magazines, Tom Hutchinson to publisher of *Home & Auto* magazine and Bob Elliott to publisher of *Dairy Field*.

Apart from the publications division, HBJ invested in two startup ventures in 1985. Learned & Tested, the Education Co., was started in Austin, Tex., along with HBJ Learning Boards. Each fashions materials to meet local specifications for students with special learning needs as well as for 4-year-olds, the latter representing a new market for the company.

Through a stock swap valued at $23.8 million, HBJ acquired Cypress Gardens in Florida and immediately made plans to stop the attendance slide at the amusement park, situated close to HBJ's Sea World in Orlando. In the same package, the company bought Circus World, but closed it down to convert it to "Boardwalk and Baseball," a baseball park with thrill rides.

The company added to its insurance properties by acquiring two units of Home Insurance Co. for $130 million. The subsidiaries are Federal Home Life Insurance Co. and PHF Life Insurance Co., both of Battle Creek, Mich. These have been added to HBJ's underwriting company, Harvest Life Insurance Co., which sells insurance through two New York agencies and accident and health and life policies to rural dwellers in the Midwest.

MEDIA PROPERTIES

Broadcasting

TV: WDIO-TV, Duluth, Minn.; WIRT, Hibbing, Minn.

Magazines

COMMUNICATIONS: *Communications News, Telco Craftsman, Telephone Engineer & Management, Telephone Engineer & Management Directory, Telephone Engineer & Management Fast Action Postcards.* EDUCATION: *Instructor, Instructor Action Cards, Instructor Books, Instructor Computer Director for Schools, Instructor Education Service.* ENERGY: Brown's Directory of North American and International Gas Companies, Drilling, L-P Gas, Petroleum Engineer International, Pipeline & Gas Journal, Practical Guide to LP Gas Utilization, SGA Directory. FARM: *Colorado Rancher & Farmer, Kansas Farmer, Michigan Farmer, Missouri Ruralist, Nebraska Farmer, Ohio Farmer, Pennsylvania Farmer, Oklahoma/Texas Farmer Stockman.* HEALTHCARE: *Dental Laboratory Review, Dental Laboratory Review Buyer's Guide, Dental Management, Dermatology Times, DVM, Newsmagazine of Veterinary Medicine, Geriatrics, Hearing Instruments, Hospital Formulary, Modern Medicine, Neurology, Ophthalmology Times, Optometry Times, Physician's Management, Urology Times.* MANUFACTURING, DISTRIBUTING & SERVICE: *American Automatic Merchandiser, American Automatic Merchandiser Bluebook, Concrete, Concrete Industry Yearbook, CPI 100 (Chemical Processing Industry), CPI 100 Action Cards, Exteriors, Food Management, Food Management Positive Action Cards, Food Sanitation, Lawn Care Industry, Pest Control, Pit & Quarry, Pit & Quarry Cement Plant Glossary, Pit & Quarry Directory, Pit & Quarry Handbook, Roof Design Handbook of Commercial Roofing Systems, RSI (Roofing/Siding/Insulation), Weeds, Trees & Turf.* MERCHANDISING: *Body Fashions/Intimate Apparel, Body Fashions/Intimate Apparel Directory, Body Fashions/Intimate Apparel International Edition, Body Fashions/Intimate Apparel Market Maker, Flooring, Home & Auto, Home & Auto Buyer's Guide, Hosiery & Underwear, Housewares, Pets/Supplies/Marketing.* PAPER: *International Container Directory, Official Container Directory, Paperboard Packaging, Paper Year Book.* PLASTICS: *Plastics Compounding, Plastics Compounding Postcards, Plastics Compounding Redbook, Plastics Design Forum, Plastics Machinery & Equipment, Plastics Machinery & Equipment Postcards.* PROCESSING & PACKAGING: *Beverage Industry, Beverage Industry Annual Manual, Candy Industry, Candy Industry Buying Guide, Candy Marketer, Dairy Field, Dairy Field Buying Guide, Drug & Cosmetic Catalog, Drug & Cosmetic Industry, Food & Drug Packaging, Food & Drug Packaging Postcards, Quick Frozen Foods Directory of Frozen Food Processors, Snack Food.* RECREATION AND LEISURE: *Bicycle Dealer Showcase, Flotation Sleep Industry, Flotation Sleep Industry Buyers Guide, Motorcycle Dealernews, Motorcycle Dealernews Buyers Guide, Motorcycle Dealernews International Aftermarketing Magazine, Spa & Sauna, Spa & Sauna Buyers Guide, Video Store.* TRADE SHOWS: *Pocket Survival Guide,* Showpower. TRAVEL & LODGING: Corporate Meetings & Incentives, Corporate Meetings & Incentives Action Cards, Corporate Travel Agent, Directory of Incentive Travel International, Hotel & Motel Mangement, Hotel & Motel Management Quick Order Product Postcards.

Newsletters

Homeowners Advisory Letter, Investing in Real Estate, Jack Anderson's Washington Letter, Real Estate Investing Letter.

OTHER OPERATIONS

Book clubs, book publishing, convention services, instructional materials, insurance, management consulting, Florida Cypress Gardens, Sea World Enterprises, trade & consumer shows.

RANK **24**

Harte-Hanks Communications

San Antonio, Tex.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	550	500	10.0
Total sales	550	500	10.0
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	230	215	7.0
Magazine	—	—	—
Broadcast	74	71	3.9
Cable	37	24	54.8
Othe:	209	176	18.8

Harte-Hanks Communications, which returned to private status in a leveraged buyout in 1984, experienced revenue growth of 10% in 1985 as it continued its aggressive expansion by trading or buying a slew of dailies and nondailies, starting a Sunday supplement for its Texas papers and entering the magazine field.

Harte-Hanks was the nation's 24th largest media company in 1985.

San Antonio, Tex.-based Harte-Hanks derives all its revenues from media operations: Newspapers, magazines, tv, broadcasting, cable and direct marketing.

"We want to be a growth company and build around five core businesses —newspapers, television, direct marketing, shoppers and cable," says Robert G. Marbut, Harte-Hanks president-ceo. He says Harte-Hanks has a growth strategy plan for each of the core segments, "and some of the steps [taken in 1985], such as the newspaper acquisitions, are part of it. Collectively we hope this will give us better than average opportunity for growth."

Harte-Hanks in 1985 took measures to fulfill its growth strategies by acquiring a satellite master antenna tv operation in Miami Beach, the *San Antonio Monthly* magazine, a number of dailies and nondailies in Boston, Atlanta and Dallas, and by starting *Texas Weekly*, a Sunday supplement that is now the largest print media buy in Texas.

This activity mirrored an aggressiveness exhibited in 1984 when the company added cable tv systems with 100,000 subscribers in 10 states, expanded weekly advertising shoppers by more than 800,000 circulation in selected markets, launched KENS II tv channel over the San Antonio cable system and established a nationwide sales force for Harte-Hanks Direct Marketing.

The newspaper publishing business continues to be its lead media sector. The company owns and operates 23 daily newspapers and more than 100 nondaily publications, including community newspapers, city magazines, military base publications and targeted publications.

The company's largest newspaper is the *Corpus Christi* (Tex.) *Caller-Times* with 85,500 combined daily circulation for the March 31, 1986, ABC six-month reporting period, up 2.8% from the previous year.

In March, 1986, Harte-Hanks announced it would add 19 newspapers, including four dailies, in a series of trades and acquisitions. Included in the acquisitions are the evening *Dedham Daily Transcipt* (12,188 circulation as of March 31, 1986, down from 12,581 for the year-earlier period) and the evening *Waltham News-Tribune* (13,168, down from 13,375) in Massachusetts, and in the Dallas area—the *Lewisville Daily Leader*, a Tuesday through Friday and Sunday paper with daily ABC circulation of 4,138 on June 30, 1985, and the *Plano Daily Star-Courier*, a Monday through Friday and Sunday paper with 17,296 audited circulation as of Dec. 31, 1984, the latest available figures.

"We're pleased with these moves because they allow us to be in areas with faster growth potential than we have experienced in markets we are leaving. For our kind of business, the Dallas and Boston areas are two of the most attractive markets in the United States," Mr. Marbut says.

Harte-Hanks also acquired Century Newspapers of Winchester, Mass., publisher of six weekly newspapers in the Boston suburbs, effective June 1, 1986.

The Century transaction includes the National News Service of New York, which publishes the weekly *Commercial & Financial Chronicle* and monthly *Bank & Quotation Record*.

Harte-Hanks entered the magazine business through its purchase in February, 1985, of the *San Antonio Monthly*, bought from San Antonio Publishing Co. The city magazine has a circulation of 20,000.

In September, 1985, Harte-Hanks introduced *Texas Weekly*, a Sunday magazine concentrating on Texas news and features. It replaced Gannett Co.'s *USA Weekend* in some of the 13 Harte-Hanks-owned Texas newspapers and was a new feature in others. *Texas Weekly* has a current circulation of 573,291 and is carried in 27 newspapers.

Texas Weekly has provided a network into the marketing of 984,000 households in smaller towns and cities, the equivalent of Texas' largest city.

All direct marketing divisions were combined into one nationwide group in 1985. Shopper operations, previously under Harte-Hanks Direct Marketing, became a separate group. The move was designed to give additional senior management focus to shoppers and to structure direct marketing efforts, Mr. Marbut says.

On the corporate level, some corporate office functions were moved into the operating units, such as direct marketing and newspapers, to reduce corporate staff, and a national sales force was created in the direct marketing operations, moves designed to "get the structure more efficient, more supportive of our strategy and closer to the customer," Mr. Marbut says.

Harte-Hanks, the largest shopper publisher in the U.S., owns and operates shoppers that are zoned into 413 editions, reaching 4.8 million households.

The largest Harte-Hanks shopper is in Southern California, with a circulation of 2,379,000 as of April 30, 1986. Harte-Hanks is one of the top five largest third-class mailers, according to Mr. Marbut.

Harte-Hanks' broadcast business consists of four vhf stations in San Antonio; Greensboro, N.C.; Jacksonville, Fla., and Springfield, Mo. The company continues to pursue opportunities in cable. Harte-Hanks increased its number of cable subscribers in 1985 to 144,269, up 3%.

Newspapers, vhf tv and cable are just a part of the Harte-Hanks communications empire. The company owns a trade publication for the radio industry; 25 direct mail systems, which can offer advertisers direct mail programs reaching 96% of U.S. households; five alternate delivery systems reaching more than a million households via hand delivery; six marketing services companies, and a nationwide trucking service specializing in delivery of advertising materials.

MEDIA PROPERTIES

Broadcasting

TV: KENS-TV, San Antonio, Tex.; KYTV, Springfield, Mo.; WFMY-TV, Greensboro/High Point, N.C.; WTLV, Jacksonville, Fla.

Cable/video

SYSTEMS: ARIZONA: Benson, Douglas, Fort Huachuca, Green Valley, Huachuca City, Payson, Santa Rita Belair, Sierra Vista, Skyline, Tombstone, Wilcox, Williams. COLORADO: Akron, Otis, Yuma. FLORIDA: Miami Beach, Okeechobee, South Miami. GEORGIA: Rockmart. NEW JERSEY: Asbury Park, Ocean. NORTH CAROLINA: Elizabeth City. OHIO: Blanchester, Wilmington. OKLAHOMA: Grove, Okmulgee. PENNSYLVANIA: Delaware County, Montgomery County. TENNESSEE: Gatlinburg, Madisonville, Pidgeon Forge, Sweetwater.

Magazines

San Antonio Monthly, Texas Weekly Magazine, Radio & Records.

Newspapers (dailies)

ARKANSAS: *Malvern Daily Record, Daily Courier-Democrat* (Russellville), *Daily Citizen* (Searcy), *Stuttgart Daily Leader.* GEORGIA: *Daily Times-Georgian* (Carrollton). MASSACHUSETTS: *Daily Transcript* (Dedham), *Middlesex News* (Framingham), *News-Tribune* (Waltham). SOUTH CAROLINA: *Anderson Independent-Mail.* TEXAS: *Abilene Reporter-News, Bryan-College Station Eagle, Corpus Christi Caller-Times, Corsicana Daily Sun, Denison Herald, Herald Banner* (Greenville), *Lewisville Daily Leader, Paris News, Plano Daily Star-Courier, San Angelo Standard-Times, Wichita Falls Record News, Wichita Falls Times.*

Newspapers (nondailies)

ARKANSAS: *Charleston Express, Post-Dispatch* (Dardanelle), *Greenwood Democrat, Paris Express-Progress.* CALIFORNIA: *Coronado Journal, La Jolla Light, Star-News Publications, Publisher's Offset* (San Diego County). GEORGIA: *Bowdon Bulletin, Douglas County Sentinel, Haralson Gateway-Beacon* (Bremen), *Sweetwater News Enterprise, Villa Rican.* MASSACHUSETTS: *Needham Chronicle, Newton Graphic, Parkway Transcript* (Roslindale), *Sudbury Town Crier, Wayland-Weston Town Crier, Wellesley Townsman, West Roxbury Transcript.* NEW MEXICO: *Valencia County News Bulletin* (Belen). TENNESSEE: *Mountain Press,Mountain Visitor.* TEXAS: *Addison/North Dallas Today, Allen American, Carrollton Chronicle, Colony Leader, Commerce Journal, Coppell Gazette, Copperas Cove Leader-Press, Farmers Branch Times, Harte-Hanks Graphics* (San Antonio), *Herald Newspaper Group* (San Antonio), *Mesquite News, Royse City Leader, Trademark Press* (Corpus Christi), *Nortex Press* (Wichita Falls).

Other media operations

Harte-Hanks Direct Marketing, National News Service, publisher of the weekly *Commercial & Financial Chronicle* and monthly *Bank & Quotation Record.*

Media companies by estimated outdoor revenues

Company	Outdoor revenues 1985	Outdoor revenues 1984	1985 media revenues	Outdoor revs % of media revs	Outdoor property	Number of structures**
Patrick Media Group	$220	$204	$220	100.0	Foster & Kleiser (pending)*	43,211
Gannett Co.	208	200	2,153	9.6	Gannett Outdoor Advertising	23,344
3M	200	174	200	100.0	3M National Advertising	5,349
Winston Network	105	95	105	100.0	Winston Outdoor Advertising	1,244
Ackerley Communciations	76	70	104	73.0	Ackerley Communications	9,068
Morris Communications Corp.	52	—	284	18.4	Naegele Outdoor Advertising	16,627
Rollins Communications	25	23	100	25.4	Rollins Outdoor Advertising	7,153
Donrey Media Group	9	7	237	3.8	Donrey Outdoor Advertising	7,614

NOTE: Dollars in millions.

Source: Traffic Audit Bureau as supplied by Institute of Outdoor Advertising.

* Includes 1,329 structures owned by Patrick Media Group and 41,882 structures owned by Foster & Kleiser. ** Not including eight-sheet boards.

RANK
H&C Communications 95
Houston

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	102	73	38.8
Total sales	102	73	38.8
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	1	1	80.0
Broadcast	101	73	38.5
Cable	—	—	—
Outdoor	—	—	—

While H&C Communications faces a soft revenue picture for its two Houston broadcast properties, the privately held company's four other network affiliate tv stations helped boost total net revenues 38.8% in 1985 over the previous year. H&C Communications was the nation's 95th largest media company in 1985.

The Houston-based company places net revenues in 1985 at $101.9 million compared with a revised figure of $73.4 million in 1984. The 1984 figure of $132 million, appearing in the 100 media companies issue last year, was a gross revenue figure including projected revenues from two Cowles stations that weren't acquired until January, 1985. Net revenues exclude commissions, which are factored into gross revenues.

The company expects to see net revenues reach $120 million for 1986, according to Jim Crowther, H&C president. Gains in 1985 were attributed largely to the acquisition of the two Cowles tv properties. Broadcast has been the media area in which H&C has redeployed its assets after the sale of the *Houston Post* in 1983.

The company, owned by the Hobby family of Houston and the Catto family of McLean, Va., includes five network affiliate tv stations, one radio station and a monthly magazine. Application for purchase of a sixth station, KSAT-TV, San Antonio, is pending FCC approval.

In January, 1985, the company acquired WESH-TV, the Daytona Beach/Orlando NBC affiliate, and KCCI-TV, the Des Moines, Ia., CBS affiliate, from Cowles Communications of Orlando, Fla., for a combined $182.5 million. Since the acquisition, the other two Orlando network affiliates each have sold for more than $185 million.

Performance at WESH-TV has exceeded expectations. The station is doing "very, very well in a very attractive market," Mr. Crowther says.

The Daytona Beach/Orlando market has jumped to 28th place among Areas of Dominant Influence from 80th the year before, according to Arbitron.

"We are experiencing the best ratings ever at WESH-TV with a No. 1 sign-on to sign-off position in both ratings books," says Harold Crump, president of H&C's Broadcast Group. "We are planning to build a new facility there in the immediate future."

Other properties also fared well last year. Mr. Crump notes that KCCI-TV, the other property acquired from Cowles, and KVOA-TV, the Tucson NBC affiliate, last year were both "pleasant surprises."

KCCI-TV holds a strong No. 1 position in the Des Moines market, according to Mr. Crump, who adds that the station's revenues for 1985 were ahead 9% over 1984 and projects greater growth in 1986.

In contrast to Des Moines, the Tucson market has "powerhoused," Mr. Crump says. "KVOA-TV did extremely well in the ratings and the local news is dominant." A new local news program was added at 4:30 p.m., enhancing an already strong local news operation.

H&C's Nashville, Tenn., property, CBS affiliate WTVF-TV, has had a tough time because of a soft local economy, but the station is in a close is expected to pick up with the advent of GM's Saturn plant and American Airlines' planned Nashville hub. "We're looking forward to a booming economy by the fourth quarter," he says.

With broadcast revenues generally flat in Houston, KPRC-TV, the NBC affiliate, has had soft sales, though the station maintains its No. 2 position behind KTRK-TV, the ABC affiliate. "Houston's problems are a result of a combination of the oil and real estate slump," Mr. Crowther says.

If Houston's tv revenues are suffering, then the radio story is even worse, suggests Mr. Crump, adding that the am station, KPRC, is no exception. "Radio is having a really tough time here now," he says. "We've seen shrinkage in our audience and we intend to reverse the trend with some format changes." The radio station has retained its news-talk format but in early May instituted a 4 p.m.-to-7 p.m. sports talk show to increase numbers. New personalities were added also. "We'll take a hard look at the numbers six months from now, but we are pinning our hopes on sports talk," Mr. Crump says.

Washington Journalism Review, H&C's only print property, boosted last year's average circulation to 27,813, up 12.2% for the monthly magazine aimed at communicators, corporate executives and government leaders. The circulation figures include paid subscriptions, newsstand sales and nonpaid subscriptions. The publication had net revenues of $900,000 in 1985, according to Jessica Catto, publisher and H&C vp.

WJR entered a joint venture in 1984 with Crain Communications Inc., parent of Advertising Age, to handle advertising, circulation and provide some editorial support. Terms called for a two-year limited partnership.

Crain decided not to exercise its option to buy stock in *WJR* and effective April 1, 1986, is no longer involved with the magazine, says Ms. Catto. The parting was friendly and further publishing ventures with Crain were not precluded, she adds.

H&C has plans before the FCC to acquire San Antonio's ABC affiliate, KSAT-TV, for $153 million, from Outlet Co., a subsidiary of the Rockefeller Group. Approval is expected later this summer.

Acquisition of KSAT-TV would mean H&C covers all three networks. The company had owned an ABC affiliate, WTOK-TV, Meridian, Miss., but sold the station to Southeastmedia in late 1984 for $13.1 million. The move was made in compliance with the then FCC rule limiting vhf tv ownership to five stations. The rule since has been amended to permit ownership of 12.

"We decided it was timely to move away from print," Mr. Crowther says, referring to the company's $130 million sale of the *Houston Post* to Toronto Sun Co. in 1983. "We are likely to remain broadcasters who operate affiliates but will look at whatever possible transactions are presented to us."

MEDIA PROPERTIES
Broadcasting
TV: KCCI-TV, Des Moines, Ia.; KPRC-TV, Houston; KVOA-TV, Tucson, Ariz.; WESH-TV, Daytona Beach/Orlando, Fla.; WTVF, Nashville, Tenn.; KSAT-TV, San Antonio, Tex. (pending FCC approval).
RADIO: KPRC, Houston.
Magazines
Washington Journalism Review.

RANK
Hearst Corp. 11
New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	1,540	1,400	10.0
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	740	687	7.7
Magazine	569	503	13.1
Broadcast	224	204	9.8
Cable	7	6	16.7
Outdoor	—	—	—

Hearst Corp. experienced a generally soft year in its broadcasting, magazine and newspaper properties as national advertising spending, following industrywide trends, turned flat to down, retail advertising showed no growth and classified advertising registered only modest gains.

New York-based Hearst, the 11th largest media company, was hit hardest in the broadcasting segment by the softness in national advertising, especially in year-to-year comparisons —four of Hearst's tv stations (now five) are ABC affiliates that benefited greatly from coverage of the 1984 Winter and Summer Olympics.

The broadcasting segment was buoyed by the acquisition of WCVB-TV, the ABC affiliate in Boston, the nation's sixth largest tv market. Hearst bought the station from Metromedia Inc., Secaucus, N.J., for $450 million. The actual acquisition occurred in 1986 and brought to six the number of tv stations owned by Hearst and made the company the second largest operator of network-affiliated tv stations.

The magazine segment in 1985 kept even with 1984's pace, thanks largely to the continued growth of *Country Living*, up 5.6% in ad pages and 33.2% in ad revenue to $21.2 million, and continued improvement at *Redbook*, with ad revenues of $57.2 million, up 7.7% despite a 0.9% decline in ad pages, according to Publishers Information Bureau.

Good Housekeeping, celebrating its 100th anniversary, produced two record-setting issues of 454 and 376 pages in May and December. Its ad page count grew 1% as revenues increased 6.8% to $142.4 million, according to PIB. *Cosmopolitan*, which set records with a special issue marking the 20th anniversary of Helen Gurley Brown's editorial stewardship, had a 5.9% increase in ad revenues to $100.8 million on a 2.2% decline in ad pages.

Connoisseur, after less than four years of publishing in the U.S., posted ad page gains of 20.6%, ad revenue growth of 57.9% to $7.3 million, and circulation gains of nearly 15%. *Sports Afield* recorded its sixth consecutive year of more than 1,000 ad pages with 1,034, down 1.8%, and ad revenues of $13.9 million, up 8.5%. *Motor Boating & Sailing* posted a 3% improvement in ad pages.

On the down side, *Harper's Bazaar* suffered a 4.4% decline in ad pages and flat ad revenues of $31.1 million despite circulation gains; *House Beautiful*, which changed its page size to conform to several other Hearst magazines early in 1986, lost 14.6% in ad pages, which brought a 7.2% decline in ad revenue to $24.2 million.

Colonial Homes lost 10.2% in ad pages, although it gained 1.2% in ad revenues to $6.4 million; *Town & Country*, despite a record setting issue in November, lost 7.1% in ad pages and 1.3% in ad revenues to $26.7 million. Ad pages dropped 24.9% and revenues 16.2% to $4.2 million at Science Digest, which reached a circulation high. Science magazines in general have suffered from a lack of ad support in 1985. *Popular Mechanics* increased its share of market in the men's magazines arena and just about held its own in ad pages with an 0.3% growth that brought a 5.4% increase in ad revenues to $28.7 million.

In a major corporate promotion, Gilbert C. Maurer, president of Hearst Magazines, was elected an exec vp of the corporation, reporting as the "No. 1 deputy in all corporate matters" to Frank A. Bennack, Hearst Corp. president and ceo.

In the company's cable division, both its system operation and satellite network programing services grew in numbers served. Hearst made one acquisition in cable in 1985 with the purchase by Hearst Cablevision of California of the 3,650-subscriber Saratoga, Cal., cable system. The Arts & Entertainment Network, in which Hearst is a joint venture partner with ABC and RCA, increased its household penetration by 33% to more than 16 million. Lifetime, Hearst's joint national, continued to attempt to stake out a position as "the women's network" serving some 27 million homes.

The Hearst newspaper division, buoyed by the acquisition of the *Beaumont Enterprise* in Texas, increased its contribution to the bottom line despite the softness in the advertising marketplace. The *Enterprise* had daily morning circulation of 68,659, according to six-month ABC averages ended March 31, 1986, down 2.3% from the corresponding period a year earlier. Sunday totals were 77,982, down 1.9%.

In May, 1986, the company folded the *Baltimore News American* after circulation had fallen to less than 100,000, advertising had slowed to a trickle and Hearst, after six months of searching for a buyer, decided the paper was not marketable. Its competitor, the *Baltimore Sun*, was sold to Times Mirror Co. the day after the newspaper closed.

The *Los Angeles Herald-Examiner* posted its second consecutive half of circulation increases, which, though minor, reverse a long-term slide. Morning circulation of the paper was up 3.3% to 245,291 for the six-month period ended March 31, 1986, according to ABC. The company in 1986 continued to focus on the competitive Los Angeles situation, where the Hearst paper lags far behind Times Mirror's *Los Angeles Times* both in circulation and in advertising share of market.

In San Francisco, where Hearst is guaranteed a profit by a joint operating agreement with the Chronicle Publishing Co., the evening daily Examiner and the Sunday *Examiner & Chronicle* benefited from the arrival of the colorful and driven William Randolph Hearst III, grandson of the paper's founder. An award-winning advertising campaign coupled with the addition of nationally known columnists such as Hunter Thompson and Warren Hinckel garnered significant national media exposure for the Hearst paper.

In early 1986, Hearst hired Lee J. Guittar, a veteran newspaper publisher with competitive market experience who had been president of Gannett Co.'s *USA Today*, as an exec vp with responsibility for the western region.

The Albany, N.Y., *Knickerbocker-News* and *Times-Union* in 1985 again were among the most significant bottom line contributors in the Hearst empire.

In 1986, Hearst celebrates its centennial anniversary.

MEDIA PROPERTIES
Broadcasting
TV: KMBC-TV, Kansas City, Mo.; WBAL-TV, Baltimore; WCVB-TV, Boston; WDTN, Dayton, O.; WISN-TV, Milwaukee; WTAE-TV, Pittsburgh.
RADIO: WAPA, San Juan, P.R.; WBAL, WIYY (fm), Baltimore; WTAE, WHTX (fm), Pittsburgh; WISN, WLTQ (fm), Milwaukee.
Cable/video
CHANNELS: Arts & Entertainment Network, Lifetime Network.
SYSTEMS: CALIFORNIA: Hearst Cablevision of California--Los Gatos, Milpitas, Newark, Santa Clara, Saratoga.
Magazines
American Druggist, Colonial Homes, Connoisseur, Cosmopolitan, Country Living, Diversions, Electronic Products Magazine, Good Housekeeping, Harper's Bazaar, House Beautiful, Lens, Lens' on Campus, Motor Boating & Sailing, Motor Magazine, Popular Mechanics, Redbook, Science Digest, Sports Afield, Today's Office, Town & Country.
Newspapers (dailies)
CALIFORNIA: *Los Angeles Herald Examiner, San Francisco Examiner.* FLORIDA: *Clearwater Sun.* ILLINOIS: *Edwardsville Intelligencer.* MARYLAND: *Baltimore News American.* MICHIGAN: *Huron Daily Tribune, Midland Daily News.* NEW YORK: *Albany Knickerbocker News, Albany Times-Union.* TEXAS: *Beaumont Enterprise, Laredo Times, Midland Reporter-Telegram, Plainview Daily Herald, San Antonio Light.* WASHINGTON: *Seattle Post-Intelligencer.*
Newspapers (nondailies)
MICHIGAN: *Marlette Leader, Vassar Pioneer Times.* TEXAS: *Jasper News Boy.*
Other media operations
Hearst Books/Business Publishing: Arbor House, Avon, Hearst Books, Hearst Marine Books, William Morrow & Co., Fiddlehead Guides, Greenwillow, Morrow Junior Books, Motor Books, Lothrop, Lee & Shepard; Quill. American Druggist Blue Book, Electronic Engineers Master Catalog, Floor Covering Weekly, Industrial Machinery News, Integrated Circuits Master Catalog, Motor Crash Estimating Guide, NARP, Office World News, Office World Newswatch. Magazine Distribution: Eastern News Distributors, Communications Data Services, International Circulation Distributors, Periodical Publishers Service Bureau.
OTHER OPERATIONS
Cal Graphics, Down East Timberlands, Hearst Advertising Service, Hearst Feature Service, Hearst Metrotone News, King Features Entertainment, King Features Syndicate, Reader Mail Inc.

RANK
Heritage Communications 99
Des Moines

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	96	84	13.6
Total sales	157	129	22.2
Net income	8	7	25.8

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	2	—	—
Cable	86	56	17.6
Other	28	28	(0.7)

Des Moines-based Heritage Communications, which began as a small cable operator in 1971 and has expanded into broadcast and communications products through acquisition, is poised for continued growth following its purchase in mid-June, 1986, of 43.5% of Rollins Communications, Atlanta.

Rollins owns cable systems, tv stations and an outdoor advertising company. Heritage reported it would buy 6.35 million shares, paying $41 a share for 2.2 million shares, and then pay the remaining shareholders, representing 4.15 million shares, in Heritage notes equivalent to $41 a share with an average life of six years. It would ultimately cost about $600 million to acquire all of Rollins's 14.6 million shares. Both companies have said the 43.5% buy-in is a prelude to a full merger.

Heritage currently operates 140 cable tv systems in more than 300 communities in 18 states that serve about 720,000 basic cable subscribers. Rollins has 206,000 cable subscribers in 43 cities.

Publicly held Heritage, whose media revenues represented 60.9% of total corporate revenues, was the nation's 99th largest media company. Heritage extends its acquisition strategy to broadcast media other than cable and to companies outside the Midwest because of the weak Midwest economy. However, like most cable companies, it continues to seek properties in areas adjacent to its existing ones.

Last year Heritage, in a limited partnership agreement, acquired a cable tv system in Dallas from Warner Amex Cable Communications for $110 million. It later sunk an additional $35 million in that company, which has 90,000 subscribers.

In late December, 1985, Heritage acquired 51% of Gill Industries, a cable operator in San Jose, Cal., paying $43 million for the system, which Gill will continue to manage.

Other 1985 acquisitions include a cable system in Germantown, Tenn., for $8.1 million; 20% of Diversified Communications, Portland, Me., for $11.5 million, a share increased to 30% in March, 1986. Heritage also acquired eight smaller cable systems in regions where it already owned businesses.

In addition to the cable system acquisitions made last year, Heritage bought two NBC affiliates in South Dakota in August. It paid $15.6 million for the stations that serve Rapid City and Mitchell and Sioux Falls. Diversified Communications in Portland also owns broadcast properties.

In the past few years, Heritage entered the specialty advertising and educational products business, a category in which it now operates eight companies. These companies' prod-

ucts include calendars, specialty advertising products, meeting room equipment and trade show exhibits.

To offset competition for cable viewership from videocassette recorder viewing, Heritage is exploring "addressable technology," which will allow the company to expand its pay per view broadcasting services. The company considers pay per view to be a major revenue opportunity.

MEDIA PROPERTIES
Broadcasting
TV: KEVN-TV, Rapid City, S.D.; KIVV-TV, Lead-Deadwood, S.D.; KDLT, Mitchell-Sioux Falls, S.D.
Cable/video
SYSTEMS: Heritage Cablevision. ALABAMA: Red Bay. CALIFORNIA: Athens, Compton, Florence/Firestone, Hawaiian Gardens, South El Monte, Willowbrook. COLORADO: Avon, Beaver Creek, Berry Creek, Buena Vista, Dillon, Edwards, Fowler, Frisco, Granby, Grand Lake, Hot Sulphur Springs, Keystone, Kremmling, La-Junta, Lamar, Minturn, Rocky Ford, Silver Creek, Silverthorne, Walsenburg, Winter Park, Vail. ILLINOIS: Albany, Erie, Fulton, Lyndon, Morrison, Prophetstown, Savanna, Thomson. INDIANA: Bedford, Bristol, Elkhart City (including 2 SMATV systems), Goshen, Jefferson Township, Middlebury, Mishawaka, Osceola, Oolitic, Plymouth, Rochester, Roseland, South Bend, Wakarusa. IOWA: Ackley, Adel, Albia, Alta, Altoona, Ames, Ankeny, Aplington, Avoca, Bedford, Belle Plaine, Belmond, Bondurant, Boone, Britt, Camanche, Carlisle, Chantan, Clarinda, Clarion, Clear Lake, Clive, Colfax, Columbus City, Columbus Junction, Coralville, Corning, Creston, Dallas Center, Denison, Denver, Des Moines, DeSoto, Dexter, DeWitt, Durant, Dysart, Earlham, Eldora, Essex, Forest City, Fort Dodge, Fredonia, Fruitland, Garner, Glenwood, Grand Mound, Granger, Greenfield, Grimes, Grinnell, Grundy Center, Guthrie Center, Hampton, Harlan, Hawarden, Huxley, Indianola, Iowa City, Janesville, Jefferson, Johnston, Knoxville, Lambs Grove, Lake City, Lakewood, LeClaire, LeGrand, Le Mars, Leon, Low Moor, Madrid, Manson, Marengo, Marshalltown, Mason City, Mitchellville, Morning Sun, Mount Ayr, New London, Newton, Nevada, Norwalk, Northwood, Osage, Osceola, Parkersburg, Pella, Perry, Pleasant Hill, Polk City, Prairie City, Princeton, Redfield, Red Oak, Remsen, Rockwell City, Sabula, Sac City, Saylorville, Sheldahl, Shell Rock, Shenandoah, Slater, Storm Lake, Story City, Stuart, Tama, Toledo, Traer, University City, Urbandale, Van Meter, Ventura, Villisca, Wapello, Waukee, Waverly, Webster City, West Des Moines, West Point, Wilton, Winterset, Woodward. MICHIGAN: Edwardsburg, Ontwa Township, Porter Township. MINNESOTA: Benson, Dover Township, Green Lake Township, Kerkhoven, New London, New London Township, Spicer, Willmar. MISSISSIPPI: Aberdeen, Amory, Ashland, Baldwyn, Booneville, Brooksville, Charleston, Columbia, Ecru, Guntown, Hatley, Holly Springs, Iuka, Macon, Myrtle, Nettleton, New Albany, Oxford, Saltillo, Shannon, Shelby, Shuqualak, Smithville, Snow Lake, Sumner, Tutwiler, Webb. MISSOURI: Fairfax, Rock Port, Tarkio. NEBRASKA: West Point. OHIO: Archbold, Bryan, Celina, Center, Coldwater, Edgerton, Jefferson, Montezuma, Montpelier, Paulding, Pulaski, St. Henry, Stryker, Van Wert, West Unity. TENNESSEE: Bartlett, Collierville, Germantown, Shelby County. TEXAS: Alamo, Alice, Alton, Brownsville, Combes, Dallas, Donna, Edcouch, Edinburg, Elsa, Falfurrias, Farmers Branch, Harlingen, Hidalgo, Indian Lake, La Feria, Laguna Heights, Laguna Vista, La Joya, La Villa, Los Fresnos, Mesquite, Premont, Primera, Rancho Viejo, Raymondville, Rio Grande City, Rio Hondo, San Diego, San Juan, San Benito, Santa Rosa, South Padre Island, Weslaco. WISCONSIN: Baraboo, Lake Delton, Reedsburg, West Baraboo, Wisconsin Dells.
OTHER OPERATIONS
Gill Industries (50% ownership), Heritage Communications International Finance N.V., Heritage Communications Products Corp.

Fm units pace radio spenders

Viacom's WLTW (fm), N.Y., led all radio stations in self-promotion spending in 1985 with $1.7 million, according to LNA, a national ad monitoring service. Other leaders: Tribune Co.'s WPIX-FM, N.Y., $1.5 million; RCA's WYNY (fm), N.Y., $1.4 million; Morgan Stanley's (formerly Metromedia) WHEW-FM, Ft. Myers, Fla., $1.3 million; Bonneville's WCLR (fm), Skokie, Ill., $1.2 million; Westinghouse's WBZ (am), Boston, $1.1 million; Cap Cities/ABC's WKHX (fm), Marietta, Ga., $1 million.

Houston Chronicle Publishing

RANK 58

Houston

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	206	217	(5.0)
Total sales	206	217	(5.0)
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	206	217	(5.0)
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

A troubled Houston economy in 1985 translated into declines in both weekday and Sunday circulation and a slump in linage at the *Houston Chronicle*, the city's largest daily newspaper, owned by Houston Chronicle Publishing Co.

Media revenues for the publishing company, owned by Houston Endowment Inc., are estimated to have dropped about 5% to $206.2 million, making Houston Chronicle Publishing Co. the 58th largest media company in 1985.

Sagging circulation was a major contributing factor to the decline. The *Chronicle's* Monday through Friday circulation dropped to 425,434, according to six-month ABC reports ended March 31, 1986, or 1.8% below audited reports for the same period in 1985. Saturday circulation for the same period showed a 3.4% increase to 425,560. Sunday figures fell 1.6% to 528,153.

Despite the decreases, the *Chronicle* remains the strong market leader over the *Houston Post*. The *Post's* daily circulation (Monday through Saturday) for the same reporting period rose 2% to 316,209. Sunday circulation was up 1.9% to 373,573.

Ad linage is down at both newspapers, according to Media Records. The *Chronicle* showed a 6% drop in total ad linage in 1985 over 1984—a situation offset somewhat by a 7% ad rate increase effective Jan. 1, 1985. The *Chronicle* raised the ad rate an additional 12% Jan. 1, 1986. ABC audited statements show the *Chronicle* circulation reaching 57.4% of the daily and 58.5% of the Sunday market universe receiving the two competitors.

According to Bob Thomas, the *Chronicle's* marketing director, reasons for circulation declines center on the economy and departure of white-collar workers from Houston who are typically *Chronicle* readers.

Effects of a down economy have been felt most in real estate and employment advertising. Nevertheless, the *Chronicle* ranks second nationally in classified full-run linage, according to Media Records.

The *Chronicle* in 1985 had 2,260,712 ins. in classifieds, down 19.5% from 1984. General advertising was 8% ahead of the year before with 536,738 ins. Retail advertising showed a 5% increase in 1985 with 2,929,376 ins.

Mr. Thomas noted the paper continues to be positioned as "Houston's leading information source." The paper typically had relied on image advertising but in 1986 has turned toward a value-added approach to build circulation.

In a 1986 spring direct response premium campaign, the paper picked up 12,000 new 16-week-plus subscribers in the first six weeks, Mr. Thomas says. The paper used two-minute and one-minute tv spots, via ad agency Rives Smith Baldwin Carlberg/Y&R, to promote the campaign.

"Response to the premium campaign ran 30% ahead of what we had projected," Mr. Thomas says. "We had always done image advertising because business in Houston was booming. That's stopped now and you have to market your product differently. Now people have to make a choice and you have to ask people to buy your product."

In October, 1985, the *Chronicle* acquired Promotional Printing Corp. from Alejandro Junco. The company produces high-grade advertising newspaper inserts and direct mail advertising using the heatset offset process.

"Promotional Printing adds an extra dimension and has opened up avenues of total marketing for the company," Mr. Thomas says. "The printing company extends our press capacity by offering an odd-size insert or a different paper. We can put the whole package together to save the client money."

MEDIA PROPERTIES
Newspaper (dailies)
Houston Chronicle.
Other media operations
Promotional Printing Corp.

Howard Publications

RANK 63

Oceanside, Cal.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	178	166	7.0
Total sales	178	166	7.0
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	147	139	5.8
Magazine	—	—	—
Broadcast	18	16	12.5
Cable	13	11	14.5
Outdoor	—	—	—

Howard Publications, Oceanside, Cal., which maintained a steady pace in a program of upgrading facilities during 1985, particularly in its Southern California cable market, showed estimated media revenue growth of 7% for the year.

The privately held Howard, ranked the 63rd largest media company in 1985, includes 19 daily newspapers, the CBS-TV affiliate in Buffalo, N.Y., and cable tv systems operating in California and Wyoming. Its recent entry into the oil and gas industry through Howard Energy Co. thus far is the company's only attempt to diversify its holdings. Not yet an income producer, the energy group's initial activities have been focused on exploration and drilling operations in the midwestern and southern U.S.

Most Howard media properties posted modest gains during 1985, a year that founder-owner Robert Howard describes as one of "little change and continued consolidation and improvement of existing facilities."

Much of this consolidation and upgrading took place in Southern California cable tv. This was a necessary followup to the company's rapid expansion in the area since acquiring some half-dozen franchises in 1983. San Gabriel and Pasadena now have new systems and transmission equipment, while some of the older systems were refurbished and brought up to industry standards.

Howard's Los Angeles-based cable operation is Falcon Communications, a company 80% owned by Howard and Donrey Media Group, Fort Smith, Ark. The company's California franchises in the Los Angeles metropolitan area are Pasadena, Montebello, Monterey Park, Temple City, San Gabriel, West Covina, Norco, Walnut, Riverside and some areas of Los Angeles, including unincorporated Altadena. The Howard-Donrey partnership also owns Overthrust Cable TV in Evanston, Wyo., but has no interest in Falcon Cablevision or Falcon Cable Systems Co., separate entities under other ownership operating in northern California.

As the Howard-Donrey operations in the urban markets of Southern California began winding down into the latter stages of consolidation, they began a new period of intensified marketing and promotion of customer service. On-air and direct mail promotions helped expand Falcon Communications' basic cable subscriber numbers to 120,000, up 9.1% from 1984. Ad revenues from the cable operations remained at modest levels, but the past year saw some slight growth in advertising in the Los Angeles market.

The company operates newspapers with circulations in the medium-size range. Leading these Howard properties is the evening daily *Hammond* (Ind.) *Times*, whose circulation was 66,327, according to six-month ABC averages ended March 31, 1986, or a decline of 3.1% compared with the corresponding year-earlier period. Its Sunday paper circulation, according to ABC, was 74,634 for the same period, down 2.3%.

Other major newspapers in the Howard chain also experienced small circulation losses during the same reporting period, including the morning *Sioux City* (Ia.) *Journal* with 52,487 daily, down 4.7%, and 46,813 Sunday, down 3.4%, and the evening *Waterloo* (Ia.) *Courier* with 48,675 daily, down 4.5%, and 52,135 Sunday, down 6.4%. The morning *Star-Tribune* in Casper, Wyo., had 36,845 daily, up 2.5%, and 39,811 Sunday, up 4.4%.

Once again the company's major circulation gainer was the *Oceanside* (Cal.) *Blade-Tribune*, with an evening circulation of 35,609, up 15.5%, and 36,776 Sunday, up 14.3%. Outlook is for steady population growth in the San Diego County market and continued growth for the *Blade-Tribune*.

Much of the circulation increase at Oceanside, Mr. Howard says, can be attributed to the introduction last fall of an edition tailored to the affluent Carlsbad community. The edition devotes four to eight daily news pages to Carlsbad, satisfying residents' needs for local news coverage. The only other source of news is the twice-weekly *Carlsbad Journal*, published by North Coast Publishers.

Howard's only property in the broadcast area to date is WIVB-TV, Buffalo, which has posted steadily growing revenues since its purchase by the company in 1977.

After years as a runnerup in the Buffalo market, 1985 saw the station move to the No. 1 position, a jump made possible in part by the continuing improved performance and ratings of the news department.

Founded in early 1985, the company's only nonmedia operation is Howard Energy Co., Traverse City, Mich., currently involved in exploration and development of gas and oil resources.

MEDIA PROPERTIES
Broadcasting
TV: WIVB-TV, Buffalo, N.Y.
Cable/video
SYSTEMS: CALIFORNIA: Alhambra, Huntington Park, Norco, Norwalk, Pasadena, Riverside, San Gabriel, Temple City, Walnut, West Covina and unincorporated parts of Los Angeles County. WYOMING: Evanston.
Newspapers (dailies)
CALIFORNIA: *Oceanside Blade-Tribune, San Clemente Sun-Post.* COLORADO: *Northwest Colorado Press* (Craig). IDAHO: *Twin Falls Times-News.* ILLINOIS: *Charleston Times-Courier, Freeport Journal-Standard, Mattoon Journal-Gazette, Pekin Daily Times.* INDIANA: *Hammond Times, Logansport Pharos-Tribune & Press.* IOWA: *Sioux City Journal* (owned jointly with Hagadone Newspapers), *Waterloo Courier.* KENTUCKY: *Maysville Ledger-Independent.* NEW YORK: *Auburn Citizen-Advertiser, Corning Leader, Glens Falls Post-Star.* PENNSYLVANIA: *Carlyle Sentinel.* SOUTH CAROLINA: *Orangeburg Times & Democrat.* WYOMING: *Casper Star-Tribune.*
OTHER OPERATIONS
Howard Energy Co., Traverse City, Mich.

Hubbard Broadcasting

RANK 79

St. Paul, Minn.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	125	115	8.7
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	125	115	8.7
Cable	—	—	—
Outdoor	—	—	—

Privately held Hubbard Broadcasting, a newcomer to the Advertising Age leading 100 media companies on the basis of its strong revenue contributions from traditional broadcast units, is opening revolutionary fields of broadcasting by satellite.

The St. Paul, Minn.-based company, whose revenues are up an estimated 8% from 1984, ranking it the 79th largest media company, is expanding a satellite news-gathering cooperative from 36 to 100 station members by July, 1987. It expects to grab more stations for its USTV program syndication as the number of stations with Ku-band downlink receivers grows from 382 to 700 by July, 1987, and is developing a DBS (direct broadcasting by satellite) system that would bypass stations in reaching homes with receiving dishes.

With the payout from satellite technology, which includes the manufacture by Hubbard of specially equipped vehicles for station members or subscribers, expected later than sooner, Hubbard's brash, yet tight-lipped chairman, president and ceo, Stanley Hubbard, predicts a 10% revenue increase in 1986, which he says is a "year of focus" for family-owned Hubbard.

Hubbard's last property unrelated to broadcasting—Farvue Outdoor Advertising—was sold in April, 1986, to Naegele Outdoor Advertising Co. of the Twin Cities. Hubbard's sole 1985 acquisition was KOBR in Roswell, N.M., from KCBD Associates. The $3 million purchase became official in November, and Mr. Hubbard says KOBR (formerly KSWS-TV) will complement Hubbard's other New Mexico tv stations in Albuquerque and Farmington.

The company's other tv markets include St. Paul, and St. Petersburg, Fla. Its radio markets include an am station in Cypress Gardens, Fla., and am-fm combinations in St. Paul and Albuquerque.

Hubbard's flagship media property is KSTP-TV, an ABC affiliate and No. 2 station in the Twin Cities, the nation's 16th-largest market. Other Twin Cities Hubbard properties include KSTP-FM (ranked No. 2 during winter Arbitron ratings) and its companion am station, KSTP, which ranked 10th.

Hubbard's ambitious venture into satellite broadcasting is paced by a near-nationwide cooperative of news-gathering stations called Conus Communications. Hubbard owns or leases transponders on two orbiting Ku-band satellites, which 36 stations nationwide use to share news stories and equipment. Mr. Hubbard says he has signed stations from all three networks in addition to several independents. Currently, the stations reach more than 34% of the nation's tv households.

Mr. Hubbard estimated that a year from now 100 tv stations will be affiliated with Conus, a so-called sng (satellite news-gathering) venture. Although the broadcast industry initially scoffed at Mr. Hubbard's sng plan, all three major networks are introducing their own sng programs. An example of regional use of Conus has been a number of Florida member stations that have linked up to the satellite to exchange programs on a regional basis.

Undaunted by odds Conus faces from future competition from network SNGs and other programing, Hubbard Broadcasting has started USTV, a Denver-based program syndication unit. There are 382 stations with installed Ku-band downlinks that can receive USTV feature programs. That potential market is expanding to 700 by July, according to Mr. Hubbard. All stations are potential Conus Communications and USTV customers.

Ad agency Colle & McVoy Advertising, Bloomington, Minn., has created business-to-business advertising and collateral for Conus since its inception in late 1984. C&M also has been named agency of record for USTV. The first program developed by USTV is a talk show called "USA Live," and Mr. Hubbard says several

more programs will be introduced soon. Despite the scope of Conus and USTV, their startups have added only 30 employes to the Hubbard work force.

Hubbard's greatest plan, and by far the most expensive with a $1 billion price tag, is direct broadcast satellites to homes with receiving dishes. Mr. Hubbard says several investment bankers have expressed interest in making financial arrangements for the $300 million Mr. Hubbard estimates it will take to launch DBS. Sticking to the private financial policy of privately held Hubbard, Hubbard would not estimate possible revenues gleaned from his plans for satellite broadcasting.

MEDIA PROPERTIES

Broadcasting

TV: WTOG, St. Petersburg, Fla.; KSTP-TV, St. Paul, Minn.; KOB-TV, Albuquerque, N.M.; KOBF, Farmington, N.M.; KOBR, Roswell, N.M.

RADIO: WGTO, Cypress Gardens, Fla; KSTP (am, fm), St. Paul, Minn; KOB (am, fm), Albuquerque, N.M.

Other media properties

Conus Communications (St. Paul, Minn.); USTV (Denver, Colo.).

RANK **50**

Ingersoll Publications

Lakeville, Conn.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	235	207	13.5
Total sales	235	207	13.5
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	235	207	13.5
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Ingersoll Publications continued its rapid expansion in the newspaper field, picking up two dailies in New Haven, Conn., its largest newspapers to date, two midsized dailies in Ohio and Pennsylvania, and 16 weekly newspapers from two newspaper groups covering New Jersey.

The newspaper company, whose search for a flagship newspaper has been an elusive one, may now be satisfied with its acquisition in late May, 1986, of the New Haven evening *Register* with a circulation of 90,393, its companion morning *Journal-Courier* (circulation 37,733) and the Sunday *Register* with 140,776 circulation. Figures are ABC averages for the six-month period ended March 31, 1986.

Ranked the 50th largest media company in revenues, the Lakeville, Conn.-based company should reach revenues of more than $300 million by the end of 1986 based on performance of its current newspaper properties and future acquisitions, according to Ralph Ingersoll II, president. That would give the company revenue growth of 27% compared with 13.5% in 1985 over the previous year.

All of privately owned Ingersoll's media revenues in 1985 came from its 117 daily and weekly newspapers throughout the Northeast, Midwest and California, which "may make us the last national media operation that does only newspapers," according to Mr. Ingersoll, who says he has no interest in broadcast or cable. There are plenty of growth opportunities left in the newspaper industry because it's a "very large theater" where no single player owns more than 5% to 6% of the national market, he says.

This April the company bought two groups of New Jersey weeklies—the Wayne-based Today Newspapers Inc., a chain of 12 weeklies, and the Fairlawn-East Paterson Shopper Inc., a group of four weeklies. In January, it purchased two papers, the *Daily Local News* in West Chester, Pa., and *Tribune Chronicle* in Warren, O. The West Chester paper had 38,896 circulation, according to the six-month ABC reporting period ended March 31, 1986, up from 38,481 from the corresponding period a year earlier. The Warren paper had circulation of 41,946, up from 41,003 in the year-earlier period.

Mr. Ingersoll's scouring of the market for a major property—evidenced by the company's participation in the bidding for the *Los Angeles Daily News*, the *St. Louis Globe-Democrat* and the Des Moines Register & Tribune Co., all unsuccessful—apparently finally has paid off.

The purchase of the New Haven papers from the family of Lionel S. Jackson Sr., chairman of the newspapers, cost Ingersoll $170 million, just short of the $176 million Jack Kent Cooke put down to beat out Ingersoll in bidding for the *Los Angeles Daily News*. Ingersoll expects continued growth at the papers because of New Haven's ongoing transformation from heavy industry to biomedicine and high-tech research.

Mr. Ingersoll expects to concentrate on either buying dominant regional dailies or assembling groups of community newspapers that complement the regional dailies. "We're trying to stay out of that middle position of submetro dailies," he says, which is a reversal of previous strategies. "Now that we've been on both sides of the table—submetro dailies and community newspapers—we've come to appreciate the virtues of community newspapers as a business."

The company was one of the first to recognize the potential in building large chains of low-cost operation community newspapers. In 1984 Ingersoll bought the Suburban Newspapers of Greater St. Louis, a powerful string of free weeklies ringing the metropolitan area. Since then it has added six more properties there—two paid dailies, two paid twice-weeklies, two free weeklies—to bring its current roster to 41 papers in the St. Louis area.

In northern New Jersey, the company is assembling a chain of free weeklies loosely modeled after the St. Louis group. Mr. Ingersoll says he sees plenty of room in the northern New Jersey market for the community weeklies as well as the dominant regional dailies such as Macromedia's *Bergen Record* and Advance Publication's *Newark Star-Ledger*.

He says both kinds of publications can prosper in the same area because homeowners and advertisers need both. "If I lived in Bergen County, I would subscribe to the *Bergen Record* and I'd also be pleased to get the weekly paper free," he says.

"In the *Ridgewood News*, for example, we cover different news events than the *Bergen Record*," he says. "We have a finer focus. And we're able to attract retail and real estate advertisers who can't afford to run in the *Record*."

But community newspaper groups must be large enough to take advantage of certain economies of scale. The papers generally share marketing, production and distribution functions while keeping separate editorial identities. In that way they can maintain their position as low-cost operators relative to the regional dailies. Ingersoll's 91 weeklies and 26 dailies, for example, share 39 plants.

The northern New Jersey chain, somewhat smaller than the St. Louis chain, forms an arc that spans an affluent section of New York's suburbs. To be completed by the end of 1986, the group is expected to generate about $30 million in revenues next year.

In St. Louis, the company's 41 newspapers generate more than $70 million annually, but the group has required sizable investment since Ingersoll bought it two years ago. Ingersoll has increased press capacity and added a data processing system to handle retail advertising sales. The company also plans to install a second data processing system for classified advertising and a third to tie the company's 30 news-editorial offices together into a sort of local wire service. The papers had one press between them when Ingersoll entered the market. Now Ingersoll has four and uses a fifth. There

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were four composing facilities among the papers; now there are nine.

On the editorial side, the number of stories has increased, news reporting has stepped up and more training and technology has been brought to the newsroom.

Many local observers believe Mr. Ingersoll is preparing to turn his St. Louis suburban weeklies into twice-weeklies by adding weekend editions, but he refused to discuss such plans. However, he says he's keeping a close watch on the daily-newspaper situation in St. Louis. "I'm not ruling out the possibility that we might enter that market."

MEDIA PROPERTIES

Newspapers (dailies)

CALIFORNIA: Costa Mesa newspapers, Costa Mesa-*Orange Coast Daily Pilot*. JFP Publications, Glendale-*Glendale News Press, Burbank Daily Review*. CONNECTICUT: Milford Publishing, Milford-*Milford Citizen*. ILLINOIS: Suburban Newspapers of Greater St. Louis-*Alton Telegraph*. INDIANA: Terre Haute Newspapers, Terre Haute-*Tribune-Star*. MASSACHUSETTS: Berkshire Newspapers, North Adams-*North Adams Transcript*. Northeast Publishing, Fall River-*Fall River Herald News*. MICHIGAN: Royal Oak Newspapers, Royal Oak-*Royal Oak Tribune*. MISSOURI: Suburban Newspapers of Greater St. Louis-*News Democrat*. NEW HAMPSHIRE: Eagle Publications, Claremont-*Eagle-Times*. NEW JERSEY: Capital City Publishing, Trenton-*Trentonian*. Precision Publications, Toms River-*Toms River Ocean County Times-Observer*. NEW YORK: Mid-Hudson Publications, Kingston-*Daily Freeman*. Oneida Publications, Oneida-*Oneida Daily Dispatch*. Tonawanda Publishing Corp., North Tonawanda-*Tonawanda News*. OHIO: Massillon Newspapers, Massillon-*Evening Independent*. Phoenix Publications, Niles-*Daily-Times*. Warren Newspapers, Warren-*Tribune Chronicle*. PENNSYLVANIA: Central States Publishing, Primos-*Delaware County Times*. Community Service Publishing, Coatesville-*Coatesville Record*. Peerless Publications, Pottstown-*Mercury*. Phoenixville Newspapers, Phoenixville-*Evening Phoenix*. Shenandoah Valley Publishing, Shenandoah-*Evening Herald*. West Chester Newspapers, West Chester-*Daily Local News*. RHODE ISLAND: New England Newspapers, Pawtucket-*Pawtucket-Central Falls Times*, Woonsocket-*Woonsocket Call & Reporter*.

Newspapers (nondailies)

CALIFORNIA: JFP Publications, Glendale-*Leader, Burbank Weekly Review, Glendale Weekly Review, North Hollywood Review, Huntington Beach Independent, Fountain Valley Independent*. CONNECTICUT: Milford Publishing, Milford-*Stratford Bard, West Haven News, Milford Reporter*. ILLINOIS: Suburban Newspapers of Greater St. Louis-*Alton Citizen Journal, Bethalto American Journal, Wood River Journal, Belleville Journal, Cahokia/Dupo Journal, Collinsville Herald, Collinsville Journal, Collinsville Herald Journal, County Journal, East St. Louis News Journal, Edwardsville Journal, Fairview/O'Fallon Journal, Granite City Press-Record, Granite City Journal, Granite City Press Record Journal, News Journal*. MICHIGAN: Royal Oaks Newspapers, Royal Oaks-*Tribune Plus*. MISSOURI: Suburban Newspapers of Greater St. Louis-*Central West End Journal, Clayon Citizen Journal, County Star Journal, Courier Journal, Fenton Journal, Jefferson County Journal, Meramec Journal, Neighborhood Journal, North County Journal, North Side Journal, Northwest County Journal, Press Journal, St. Charles Journal, South County Journal, South Side Journal, Tri-County Journal, T.V. Week-Jefferson County, Warrenton News-Journal, Weekend Journal, West Citzen Journal, West County Journal*. NEW HAMPSHIRE: Eagle Publications, Claremont-*Claremont/Springfield*. (Vt.) *Advisor*. NEW JERSEY: Capital City Publishing, Trenton-*Midweek, Weekend*. Fair Lawn Shopper Co., Fair Lawn-*News Beacon, Shopper, Week Ahead*. Manahawkin Newspapers, Manahawkin-*Beach Haven Times, Beacon, Summer Times*. M/C Newspapers, Paramus-*Town News*. Precision Publications, Tom River-*Jackson News, Point Pleasant Leader*. Riverdale Publishing, Butler-*Suburban Trends*. RNI Publications, Ridgewood-*Ridgewood News, Local Review, Sunday News, Sunday Post*. Suburban News, Franklin Lakes-*Suburban News*. Today Newspapers, Wayne-*Dateline Journal, Lakeland Today, Passaic Valley Today, Suburban Life, Wayne Today, West Milford-Ringwood Argus Today*. NEW YORK: Tonawanda Publishing Corp., North Tonawanda-*Kenmore Record-Advertiser, Tonawanda News Extra*. OHIO: Phoenix Publications, Niles-*Girard News, Hubbard News, Liberty News, Austintown Leader, Poland Clarion, Howland Bandwagon, Courtland Home News, Western Reserve Democrat, Brookfield Masury News*. PENNSYLVANIA: Acme Newspapers, Ardmore-*Main Line Times, News of Delaware County, Neighbors News, Germantown Courier, West Philadelphia Scene, TMC News*. Community Service Publishing, Coatesville-*Tri-County Shopper News, Chester County Courier*. Wayne Publications, Wayne-*Suburban and Wayne Times, Suburban Advertisers, King of Prussia Courier*.

International Data Group — RANK **61**

Framingham, Mass.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	185	138	34.1
Total sales	200	160	25.0
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	185	138	34.1
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

International Data Group in the past 18 months has produced three new U.S. publications—*Amiga World, Network World* and *Publish*—started a dozen new computer publications overseas and announced a new tabloid for users of Digital Equipment Corp. computers.

Framingham, Mass.-based IDG, the 61st largest media company, also plans more publications after the new DEC paper's debut. The new DEC publication is squareiy in the IDG tradition of specialized papers and magazines, those that treat the nuts and bolts, the lore, the techniques, and hopes for just one brand or one maker of computers.

CW Communications Inc., Framingham, the publishing division of privately held IDG, will publish the new paper, an every-other-weekly tabloid. According to CWCI, there has been a great demand for a DEC specialized organ.

Also specialized is another new IDG publication, *Amiga World*, aimed at users of Commodore Business Machines' new personal computer, the Amiga. This every-other-monthly magazine, launched in August, 1985, is published by a division of CW Communications, CW Communications Peterborough, based in Peterborough, N.H. Circulation is 60,000.

A third new launch, *Network World*, issued first in March, 1986, is a news and feature weekly designed to serve communications users in the medium to large-scale range. It replaces the former *On Communications* monthly, which covered voice and data communications. Publisher is CW Communications, and controlled circulation is now 60,610.

A July, 1986, introduction is scheduled for *Publish*. PC World Communications, the CW Communications division in San Francisco, will publish *Publish*, a publication explaining how to combine text and graphics. *Publish* will be entirely written, edited and produced on personal computer-based systems.

Meanwhile, beyond the Atlantic and Pacific horizons, CW Communications has been assessing needs and hearing from the computer-minded in other countries. The result is a dozen new publications, introduced during 1985 and 1986.

While data processing market activity has urged startups of new publications, the general level of the economy apparently has held down circulation growth of existing computer publications.

Total circulation at mid-1986 is 1,308,183 for the 10 major CW Communications publications: *Computerworld, Micro Marketworld, Network World, Infoworld, PC World, MacWorld, 80 Micro, inCider, Run* and *Amiga World*.

Computerworld, the biggest of the CW publications, has held steady, at 124,347 in mid-1986 compared with 125,000 in mid-1984. *Computerworld*, the newsweekly of computers, in 1985 carried more than twice the advertising pages of its closest rival, *Datamation*—5,340 pages versus 2,511. Companion *Computerworld* publications are *Computerworld Focus*, publishing 10 "tabazine"-format issues a year on special topics for *Compuierworld's* readership, and the *Computerworld National Computer Conference Daily*, circulating 20,000 issues at that annual meeting.

Micro Marketworld, an every-other-weekly for computer equipment dealers, has been holding steady at 45,109. *Infoworld*, a weekly reporting on developments in microcomputing community, is off less than 3%, to 153,778. *Infoworld* is published by another CW Communications division, Popular Computing Inc., Menlo Park, Cal. *PC World*, the IBM PC magazine, has gained about 5%, rising to 290,548. MacWorld, started in February, 1984, by PC World Communications, is the specialized monthly magazine for the world of Apple MacIntosh computer users. Circulation continues at about 169,000.

80 Micro, incorporating the magazine *Hot CoCo*, is a CWCI Peterborough, N.H., monthly for users of the Tandy Model 1000 and Model 4 and the Color Computer. Circulation is up about 2% to 84,000. The Peterborough division monthly magazine for Apple II users, *inCider* is steady at about 84,000. *Run*, also issued from Peterborough, is a monthly about home use of Commodore computer equipment, and its circulation has slumped more than 11% to 198,000 from 1984. It has 70,000 controlled circulation.

Peterborough, under the fertile entrepreneurship of Wayne Green, has produced numerous leading computer publications since Mr. Green created the first popular computer book, *Byte*, in 1976. In 1983, Wayne Green Enterprises became a division of International Data Group. In addition to its media enterprises, IDG also has a Conference Management Group that conducts professional meetings, and a Computerworld Video-Broadcast activity for producing special-purpose tv materials.

In two major personnel changes, the company promoted W. Walter Boyd to president-chief operating officer of International Data Group from president of CW Communications Inc. The company also promoted Lee Vidmer to president-chief operating officer of CWCI from exec vp.

U.S.MEDIA PROPERTIES

Magazines

CW Communications-*Computerworld, Micro Marketworld, Special Focus Publications, Network World*; Popular Computing-*Infoworld*; PC World Communications-*MacWorld, PC World, Publish-The Magazine of Desktop Publishing*; CWCI Peterborough—*Amiga World, inCider, Run, 80 Micro*.

Other media operations

Conference Management Group Computerworld Video Broadcast.

International Thomson Holdings — RANK **23**

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	560	550	1.8
Total sales	2,292	2,256	1.6
Net income	144	127	13.4

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	560	550	1.8
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

International Thomson Holdings, the U.S. outpost of Lord Thomson of Fleet's international business and publishing empire, quadrupled its spending on acquisitions in 1985 over the previous year, expanding its media in the areas of automated information systems, computer databases and highly specialized publications.

Thomson, the 23rd largest U.S. media company, spent $143 million compared with $45.1 million in 1984, but it gained only 2% in media revenues to $560 million. (£1=$1.30).

The company bought Gale Research Co., Detroit, the publisher of the Encyclopedia of Associations and other library references; AutEx Systems, Wellesley, Mass. (purchased from Xerox), producer of electronic information systems for a variety of fields, including banks, investment firms, industry, collectors and government; UTLAS, Toronto, a source of automated systems for bibliographic and information systems servicing libraries, and *Practical Accountant* and *Computers in Accounting*, both leading journals published by the Institute for Continuing Professional Development, New York.

So far in 1986, Thomson has purchased another source of accounting journals, Practitioners Publishing, Fort Worth, Tex., and in May, Thomson made a tender offer to buy Cordura Corp., Los Angeles, for $203 million.

Cordura produces specialty publications for business and industry and database publications, both manual and electronic, for applications such as estimating auto body repairs for insurance companies. Cordura also offers services such as employe benefits management. The company has five subsidiaries in San Diego that supply database publications and computer services. R.E. Harrington Inc., a subsidiary in Westerville, O., provides business consulting services. In 1985 Cordura Corp. had net income of $9.3 million on sales of $53.4 million.

International Thomson Holdings, the main U.S. subsidiary of International Thomson Organisation Ltd., operates in three business areas: publishing and information, which grows out of Thomson's origins as a newspaper publisher; travel booking, and oil and gas exploration and development.

Contribution to profits by the publishing and information segment has grown steadily from 5.7% in 1981 to 32.4% in 1985. The travel segment percentage has fluctuated, averaging about 17.5%, during these five years, while oil and gas has slipped from 71.4% to 50.3% in 1985.

The parent reports that in 1986 the North American publishing and information operations will become its biggest profit center.

The large outlay for acquisitions in 1985 is about equal to the year's earnings, $144.3 million. Total sales of parent International Thomson Organisation for 1985 came to $2.3 billion, up 2% from the previous year. Total sales for the holding company's over-all publishing and information segments —both North America and the U.K.— were $927 million, 8% more than 1984.

Total U.S. sales rose 13% in 1985, to $650 million. The publishing information total for North America was about $600 million, with an estimated $560 million from the U.S., which is the basis of Thomson's ranking in this issue. There were some 1985 slowdowns in sales for the professional newspapers and textbooks.

The company has been divesting properties that don't fit its editorial focus. Recently sold are its printing interests, its consumer book publishing operations in both North America and the U.K., and a number of magazines —including the *Illustrated London News*.

Thomson organizes its publishing activities into five main groups:

- Professional publishing, including publications for lawyers, engineers, accountants, bankers, brokers, data processing managers and real estate managers.
- Education/reference books, including texts, reference and professional works.
- Library services, consisting of Gale's directories and services plus other reference books and microfiche.
- InFinet (International Financial Network), a new group for Thomson, which will exploit the capacities of the newly acquired AutEx Systems in supplying electronic information services to finance customers.
- Business magazines, perhaps the most broadly known part of International Thomson because of its familiar titles among its five magazine divisions, Medical, Industrial, Electronics, Communications and Transportation. Some of the best known are *Medical Economics, RN, Audio Times* and *Ward's Auto World*.

Thomson publication launches for 1985 include *Medical Lab Products*, from Medical Economic Co., Oradell, N.J., and several healthcare newsletters from American Health Consultants, Atlanta: "Medical Ethics Advisor," "AIDS Alert," "Diagnostic Testing Alert," "Sport and Medicine" and the "Office Lab Letter."

Joining other electronics and communications magazines out of CES Publishing Corp., New York, is *Electronic Merchandising*. And Ward's Communications Inc., Detroit, is reported to be planning two new titles in 1986, but would not discuss them.

Performance of Thomson's best-known magazines in 1985 reflected the current unsettled U.S. economy, including the specialty professional and business areas Thomson serves.

Circulation of *Medical Economics*, a nonclinical, practice-management fortnightly, was up just 2%, to 173,863 in 1985. Of the 1985 total, 154,677 is controlled circulation, 19,305 is paid. Ad space for its companion publication, *Medical Economics for Surgeons*, is sold in combination with *Medical Economics*. The sister publication circulation was up 5% in for 1985, to 44,262, all controlled.

Principal competition for *Medical Economics* comes from the *Journal of the AMA* and *American Medical News*, both published by the American Medical Assn. in Chicago. *JAMA* circulation for 1985 is up more than 3% to 332,866. *American Medical News* is up 6%, to 332,693.

In a 1984 statistical compilation made by Folio Publishing Corp. of the 19 largest U.S. medical publications, *Medical Economics* ranked seventh in circulation, second in total ad pages, first in ad revenue and second in total revenue, $20.8 million and $21.5 million, respectively.

RN also faces tough competition in a field with falling circulation, caused by changing hospital economics and a flux in the roles of nurses. *RN* circulation was down 16% in 1985, to about 280,000. The largest of the nursing journals, *Nursing 86* (the title carries the current calendar year), published by Springhouse Corp., Springhouse, Pa., dropped 10% to about 465,000.

Publishers in the nursing field are looking for benefits from increased advertising for nurses as a mid-1980s nurse shortage develops.

Ward's Auto World contends for readers and ad dollars in a field with several publications of relatively equal circulation, but varying focus. *Auto World's* specialty is giving in-depth coverage and interpretation to the workings of the auto industry. Its circulation, all paid, was 70,561, down slightly from 1984.

While International Thomson Organisation is a public company, 73.5% of its common shares are owned by the family of Lord Thomson of Fleet, who founded the company as a small Ontario newspaper business in the 1930s (see the Thomson Newspapers entry for other information). Private and institutional investors hold the other 26.5% of the stock, which is listed on the London and Toronto exchanges.

To conduct its business interests, the Thomson family operates, from Toronto, the Woodbridge Co. Ltd. This private holding company controls by itself, or through affiliates, both Thomson Newspapers (owns 61%) and International Thomson Organisation (owns 73.5%). International Thomson Organisation's main U.S. subsidiary is International Thomson Holdings Inc., New York.

The Thomson Holdings subsidiary, in turn, operates its media businesses through an affiliate, International Thomson Business Press Inc., Radnor, Pa.; two subsidiaries, Medical Eco-

nomics Co., Oradell, N.J., and International Thomson Communications, Denver, Colo., and 18 subsidiaries, at the most recent count, across the U.S.

MEDIA PROPERTIES
Magazines

American Banker Inc. & Bond Buyer Inc.—*Directory of Municipal Bond Dealers*. CBS Publishing Corp.—*Audio Times, Audio Sound and Communications, Consumer Electronics Monthly, Computer Electronics Show Daily, Computer Merchandising, Home Satellite Marketing, Video Business*. Huebner Publications—*Designfax, Fastener Technology, Machine Tool Specs, Metlfax, Purchasing World, Tooling & Production, Wire Technology*. International Thomson Communications—*CableFile, CableVision, Communications Engineering Design*. International Thomson Transportation Information Service—*Brandon's Shipper & Forwarder, Pacific Shipper, Pacific Traffic*. Medical Economics Co.—*Clinical Laboratory Reference, Contemporary OB/GYN, Contemporary Pediatrics, Diagnosis, Drug Topics, Medical Economics, Medical Economics for Surgeons, Medical Laboratory Observer, Medical Lab Products, Nursing Opportunities, Physicians' Desk Reference (PDR), PDR for Nonperscription Drugs, PDR for Ophthalmology, RN*. Med Publishing—*Geriatric Medicine Today, Internal Medicine, Practical Cardiology*. National Railway Publications—*Railway Line Clearances, Official Intermodal Equipment Register, Official Intermodal Guide, Official Railway Equipment Register, Official Railway Guide, Freight Service Edition; Official Railway Guide, Travel Edition; Pocket List of Railroad Officials, Who's Who in Railroading and Transit*. Patient Care Communications—*Patient Care*. Ward's Communications—*Ward's Auto World, Ward's Automotive Yearbook*. Warren, Gorham & Lamont—*Banker's Magazine, Corporate Accounting, Estate Planning, Internal Auditing, Journal of Business Strategy, Journal of Taxation, Practical Accountant, Real Estate Financial Journal, Real Estate Review, Taxation for Accountants*.

Newsletters

American Health Consultants—AIDS Alert, Back Basics, Back Pain Monitor, Clinical Cardiology Alert, Clinical Laser Monthly, Contraceptive Technology Update, Convenience Care Update, Diagnostic Testing Alert, Drug Utilization Review, Employee Health & Fitness, Health & Well Being, Hospital Admitting Monthly, Hospital Employee Health, Hospital Home Health, Hospital Infection Control, Hospital Peer Review, Hospital Risk Management, Infectious Disease Alert, Internal Medicine Alert, Medical Ethics Advisor, Neurology Alert, OB/GYN Clinical Alert, Prospective Payment Survival, Same-Day Surgery, Sport & Medicine, Surgery Alert, Office Lab Letter. Med Publishing—Cardiovascular Literature News, Gastro-Intestinal Literature News, OB/GYN Literature News, Oncology Literature News, Pulmonary Diseases Literature News, Tuberculosis Literature News. Veterinary Medicine Publishing—Veterinary Economics, Veterinary Medicine/Small Animal Clinician, Veterinary Pharmaceuticals & Biologics. Ward's Communications—Ward's Automotive Reports, Ward's Engine Update. Warren, Gorham & Lamont—Accounting News, Real Estate Outlook.

Newspapers (nondailies)

NEW YORK: *American Banker, Bond Buyer, Credit Markets*.

Other media operations

Callaghan & Co. (legal publishing), Richard De Boo Publishers (law and taxation), Thomson & Thomson (trademark search), Delmark Publishers, Linguistics International, Van Nostrand Reinhold Co. (professional and reference books), Wadsworth Inc. (college textbooks).

RANK **53**

Journal Co.

Milwaukee

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	216	197	9.5
Total sales	339	340	(0.4)
Net income	36	34	5.3

Sales by media	1985	1984	% chg
Newspaper	176	165	6.7
Magazine	—	—	—
Broadcast	40	26	52.7
Cable	—	—	—
Outdoor	—	—	—

Journal Co., Milwaukee, bowed out of cable tv in 1985, purchased a combination am/fm radio station in Wausau, Wis., and expanded its number of shoppers to 14 by adding three in North Carolina and Florida.

The largely newspaper operation, the 53rd largest media company whose media revenues represent 64% of total company revenues, draws most of its media from the *Milwaukee Journal* and *Sentinel*. Most of its nonmedia revenues come from Perry Printing Corp., a commercial printing operation.

In February, 1985, the Journal Co. sold Teltron Cable TV, serving some 26,000 subscribers in the central Wisconsin cities of Wausau, Stevens Point and Wisconsin Rapids, to Jones Intercable, Englewood, Colo. The company then turned to its Add Inc. shopper division and bought shoppers in Asheville, N.C., and Gainesville, Fla., and started one in Hendersonville, N.C., bringing the total to 14. Nine Add Inc. shoppers are located in central Wisconsin and two are in Montana. Total circulation for the 14 shoppers is 374,000; the nine in Wisconsin have a circulation of 174,000. The Journal Co. plans to continue to start or acquire more shoppers.

In October, 1985, the Journal Co.'s NBC-TV affiliate in Milwaukee purchased WSAU and WIFC (fm) Wausau, Wis. These were stations the company owned and sold in the 1950s. Other broadcast operations include tv stations in Las Vegas, Milwaukee and Lansing, Mich. The latter, the independent WSYM-TV, was acquired in January, 1985.

According to February Arbitron ratings data, KTNV-TV, Las Vegas, an ABC affiliate, is in the No. 3 position in the market with a 7 rating and 20 share of the market. In Milwaukee, the Journal Co.'s NBC affiliate, WTMJ-TV, holds the No. 1 position with an 8 rating and 26 share.

The daily newspapers, the morning *Sentinel* and the evening and Sunday *Journal*, make up the company's Newspapers Inc. division. The *Sentinel's* circulation, according to March 31, 1986, ABC figures, was 188,359, up 1.8% from the same time a year earlier. The evening and Sunday Journal circulations have slipped, however. For the same period, the evening *Journal* was 294,502, down 2.4%. Sunday circulation also was down 2.4% to 514,549.

To boost Journal advertising and circulation, two new special sections were added in March and April, 1986, as part of an over-all strategy to have a special section in the paper each day. "Xtra," which comes out on Tuesday, is a tabloid-size insert aimed at young adults ages 26 to 40. The company hopes to appeal to the 337,000 Milwaukee area residents who make up that age group. The company estimates the group makes up 40% of the Milwaukee work force.

The Journal Co. has sampled the paper in downtown business areas, college campuses and shopping malls and it distributed 170,000 copies of the pilot issue of "Xtra" to nonsubscribers.

"Neighbors," published on Thursdays, is targeted to an older working audience of homeowners with families.

In addition to the shoppers under the Add Inc. banner, the company owns five weekly newspapers in the Trumbull, Conn., area. Hometown Publications Inc. papers have a combined circulation of 35,800.

MJE Corp., Niles, Ill., operates two audiovisual companies that make educational films and videocassettes.

Midwestern Relay Co., Milwaukee, provides satellite interconnection and relay services in the Midwest.

Perry Printing Corp., Waterloo, Wis., specializes in large-run printing operations, including catalogs and Time Inc. publications. It contributed $111.5 million in net revenues in 1985, or 33% of the company total. Its operating earnings were $16.4 million, or 25% of the total.

MEDIA PROPERTIES
Broadcasting

TV: KTNV-TV, Las Vegas; WTMJ-TV, Milwaukee; WSYM, Lansing, Mich.
RADIO: WTMJ, WKTI (fm), Milwaukee; WSAU, WIFC (fm), Wausau, Wis.

Newspapers (dailies)

WISCONSIN: *Milwaukee Journal, Milwaukee Sentinel*.

Newspapers (nondailies)

CONNECTICUT: Hometown Publishing-*Easton Courier, Huntington Herald, Monroe Courier, Stratford Star, Trumbull Times*. FLORIDA: Shoppers in Gainesville. MONTANA: Shoppers in Great Falls, Missoula. NORTH CAROLINA: Shoppers in Asheville, Hendersonville. WISCONSIN: *Press Star*, shoppers in Berlin, New London, Neenah, Oshkosh, Seymour, Stevens Point, Waupaca, Wausau, Wisconsin Rapids.

OTHER OPERATIONS

MJE Corp.(Niles, Ill.); Midwestern Rely; Perry Printing Corp. (Waterloo, Baraboo, and Milwaukee, Wis., Norway, Mich., and Trumbull, Conn.).

RANK **100**

Knapp Communications

Los Angeles

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	93	98	(4.7)
Total sales	100	111	(9.9)
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	93	98	(4.7)
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Knapp Communications, bucking a downward trend for advertising in the magazine industry, posted record sales for all publications, although its folding of *Geo* brought an over-all decline in media revenues for 1985.

Knapp, based in Los Angeles, basically draws its media revenues from three monthly U.S. magazines—*Architectural Digest, Bon Appetit* and *Home*. A new quarterly, *Best Selling Home Plans*, was introduced in 1985.

The 100th largest media company receives nonmedia contributions from Wilshire Marketing Corp., which creates and markets merchandise designed for readers of the company's magazines, and Knapp Press, a book publishing division that draws upon the magazines for subject matter.

Architectural Digest, the venerable 67-year-old former trade magazine purchased by Cleon T. (Bud) Knapp in 1964 and then transformed into a slick consumer monthly, had another year of record revenues. This elder statesman of the Knapp organization posted total net revenues of $43 million for 1985, an increase of 7.5% over a year earlier.

The publication had a decline of 1.8% in ad pages but ad revenue growth of 3.3% to $28.7 million gross. The magazine closed the year with an ABC-audited circulation of 600,758, including 95,659 in single-copy newsstand sales, about the same level as 1984.

Thomas P. Losee Jr., vp-publisher of *Architectural Digest*, calls 1985 "a significant" record year, achieved despite the relatively soft past 18 months for magazine advertising and "in the face of our toughest competition ever." A new companion magazine, to be called *Architectural Digest Travels*, is slated to appear this fall, poly-shrink-wrapped as a single unit with the October issue of *Architectural Digest*. Devoted exclusively to travel, with the same upscale production and editorial features of *Architectural Digest*, the first issue will have 64 pages and be distributed to subscribers and newsstands at no extra cost. A second issue is planned for spring, 1987.

The proposed travel magazine already has garnered substantial advertiser interest, Mr. Losee says, and will be offered with the same rate base and advertising rates as those of *Architectural Digest*. One-time b&w page rate is $18,090.

Revenues produced by *Bon Appetit* also set new records, hitting a net $35 million in 1985, up 14% from the previous year. Advertising sales contributed $26.3 million gross, up 9.3% ac-

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*Executives of 13 city banks in Tokyo area **Of companies listed on the Stock Exchange

cording to PIB, with circulation adding another $16 million net, based on the yearend ABC-audited figure of 1,300,834.

Based on the success of *Bon Appetit's* role as culinary consultant to "New York's Master Chefs," a tv series that aired on PBS in 1984-85 and involved a cookbook produced by Knapp Press, the magazine's editors are working to prepare additional tv programing.

Home magazine (formerly *Hudson Home Magazine*) has produced continuous gains in circulation and advertising revenues since acquired by Knapp in 1981 when its circulation stood at 380,000. By the end of 1985 that figure had risen to more than 700,000 and to an all-time high of 800,000 in March, 1986.

The latest circulation jump, according to publisher George Fields, came at the same time *Home* gave its basic subscription rate a substantial 25% boost, from $12 up to $15 per year. "This augurs well for the future health of the magazine, despite an increasingly competitive and crowded field of vertical shelter magazines," Mr. Fields says.

Home produced total net revenues of more than $16 million in 1985, and although it lost a few percentage points in total pages sold, total ad sales of more than $7 million gross represented a 31% increase in ad revenues over 1984. Commenting on the magazine's fewer pages, Mr. Fields says, "the vertical shelter category has had no significant growth during the 1981-85 period, a time in which the number of competing magazines has grown to over 20. They're all wonderful magazines, so what you have is more and better magazines competing for what is basically a finite market."

Part of the editorial package in each issue of *Home* is the "Home Plans" section, containing sketches and floor designs. Working blue prints for these houses, created by architects and builders throughout the country, are sold to potential homebuilders through the mail. Now, however, these plans, with some 150 additional home designs, are published every quarter under the title *Best Selling Home Plans*, a new title in the Knapp magazine stable.

In the past year, with the moving of *Home's* editorial offices from New York to Los Angeles, all of Knapp's editorial and production were brought together at a single West Coast location. The move produced obvious cost reductions and operational efficiencies. The ad departments of the three publications continue to be based in New York.

Executive appointments during 1985 found two new members on the Knapp board of directors: Paige Rense, senior vp, corporate editor-in-chief and editor of *Architectural Digest*, and Karl H. Loring, corporate tax consultant and assistant treasurer. Another new director added in early 1986 was John O'Toole, recently retired chairman of Foote, Cone & Belding Communications.

Geo, purchased from German publisher Gruner & Jahr in 1979, was discontinued with the February, 1985, issue after going through several transformations. Its circulation had grown to 250,000 at the time of the closure.

MEDIA PROPERTIES
Magazines
Architectural Digest, AD (Milan), *Bon Appetit, Home* (general partner), *Best Selling Home Plans*. Pending October launch: *Architectural Digest Travels*.
OTHER OPERATIONS
Knapp Press, Rosebud Books, Wilshire Marketing Corp.

'U.S. News' in two-prong attack

In going after new readers, the *U.S. News & World Report* last November cut its subscription cost to $29 from $41, and launched this year a $2 million-plus tv and print campaign targeting new readers. Dancer Fitzgerald Sample, New York, selected last fall to replace Foote Cone & Belding, New York, handles.

Knight-Ridder Newspapers

RANK 10

Miami

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	1,679	1,619	3.7
Total sales	1,730	1,665	3.9
Net income	133	141	(5.8)
Sales by media			
Newspaper	1,534	1,489	3.0
Magazine	—	—	—
Broadcast	65	63	4.0
Cable	—	—	—
Other	80	67	19.6

Knight-Ridder Newspapers turned in a lackluster 1985 performance, including a drop in earnings on a slight increase in revenues that was affected largely by a 46-day strike at its Philadelphia newspapers. The company, this nation's 10th largest media company, also bought three tv stations from Gannett Co. and shut down Viewtron.

The Miami-based company then in April, 1986, took a stab at turning years of losses around at another newspaper property, the *Detroit Free Press*, by entering into a joint operating agreement with the rival *Detroit News*, which fell into Gannett ownership in 1985.

A company spokesman calls KRN's relationship with Gannett a "brotherly" one, and it is perhaps this that helped along the Detroit agreement, which still must receive federal government approval.

All operations but the newsrooms will be merged, abating a war that's been one of the hottest in American journalism and ending a fight for survival for both papers.

In the past five years, operating losses at the *Free Press* before corporate overhead exceeded $35 million. The *News*, as part of privately owned Evening News Assn., lost nearly $20 million.

KRN also moved to shut down some unprofitable enterprises. It closed the afternoon *Charlotte* (N.C.) *News* and merged the morning and evening papers in St. Paul, Minn.

Over-all, KRN net income dropped 5.8% in 1985 to $132.7 million, a decline largely related to the Philadelphia labor problems which forced closure of the paper from Sept. 7 to Oct. 23, 1985—longest in the paper's history and estimated to have cost KRN $50 million.

Total revenues were $1.73 billion, up 3.9% from 1984. The only nonmedia activity at KRN is HPBooks, a paperback publisher, TelAir, a car phone service, and commercial job printing and common carrier fleet operations in the Carolinas.

The company reports operating revenue from newspaper advertising and circulation at $1.53 billion, up only about 3% over 1984. Broadcast revenue of $65.2 million was up 4% from 1984, and business information services, including Commodity News Services, a supplier of news and pricing data to the futures market, grew by 19.6%, to $80.1 million. The company has a cable joint venture and carries returns from that unit only on an equity basis.

Knight-Ridder's media, 97.1% of total revenues, ranks it the 10th largest media company.

Despite its poor showing on the newspaper side—KRN says total newspaper ad revenues would have climbed to 5.6% if the Philadelphia papers had not had troubles, but only climbed 2.9%—KRN was able to return slightly more to shareholders in 1985 than in the previous year. Earnings, which climbed from $2.15 to $2.19 per share, were boosted by KRN's purchase of 14.5% of its own stock from founder John S. Knight's estate.

KRN boasts 10 consecutive years of earnings per share growth.

KRN in March, 1986, closed its Viewtron operation in South Florida that had been afflicted with heavy start-up costs and poor customer acceptance since its inception in October, 1983.

Viewtron is a consumer videotex service that ties personal computer owners with financial information, home banking, catalog shopping and travel information.

Customers balked at the numerous payouts that required the purchase of a special terminal at first and $35 to $50 monthly fees for subscription and phone hookup.

Viewtron's subscriber base grew to only 3,100 by last summer when it went national from its South Florida base offering software packages to consumers.

The base grew to 20,000, still not enough apparently to justify the expense. KRN invested $50 million to $60 million in Viewtron. Other media companies have had even less success with videotex experiments.

Times Mirror closed its Gateway videotex service in March, 1986, and Centel shut its service down in June, 1985. Both suffered losses.

Among its newspapers, over-all Sunday circulation was off 1.1% to 48,000, and average daily circulation dropped 2%, due to the closing of the *Charlotte News* and the merging of the a.m. and p.m. in St. Paul to form the *Pioneer Press & Dispatch*, an all-day paper whose weekday circulation dropped 5.6% to 186,927.

The *San Jose Mercury-News* provided the largest dollar profit growth of any Knight-Ridder unit. KRN also added eight new Neighbors sections and a new Business Monday section to its papers.

Knight-Ridder owns 27 dailies and five nondailies, four of them located in California.

In broadcast, KRN added three tv stations to its stable this year, bringing the total to eight in as many states. KRN spent $160 million to acquire two NBC affiliates (KTVY in Oklahoma City and WALA-TV in Mobile, Ala.) and one CBS affiliate, (KOLD-TV in Tucson, Ariz.).

It sold its interest in Long Beach Cablevision Co., a joint venture with Times Mirror Co., and claims to penetrate 56% of the New York and New Jersey market where TKR Cable Co. operates.

TKR is a joint venture with Tele-Communications Inc., Denver.

In January, 1986, KRN's Wichita (Kan.) *Eagle-Beacon* launched Laboratory/Wichita, offering national advertisers signing a contract for a minimum of six full-page ads a rate that nets the same after agency commission as the local retail rate.

KRN believes it will sell enough national advertising to make up for the 33% to 34% rate differential. KRN says the experiment is being received very well.

There were also a number of major personnel changes.

Dan Gold, president and chief operating officer of Comcast Cable Communications, came aboard as president and ceo of Knight-Ridder Broadcasting. Tony Ridder, publisher of the *San Jose Mercury-News*, became the first president of the new newspaper division.

Bill Ott, senior vp-operations, moved to the position of publisher of the San Jose paper.

KRN's *Journal of Commerce*, a 22,000-circulation transportation and trade newspaper and part of its business information services, acquired Transax Data Corp., a filer, monitor and publisher of ocean shipping tariffs. The *Journal* also launched a West Coast edition, betting that the area would continue to grow in trade and commercial activity.

KRN says its Vu/Text, used by the *Washington Post* and the *Boston Globe*, is now the largest newspaper database in the world.

But newspapers remain Knight-Ridder's chief business, with circulation and advertising revenue amounting to 88% of KRN's total operating revenue. The *Philadelphia Inquirer* and *Daily News* contribute 19% of operating revenues to the company. The *Miami Herald* follows with 16%.

MEDIA PROPERTIES
Broadcasting
TV: WJRT-TV, Flint, Mich.; WKRN-TV, Nashville; WPRI-TV, Providence, R.I.; WTEN, Albany, N.Y.; WTKR-TV, Norfolk, Va; KOLD-TV, Tucson; KTVY, Oklahoma City; WALA-TV, Mobile, Ala.
Cable/video
SYSTEMS: TKR Cable Co. (jointly owned with Tele-Communications Inc.): NEW JERSEY: Aberdeen, Barnegat Light, Beach Haven, Bernards, Bound Brook, Bridgewater, Dunellen, Edison, Elizabeth, Green Brook, Hamilton, Harvey Cedars, Highland Park, Keansburg, Key Port, Long Beach, Manville, Matawan, Metuchen, Middlesex, Milltown, Montvale, New Brunswick, Old Bridge, Piscataway, Raritan, Sayerville, Ship Bottom, Somerville, South Amboy, South Bound Brook, Surf City, Union Beach, Warren, Watchung. NEW YORK: Rockland County.
Newspapers (dailies)
CALIFORNIA: *Long Beach Press Telegram, Pasadena Star-News, San Jose Mercury News-AM, San Jose Mercury News-PM.* COLORADO: *Boulder Daily Camera.* FLORIDA: Boca Raton News, Bradenton Herald, Miami Herald, Tallahassee Democrat. GEORGIA: Columbus Enquirer, Columbus Ledger, Macon Telegraph and News, Milledgeville Union-Recorder. INDIANA: *Fort Wayne News-Sentinel, Gary Post-Tribune.* KANSAS: *Wichita Eagle-Beacon.* KENTUCKY: *Lexington Herald-Leader.* MICHIGAN: *Detroit Free Press.* MINNESOTA: *Duluth News-Tribune & Herald, St. Paul Pioneer Press and Dispatch.* NORTH CAROLINA: *Charlotte Observer.* NORTH DAKOTA: *Grand Forks Herald.* OHIO: *Akron Beacon Journal.* PENNSYLVANIA: *Philadelphia Daily News, Philadelphia Inquirer, State College Centre Daily Times.* SOUTH DAKOTA: *Aberdeen News American.*
Newspapers (nondailies)
CALIFORNIA: *Arcadia Tribune, Duartean* (Duarte), *Monrovia News-Post, Temple City Times.* FLORIDA: *Florida Keys Keynoter.*
Other media operations
Commercial Terminals of Detroit, HP Books, Knight-Ridder Newspaper Sales, KNT News Services, Observer Transportation Co., Portage Newspaper Supply Co., Roconex Corp., Seattle Times (49.5% ownership), Southeast Paper Manufacturing Co. (33⅓% ownership), TelAir Network, Twin Cities Newspaper Services, *Walla Walla Union-Bulletin* (49.5% ownership), Viewdata Corporation of America.
OTHER OPERATIONS
Commodity Services Division: American Quotation Systems, Commodity News Service, Commodity Perspective, Commodity Research Bureau. Financial Services Division: Knight-Ridder Financial News, Knight-Ridder Software, MoneyCenter, Tradecenter, Unicom News. Journal of Commerce: *Journal of Commerce*, PIERS (Port Import/Export Reporting Service), RATES (Rapid Access Tariff Expediting Service), Transax Data Corp., VU/TEXT Information Services.

Kohlberg Kravis Roberts & Co.

RANK 19

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	788	729	5.4
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
Sales by media			
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	278	285	(2.5)
Cable	491	444	10.5
Outdoor	—	—	—

Kohlberg Kravis Roberts & Co., a New York-based private investment banking firm which owns media through its leveraged buyouts of Wometco Enterprises and Storer Communications, whittled down its media interests in late May, 1986, by selling seven tv stations to Lorimar-Telepictures Corp.

The sale for $1.85 billion in effect liquidates the tv side of Storer, which along with Storer's cable unit, was purchased by KKR for $2.5 billion in November, 1985.

Lorimar-Telepictures, Culver City, Cal., announced it would created a new company to house its growing tv side. The company, formed in February, 1986, in a merger between Lorimar Inc. and Telepictures Corp., already owned five tv stations in smaller markets. That 12-member tv unit is sure to rank among the leading 100 media companies next year.

KKR, ranked the 19th largest media company on the basis of its media properties in 1985, draws its media revenues from its two media buyouts, both of which have substantial tv and cable divisions.

Storer, bought mid-year by KKR, had yearend revenues of $592.4 million, up 10.4%. Operating income was $97 million, up 54%. Storer reported a net loss of $23 million in 1985 and $16.7 million in 1984. A full year of Storer is included in KKR totals even though its buyout was not concluded until November.

Lorimar-Telepictures acquired six of the seven-unit Storer broadcast segment, a segment which in 1985 had total revenues of $202.6 million. Tv properties sold were: KCST-TV, the San Diego NBC affiliate; and CBS affiliates, WAGA-TV, Atlanta, WJBK-TV, Detroit, WJKW-TV, Cleveland, and WITI-TV, Milwaukee; and independent, WSBK-TV, Boston. These units went for $1.45 billion.

Not sold was WTVG, Toledo. The FCC in 1985 granted KKR an 18-month waiver to weigh the possible sale of stations, WTVG, WJBK-TV in Detroit and WJKW-TV in Cleveland, whose signals overlap. There is nothing now pressing KKR to sell off the Toledo unit.

The seventh station came from the Wometco tv side-WTVJ-TV, Miami-for which Lorimar-Telepictures paid $405 million. This CBS affiliate is the dominant property in Wometco's broadcast unit, and was put up for sale in April, 1986, to comply with FCC regulations prohibiting ownership of a tv and cable operation in the same market. Kohlberg Kravis Robert's acquisition of Miami-based Storer gave the company it cable operations in the Miami area.

Wometco's other tv properties include WWHT, Newark, WSNL-TV, Smithtown, N.Y., and WLOS, Asheville, N.C., Greenville and Spartanburg, S.C. This four-unit division had revenues of an estimated $75 million in 1985, down from $100 million the prior year when a partial year of KTLA in Los Angeles was included. KTLA was sold in mid-1984 to Tribune Co. Industry sources expect KKR to dump WWHT in Newark, a small uhf station said to be unprofitable, according to media sources.

On the cable side, Storer is the major player with cable revenues of $389.8 million in 1985. Wometco had total cable revenues of an estimated $101 million.

Storer's subscriber base expanded 6.6% to nearly 1.6 million from 1.5 million in 1984. That includes 1.3 million subscribers which Storer describes as "premium subscribers" who get additional specialized programing beyond the company's typical offerings.

As of Dec. 31, 1985, Storer held franchises providing cable services to approximately 450 communities in 17 states. The sale of two systems—Minnesota for $23 million and Arizona for $23.5 million—are expected to occur the end of this month. Wometco's cable subscriber base rose 1.1% to 308,427.

Storer Cable operates systems in South Florida (142,600), West Florida (155,900), Georgia (60,500), Alabama (70,900), South Carolina (56,800), Kentucky (205,600), Capital area (106,200), New Jersey (177,300), Connecticut (101,200), Dallas/Fort Worth (70,300), Houston (92,400), Arkansas (64,200), Arizona (25,400), Northern California (49,400), Southern Cal. (96,200), Oregon (33,700) and Minnesota (24,500).

Storer continued this year with its plan to "cluster" its cable systems for marketing and operating efficiency. That plan began last year when Storer swapped cable systems with Times Mirror Cable. Storer traded its Phoenix, Paradise Valley, Mesa, Ariz., and Laguna, Cal. systems for Times Mirror's Louisville, North Little Rock/Jacksonville, Ark., and Point Pleasant Beach, N.J., systems. Those systems all are adjacent to existing Storer operations.

Storer also sold several stand-alone systems, including the Arizona and Minnesota sales and its Washington Country, Ore., system.

The company continued its emphasis on remarketing and retention programs in its service areas through four or five national marketing programs per year, a spokesman says. Those include direct mail, telemarketing and door-to-door sales programs aimed at increasing the system's penetration.

Storer also has been developing an in-house advertising sales program. Many of its stations have been selling ad space for four or five years, but Storer wants to make the practice more widespread among its systems, making ad sales play "a larger role in our revenue stream," the spokesman says.

KKR is among the leaders in leveraged buyouts, shepherding the $6 billion acquisition of Beatrice Cos. earlier this year. In 1985, KKR handled a total of $6 billion worth of leveraged buyouts, including the $2 billion acquisition of Storer Cable, Miami.

KKR got Wometco Enterprises in Miami in a $1 billion buyout in March, 1984. A leveraged buyout is when a group of investors buy a company from its stockholders by combining bank loans with high yield, high risk "junk" securities. The group usually includes an investment firm, like KKR. The high debt of a boughtout company usually is retired through cash from continuing operations or by selling off assets.

MEDIA PROPERTIES

Broadcasting

TV: WTVG, Toledo, O.; WJBK-TV, Detroit, WJKW-TV, Cleveland; WWHT Newark, N.J.; WSNL, Smithtown, N.Y.; WLOS, Asheville, N.C./Greenville-Spartanburg, S.C.

Cable/video

SYSTEMS: ALABAMA: Wometco Cable TV of Alabama-Daleville, Dothan. GEORGIA: Alert Cable TV-Fort Benning; Wometco Cable TV of Clayton County-Jonesboro, Fayette County, Fulton County (Hapeville), Cobb County (Marietta), Conyers-Rockdale (Conyers); Wometco Cable TV of Georgia-Douglasville, Kennesaw, Mableton, Snellville. LOUISIANA: Cable TV of Pointe Coupee-New Roads; Church Point Cable TV-Church Point; Jeff Davis Cable TV-Jennings; Lafourche Communications-Chackbay, Labadieville, Manjeville, Thibodaux; River Parish Cable TV-Vacherie; St. Landry Cable TV-Opelousas; Cable TV of Acodiana-Eunice; St. Tammany Cablevision-Slidell. MISSISSIPPI: Picayune Cablevision-Picayune. NORTH CAROLINA: Alert Cable TV of Goldsboro-Goldsboro; Alert Cable TV of North Carolina-Carrboro, Cary, Cherry Point, Elizabethtown, Fairmont, Farmville, Garner, Guilford County, Pembroke, Roeford, Red Springs, Reidsville/Stoneville, Selma, St. Pauls, Wake Forest/Wendell; Alert Cable TV of Wilson-Wilson. OKLAHOMA: Alert Cable TV of Oklahoma-Pryor. SOUTH CAROLINA: Alert Cable TV of South Carolina-Andrews, Georgetown, Lake City/Bishopville, Summerville, Johnsonville, Kingstree; Columbia Cable TV Co.-Columbia; Manning. GRAND BAHAMAS: Grand Bahama CATV-Freeport, Storer Cable Communications: ALABAMA: Baldwin County, Bay Minette, Brundidge, Chilton County, Clanton, Daphne, Elba, Elmore, Fairhope, Florala, Geneva, Hartford, Lockhart, Montgomery, Oak Grove, Prattville, Samson, Slocomb, Sylacauga, Troy. ARKANSAS: Bryant, Cammack Village, Jacksonville, Little Rock, North Little Rock, Pulaski County, Sherwood. CALIFORNIA: Anaheim, Calistoga, Cotati, Fairfield, Fillmore, Hermosa Beach, Kern County, Los Angeles County, Manhattan Beach, Napa, Ojai, Orange County, Placer County, Rohnert Park, St. Helena, Santa Paula, Sebastopol, Solano County, Sonoma County, Suisun, Thousand Oaks, Ventura County, Villa Park, Yountville. CONNECTICUT: Chester, Clinton, Deep River, Durham, Essex, Groton, Haddam, Hamden, Killingworth, Ledyard, New Haven, North Stonington, Old Saybrook, Stonington, U.S. Naval Facility-Groton, Voluntown, West Haven, West Brook. DELAWARE: Blades, Camden, Cheswold, Clayton, Delmar, Dover, Dover Air Force Base, Georgetown, unicorporated Kent & Sussex Counties, Laurel, Lewes, Milford, Rehoboth Beach, Smyrna, Seaford, Wyoming. FLORIDA: Altamonte Springs, Arcadia, Avon Park, Bartow, Blountstown, Biscayne Park, Bristol, unicorporated Broward County, Charlotte County, Chattahooche, Chipley, Dade County, DeFuniak Springs, DeSoto County, El Portal, Fort Meade, Frostproof, Graceville, unicorporated Hardee County, Highlands County, Hillcrest Heights, Hollywood (85% interest), Lake Mary, Lake Placid, Lee County, Lehigh Acres, Longboat Key, Maanatee County, Metropolitan Dade County, Miami Shores, Miramar, North Miami, North Miami Beach, North Port, Pembroke Park, Pembroke Pines, unicorporated Polk County, Punta Gorda, Sarasota County, Sebring, Seminole County, Seminole Tribe of Florida, Venice, Waucnula. GEORGIA: Adel, Albany, Americus, Ashburn, Bainbridge, Berrien County, Camilla, Colquitt, Cook County, Cordele, Dawson, Donalsonville, Ellaville, Lee County, Leesburg, Miegs, Moultrie, Nashville, Omega, Pelham, Poulan, Sparks, Sumter County, Sycamore, Sylvester, Tift County, Tifton, Vienna. KENTUCKY: Anchorage, Audubon Park, Bancroft, Barbourmeade, Beechwood Village, Bellemeade, Bellewood, Blue Ridge Manor, Boone County, Bowling Green, Briarwood, Broadfields, Broeck Point, Brownsboro Farm, Brownsboro Village, Campbell County, Cambridge, Cherokee, Cherrywood Village, Creekside, Crossgate, Devondale, Douglass Hills, Druid Hills, Fairmeade, Fincastle, Forest Hills, Glenview Hills, Glenview Manor, Goose Creek, Graymore, Green Springs, Hickory Hill, Hills and Dales, Hollow Creek, Hollyvilla, Hurstbourne Acres, Indian Hills, Jefferson County, Jeffersontown, Keeneland, Kenton County, Kingsley, Langdon Place, Lincolnshire, Louisville, Lyndon, Lynnview, Manor Creek, Maryhill Estates, Meadowbrook Farm, Meadow Vale, Meadowview Estates, Middletown, Minor Lane Heights, Mockingbird Valley, Moorland, Newport, Norbourne Estates, Northfield, Norwood, Oakland, Old Brownsboro Place, Parkway Village, Pewee Valley, Plantation, Plum Springs, Plymouth Vallage, Prospect, Richlawn, River Bluff, Riverwood, Robinswood, Rolling Hills, Rolling Fields, St. Matthews, St. Regis Park, Seneca Gardens, Shivley, Smiths Grove, Springlee, South Park View, Strathmoor Manor, Strathmoor Village, Sycamore, Ten Broeck, Thornnill, Warren County, Watterson Park, Wellington, West Point, Westwood, Whipps Millgate, Wildwood, Winding Falls, Windy Hills, Woodburn, Woodland Hills, Woodland Park, Worthington Hills. MARYLAND: Delmar, Fruitland, Hebron, Howard County (90% interest), Pocomoke City, Princess Anne, Salisbury, Show Hill. NEW JERSEY: Allenhurst, Atlantic Highlands, Bay Head, Belvidere, Beverly, Bordentown, Brick Township, Cinnaminson, Delanco, East Brunswick, Burlington, Califon, Clayton, Cranbury, Deal, Delran, Deptford, East Greenwich, East Windsor, Eatontown, Edgewater Park, Fair Haven, Franklin, Freehold, U.S. Government-Fort Monmouth, Glassboro, Glen Gardner, Greenwich, Hackettstown, Hampton, Hazlet, Helmetta, High Bridge, Highlands, Highstown, Holmdel, Independence, Jamesburg, Lambertville, Lebanon, Liberty, Little Silver, Loch Arbor, Long Branch, Mansfield, Mantura, Mantoloking, Middletown, Monmouth Beach, Monroe, Mt. Olive, National Park, North Plainfield, Oceanport, Oxford, Palmyra, Paulsboro, Plainfield, Plainsboro, Pt. Pleasant, Pt. Pleasant Beach, Red Bank, Riverside, Riverton, Roosevelt, Rumson, Sea Bright, Shrewsbury, Spotswood, South Brunswick, South Plainfield, Tinton Falls, Washington (Morris & Warren County), Weronah, West Deptford, West Long Branch, Westhampton, Westville, White, Wilfingboro, Woodbury, Woodbury Heights. OREGON: Banks, Beaverton, Clackamas County, Cornelius, Durham, Forest Grove, Hillsboro, King City, Lake Oswego, River Grove, Sherwood, Tigard, Tualatin. PENNSYLVANIA: New Hope. SOUTH CAROLINA: Berkley County, Charleston, Charleston Air Force Base, Colleton County, Goose Creek, Hanahan, Isle of Palms, Mount Pleasant, North Charleston, Sullivan's Island, Summerville, Walterboro, U.S. Marine Corps Air Station-Laurel Bay, U.S. Naval Station-Hunley Park, unicorporated Charleston County. TEXAS: Addison, Alvin, Bayou Vista, Bedford, Brookside Village, Carrollton, Cedar Hill, Clear Lake Shore, Cockrell Hill, Colleyville, DeSoto, Dickinson, El Lago, Euless, Friendswood, Garland, Glenn Heights, Grand Praire, Hebron, Hillcrest Village, Hitchcock, Hutchins, Kemah, LaMarque, Lancaster, League City, Magnolia, Nassau Bay, North East Houston (91% interest), Oak Ridge, Pearland, Red Oak, Rockwell, Rowlett, Santa Fe, Seabrook, South East Houston, Sunnyvale, Taylor Lake Village, Texas City, Tomball, Webster. VIRGINIA: Chesterfield.

Other media operations

Golden West Subscription of Dallas; Golden West Productions; Golden West Videotape and Golden West Television Distribution.

'Post' seeks youth via tv

Washington Post in 1985 spent a measured $1 million on its first tv image campaign designed to convince younger readers to subscribe. This year, the paper is putting its ad budget behind its Sunday magazine and may break a consumer campaign in the fall. Needham Harper Worldwide, Washington, handles.

RANK 44

Landmark Communications

Norfolk, Va.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	259	225	15.1
Total sales	262	229	14.4
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	217	192	13.0
Magazine	—	—	—
Broadcast	36	28	28.6
Cable	6	5	20.0
Outdoor	—	—	—

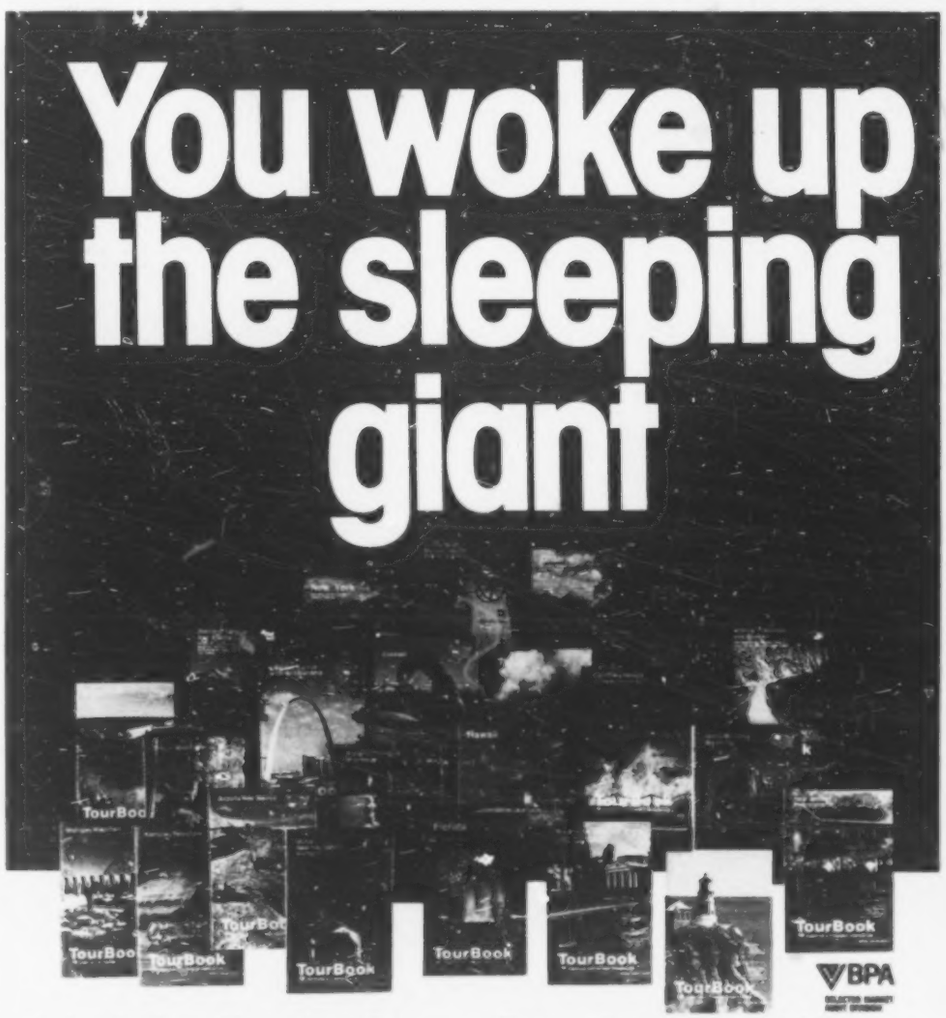
Growth at Landmark Communications in 1985 showed steady improvement in publishing and a sizable increase in broadcasting and video enterprises, where revenue contributions from The Weather Channel helped push up revenues in that division by 27.3%.

The Norfolk, Va.-based company, ranked the 44th largest media company, remains largely a newspaper company in which 82.8% of total revenues are generated by print media. Newspaper revenues, which grew 13% for the year—strong for newspaper groups in 1985—nonetheless could not match revenue growth from the broadcast side.

After losing money each year since it was founded in 1981, the Atlanta-based, 24-hour cable TWC came close to breaking even in 1985. "It was real close," says Douglas S. Holladay Jr., TWC vp-administration. "And as we look at 1986, it is going to be a good year." Cable systems under contract rose to 1,962 from 1,486 in 1984, with the channel carried in almost 20 million homes at yearend 1985, compared with 16 million the year before.

Aside from subscriber growth, the revenues stream at TWC felt the impact of subscriber fees Landmark has begun charging cable operators, ranging from 3 cents a month per customer for larger markets to 5 cents in smaller markets. Those fees generated TWC an estimated $9 million in 1985. The channel also recorded additional ad revenue.

Mainstay of Landmark's broadcasting and video operations are KNTV, an ABC affiliate in San Jose, Cal.; KLAS, a CBS tv affiliate in Las Vegas; two radio stations in Norfolk, Va. Norfolk radio stations WTAR and WLTY (fm) reported record revenues and profits in 1985 and ranked No. 1 in their market for combo stations. Continued growth is expected for KLAS in the fast-growth Las Vegas tv market. Record audiences were re-



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Landmark is seeking to extend its broadcast holdings by bidding with others for WHAS-TV, the Louisville station being sold by the Bingham family to dissolve the Courier-Journal & Louisville Times Co. At least three others are bidding on the station, estimated to cost from $65 million to $90 million.

Bedrock of Landmark's operations, however, remains publishing, particularly the Norfolk *Virginian-Pilot* and *Ledger-Star*, the *Roanoke Times & World News* and the *Greensboro* (N.C.) *News & Record*, each of which operated as separate divisions. The three dailies, with combined daily circulation of 463,000 and Sunday of 479,000, while showing only small circulation gains, marked consistent advertising revenue increases in 1985. Together, the three publications represented 82% of Landmark's publishing revenues in 1985, a 1% drop from 1984.

At the *Virginian-Pilot* and *Ledger-Star*, where record profits were recorded in 1985, the newspapers were redesigned to modernize typefaces and format, and carrier delivery was implemented for *EXTRA*, the papers' total market coverage publication, in response to postal moves to eliminate second-class mailing privileges. *EXTRA* now covers virtually all of Norfolk and is moving into Virginia Beach.

At the *Greensboro News & Record*, circulation increased every month, continuing a trend that began in August, 1983. But the newspaper discontinued in February its afternoon edition in the face of falling circulation. The *News & Record* began publishing the *Ledger*, a weekly tmc tabloid with a circulation of 389,000 distributed free to every household in the Piedmont Triad market.

And the *News & Record* purchased Triad Printing Co. in Winston-Salem, N.C., which publishes *Trading Post*, a classified tabloid, and *Wheels & Deals*, an auto trader quarterfold book. Triad also has a commercial printing business.

The *Roanoke Times-World News* published its first full edition on offset presses in August, and process color began. Operating income before depreciation established a new high.

Landmark Community Newspapers Inc. is comprised of four community daily newspapers and 23 nondailies, with total paid circulation of 186,000 in California, Florida, Illinois, Indiana, Iowa, Kentucky, Maryland, Mississippi, New Mexico, North Carolina, Virginia and West Virginia. One of the division's daily newspapers, the *Mount Vernon* (Ind.) *Democrat*, was converted from daily to twice weekly in May, and the *News-Enterprise*, Elizabethtown, Ky., launched a Sunday edition in September, as did the *Daily Californian*, El Cajon, Cal., in August, although it dropped its Monday edition.

LCNI also publishes 26 shoppers with total distribution of 330,000, adding shopper publications in 1985 in Tupelo, Miss.; Crystal River, Fla., and Tuscaloosa, Ala. The division purchased *Antiques & Collectibles*, serving Southern California, and began publishing *Apartments of Greater Baltimore*. LCNI also publishes *Florida Nursing News*, *Senior World* and *Homes of York-Adams County*, Westminster, Md.

LCNI's Special Publications branch publishes *Port Folio*, *Spectator Magazine of the Triad*, *Style Inc.*, and *Gambit*, free-distribution newsprint magazines covering leisure-time activities in, respectively, Virginia Beach, Greensboro, Richmond and New Orleans. *Gambit* began publication in 1985 with a circulation of 35,000. These magazines are carried under the totals for newspapers in this report.

Change is just ahead for TWC as the channel attempts to implement the results of national viewership surveys conducted last fall to identify areas of potential programing improvement. Officials haven't announced results of the study, but Mr. Holladay says one likely result will be the introduction in 1986 of state-of-the-art graphics to enhance the look of the on-air product.

"We absolutely feel very comfortable with our progress at TWC," Mr. Holladay says. "We are progressing along, meeting the goals and objectives of our business plan."

MEDIA PROPERTIES

Broadcasting

TV: KLAS-TV, Las Vegas; KNTV, San Jose, Cal.

RADIO: WTAR, WLTY (fm), Norfolk, Va.

Cable/video

CHANNELS: The Weather Channel.

Magazines

Antiques & Collectibles (Southern California); *Apartments of Greater Baltimore*, *Florida Nursing News*, *Gambit*, *Homes of York-Adams County* (Westminster, Md.); *Port Folio* (Hampton Roads, Va.); *Senior World* (South Florida, San Diego, Orange County, Santa Barbara); *Spectator Magazine of the Triad* (Greensboro, N.C.); *Style Inc.* (Richmond, Va).

Newspapers (dailies)

CALIFORNIA: *El Cajon Daily Californian*. KENTUCKY: *Elizabeth News Enterprise*. MARYLAND: *Westminster Carroll County Times*. NEW MEXICO: *Los Alamos Monitor*. NORTH CAROLINA: *Greensboro News & Record*. VIRGINIA: *Norfolk Virginian Pilot*, *Ledger-Star* (Norfolk), *Roanoke Times & World News*.

Newspapers (nondailies)

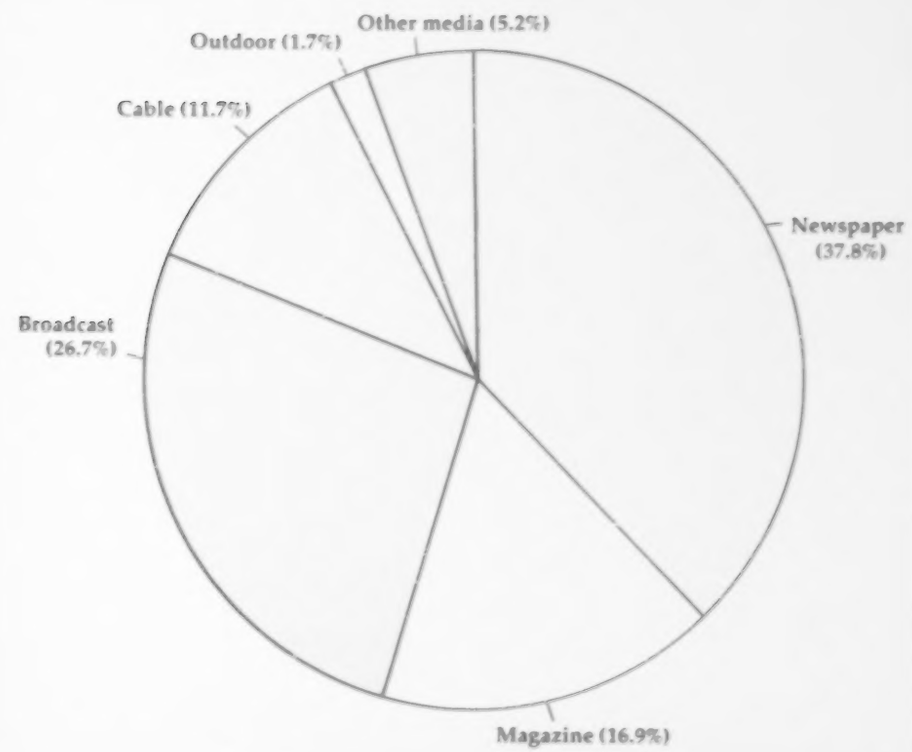
FLORIDA: Citrus County Chronicle (Inverness); *Sumter County Times* (Bushnell). ILLINOIS: *Vandalia Leader Union*. INDIANA: *Journal & Democrat* (Rockport), *Mount Vernon Democrat*, *News* (Tell City). IOWA: *Opinion Tribune* (Glennwood), *Red Oak Express*. KENTUCKY: *Anderson News* (Lawrenceburg), *Henry County Local* (New Castle), *News Democrat* (Carrollton), *Casey County News* (Liberty), *Central Kentucky News-Journal* (Campbellsville), *Cynthiana Democrat*, *Lebanon Enterprise*, *Oldham Era* (La Grange), *Shelbyville Sentinel-News*, *Springfield Sun*, *Trimble Banner Democrat* (Bedford). MARYLAND: *Reisterstown Community Times*, *Randallstown News*. MISSISSIPPI: *New Albany Gazette*. WEST VIRGINIA: *Gazette* (Galax). Also, 26 shoppers plus special interest magazines and Capital-Gazette Newspapers, Annapolis, Md. (49.9% owned).

100 media cos. revenues

Media	Total revenues 1985	Total revenues 1984	% chng	Cos. with revenue 1985	Cos. with revenue 1984
Newspaper	$19,909	$18,110	9.9	52	51
Magazine	8,920	8,158	9.3	43	43
Broadcast	14,060	13,228	6.3	55	52
Cable	6,148	5,377	14.4	37	38
Outdoor	895	702	27.5	8	6
Other	2,736	2,210	23.8	10	10
Total	52,668	48,097	9.5	100	100

NOTE: Dollars in millions

Revenues by media as % of $52.7 billion



RANK 62

Lee Enterprises

Davenport, Ia.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	183	169	8.2
Total sales	207	190	8.7
Net income	31	27	15.0

Sales by media	1985	1984	% chg
Newspaper	132	121	8.9
Magazine	—	—	—
Broadcast	52	49	6.8
Cable	—	—	—
Outdoor	—	—	—

Many of Lee Enterprises' newspaper and broadcast properties may be located in America's long-suffering heartland, but that has not kept the Davenport, Ia.-based company from its steady growth performance. Only once since 1969, when Lee went public, has there been an earnings decline.

While most newspaper companies had an increase in earnings of less than 10% in 1985, Lee, the nation's 62nd largest media company, recorded a 13% improvement for a new record. It also used some of its cash in 1985 to buy into a tv station, extend its ownership of a newspaper and repurchase substantial quantities of Lee common stock.

In March, the company acquired 42% of New Mexico Broadcasting Co., owner of CBS affiliate KGGM-TV in Albuquerque, N.M. John S. Stemlar, vp-finance and treasurer, says Lee "likes to buy minority interests in properties we feel have long-term potential. We have no particular timetable for increasing our stake."

Underscoring that point, Lee purchased in May the remaining minority interest in Bismarck Tribune Co. in Bismarck, N.D. During the third quarter, it also distributed 1.5 million shares to stockholders of New America Fund Inc., a closed-end investment company. New America has owned an interest in Lee Enterprises since 1974. This partial liquidation to more than 4,000 shareholders doubled the number of Lee shareholders during the year.

Exclusive of the Bismarck Tribune, revenues for Lee's newspaper operations increased 7% in 1985. Newspaper advertising revenues edged forward by 3%, while circulation revenues jumped 12%, a direct result of increasing rates rather than circulation. Of the 18 dailies in the Lee chain, 14 suffered circulation declines in both the weekday and Sunday paper. Only the Bismarck, Lincoln, Neb., and Madison, Wis., papers had daily and Sunday gains. The lead paper, the *Wisconsin State Journal* in Madison, registered 77,559 for the morning paper, a slight improvement over a year earlier, and a 3.2% gain to 144,847 for the Sunday, according to ABC averages for the period ended March 31, 1986.

The over-all gain in circulation revenue helped offset a soft national advertising demand and the continuing shift of local display advertising to inserts. The preprints, locally and nationally, generate less revenue and are costlier to distribute.

Lee devoted the decade of the '70s to upgrading plant and equipment and increasing productivity in its newspaper operations. In this decade, the emphasis is on increasing revenues. In light of the current state of the economy, president Lloyd G. Schermer sees increased community involvement in Lee's markets as one of the keys to increased sales.

At the *Quad-City Times* in Davenport, for example, publisher John Gardner has taken a very active role in the Future Davenport Group, which is helping to prepare the community's response to potential business prospects as it shifts from heavy dependency on the farm-equipment economy.

For the second successive year, one of Lee's newspaper properties, the *Southern Illinoisan* in Carbondale, converted from afternoon to morning publication. Because of the large number of afternoon dailies in the primary market area, the newspaper's executives believed a morning edition could better meet the needs of advertisers and readers.

In addition to its 18 newspapers, Lee has one more print medium, *Western Business*. A monthly magazine started three years ago by the *Billings Gazette*, it serves as a business publication in Montana, Wyoming, North Dakota and South Dakota.

Publisher Wayne Schiele says the magazine has a strong readership among its 22,000 subscribers. About one-third of the circulation is paid. The magazine is beginning to turn the corner toward profitability, and Mr. Schiele says plans are under way to convert many of the nonpaid subscribers to paid. "We are hopeful of maintaining a paid circulation of 12,000 to 14,000," he says.

Broadcast revenues for 1985, compared with 1984, showed a 7% increase. Operating profit was up 28%. Improved results were most in evidence at Lee's CBS-TV affiliate in Honolulu, KGMB. In November, the company exercised its option to purchase two satellite stations on the islands of Maui and Hawaii. These two stations rebroadcast programs received from KGMB.

A popular Honolulu game show, "$9,000 Jackpot Bingo," broadcast over KGMB, has been syndicated and is being carried on three other stations in the country, including Lee's KOIN-TV in Portland, Ore. The syndicated version is titled "Bingo USA," and viewers can play by using special bingo cards available in the markets where the program is aired.

Lee's tv property in Huntington-Charleston, W.Va., WSAZ-TV, ended 35 years of network interconnection by microwave and coaxial cable when the station installed two new satellite dishes and began receiving the NBC-TV network by way of Ku-band satellite transmission.

NAPP Systems, Lee's joint venture with Nippon Paint Co. of Osaka, Japan, continues among the leading manufacturers of photopolymer letterpress plates in the world. The Lee subsidiary maintains a 50% share in a competitive market.

A pilot manufacturing facility and research and development center are planned for this segment of Lee's operation. The manufacturing facility will be used to produce NAPPflex, the world's first premanufactured, water-processible flexographic printing plate for newspapers.

NAPP Systems plates are marketed worldwide, and with the gradual conversion from letterpress to offset, the company is beginning to examine the

feasibility of manufacturing plates for offset presses as well.

Another Lee subsidiary, Call-It Co., has been involved for three years in developing an interactive audiotext system, enabling telephone users to gather information. Continuing research to expand the capabilities of computer software used in the verbal transmission of information is expected to enable Call-It Co. to add to Lee's future earnings.

MEDIA PROPERTIES

Broadcasting

TV: KGGM-TV, Albuquerque, N.M. (42% ownership); KGMB, Honolulu; KHQA-TV, Hannibal, Mo.; KOIN-TV, Portland, Ore.; WSAZ-TV, Huntington, W. Va.

RADIO: WTAD, WQCY (fm), Quincy, Ill.; KFAB, KGOR (fm), Omaha, Neb. (partially owned by Journal-Star Printing Co.).

Magazines

Western Business (Billings, Mont.).

Newspapers (dailies)

ILLINOIS: *Decatur Herald & Review, Kewanee Star Courier, Southern Illinoisan Review* (Carbondale). IOWA: *Mason City Globe-Gazette, Muscatine Journal, Ottumwa Courier, Quad-City Times* (Davenport). MINNESOTA: *Winona Daily News*. MONTANA: *Billings Gazette, Butte Montana Standard, Helena Independent Record, Missoula Missoulian*. NEBRASKA: *Lincoln Star*. NORTH DAKOTA: *Bismarck Tribune*. OREGON: *Corvallis Gazette-Times*. WISCONSIN: *La Crosse Tribune, Racine Journal, Wisconsin State Journal* (Madison).

Other media operations

Video Times (videotex).

OTHER OPERATIONS

NAPP Systems (U.S.A., manufacturer of graphic system products); Call-It Co.

RANK **70**

LIN Broadcasting

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	163	143	14.2
Total sales	172	149	15.4
Net income	36	29	23.0

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	17	14	21.0
Broadcast	146	129	13.5
Cable	—	—	—
Outdoor	—	—	—

LIN Broadcasting, the nation's 70th largest media company, has taken time out from buying media properties, devoting itself to building its cellular phone business. The New York-based company, however, continued to report record revenues and earnings in 198[illegible].

Media revenues for the year increased only 14% compared with a 40% growth between 1983 and 1984 when it acquired two Indiana tv stations from A.H. Belo Corp. in February, 1984.

The company continues to look for broadcast properties "if they make sense by adding to shareholder value and to the value of the company," says Michael Plouf, vp-corporate development and treasurer.

LIN entered into an agreement to sell its only nonmedia business, a New York radio paging service, to NYNEX for an undisclosed amount. The company sold the service because it believed the business "was not significant enough to constitute a separate part of our operations," Mr. Plouf says.

Nonwireline cellular telephone communications, a new business for LIN, got a boost in early 1986 when LIN increased its interest in its Dallas and Houston cellular operations; in Dallas to 64% from 60%, and to 50% from 21% in Houston. LIN also owns 45% of a system in New York, a 35% interest in Los Angeles and 51% in Philadelphia.

Settlements over licensing of the cellular companies have been reached in LIN's favor in three of the five markets; two suits from competitors still are pending.

The company has high hopes for the future of its cellular investments, but expects that marketing and development costs may have a negative impact on earnings over the next few years.

During the past year LIN consolidated its two hotel city guides, *GuestInformant* and *Leisureguides*, into a single operation under the *GuestInformant* banner. It is expanding the information guide service within its existing markets and has added one new market, Hawaii.

Revenues from radio operations were relatively flat last year, pulled down largely by weak ratings of KILT (am, fm) in Houston. LIN reported its tv division had a 16% increase in revenues.

MEDIA PROPERTIES

Broadcasting

TV: WAND, Decatur/Champaign/Springfield/Danville, Ill.; KTVV, Austin, Tex.; KXAS-TV, Dallas/Fort Worth; WAVY-TV, Portsmouth/Norfolk/Newport News/Hampton, Va.; WOTV, Grand Rapids, Mich.; WISH-TV, Indianapolis; WANE-TV, Fort Wayne, Ind.

RADIO: WIL (am, fm), St. Louis; WBBF, WMJQ (fm), Rochester, N.Y.; WFIL, WUSL (fm), Philadelphia; KILT (am, fm), Houston; WEMP, WMYX (fm), Milwaukee.

Magazines

GuestInformant (distributed in hotel rooms).

OTHER OPERATIONS

Cellular radio ventures.

RANK **45**

Maclean Hunter Ltd.

Toronto

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	258	248	3.9
Total sales	696	646	7.8
Net income	43	35	20.7

Sales by media	1985	1984	% chg
Newspaper	129	138	(6.7)
Magazine	52	47	10.9
Broadcast	—	—	—
Cable	77	63	22.0
Outdoor	—	—	—

Maclean Hunter Ltd., with major media investments in the U.S. encompassing the *Houston Post*, cable and business periodicals, recorded a 6.3% increase in U.S. media to an estimated $257.5 million in 1985, which ranked the Toronto-based company the 45th largest media company measured by its U.S. holdings.

Worldwide, total revenues increased 7.8% to $696.2 million in 1985, with newspapers, periodicals and printing contributing 63% of the total. U.S. revenues are estimated at $306 million, up 5.2% from 1984, and are all media except for $48.5 million attributed to Transkit business forms.

U.S. dollar figures for this profile were converted from Canadian currency at the rate of C$1=U.S.$0.716. The same rate was applied to 1984 figures for year-to-year comparison. The Canadian dollar fell 8% against the dollar in 1985.

Of the worldwide total, 33% of revenues were derived from Maclean Hunter newspapers; 30% periodicals and printing; 17% cable tv; 11.4% business forms; 5.2% broadcasting, and the remainder from communications services (including radio paging and trade shows).

Maclean Hunter publishes 167 periodicals: 125 in Canada (out of Toronto, Montreal, Calgary and Vancouver); 24 in the U.S. (New York, Chicago, Clearwater, Fla., and Stamford, Conn.), and 18 out of London. The company also owns advertising rate and data publications in West Germany, Austria, France, Italy and Switzerland.

Operating income from periodicals in 1985 rose 9% from 1984, far off the 50% growth from 1983. Revenues increased 10.9% over 1984, compared with that year's growth of 17% over 1983.

Ad pages for the company dipped throughout the first half before rebounding at yearend. Ad pages for Canadian publications rose 6.7% in 1985 vs. 17% in 1984. Foreign publications gained 2.9% in ad pages vs. 4.2% in 1984.

First-quarter results at the company's top Canadian magazines in 1986 have been encouraging for overall growth in the periodicals division. *Maclean's*, the weekly news magazine, posted ad revenue of $8.4 million, up 40% from the first quarter in 1985. *L'Actualite*, a French language monthly, had a 66% increase to $1.7 million. Both were record revenue levels.

The company's three U.S.-based publishing operations are Maclean Hunter Media in Stamford, Conn., and Clearwater, Fla.; Maclean Hunter Publishing Co. in Chicago, and HP Publishing, New York.

Maclean Hunter Media, publisher of *Progressive Grocer* and related electronic information services, entered the video magazine business with the acquisition of *Retail Insight*. Two videotape guides for the supermarket and convenience store markets were part of that acquisition, and a third was introduced in December for the restaurant market. The company also added *National Mall Monitor*, an every-other-monthly Florida-based magazine for the shopping center industry. The magazine incorporates a conference and newsletter, and has potential to generate revenue in data services and video.

Results at *Hospital Practice*, a U.S. medical journal acquired in 1983, fell significantly behind plan. An increase in publishing frequency did not get the response expected from advertisers.

National Market Reports Inc., MH Publishing's price-guide operation, had another good year.

Electronic Red Book, an electronic automobile valuation database, showed potential in the first year, and *Truck Lease Guide* was launched in electronic form. Advertising in the Canadian Red Book continues to grow, and its U.S. counterpart also has begun selling advertising.

Declining oil prices created an overall slump in the Texas economy and were responsible for an off-year at the *Houston Post* despite 1.9% circulation increases in both the daily (316,209) and Sunday (373,573) editions, according to six-month ABC averages ended March 31, 1986.

Donald Hunt, *Houston Post* publisher and exec vp, Toronto Sun Publishing Corp., says revenues at the newspaper dropped 7% despite an advertising rate increase of 5%.

"Houston was overbuilt, the real estate market is dead. With the number of people being laid off, the stores are reluctant to make big decisions. Even grocery stores say their revenues are down," he says. Despite these cutbacks, Mr. Hunt says the quality of the paper has been upgraded. "We've been on a reduction program since we've bought the paper, but we've increased the editorial staff."

The *Post* is part of the Toronto Sun Publishing Corp., of which 51% is owned by Maclean Hunter. Other major newspapers in the group include the *Toronto Sun, Edmonton Sun* and *Calgary Sun*.

Maclean Hunter's success with pay tv has been considerably better in the U.S. than it has in Canada, mainly because pay tv suppliers in the States scramble their signals, making those signals unavailable to dish owners. Cable tv revenues in the U.S. (66% of the total cable operation) were $76.6 million, up 22% from 1984 despite the sale of two Michigan systems last September.

Major divestitures in 1985 included Pontiac Cablevision in Michigan and the closing of a business forms facility in Los Angeles (formerly part of Transkrit Corp.).

U.S. MEDIA PROPERTIES

Cable/video

SYSTEMS: MICHIGAN: Garden City, Metro Cablevision, Wayne Cablevision. NEW JERSEY: Suburban Cablevision.

Magazines

American Printer, Blue Book of Used Truck Valuations, Boxboard Containers, Coal Mining & Processing, Concrete Products, Dog World, Graphic Arts Product News, Hospital Products, Mobile/Manufactured Home Blue Book, Motorcycle Red Book, National Boat Book, National Mall Monitor, Older Car Red Book, Pacific Fishing, Paper Film & Foil Converter, Physician Management Manual, Progressive Grocer, Progressive Grocer Executive Report, Recreational Vehicle Blue Book, Red Book of Official User Car Valuations, Remodelling Contractor, Rock Products, Supermarket Insights (videocassettes), *Van Conversion Blue Book*.

Newspapers (dailies)

TEXAS: *Houston Post*.

OTHER OPERATIONS

Maclean Hunter Media (Stamford, Conn.; Clearwater, Fla.), Maclean Hunter Publishing (Chicago), HP Publishing (N.Y.), Transkrit.

Pursuing Excellence.

Special effort, extra service, nothing less than excellence. At the Times Publishing Company, we insist on dedication that guarantees the needs of readers and advertisers will be met. And while there's much left to be done, we've made some impressive strides:

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Macromedia Inc.

RANK 85

Hackensack, N.J.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	120	109	10.1
Total sales	121	109	10.6
Net income	9	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	98	87	12.6
Magazine	—	—	—
Broadcast	22	22	0.4
Cable	—	—	—
Outdoor	—	—	—

Media revenues grew 10.6% at Macromedia Inc. in 1985 over the previous year, stimulated largely by substantial advertising and circulation gains at the group's lead media property, the Bergen County *Record*, and the acquisition of a midsized newspaper that extends the company's dominance over its northern New Jersey home base.

Hackensack-based Macromedia, the 85th largest media company, comprises Bergen Record Corp. (the *Record*) and Gateway Communications' tv stations, and in late 1985, added the *News Tribune* of Woodbridge, N.J.

Macromedia, a holding company privately owned by Malcolm A. Borg and his family trusts, is dominated by its newspaper operations, which produced revenues of $97.6 million in 1985, up nearly 12.6% from 1984. Tv generated $22.4 million, up only 0.5%.

Macromedia reinforced its position in the northern New Jersey newspaper arena with the December, 1985, acquisition from Middlesex Publishing Co. of the *News Tribune*, which serves the Perth Amboy-Woodbridge area. Purchase price was not disclosed. Middlesex Publishing is owned by the John Burk family. The weekday afternoon had a circulation of 51,635, according to six-month ABC averages ended March 31, 1986. This compares with 54,041 a year earlier.

"We view this purchase as an opportunity for corporate growth in a market which shares many of the demographic characteristics of Bergen County. Middlesex's current growth rate makes the *News Tribune* an attractive addition," says Mr. Borg, chairman of the board of Macromedia Inc. The Middlesex-Somerset-Hunterdon region in north-central New Jersey ranked fifth in national median household gross income in 1984. The Bergen-Passaic area ranked 12th among U.S. government-designated metropolitan statistical areas.

Macromedia will mesh operations of the *News Tribune* with those of the *Record*, the largest evening circulation newspaper in the state with primary readership in Bergen, Passaic and Morris counties. Selected editorial material from the *Record* already has found its way into the pages of the *News Tribune*. Combo advertising rates are planned between the two publications.

During 1985, the *Record's* over-all advertising increased 14.7%. It carried 9.5% more advertising inches and 7.5% more insert advertising. The newspaper has shown especially strong growth in its four-color advertising. In 1985, the paper carried 348,000 ins. of color advertising. For the second straight year, the *Record* ranked first among the nation's newspapers for Sunday color advertising, as measured by Media Records, which also ranked the *Record* first among evening and Sunday newspapers for color advertising, after placing fourth in 1984.

The *Record's* advertising growth, in part, results from an aggressive sales pitch to advertisers that keys on the prime demographics of its readership. Its market accounts for 21% of all retail sales in New Jersey.

In 1985, the newspaper entered its third year of a modernization campaign, adding an additional $10 million to upgrade its headquarters and printing and newspaper handling facilities.

Operation Plus, a companywide circulation drive, was initiated in 1985 to increase over-all *Record* readership. Emphasis was placed on continuing the newspaper's move into adjacent Passaic and Morris counties. According to Frank J. Savino, vp-marketing for the *Record*, Operation Plus resulted in an increase of nearly 18,000 new subscriptions.

For the year, daily circulation averaged 161,969, according to ABC six-month averages ended March 31, 1986, an increase of 3.2% over the corresponding period in 1985. Sunday circulation averaged 227,205, up slightly from 225,520.

To augment its increased circulation in Passaic and Morris counties, the *Record* has added editorial, circulation and advertising staff to its satellite Passaic/Morris office in Wayne, N.J. The editorial staff of the newspaper received 10 first-place awards and 27 total awards from the New Jersey Press Assn. in 1985.

Gateway Communications, Cherry Hill, N.J., the broadcast arm of Macromedia, stood still during 1985. It operates one uhf and three vhf tv stations.

Gateway owns and operates an ABC affiliate station in Charleston/Huntington, W.Va., the nation's 44th largest media market (or ADI as established by Arbitron). It owns and operates CBS affiliate stations in Binghamton, N.Y., the 133rd largest market; Johnstown/Altoona, Pa., the 49th market, and Lancaster/Lebanon, Pa., the 46th market. Channel 15 in Lebanon/Lancaster is the company's lone uhf holding.

A Macromedia spokeswoman declined to reveal any acquisition plans in either publishing or broadcasting.

MEDIA PROPERTIES

Broadcasting

TV: WBNG-TV, Binghamton, N.Y.; WLYH-TV, Harrisburg/York/Lancaster/Lebanon, Pa.; WOWK-TV, Charleston/Huntington, W.Va.; WTAJ-TV, Johnstown/Altoona, Pa.

Newspapers (dailies)

NEW JERSEY: *News Tribune* (Woodbridge), *Record* (Hackensack).

McCall Publishing Co.

RANK 73

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	153	129	18.8
Total sales	161	145	11.1
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	153	129	18.8
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

McCall's magazine, the lead property of McCall Publishing Co., cut its rate base from 6.2 million to 5 million and reduced its advertising rates by 13.6% in 1985 to keep pace in the highly competitive women's service magazine field.

The move was an attempt to make *McCall's* more attractive to advertisers by offering lower prices and a more targeted audience in hopes of building back the 3% decline in ad pages in 1985.

McCall, owned by the Pritzker (Hyatt Hotels) family of Chicago, was the 73rd largest media company, with estimated net revenues of $152.9 million in media in 1985, an 18.8% increase over restated revenues of $128.7 million in 1984. That result was based largely on a 6% growth in ad dollars because of higher rates in 1985 and a strong performance from *Working Mother*, including a 10.5% increase in ad dollars and a 10% increase in circulation.

Robert Krefting, exec vp at McCall Publishing, defends the rate base changes initiated by *McCall's* Oct. 25, 1985: "Lowering the rate base allows us to maximize circulation profits while concentrating on our market segment. It allows us to deliver a large, efficient audience while at the same time lowers costs for the advertiser. *McCall's*, by focusing on a smaller, more productive group, can also make more money in the long run," he says.

Lowering of the ad rate allows the magazine to be more competitive in an attractive, but mature women's service sector. *McCall's* registered the largest drop in advertising rates of the seven major women's service magazines, but its 3% decline in ad pages to 1,193 was not the only drop in ad pages among the service books. *Redbook's* ad pages were off 0.9%; *Woman's Day's*, 6.9%; *Better Homes & Gardens*, 9.1%. *Good Housekeeping*, which led the women's service pack with 2,032 ad pages, registered only a 1% gain in ad pages.

McCall's 3% decline (37 pages) in ad pages, was almost exclusively a result of the loss of the R.J. Reynolds' business. In all, *McCall's* tobacco business was down 50 pages, according to Mr. Krefting. Much of the decline was offset by a 10% growth in food categories and 40% improvement in mail order, and a 12% growth in toiletries and cosmetics.

Although *McCall's* has made some progress in attracting automotive advertisers, the company believes it ought to make further inroads. An automotive study is under way to help *McCall's* prove its point to auto makers.

In an effort to make *McCall's* an efficient and attractive media buy to advertisers, the magazine has instituted various merchandising programs, including a spring beauty promotion that combines *McCall's*, *Working Mother* and the company's annual beauty guide into a combined buy.

During the past year, single-copy sales declined by 13.6%, to 664,467, according to ABC totals for the June 30, 1985, reporting period. *Better Homes & Gardens* and *Redbook* were the only women's service publications to gain in single-copy sales, by 12.1%, and 20.1%, respectively, for that period.

The editorial product at *McCall's* magazine has undergone changes in format and focus to enhance its readability and to attract advertising. During the past year, the magazine introduced self-contained articles, which have been in use at *Working Mother*, but is unusual to the women's service magazine field. Rather than beginning an article with a four-color spread, followed by a 40-page jump to the black-and-white carry-over, *McCall's* articles are presented as self-contained, page-by-page units. This gives *McCall's* more flexibility in positioning and makeup, and also eliminates the clutter of back-of-the-book carryovers. Advertisers have more opportunities to face off editorial they're most interested in because the new format creates extra adjacencies.

Editorial subject matter at *McCall's* now includes more emphasis on childcare, and health and fitness, in addition to its traditional offerings. A. Elizabeth Sloan, former director of the Good Housekeeping Institute, was named the new editor in November, 1985, replacing Robert Stein, who continues as a consultant to the magazine.

McCall's continued its image-changing advertising campaign, "*McCall's*—more than the expected," in which six famous faces grace print and outdoor ads as *McCalls's* "typical" readers. Joining Tina Turner, Carly Simon, Cher and Diane Von Furstenburg this past year were Bette Midler, portrayed as "One of the old-fashioned girls who reads *McCall's*," and Yoko Ono, "One of the dull conformists who reads *McCall's*." Levine, Huntley, Schmidt & Beaver in New York handles. A new wrinkle in the campaign is the placing of ads on phone booths in Manhattan and Chicago.

McCall's, owned by a private, free-standing publisher often is rumored to be a buyout target. "We're not short on offers," Mr. Krefting says, "but the magazine is NOT for sale." *McCall's* has been under the Pritzker family's control since it was bought for $8 million in 1973 from Norton Simon Inc., now part of Beatrice Cos.

McCall's, which celebrates its 110th anniversary this year, started a new publication Jan. 1, 1986, called *Baby!*. The new venture by the editorial and marketing staff of *Working Mother* is scheduled to be distributed to 3.3 million new mothers per year, reaching an average of 9,000 new mothers a day. The distribution vehicle is the First Moments Inc. new parents sampling kit, which is delivered to new mothers in the hospital the day after giving birth. Advertisers buy one year's worth of births, reaching 9 out of 10 new mothers, via three printings a year. Thanks to the interest of advertisers including Procter & Gamble, Gerber Foods, Mattel, Johnson & Johnson and Eastman Kodak, *Baby!* was in the black with its first issue.

Its parent publication, *Working Mother*, increased circulation to 556,000, according to the ABC audit covering the second half of 1985. This represented a 10% circulation increase. *Working Mother* was launched in October, 1978, and has been a monthly since 1981. The magazine's distribution exceeded its rate base of 550,000 on every issue last year, Mr. Krefting says. During the past year, advertising revenues grew by 20.8%, while ad pages grew to 882, up 1.2%, according to Publishers Information Bureau.

Working Mother addresses a growing market—19.5 million working mothers and 46% of all new mothers because that is the percentage who return to work before the child turns a year old. Its circulation is 98% subscription, and the median age of its readers is 35.5 years, according to a Beta Research Corp. study.

Working Mother's regular features include "The Healthy Child," "Take Care of Yourself" and "Relax While it Cooks." Three new regular features, "Video Review," "Microwave Magic," and "Traveler's Advisory," were added this past year.

In July, 1985, McCall, Times Mirror Magazines and Meredith Corp. each sold their one-third interests in Select Magazines, a national magazine distributor, to John O'Reilly of Regional Financial Enterprises, a New Canaan, Conn.-based ventures capital company. The three remain clients of Select.

Robert Krefting is a newcomer to McCall. The former president and ceo of City Home Publishing became exec vp in December, succeeding Andrew Dempsey, who became the new president of Times Mirror Magazines. Richard Selby, McCall creative director, was named promotion director, succeeding Marie Conklin, who left the company to become promotion director for Sunday Magazine Network, New York. Ned Marini is McCall's new chief financial officer. He replaced Bruce Milove in February, 1985.

MEDIA PROPERTIES

Magazines

Baby!, McCall's, Working Mother, Working Mother Digest, Cooking School, Beauty, Diet & Health Guide.

OTHER OPERATIONS

American Family Publishers (50% owned).

McClatchy Newspapers

RANK 41

Sacramento, Cal.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	275	255	7.8
Total sales	275	255	7.8
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	248	214	15.9
Magazine	—	—	—
Broadcast	14	12	16.7
Cable	13	13	0.0
Outdoor	—	—	—

McClatchy Newspapers, a media company consisting of seven dailies, three weeklies, four radio properties and four cable systems, is leaving the cable business and investing more heavily in the newspaper field in 1986.

The Sacramento, Cal.-based company, which was the 41st largest media company with an estimated 7.8% increase in media revenues in 1985, is buying the *Tacoma* (Wash.) *News-Tribune* from Tribune Publishing Co.

The Tacoma paper has a circulation of 107,678 evenings and 119,150 Sunday, according to six-month ABC figures ended March 31, 1986.

Newspapers already represent about 85% of family-owned McClatchy Newspapers, a percentage set to increase with the company's decision to sell four cable systems with 86,000 subscribers to Continental Cablevision Inc., Boston. The systems take in Reno, Nev., and Fresno, Marysville/Yuba City and Visalia, Cal. CCI is the seventh largest cable operator in the U.S. in subscribers. No sale price was disclosed. The cable sale will help pay for the Tacoma newspaper purchase, which reportedly will cost $205 million.

McClatchy's rationale for entering cable was that "there might be a synergism with newspapers and that cable, in fact, might even threaten newspapers' advertising base," Erwin Potts, exec. vp says. "Certainly, that has not happened and we don't think it's going to happen to any significant degree. Cable is a good sound business, but we found that as a newspaper company, we were not as good at running a cable system as we were a newspaper. So we decided to stick to our knitting."

In 1985, the hotly competitive circulation battle between the *Anchorage Daily News* (in which McClatchy acquired an 80% interest in 1979) and the *Anchorage Times* continued to show gains for the *Daily News*. From a daily circulation of 12,000 in 1979, the *News* circulation had risen to 53,169 daily and 64,545 Sunday, according to ABC reports of March 31, 1986. Those same reports place the *Times* at 40,029 daily and 50,070 Sunday. The *Daily News* for that period was up slightly from the same period in 1985 and the *Times* was down slightly.

The *Daily News* advertising-to-editorial ratio now is almost up to 60%. The various departments of the *Daily News* were to move into a new $28 million building in June.

McClatchy is best known for its ownership of the *Sacramento Bee*, *Fresno Bee* and *Modesto Bee*, all dailies that have shown small gains during the past year. Circulation figures for the period ending March 31, 1986, were 235,991 daily and 273,912 Sunday for Sacramento; 139,213 daily and 166,943 Sunday for Fresno, and 74,260 daily and 80,980 Sunday for Modesto. While the Fresno and Modesto papers don't face head-on competition, the Sacramento paper faces a challenge from the *Sacramento Union*, although it dominates the morning *Union* (94,097 circulation) and Sunday paper (92,860).

McClatchy dailies in other markets were also on the move. Operations of the *Gilroy Dispatch*, a five-day-a-week paper that serves the southern end of Silicon Valley, were consolidated to serve also as a central production facility for other company newspapers: the weekly *Morgan Hill Times* and the *Hollister Freeland*. Mr. Potts reports the circulation decline of the *Tri-City Herald* in Richland, Wash., appears to have bottomed out and the daily is beginning to show some small gains.

Key personnel changes saw Robert Byerly, formerly general manager of the *Sacramento Bee*, take over as director of operations of all three *Bee* newspapers. He was succeeded as general manager at Sacramento by Frank Whittaker, who held a similar post with the *Toronto Star*. John Ward, formerly an executive with Knight-Ridder Newspapers in Fort Wayne, Ind., became the new general manager of the *Modesto Bee*.

Arbitron ratings for the Sacramento market show McClatchy's news/talk am station KFBK No. 1 in its field, going from a 5.7 to a 6.7 rating in the fall book. In this period the company's country music station, KAER (fm), saw some slippage, going from a 4.4 to a 3.3 rating, reflecting increased competition from a new country music sta-

tion.

In Fresno, both McClatchy radio stations were up in Arbitron's fall numbers, KMJ news/talk jumping from 8.5 to a 9.6, while country music station KNAX (fm) moved from 4.3 to a 4.6 rating.

While its cable operations soon will be only a memory at McClatchy, the company's electronic communication division continues to chalk up mostly gains for its radio operations and some wins and losses with its videotex ventures. On the plus side is LegiTech, a computerized service for tracking state legislation and political contributions, which is sold for a fee to magazines, newspapers, government agencies and lobbyists in California, New York and Washington.

El Dorado Teleguide, a public access electronic information service begun in 1984, has 100 terminals in use throughout Sacramento, Lake Tahoe and Reno. The units are placed in hotels, shopping areas, convention centers and casinos and offer an advertiser-supported service that contains 3,200 pages of information on restaurants, hotels, local events, areas of interest and advertising. The software is licensed to El Dorado Teleguide by Infomart of Canada.

But the past year also saw the dissolution of McClatchy's partnership with Times Mirror Co. and the *Bakersfield Californian* in Grass Roots California, another videotex project. The system offered weather, commodity and farm management information to the agricultural community, but McClatchy opted to pull out because "we felt we were in enough videotex projects with Teleguide and LegiTech," Mr. Potts says.

The company also put an end to its consideration of a joint venture in cellular radio with Cellular Communications, New York, and FMI, Miami. "We still have some holdings in cellular in the Oxnard-Ventura franchise," Mr. Potts says, "and we don't know where we're going with those at the moment."

MEDIA PROPERTIES

Broadcasting

RADIO: KMJ, KNAX (fm), Fresno, Cal.; KFBK, KAER (fm), Sacramento, Cal.

Cable/video

SYSTEMS: CALIFORNIA: Norcal Cablevision-Yuba City; Sequoia Cablevision-Tulare; Fresno Cable TV Ltd.-Fresno. NEVADA: Tel-Cab Communications-Reno. (All systems are being sold to Continental Cablevision.)

Newspapers (dailies)

ALASKA: *Anchorage Daily News* (80% interest). CALIFORNIA: *Fresno Bee, Gilroy Dispatch, Hollister Freeland* (50% interest), *Modesto Bee, Sacramento Bee*. WASHINGTON: *Tri-City Herald* (Richland); *Tacoma News-Tribune* (purchase has been agreed on in principle).

Newspapers (nondailies)

CALIFORNIA: *Clovis Independent, Lincoln News Messenger, Morgan Hill Times*.

Other media operations

San Joaquin TV Services, Fresno, Cal.; Fresno MDS Co. (33% owned), Fresno, Cal.; LegiTech (90% owned), Sacramento, Cal., Albany, N.Y.; Eldorado Teleguide, Sacramento, Cal.

McGraw-Hill

New York

RANK **16**

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	1,031	964	7.0
Total sales	1,491	1,402	6.4
Net income	147	144	2.2

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	676	658	2.7
Broadcast	83	82	1.7
Cable	—	—	—
Other	272	224	21.3

McGraw-Hill and its leading magazine, *Business Week*, had a less than stellar year as poor market conditions cut deeply into many of the business sectors addressed by McGraw-Hill.

New York-based McGraw-Hill, the 16th largest media company, had over-all net income growth of only 2.2% on operating revenue growth of 6.4%. Media revenues grew from 68.7% in 1984 to 69.1% of total revenues, and generated operating profit of $228.6 million, up 1.6% from 1984.

Business Week, despite its troubles, still led all U.S. newsweekly and business magazines in advertising pages for 1985 and ranked No. 1 in ad revenues among business magazines and sixth among all U.S. magazines. Ad revenue of $169.1 million was down 8.5% on a 15.2% drop in ad pages to 4,214. *Business Week* had gains in both ad pages and revenue in 1984.

McGraw-Hill Book Co., representing $460.2 million in revenues and $67.5 million in operating income, is considered the only nonmedia contribution to McGraw-Hill's total revenues in this special media report.

In 1985, McGraw-Hill completed the corporatewide reorganization begun the year before by creating 21 market focus groups. Rather than center on individual products, the company is positioned to take a multimedia approach in each of its activities.

Information Systems Co., the largest sector in the media group consisting largely of F.W. Dodge and Sweet's divisions—including construction magazines—had revenues of $352.6 million in 1985, up 2.9%, and operating profit of $89.3 million, up 3.1%; the Publications Co., with some 60 magazines, newsletters and newswires, had revenues of $313 million, down 0.7%, and operating profit of $47.8 million, down 17.5%.

The Financial & Business Information Group, created in 1985 in the reorganization and consisting of Standard & Poors Corp. and Financial & Economic Information Co., had revenues of $282.1 million, up 25.9%, and operating profit of $63.8 million, up 27.6%. The Broadcasting Co., made up of four tv stations in major markets, had revenues of $83.3 million, up 1.6%, and operating profit of $27.5 million, down 9% from the prior year.

The company recorded an active year of startups and acquisitions, particularly its Information Systems Co. sector. It started the Byte Information Exchange (BIX), which permits personal computer users to exchange information on-line via their computers, and launched, on a test basis, "Engineering News Record On-Line" electronic marketing service.

The company started a new cable-to-computer news and data service, X*PRESS Information Services, as a general partnership by subsidiaries of McGraw-Hill, Tele-Communications Inc. and Telecrafter Corp. XIS feeds news, information and data from more than 24 information sources around the world directly into subscribers' personal computers.

McGraw-Hill entered into another joint venture with Citibank to provide an integrated global electronic trading, information and financial services marketplace for a range of commodities. Global Electronic Markets Co. is a general partnership.

McGraw-Hill acquired certain assets of Data Decisions from Ziff-Davis Publishing Co. Data Decisions publishes newsletters and loose-leaf reports on computers and communications systems.

The company acquired Numerax, a provider of transportation information and tariff data.

McGraw-Hill's Publishing Co. sector launched *Commercial Space*, a new magazine covering business opportunities in outer space. *Aviation Week & Space Technology* produced McGraw-Hill's first video magazine on the Paris air show.

Australian Computing, a new magazine for business professionals, was started by McGraw-Hill Australia. And the company started *Building Economics*, a monthly aimed at the post-construction market.

There was a large handful of acquisitions as well. The company acquired Money Market Directories Inc., publishers of directories and electronic services to the financial industry. From Bill Communications, it acquired *Industrial Chemical News*, and from International Thomson, COADE, a provider of microcomputer software for process engineers.

Six properties were bought from R.P.W. Publishing Corp., a publisher of newsletters and other information products for the legal profession.

Several newsletters were begun in 1985: "Cogeneration Report," "Inside F.E.R.C.'s Gas Market Report," "Waste-to-Energy Report," "Electronic Chemicals News," "33 Metal Producing Patents Watch" and "McGraw-Hill's Biotechnology Patentwatch."

There was one new newswire: Platt's Olefinscan.

One publication was withdrawn from the depressed computer publication sector—*Popular Computing*—a general interest sister publication to *Byte*.

MEDIA PROPERTIES

Broadcasting

TV: KERO-TV, Bakersfield, Cal.; KGTV, San Diego, Cal.; KMGH-TV, Denver; WRTV, Indianapolis.

Magazines

American Machinist and Automated Manufacturing, Architectural Record, Aviation Week & Space Technology, Building Economics, Business Week, Business Week's Guide to Careers, BYTE, Chemical Engineering, Chemical Week, Coal Age, Commercial Space, Data Communications, Electrical Construction & Maintenance, Electrical Wholesaling, Electrical World, Electronics, Engineering & Mining Journal, Engineering News-Record, Fleet Owner/Big Fleet Edition, Fleet Owner/Small Fleet Edition, Graduating Engineer, Industrial Chemical News, International Management, Modern Plastics, Modern Plastics International, Physician and Sports Medicine, Postgraduate Medicine, Power, Textile World, 33 Metal Producing.

Newsletters

Biotechnology Newswatch, Coal Statistics International, Coal Week, Coal Week International, Cogeneration Report, DRI Healthcare Costs, Electrical Marketing, Electrical Chemical News, E&MJ Mining Activity Digest, Green Markets, Inside Energy With Federal Lands, Inside F.E.R.C., Inside F.E.R.C.'s Gas Market Report, Inside N.R.C., International Construction Week, International Petrochemical Report, Keystone News-Bulletin, Long Term Care Management, McGraw-Hill's Biotechnology Newswatch, McGraw-Hill's Biotechnology Patentwatch, Medical Utilization Review, Medicine and Health, Metals Week, Metalworking Sales Leads/MSL, NuclearFuel, Nucleonics Week, Oil Buyers Guide, Oil Buyers Guide International, Platt's Oil Export/Import Report, Platt's Oilgram News, Platt's Oilgram Price Report, Securities Week, SynFuels, 33 Metal Producing Patents Watch, Washington Health Record, Washington Report on Health Legislation and Regulation, Washington Report on Medicine and Health, Waste-To-Energy Report.

Other media operations

Information Systems Co., Financial & Business Information Group (Standard & Poor's Corp., Financial and Economic Information Co.), newswire services, American Industrial Report Ltd., COADE (microcomputer software), Electronic Markets & Information Systems, GEMCO (global electronic trading company), Nikkei McGraw-Hill (publishing), Money Market Directories, Numerax.

OTHER OPERATIONS

McGraw-Hill Book Co.

Media General

Richmond, Va.

RANK **36**

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	331	295	12.1
Total sales	579	548	5.6
Net income	33	40	(18.0)

Sales by media	1985	1984	% chg
Newspaper	253	241	5.1
Magazine	11	12	(3.4)
Broadcast	42	35	19.1
Cable	25	8	226.7
Outdoor	—	—	—

Heavy price discounting in the newsprint industry, costs of restructuring its broadcast services division and huge capital outlays for a cable system forced a drop of 18% in earnings at Media General, the first decrease since 1976.

The Richmond, Va.-based company, ranked 36th among U.S. media companies, recorded an increase of 12.1% in over-all media revenues, paced by its newspaper group's 4.9% growth to $253.2 million, although profits declined 8.8% in the division. Media General's newspaper group publishes dailies in Richmond, Va.; Tampa, Fla., and Winston-Salem, N.C., and 35 weeklies in Southern California.

Media General's tv group, with stations in Tampa; Jacksonville, Fla., and Charleston, S.C., showed a 19.1% increase in revenues to $41.7 million, and its cable operation, with systems in Fairfax and Fredericksburg, Va., had $24.5 million in revenues, up from $7.5 million in 1984.

Revenues from magazines and electronic database services were $11.2 million, down slightly from $11.6 million in 1984.

Over-all, revenues from Media General's broadcasting division (cable, tv and ad repping) increased 31.7% in 1985 to $128.7 million, but despite increases in tv and cable revenues, the division ended the year with an operating loss because of the heavy cable expenses and continued losses at Media General Broadcast Services.

For the purposes of this analysis, ADVERTISING AGE's media figures do not include ad placement revenues from Media General Broadcasting Services. Its revenues, estimated at $62.4 million in 1985, are up 12% from 1984.

Media General's daily newspapers showed only a 2% revenue increase during 1985, after spectacular 43% and 28% increases in the two preceding years. In Richmond, the chain's lead-

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ing *Times-Dispatch* and *News-Leader* added three color presses to help advertising opportunities in a business community strengthened by continuing construction of the $375 million James Center complex, part of a downtown revitalization. The combined daily circulation of the papers dropped 1% to 251,065, although the Sunday *Times-Dispatch* grew 2.2% to 240,182, according to six-month ABC averages ended March 31, 1986.

The *Tampa Tribune* announced a $40 million investment through 1988 to purchase new presses to support an anticipated 65% increase in circulation over the next 15 years. The city's population is expected to increase to 2 million by 1990 and 2.4 million by the year 2000. The *Tribune's* daily circulation rose 1.3% to 228,708, and the Sunday climbed 3.3% to 307,525.

Media General closed the evening *Winston-Salem Sentinel* in early 1985, faced with declining circulation, at a loss of some $900,000. It reallocated its publishing resources to the morning *Journal*, which now has a daily circulation of 91,536, according to six-month ABC reports ended March 31, 1986. Winston-Salem's economy has been relatively stable, the company says.

Media General West was created in 1985 to centralize management of Highlander Publications and Golden West Publishing, two groups of weekly newspapers in Los Angeles and Orange counties in California. Both reported circulation gains in 1985, but the Highlander group reported a loss of revenues because of slower economic growth in the area and greater competition.

And Garden State Newspapers, in which Media General has a 40% interest, bought two New Jersey newspapers—the Paterson *News* and Union City *Dispatch*—from Allbritton Communications for an estimated $50 million to $60 million. Golden State Newspapers bought other newspapers during 1985 in California, Texas, Ohio, Michigan and Washington.

Media General's Sunbelt tv stations will be improving their reach as their local markets grow. The Tampa market currently is 17th, Jacksonville, 62nd, and Charleston, 108th, according to Arbitron areas of dominant influence.

New 2,000-ft. tv transmission towers, to be built in Tampa and Charleston, are expected to strengthen market coverage and revenue potential in those cities' stations.

Media General's Fairfax cable system, which began operation in 1983, will rank as one of the nation's top 10 stand-alone systems when completed next year. The system now serves 100,000 subscribers with 1,900 miles of aerial and underground cable. When completed, more than 3,000 miles of cable will serve some 140,000 customers, generating revenues of more than $55 million a year.

The Fairfax system has 80 active channels, and revenues average $27 per subscriber monthly, second among cable systems in that category.

Nevertheless, with an estimated capital expenditure of $55 million in 1985, the system has yet to break even. "We'll have a positive cash flow in 1987," Media General vp David L. Jordan says. "We're not talking about profitability until 1988."

Media General Broadcast Services continued to rebuild in 1985, recovering slowly from business irregularities and criminal and civil charges against its founder, William B. Tanner, from whom Media General bought the then William T. Tanner Co. in late 1982. Tanner has been convicted of income tax fraud, and civil action against him still is pending as is a $75 million Media General civil suit against an accounting firm for its audit report on the Tanner Co. made before the acquisition.

Media General Broadcast Services obtains broadcast time and print space for advertisers at discount rates, both with cash and barter.

Other media operations at Media General include Media General Financial Services, which provides financial data to trade and business publications, and Cliggott Publishing, which publishes five monthly medical journals, including the *Journal of Critical Illness*, which debuted in 1986. Technical Information Distribution Service produces three publications for the electronics industry, and Media General Business Communications publishes *Virginia Business*, a monthly magazine begun in March, 1986.

Among Media General's nonmedia properties are Beacon Press, a commercial printing concern, and a newsprint operation, which accounts for some 13% of all U.S. newsprint output.

In an October, 1985, management restructuring, J. Stewart Bryan III and James A. Linen IV were elected vps. Mr. Bryan, also vice-chairman, has primary responsibility for daily newspaper and tv operations, with Mr. Linen in charge of newsprint broadcast, magazine and community newspaper operations.

MEDIA PROPERTIES

Broadcasting

TV: WCBD-TV, Charleston, S.C.; WJKS-TV, Jacksonville, Fla.; WXFL, Tampa.

Cable/video

SYSTEMS: VIRGINIA: General Cable-Fredericksburg County, Spotsylvania County, Stafford County; Media General Cable of Fairfax-Fairfax County.

Magazines

Journal of Critical Illness, Virginia Business.

Newspapers (dailies)

FLORIDA: *Tampa Tribune*. NORTH CAROLINA: *Winston-Salem Journal*. VIRGINIA: *News-Leader* (Richmond), *Times-Dispatch* (Richmond).

Newspapers (nondailies)

CALIFORNIA: Highlander Publications, publishing 25 weeklies in the Orange County-Los Angeles area. Golden West Publishing, Mission Viejo, publishing eight papers in the area between Los Angeles and San Diego.

Other media operations

Garden State Newspapers (40% interest), Media General Financial Services, Technical Information Distribution Service.

OTHER OPERATIONS

Beacon Press (commercial printing), Garden State Paper Co. (newsprint manufacturer), Onduline-USA (building materials), Media General Broadcast Services (tv-radio services in five areas: Media placement, special products, broadcast services, tv sports network, travel operations).

Media News Group — RANK 74

Woodbury, N.J.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	150	125	20.0
Total sales	150	125	20.0
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	150	125	20.0
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Media revenues drawn from a spate of newspaper acquisitions have propelled 3-year-old Media News Group onto ADVERTISING AGE's 100 top media companies chart. The latest acquisition, just concluded in May, folded nine new newspaper properties into the Woodbury, N.J.-based company.

Media News Group, which owns 21 small and medium-size dailies, also traded two newspapers and sold another. The company ranks as the 74th largest media company in 1985 with revenues of $150 million, according to the company, which expects the latest acquisitions and increased revenues from existing properties to drive up revenues to $175 million by yearend.

The May 2 purchase included seven from Harte-Hanks Communications of San Antonio, Tex., and two New Jersey newspapers from the Allbritton family.

Newspapers purchased were: Paterson, N.J., *News*; *Dispatch* of Union City, N.J.; *Hamilton* (O.) *Journal-News*; *Yakima* (Wash.) *Herald Republic*; *Big Spring* (Tex.) *Herald*; *Del Rio* (Tex.) *News Herald*; *Huntsville* (Tex.) *Item*; *Marshall* (Tex.) *News Messenger*, and *Ypsilanti* (Mich.) *Press*.

The acquisitions carry an aggregate daily circulation of 186,425, according to six-month ABC averages for the period ended March 31, 1986. That is down about 3% from the corresponding reporting period a year earlier.

As part of the deal, the company traded two New England dailies to Harte-Hanks Communications, the *Daily Transcript* of Dedham, Mass., and the *News-Tribune* of Waltham, Mass. Both are evening papers and part of New England Newspapers Inc. Circulations for both are edging slightly downward in the midst of a lively circulation war between the market's two big combatants—the *Boston Globe* and the *Herald American*.

At the same time of the other actions, Media News Group sold the *Lake County Telegraph* of Painesville, O., to the Horvitz family, owners of the *Lorain Journal*, Lorain, O.

Media News Group is 40% owned by Media General of Richmond, Va. Media General also owns Garden State Newsprint, which sells recycled newsprint to publications, including those owned by Media News Group.

Circulation of Media News Group's newspapers in 1985 (including the acquisitions) dropped about 1% to a 929,710 aggregate, according to composites taken from six-month ABC averages ended March 31, 1986. The group's largest daily is the *North Jersey Herald-News*, Passaic, which had evening circulation of 58,055, down 1.2%, and Sunday circulation of 53,894, down 1.3% for the same reporting period. One of the faster growing papers is the *Daily Review*, Hayward, Cal., with evening circulation of 48,280, up 4.5%, and Sunday circulation of 48,138, up 1.9%.

Media News Group had its beginning in 1983 when William Dean Singleton and Richard Scudder jointly purchased the *Gloucester County Times* in Woodbury, N.J. The Scudder family formerly owned the *Newark Evening News*, which competed with Advance's *Newark Star Ledger*. The evening paper was sold to Media General in 1969, only to fold several years later.

Mr. Scudder is the co-inventor of the newsprint recycling process and the founder of Garden State Newsprint. Mr. Singleton says that in "buying these newspapers, I'm planning for my grandchildren and great-grandchildren." Although the group has purchased many relatively small-circulation dailies, it is not his intent to build circulation, then turn around and sell the publications at a profit, Mr. Singleton says.

The group does spend money as needed to improve the newspapers after purchasing them, he says.

"There's no formula. Every newspaper is different. If the news product is bad, we improve the news. If the previous owner hasn't spent enough on promotion, we spend more. Where the equipment is old-fashioned, we automate."

The group also uses a cluster approach wherever possible by buying newspapers in the same geographic area and combining printing facilities, Mr. Singleton says. The group has done this with its New Jersey newspapers, closing print facilities in Paterson and consolidating production facilities for four newspapers in two plants.

"We came up on the news side," Mr. Singleton says. "We believe in the importance of news. To keep buying newpapers, we have to make money, so we are profit oriented, but not at the expense of news."

What does Mr. Singleton look for in a potential newspaper acquisition? "We look for those that are for sale," he says.

MEDIA PROPERTIES

Newspapers (dailies)

CALIFORNIA: *Argus* (Fremont), *Daily Review* (Hayward), San Ramon Valley Herald (Danville), *Tri-Valley Herald* (Dublin). MASSACHUSETTS: *Daily Transcript* (Dedham), *News-Tribune* (Waltham). MICHIGAN: *Ypsilanti Press*. NEW JERSEY: *Advance* (Dover), *Dispatch*, *Elizabeth Daily Journal*, *Gloucester County Times* (Woodbury), *North Jersey Herald-News* (Passaic), Paterson News (Union City). OHIO: *Ashtabula Star-Beacon*, *Conneaut News Herald*, *Geuga Times Leader* (Chardon), *Hamilton Journal—News*, *Lake County Telegraph* (Painesville), *Today's Sunbeam* (Salem). TEXAS: *Big Spring Herald*, *Del Rio News Herald*, *Huntsville Item*, *Marshal News Messenger*. WASHINGTON: *Yakima Herald Republic*.

Meredith Corp. — RANK 32

Des Moines, Ia.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	356	327	8.9
Total sales	475	451	5.3
Net income	43	38	12.4

Sales by media	1985	1984	% chg
Newspaper	9	9	0.0
Magazine	228	210	8.3
Broadcast	115	104	10.3
Cable	5	4	25.0
Outdoor	—	—	—

Buoyed by revenue growth from its acquisition this fiscal year of *Ladies' Home Journal*, Meredith Corp. in the nine months of its current fiscal year ended March 31, 1986, earned net income of $37.5 million, up 12% from the year-earlier period, while posting total revenues of $391.3 million, a 10.4% gain. But softness in Meredith's main business—magazine publishing—is expected to hamper profit growth in the near future at the company. General weakness in the industry begun in the spring of 1985 has accelerated.

Des Moines, Ia.-based Meredith was the 32nd largest media company based on media revenues of $356.2 million for the fiscal year ended June 30, 1985, up 8.9% from fiscal 1984. Media represent 75% of total revenues at Meredith, which also is involved in real estate, insurance, video and book publishing.

Fiscal 1985, however, brought an 8% increase in magazine ad revenues, to $129.5 million, which represented 27.3% of total corporate revenues. Magazine circulation revenues grew 9%, to nearly $98 million, accounting for 20.6% of the corporate total.

Community newspapers in California generated unchanged revenues of $9 million, while two majority-owned cable operators in Arkansas, Florida, Louisiana and Texas posted $5 million in revenues, up 25%.

Broadcasting revenues, which grew 10% to $114.7 million, come from the company's eight tv stations. Meredith last year sold the Georgia Radio News Service and its two remaining radio properties in Atlanta, shifting its emphasis to the relatively stable tv medium. The $20 million sale was made to a unit of Cincinnati-based Jacor Communications.

But publishing remains the bulwark of Meredith's business, evidenced by the *Ladies' Home Journal* purchase, which makes Meredith the second company to own two of the "Seven Sisters" category of women's service magazines. Hearst Corp., New York, owns *Redbook* and *Good Housekeeping*.

Competition in the category, however, has intensified in recent years, leading Meredith's flagship *Better Homes & Gardens* to join the practice of discounting "off the card." The company expects to increase both titles' ad revenues through joint marketing of the two women's titles, although it likely will retain separate sales forces. *LHJ*, like the earlier acquired *Sail*, is operated as an autonomous, wholly owned subsidiary of Meredith.

Meredith also agreed to acquire *Health* from Family Media for an additional $4 million, but it backed out of the acquisition because company officials said Family Media could not guarantee copyright protection on the magazine's title.

BH&G in calendar 1985 sold 1,363 ad pages, a 9.1% decline, for revenues of $123 million—down 2.3%—making it by far the single largest contributo to Meredith totals, according to Publishers Information Bureau.

Ladies' Home Journal, while still owned by Family Media, sold 1,36 pages, a 7.9% increase, for revenues o $77 million, up 15.8%, according t PIB. *BH&G* is the largest circulatio women's service magazine, with yearend 1985 average paid total of million; *LHJ* had an average paid cir culation of 5.2 million.

Other titles, including *Successfu Farming* and *Farm Computer News* were battered by the agricultura slump. *Metropolitan Home* posted 12.3% ad page loss, to 774, in 1985, bu had unchanged ad revenues of $13. million. *WOOD* and *Country Hom* saw steady growth, with the latte boasting of record issues in early 1986.

Meredith's magazine growth strat egy normally consists of a one-sho magazine tryout through the *Bette Homes & Gardens* Special Interes Publications. Nineteen such titles with a combined estimated rate base o 15 million, are published quarterly twice-annually or annually as news stand-only products. Successful title then are converted into regular sub scription magazines; Country Home i the most recent example.

Better Homes & Gardens' Grandpar ents is the next Special Interest Publi cation test, slated for January debut a an annual with a rate base of 300,000 The company believes it has found an other publishing niche and hopes t address grandparenting concerns, onl one segment of editorial material cov ered by magazines such as *Modern Maturity*.

In May, 1986, Meredith execs con firmed they've given the go-ahead t quarterly or twice-annual publicatio of *Midwest Living*, a regional variatio on *BH&G*. *Midwest Living*, also teste in a subscription mailing under th *Heartland* logo, is modeled after *Sun set* and Time Inc.'s *Southern Living* both successful titles dependent on strong regional identity among read ers. Despite favorable response fro the subscription test, some publishin execs privately expressed concern tha midwesterners are a less cohesiv group and therefore a less accessibl audience.

Regional efforts are not new t Meredith, however. It participates i City Home Publishing, a 50%-owne joint venture that publishes *Dalla Home & Garden* and *Houston Home & Garden*. Company execs have said ex pansion to other markets depends o results of the Texas efforts. Interna tionally, a Meredith subsidiary own 50% of an Australian *BH&G*.

Among significant personne changes this year, Jack Rehm move to the new post of exec vp-corporat relations from president, publishin group. Mr. Rehm now has authorit for all magazine and book publishin operations, including *LHJ*. Jame Autry moved to the new post of presi dent, magazine group, from senior vp general manager, publishing group Fred Stines moved to the new post o president, book group, from senior vp publishing group. Messrs. Autry an Stines report to Mr. Rehm. Also Christopher Lehman joined Meredit in the new post of vp-operations, mov ing from president-chief operating offi cer, Venture Magazine Inc.

MEDIA PROPERTIES

Broadcasting

TV: KPHO-TV, Phoenix, Ariz.; KSEE Fresno, Cal.; WOFL, Orlando, Fla. WNEM-TV, Bay City, Mich.; KCTV, Kan sas City, Mo.; WTVH, Syracuse, N.Y. WPGH-TV, Pittsburgh; KVVU-TV, Hen derson/Las Vegas, Nev.

Cable/video

SYSTEMS: TEXAS: Star CATV Investmen Corp. (81% owned by Meredith) operate 112 systems in Texas, Louisiana and Ar kansas. FLORIDA: Planned Cable System Corp. (67% owned by Meredith), cable t services in planned unit developments.

Magazines

Better Homes & Gardens (including 16 Spe cial Interest Publications), *Country Home Dallas-Fort Worth Home & Gardens*, *Farm Computer News*, *Houston Home & Garden Metropolitan Home*, *Ladies' Home Journal SAIL*, *Successful Farming*, *WOOD*.

Newspapers (nondailies)
CALIFORNIA: Los Angeles area—*City News, City Press, Griffith Park News, Hollywood Independent, Los Feliz Hills News, Northwest Leader, Parkside Journal, West Hollywood Sun Living, Westlake Post, Wilshire Independent, Wilshire Press*; San Jose area—*Campbell Press, Cupertino Courier, East San Jose Sun, Los Altos Town Crier, Los Gatos Times Observer, Milpitas Post, Mountain View Sun, Santa Clara Sun, Saratoga News, Sunnyvale Scribe.*

OTHER OPERATIONS
Wholly owned subsidiaries—*Better Homes & Gardens* Real Estate Service; *Better Homes & Gardens* Insurance Agency Inc.; *Better Homes & Gardens* Securities Inc.; Meredith International Ltd.; Meredith Relocation Corp.; Meredith Mortgage Corp. (subsidiary of Meredith Relocation Corp.); Meredith Video Publishing Corp.; MerPrint Company; Sail Publications.

RANK **40**

Morris Communications

Augusta, Ga.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	284	219	29.9
Total sales	284	218	30.5
Net income	N.A.	N.A.	N.A.

Sales by media	1985	1984	% chg
Newspaper	231	218	6.0
Magazine	1	1	11.1
Broadcast	—	—	—
Cable	—	—	—
Outdoor	52	—	—

Diversification, expansion into outdoor and innovation at Morris Communications Corp. pushed up media revenues 30% over 1984 levels, ranking MCC the 40th largest U.S. media company in 1985.

Headquartered in golfers' mecca, Augusta, Ga., Morris was a family-owned newspaper business that diversified into commercial printing, computer services and, most recently, outdoor advertising.

What started as a newspaper chain in medium-size Georgia cities is now a communications complex with a growing presence in the Southeast, Midwest, Texas, California and Alaska. Heading MCC are chairman-ceo, William Morris III, and president, Paul Simon.

Morris Communications' biggest development in 1985 was its acquisition of Naegele Outdoor Advertising Cos., Minneapolis. Naegele Outdoor's annual revenues were an estimated $104.7 million in 1985, half of which were folded into Morris returns because of the July purchase date. Naegele covers about 400 cities in 20 states with more than 30,000 poster panels. It ranks behind Patrick Media Group (Foster & Kleiser), Gannett Outdoor, 3M National Advertising and Winston Network in total out-of-home revenues.

MCC's acquisition of Naegele is similar to moves taken by other newspaper chains, such as Donrey Media Group and Park Communications, which also have direct or related interests in outdoor.

For its basic newspaper business, 1985 performance was about on par with the previous year. A Morris spokesman says the company is confident about its continuing performance because population is growing in our markets. They're all strong." Comparing combined average circulation of the 14 Morris dailies for the year, the 1985 daily total was off less than 1%, easing to 546,526 from 549,399 in 1984. The Sunday combined average for 1985 also was down less than 1%, to 560,030 in 1985 from 564,623 in 1984.

In Morris' biggest newspaper market, Jacksonville, Fla., six-month ABC averages for the period ended March 31, 1986, show combined circulation of the seven-day morning *Florida Times-Union* and evening *Jacksonville Journal* of 204,798, slightly up over the corresponding period in 1985. Sunday's *Times-Union* 1985 average five-day morning *Chronicle* and five-day evening *Herald* rose to 81,341 from 79,414. Average 1985 circulation for the Sunday *Chronicle-Herald* inched up a fraction, to 85,781 from 85,221.

Morris' third market, Savannah, Ga., has two dailies, the morning *News* and evening *Press*, with 1985 total averages of 76,677, down from 77,099. The Sunday *News-Press* circulated an average 74,213 compared with 73,532 in the year-earlier period.

Two other papers in the Jacksonville area that Morris acquired from transport giant CSX Corp. in its 1982 deal for the *Times-Union* and *Journal* are its second smallest daily, the *St. Augustine Record*, and its largest weekly, the *Putnam County Courier-Journal*. The smallest daily in the MCC chain is the *Juneau Empire*, the only daily in Alaska's capital. Its circulation average for 1985 fell about 2%, to 7,685.

In Texas the Morris papers also had a relatively flat year. Combined average daily circulation in Amarillo, with the morning *Daily News* and evening *Globe-Times*, was off 2.6% to 72,282. The Sunday *News-Globe* dropped slightly to 77,721.

The combined loss of 1.4% to 72,047 was recorded at the *Lubbock* (Tex.) *Avalanche Journal* and the *Evening Journal*. The Sunday *Avalanche Journal* circulation fell 5.1% to 77,538.

As in the Jacksonville area, with its *St. Augustine Record* and *Putnam County Courier-Journal*, Morris registers several smaller papers in the Athens, Ga., area. These include the twice-weekly *Elberton Star-Beacon*; the weekly *News Leader* in Royston, Ga., and the weekly *Hartwell* (Ga.) *Sun*. In the Hilton Head, S.C., resort area, Morris publishes another weekly, the *Hilton Head News*, circulating about 7,100.

The single special-interest Morris publication is Quarter Horse News, a fortnightly tabloid out of Fort Worth, Tex., for those who raise, ride and deal in that breed. Chairman/ceo William S. Morris III is a horsebreeder and owner. "Advertiser interest in the tabloid is good," a Morris spokesman says. Circulation has topped 8,000.

Capitalizing on its graphic arts know-how and on the advertising opportunities of its newspaper chain, MCC turns out large volumes of advertising supplements and inserts at three regional plants. St. Johns Publishing Co. is based at the *St. Augustine* (Fla.) *Record* plant, while Hartwell Publications, Hartwell, Ga., and Southwestern Publications, Amarillo, Tex., operate in conjunction with the Morris papers in those communities. Reproduction is color and black-and-white offset lithography on newsprint, both sheet-fed and web, for local customers and also national, such as K mart Corp. and Sears, Roebuck & Co. Also, the plants produce other advertising materials plus telephone books and textbooks.

Another Morris communications system is its Compudat, which makes use of its companywide computer linkage to supply electronic data processing services to commercial, agricultural and government customers in the Southeast, Texas and Alaska.

In the same vein as its combinations of daily and weekly newspapers in the same areas and its close-coupled commercial printing operations, Morris' acquisition of Naegele Outdoor could be seen as a further step toward maximizing revenue from some of its present marketing areas plus expanding into many new areas, but some observers may differ in this interpretation. "This was strictly a media purchase," says Gordon Asch, co-owner of Asch Advertising, a Manhattan outdoor specialist agency. "They may have some common clients [but] I expect that they will operate it entirely separately from their newspapers, like Gannett. It can be seen as an investment in media."

Naegele's major competitor is 3M National Advertising Co., Bedford Park, Ill., a unit of Minnesota Mining & Manufacturing, St. Paul. The 3M unit had concluded a buyout agreement with Naegele in October, 1984, for acquisition Jan. 1, 1985. But a Dec. 28, 1984, U.S. Justice Department opinion saying the acquisition potentially would violate provisions of the Clayton Act, which regulates business activities that would result in reduced competition, forced 3M to call off signing a definitive agreement.

Naegele was purchased July 18, 1985, by Morris in a transaction arranged by Chase Manhattan Capital Markets Corp. through a consortium of 10 U.S. and European banks. The purchase price was not disclosed, but was estimated to be about $400 million, industry sources say. Gannett USA, Arlington, Va., also made a bid for Naegele.

Richard F. Condon continues as Naegele's president, remaining in Minneapolis, the company's longtime home base. The headquarters was moved to Augusta and the name changed to Naegele Outdoor Advertising Co. Inc. Mr. Condon, 65, says his retirement plans are uncertain. He has been either exec vp or president for 25 years. Richard Marlowe, formerly assistant to Mr. Condon, has been named the new president.

Naegele continued to grow in 1986 with the acquisition in April, 1986, of St. Paul-based Hubbard Broadcasting's Farvue Outdoor Advertising. City markets for Naegele are primarily in the Southeast: Asheville, Fayetteville, Gastonia, Jacksonville, Kingston, Raleigh-Durham, Greensboro-Winston-Salem-High Point, Wilmington, all in North Carolina, Greenville and Spartanburg, S.C., Columbus, Ga., Jacksonville, Fla., Louisville and Owensboro, Ky., Memphis, New Orleans, Des Moines, Evansville and Indianapolis, Ind., Minneapolis, Youngstown, O., and Palm Springs, Cal.

In other new developments at Morris:

- Plant expansion is under way. At Juneau, Alaska, a new *Empire* newspaper plant should be completed by the end of 1986. For the Athens, Ga. *News* and *Banner-Herald*, Morris announced plans in April, 1986, for a new state-of-the-art plant that should take three years to complete.
- Morris has developed a multifunctional editing and composition program compatible with the IBM PC.
- In a continuing drive for editorial quality, the company has developed its writing coach program for sending skilled editorial specialists to all its papers where they act as visiting consultants. MCC also provides scholarships to the University of Georgia's Grady School of Journalism and Mass Communication.

MEDIA PROPERTIES
Newspapers (dailies)
ALASKA: *Juneau Empire*. FLORIDA: *Florida Times-Union* (Jacksonville), *Jacksonville Journal, St. Augustine Record*. GEORGIA: *Athens Banner Herald, Athens Daily News, Augusta Chronicle, Augusta Herald, Savannah Evening Press, Savannah Morning News*. TEXAS: *Amarillo Daily News, Amarillo Globe-Times, Lubbock Avalanche Journal, Lubbock Evening Journal*.

Newspapers (nondailies)
FLORIDA: *Putnam County Courier Journal* (Crescent City). GEORGIA: *Elberton Star, Hartwell Sun, News-Leader* (Royston). SOUTH CAROLINA: *Hilton Head News*. TEXAS: *Quarter Horse News*.

Other media operations
Naegele Outdoor Advertising Co.

OTHER OPERATIONS
Hartwell Publications, Southwestern Publications, St. Johns Publishing Co.

RANK **33**

Multimedia Inc.

Greenville, S.C.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	336	304	10.5
Total sales	336	304	10.5
Net income	22	34	(35.9)

Sales by media	1985	1984	% chg
Newspaper	109	103	5.9
Magazine	—	—	—
Broadcast	153	135	13.5
Cable	74	66	12.1
Outdoor	—	—	—

The bottom line at Multimedia Inc. was adversely affected as the Greenville, S.C.-based company assumed heavy debt to stave off repeated attempts by outsiders to take over in 1985. As a result, earnings declined 36% as revenues increased 10.5%.

Multimedia, ranked 33rd among media companies, recapitalized amid the pressures to merge by borrowing $625 million and issuing $480 million in debentures.

The recapitalization, completed Oct. 1, in corporate language "preserved integrity of the company, benefited our shareholder's cash position, and created a significant opportunity for long-term capital appreciation." In layman's terms, it was a tool to hold the raiders at bay.

Multimedia, whose business is all media, publishes 14 daily and 29 nondaily newspapers, operates five tv and eight radio stations; runs 100 cable tv franchises, and produces and syndicates tv productions, including "Donahue" and "The Sally Jessy Raphael Show."

The takeover attempts began in 1984 with a stock offer by management and four families who founded

'WSJ' seeks to plug 'drain'

Circulation continued to slip at the *Wall Street Journal* despite a $5 million tv ad campaign last April targeted

Find the Triangle in this Picture

Whether you're looking for the perfect test market or one of the most liveable places in the country for your product or service, North Carolina's Research Triangle newspapers provide the best picture for profitability.

The News and Observer
The Raleigh Times
Durham Morning Herald

With one rate, one bill via
Brantacan

Multimedia in 1968. Subsequently, the company turned down a $1 billion offer from Wesray Capital Corp., Morristown, N.J., an investment headed by former Treasury Secretary William E. Simon; a $1.05 billion offer from Lorimar Productions, Culver City, Cal., and several offers by Jack Kent Cooke, owner of the Washington Redskins, who had purchased 9.7% of Multimedia stock and sought a controlling interest.

Last July, Mr. Cooke agreed to Multimedia's offer to purchase his stock for a handsome profit, in return for which he dropped his bid to acquire the company and agreed not to pursue several lawsuits in both federal and state courts over Multimedia's tactics in fighting the takeover attempt.

The deal cleared the way for the recapitalization, approved by more than 85% of the outstanding shares at a stockholders' meeting Sept. 20, 1985. Under the recapitalization, stockholders received cash, a share of the debenture and a partial share of the stock of the recapitalized company. Through this procedure, Multimedia drew in 16.7 million old shares and issued 11 million new ones. While the old Multimedia stock sold as high as $64.12 a share, the recapitalized stock initially sold at 19% and had risen to 35% by the end of April.

The recapitalization plan also contained several "shark repellent" and "poison pill" provisions to make any future takeover attempt of Multimedia far more difficult.

But the cost of recapitalization was an increase in the company's long-term debt from some $80 million to more than $1 billion. In the short term, that means a corporate projection that Multimedia will lose $19.2 million this year and $3.3 million in 1987.

But in the long run, says Robert E. Hamby Jr., vp-finance, The company will profit. Investment analysts and institutional investors, he says, look more at a corporation's cash flow than at its debt, making Multimedia an attractive investment property. Multimedia projects net cash flow to increase from $117.4 million in 1985 to $363.8 million in 1995, when the bank debt will be retired. Corporate sales are projected to increase from $336.3 million in 1985 to $984.1 million in 1995.

Recapitalization aside, 1985 was a good year for all four operating divisions of Multimedia. Newspapers, broadcasting, cablevision and entertainment reported record revenues.

With revenues of $109.1 million, the newspaper division improved profits despite a soft industrywide advertising picture through most of the year. Company officials say advertising increased in the last quarter of the year, however, and that the trend should carry over through 1986.

A new Multimedia daily was established in 1985 when the *Baxter Bulletin*, Mountain Home, Ark., moved from a three-day-a-week publication to six days. The Ozarks resort area in which the paper is located is one of the fastest growing in Arkansas, doubling its population in the 1970s.

The *Staunton News-Leader*, Staunton, Va., added a Sunday paper. It also changed its afternoon format to morning publication, as did Multimedia's *Albany* (Ga.) *Observer*.

An end-1986 completion is planned for a $10 million press and suburban distribution facility at the *Asheville* (N.C.) *Citizen-Times*, and ACCUCAST, a total market coverage program, was initiated at Multimedia's publications in Asheville and Greenville and Spartansburg, S.C.

Big things are forecast by Multimedia for its dozen-odd publications near Nashville with the announcement by General Motors that it will build its new $5 billion Saturn auto assembly plant nearby, stimulating the local economy.

Multimedia's broadcasting division showed a 12% increase in revenues during 1986, to $107 million. Four of its seven tv stations—KSDK in St. Louis, WLWT in Cincinnati, WSTV in Nashville, Tenn., and WMAZ-TV in Macon, Ga.—are network affiliated and led ratings in their viewing areas. The fifth, WZTV in Nashville, is the company's only independent tv station.

During 1985, Multimedia sold four radio stations—KAAY and KLPQ-FM, Little Rock, Ark., and WAKY and WVEZ-FM, Louisville, Ky.—for $7 million, eliminating properties that had been performing poorly. The remaining eight—in Asheville, Macon, Milwaukee and Shreveport—had high ratings in 1985 and, says James T. Lynagh, president of Multimedia Broadcasting Co., "will continue to be trim, muscular and productive."

Multimedia's cablevision division operates 100 cable systems in Kansas, Oklahoma, Illinois and North Carolina, increasing subscribers 12,000 during 1985 to 375,000, making Multimedia the country's 30th largest cable operator. Revenue increased 12% to $74 million in 1985, during which Multimedia completed construction of its last pending cable franchise—the Villa Park, Ill., system. Both the Greenville and Rocky Mount, N.C., systems were converted to addressability (through which a cable office can change a customer's service from the office, without dispatching a truck and driver) in 1985.

Multimedia's syndication activities provided $46.2 million in revenues in 1985. The year saw the move of the popular and highly rated "Donahue" show—now in its 19th year—from Chicago to New York's Rockefeller Plaza. Multimedia Entertainment also completed its first year in a new home base at Rockefeller Plaza.

The daily "Sally Jessy Raphael" program grew from 20 markets in 1984 to 70 by the end of the year; "Donahue" to 217 markets. Multimedia Entertainment also produces "Young People's Specials," "America Comes Alive," and "The Now Music City USA," as well as other special tv programing. In 1985, the division began Multimedia Productions, audio and video production companies that produce commercials and trade films.

A new syndicated game show—the working title is "TV Game Show"—is distributed with a pilot in 1985, but reportedly to an unenthusiastic reception, and no decision has been made as to further production. Multimedia Entertainment president Mike Weinblatt says the division is planning a late-night comedy show during 1986, as well as several prime-time situation comedies. In major corporate moves in 1985, the board of directors elected Mr. Hamby as vp-finance; Elizabeth S. Mills as vp-corporate communications, and Thomas L. Magaha as controller.

MEDIA PROPERTIES

Broadcasting

TV: KSDK, St. Louis; WLWT, Cincinnati; WZTV, Nashville, Tenn.; WBIR-TV, Knoxville, Tenn.; WMAZ-TV, Macon, Ga.

RADIO: KEEL, KMBQ (fm), Shreveport, La.; WMAZ (am, fm), Macon, Ga; WWNC, Asheville, N.C.; WFBC (am, fm), Greenville/Spartanburg, S.C.; WEZW (fm), Milwaukee.

Cable/video

SYSTEMS: ILLINOIS: Alsip/Worth, Batavia, Chicago Ridge, Evergreen Park, Harvey, Hometown, Lisle, Markham, Oak Forest, Oak Lawn, Phoenix, Kane County, Four Lakes, South Holland, Villa Park. KANSAS: Bel Aire, Colonial Mobile Home Park, Crestview/Shadybrook, East Borough, Herington, Kechi, Lyons, McConnell Air Force Base, McPherson, Medicine Lodge, Oaklawn, Park City, Rolling Hills, Sedgwick County, Springdale/Timberlakes, Wichita. NORTH CAROLINA: Ayden, Battleboro, Beaufort County, Bethel, Bridgeton, Clinton, Chocowinity, Craven County, Edgecombe County, Enfield, Greenville, Kinston, La Grange, Lenoir County, Martin County, Nash County, Nashville, New Bern, Parmele/Bethel, Pitt, River Bend, Robersonville, Rocky Mount, Sampson County, Scotland Neck, Sharpsburg, Tarboro, Trent Woods, Vanceboro, Walnut Creek, Washington, Wayne County, Winterville, Wingate. OKLAHOMA: Bethany, Bixby, Chickasha, Crescent, Cushing, Del City, Edmond, El Reno, Erin Springs, Guthrie, Lindsay,

Newspapers (dailies)

ALABAMA: *Advertiser* (Montgomery), *Alabama Journal* (Montgomery). ARKANSAS: *Baxter Bulletin* (Mountain Home). FLORIDA: *News Chief* (Winter Haven). GEORGIA: *Moultrie Observer*. NORTH CAROLINA: *Asheville Citizen, Asheville Times*. OHIO: *Gallipolis Daily Tribune, Daily Sentinel* (Pomeroy). SOUTH CAROLINA: *Greenville News, Greenville Piedmont*. TENNESSEE: *Leaf-Chronicle* (Clarksville). VIRGINIA: *Daily News Leader* (Staunton). WEST VIRGINIA: *Point Pleasant Register*.

Newspapers (nondailies)

ALABAMA: *Progress* (Prattville), *Review, Bonus*. ARKANSAS: *Twin Lakes Shopper* (Mountain Home). FLORIDA: *Auburndale Star, Orange Shopper, TV & Shopping Guide*. GEORGIA: *Weekly Moultrie Observer*. NORTH CAROLINA: *Asheville Citizen and Asheville Times North, Asheville Citizen and Asheville Times South, Asheville Citizen and Asheville Times East, Asheville Citizen and Asheville Times West*. OHIO: Tri-County News (Gallipolis). SOUTH CAROLINA: *County Fair* (Greenville), *Market Source, The Paper* (Spartanburg). TENNESSEE: *Ashland City Times, Cheatham County Money-Saver, Clarksville Money Saver, Dickson County Money-Saver, Dickson Herald, Humphreys County Money-Saver, Nashville Record, News-Examiner* (Gallatin), *Stewart-Houston Times* (Dover-Erin), *Music City News, Star News* (Hendersonville), *Rural Examiner* (Gallatin). VIRGINIA: *Augusta County Weekly* (Staunton).

OTHER OPERATIONS

Program productions: "Donahue," "Sally Jessy Raphael," "Country Comes Alive," "Young People's Specials," "The New Music City USA," Multimedia Productions.

National Enquirer

Lantana, Fla.

RANK 71

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	159	147	8.2
Total sales	159	147	8.2
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	159	147	8.2
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Mutual Radio's Jim Bohannon no longer uses the *National Enquirer* as fodder for his weekly "Sleaze Report," a compilation of hard-to-believe stories culled from papers usually found at supermarket checkout counters. The paper's new-found respectability has brought it more readers than a year ago and a slew of advertising from some of the giants in the consumer product field.

The Lantana, Fla.-based National Enquirer, the 71st largest media company in the U.S., reports revenues of $159 million, solely derived from the *National Enquirer* and the 6-year-old *Weekly World News*. The revenues are up about 8.2% from $147 million in 1984.

According to ABC, the *Enquirer's* six-month circulation average for the period ended Dec. 31, 1985, was 4,552,047, up 3.2%. *Weekly World News*, a digest of global news, features and brights, boasted a circulation gain of 13% to 1,047,629. Its price is up 5 cents, to 55 cents, while the *Enquirer* is 65 cents.

Publisher James Martise reports that revenues were up in 1985 despite a small decline in advertising sales.

Mr. Martise reports a drop of four pages in advertising in 1985, largely attributable to a 30-page fall in tobacco ads. But he says the number of advertisers of such package goods as food, household products, toiletries and medical products is up some 28% over the year before.

Mr. Martise says advertisers have seen the editorial content of the papers, and now they have what he calls a "comfort factor."

This factor has brought in such companies as Kraft, Procter & Gamble, Campbell Soup Co. and Coty toiletries. Mr. Martise says there is "editorial compatibility" between the features food stories in every issue.

The papers also serve a readership Mr. Martise thinks is served by no other publications, including the women's service magazines. He says those magazines cater to a college-educated, professional woman, whereas the *Enquirer* and *Weekly World News* are geared more to a high-school graduate with clerical or secretarial skills. Mr. Martise calls this a market of "unduplicated women."

To sell itself in a market increasingly full of news and entertainment publications, the *Enquirer* has cut back on celebrity stories, devoting only 30% to 35% of its space to them. The rest is service and human interest oriented.

The *Enquirer* has no plans to change this mix. The company is continuing to rely on trade publication ads and promotional mailings to attact more national advertising. It has cut back slightly on media spending to lure more readers.

The *Enquirer* and *Weekly World News* spent about 9% less in 1985 than the previous year on tv spots, according to Leading National Advertisers, a service that monitors seven media. The $11.6 million *Enquirer* budget for tv in 1985 contrasts with a $16 million outlay the year earlier. On the other hand, *Weekly World News* ad spending jumped from less than $100,000 to $2.3 million last year.

To enhance its respectability, the *Enquirer* has forged links with such medical organizations as the Arthritis Foundation, the American Heart Assn. and the American Cancer Society. "We work with them hand in hand," Mr. Martise says, noting the groups check *Enquirer* stories for accuracy.

The paper is not above blowing its own horn when it scores a scoop. On page two of one issue this spring, the headline read "You Read It Here First . . . " and the story trumpeted that a new study had found what the *Enquirer* told its readers four years ago: Olive oil can reduce the risk of heart disease. The *Enquirer* piece noted the Associated Press finally picked up the story—four years after the *Enquirer* ran it.

The *Enquirer* says many of its readers are self-medicated, getting their health tips from such pieces as the olive oil story and a spate of ads for everything from denture plaque remover to grapefruit pills to lose weight.

The *Enquirer* also works with the Rochester, N.Y.-based Council of Adoptive Parents, featuring articles on hard-to-place children. According to Mr. Martise, these stories have led to the adoption of 163 children. They are either handicapped or from underprivileged backgrounds.

Nationally known ministers such as Robert Sculler and Billy Graham also continue to write regularly for the *Enquirer*.

Mr. Martise thinks the *Enquirer* and *Weekly World News* are well-positioned to keep their major advertisers and continue to build circulation. "The market of the *Enquirer*," he says, "is very much the market of Middle America."

MEDIA PROPERTIES

Newspapers (nondailies)

National Enquirer, Weekly World News.

National Geographic Society

Washington

RANK 51

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	220	213	3.3
Total sales	356	327	9.1
Net income	22	17	33.3

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	220	213	3.3
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

with its expensive, 2-year-old startup, *National Geographic Traveler*, nearly emerging in the black. The society saw earnings from media operations grow to $3.8 million, after a $2 million loss in 1984.

Improvements were abundant in all areas for the nation's 51st largest media company. *National Geographic* saw circulation and ad revenues rise. The monthly magazine had 1985 ad revenues of $35.4 million, up 18% from 1984. It raised prices for color pages by 6.4% and at the same time dropped the rate base to 8.2 million from 8.4 million. Ad pages grew to 301, an increase of 12 pages, in 1985.

The *National Geographic Traveler* continues to have its problems. Although ad revenue in 1985 rose 33% to $3.6 million, ad pages and circulation dropped. Society officials say the *Traveler* nearly made it into the black, but couldn't predict whether the magazine would break even in 1986.

This year the *Geographic* shows no sign of vitality, with a flat first half and few prospects of improvement for the rest of 1986.

"I don't know where the year's going," says George Moffat, the society's ad vp. "We'll be lucky if we end up even with last year."

The *Geographic*, however, is seeing upward movement in its circulation and increased its rate base this year to 8.25 million. It expects international circulation to grow to 10.8 million by the end of 1986, from 10.5 million in 1985.

Circulation is strong because annual membership dues have remained at $15 since 1983, says Cletis Pride, vp-promotional and education services. Those stable prices give the *Geographic* an 86% renewal rate. Dues may be raised next year, however, Mr. Pride says.

The *Geographic* has had few changes in its advertising operation this year. Mr. Moffat may launch an affluent edition in 1987, which would allow advertisers to reach the magazine's higher income readers. The affluent edition would be a departure for the *Geographic*, which has offered only regional buys for the past several years.

In 1982, Mr. Moffat introduced the "Big G" edition to attract advertisers that only want to reach readers in top markets. Last year Mr. Moffat trimmed Big G's reach to 25 markets, down from 35, to keep the rate base at a manageable 4.25 million.

Big G, Mr. Moffat says, "is holding its own," but last year was down in pages slightly. Big G allows advertisers to buy space at slightly more than half the cost of a regular *Geographic* page. A one-time 4-color page ad insertion costs $117,715 in the *Geographic*.

A new regional buy this year is the U.K., with a circulation of 185,000. The edition hasn't caught on yet, Mr. Moffat says, and may be killed if it doesn't show signs of life by year's end.

The international sales force was reorganized last year. Michele Boutin was named international sales director, a new position, from European sales director. The society expanded its sales offices to London, Duesseldorf, Madrid, Sydney and Hong Kong.

Geographic's advertising will continue to be mostly separate from editorial matter. Over the past four years, Mr. Moffat has eased some copy, such as columns and letters to the editor, into the advertising section. No further mixing is likely, he says.

While the *Geographic* doesn't plan to repeat its highly popular but costly hologram cover this year, it will include a special scent-strip test in an issue this fall to accompany an article on smells.

The society this year spent $700,000 to promote the *Geographic* with a trade campaign. For the first time, the magazine also bought six weeks of radio time in Detroit to appeal to car advertisers. the *Geographic's* largest category. McCaffery & Ratner, New York, handles

in 1984.

Mr. Moffat says *Traveler* will carry about 40 ad pages in each issue this year. *Traveler's* circulation has dropped 9% to 915,000. The society intends to continue selling *Traveler* only to existing *Geographic* readers, says Mr. Pride.

The society also publishes "National Geographic Research," a scholarly quarterly launched in January, 1985. The $40-a-year publication has a circulation of 5,000 and does not carry advertising.

"National Geographic World," geared to children between the ages of 8 and 13, continues with a circulation of 1.5 million. It also accepts no advertising.

The National Geographic society has become more aggressive in developing programing for cable and public tv. This year it launched a series of two-hour weekly specials for superstation WTBS, Atlanta. It also continues the "National Geographic Explorer" series, appearing on public tv stations four times a year. In the planning stage is a children's series, likely to be ready in late 1987.

In April the society began distributing videocassettes of its "Explorer" and other specials to retail outlets. The cassettes sell for $29.95.

MEDIA PROPERTIES

Magazines

National Geographic, "National Geographic Research," *National Geographic Traveler*,"National Geographic World."

News America Publishing

RANK 21

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	584	440	32.8
Total sales	636	463	4
Net income	N.A	N.A	

Sales by media	1985	1984	% chg
Newspaper	435	407	6.9
Magazine	149	33	352.1
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

One of the most active acquisition years ever for News America Publishing, New York, the 21st largest media company, was not reflected in the financial results of its most current fiscal year, ended June 30, 1985.

The subsidiary of News Group Ltd., Sydney, Australia, a company 46% owned by chairman-ceo Rupert Murdoch and his family, during calender 1985, bought half of Twentieth Century-Fox in March for $250 million, then bought the other half from Denver oilman Marvin Davis in September for $325 million.

With Mr. Davis, Mr. Murdoch agreed to buy six of Metromedia Inc.'s seven tv stations for $1.55 billion in cash and the assumption of debt. The stations became the hub of a new network.

Metromedia sold the seventh station, WCVB-TV, Boston, to Hearst Corp. for $450 million.

But Mr. Davis, alarmed over the debt to be assumed in the deal, pulled out, and Mr. Murdoch went it alone. An Australian citizen by birth, he became a naturalized American citizen in a matter of months in order to comply with FCC rules barring more than 25% foreign ownership of broadcast outlets.

In May, just after the Metromedia deal was announced, Mr. Murdoch sold for $55 million the *Village Voice*, an alternative weekly newspaper in New York. The buyer was Leonard Stern, head of Hartz Mountain, the pet products company.

In between all the acquisitions, News America launched *Elle*, an English-language version of the French women's fashion and life-style weekly published jointly with Edi Sept Inc. It revamped the national *Star* to make it more attractive to advertisers and created a flap in the Vatican by announcing plans to begin syndication of a newspaper column called "Selected Observations of Pope John Paul II," a column culled from the writings of the vicar of the Roman Catholic Church. The flap resulted over erroneous news reports that the column would be penned by the Pope himself.

And, finally, Mr. Murdoch succeeded in obtaining a two-year waiver of the FCC requirements that he sell the *New York Post* and *Chicago Sun-Times* to comply with its prohibition on cross-ownership of media properties in a single market.

News America launched Fox network in May, 1986, with original programing slated to begin in March, 1987, with the feeding of multihour movie blocks to affiliated stations on weekends. Key to Fox network are the former Metromedia stations now falling under the Fox Broadcasting Co. banner: WNYW-TV (formerly WNEW-TV) in New York, KTTV in Los Angeles, WFLD-TV in Chicago, WTTG in Washington, KDAF-TV in Dallas-Fort Worth (formerly KRLD-TV) and KRIV-TV in Houston. They generated about $350 million in revenues in 1985 while under Metromedia ownership.

The stations have the capacity to cover 21% of all American households when combined with the production abilities and film library of Twentieth Century-Fox.

A month after its launch, the network picked up 18 affiliates from seven group owners and San Diego's XETV.

Group owners and the cities representing their participating independents include Meredith (Orlando, Pittsburgh and Las Vegas); Malrite Communications (West Palm Beach, Jacksonville, Cincinnati, Rochester, N.Y.); Outlet Communications (Atlanta and Indianapolis); Scripps-Howard Broadcasting (Kansas City); Cox Communications (San Francisco, St. Louis and Detroit); Taft Broadcasting (Miami and Philadelphia), and Hubbard Broadcasting (Tampa). In Phoenix, either the independent station owned by Scripps Howard or Malrite will be signed on.

Among News America's U.S. newspaper holdings, the *New York Post* continues to lose about $10 million a year, analysts believe.

The *Post*, expected to be put up for sale to comply with the FCC cross-ownership rules, is not likely to fetch a high price if it can be sold at all. ABC reports six-month daily circulation averages ended March 31, 1986, of 751,798, a drop of nearly 150,000 from the report of the similar period in 1985.

Circulation of the *Chicago Sun-Times* remained relatively stable at 631,808, down 1.2%, and Sunday, 663,616, down 4%. The *Boston Herald* gained circulation in 1985 but lost roughly 10,000 to 358,725 as of the March 31, 1986, ABC report. Nevertheless, the newspaper's publisher says the newspaper is about to break even. The *San Antonio Express-News* circulation remained relatively stable at 168,098 daily, up 1%.

In the Murdoch Magazines group, the 14 business publications acquired from Ziff-Davis in January, 1985, for $350 million are believed to be progressing satisfactorily. *Elle* is raising its rate base and is being considered a strong success. *New York* ended calendar 1985 with a 5.5% increase in ad pages to 3,151 and a healthy increase in ad revenues of 12.3% to $34.1 million.

The *Star's* profits were dampened by the redesign and the raising of the cover price from 50 cents to 69 cents. *New Woman* ended the year with a 20.4% increase in ad pages to 679 and a 44% increase in advertising revenues to $10 million.

MEDIA PROPERTIES

Broadcast

TV: WFLD, Chicago; KDAF-TV (formerly KRLD-TV), Dallas-Fort Worth; KRIV, Houston; KTTV, Los Angeles; WNYW (formerly WNEW), New York; WTTG, Washington.

Magazines

A/C Flyer, Aerospace Daily, Aviation Daily, Business & Commercial Aviation, Hotel & Travel Index, Meetings & Conventions, New Woman, New York, Official Hotel & Resort Guide, Official Meeting Facilities Guide, Star, Travel Weekly, Weekly of Business Aviation, World Aviation Digest, World Travel Digest.

Newspapers (daily)

ILLINOIS: *Chicago Sun-Times*. MASSACHUSETTS: *Boston Herald*. NEW YORK: *New York Post*. TEXAS: *San Antonio Express-News*.

Newspapers (nondailies)

TEXAS: Houston Community Newspapers (all in Houston)—*Community News, Humble Echo, Sentinel, Suburban Reporter, Sun, Sun Woodland*.

OTHER PROPERTIES

Twentieth Century-Fox.

New York Times Co.

RANK 12

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	1,394	1,230	13.3
Total sales	1,394	1,230	13.3
Net income	116	100	16.3

Sales by media	1985	1984	% chg
Newspaper	1,109	958	15.7
Magazine	217	211	2.8
Broadcast	42	38	11.3
Cable	26	22	19.5
Outdoor	—	—	—

The New York Times Co. turned in a record year for both revenues and net income in 1985 as it spent nearly $400 million in acquiring five newspapers and two tv stations. Wholly a media company, the Times Co. was the nation's 12th largest media company.

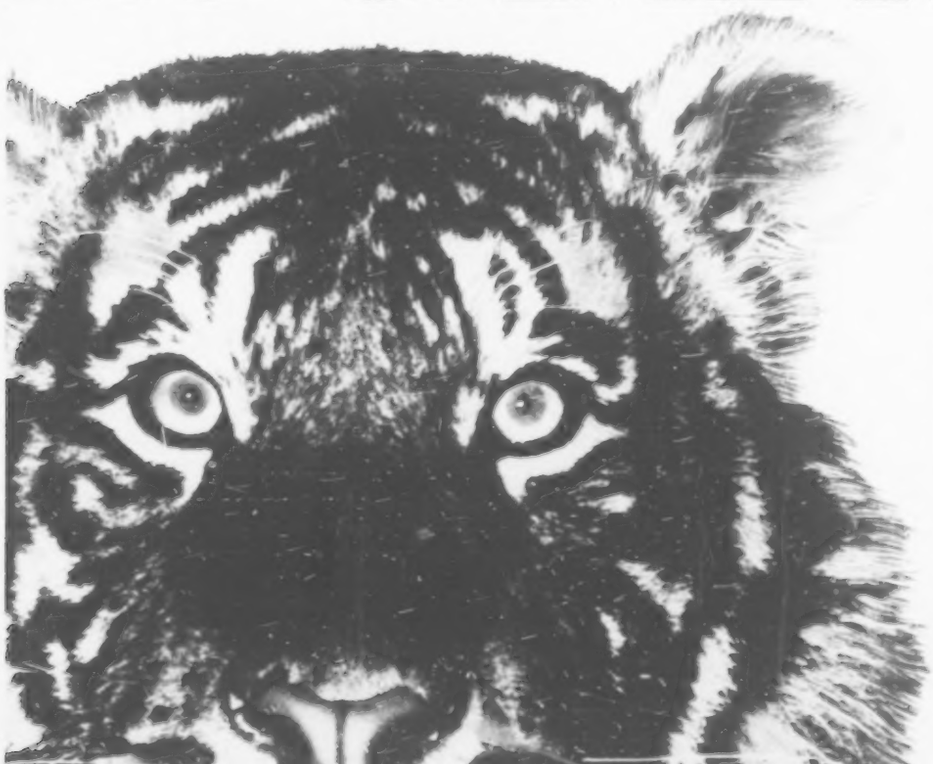
Times Co. has been pursuing smaller newspapers for acquisition throughout the U.S. and in 1985 bought the *Spartanburg Herald-Journal*, in South Carolina, the *Tuscaloosa News* and the *Gadsden Times*, both in Alabama, and in California, the *Santa Barbara News-Press* and the *Santa Rosa Press Democrat*, and WQAD-TV, Moline, Ill., and WNEP-TV, Wilkes-Barre/Scranton, Pa. Both tv stations are ABC affiliates.

The company's newspaper division took in $1.1 billion in revenue in 1985, a 16% gain over 1984, and operating profit of $197 million, up 18%. The division is comprised of 25 daily and eight weekly and twice-weekly papers.

It was a record year at the company's flagship, the *New York Times*, which experienced increased daily and Sunday circulation as well as advertising volume. Daily circulation increased 2.1% to 1,035,426 between March 31, 1985, and the same period in 1986, and Sunday circulation increased slightly to 1,625,649, according to ABC FAS-FAX report of newspaper circulation. Ad linage increased 3.1% to 111.4 million lines in 1985.

The national edition of the *New*

BIG GAME HUNTERS



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Chicago Lithographing Company

York Times is being printed in eight sites and has attained a daily circulation of 145,000 and a Sunday circulation of 235,000.

The *New York Times Magazine*, carried in the Sunday paper, became the country's leading magazine advertising vehicle in ad pages in 1985, passing *Business Week* by 130 pages to take the top spot with 4,360 pages. The total was down 7.5%, generating $109.6 million, down 1.3%.

Other moves at the *Times* included the expansion of the regional second-news section on Sundays, the addition of computer and real estate columns in the paper's business sections and the creation of a new so-called "Part 2" of the Sunday magazine called "The Business World" that in 1986 replaced a sports-themed Part 2 section, originally intended for twice-annual publication.

The newspaper acquisitions increased the total daily circulation of the Times Co. regional newspapers group to 749,000, up 51.6%, by yearend 1985. Sunday circulation rose similarly, to 721,000, up 64.6%.

The company's magazine group suffered from softness in national advertising and an industrywide falloff in single copy and some subscription sales, with the group posting a 2.5% decline in advertising pages from 1984 levels and a 3.1% circulation decline. The group's revenues nonetheless rose 3% to $216.5 million. Operating profit was up 22% to $17.6 million.

Among the titles, *Family Circle* carried 1,853 ad pages in 1985, a gain of 50 over 1984. Circulation fell from 6,964,000 in 1984 to 6,681,000 in 1985. *Golf Digest* carried 1,066 ad pages in 1985, a loss of 14 pages from 1984 levels. Circulation rose slightly, to 1,228,400 in 1985 vs. 1,225,400 in 1984. *Tennis* carried 959 ad pages in 1985, compared with 1,036 in 1984. Circulation in 1985 was 507,300, up 7,300 from 1984 levels. *Cruising World* carried 1,620 ad pages in 1985, a loss of 102 from 1984's 1,722 pages, while 1985 circulation in 1985 was up 1,000 to 116,000.

In the company's broadcasting/cable tv segment, revenues increased 14% to $68.6 million in 1985 while operating profit soared 27% to nearly $11 million. The tv stations were able to increase revenue in a year when all national advertising on tv was off by continuing to increase emphasis on local news coverage and on local retail advertising sales.

The company's cable operations, spread over 56 communities in five counties in southern New Jersey, increased basic subscriptions 7% to 130,000 in 1985. It extended the two-way, pay-per-view capability of its systems to 26,000 subscribers during the year.

MEDIA PROPERTIES

Broadcasting

TV: WHNT-TV, Huntsville, Ala.; KFSM-TV, Fort Smith, Ark.; WREG-TV, Memphis, Tenn.; WNEP-TV, Wilkes-Barre/Scranton, Pa.; WQAD-TV, Moline, Ill.
RADIO: WQXR (am, fm), New York.

Cable/video

SYSTEMS: NEW JERSEY: NYT Cable TV—Cherry Hill.

Magazines

Cruising World, Family Circle, Golf Digest, Golf World (U.K.), *Tennis*.

Newspapers (dailies)

ALABAMA: *Times Daily* (Florence), *Tuscaloosa News, Gadsden Times*. CALIFORNIA: *Press-Democrat* (Santa Rosa), *Santa Barbara News-Press*. FLORIDA: *Gainesville Sun, Lake City Reporter, Ledger* (Lakeland), *Leesburg/Commercial, Ocala Star-Banner, Palatka Daily News, Sarasota Herald-Tribune*. KENTUCKY: *Daily News* (Middlesboro), *Harlan Daily Enterprise, Messenger* (Madisonville). LOUISIANA: Daily Comet (Thibodaux), *Daily World* (Opelousas), *Houma Daily Courier*. MISSISSIPPI: *Daily Corinthian* (Corinth). NEW YORK: *New York Times*. NORTH CAROLINA: *Dispatch* (Lexington), *Lenoir News-Topics, Times-News* (Hendersonville), *Wilmington Morning Star/Sunday Star-News*. SOUTH CAROLINA: *Spartanburg Herald-Journal*. TENNESSEE: *State Gazette* (Dyersburg).

Newspapers (nondailies)

bunk). MISSISSIPPI: *Banner-Independent* (Booneville).TENNESSEE: *Claiborne Progress* (Tazewell).

Other media operations

Feature and news syndicates, interests in Madison Paper Industries and three Canadian newsprint mills, *International Herald-Tribune*.

Oklahoma Publishing Co.

RANK 26

Oklahoma City, Okla.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	411	394	7.0
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	240	229	4.8
Magazine	2	2	(10.5)
Broadcast	154	141	9.2
Cable	15	12	25.0
Outdoor	—	—	—

Oklahoma Publishing Co. continued its diversification within the broadening media field by joining Dow Jones & Co. in purchasing a share in a computerized price quotation service. The company also sold a newspaper in Colorado Springs, Colo., that had been troubled for some time and sold its only magazine.

The Oklahoma City-based media giant known in the diminutive as Opubco, was the 26th largest media company based on 1985 revenues derived from newspapers, broadcasting and cable, the latter being The Nashville Network, acquired by Opubco in 1983. The company also has interest in theme parks, entertainment program production, a professional baseball team, and oil and gas.

Fiercely private Opubco closely guards its financial information. It was included in a 1985 listing of Oklahoma City companies of $100 million or more in sales. In 1986, *Forbes* listed Edward L. Gaylord, Opubco president, among America's richest executives, with Mr. Gaylord's broadcasting and publishing fortune valued at $600 million.

During 1985, Opubco purchased a 20% interest in Telerate Inc., a New York-based supplier of computerized price quotations and other information on government securities, foreign exchange, mortgage market securities and other financial instruments to more than 27,000 video terminals. At the same time, Dow Jones, publisher of the *Wall Street Journal*, acquired 32% of Telerate. The shares were purchased from Exco International plc, an English company, for $459.8 million, of which Opubco's share was $177.5 million.

According to Dean Witter Equity Research, New York, Telerate dominates the U.S. market for such services, competing with Reuters Holdings plc. Reuters, Dean Witter estimates, commands only a 20% share of the U.S. market, while dominating the international markets.

Opubco sold the *Colorado Springs Sun* to Freedom Newspapers, which publishes the *Colorado Springs Gazette Telegraph*. After the $30 million transaction in January, 1986, Freedom ceased publication of the *Sun*, a tabloid morning newspaper that had a weekday circulation of about 45,000 and 67,000 Sundays. The *Gazette Telegraph* carried a morning circulation of 69,481, according to six-month ABC averages ended March 31, 1986, up 13% from the corresponding period in 1985. Evening circulation was 37,967, down 5%. The Sunday paper, however, showed strong gains to 114,457, up 6.1%. Last edition of the *Sun* was Feb. 28.

DataTimes, the electronic database subsidiary of Opubco's Datatek Corp., grew to include full-text electronic libraries of the *Arkansas Gazette*, Associated Press Newswire, the *Baton Rouge State Times* and morning and Sunday *Advocate*, the *Chicago Sun-Record* (Oklahoma City), *Minneapolis Star & Tribune, Oklahoman & Times, San Francisco Chronicle, Seattle Times*, Southwest Newswire and the *New Haven Register & Journal-Courier*.

The service extended its reach into Australia when it added the Queensland Newspapers Pty Ltd. of Brisbane. DataTimes officials say they expect to add databases from the leading publishers in Perth, Melbourne and Sydney during the summer of 1986.

Opubco's flagship newspaper, the *Oklahoman & Times* and *Sunday Oklahoman*, continued to increase production at its new suburban plant where all daily copies of the newspaper are produced along with a major portion of the weekend issues. The $50 million plant, which went into production in January, 1985, includes 20 computer-operated Goss Metroliner offset presses. Printing plates for the presses are prepared electronically from scanned data that is transmitted via fiber optic cable from the newspaper's editorial and advertising offices eight miles away.

ABC figures for the six-months ended March 31, 1986, place daily circulation at 239,404, down 5% from the corresponding period in 1985, and Sunday circulation at 328,734, up 1%. Howard Nicks, vp-general manager of the newspaper, attributes the loss in the daily to a January, 1986, subscription price increase to $8.25 a month from $7.65 a month, but says he is encouraged by recent numbers that show many of the lost subscribers are returning.

Oklahoma City, Mr. Nicks adds, has been hit hard by the depressed oil and farming industries, which accounts for soft ad sales. Despite the softness, *Oklahoman* ad sales have been on the rise, Mr. Nicks says. The newspaper is by far the dominant participant in the city's media scene.

Opryland USA, Opubco's entertainment park in Nashville, christened the world's second largest paddlewheel showboat in July, 1985. The 300-ft., $12 million General Jackson has a capacity for 670 people for banquets and more than 1,000 for theater presentations. It is named for the first steamboat to operate on the Cumberland River.

Cable subscriptions to The Nashville Network rose to about 25 million from 22 million the year before. During the year, TNN began charging cable systems 10 cents per subscriber per month, which, with discounts, averages to about 7 to 8 cents per subscriber per month, TNN officials say. That is about $22.5 million gross annually. Opubco pays Group W Satellite Communications to distribute and market TNN. TNN came to Opubco with its purchase in September, 1983, of Opryland USA.

Bud Wendell, Opryland president, says that in April, 1986, TNN "beat all other advertiser-supported cable networks" with a 1.8 rating in prime-time average viewing. In early April, the network modified its weekend offering, consolidating all sports broadcasts into the Sunday schedule, and expanding Saturday's schedule to include all entertainment. Officials say the programing change stimulated a 25% to 30% increase in weekend viewing.

In October, the Oklahoma City Chamber of Commerce sponsored a salute to Opubco president Edward L. Gaylord. President Reagan sent his regards by mail. Vice President George Bush taped a message in which he said, "Even if the Rangers are in the cellar, you're on top in our league." Mr. Bush, a Texan and sportsman, was referring to Mr. Gaylord's part-ownership of the Texas Rangers.

Gaylord Broadcasting's KTVT-TV, Dallas-Fort Worth, which broadcasts Texas Rangers games along with Southwest Conference football, basketball and bowl games, and live boxing, added the Dallas Mavericks to its sports broadcasting lineup.

Texas Rangers majority owner Bush said in October that he was not interested in the possible sale of his interest to Gaylord. Mr. Chiles denied that talks were under way, but Gaylord appeared ready to participate if the opportunity came along. The broadcasting company's minority ownership includes rights of first refusal on the sale of the majority interest.

In late May, 1986, Opubco sold its Farmer Stockman Publishing Co., Dallas, to Harcourt Brace Jovanovich. The company publishes *Texas Farmer-Stockman* and *Oklahoma Farmer-Stockman* with a combined circulation of 180,000. Terms were not disclosed.

MEDIA PROPERTIES

Broadcasting

TV: Gaylord Broadcasting Co.: KHTV, Houston; KSTW, Tacoma, Wash.; KTVT, Dallas-Fort Worth; WTVT, Tampa; WUAB, Lorain (Cleveland), O.; WVTV, Milwaukee; WVUE, New Orleans.
RADIO: WKY, Oklahoma City; WSM (am, fm), Nashville.

Cable/video

CHANNELS: The Nashville Network.

Newspapers (dailies)

OKLAHOMA: *Oklahoman & Times*.

Newspapers (nondailies)

OKLAHOMA: *Oklahoman*.

OTHER OPERATIONS

Datatek, Gaylord Productions, Gaylord Syndicom, Grand Ole Opry and AcuffRose music publishing company, Music Country Radio Network, Opryland Hotel, Opryland theme park, Opryland Productions, Texas Rangers (38% interest).

Outlet Communications

RANK 88

Providence, R.I.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	115	105	9.4
Total sales	115	105	9.4
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	115	105	9.4
Cable	—	—	—
Outdoor	—	—	—

Keeping track of the ownership of Outlet Communications is like witnessing a Ping-Pong match: It bounced from public to private two years ago and then was bought out by its management in February this year.

In all this, the media component at Outlet has grown to seven tv stations and four radio properties. However, that number soon will change with the sale of three of the tv stations to raise cash to reduce the cost of the buyout. A radio property previously was sold in December.

Outlet, ranked the 88th largest media company, grew 10% in revenues from 1984 to 1985, all from its tv and radio properties.

In February, 1986, Rockefeller Group Inc. signed a contract selling Outlet for more than $625 million in cash and notes to an investor group led by Outlet executives and Wesray Inc. Wesray is a Morristown, N.J., investment firm that specializes in leveraged buyouts. One of Wesray's principals is former Treasury Secretary William Simon.

The family-owned Rockefeller Group acquired Outlet two years ago for $332.1 million. The company subsequently was enlarged by the purchase of two tv stations, WATL-TV, Atlanta, from Sillerman-Morrow for $28 million, and WPDS-TV in Indianapolis, whose call letters were changed to WXIN, from Anapcomp Inc. for $22 million.

In December, 1985, the FCC approved the sale of Outlet's WQRS-FM, Detroit, to Tanger Broadcasting Properties Inc. of Boston for $5.1 million.

The Pritzker family of Chicago tried to acquire Outlet, but that transaction apparently fell through in January because of the Rockefeller family's concerns about tax implications of the stations: WCPX-TV of Orlando, Fla., to First Media Corp. of Potomac, Md., for $200 million; KSAT-TV of San Antonio, Tex., to H-C Communications of Houston for $153 million, and KOVR of Stockton-Sacramento, Cal., to Narragansett Capital Corp. of Providence, R.I., for $104 million.

None of the proposed sales has yet been approved by the FCC. "We're assuming they will all be approved at the same time as the buyback," says Fred Griffiths, vp-corporate affairs. An FCC ruling is expected in August.

A.C. Nielsen Co. supplied the following figures for the tv station's delivery of market share for total adults during the late news period in February, 1986: WCPX-TV, Orlando, 22% for the 11 p.m. news; KSAT-TV, San Antonio, 21% for the 10 p.m. news; KOVR of Stockton-Sacramento, Cal., 18% for the 11 p.m. news; WCMH of Columbus, O., 33% for the 11 p.m. news; WJAR of Providence, R.I., 34% for the 11 p.m. news. WXIN of Indianapolis and WATL of Atlanta, Ga., do not broadcast news.

The following ratings were supplied by Arbitron for the percentage of listeners in morning and evening drive periods for the radio stations owned by Outlet: WTOP, Washington, 7.6%, morning, and 3.7%, evening; WTKS (fm), Bethesda, Md., 1.3% morning, 1.5% evening; WIOQ (fm), Philadelphia, 3.9% morning, 3.8% evening; KIQQ (fm), Los Angeles, 2.2% morning, and 2.6% evening. None of these stations is considered a market leader.

MEDIA PROPERTIES

Broadcasting

TV: KOVR, Stockton-Sacramento, Cal.; KSAT-TV, San Antonio, Tex.; WATL-TV, Atlanta; WCMH-TV, Columbus, O.; WCPX, Orlando, Fla.; WJAR-TV, Providence, R.I.; WXIN-TV, Indianapolis.
RADIO: KIQQ (fm), Los Angeles; WIOQ (fm), Philadelphia; WTKS (fm), Bethesda, Md.; WTOP, Washington, D.C.

Park Communications

RANK 91

Ithaca, N.Y.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	105	98	7.4
Total sales	105	98	7.4
Net income	15	14	7.8

Sales by media	1985	1984	% chg
Newspaper	56	51	9.4
Magazine	—	—	—
Broadcast	50	47	5.3
Cable	—	—	—
Outdoor	—	—	—

Since October, 1983, when founder and president Roy H. Park took public what then was named Park Broadcasting Co., growth and change have been coming rapidly. The name is new, Park Communications Inc.; new radio stations and newspapers are on board; Park Outdoor Advertising is separating, and there is a new president.

The presence of new president-chief operating officer Richard W. Gilbert translates into growth at Park, because Mr. Gilbert will relieve Roy H. Park, the 75-year-old head of the company, from many administrative demands, allowing him more time to plan for acquisitions. Mr. Gilbert came from the Des Moines Register & Tribune Co. as president-chief operating officer in November, 1985.

Park, the 91st largest media company, has added at least one newspaper a year to the Park chain since 1977.

Park today is a broadcast and print company operating in 20 states. Its broadcast properties include seven tv stations, all network affiliates, and eight am and fm radio stations, most of them network affiliates. The newspaper properties consist of 29 dailies, 14 Sunday editions, 23 weeklies and twice-weeklies, and 31 shoppers.

Park's tv stations reach about 17.4

from the previous year. Circulation for the 29 dailies rose 11% to 273,900, and the 14 Sundays papers improved 8% to 146,108 during the same period.

As of Dec. 31, 1985, the 23 weekly and twice-weekly Park newspapers were circulating 98,523 copies, up 44%. On June 1, 1986, the largest of these, the *Wayne Independent*, Honesdale, Pa., circulating 10,300 copies, moved from a thrice-weekly to a daily schedule. Park also publishes 31 weekly shoppers, all controlled circulation, up 2% in circulation for 1985 to 418,433.

All Park Communications revenue comes from three media divisions. Gross revenue for those divisions in 1985 included newspapers, $57.8 million, up 11%; tv broadcasting, $42.83 million, up 8%, and radio broadcasting, $13.06 million, a drop of 14% that Park attributes to a decline in ratings for its Portland, Ore., outlets KWJJ (am, fm), its fourth largest radio market. Net revenues comprising Park's media totals for this report have been estimated from the gross revenues Park has made public.

Park, like other media organizations, did not find 1985 a year of vigorous activity. "This was a fair year," says Wright Thomas, senior vp-finance, treasurer and director. "We expect things to be better in '86." Park Communications has been working hard on acquisitions since last fall.

In January, 1986, the company added two former Capital Cities Communications' properties, WPAT, a 5,000-watt am station, and WPAT-FM, 50,000 watts, in Paterson, N.J. Both are beautiful-music stations and compete with 49 other stations in the metropolitan New York market. Park says the combined station is rated No. 1 during daytime hours for a big part of the weekend.

The year's newspaper additions, chronologically, were: *Register Star*, a daily, in Hudson, N.Y., 15,529 circulation, in September, 1985; *Courier Rough Notes*, Chatham, N.Y., weekly, 7,847, September, 1985; *Grayson County News Gazette*, twice-weekly, Leitchfield, Ky., 7,000, October, 1985; *Sentinel-Echo*, weekly, London, Ky., 11,000, October, 1985; *Logan Leader*, weekly, Russellville, Ky., 7,000 circulation, October, 1985; *News-Democrat*, weekly, Russellville, Ky., 7,250, October, 1985, and *Mooresville Tribune*, weekly, Mooresville, N.C., circulation 11,000, according to publisher (IMS Directory of Publications, formerly Ayers Directory, lists 7,400), November, 1985.

Since early 1985 to the present, other changes in media properties have included a move to daily frequency by the *Wayne Independent*, Honesdale, Pa., and the *McDowell News*, Marion, N.C.; expansion of the *Citizen News Record*, Aberdeen, N.C., to thrice-weekly from twice-weekly, and the addition of a Sunday edition for the *Courier News*, Blytheville, Ark.

The company completed construction in 1985 of its new state-of-the-art radio studio at WNAX, Yankton, S.D. And it topped out the new 1,049-ft. transmission antenna for KJJO (fm), Minneapolis, extending its signal by boosting its wattage from 50,000 to 100,000. Advertising Age estimates these broadcast and newspaper changes have added as much as $15 million in gross revenue to Park's annual sales.

The company now has 30 applications pending with the FCC to operate low-power tv stations "generally in the areas" of its present tv, radio and newspaper operations.

In March, 1986, to "fund past and future acquisitions of communications properties," Park issued $50 million in subordinated convertible debentures. Carrying an interest rate of 6¾%, they are convertible into Park Communications' common stock at the equivalent of $28.75 a share. Park stock, carried over the counter, is trading in the $28 range.

While Park Communications, established in 1962, went public in 1983, the company remains largely in the control of Roy H. Park, who had an earlier successful career as founder of the Hines-Park Food Co. (Duncan Hines) acquired by Procter & Gamble in 1956. Mr. Park owns 87.28% of Park Communications common stock, or 12.3 million shares.

In addition to elections of Mr. Gilbert as president-chief operating officer and James E. Conley, an officer of Meredith Corp. broadcast group, as director, other major personnel changes include Robert J. Rossi, vp-newspapers, in January, 1986. He joined Park's newspaper division in 1974.

Roy H. Park and wife Dorothy D. Park, in addition to their role in Park Communications, are sole owners of RHP Inc., a real estate holding company, advertising agency, orange grove owner, manager of a securities portfolio, and participant in an outdoor board business.

Now an RHP subsidiary but scheduled to separate from it in several years is Park Outdoor Advertising of New York Inc. (formerly Park Outdoor Advertising), a privately held company. Roy Park has a financial interest in the reconstituted company and chairs its board, but son Roy H. Park Jr. is president-ceo. Within five years the outdoor company is to detach from RHP.

Park Outdoor Advertising of New York operates in 22 New York counties, covering about one-third of the state, and 11 counties in northeastern Pennsylvania. Two of its major markets are Syracuse, N.Y., and Erie, Pa. Other New York cities covered are Utica-Rome, Binghamton, Elmira, Jamestown, Ithaca, Auburn, Ogdensburg and Messina. It is the No. 1 outdoor company in all of those markets except Syracuse and Erie. Recently it sold its Scranton, Pa., outdoor interests to Patrick Media, the new owners of Metromedia's former outdoor division, Foster & Kleiser.

MEDIA PROPERTIES

Broadcasting

TV: WBMG, Birmingham, Ala.; WUTR, Utica, N.Y.; WNCT-TV, Greenville, N.C.; WSLS-TV, Roanoke; WTVR-TV, Richmond, Va.

RADIO: KJJO (am, fm), Minneapolis; WHEN, WRRB (fm), Syracuse, N.Y.; WNCT (am, fm), Greenville, N.C.; KWJJ (am, fm), Portland, Ore.; WNAX, Yankton, S.D.; WPAT (am, fm), Paterson, N.J.; WDEF (am, fm), Chattanooga, Tenn.; WTVR (am, fm), Richmond, Va.; KEZX (fm), Seattle.

Newspapers (dailies)

ARKANSAS: *Courier News* (Blytheville), *Helena-West, Helena World*. FLORIDA: *Daily Sun Journal, Spring Hill Sun* (Brooksville), *Spring Hill Sun*. GEORGIA: *Daily Sun* (Warner Robins). ILLINOIS: *Macomb Daily Journal*. INDIANA: *Evening News* (Jeffersonville), *Pilot-News* (Plymouth). MICHIGAN: *Coldwater Daily Reporter*. NEBRASKA: *Nebraska City News-Press*. NEW YORK: *Evening Sun* (Norwich), *Journal* (Ogdensburg), *Journal-Register* (Medina), *Register-Star* (Hudson), *Union-Sun & Journal* (Lockport). NORTH CAROLINA: *Concord Tribune, Daily Independent* (Kannapolis), *McDowell News* (Marion), *News Herald* (Morganton), *Observer-News Enterprise* (Newton), *Robesonian* (Lumberton), *Sampson Independent* (Clinton), *Statesville Record & Landmark*. NORTH DAKOTA: *Devils Lake Daily Journal*. OKLAHOMA: *Daily Ledger* (Broken Arrow), *News-Capital & Democrat* (McAlester), *Sapulpa Daily Herald*. PENNSYLVANIA: *Wayne Independent* (Honesdale). VIRGINIA: *Journal Messenger* (Manassas), *News-Virginian* (Waynesboro).

Newspapers (nondailies)

ARKANSAS: *Mail Call* (Blytheville), *Missco Shopper Guide* (Osceola), *Osceola News, Twin City Tribune/Advertiser* (Helena). FLORIDA: *Wednesday Hernando Free Press, Sunday Hernando Free Press* (Brooksville). GEORGIA: *Houston County News* (Warner Robins), *Houston Home Journal* (Perry), *Shoppers Extra* (Perry). ILLINOIS: *Business News* (Macomb). INDIANA: *Bremen Enquirer, Clark County Journal* (Jeffersonville), *Farm & Home News* (Plymouth), *Nappanee Advance News*. KENTUCKY: *Grayson County News-Gazette* (Leitchfield), *Logan Leader* (Russellville), *News-Democrat* (Russellville), *Sentinel Echo* (London). MICHIGAN: *Resorter* (Coldwater). NEBRASKA: *Tri-State Weekly* (Nebraska City). NEW YORK: *Albion Advertiser, Courier-Rough Notes* (Chatham), *Faces & Places* (Norwich), *Massena Observer, Pennysaver* (Medina), *Potsdam Courier-Freeman, St. Lawrence Plaindealer* (Canton), *Rural News* (Ogdensburg), *Tri-County News* (Lockport), TV Signals (Medina). NORTH CAROLINA: *Bladen Journal* (Elizabethtown), *Burke County Observer* (Morganton), *Citizen News-Record* (Aberdeen), *Cabarrus Observer* (Kannapolis, Concord), *County News Enterprise/Maiden Times* (Newton), *Landmark Observer* (Statesville), *McDowell Express* (Marion), *Mecklenberg Gazette* (Davidson), *Mooresville Tribune, News Outlook Shopping Guide* (Aberdeen), *Robesonian Weekly* (Lumberton), *Sampson County Shoppers Guide* (Clinton), *Shoppers Guide* (Mooresville), *Valdese News*. NORTH DAKOTA: *Country Peddler* (Devils Lake). OKLAHOMA: *Bixby Bulletin, Broken Arrow Weekly Ledger, Hartshorne Sun, Herald Extra* (Sapulpa), *Jenks Journal, Southeastern Oklahoma Shopping News* (McAlester). PENNSYLVANIA: *Wayne Independent* (Honesdale). VIRGINIA: *Suburban Virginia Times* (Manassas).

Patrick Media Group

Scranton, Pa.

RANK **52**

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	220	204	7.7
Total sales	220	204	7.7
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	220	204	7.7

Scranton, Pa.-based Patrick Media Group's $710 million agreement to purchase Foster & Kleiser, the nation's largest out-of-home media company, is like a minnow swallowing a whale, in the words of one competitor.

The definitive buyout agreement, reached March 19 with Metromedia Inc., Secaucus, N.J., Foster & Kleiser's parent, is subject to Patrick Media's ability to arrange financing, expected by mid-year. Paine Webber Capital Markets, New York, is handling negotiations with several bank groups.

"The deal is already signed and sealed. It's just subject to closing, and that's pro forma," a spokesman for Paine Webber says. There is widespread industry speculation that Patrick Media Group will sell some of Foster & Kleiser's assets to help pay for the acquisition, but there is no indication from Gerard P. Joyce, 34, principal with Patrick Media, that this may be part of his plans.

Los Angeles-based Foster & Kleiser, which announced its revenues were $212 million in 1985, up 6% from 1984, is the nation's largest outdoor company with 46,000 displays in 35 markets. Patrick Media Group had revenues of about $7 million in 1985, Mr. Joyce says. The company owns 1,500 displays in the Scranton/Wilkes-Barre area of northeastern Pennsylvania and in Hartford, Conn.

Patrick Media is ranked as the 52nd largest media company on the basis of its merged revenues with Foster & Kleiser. An equivalent figure for the combined companies in 1984 would be $704 million, or $198 million from F&K and $6 million from Patrick Media.

The second largest out-of-home media company is New York-based Gannett Outdoor, a division of Gannett USA, Arlington, Va., with $207 million in 1985 revenues, and about 40,000 displays in 15 markets nationwide.

Sources at Foster & Kleiser, who asked not to be identified, say independent ownership of the company would be a blessing in an out-of-home market that is rapidly becoming a hotbed of competition. Outdoor companies are jostling for new business in an industry racked in recent years by relative declines in cigaret and liquor advertising.

Tobacco advertising, the out-of-home media industry's mainstay since cigaret advertising was banned from tv in January, 1971, is a prime example. Tobacco ad revenues have fallen from representing 43%, or $301 million, of the 1980 revenues for the 30-sheet and painted bulletins, to a 1985 share of 31%, or $378 million. Likewise, alcoholic beverage advertising, out-of-home media's second leading category, fell from 19% of industry revenues in 1980 to 11% in 1985, all according to the Institute of Outdoor Advertising, New York.

The biggest gains in replacing these categories are expected in package goods, healthcare and retail advertising, Mr. Joyce says. "Any one of these categories could outweigh tobacco and liquor combined in the coming years," he says.

Package goods in particular should create a boost in out-of-home media spending with the June, 1985, merger of R.J. Reynolds Industries and Nabisco Brands, and the September, 1985, acquisition of General Foods by Philip Morris Inc. R.J. Reynolds and Philip Morris know the medium well. They have been the respective first and second largest spenders for out-of-home media for the past several years.

Patrick Media's buyout of Foster & Kleiser would remove some obstacles to its aggressive participation and growth in the out-of-home market, a Foster & Kleiser executive says. Foster & Kleiser has had to answer to Metromedia and later to a subsidiary since Metromedia acquired it in 1960. In 1982, Metromedia sold all of its outdoor structures to a new division, Outdoor Advertising Associates, Secaucus, while maintaining ownership of all equipment and plant facilities.

Following Patrick Media Group's acquisition, it will own all structures and capital now shared by the Metromedia/Outdoor Advertising Associates partnership. This would enable Foster & Kleiser to follow an independent, long-term marketing strategy, the executive says.

However, unlike Gannett Outdoor, which launched Outdoor Network USA in September, 1985, and is targeting national advertisers through its affiliation with 29 outdoor companies covering 85% of the U.S., Foster & Kleiser will focus its marketing on the local and regional level, Mr. Joyce says. "We are going to be very much a marketing-oriented company," he says. "We have some definite national plans, but the thrust will be local and regional sales."

Mr. Joyce is providing few details on whether Foster & Kleiser's corporate headquarters would be moved to Scranton from its Los Angeles base, and on the extent of reorganization in corporate management that would follow the acquisition. "Obviously there will be some restructuring, but there are a lot of good people there, a nucleus of very capable people who will provide the germ of a new entity," he says.

Mr. Joyce also says he is recruiting executives from companies outside the out-of-home industry to add a fresh perspective. For example, he recently hired Lawrence Cognetti from International Business Machines to assume the role of vp-marketing and sales. Other recent appointments include James Mellody, vp-public affairs; Ashoka Varma, vp-finance, and Walter Weber, vp-controller.

The acquisition of Foster & Kleiser is the fulfillment of a plan Mr. Joyce set in motion in 1982, when he first recognized the possibility that the unit would be sold. He later began positioning himself for the purchase by making contact with Metromedia executives, institutional investors and

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Mr. Joyce started Patrick Media—named after his maternal grandfather—in 1970 as a freshman at University of Scranton. After taking options on property, he convinced his first customer, Boise-Cascade, to prepay portions of its advertising contract, using the money to build the signs himself. After Mr. Joyce graduated from college, R.J. Reynolds Industries, Winston-Salem, N.C., contracted with the company to build 50 signs in the Scranton/Wilkes-Barre area, doubling Patrick Media's size.

Patrick Media acquired five outdoor companies in the 1970s and early 1980s, selling two of them. In 1985, the company acquired Mr. Joyce's boyhood employer, Scranton-based Park Outdoor, and sold operations in Columbia/Jefferson City, Mo., to Price Communications, New York.

Despite the huge debt Patrick Media is undertaking, Mr. Joyce, the sole owner, has not lost his sense of humor or his confidence. "When we reached a definitive agreement, I went home and told my wife, 'Don't worry, we only owe as much as some small countries,' " he says. "Over-all, I'm very optimistic. There's a great future for the out-of-home medium."

MEDIA PROPERTIES
Patrick Outdoor Advertising, Foster & Kleiser pending.

Penthouse International RANK 78
New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	132	115	14.8
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	132	115	14.8
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Penthouse International veered slightly from the static men's entertainment magazine sector in 1985 to start three magazines and buy another, but it also titillated its *Penthouse* market with "The Material Girl" blockbuster issue exposing rock star Madonna.

Penthouse International, ranked the 78th largest media company, continues to feel the circulation losses at *Penthouse*, its lead property. Its June 30, 1985, ABC statement showed circulation at 3,038,840, down 5% from the year-earlier period. However, the average jumped to about 3,100,000 in December, a credit to the September issue with nude photos of the rock star Madonna. Over-all, ad pages were down 23.2%, while revenues were off 8% to $20.2 million.

David Myerson, ceo, continues to place much of the blame for the drop in circulation on "a concerted effort on the part of religious, fundamentalist zealots to deny people the right to read what they want to read."

Mr. Myerson contends that in such places as airports, where the magazine's full cover is displayed, *Penthouse* has sales equal to or greater than previous years. "When there's a blinder on the cover, or the magazine is kept under the counter, it has an adverse effect on sales," he says.

Penthouse will be found on fewer shelves this year. In April, Southland Corp., operator of 4,500 7-Eleven outlets, decided it no longer would sell *Penthouse*, *Playboy* or *Forum*, the latter also a Penthouse Publication. It was charged that Southland was pressured by religious groups and abetted by U.S. Attorney General Edwin Meese's commission on pornography. Both Playboy Enterprises and *Penthouse* publisher Bob Guccione sued Mr. Meese and the Justice Department to block commission disclosures. Mr. Myerson says the magazine also was under pressure from some advertisers to "change the nature of the magazine." In response to that pressure the magazine has limited its ad pages to 30 in most issues; the January, September and December issues carry 50 pages.

A stimulant for 1985 was the September "The Material Girl" issue, depicting rock singer and actress Madonna in the nude from shots taken when she was a model. Photos of Madonna, ran in both *Penthouse* and *Playboy*. They helped sell 4.5 million copies of *Penthouse*. Both magazines hyped their Madonna issues and had them on newsstands weeks earlier than usual.

This April, *Penthouse* cut its rate base almost 12% to 3 million. Mr. Myerson says the magazine wants to concentrate on "priority" newsstand sales and notes there are no cut-rate subscriptions available for *Penthouse*.

Newlook's rate base was also cut this April, from 500,000 to 250,000. *Newlook* was introduced in May, 1985. Mr. Myerson describes its readers as a shade younger and more affluent than *Penthouse's*. He calls it the indicative of the "genre of male magazines of the future, with a shorter read and more importance on photography."

The company's science magazine, *Omni*, is breaking new ground. While ad pages were down 10.9% in 1985, revenues increased 1% to $16.2 million. This year the magazine is seeing some interest from such new categories as liquor advertising. *Omni* is having success with special medical issues, which are controlled circulation issues sold to one advertiser and distributed to its primary clients. There is also an *Omni* line of books and software.

In July, 1985, the company introduced a popular music tabloid magazine, *Spin*. Addressing itself to the 18-to-25-year-old market, *Spin*, according to Mr. Myerson, initially had some distribution problems for the "strange sized tabloid," but said those have been ironed out.

In April, 1986, *Nuclear, Biological & Chemical Defense & Technology* was launched. *NB&CD&T* is the company's first controlled publication; its market is military procurement officers. In May, Penthouse International made its first acquisition—an automotive magazine named *Four Wheeler*. Mr. Myerson says there may be more acquisitions in store.

In December, 1985, *Penthouse* published the first edition of a men's magazine in Chinese; the 50,000 copies printed sold out in Hong Kong in 24 hours.

Shooting is scheduled to start at the end of this year on "Moll Flanders." Penthouse's second movie. Negotiations are being held with two parties for the sale of the company's casinos in Atlantic City. And the company recently signed a joint venture with a manufacturer in the Far East for a Penthouse line of clothing, watches and other products.

MEDIA PROPERTIES
Magazines
Forum, "Girls of Penthouse," *Four Wheeler*, *NB&CD&T*, *Newlook*, *Omni*, *Penthouse*, *Penthouse Letters*, *Spin*, *Variations*.
OTHER OPERATIONS
Apex Properties, Boardwalk Properties, International Nuclear Systems Organization, Penthouse Films, Penthouse International Books, Omni Books, Evelyn Rainbird Ltd. (mail order), Penthouse Video.

Petersen Publishing Co. RANK 83
Los Angeles

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	122	112	8.3
Total sales	125	116	7.8
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	122	112	8.3
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Petersen Publishing Co. suffered an over-all decrease of 2.3% in ad pages for its magazines in 1985 and expects continued decline in 1986 because of fewer magazine titles. However, tight focusing among its specialty magazines is beginning to translate into greater ad revenue growth among select issues.

The privately held Los Angeles-based company, the 83rd largest media company, reports net revenue growth from media operations of 8.3% to $121.5 million in 1985 over restated 1984 revenues of $112.2 million. The 1984 figures are net revenue figures, restated from gross media revenues given in last year's report of $142.3 million.

Advertising revenues for the company, which publishes 12 special interest or buff magazines, increased by 9% to $86.5 million in 1985.

Petersen dropped two titles, *Pickups & Minitrucks*, discontinued in June, 1985, and *Sea*, sold to Duncan McIntosh Co. in December, 1985. This partially accounted for a 2.3% decrease in total ad pages to 9,976. Petersen projects its 1986 ad pages will continue to decline to about 9,600, largely because of fewer titles, and expects ad revenues from those titles to reach $97.1 million, up 12.3%.

Petersen is reporting record increases in ad pages for several of its magazines for the first six months of 1986, which it attributes to its strategy of creating and sticking to tight editorial focuses. The over-all company strategy is to select a specific market segment and target a magazine's content, essentially how-to material, toward the enthusiasts in that segment. Most Petersen publications offer buying and travel guides as a reader service, which supports the segmentation strategy.

For example, *Skin Diver*, which broke records for ad pages in May, 1986, with 104.5 pages, is concentrating on the growth area of skin diving, the "dive-travel" market. *Skin Diver's* June issue followed May's success with another record ad page count of 108.2. Ad revenues for the May issue were $818,660; the magazine's ad pages were up 22% for the first six months of 1986. Other magazines have shown six-month gains that range from 15% and 32%.

Circle Track boosted its ad pages by 15.7% to 372.2 pages, while *Motorcyclist* showed a 31.9% gain to 334.3 pages.

In addition to its market segmentation strategy, Petersen enters into special events associated with its magazines' markets. Petersen is present, for example, at the Indianapolis 500 and at many National Hot Rod Assn. races.

'Teen magazine originated the Great Model Search for which it now receives 25,000 to 30,000 entries a year. It recently launched "Dream Guy," which encourages its female readers to enter their favorite boy, and those selected are pictured on a regional basis in each issue. According to 'Teen publisher Robert MacLeod, "The key to reaching teen readers is to involve them in the magazine's editorial content."

The formula seems to work for *'Teen*, which in the last year, aided by a redesign, has turned around a circulation decline. To separate *'Teen* from other teen service magazines on the newsstand, the magazine shifted away from one dominant cover illustration to several smaller illustrations. Pages are crowded with more informational and instructional articles. Circulation is now averaging 20% more than a year ago, and its publisher expects to deliver circulation of about 1.4 million with its August issue.

Petersen has found success in spinning off new publications from existing ones, a strategy that goes back to the company's first magazine, *Hot Rod*, which was started in 1948. One of this year's stars is *Dirt Rider*, spawned by *Motorcyclist* to appeal to the off-market segment, has allowed the magazines to become the primary magazine ad buy for major cycle manufacturers. First-half 1986 ad pages are up 30% and 32%, respectively, for *Dirt Rider* and *Motorcyclist*.

In September, Petersen will launch an every-other-monthly magazine to ride the home fitness boom, titled *Home Fitness & Equipment*. It will contain advice columns, interviews with movers and shakers in the fitness business, buying guides and nutrition information.

Petersen's titles often grow out of one-shot special issues. A special, *100 Years of the Automobile*, issue in November, 1985, did so well that it is coming back in a revised form as *Motor Trend's Automotive Yearbook*, an annual.

Last year, Petersen produced 39 special issues and will publish 43 in 1986.

MEDIA PROPERTIES
Magazines
Car Craft, Cartoons, Circle Track, Dirt Rider, Drag Racing, Guns & Ammo, Home Fitness & Equipment, Hot Rod, International Combat Arms, Kit Car, Motor Trend, Motorcyclist, Mustang, Petersen's 4-Wheel & Off-Road, Petersen's Hunting, Petersen's PhotoGraphic, Skin Diver, 'Teen. Also one-shot special interest publications.

Pittway Corp. RANK 97
Northbrook, Ill.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	93	101	(3.1)
Total sales	548	496	10.5
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	98	101	(3.1)
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Penton/Industrial Publishing Co., the media division of Pittway Corp., "started out at a gallop and ended in a trot" in 1985, notes a Pittway assessment, referring largely to the company's ad pages affected by a midyear slump in the computer industry, one of Penton's major growth clients in the past few years.

As a result, pretax income for publishing side of Cleveland-based Penton/IPC was $20.4 million, up only 2.5% on revenues of $160 million, up 6.6%. Saddlebrook Real Estate & Resort, a property contained in the publishing division, reported a pretax income of $581,000, down from $1.7 million in 1984, on revenues of $21.3 million, about even with 1984.

Ad revenues and circulation from the 27 magazines account for 70% of Penton/IPC's revenues, or $98.3 million in 1985, which is down from restated revenues of $101.4 million in 1984. This ranks parent Pittway as the 97th largest media company.

Part of the media revenues come from group buys through Penton Executive Network, a network of 13 Penton/IPC publications with primary circulation of 1.5 million that is sold as a group. Graphic services, marketing and educational services and the Saddlebrook Real Estate & Resort business make up the balance at Penton.

Media at Penton/IPC accounts for 17.9% of Pittway's total revenues.

Thirteen of 27 Penton titles achieved ad page gains in 1985. In all, Penton/IPC posted 33,437 total ad pages in 1985, up 2.7% from 1984.

Magazines that gained the most ad pages include *Computer-Aided Engineering*, up 195 pages; *New Equipment Digest*, up 149 pages; *Air Transport World*, up 118 pages; *Power Transmission Design*, up 111 pages; *Government Product News*, up 58 pages, and *Occupational Hazard*, up 56 pages. These gains accounted for 78% of total ad page growth.

The company has one annual maga-

The company added another pu
lishing venture to its successful list
titles with the early 1986 arrival
Links Guide. *Links Guide* is a pock
sized golf yardage booklet the gol
carries with him while he plays a res
golf course. The booklet plots the
of the course. The company says a
vertisers, such as golf suppliers, ha
been "very enthusiastic" about the n
booklet and several resort golf cours
have signed contracts to distribute
free to golfers.

Links Guide is published by Lin
Guide Inc., a majority-owned subsi
ary of Penton Publishing, formed
November, 1985.

MEDIA PROPERTIES
Magazines
*Air Transport World, Chemical Engineer
Catalog, Computer-Aided Engineering, C
tracting Business, Foundry, Governm
Product News, Handling & Shipping M
agement, Heating/Piping/Air Conditioni
Hydraulics & Pneumatics, Industry We
Links Guide, Lodging Hospitality, Mach
Design, Material Handling Engineeri
Materials Engineering, Millimeter, Mod
Office Technology, New Equipment Dig
Occupational Hazards, Power Transmiss
Design, Precision Metal, Production En
neering, Progressive Architecture, Resta
rant Hospitality, School Product News, U
Equipment Directory, Welding Design
Fabrication, Welding Distributor.*
Other media operations
Direct response cards, directories, annu
and Management Personal Time, a ma
zine network sell based on demographics.
OTHER OPERATIONS
Animated films, C&A Investments, Cur
& Pease (direct mail marketing), list sal
Mail-Tec Service, market research, Pe
ton/IPC Press (graphic services), Pent
Learning Services, Penton Exhibition Di
sion, Pittway Real Estate, Saddlebrook R
sorts.

Playboy Enterprises RANK 65
Chicago

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	172	166	3.8
Total sales	192	187	2.8
Net income	7	27	(75.5)

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	149	147	1.0
Broadcast	—	—	—
Cable	24	19	23.5
Outdoor	—	—	—

Erosion in the men's entertainme
magazine sector continued to plag
Playboy Enterprises, Chicago, which
the past six months also has seen
lead magazine withdrawn from son
convenience store shelves and h
closed its once-popular Playboy Clu
in New York, Chicago and Los A
geles—warrens for its newly install
male "rabbits."

Net income at publicly held Playb
in the fiscal year ended June 30, 198
dropped 75% on a 2.8% increase
revenues. Media revenues at Playb
accounted for nearly 90% of total 19
revenues of $192.3 million, up fro
89% in 1984.

The income slide recorded in 19
continued in the three quarters end
March 31, of its fiscal 1986. In th
nine-month period, Playboy posted
$45.9 million net loss, compared wi
year-earlier profits of $7.5 million,
net sales of $140.8 million, dow
2.8%.

The company's media sales, whi
ranked Playboy the 65th largest med
company, consist of advertising an
circulation revenues from *Playboy* an
Games magazines, the cable-tv Pla
boy Channel and sales of videoca
settes.

Playboy magazine contributed 70
of the company's total media revenu
in fiscal 1985, with the month
Games and other publishing activiti
adding another 16%. Publishing div
sion revenues of $148.5 million we
up 1%. Pretax income from publishi
operations was $8.1 million in 198

scription fees for the Playboy Channel, a 31% increase from the previous year. Launched in November, 1982, the service had 753,000 subscribers at fiscal yearend, an unexpected 1.4% drop from its average for the year. Revenues of $3.3 million attributed to programing production and home-video product sales are included in the Playboy Channel media totals.

Playboy's video segment posted total revenues of $23.7 million, up 23.7% from fiscal 1984. The division earned $230,000 in 1985, compared with a $317,000 pretax loss a year earlier.

Calendar 1985 proved to be another weak year for *Playboy*, as average newsstand sales declined 4.9% by yearend and ad pages dropped 2.6%. Total magazine revenues for the fiscal year ended June 30 were $120.7 million, up 0.5%, after a 1.6% decline in 1984. That increase was mainly because of a 6.4% increase—of $2.3 million—in subscription revenues.

For the last six months of 1985, *Playboy* subscriptions were up an average of 0.9%, to 2,458,301. Single-copy sales in the same period were 1,693,023, off 4.9% from prior-year figures, with total circulation of 4,151,324 representing a 1.6% drop. The magazine has maintained its 4.1 million rate base, although at its peak in 1972 *Playboy* claimed a circulation of more than 7 million.

Ad revenues in fiscal 1985 increased 3.8%, to $47.9 million, because of a 6.9% average rate increase in the period. The increase came despite a slight decline in ad pages, a trend that accelerated into 1986. For the calendar year 1985, the magazine sold 911.7 pages, down 2.6%, but earned revenues of $57.7 million, a 5% increase. In the first six months of 1986, ad pages were down 11%, to 448.

Newsstand sales were potentially hurt further by Dallas-based Southland Corp.'s decision to remove *Playboy* and two other titles from its 4,500 company-owned 7-Eleven stores. Two smaller chains followed suit as a result of what Playboy calls pressure from U.S. Attorney General Edwin Meese's commission on pornography. Playboy says 7-Eleven sales constituted less than 5% of its newsstand total and adds that readers would likely purchase copies at other outlets.

Both Playboy and Penthouse International, whose *Penthouse* and *Forum* magazines were also withdrawn from 7-Eleven stores, have sued Mr. Meese and the Justice Department to stop the pornography panel from circulating some of its findings.

Several changes in *Playboy's* advertising department signaled an increasing discomfort among executives with progress of the company's 31-year-old flagship. Advertising director Chuck Stentiford was replaced by Saul Stone, and the magazine dropped category managers for liquor and automotive marketing. Vp-promotions Joe Mangione left the company, with duties partially taken over by Walter Kuenstler in a newly created marketing director post. Editorial director Arthur Kretchmer added the title of associate publisher, succeeding Nat Lehrman, who retired.

Mr. Kretchmer immediately ended *Playboy's* advertorial and themed promotional inserts, saying they were ill-conceived attempts at short-term, ad-page gains. He also phased out the *Playboy Guides*, which had run sporadically as bound inserts in the magazine after being discontinued as standalone newsstand products.

The magazine now has concentrated its sales efforts on smaller advertisers unable to afford its $60,000 national page rate. *Playboy's* metropolitan editions have been expanded from three to 13 cities, and a high-demographic "preferred" edition circulated to 500,000 subscribers allows advertisers to skim the top 20% of the magazine's 2.4 million subscriber base.

Editorial refinements begun last fall include a brightened graphic approach, with more imaginative cover designs and updated department headings, and perfect binding of the magazine. At president Christie Hefner's urging, the magazine has steered away from its main focus on sex-related issues. It hired Ron Reagan Jr. as a correspondent and has devoted more editorial attention to politics, social causes and entertainment, all toward the goal of differentiating itself from more sexually explicit rivals.

Internationally, Playboy plans a global marketing effort among its 11 foreign editions, licensed to other publishers. Logistics still must be coordinated among the foreign and U.S. editions by vp-international Lee Hall before the plan is implemented.

New York-based *Games*, put on the block in late 1985, had a yearend 1985 circulation average of 666,067, up 0.9% from the average for second half of calendar 1984. A 6.6% decline in newsstand sales, to 89,882, was more than offset by a 2.2% gain in subscriptions, to 576,185. *Games* sold 244.1 ad pages in 1985, a 3.1% loss, for revenues of $3 million, up 4.8%. The company says the magazine reduced its fiscal 1984 loss by 50% last year through declines in printing and administrative costs.

For the first three months of 1986, *Games* sold 60 ad pages, up 21.7%, for revenues of $771,644, a 30.7% gain over the year-earlier period. *Games* publisher Jerry Calabrese says a prospectus has been issued for the magazine, which reportedly is being offered for an asking price of $6 million.

Playboy's video division continued its struggle for success by naming a new president, severing its ties with its cable programing distributor and launching a $9.95 "videocassette centerfold" series.

Richard Sowa, formerly exec vp-administration and finance, was named to the new post of president, Playboy Video Corp., with responsibility for the Playboy Channel and home-video products.

In April, 1986, Playboy ended its ties with Rainbow Programing Services Co., distributor of the cable channel, moving responsibility for distribution and marketing in-house. As of April, the company says the channel had 680,000 subscribers among 586 cable systems.

Playboy has refined the channel's programing content several times to win acceptance among cable system operators. It has returned to mostly sex-oriented fare after an unsuccessful attempt at general-interest movies and other programing.

In May, Playboy announced it would shut down company-owned Playboy Clubs in Chicago, Los Angeles and New York, after an expensive revamp of its New York club brought disappointing returns. Franchised clubs in smaller markets such as Des Moines, Ia.; Omaha, Neb., and Wichita, Kan., remain largely profitable, the company says, and will be unaffected by the decision. Some features of the New York club—including male "rabbits"—may be transferred to the franchised properties.

MEDIA PROPERTIES

Cable/video

CHANNELS: Playboy Channel.

Magazines

Playboy, Games.

Other media operations

Playboy Home Video.

OTHER OPERATIONS

Playboy Clubs International, product sales and licensing.

Providence Journal Co. RANK **57**

Providence, R.I.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	208	172	20.9
Total sales	434	398	9.0
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	102	109	(6.7)
Magazine	15	12	25.0
Broadcast	32	28	12.5
Cable	60	35	70.9
Outdoor	—	—	—

Media dollars shifted from newspapers to broadcast and cable at the Providence Journal Co. in 1985 as the company purchased in joint venture two western tv stations while selling two radio properties based in its hometown, Providence, R.I.

That trend is likely to continue through 1986 as PJC, ranked the 57th largest media company, agreed to buy WHAS-TV, Louisville, for $85.7 million in June, 1986. The CBS affiliate is being sold by the Courier-Journal & Louisville Times Co., the Bingham-family owned media company that has been divesting its holdings.

PJC, based in Providence, R.I., early last month moved to exit the magazine business by offering *Soap Opera Digest* for sale.

Media revenues at the privately held company in 1985 came from the *Providence Journal & Evening Bulletin*, *Soap Opera Digest*, tv stations, Colony Communications Inc. (cable) and cellular telephone and paging systems.

For 1985, newspaper revenues were an estimated $101.7 million, down from an estimated $109 million in 1984.

Combined circulation of the morning and evening papers was off 1.1% to 207,917, according to six-month ABC averages ended March 31, 1986. That loss was attributed solely to a 4.8% decline in the larger evening paper to 119,310. The morning paper gained 4.4% to 88,607. The Sunday paper circulation rose 1% to 258,081.

Ad linage at the *Journal* rose 2.6% to 2,408,000 ins. Retail accounted for 1,706,000 ins., down 0.1%; general advertising was up 0.8%, to 133,000, and classified rose 12.5%, to 569,000. The *Journal* introduced a new rate schedule Jan. 1, 1986, amounting to a 5% increase in the daily rate for national advertising (to $78.30 a column in.), and an 8% increase in the Sunday rate (to $86.79 per column in).

Higher rates at the every-other-weekly *Soap Opera Digest* helped offset a 3.5% decline in ad pages to 317 to effect a 7.7% increase in ad revenues to $2.2 million. The publication's circulation has been declining. *Soap Opera Digest* was 840,732 at the end of 1984, according to ABC audited statements, but had dropped to 786,858 by midyear 1985, the latest available audit. PJC put Soap Opera Digest on the block in mid-May, 1986, noting the property, which had net revenues of $15 million in 1985, will go to the highest bidder.

On the broadcast side, PJC sold WPJB-FM, Providence, and WEAN, a Providence am station, to Eastern States Broadcasting, Washington. In a joint venture with Mountain States Broadcasting, the company acquired KGSW, an independent station in Albuquerque, N.M., and KMSB-TV (formerly KZAZ), a vhf independent in Tucson/Nogales, Ariz. A company spokesman declined to elaborate on the corporate strategy behind the media acquisitions and sales.

Nonmedia properties at the PJC include four commercial printing plants, which had an estimated $225.9 million in revenue in 1985, and paging operations, which contributed $600,000.

This past winter a federal judge held the *Providence Journal & Evening Bulletin* in contempt of court for publishing stories contrary to court order. The company has filed an appeal with the First Circuit Court of Appeals in Boston and is awaiting the outcome.

The newspaper got into hot water by publishing tapes of a domestic nature between Raymond Patriarca Jr. and his father, Raymond Patriarca, the reputed organized crime boss in Rhode Island. Tapes were obtained from the government through the Freedom of Information Act. The tapes were printed in violation of a court order. Mr. Patriarca Jr. contended that his privacy would be invaded by publication of the information.

The newspaper continues to be aggressive editorially. It ran a major investigative series on the operations of the Rhode Island Mortgage Finance Corp., a state entity set up to provide low-cost mortgages to eligible Rhode Island residents.

The *Providence Journal & Evening Bulletin* has expanded the scope of its zoned editions, increasing the frequency to twice weekly, and has added zoned classifieds. The newspaper has experienced gradual circulation increases in the morning and "modest" decreases in the evening edition, but there are no plans to phase out the evening newspaper, says Jim Wyman, deputy executive editor.

The company is investing $59 million over the next two years to become the first all-flexo newspaper printing plant in the country, according to a company spokesman. Flexo printing is a technique used for printing on packaging, and advocates say the method can save a newspaper millions of dollars a year, if the technique proves feasible for newspaper printing. The *Providence Journal* has been a leading innovator in the development of flexo printing for the newspaper industry.

PJC's Colony Communications subscriber list grew 10.3% to 236,000 basic (231,000 paid) in 49 franchises in 11 systems. While no new systems were added in 1985, Colony did bring in several new franchises—Copley Colony Cablevision of Cypress Inc. in Cypress, Cal.; Copley Colony Cablevision

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Journal of Accountancy
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of Costa Mesa Inc., Costa Mesa, Cal.; Visioncable Co. of Rhode Island, Pawtucket, R.I. The company also named Charles Townsend, president, in March.

Harry Dyson assumed the position of treasurer at PJC, replacing William Chaffee who retired May 1, 1986.

MEDIA PROPERTIES

Broadcasting

TV: WPHL-TV, Philadelphia; KSMB, Tucson; Ariz.; KGSW, Albuquerque, N.M.

Cable/video

SYSTEMS: CALIFORNIA: Colony Communications-Harbor City, San Pedro, Wilmington, Copley/Colony Cablevision-Costa Mesa, Cyprus. FLORIDA: Colony Communications-Hialeah-Coral Gables (88.9%). MASSACHUSETTS: Colony Communications-Fall River (84%), Lowell, New Bedford (86%), Woburn; Multipoint distribution systems-Boston, Springfield. NEW YORK: Colony Communications-Beacon, Hyde Park, Lloyd, Monroe, Wappinger. RHODE ISLAND: Hopkinton, Westerly; Multipoint distribution system-Providence; Visioncable-Pawtucket.

Magazines

Soap Opera Digest

Newspapers (dailies)

Providence Journal & Evening Bulletin, Sunday Journal.

Other media operations

Videotex system in Providence, R.I. and New Bedford, Conn., areas.

OTHER OPERATIONS

Providence Gravure, cellular radio-beeper service: Metronet (Providence); Carolinanet (Raleigh, N.C.).

Pulitzer Publishing Co.

RANK 42

St. Louis

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	272	243	12.2
Total sales	272	243	12.2
Net income	20	15	31.6

Sales by media	1985	1984	% chg
Newspaper	181	162	11.7
Magazine	—	—	—
Broadcast	91	81	13.0
Cable	—	—	—
Outdoor	—	—	—

A battle for control of the Pulitzer Publishing Co. turned a private squabble into a public affair this year as two warring factions of the newspaper dynasty claimed rights to the family heirloom—the 108-year-old media empire and its crown jewel, the *St. Louis Post-Dispatch*.

The fight for ownership of the Pulitzer media empire did not affect operating results, however, as the company's net income grew 32% to $20.02 million in 1985 as revenues increased 12.2% to $272.1 million, about two-thirds from newspapers and one-third from broadcast.

The St. Louis-based company, the nation's 42nd largest media company, also expanded rapidly in suburban Chicago after its midyear 1985 purchase of the Lerner Newspaper chain. Pulitzer spent $40 million for the Southtown Economist Newspapers in March of this year, bringing its Chicago holdings to 96 newspapers with a total circulation of some 770,000, about one-third paid.

Amid all the acquisition, the feud over Pulitzer ownership neared settlement last month when Pulitzer Publishing offered to buy out dissident shareholders for $183.2 million, and they, in turn, agreed to drop litigation against the company.

But Michigan businessman Alfred Taubman, who in January had purchased an option to buy 20% of Pulitzer's stock for $100 million from one of the dissident groups, immediately filed suit against the company, charging that it interfered illegally with his option agreement. (Mr. Taubman's family company, which owns Sotheby's, the English auction house, and A&W, a chain of fast food restaurants, created a new subsidiary, Taubman Media Inc., for the potential acquisition.)

In April, Mr. Taubman bid $625 million for Pulitzer Publishing, but the offer was rejected by Joseph Pulitzer Jr., chairman, his half-brother, Michael Pulitzer, president, and a cousin, David Moore, all grandsons of the founder. If the proposed buyback agreement reached in May succeeds, it would reduce the number of shares outstanding and would give the three men and their children 73% ownership of the company.

A spokesman for the company says Pulitzer plans to issue a limited public stock offering later this year to help finance the buyback and recent newspaper acquisitions.

Pulitzer's expansion into Chicago made the company the largest suburban community newspaper publisher in the area and threw it into competition with a couple of strong local chains, Paddock Publications and Field Corp.'s Pioneer Press. Pulitzer's Southtown acquisition followed its $10 million purchase last year of the Lerner Newspaper chain of 45 midweeklies, four Sunday papers and three free shoppers. The Lerner papers generate an estimated $10 million to $12 million in revenues annually.

The Lerner papers are distributed on Chicago's North Side and in northern and northwestern suburbs, while the Southtown chain covers southern and southwestern suburbs. Both community newspaper groups are said to be profitable.

Nicholas Penniman, Pulitzer's vp of newspaper operations, says Pulitzer plans to consolidate its holdings in the Chicago area and perhaps to grow by acquiring or starting new publications —or changing existing ones. He says Pulitzer's two chains aren't contiguous, nor do they cover the most affluent areas of Chicago, but both reach a solidly attractive middle-class white-collar market. Former *Southtown Economist* owner Bruce Sagan has been tapped to run Pulitzer's Chicago operations.

In St. Louis, the *Post-Dispatch* dominates the daily scene, but its competitor, the *Globe-Democrat*, has proved to be the newspaper industry's most tenacious survivor.

The *Globe* floundered through most of 1985 and ceased publishing in December after a bankruptcy court judge removed publisher Jeffrey Gluck for incompetence and mismanagement. But the *Globe* resumed publication under new owners in late January and now is attempting to rebuild its advertising and readership base.

Globe officials say circulation bottomed out at about 135,000 in January and since has increased to about 150,000. The *Globe's* new owners, local businessmen John Prentis and William Franke, say they have the capital and the management expertise to put the *Globe* back in its feet again.

Pulitzer officials insist the *Globe's* competition hasn't hurt the *Post*, which picked up about 55,000 new readers during the *Globe's* hiatus and kept about 20,000 of them. They say the *Post's* advertising in the first quarter of 1986 ran about 15% ahead of 1985.

Latest six-month (publisher's statement) figures put the *Post's* daily circulation at 318,589, up 44,504 from a year ago, and Sunday at 519,503, up 24,301. However, the daily figure was bloated by the temporary circulation bulge during the *Globe's* absence. By mid-April, the *Post's* daily circulation had dropped back to about 316,000 while Sunday circulation had swelled to 521,000. The *Globe* doesn't have a Sunday edition.

The *Post-Dispatch* plans to unveil a new total market coverage vehicle in the fall to replace *You*, a broadsheet section of celebrity profiles, advice columns and Hollywood gossip. Created two years ago to counter the marketing muscle of the Ingersoll Publications' chain of free weeklies, *You* hasn't attracted enough advertising to make it profitable.

Despite its dominance in the market, the *Post-Dispatch* had an operating profit of only 5% in 1985, said to be due in part to high labor costs.

However, some of the company's top broadcast properties showed profits of nearly 40%. Pulitzer's top properties include WGAL-TV in Lancaster, Pa., and WYFF-TV in Greenville, S.C., and two Phoenix, Ariz., radio stations. Its Omaha tv station has been hurt by the depressed farm economy.

MEDIA PROPERTIES

Broadcasting

TV: KETV, Omaha, Neb.; KOAT-TV, Albuquerque, N.M.; WGAL-TV, Lancaster, Pa.; WLKY-TV, Louisville, Ky.; WPTA, Fort Wayne, Ind.; WXII, Winston-Salem, N.C.; WYFF-TV, Greenville, S.C.
RADIO: KKLT (fm), KTAR, Phoenix.

Newspapers (dailies)

ARIZONA: *Arizona Daily Star* (Tucson). ILLINOIS: *Chicago Southtown Economist, Suburban Economist, Southwest Suburban Southtown Economist.* MISSOURI: *St. Louis Post-Dispatch.*

Newspapers (nondailies)

ILLINOIS: Myers Newspapers-*Albany Park News, North Town News, Ravenswood-Lincolnite, Ravenswood News, Rogers Park-Edgewater News, Uptown News, Chicago Sunday Star, Skokie Sunday Life.* Booster Newspapers-*Lincoln-Belmont Booster, Lincoln Park Lake View Booster, North Center-Irving Park Booster, Sunday Booster, Weekend Booster.* Southtown Economist Newspapers-*Calumet City-Burnham Economist Pointer, Riverdale-Dolton Economist Pointer, Glenwood-Thornton Economist Pointer, Homewood-Flossmoor-Olympia Fields Economist Pointer, Lansing Economist Pointer, South Holland/Southtown Economist Pointer, Southtown Economist, Central; Southtown Economist, South; Blue Island/Sun-Standard, Calumet Park/Sun-Standard.* Times Newspapers-*Harlem-Foster Times* (city), *Harlem-Foster Times* (suburban), *Harlem-Irving Times* (city), *Harlem-Irving Times* (suburban), *Franklin Park Times, Elmwood Park Times, Northwest Times, River Grove Times, Schiller Park Times, Portage Park Times, Jefferson-Mayfair Times, Logan Square Times.* Near North Suburban-*Lincolnwood Life, Morton Grove Life, Niles Life, Skokie Life.* Far North Suburban-*Deerfield Life, Northbrook Life, Glenview Life, Wheeling Life.* Skyline-*Skyline.* Voice Newspapers-*DuPage County Voice, Voice of Bensenville, Voice of Hanover Park North, Voice of Hanover Park South, Voice of Hoffman Estates, Voice of Itasca, Voice of Roselle, Voice of Bloomingdale, Voice of Schaumburg, Suburban Voice.*

Other media operations

Sports Stats (80% interest), Frank Popper Audiovisual Productions.

RCA Corp.

RANK 4

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	2,648	2,371	11.7
Total sales	8,972	8,671	3.5
Net income	369	341	8.2

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	2,648	2,371	11.7
Cable	—	—	—
Outdoor	—	—	—

RCA Corp. was folded into General Electric Co. in mid-June, 1986, to become the largest non-oil merger in the country. The resulting company has total revenues of about $38 billion, about 7% of that now coming from the unit's major media property, NBC, which surpassed CBS to become the highest-rated network in prime time in the 1985-86 season.

The improved fortunes of NBC Television Network pushed the broadcast total revenues in RCA's entertainment division to $2.65 billion, up 12%, and pretax income grew by 53.8% to $333.2 million—better than half of RCA's pretax income from all business segments. Broadcasting accounts for all media totals at RCA, ranked the fourth largest media company.

RCA, based in New York, reported last December it would be sold to General Electric Co. for $6.28 billion. The Justice Department in May approved the merger, although it required GE to divest some of its assets. Total revenue figures presented in the box heading this profile are for RCA only.

The broadcast side of RCA's entertainment division derives its revenues from the NBC network, the four tv stations, the three radio networks and nine owned radio stations.

RCA's other entertainment activity, generating $43.4 million in pretax income on sales of $757.8 million, up 22% and 38%, respectively, centered on records and home video. In August, RCA and Bertelsmann A.G. merged their worldwide record, music publishing and music video operations into one joint venture encompassing all of RCA's record divisions. The new joint venture, RCA/Ariola International, encompasses the RCA, Ariola, Arista and Hansa labels. The RCA/Columbia Home Video joint venture accounts for the rest of the entertainment division's profits.

Two of the most momentous events in NBC's history took place in 1985, events certain to dramatically change the company in the immediate future. First, NBC's ascendancy to first place in prime time will place even greater pressure on the company and its resources to maintain momentum in the highly competitive network world. NBC also, for the first time since the abortive Moscow Olympics in 1980, attained the rights for the 1988 Summer Olympics in Seoul.

Second, GE's influence, though immediately described by the new owners as negligible, will almost certainly have an impact on the company on many levels. While GE will make every effort to safeguard its profitable new ward, NBC, it will be fast in making changes if necessary. The first order will be to replace Grant Tinker, chairman of NBC, who plans to leave the company perhaps by the end of the year.

NBC's destiny will be of its own making, according to GE. A succession process is already in the making. The successor to Mr. Tinker apparently will be chosen from a cadre of top executives currently at the company.

GE enters the industry steeped in broadcast history, although lacking in broadcast management expertise. The company started one of the first radio and tv operations in the U.S. in 1928, both stations essentially figuring as sales tools in the company's plans to sell tv and radio sets. But the company's interest in the industry failed to mature, and, ironically, its interests later developed into NBC. GE eventually sold a handful of tv stations and, before the purchase of RCA, was left with only one, KCNC-TV, Denver. GE also has sold off several radio stations in recent years and divested its cable operations.

GE has sought an 18-month waiver from the FCC to retain some of its radio stations following the RCA purchase. Like Capital Cities/ABC, GE has said it wants to study the impact of any sale on the viability of radio networks, the NBC Radio Network, the Source and Talknet. Cross-ownership rules would require GE to sell WYNY (fm) and WNBC, New York; WMAQ and WKQX (fm), Chicago, and WKYS-FM, Washington. GE will retain the tv stations in each city.

Only once in recent years has GE acknowledged its serious interest in building its broadcast business, when it tried to purchase Cox Communications in the 1970s.

A key motivation behind GE's RCA purchase was clearly NBC; GE's earnings cycle was affected by the downturn in international trade as well as the strength of the dollar. NBC's high earnings are seen as a stabilizing influence on the cycle.

The NBC-TV network scored its greatest gains in 30 years behind the strength of "The Cosby Show," "Family Ties," "Cheers," "Night Court" and "The Golden Girls," just a few of the comedies that propelled the network past CBS.

In the most recent A.C. Nielsen Co. ratings, NBC scored a 17.6 average rating through April 16. The network had an average 28 share. This was a 5% margin over CBS, which had a 16.7/26, and 18% over ABC, which had a 14.9/23. CBS delivered the same number of households this year as last —about 14.3 million per prime-time minute. But NBC's jumped from 13.7 million last year to 15.1 million in 1986. ABC's average household audience dropped to 12.8 million from 13.07 million in 1985. So substantial were NBC's gains, including growth in key demographic categories such as adults 18-to-49, that the network helped reverse a trend in lower viewing levels to the networks last year.

The strength was reflected in NBC sales; not only was NBC the only network to ever sell more than $1 billion in inventory in prime time, which it accomplished for the 1985-86 season, but it also remained relatively strong during a prolonged sales drought during the first and second quarters last year.

Even NBC's weak daytime schedule remained heavily sold—although this was primarily because of credits paid to advertisers. While the entire network economy declined by about 3% in 1985, NBC managed to increase its over-all sales substantially on the strength of its high demographic profile. NBC also joined ABC and CBS in accepting stand-alone 15-second commercial units.

NBC displayed strengths across the board, but Thursday night reigned supreme. "The Cosby Show" averaged more than a 50 share for months while "Family Ties" continually pulled 45 shares. Wednesday night was also strong with shows such as "St. Elsewhere" and "Highway to Heaven." Friday's greatest triumph was "Miami Vice," which quickly caught on as the most popular teen show of the year, sparking several retail and music trends. Saturday remains NBC's second strongest night, anchored by new hits "227" and "The Golden Girls." The "NBC Monday Night at the Movies" has also been highly successful for the network.

The network's trouble spots are Sunday and Tuesday. "The A-Team," which sent NBC on its victory march only two seasons ago, foundered badly last year. "Hunter" and "Stingray," also Stephen Cannell productions, also failed to deliver audience. Both shows were renewed for next year.

"Hill Street Blues," which lost its top producer last year, also suffered. The show originally had best illustrated the Tinker/Tartikoff doctrine of letting the best shows rise to the top, however long that may take. "Hill Street" managed to secure a position on this fall's Thursday schedule.

NBC's daytime program schedule still remained entrenched in third place. The daytime ratings/share averages ended April 20 showed ABC as the top-rated network with a 6.1 rating/21 share average, CBS with a 6.0/21, and NBC with a 5.2/19. NBC had only two shows—"Days of our Lives" and "Wheel of Fortune"—in the top 10 rated shows.

Top prime-time miniseries during 1985-86 included "Peter the Great," the Procter & Gamble-sponsored "A.D.," "The Long Hot Summer," "Evergreen" and "Wallenberg: A Hero's Story." Each averaged above a 30 share.

NBC also made strides in news programing last year. The NBC "Nightly News with Tom Brokaw" closed the gap with CBS' "Evening News with Dan Rather."

NBC's "Today" finally passed ABC's "Good Morning America" to become the most-watched morning news show. Hosted by Jane Pauley and Bryant Gumbel, NBC engineered its dash past ABC by relying heavily on international live broadcasts from sites including Rome and Moscow. After the first quarter, "Today" had an average 5.8 rating and 25 share; "Good Morning America" has a 5.2/22, and CBS' "Morning News" had a 3.1/13.

NBC News also sought an equity position in Turner Broadcasting System's Cable News Network. Ted Turner was seeking capital to fund his purchase of the MGM/UA Entertainment. However, the deal fell through after Mr. Turner refused to give NBC complete editorial control of CNN. Before this —and possibly to force Mr. Turner into a conciliatory position—NBC said it might try to create its own cable news network. There was little support from the cable industry, however.

In sports, NBC's $300 million rights

purchase of the 1988 Olympics put the network back on the Olympic map. The agreement calls for a novel "revenue sharing" arrangement with the Koreans. Many of the events will be tape-delayed. In another major sports event purchase last year, NBC attained the exclusive broadcast rights to the Breeder's Cup.

The division also saw increased ratings in its National Football League—American Football Conference package. Each of the networks last year reversed viewership decline in professional football. NBC also has baseball and National Collegiate Athletic Assn. basketball packages.

MEDIA PROPERTIES
Broadcasting
TV: NBC-TV Network, with 207 affiliates. NBC-owned stations: WNBC-TV, New York; KNBC, Los Angeles; WMAQ-TV, Chicago; WKYC-TV, Cleveland; WRC-TV, Washington; KCNC-TV, Denver (via merger with GE).
RADIO: NBC Radio Network. NBC-owned stations: KNBR, KYUU (fm), San Francisco; WJIB (fm), Boston; WNBC, WYNY (fm), New York; WMAQ, WKQX (fm), Chicago; WKYS-FM, Washington.
OTHER OPERATIONS
RCA Americom Satellite, RCA/Columbia Pictures International Video (home video), RCA Records, RCA consumer products division (tv, videocassette sets).

Reader's Digest Assn. RANK 56
Pleasantville, N.Y.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	209	205	1.8
Total sales	1,450	1,567	(7.5)
Net income	N/A	N/A	N/A
Sales by media	**1985**	**1984**	**% chg**
Newspaper	—	—	—
Magazine	197	194	1.5
Broadcast	—	—	—
Cable	—	—	—
Other	12	11	6.4

Under the leadership of a new administration headed by chairman-ceo George Grune, Reader's Digest Assn. continued its tight-fisted course to maximize its profitability. The private company's strategy included the folding of unprofitable operations, the paring of circulation and a cut in advertising rates at *Reader's Digest*.

The Pleasantville, N.Y.-based company, ranked the 56th largest U.S. media company, gets its U.S. media revenues from *Reader's Digest* and Source Telecomputing, a personal computer on-line electronic information service.

Other business areas include a worldwide distribution of *RD*, with 39 editions in 16 languages, adding up to a paid global circulation exceeding 30 million, which gives *RD* the highest magazine readership in the world. More than 100 million people worldwide read the magazine each month. Total international ad revenues are estimated at $66 million, second only to *Time*. The total domestic and international editions of *RD* provide a reported 39% of worldwide net revenues, or about $565 million.

The company is also one of the world's largest marketers of records and cassettes, and its recorded music division is reported to account for 11% of total company revenues. Another 45% in revenues comes from the publishing division, which sells 20 million volumes of condensed books and 12 million copies of other nonfiction books, primarily in the how-to vein. It is said to be the most profitable segment of Reader's Digest's business.

The domestic edition of *RD* cut its circulation rate base 8.4% to 16,250,000 and its ad rates by 3.8%, beginning with the January, 1986, issue. The measures were designed to eliminate less profitable circulation. In its first quarter, the *Readers Digest* gained 45 pages, to achieve its highest first quarter in the past five years.

During 1985, advertising revenues for *RD* dropped 1.1% to $110.6 million on 1,071 pages, down 0.4%, according to Publishers Information Bureau. Fighting the supermarket checkout clutter and apparently winning the battle were single-copy sales, which rose 9% to 961,014. Subscriptions, however, dropped 1.7% to 16,695,997, according to ABC audited statements at yearend.

RD, formerly the No. 1 circulated magazine in the country, relinquished that crown to *TV Guide* when the rate base was lowered. *RD* continues to reach a reading audience of 39.4 million, according to a Simmons Market Research Bureau Study of Media and Markets, which means almost one-fourth of the adult American population reads the magazine.

Reader's Digest Assn. launched on July 1, 1985, a $1 million corporate image campaign by New York-based ad agency James Parry Inc. Ads informing advertisers and company employes of the scope and dimension of corporate business ran in New York, Chicago and Detroit. The four-color, spreads appeared in such publications as *Nation's Business, Working Woman, Sports Illustrated* and the three newsweeklies. This first corporate campaign in the company's 63-year history chronicles high points in *RD's* recent past, such as the responsiveness of the magazine's readers to important issues as measured by their writing to congressmen, *RD's* program to find missing children and its scoop on the purported plot against the Pope. The campaign theme is "We make a difference." A corresponding newspaper campaign promotes editorial features from the magazine.

J. Walter Thompson USA handles *RD's* tv advertising. However, direct mail remains the company's forte. Subscriptions are sold to the public via the mail both in the U.S. and abroad, where there are 12 million *RD* subscribers. Subscription lists get an additional workout as mailing lists for direct mail pieces promoting books Reader's Digest publishes. The company sports an annual postal bill exceeding $250 million worldwide. Far from home, *RD* closed its Japanese unit Jan. 31, 1986, after suffering six years of continuous losses, on a circulation of 450,000. The Japanese subsidiary had been in operation for 24 years, while a Japanese language edition has been published for nearly 40 years.

The Scandinavian editions in Norway, Sweden and Denmark have been consolidated. Reader's Digest also sold an 80% interest in *Asiaweek*, one of the leading English-language publications in the Far East, with a circulation of 60,000, to Time Inc., which will keep the current management intact. Reader's Digest also sold Bartholomew Map Co. in Scotland last year for an undisclosed price. Other cost-saving measures included an offer of early retirement made to nearly 300 employes, of which 184 accepted.

Source, the computer-based information service headquartered in Washington, has 60,000 subscribers, of which about 2,000 came on line in the past year. New services included the introduction of a free on-line tutorial service, under which subscribers can learn how to use Source for free. According to Nancy Beckman, pr manager for Source, the new free service was well received. "It is rare in this industry to find on-line services offering this type of arrangement," she says.

The Source introduced special interest groups (sigs), which bring together those subscribers who have in common either a special interest or a certain computer.

Among the seven sigs so far are special interest groups for Apple and Macintosh computers, Microsoft users among software users, and a legal sig. Other potential sigs are being investigated. Source charges a $49.95 setup fee and a minimum $10-a-month usage fee, while actual use is calculated in amounts of minutes used.

Last year, Reader's Digest began a contest offering $500,000 in college scholarship aid to students who devise the best programs against drunken driving among teen agers. A contest was held within the ad community to develop a poster announcing the contest to be circulated in the nation's 16,000 high schools. A creative team from Fallon McElligott, the Minneapolis agency, won the ad contest and a weeklong trip to Paris.

In other philanthropic gestures, Reader's Digest continued its QSP school subscription solicitation program that has raised more than $500 million during its 22-year duration for schools and youth groups. Monies from this program in 1985 contributed 5% to the company's over-all revenues last year.

Corporate chairman-ceo George Grune became president of the Reader's Digest Foundation, the company's philanthropic arm, succeeding Kent Rhodes, who will continue on the foundation's board. John Allen, vp-corporate and community affairs, became the foundation's executive director.

August, 1985, marked the opening of the DeWitt Wallace Decorative Arts Gallery in Williamsburg, Va. The late founder of the magazine, DeWitt Wallace, had allocated a $14 million grant for construction of the gallery and its operation.

Kenneth A. Gordon became the publisher of *Reader's Digest* on Dec. 2, 1985, succeeding Richard F. McLoughlin, named vice-chairman and director of U.S. operations.

In other personnel shifts, Richard Murray, vp-ad sales director since July, 1984, retired and was succeeded Jan. 1 by John Donoghue, formerly RD eastern ad sales director. Tom Rice, a sales representative, succeeds Mr. Donoghue, as New York manager.

Effective Dec. 2, Kenneth Gordon became vp-publisher of books and the recorded music division, succeeding former publisher Richard McLoughlin who had held that post as well. John Bohane succeeds Mr. Gordon as vp-director of books and records. Mr. Bohane had been deputy director of international operations. Ronald Cole joined Lynn Mapes as vp-associate publisher and continues to direct U.S. circulation activities. William O'Neill became vp-director of international operations, after serving as vp-deputy director of international operations.

Rene Isaac was named to the new post of vp-director corporate planning and development in September, in which capacity he will explore new-business opportunities for Reader's Digest. Mr. Isaac had been vp-director corporate planning. Jane Personenni became ad research director in New York after serving as international marketing director. She succeeds John Nephew, who moved to Mediamark Research to assume the new post of vp-marketing.

Mr. Grune offered to develop an ad campaign promoting the magazine industry to international marketers at a conference in Madrid last May. *RD* will contribute one page in its international editions four times a year to promote the industry internationally and also will put up seed money for the design and implementation of the campaign.

MEDIA PROPERTIES
Magazines
Reader's Digest
Other media operations
Source Telecomputing (80% owned).
OTHER OPERATIONS
Reader's Digest Entertainment, book publishing, mail order sales of records and tapes.

RKO General RANK 54
New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	213	200	6.7
Total sales	406	371	9.4
Net income	N/A	N/A	N/A
Sales by media	**1985**	**1984**	**% chg**
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	213	200	6.7
Cable	—	—	—
Outdoor	—	—	—

RKO General, a subsidiary of GenCorp, Akron, O., took steps in 1985 to reduce its media holdings by reaching agreements to sell its two major tv stations, although one sale hit a snag before a Federal Communications Commission judge.

The 54th largest U.S. media company received 52.5% of its total revenues from media in 1985, consisting largely of contributions from tv and radio divisions. Lesser contributions to media totals also come from theatrical production for pay tv, motion picture production, hotel development and management and data and information transfer systems. RKO's only major nonmedia operation is soft-drink bottling.

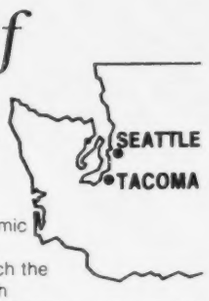
GenCorp had aftertax income from continuing operations, excluding the effects of provisions for plant closures and nonoperating losses, of $98.4 million, up 33.9% from 1984, on net sales of $3.02 billion in 1985, up 7.9%. Net earnings at GenCorp for the year were $75.2 million, up from only $7.2 million in 1984.

In February, 1986, RKO announced the proposed sale of KHJ-TV, Los Angeles, to Westinghouse Broadcasting Cable (Group W) for $308 million. A contract was still pending in mid-June on the sale of WOR-TV, Secaucus, N.J., to MCA, Los Angeles, for $387 million. The sales would leave RKO with 12 radio stations and one tv station.

The sales have been motivated by protracted proceedings before the FCC concerning RKO's qualifications for license renewals. One of those hearings involved KHJ-TV and a mutually exclusive application by Fidelity TV, Los Angeles, for the same channel. The FCC determined that the decision in the KHJ-TV proceeding would be binding in proceedings for RKO's other tv and radio stations. The sale stumbled in its first step before the FCC when an FCC administrative law judge ruled in May, 1986, it would be against the public interest. RKO did not expect the ruling, but reported it would receive a favorable ruling before the full FCC. GenCorp stock plunged 8 points, and trading was halted several hours. It regained all but 3 points once trading concluded for the day.

Under the purchase agreement, Group W would acquire the compet-

A Tale of Two Cities



In either the best or worst of economic times, it doesn't make sense to buy newspapers that can't effectively reach the whole Seattle-Tacoma CMSA. Though Tacoma is but a mere 35 miles south of Seattle, it is a market largely unreached by Seattle newspapers.

If you want to reach the entire metro area, add The Tacoma News Tribune to your advertising schedule. You'll reach 236,400 adults every day.

Reach the Tacoma portion of this market with a Tacoma newspaper. In terms of gaining results, it would be a far, far better thing to do.

For more information, contact Doug Harris at 206-597-8757 or talk to a Sawyer-Ferguson-Walker representative.

The Tacoma News Tribune

P.O. BOX 11000 TACOMA, WASHINGTON 98411

ing applicant's interest for $98 million and KHJ-TV for about $210 million.

Trouble encountered by the company two years ago, when it was disclosed that RKO had overbilled advertisers by some $7.9 million, was at least partly responsible for RKO's sale of a company that produced network radio programs and the proposed sale of its two tv stations. The protracted hearings before the FCC have been costly. Those proceedings have contributed largely to GenCorp's increases of $54 million and $12 million in 1984 and 1985, respectively, for selling, general and administrative expenses.

In April, 1985, RKO completed the sale of its radio networks to United Stations Radio Networks, a New York-based producer of network radio programs partly owned by entertainment entrepreneur Dick Clark. Company officials refused to disclose terms, but the company reportedly received $10 million—$3 million in cash and $7 million in long-term notes. Its radio networks provided programing and advertising to some 1,500 radio station affiliates. The sale came in the wake of revelations that the FCC was investigating overbilling of advertisers by the company.

RKO owns some top-ranked broadcasting stations, including WRKS-FM in New York, the market leader in the evening broadcast segment, and WRKO-AM in Boston, a leader in the evening slot. Other top markets include Boston where Arbitron Ratings show WROR (fm) ranked No. 8 in the morning drive, and its am sister, WRKO, ranked No. 2 in the morning position and No. 1 in the evening. In New York, WOR, is No. 2 in the morning period, and No. 3 evening, while WRKS-FM is No. 1 in the evening.

For tv stations, A.C. Nielsen Co. determined the following figures for delivery of market for total adults 18 years and older during the late news period of February, 1986: WOR-TV, New York, 8 p.m. news, 4%; KHJ-TV, Los Angeles, 9 p.m. news, 4%; WHBQ-TV, Memphis, Tenn., 10 p.m. news, 20%.

Other RKO revenue came from a tv movie produced by RKO Pictures, "Sweeney Todd," which won three Emmys. In order to increase its access to the North American entertainment marketplace, the company entered into a theatrical distribution agreement with Paramount Pictures. This relationship, when combined with RKO Picture's offshore production capabilities, positions the company for growth with less risk than is usually associated with the motion picture business. New management at RKO Pictures and FilmGroup, responding to changes in the home entertainment market, reduced its distribution of videocassettes and consolidated production activities.

In November, 1985, RKO sold its 45% holdings in Frontier Airlines to People Express for an aftertax gain of $24.2 million. RKO's share of the air carrier's losses in 1984 and 1983, respectively, were $9 million and $9.9 million.

RKO Bottlers posted a record net revenues of $192.5 million during the year. The introduction of Slice, a soft drink made with 20% real juice, increased market penetration.

MEDIA PROPERTIES
Broadcasting

TV: WHBQ-TV, Memphis.
RADIO: KHJ, KRTH (am, fm), Los Angeles; KFRC, San Francisco; WGMS (am,fm), Bethesda, Md./ Washington; WAXY (fm), Fort Lauderdale, Fla.; WFYR (fm), Chicago; WRKO, WROR (fm), Boston; WOR, WRKS-FM, New York; WHBQ, Memphis.

OTHER OPERATIONS

RKO Bottlers, RKO Pictures & Film Group.

Cable nets lead spending

Cable services ad spenders in 1985 were topped by networks according to Leading National Advertisers: HBO $9.7 million; MTV $5 million; ESPN $3 million; Showtime $2.6 million.

RANK **86**

Rogers Cablesystems

Toronto

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	118	90	30.5
Total sales	254	211	20.1
Net income	(16)	(22)	(27.1)

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	—	—	—
Cable	118	90	30.5
Outdoor	—	—	—

Rogers Communications Inc., which bowed out of the Syracuse, N.Y., market in 1985 and is expected to sell its California operations this year, experienced a 31% growth in revenues from its U.S. cable properties in 1985—largely a result of rate increases from major systems.

The Toronto-based company ranked the 86th largest media company on the basis of its U.S. media revenues. Canadian cable operations, which added to Rogers' U.S. activity, brought a gain in total operating income of 40% to $91.7 million on revenues of $354.2 million, up 20%, for fiscal 1985 ended Aug. 31, 1984. The company, however, suffered an over-all loss of $16.2 million, actually a 27% improvement over 1984.

U.S. dollar figures for this profile were converted from Canadian currency at the rate of C$1=U.S.$0.716. The same rate was applied to 1984 figures for comparison. The Canadian dollar fell 8% against the U.S. dollar in 1985.

Excluding the Southern California and Syracuse systems that Rogers has sold, 1.1 million homes are located in areas franchised to Rogers in the U.S. At its fiscal yearend, almost 90% of the homes were passed by cable and there were about 475,000 basic subscribers at an average basic penetration of slightly less than 50%.

The company's U.S. cable tv systems are owned through two principal holding companies. The first, Rogers Cablesystems of America, contains about 350,000 basic subscribers. Nearly 60% of these subscribers are in the San Antonio, Tex., system, which increased its rates for basic from $6 to $9 a month in December, 1984, resulting in a substantial revenue increase.

The company's other U.S. group, Rogers U.S. Cablesystems, includes systems in the Minneapolis and Portland, Ore., areas and parts of Los Angeles and Orange counties in Southern California. The last group still is operating below its potential, according to officials from the parent company.

Rogers U.S. Cablesystems' Syracuse franchise was sold in 1985 "to reduce our total long-term debt," says Graham Savage, vp-investment planning. The same holding company is considering the sale of its California group by yearend, although a final decision has not been reached by the company. "California has been a difficult area for us to operate in so we might decide to sell," Mr. Savage says.

The California life style, with an emphasis on outdoor activities, could be partly responsible for the lack of cable tv's success, he says, although he adds that the 18 off-air signals in the area represent "probably more off-air signals than anywhere else in North America."

Gross revenue in Canada showed a 15.7% increase. Each of the 14 cable tv systems in Canada experienced growth in basic subscribers during 1985. Almost 34,700 subscribers were added nationally, with three-quarters of these added in the province of Ontario, 15% in Alberta and 10% in British Columbia.

At the end of its fiscal 1984, pay tv services in Canada had stalled at a penetration of 11% of basic subscribers, and the churn rate was pushing up operating costs. The situation improved dramatically in 1985 with the introduction of specialty services—CNN News and Much Music. "Those specialty packages have improved the value of the service when you combine with pay service. As a result we doubled our subscribers in 1985 and our penetration rate as of now is already 28%," Mr. Savage says.

In 1985, the Canadian Radio-television & Telecommunications Commission, the regulatory body of the industry, allowed the two national pay services to operate in an exclusive regional area, in effect splitting the country. While the loss of pay subscriber units due to move was significant, the stabilization of the pay networks was the first step in relaunching discretionary services to subscribers. For cable companies like Rogers the change was viewed as necessary. "There was a strong chance that a two pay service industry could not survive otherwise," Mr. Savage says.

The cable industry, however, must still do battle with the CRTC on a few topics. For example, government policy allows individuals to own backyard earth stations and to receive any programs available, whether they are subscribers or not. Yet the CRTC will not allow a cable subscriber access to some of those same signals. The government will not allow cable companies to compete with video stores renting movies by means of pay-per-view movies offered by the cable company.

"We are doing it in the U.S.—pay-per-view—and we find our subscribers enjoy the product," Mr. Savage says. The company has not yet given up, however, and still lobbies the CRTC.

MEDIA PROPERTIES
Cable/video

SYSTEMS: U.S. Cablesystems: CALIFORNIA: La Mirada, Rossmoor. MINNESOTA: Minneapolis (southwest suburbs, 75% interest). OREGON: Portland (50% interest). UA-Columbia Cablevision: ARIZONA: Yuma. ARKANSAS: Bay, Bonanza, Fort Smith, Greenwood, Hackett, Jonesboro, Lake City, Luxura, Manila, Osceola, Roland. CALIFORNIA: Brawley, Calexico, El Centro, Hotville, Imperial, Westmoreland. COLORADO: Aspen, Basalt, Rifle, Snowmass. FLORIDA: Fort Pierce, Vero Beach. KANSAS: Marysville, Pittsburg. MASSACHUSETTS: North Attleboro, Taunton. NEBRASKA: Beatrice. NEW JERSEY: Allendale, Bloomingdale, Bogota, Butler, Cedar Grove, Clifton, Elmwood Park, Garfield, Glen Rock, Hackensack, Haledon, Hasbrouck Heights, Hawthorne, Hillsdale, Ho-ho-kus, Kinnelon, Lincoln Park, Little Falls, Lodi, Maywood, Midland Park, Montville, North Caldwell, North Haledon, Nutley, Oakland, Paramus, Park Ridge, Passaic, Pequannuck, Pompton Lakes, Prospect Park, Ramsey, Ridgewood, Ringwood, Riverdale, River Edge, Rochelle Park, Saddle Brook, South Hackensack, Teaneck, Totowa, Upper Saddle River, Waldwick, Wanaque, Wayne, Washington Township, West Paterson, Westwood, Wood Ridge, Wyckoff. NEW MEXICO: Alamagordo. NEW YORK: Ardsley, Bellport, Bronxville, Brookhaven, Dobbs Ferry, Eastchester, Elmsford, Greenburg, Hastings-on-Hudson, Irvington, Lake Grove, New Rochelle, Patchogue, Pelham, Pelham Manor, Scarsdale, Tuckahoe, White Plains. OKLAHOMA: Arkoma, Krebs, McAlester, Muldrow, Sallisaw. OREGON: Hermiston, Pendleton, Pilot Rock, Stanfield. TENNESSEE: Fayetteville, Lawrenceburg, Pulaski. TEXAS: Alamo Heights, Balcones Heights, Balinger, Baxar County, Castle Hills, Cibolo, Comol County, Converse, Fort Sam Houston, Gainesville, Guadelupe County, Hill City Village, Hollywood Park, Kirby, Laredo, Leon Valley, Live Oak, Miles, Mount Pleasant, Mount Vernon, Pittsburg, Randolph Air Force Base, San Angelo, San Antonio, Schertz, Selma, Terrell Hills, Universal City, Windcrest, Winters. WASHINGTON: Kennewick, Pasco.

RANK **96**

Rollins Communications

Atlanta

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	100	86	16.8
Total sales	100	86	16.8
Net income	12	10	21.2

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	27	24	15.2
Cable	47	39	21.6
Outdoor	25	23	10.4

Rollins Communications Inc. added modestly to its stable of media properties as it increased net income 21.2% on a 17% growth in revenues during its fiscal year ended June 31, 1985. The company also opened itself to acquisition in mid-June, 1986, by selling 43.5% of its stock to Heritage Communications Inc., Des Moines.

The Rollins family reports that its stock sale, amounting to 6.4 million shares for $260.4 million in cash and notes, is the first step toward a possible merger of Heritage and Rollins.

During 1985, Rollins bought KAUT, Oklahoma City, for $5.6 million from Gene Autry's former wife, Ina, for its first independent uhf station. It has three network affiliates. Rollins also boosted its total number of cable subscribers by 6.6%, many of those at the new Rollins CableVision operation in Philadelphia, one of four cable franchises in that market.

Atlanta-based Rollins Communications, which also owns six radio stations, five cable tv operations and nine outdoor advertising units, ranked the 96th largest media company. It is one of three companies spun off in 1984 from divisions of Rollins Inc. Rollins Inc. is now the title only for the pest control business through its Orkin Pest Control Co., and Rollins Protective Services Co. handles the fire and burglar alarms.

In the first three quarters of its 1986 fiscal year, the company's revenues have continued to increase at a 13% to 14% clip. In the third quarter, which closed March 31, revenues were $27.1 million, 14.3% ahead of the corresponding period a year earlier. The investment firm of Robinson Humphrey Co., Atlanta, predicts per share earnings of 94 cents this year compared with 82 cents in 1985.

Net revenues will hit an estimated $115 million in 1986, according to Michael E. Higgins, vp-chief financial officer of the admittedly conservatively run Atlanta-based media company. "We are perhaps not the flashiest, the most innovative or state-of-the-art company around," Mr. Higgins says, "but I think we have a reputation for generating strong cash flow. We are very stable and reliable."

The Oklahoma City station is dragging down profits somewhat, company officials say. While Mr. Higgins refused to discuss specific revenues from each of the tv properties, he acknowledges the independent station is likely to bring in only about a fifth or less of the estimated $9 million to $10 million produced annually by the three other stations, which cover all the networks—WEAR-TV, serving Pensacola, Fla./Mobile, Ala., is an ABC affiliate; WCHS-TV, serving Charleston/Huntington, W.Va., is CBS, and WPTZ, serving Plattsburgh, N.Y., Burlington, Vt., and Montreal, Canada, is NBC.

"But we don't measure our performance in television by revenue alone," Mr. Higgins says. "Television stations have usually tried to get a higher percentage of advertising income than might be reflected purely in the ratings. If you have a 17 share in a market, but you are bringing in only 10% of the advertising revenue, obviously you aren't doing your job. But if you can bring in 22%, then you are."

The company's philosophy is different for acquiring on-air tv stations versus its cable operations, Mr. Higgins says. In every case, the company has acquired an existing tv station; in the cable market, all of Rollins operations are startups.

The company has 207,000 cable subscribers in 43 cities—up only slightly from the 196,000 subscribers on-line in June, 1985. But the company projects its subscriber base in those cities eventually will grown to 317,000.

"We started in cable from scratch in about 1963," Mr. Higgins says. "We were pioneers in the urban market. When we built our system in Wilmington, Del., it was the first major urban cable system built in the country." The company's three New England cable operations and the Philadelphia and Wilmington franchises reflect the company's continuing emphasis on the urban market.

MEDIA PROPERTIES
Broadcasting

TV: WEAR-TV, Mobile, Ala./Pensacola, Fla; WPTZ, Plattsburgh, N.Y./Burlington, Vt.; WCHS-TV, Charleston/Huntington, W.Va.; KAUT, Oklahoma City.
RADIO: KDAY, Santa Monica, Cal.; WAMS, Wilmington, Del.; WBEE, Harvey, Ill.; WRAP, Norfolk/Portsmouth, Va.; WCHS, WBES (fm), Charleston, W.Va.

Cable/video

SYSTEMS: CONNECTICUT: Community Television System. MASSACHUSETTS: Rollins Cablevision of Northern Massachusetts, Rollins Cablevision of Southeast Massachusetts. PENNSYLVANIA: Rollins Cablevision of Philadelphia. RHODE ISLAND: Bellevue Cablevision, Narragansett Cablevision Corp.

Other media operations

Rollins Outdoor Advertising.

RANK **77**

Sammons Communications

Dallas

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	132	120	10.0
Total sales	132	120	10.0
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	—	—	—
Cable	132	120	10.0
Outdoor	—	—	—

Sammons Communications, Dallas, a wholly owned subsidiary of $1 billion Sammons Enterprises Inc. and the nation's 77th largest media company, boosted its media revenues, all from cable, by 11% almost matching an 11.4% increase in basic cable subscribers in 1984 and 11.8% increase in pay subscribers in 1985.

Sammons is the largest privately held multiple system operator in the nation. At the end of 1985, the company had 724,838 basic subscribers and 668,108 paid subscribers, ranking it 13th among U.S. multiple system operators—down from 12th in 1984.

Spokesman Jim Rosene attributed the slip to the acquisition fever that has dominated the cable industry in recent months. High demand for cable properties has pushed prices up. Mr. Rosene says Sammons is very cautious about its purchases, and seeks a high ratio of equity to debt.

"The prices are being run up by companies that don't intend to operate the systems they buy, but when we buy a system, we operate it," Mr. Rosene says.

But in a cable marketplace where a few giants are gobbling up small and large properties, Mr. Rosene says Sammons still is looking for good buys and intends to continue growing, although that growth may be slowed by the inflated prices.

"We're not anticipating any merger or sell out," Mr. Rosene says. "And we continue, in the current climate, to be anxious to expand."

For example, he says Sammons was among the companies in a consortium seeking the purchase of Westinghouse's Group W Cable. Group W eventually sold for $2.1 billion to a consortium including Teie-Communications Inc., American Television & Communications, Comcast Corp., Daniels & Associates and Century Communications. Sammons dropped out, Mr. Rosene says, "when the bidding got up into the stratosphere."

Sammons succeeded with several purchases, however. In August, CBS agreed to sell Sammons its 19,000-subscriber Blackhawk System in suburban Fort Worth, Tex., for an estimated $21 million. Earlier buys consolidated into the Sammons system during 1985 included the systems in Seneca, Mo.; Denton, Tex.; Tuskegee, Ala.; 10 systems in the Harrisburg, Pa., area purchased from TCI, and, from Storer Cable Communications, systems near Dallas-Fort Worth in Hurst, Keller, North Richland Hills, Haltom City,

Midlothian, Waxahachie, Everman and Mansfield, Tex.

The acquisitions are typical of the kind of properties Sammons seeks—most are contiguous to Sammons systems, and most are in small to medium-size communities. Mr. Rosene estimates the average Sammons system numbers 15,000 to 20,000 subscribers. To date, Sammons has shunned large metropolitan areas, its largest operation being the nearly 70,000-subscriber Fort Worth system.

During 1985, Sammons unplugged the two-way capability of its Fort Worth system, finding it "not currently productive."

Under that arrangement, Fort Worth subscribers had been able to bank, pay bills and use other services through their cable hookup. The hardware for the two-way hookup remains in place in Fort Worth and selected other systems should the service become feasible.

The company is involved in a massive rebuilding of the Harrisburg, Pa., system that began in September, 1984, and will continue until the last quarter of 1986. Sammons has been upgrading its Harrisburg system from 12 channels to 36 and developing new tier structures. There are 73,465 basic subscribers and an additional 47,520 paid in the system.

Sammons is decentralized in its marketing approach, tailoring its promotions to individual areas. Marketing emphasizes print, radio, direct mail, insertion on cable networks and some co-op advertising with the premium channels.

MEDIA OPERATIONS

Cable/video

SYSTEMS: ALABAMA: Chambers Co., Franklin Co., Lanett, Littleville, Moulton, Russellville, Tuskegee, Valley. CALIFORNIA: Burbank, Ceres, Glendale, La Canada, La Crescenta, Merced Co., Stanislaus Co., Sylmar, Turlock, Whittier. CONNECTICUT: Middlebury, Plymouth, Prospect, Waterbury, Wolcott. FLORIDA: Live Oak. GEORGIA: Harris Co., Troup Co., Pine Mountain (town), Pine Mountain (unincorp. outside Troup City), Pine Mountain (unincorp. outside Harris Co.), West Point. ILLINOIS: Bruce, Dayton Township, Dwight, Eagle, Jacksonville, S. Jacksonville, Kangley (village), Marseilles, Morgan Co., Naplate, Ottawa, Otter Creek, Pontiac, Reading, Streator. INDIANA: Logansport. IOWA: Estherville, Graettinger, Emmet Co. KENTUCKY: Middlesboro. LOUISIANA: Concordia Parish, Vidalia. MISSISSIPPI: Adams Co., Brookhaven, Escatawpa, Gautier, Jackson Co., Lincoln Co., Magnolia, McComb, Moss Point, Natchez, Pascagoula, Pike Co., Summit (town of). MISSOURI: Neosho, Seneca. NEW JERSEY: Absecon, Alpha, Bloomsbury, Boonton (town), Boonton (township), Chatham, Denville, Dover, East Hanover, Egg Harbor Township, Florham Park, Galloway (township), Greenwich (township), Hanover, Harmony Township, Hopatcong, Jefferson (township), Linwood, Lopatcong, Madison, Mine Hill, Montville, Morris, Morris Plains, Morristown, Mount Arlington (boro), Mount Olive Township, Mountain Lakes (boro), Netcong, Parsippany-Troy Hills (township), Phillipsburg, Pleasantville, Pohatcong, Randolph, Rockaway Township, Rockaway (boro), Roxbury Township, Somers Point, Stanhope, Victory Gardens (boro), Wharton. NEW YORK: Amity (town), Andover (town), Andover (village), Belmont (village), Benton, Cortland, Cortlandville, East Hampton (town), East Hampton (village), Gloversville, Homer (town), Homer (village), Jerusalem, Johnstown, Johnstown (town), Mayfield (town), Mayfield (village), McGraw, Milo, Penn Yan, Scio, Wellsville (town), Wellsville (village), Willing (village). NORTH CAROLINA: Black Mountain, Buncombe Co., Buncombe Co. (Riceville), Canton, Clyde, Hazelwood, Lake Junaluska, Maggie Valley, Montreat, Waynesville (Haywood Co.). OKLAHOMA: Clinton, Elk City. PENNSYLVANIA: Bensalem (township), Bethlehem, Biglerville, Butler, Carroll, Camp Hill (boro), Cornplanter, Cranberry, Cumberland, Dauphin (boro), East Pennsboro (township), Easton, Emmaus, Fairview, Falls (township), Fleetwood, Forks Township, Gettysburg, Glendon, Hampden (township), Highspire (boro), Harrisburg, Lemoyne (boro), Lower Allen, Lower Macungie, Lower Mount Bethel, Lower Paxton (township), Lower Southampton, Lower Swatara (township), Macungie, Maiden Creek, Marysville (boro), Mechanicsburg, Middle Paxton (township), Middleton (boro), Monroe Township, Morrisville (boro), New Cumberland (boro), Oakland (township), Oil City, Palmer, Paxtang (boro), Pennbrook (boro), Plainfield, Richmond, Roseville (boro), Royalton (boro), Ruscombmanor, Salisbury (township), Shiremanstown, Silver Spring, Steelton (boro), Stockertown, Strayban, Sugarcreek (boro), Susquehanna (township), Swatara (township), Tullytown (boro), Upper Allen, Upper Milford, Upper Southampton (township), Warminster, West Easton, West Fairview (boro), West Hanover (township), William, Wilson, Wormleysburg (boro). TENNESSEE: Bristol, Carter Co., Cocke Co., Elizabethton, Hamblen Co., Johnson City, Morristown, Newport, Sullivan Co., Washington Co. TEXAS: Benbrook, Blue Mound, Borger, Burleson, Cleburne, Crowley, Denton, Duncanville, Edgecliff Village, Everman, Forest Hill, Fort Worth, Fritch, Haltom City, Highland Park, Hurst, Keller, Kennedale, Lake Worth, Mansfield, McLean, Midlothian, North Richland Hills, Pampa, Panhandle, Richland Hills, Saginaw, Stinnett, Sunray/Dumas, University Park, Watauga, Waxahachie, Weatherford, Westover Hills, White Deer, White Settlement. VIRGINIA: Allegheny Co., Bristol, Clifton Forge, Colonial Heights, Covington, Fort Lee, Iron Gate, Petersburg, Washington Co. WASHINGTON: Adams Co., Ephrata, Grant Co., Moses Lake, Othello, Soap Lake.

RANK **18**

Scripps Howard

Cincinnati

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	900	829	8.6
Total sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	702	651	7.8
Magazine	50	49	2.0
Broadcast	135	118	14.0
Cable	14	11	27.3
Outdoor	—	—	—

Scripps Howard doubled the revenue potential for its broadcasting division by buying two tv stations in major markets in 1985, announced its intention to buy out a partner in a multistate cable tv venture, closed yet another of its daily newspapers and elected a new chief executive officer.

The Cincinnati-based company, ranked the 18th largest media company, announced March 14, 1986, its agreement to merge with the John P. Scripps newspaper group, which publishes six dailies and four weeklies in California and a daily in Washington. The John P. Scripps group is controlled by a different branch of the Scripps family.

The corporation's media holdings will include 20 daily and 46 nondaily newspapers after the merger. In addition, it has tv, radio and cable tv interests through Scripps Howard Broadcasting Co., Cleveland. The publicly though closely held broadcast company had 1985 revenues of $134.5 million, up 14% from the previous year. The broadcast company's net earnings totaled $30.9 million, up 70.4% from 1984.

Scripps Howard Broadcasting took over WXYZ-TV, an ABC affiliate in Detroit, and WFTS, a Tampa independent, in January after paying Cap Cities/ABC $246 million, with $220 million reportedly going for just the Detroit property. The purchases raised Scripps Howard's nationwide coverage of tv households to 9% from 5.9%, putting it in the top 10 of group owners. Industry sources said at the time of the sale that the two tv properties will nearly double annual revenue for Scripps Howard Broadcasting.

The only broadcast property sold was KMEO (am, fm), Phoenix, Ariz. Scripps Howard agreed in September to sell the station to Group W Broadcasting, New York. Terms of the sale were not disclosed. Scripps Howard had acquired KNXV-TV, Phoenix, in January, 1985, and, because of FCC regulations against media cross-ownership in the same market, had to sell the radio combo.

The last edition of the Columbus, O., *Citizen-Journal* was published Dec. 31, 1985. The Dispatch Publishing Co., owner of the competing Columbus *Dispatch*, had declined to extend the newspapers' joint operating agreement, and Scripps Howard was unable to line up a buyer. A group headed by Akron-area businessman Nyles Reinfeld bought the rights, but failed to line up suppliers and the additional investors needed to keep the newspaper publishing.

The company restructured other JOAs with Gannett Co. for its Knoxville, Tenn., and El Paso, Tex., papers. Under the new JOA terms, Scripps Howard's *News Sentinel* in Knoxville will switch to morning on July 1, 1986, with Gannett's *Knoxville Journal* moving to evening. Gannett will get a minority partnership increase in the JOA from 22.5% to 25%. In El Paso, Gannett became the business and production agent and the profit split was altered from 50/50, although the parties would not discuss the new split.

Scripps Howard and Tele-Communications Inc. announced March 13, 1986, their intent to end their cable tv partnership organized in 1983. TCI will sell its 50% interest in TeleScripps Cable Co. to Scripps Howard for $78 million. Acquisition of the TeleScripps cable systems in the Southeast will provide Scripps Howard an additional 265,814 cable subscribers, raising its nationwide total to about 375,000 and placing Scripps Howard among the top 25 multiple system operators.

Robert K. Doerr, corporate communications director, says Scripps Howard plans to continue expanding its cable operations. In addition to gaining sole ownership of TeleScripps, the company is building in California what will be its largest single cable tv system. Sacramento Cable Television, established last year, already is serving about 12,000 subscribers, Mr. Doerr says, and the community has 350,000 households with potential customers. The system is scheduled to be finished in 1988.

Scripps Howard directors elected Lawrence A. Leser last June to serve as president-ceo. He took the place of Edward W. Estlow, who retired July 1. The company's new head had been exec vp since June, 1984. A graduate of Xavier University, Cincinnati, Mr. Leser joined Scripps Howard in 1968 as secretary-treasurer.

Scripps Howard bought 15 weeklies and two shoppers in July, 1985, from Hearst Corp. Eight of those weeklies from Hearst Community Group are located in communities adjoining an area served by Scripps Howard Southern California Publishing Co. They were folded into that group. The remaining seven weeklies and two shoppers were the Hillsborough Community Newspapers in Florida.

In addition to the Hearst buys, the company purchased the *La Mirada Lamplighter* and *Buena Park News* in Southern California from Knight-Ridder, the *Polk County Shopper*, Lakeland, Fla., from Thomson Newspapers and Kartes Video Communications, an Indianapolis marketer of home video products.

One disappointment for Scripps Howard was the collapse of its first videotex effort, a partnership with Knight-Ridder and other investors. Last October the two companies started Viewtron/Pittsburgh, but the project ended in March when Knight-Ridder pulled out.

"We had planned to go into our three key newspaper markets—Pittsburgh, Denver and Memphis," Mr. Doerr says. "Last September we announced that if Pittsburgh worked, Scripps Howard may start [the other] videotex services. It was hoped to be the beginning of a videotex experiment that would move into the other cities." Knight-Ridder, however, is not alone in pulling out of videotex operations. Times Mirror also ended its experiment last year.

Another recent project was the construction of a $50 million complex for the *Albuquerque Tribune*. The new downtown plant provides 286,000 sq. ft., including 9,000 sq. ft. for the newsroom, twice the space available for the editorial staff in the newspaper's old facility.

Mr. Doerr reports the merger with the John P. Scripps newspaper group will add about 263,000 in daily circulation and 100,000 in Sunday circulation. The communications director says Scripps Howard then will have total daily circulation of about 1.5 million and Sunday circulation of 1.7 million.

Circulation competition continues between *Rocky Mountain News*, Scripps Howard's largest newspaper, and the rival *Denver Post*, a Times Mirror property. The *Post's* Sunday circulation rose to 412,102 as of March 31, 1986, up 19.4% from the year-earlier ABC auditing period because of a gain in circulation from a cable program guide. The *News'* Sunday circulation dropped 2% to 378,133 in the same period. The *News* retained its lead in daily circulation with a total of 320,441, down 2.7%. The *Post's* circulation rose 2.4% to 220,861.

Cordovan Corp., purchased by Scripps Howard in 1980, was changed to Scripps Howard Publications Inc. The company sold *Jet Cargo News* to Hagall Publishing Co., Houston, effective Dec. 31, 1985.

MEDIA PROPERTIES

Broadcasting

TV: WCPO-TV, Cincinnati; WEWS, Cleveland; WMC-TV, Memphis, Tenn.; WPTV, West Palm Beach, Fla.; KJRH, Tulsa, Okla.; KNXV-TV, Phoenix, Ariz.; KSHB-TV, Kansas City, Mo.; WXYZ-TV, Southfield, Mich.; WFTS, Tampa, Fla.
RADIO: WMC (am, fm), Memphis; KUPL, Portland, Ore.; WBSB (fm), Baltimore.

Cable/video

SYSTEMS: CALIFORNIA: Sacramento, Tulare County. COLORADO: Denver, Fort Lupton, Lafayette, Longmont, Louisville, Parachute. CONNECTICUT: Bridgeport/Fairfield County. FLORIDA: De Bary, Jasper, Leesburg, Madison. GEORGIA: Blue Ridge, Calhoun, Elberton, Homerville, North DeKalb, Rome, Tallapoosa, Walker County, Waynesboro. INDIANA: Tell City. KENTUCKY: Barbourville, Campbellsville, Elizabethtown, Glasgow, Greenville. SOUTH CAROLINA: Newberry. TENNESSEE: Chattanooga, Knoxville, Gray, Greensville, LaFollette, Livingston. VIRGINIA: Glade Springs/Abingdon. WEST VIRGINIA: Bluefield.

Magazines

Scripps Howard Publications Inc. (formerly Cordovan Corp.)—*Atlanta Business Journal, Dallas/Fort Worth Business Journal, Horseman, Houston Business Journal, Los Angeles Business Journal, Phoenix Business Journal, Puget Sound Business Journal, Rocky Mountain Business Journal, San Diego Business Journal, San Francisco Business Journal, South Florida Business Journal, Texas Fisherman, Washington Business Journal, Western Outfitter.*

Newspapers (dailies)

ALABAMA: *Birmingham Post-Herald.* COLORADO: *Rocky Mountain News* (Denver). FLORIDA: *Stuart News, Sun-Tattler* (Hollywood). INDIANA: *Evansville Press.* KENTUCKY: *Kentucky Post* (Covington). NEW MEXICO: Albuquerque Tribune. OHIO: *Cincinnati Post.* PENNSYLVANIA: *Pittsburgh Press.* PUERTO RICO: *San Juan Star.* TENNESSEE: *Commercial Appeal* (Memphis), *Knoxville News-Sentinel.* TEXAS: El Paso Herald-Post.

Newspapers (nondailies)

CALIFORNIA: Alhambra Post-Advocate, Bell/Maywood/Cudahy Industrial Post, Bellflower/Paramount Herald American, Bell Gardens Review, Buena Park News, Compton/Linwood Herald American, Downey Herald American, East Los Angeles Gazette, East Los Angeles Tribune (Montebello), *Fullerton News Tribune, Huntington Park Bulletin, La Mirada Lamplighter, Montebello Commerce Tribune, Montebello News, Monterey Park Progress, Norwalk Herald American, Pico Rivera News, San Gabriel Progress* (Alhambra), *Santa Fe Spring News* (Pico Rivera), South Gate Press, South San Gabriel/Rosemead Progress (Monterey Park), *West Whittier Independent* (Pico Rivera). FLORIDA: *Brandon News, Brandon Weekend, Carrollwood News* (North Tampa), *Courier-Journal* (Jupiter), *Destin Log, East Bay Breeze* (Apollo Beach), *Fort Walton Beach Log, Jensen Beach Mirror, Palm City Mirror* (Palm City/Indiantown), *Plant City Courier, Port St. Lucie Mirror, Port Salerno-Hobe Sound Mirror, Stuart Mirror, The Sun* (Sun City Center), *Twin-Cities Log* (Niceville/Valparaiso). KENTUCKY: *Grant County News* (Williamstown), *Kentucky Standard* (Bardstown), *Mount Washington Star, Pioneer News* (Shepherdsville). OHIO: *Canton Free Press.*

Other media operations

Berkley Small Inc., Berkley-Small Manufacturing Co., George R. Hall Inc. (Hall Systems), Gulf Coast Newspapers, Kartes Video Communications, Print Communications Group (American Field Marketing, Central Ohio Advertisers, Consumer Communication Services, PaperMINT, Pro Distributing Company, Saneck International), Scripps Howard Supply Co., Scripps Howard News Service, SCW Inc. (Charles Martin & Associates), Southern News Rack Co., United Media (Literary Properties, Newspaper Enterprise Assn., TV Data, TV Decisions, TV Extra, TV Update, United Features Syndicate, United Media Cable Services, United Media Canada, United Media Electronic Services, United Media Licensing, United Media Productions, World Almanac Education, World Almanac Publications).

'Newsweek' leads in promos

The leading ad spenders among magazines in self-promotion in 1985 were *Newsweek*, $3 million in spending; *Sports Illustrated*, $2 million; *Family Circle*, $1.5 million; *Inc.*, $958,500; and *Elle*, $912,900, according to LNA, a national advertising monitoring service.

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Seattle Times Co.

RANK 66

Seattle

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	170	150	12.5
Total sales	170	150	13.5
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	170	150	13.5
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Change comes slowly to the conservatively managed Seattle Times Co., ranked the nation's 66th largest media company. It neither bought nor sold properties in 1985, although revenues increased by 13% at the all-newspaper company. "We are a very inwardly focused company," says H. Mason Sizemore, president.

Times managers are studying a plan to build a $45 million-plus production facility, including offset presses and modern mailroom equipment, adjacent to the company's headquarters on the fringe of downtown Seattle or at an undisclosed suburban location.

The company's present mailroom limits its ability to handle the growing preprint business, Mr. Sizemore says. "We simply don't have the space and the flexibility to handle that with ease in this building."

Management's focus in recent years has been increasing editorial quality of the *Seattle Times*, the company's evening flagship, and an advertiser service, says Frank A. Blethen, who became publisher in March, 1985, after the death of W. J. (Jerry) Pennington in a boating accident. In recent years, the newsroom budget has been supplemented by $1 million a year. Times also owns the *Walla Walla Union-Bulletin*.

The company has moved to strengthen circulation by adding more sales locations and replacing contract vendors with employes and has continued an emphasis on newspaper design that has won numerous awards. "We just think that's our lifeblood," Mr. Blethen says.

The evening *Times*' six-month ABC average circulation ended March 31, 1986, was 230,509, up 1.1% from the period a year earlier. During the same period, the morning Seattle *Post-Intelligencer*, a Hearst Corp.-owned paper circulated by the Times under a 3-year-old joint operating agreement, increased its circulation to 202,305, up 2.7%. The combined Sunday edition, in which the *P-I* has four editorial pages but no news pages, had a circulation of 490,105, up 2.7%.

Despite the greater circulation gain for the *P-I* in the most recent period, the *Times* continues to lead in most zones in the primary market area, Mr. Sizemore adds. The combined penetration of the *Times* and *P-I* is among the highest for any metropolitan area.

Ad volume, weak in 1983 because of a slow economy in the Pacific Northwest and the impact of joint operations with the *P-I*, grew at a strong annual rate of 11.2% in 1984. But in 1985, *Times* ad volume rose just 0.68%, the *P-I* rose 2.1% and the Sunday paper 0.61%, for an over-all increase of just 1%. "This continues to be a soft economic market and advertising continues to be soft," Mr. Blethen says.

For the first quarter of 1986, ad sales rose 1.06% in the *Times* and 24.47% in the *P-I*, but shrank 4.24% in the Sunday paper. But the disappointing first-quarter figures for the *Times* were expected. "You're not seeing the growth of local retail advertising that you would like to see," Mr. Blethen says.

With advertising sales relatively flat, much of the revenue gain for 1985 was because of advertising rate increases that averaged 6%; in 1984, when revenue grew 11.2%, ad rates were raised 7%.

Times Co. continues efforts to revitalize its locally edited Sunday magazine, *Pacific*, which lost most national advertising to *Parade* (included in the Sunday package) when the JOA began. Advertising volume increased 103% in 1985 over 1984; first-quarter 1986 figures rose 14% over the same period in 1985.

Increasingly, Times management is emphasizing its service to advertisers. "We are much more today a market-driven company than we have ever been before," Mr. Sizemore says.

In 1984, Times increased the frequency of publication of its total market coverage product, *A Slice of the Times*, from monthly to weekly. Distributed to 296,600 homes in the Seattle area, the publication is anchored by the Pay'n Save Corp., one of the region's largest retailers, which buys one-third to one-half the advertising in the publication, says R.E. Hallowell, the Times' vp-finance.

In 1985 the company appointed a senior technical employe for advertising quality control, the first time the paper has had such a position. "We always talked about quality; now we're doing something about it," Mr. Blethen says.

Also last year the Times Co. boosted from weekly to daily the frequency of its zoned edition for Bellevue, a growing Seattle suburb, where it faces strong competition from the Bellevue *Journal-American*. Mr. Blethen says the *Times* outsells the *Journal American* 2-to-1 in Bellevue. "We are the dominant newspaper . . . despite some very good suburban papers," Mr. Sizemore says. In addition to the J-A, the *Times* market is ringed by the Washington Post Co.-owned *Everett Herald* and the McClatchy-owned *Tacoma News Tribune*.

Late last year, the company created a small direct marketing subsidiary, Direct Marketing of Puget Sound. The subsidiary will give the Times control over the nonsubscriber list for its tmc product. In the future, the Times may make its circulation and mailing lists available to outsiders through this unit.

Although the Times has no plans to diversify beyond newspapers, it is always interested in acquiring other newspapers, Mr. Blethen says.

The company continues to participate in Data Times, an Oklahoma City research service that puts newspaper coverage on-line for electronic retrieval.

A decision this year by Knight-Ridder to pull out of a joint venture with the Times on videotex has not soured the Times on the possibilities of that medium, Mr. Blethen says. The Times will continue to look for ways to profit on its news and advertising databases, he says. "There's no question we've got a valuable resource" in those databases.

The Blethen family of Seattle continues to own 50.5% of the company's voting stock; Knight-Ridder Newspapers owns the balance of the voting stock, plus 65% of an issue of nonvoting stock.

MEDIA PROPERTIES
Newspapers (dailies)
WASHINGTON: *Seattle Times, Walla Walla Union-Bulletin.*
OTHER OPERATIONS
Data Times.

Stauffer Communications

RANK 98

Topeka, Kan.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	96	89	8.3
Total sales	114	105	8.6
Net income	7	6	9.8

Sales by media	1985	1984	% chg
Newspaper	60	58	3.8
Magazine	14	12	21.0
Broadcast	21	19	14.4
Cable	—	—	—
Outdoor	—	—	—

Stauffer Communications Inc., largely a newspaper company, has directed its interests into tv the past two years, picking up a station in Columbia, Mo., in 1985 and negotiating to buy another, KYCU in Cheyenne, Wyo., in 1986.

The Topeka, Kan.-based company experienced 10.5% growth in net income on revenues that increased 8.3% in 1985. The company's stock experienced a surge in 1985 from $52 in January to $120 a share at yearend. Dividends paid were up 17.6% and the year's $2 cash dividend represented a payout of nearly 30% of 1985 earnings.

In 1986, company revenues should be stimulated by the addition of the Wyoming station and the Kansas City Royals' World Series victory in 1985, which brought about a dozen more stations to Stauffer's Royals radio network, now totaling 120 stations.

Stauffer, the 98th largest media group, still derives most of its revenues from newspapers—21 daily newspapers in eight states. Other media include seven radio stations; a national periodical, *Grit*; a regional periodical, *Capper's Weekly*, with circulation in six midwestern states; a cable tv company in Amarillo, Tex., and an information network and an agriculture network in addition to the Royals coverage.

Its flagship newspaper, the *Topeka Capital-Journal*, circulated 67,049 daily and 76,905 Sunday, according to ABC six-month averages ended March 31, 1986. The daily is up 1.1% over the previous year; the Sunday paper, up nearly 2%. Newspapers represent 63% of total media revenues at Stauffer.

Stauffer is keeping its eye out for new properties. "We're always looking," treasurer William D. Duckworth says. Stauffer started 1985 by buying what was then KCBJ-TV in Columbia, Mo.—now KMIZ-TV—for $4.5 million. Mr. Duckworth says the station, which also serves the Jefferson City and Sedalia areas of Missouri, produced revenue of $1.9 million in 1985. KMIZ-TV is an NBC affiliate.

Now Stauffer is negotiating the purchase of KYCU-TV, but it won't disclose the price offered. According to senior vp John H. Stauffer, KYCU-TV's signal would be sent from Cheyenne to satellite stations in Scott's Bluff, Neb., and Sterling, Colo. Broadcasting has grown from 13% of total media revenues in 1984 to 15% in 1985.

Stauffer also added a weekly paper in 1985, the *East Lycoming County Shopper*, outside Williamsport, Pa., and the Kansas Information Network, a news network serving 26 radio stations in Kansas with state news.

In his message to shareholders, president Stanley H. Stauffer says an improvement in the local economy in Topeka, home to several company enterprises, points to continued growth in 1986. It had long been feared, for example, that the Santa Fe Railroad might close Topeka operations and move to Chicago or Galveston, Tex., taking 2,500 employes with it. But Santa Fe decided to stay and put up a new office building.

The farm economy is another matter, and one that affects many Stauffer properties. Mr. Duckworth is cautious about it, but says it's on the "upgain." John Stauffer thinks it is one of the few economic sectors not improving.

Growth in audience shares for several of its broadcast units will bring about revenue gains in 1986, as will the Kansas City Royals baseball network, which Stauffer will retain the rights to operate at least through 1988. Company officials say advertising time for the ball game broadcasts is virtually sold out before the season starts.

The late Oscar S. Stauffer built this communications empire from a single weekly in Peabody, Kan., in 1915. Nine years later, he purchased his first daily newspaper, the *Arkansas* (Kan.) *City Traveler*. By 1930, six dailies were combined to form Stauffer Publications Inc. Oscar Stauffer died in 1982 at age 95.

Stauffer Communications, in addition to its cable, broadcast and newspapers, owns *Grit*, Williamsport, a family-oriented periodical that appeals particularly to small towns and rural America. *Sunday Grit* reaches 31,500 subscribers in Pennsylvania. The ABC six-month average as of Dec. 31 for *National Grit* is 573,989. "There's a little bit of something in it for everyone in the family," says a *National Grit* circulation aide. The weekly *National Grit* costs 65 cents a single issue.

Stauffer also operates a telephone systems company, markets software systems for newspaper advertising and circulation, takes attitude surveys for the media, distributes equipment and supplies for newspapers throughout the Midwest and operates several retail computer stores. It further operates an insurance company, book clubs and a travel and tours agency.

A testimony to the strength of Stauffer has been the movement of its stock. With newspapers beginning to sell at top dollar, brokers are reassessing their pricing of newspaper companies. Heavy demand for the stock was created after estimates reported in early 1986 that Stauffer stock was considerably undervalued.

Stauffer has about 1 million shares outstanding, only about 5% of which is outside control of the Stauffer family, board members or employes. An additional 10 million shares were authorized at the annual meeting.

MEDIA PROPERTIES
Broadcasting
TV: WIBW-TV, Topeka, Kan.; KMIZ-TV, Columbus, O.; KCOY-TV, Santa Maria, Cal.;
RADIO: WIBW (am, fm), Topeka; KGNC (am, fm), Amarillo, Tex.; KRNT/KRNQ: Des Moines, Ia.; KGFF, Shawnee, Okla.; Kansas City Royals Radio Network.
Cable/video
CHANNELS: Kansas Agriculture Network (Topeka), Kansas Information Network (Topeka).
SYSTEMS: TEXAS: TV of Amarillo-Amarillo.
Magazines
KANSAS: *Capper's Weekly* (Topeka).
PENNSYLVANIA: *Grit* (Williamsport).
Newspapers (dailies)
COLORADO: *Glenwood Post*. KANSAS: *Arkansas City Traveler, Newton Kansan, Pittsburg Morning Sun, Topeka Capital-Journal*. MICHIGAN: *Hinsdale Daily News, Holland Sentinel*. MINNESOTA: *Brainerd Daily Dispatch*. MISSOURI: *Blue Spring Examiner, Hannibal Courier-Post, Independence Examiner, Marshall Democrat-News, Maryville Daily Forum, Nevada Daily Mail*. NEBRASKA: *Beatrice Daily Sun, Grand Island Independent, York News-Times*. OKLAHOMA: *Daily Ardmoreite, Shawnee News-Star*. SOUTH DAKOTA: *Brookings Register, Yankton Daily Press & Dakotan*.
Other media operations
Capper's Insurance Service, Capper's Travel and Tours, Grit Printing, Grit Commercial Printing.
OTHER OPERATIONS
Communications & Signaling, Stauffer Media Systems, Computer Patch, Stauffer's Equipment & Supply Co.

Taft Broadcasting Co.

RANK 60

Cincinnati

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	190	172	10.2
Total sales	375	454	(17.3)
Net income	49	39	24.4

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	190	172	10.2
Cable	—	—	—
Outdoor	—	—	—

Taft Broadcasting Co. became the first media group to reach the new FCC ownership ceiling of 12 tv, 12 am and 12 fm outlets with its July 31, 1985, purchase of five tv stations and seven radio properties from Gulf Broadcasting Co. for $760 million.

Taft, the 60th largest media company, simultaneously sold two of the Gulf radio stations and three of its own to CBS for $107.5 million to satisfy FCC rules banning the ownership of both tv and radio properties in the same market.

After the transactions, Cincinnati-based Taft ended up with 15 radio properties and 12 tv stations. The new tv outlets in booming Sunbelt markets raised Taft's coverage of the nation's tv households from 9% to 15%.

Taft's new tv stations are CBS affiliate KTSP-TV, Phoenix, Ariz.; ABC affiliate WTSP-TV, Tampa-St. Petersburg, Fla.; KTXH, a Houston independent; KTXA, a Dallas-Fort Worth independent, and ABC affiliate WGHP-TV, Greensboro-Winston Salem-High Point, N.C.

The Gulf radio properties Taft bought were WKLS (am, fm), Atlanta; KTXQ (fm), Dallas-Fort Worth; KLTR (fm), Houston; WFBQ (fm), Indianapolis, and WLTT (fm), Bethesda, Md. CBS bought KTXQ (fm), KLTR (fm) and WLTT (fm), along with Taft's WSUN and WYNF (fm), Tampa-St. Petersburg.

Revenues of media properties at the company rose 10.6% to $189.6 million in the fiscal year, 50% of total revenues of $375.3 million. Media in 1984 accounted for only 38% of revenues. The higher percentage of media in 1985 was because of a drop of 17.3% in total revenues from 1984 because of the company's sale of its theme parks. Operating profits for media companies rose 9% to $63.3 million. Over-all earnings were $85 million, up 23.5%.

The Gulf acquisitions increased the company's dependence on its broadcast arm. The spokesman says Taft's broadcast properties will generate about 60% of its revenue in the 1986 fiscal year. Broadcasting will provide about 70% of operating profits, compared with 65% in 1985.

The company will receive about 28% of its revenues and 24% of operating profit from its entertainment division in the current fiscal year, while leisure-time properties will account for 9% of revenues and 6% of operating profit, Taft projects.

Debt from the Gulf deal and the nationwide slump in advertising contributed to a short-term earnings decline for the company. Taft's third-quarter revenues totaled $136.5 million, up 27% from the year-earlier quarter, but earnings were down 38% to $8.4 million. The company spokeswoman says Wall Street analysts predict Taft will suffer a fourth-quarter loss of 20 to 30 cents per share. She says Taft is confident the acquisition of the Gulf properties "is definitely going to pay off—it's just going to take a couple of years."

The Gulf transaction was preceded by a brief takeover scare. Robert Bass, one of the wealthy Fort Worth Bass brothers, told the SEC on July 22 that he and his associates had acquired 8% of Taft. The announcement fueled speculation that an unfriendly takeover battle was imminent, even though analysts suggested the debt incurred from the $760 million Gulf purchase made Taft an undesirable acquisition. Taft strongly denied it was interested in selling, and its stockholders voted July 23 to adopt two "poison-pill" measures to discourage a takeover attempt.

Taft had lackluster results in 1985 from its cable tv investments. The company has a 50% interest in TCI-Taft Cablevision Associates, which operates systems in four states. Taft reported a $1.9 million loss on its cable investment for the 1985 fiscal year, and the spokesman says the cable partnership will be profitable in 1986—"but just barely. We're just beginning to turn it around and produce a profit."

Taft originally put $21 million into the venture, and its equity investment "is considerably more now," the spokesman says. The cable operation has 165,000 basic subscribers, with 89,000 pay subscribers out of the total.

In the entertainment field, which is not considered media in this report, Taft continues to expand its production efforts, especially in the first-run syndication market. Hanna-Barbera Productions produced 105 half-hours of cartoons for sale to networks and 155 half-hours for first-run syndication during the latest tv season. During the previous season Hanna-Barbera turned out 155.5 half-hours of car-

toons for networks and only 17 for first-run syndication.

The production company supplied a third of the cartoons shown on Saturday mornings by the networks during the latest season, the spokesman reports. Next season the share will rise to 50%.

Taft's other production divisions continue to market more first-run programs such as the miniseries "On Wings of Eagles."

"We're firm believers in first-run syndication," the spokesman says.

Taft Entertainment Co. added production divisions and continued to increase its output of motion pictures. Taft Entertainment Motion Pictures Co., a joint venture with Keith Barish Productions, was formed to produce films, including "In the Light of Day" with Michael J. Fox and "Running Man" with Arnold Schwarzenegger.

Game show developer, Jay Wolpers, joined Taft Entertainment in 1985 as did Edgar J. Sherick, a film and tv miniseries producer.

MEDIA PROPERTIES

Broadcasting

TV: WBRC-TV, Birmingham, Ala.; WCIX, Miami; WDAF-TV, Kansas City, Mo.; WKRC-TV, Cincinnati; WTVN-TV, Columbus, O.; WTAF-TV, Philadelphia; WDCA-TV, Washington; KTSP-TV, Phoenix, Ariz.; WTSP-TV, Tampa-St. Petersburg, Fla.; KTXH, Houston; KTXA, Dallas/Fort Worth; WGHP-TV, Greensboro/Winston-Salem/High Point, N.C.

RADIO: WKLS (am, fm), Atlanta; WGR, WRLT (fm), Buffalo; WKRC, WKRQ (fm), Cincinnati; WTVN, WLVQ (fm), Columbus; WNDE, WFBQ (fm), Indianapolis; WDAF, KYYS (fm), Kansas City; WDVE (fm), Pittsburgh; KEX, KKRZ (fm), Portland, Ore.

Cable/video

SYSTEMS: CONNECTICUT: Lakeville. MASSACHUSETTS: Cape Cod, Nantucket. MICHIGAN: Alpena, Battle Creek, Brighton, Charlevoix, Cheboygan, Muskegon, Niles, Ontonogan, Petoskey, Saginaw, St. Joseph, Ypsilanti. NEW HAMPSHIRE: Lebanon.

OTHER OPERATIONS

Black Entertainment Television, Canada's Wonderland Ltd. (75% owned), Toronto, College Football Hall of Fame (managed by Taft), Coney Island, Jack Nicklaus Sports Center (a partnership), Kings Island Inn (a partnership), Kings Island Real Estate Co., Midwest Mobilephone Corp. (22.5%), Philadelphia Phillies baseball team (47.5%), Taft Entertainment Co. Cine Guarantors, Hanna-Barbera Productions, Hanna-Barbera Southern Star Productions (Australia), Ruby-Spears Enterprises, Sunn Classic Pictures, Sy Fischer Co., Taft Entertainment Television Co., Taft Merchandising Group, Titus Productions, Taft/Hardie Group Pty. Ltd. (Australia), Taft Entertainment Lawson Group (London), Taft Entertainment Motion Pictures/Keith Barish Productions, Taft Entertainment/Barish Productions, Taft Entertainment/Edgar J. Sherick Associates, QM Productions (inactive division), Worldvision Enterprises, Videostar Connections (21.5% interest).

RANK **22**

TCI

Denver

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	577	449	28.5
Total sales	577	449	28.5
Net income	10	17	(42.0)

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	—	—	—
Cable	577	449	28.5
Outdoor	—	—	—

Acquisition-minded Tele-Communications Inc. batted one-for-three in 1985 when it picked up as part of a joint venture Group W Cable, the nation's third largest cable multiple system operator, but lost out in its bid as part of two other consortiums to buy two more cable giants, Storer Cable and Warner Amex.

The Denver-based company, the nation's 22nd largest media company and the largest operator of cable tv systems, had operating income of $122 million, a 13.3% increase over 1984, although net income was off 42% to $10.1 million, the second successive drop, reflecting the strain of acquisitions on the bottom line.

TCI ended the year with a sizable portion of Westinghouse Electric's Group W Cable in its pocket. The company was one of five multiple system operators that paid $2.1 billion for the system, called the largest system sale in the history of the cable industry.

The Group W buy will bring some 630,000 new subscribers to TCI, added to the 3.9 million basic subscribers TCI was counting at the end of 1985. Group W, with 2.1 million cable subscribers, sold for $1.6 billion in cash and $500 million in liabilities to the mso consortium of TCI, American Television & Communications, Comcast Corp., Daniels & Associates and Century Communications. TCI, whose share of the cost is about $560 million, got the largest number of subscribers.

TCI's subscriber base—not counting Group W's addition—rose in 1985 by 9% from the end of 1984. Pay subscriptions rose to 2.8 million, a 7.6% increase over 1984's 2.6 million.

The Group W deal undoubtedly eased TCI's pain over its failure to nab Warner Amex Cable Communications Inc. During the summer, TCI teamed with Time Inc.'s ATC to offer American Express Co. $1.3 billion for the whole Warner Amex system, provided it could get joint venture partner Warner Communications Inc. to sell its half. But the deal fell through in August when Warner itself bought American Express' share.

Absorbing the Group W properties may, at least temporarily, slake TCI's thirst for acquisition. However, Larry Gerbrandt, an analyst in Denver for Paul Kagan Associates, doubts it: "TCI will continue to invest until it reaches the Justice Department limit. Interest rates are low, and this is a good time for buying."

To raise money for acquisitions, in late spring TCI issued 2,875,000 shares of stock. Apart from the Group W deal, which wasn't to be consummated until June, 1986, TCI spent $130 million in cash and stocks on acquisitions, and sold or exchanged properties worth $107.8 million.

Among its attempts at acquiring systems during the year, TCI linked up with Taft Broadcasting, Knight-Ridder Newspapers and Scripps Howard Broadcasting in an unsuccessful bid to buy Storer Communications from Kohlberg Kravis Roberts & Co.

The company increased its investment in the stock of its Denver-based mso neighbor, United Cable Television Corp., to more than 3 million shares, about 24% of United's outstanding common stock. Under a stand-still agreement, TCI cannot influence United's operating or financial policies. Nevertheless, some analysts speculate that TCI is quietly drawing United into its camp.

In August, TCI formed a partnership with ATC to take control of cable systems in the Kansas City, Mo., area serving more than 110,000 subscribers. ATC is the managing partner in that arrangement.

TCI is stringing cable in Chicago, where its purview includes 800,000 households. TCI will add to its territory in Chicago the 395,000 households within Group W's slice of that city. TCI also recently won the St. Louis franchise and is building the system there.

In the spring of 1985, TCI signed an agreement to manage District Cablevision Inc., a company owned 20% by TCI that was designated to string cable in the nation's capital. TCI pledged to fund the building of the DC system, provided the city council agreed to scale down expectations for cable service. Those concessions were forthcoming, and in September the council transferred the cable franchise to a limited partnership 75% owned by TCI.

TCI's pared-down approach to cable service also was in evidence in Pittsburgh. In 1984, TCI bought the Pittsburgh system for $93.4 million after its original owner, Warner Amex, had invested more than $100 million and lost $31 million there. TCI immediately sought concessions from the city council and during 1985 began operating a "no-frills" system in Pittsburgh with a favorable cash flow.

TCI sold several smaller systems to other cable operators during the year, but its major divestiture of the period came in March, 1986, when the company announced it would sell back its 50% interest in TeleScripps Cable Co. to its partner in that venture, Scripps Howard. The redemption was estimated to involve about $78 million in pretax gain for TCI. TeleScripps serves 265,000 subscribers in eight southern states.

In April, 1985, TCI gave up negotiations for United Satellite Communications Inc., a direct-broadcast satellite venture that discontinued operations a week before the talks broke down. The dalliance with USCI, however, signaled TCI's growing interest in providing direct-broadcast services.

TCI's next move on the satellite-dish issue came in May, when senior vp John Sie proposed a national cooperative scrambling association, under which the cable industry would establish a single technical standard for scrambling, pay the cost of scrambling signals from cable networks such as ESPN, USA, WTBS and CNN and also buy descramblers for the cable systems.

Scrambling, obviously, makes practical the selling of programing to satellite-dish owners—another TCI focus. In October, it signed an agreement with Showtime/The Movie Channel to distribute its networks to dish owners in TCI franchise areas and surrounding nonfranchise areas. In December, TCI became the first mso to unveil a plan for marketing programs to dish owners. TCI's package included 10 basic and five premium programing services. According to the company, "This direct satellite distribution capability is an important ingredient in creating universal distribution for our program services."

In the assessment of Mr. Gerbrandt, after the Group W acquisition, the most important recent development at TCI has been its move toward providing programing. In the spring of 1986, TCI made several program-related announcements. Plans were revealed for TCI to buy a one-third share of American Movie Classics, a service owned by Rainbow Programming Enterprises and CBS Inc.

Reports surfaced that TCI is developing a plan to offer "super local origination channels"—channels programed similarly to independent stations that would offer sports, movies and syndicated shows. These stations would create programing and sell advertising in competition with existing broadcast stations and, in areas where few independent stations are on the air, one station might serve a six or seven-state region.

Also this spring, TCI announced an arrangement with the Pittsburgh Pirates to offer a regional interconnect of TCI systems to carry Pirates games. And in yet another step into programing announced at the same time, TCI signed an agreement with C.O.M.B. Co., a merchandiser of consumer products through direct mail, retail stores and tv. TCI purchased 9.9% of C.O.M.B stock, and forged an agreement to create "the world's largest cable television-based merchandising service." Under current plans, by June TCI will showcase merchandise and allow subscribers to shop at home in segments ranging from 30-second spots to half-day programs.

TCI was a power player in the battle between Ted Turner and NBC over cable news programing. In November, Mr. Turner wooed NBC as a potential investor in his Cable News Network; when those negotiations fell through, he went to TCI and other cable operators. But TCI appeared to be casting its lot with NBC, which was pondering the launch of a competing service, NBC Cable News. That launch was crippled when TCI backed away from agreeing to offer the service by NBC's deadline of Jan. 31, 1986.

TCI is waging a two-pronged attack on erosion caused by videocassette rentals, characterized by senior vp Mr. Sie as "the first real challenge the industry has had." In November TCI ordered 24,000 vcr interface units and began selling them at cost ($30 to $45) to subscribers during the holiday season. The units allow subscribers to watch one cable channel and record on another and are designed to make cable "friendlier" to vcr owners and encourage the building of film libraries.

In February, 1986, TCI launched the second prong of its anti-movie rental campaign when it announced it would test the first pay-per-view service in company history. TCI traditionally has been skeptical of ppv arrangements and made clear that it will not fully plunge into the new service until it has made favorable arrangements with Hollywood studios and can offer movies significantly earlier than they hit the rental shops.

On the corporate front, TCI found that its phenomenal growth made it impractical to continue to run the company exclusively from Denver, and so it decentralized the company into six regions. TCI appointed six vps to head the divisions, defined by the company as "autonomous operating regions" and each staffed with accounting, engineering and marketing personnel consistent with an independent company of its size.

This structure allows TCI to operate as a collection of small companies that enhance management focus and responsiveness while still enjoying economies of scale. Eventually, according to western states division vp-chief operating officer Barry Marshall, only about 15 people will remain at corporate headquarters in Denver.

In June, McGraw-Hill Inc. joined original partners TCI and Telecrafter Corp. of Lakewood, Colo., as an equal partner in X*Press Information Services, which feeds news, financial, sports and weather information into personal computers through cable lines rather than more expensive telephone lines. X*Press completed a technical test in Boulder, Colo., and was rolled out in a market test there and in Buffalo, N.Y.

By the end of 1986, X*Press will be expanded into other TCI markets, and 16 other msos have committed to offer the service, including ATC and United Cable. In December, X*Press became Apple-compatible. X*Press is oriented toward business users and will offer, among other texts, *McGraw-Hill Express, Business Week Summary* and *Standard & Poor's Marketscope*.

TCI is a minority partner along with Time Inc.'s HBO and Taft Broadcasting in Black Entertainment Television. BET president Robert Johnson holds controlling interest in the black-oriented cable network. During 1985, HBO took over a number of BET's marketing and sales activities.

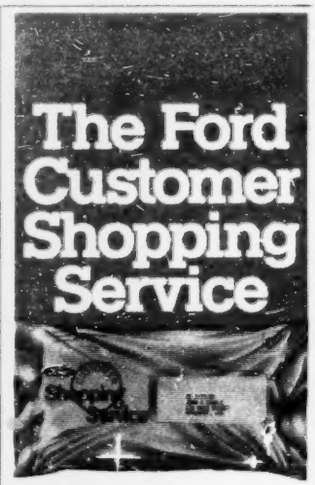
TCI is planning to conduct market research throughout 1986 to determine consumer programing preferences and priorities, and consumer attitudes toward program guide, vcr compatibility, the "cable readiness" of cable-ready sets, second set charges and cable system office hours.

During 1985 TCI stuck with its established advertising compaign, using the theme "Cable Is Choice Tv" on radio, outdoor boards and in print and direct mail. Nine flights were scheduled during the year in what a press release called "the largest mso-sponsored national cooperative advertising effort yet undertaken by a major cable operator."

MEDIA PROPERTIES

Cable/video

ALABAMA: Arab, Birmingham, Boaz, Centre, Hartselle, Homewood (80% interest), Jacksonville, Piedmont. ALASKA: Benton (50% interest). CALIFORNIA: Berkeley, Brisbane (84% interest), Carson, Daly City (84% interest), Fremont (90% interest), Grass Valley, Inglewood, Lake Wildwood (80% interest), Millbrae, Oceanside, Pacifica, Penn Valley, Pomona, Richmond, Rio Vista, San Carlos, San Mateo (86% interest), South Lake Tahoe, Sunnyvale. COLORADO: Alamosa, Boulder, Del Norte, Delta, Durango, Fort Morgan, Glenwood Springs, Leadville, Monte Vista, Montrose, Salida, Steamboat Springs, Sterling. CONNECTICUT: Sharon (50% interest). FLORIDA: Daytona Beach (99% interest), Key West, Opa Locka, Titusville. GEORGIA: Athens, Carrollton (87% interest), Columbus, Eastman, Fitzgerald, Hazlehurst, McRae, Sanderville, Tocca, Vidalia. IDAHO: Ammon, Burley, Idaho Falls (25% interest), Iona, Lewiston, Pocatello, Preston. ILLINOIS: Alorton (86% interest), Alton, Cahokia (86% interest), Canton (80% interest), Carbondale, Centreville (86% interest), Chanute Air Force Base, Chicago (Chicago Cable Communications), Coal City, Dixon, East St. Louis (86% interest), Marion, Mattoon (50% interest), McHenry, Morris, North Utica, Piper City, Rantoul. INDIANA: Attica, Bloomfield, Bloomington, Boonville, Carmel, Delphi, Elwood, Fowler, Franklin, Greencastle, Greenfield, Greensburg, Hartford City, Lebanon, Linton, Martinsville, Mount Vernon, New Castle (80% interest), Princeton, Richmond, Salem and Sullivan. KANSAS: Andover, Augusta, Bonner Springs, Caney, Coffeyville, Derby, Dodge City, El Dorado, Fredonia, Garden City, Garnett, Goddard, Hesston, Iola, Kansas City, Leavenworth, Newton, Ottawa, Park City, Peabody, Rose Hill, Topeka.



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KENTUCKY: Ashland, Dawson Springs, Fulton, Henderson, Pineville, Princeton, Providence and Winchester. MARYLAND: Cumberland, Elkton. MASSACHUSETTS: Waltham. MICHIGAN: Baraga Village, East Jordan, Niles. MINNESOTA: Albany, Albert Lea (80% interest), Alexandria, Austin (80% interest), Blue Earth, Browerville, Browns Valley, Clarissa, Crookston, Faribault, Glenwood, Long Prairie, Melrose, Moorhead, Ortonville, Osakis, Park Rapids, Sauk Centre, Staples, Wadena. MISSISSIPPI: Brandon (80% interest). MISSOURI: Cape Girardeau, Centralia, Clinton, Grandview, Hannibal, Hazelwood, Huntsville, Jackson, Jefferson City, Kansas City (49.5% interest), Knob Noster, Mexico, Moberly, Monroe City, Mountain Grove, Republic, Vandalia. MONTANA: Anaconda, Billings, Bozeman, Butte, Deer Lodge, Dillon, Glendive (50% interest), Great Falls, Havre, Helena, Lewistown, Livingston, Kalispell, Miles City, Missoula. NEBRASKA: Alliance, Broken Bow, Grand Island, Hastings, Kearney, Kimball, LaVista, Lexington, McCook, North Platte, Ogallala, O'Neill, Scottsbluff, Sidney. NEVADA: Battle Mountain, Carson City, Elko, Hawthorne, North Lake Tahoe, Reno. NEW JERSEY: Beach Haven, Bound Brook, Elizabeth, Gloucester City (50% interest), Parlin, Sayreville. NEW MEXICO: Artesia, Carlsbad, Cimmarron, Eunice, Hobbs, Jal, Raton, Red River, Springer. NEW YORK: Adams Center, Boonville, Buffalo, Kingston, Lowville, Orangetown, Poughkeepsie, Schenectady (87% interest), Spring Valley. NORTH CAROLINA: Elkin (50% interest), Marion, Morgantown, Mount Airy (50% interest). NORTH DAKOTA: Grand Forks, Minot. OHIO: Ashtabula, Barnesville, Bethesda, Bridgeport, Brunswick, Cadiz, Chester/Newell, Columbiana, East Liverpool, Greenville, Golf Manor, Hamilton, Hanover Township, Holloway, Irondale, Marion, Martins Ferry, Middleton, Minerva, Mingo Junction, Niles, Port Clinton, Ravenna, Shadyside, Steubenville, Warren, Wheeling Township. OKLAHOMA: Cowetta, Duncan, Enid, Marlow, Muskogee, Owasso. OREGON: Corvallis, Eugene, Lebanon, Newberg, Newport, West Portland, Sweet Home, Waldport. PENNSYLVANIA: Ambridge, Apollo, Aston, Bedford, Carnegia, Carrolltown, Castle Shannon, Clarion, Columbia, Dormont, Erie, Etna, Kane, Lebanon (20% interest), McKeesport, McKees Rocks, Mechanicsburg, Monessen, Montgomery, Penn Hills Township, Perkasia (20% interest), Philipsburgh, Phoenixville (16% interest), Pittsburgh, Pittsburgh (PTCI), Pottstown (20% interest), Red Lion, Ridgeway, State College, Towanda, Verona, Waynesburgh, West View. SOUTH CAROLINA: Bennettsville, Richland County. SOUTH DAKOTA: Mitchell (50% interest), Rapid City, Sioux Falls (50% interest), Sisseton. TENNESSEE: Bolivar, Brownsville, Covington, Knox County, Manchester, Memphis (44%), Shelbyville. TEXAS: Albany, Beaumont, Bishop, Breckenridge, Burknett, Clifton, Clute, Corpus Christi, De Leon, Eastland, Gorman, Huntsville, Iowa Park, Lake Jackson, Liberty, Mart, Mathis, Mineral Wells, Odem, Olney, Orange, Port Arthur, Range, Refugio (99% interest), Seymour, Vernon, Woodsboro (99% interest). UTAH: Centerville, Clearfield, Clinton, Davis County, Draper, East Carbon, Farmington, Grantsville, Kaysville, Layton, Morgan, Nephi, Ogden, Park City, Price, Provo, Richfield, Salt Lake City, Smithfield, Synderville, Sunset, Tooele, Utah County, Wendover, West Ogden, West Valley, Woods Cross. VERMONT: St. Albans. VIRGINIA: Chesapeake, Culpepper, Orange. WASHINGTON: Airway Heights, Auburn, Anacortes, Bellingham, Bremerton, Burlington, Deer Park, Marysville, Olympia, Poulsbo, Raymond, Spokane, Wilbur. WEST VIRGINIA: Cameron, Chester, Gassaway, Logan, Moundsville, New Cumberland, Parkersburg, Summersville, Wellsburgh, Weston, Wheeling. WISCONSIN: Madison (33% interest), Richland Center. WYOMING: Cheyenne, Cody, Lander, Laramie, Powell, Rawlins, Riverton, Thermopolis, Worland.

Other media operations

Tele-Communications Inc. owns a 50% interest in Taft-TCI, which in turn holds interest in Black Entertainment TV. Also, it operates National Telefilm Associates (74% interest).

RANK **82**

TeleCable Corp.

Norfolk, Va.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	122	99	23.5
Total sales	122	99	23.5
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	—	—	—
Cable	122	99	23.5
Outdoor	—	—	—

A 24% growth in revenues at TeleCable, controlled by the Batten family and other corporate executives of its former parent, Landmark Communications, was heavily influenced by TeleCable's efforts to build an advertising base in its cable markets in 1985.

The Norfolk, Va., company, the nation's 82nd largest media company, operates 22 cable systems in 15 states.

TeleCable Targeting, the advertising sales division of TeleCable, began advertising efforts in 1985 in five markets—Lexington, Ky.; Arlington, Tex.; Springfield, Mo.; Overland Park, Kan., and Racine, Wis., reaching some 200,000 homes, or 40% of TeleCable's subscribers. TeleCable closed 1985 with 480,000 basic subscribers, up 6% from 1984.

Targeting will expand its advertising penetration in 1986 to another 100,000 subscribers in Greenville and Spartanburg, S.C., and Plano and Richardson, Tex. Another 100,000 subscribers will be reached by the end of 1987 through advertising efforts in Bloomington, Ill.; Margate, Fla.; Kokomo, Ind., and Beckley, W.Va.

A subsidiary of newspaper publishing giant Landmark Communications Inc. until it spun off in 1984, TeleCable did not add any cable systems to its corporate structure in 1985, concentrating instead on upgrading present systems and on the campaign to generate advertising.

TeleCable ranked 19th in 1985 among cable multiple system operators in the number of subscribers. It could climb to 10th place by the end of this year in ad dollars per subscriber with gross advertising revenues of some $4.5 million, company officials say.

The company ranks even higher in revenue-per-subscriber figures in its systems that accept local advertising. While in 1984 TeleCable just met the industry per-subscriber revenue average of $5.50 in ad revenues, or 19th place, the 1985 advertising effort brought yearend per-subscriber revenue in the five TeleCable Targeting campaign systems to $10.26, compared with the industry average of $7.20. TeleCable is ranked eighth among msos in this category. Company officials predict it will be fourth by the end of the year with a figure of $15.25 per subscriber for its nine cable systems accepting local advertising.

TeleCable Targeting employs some 80 people; each sales office is staffed by a sales manager, three to five sales executives, and four or five additional staff support people, says Alfred F. Ritter, TeleCable vp-finance.

In January, Frank Batten, chairman of both TeleCable and Landmark Communications, announced each company had repurchased 39% of its own stock for an undisclosed price from 56 minority stockholders. He, his family and other company executives now own more than 90% of the stock, Mr. Batten says, adding, "These stock purchases will have little or no effect on the companies' operations. They do ensure that Landmark and TeleCable will remain privately owned."

MEDIA PROPERTIES
Cable/video

SYSTEMS: ALABAMA: Auburn, Decatur, Selma. FLORIDA: Margate. GEORGIA: Columbus. ILLINOIS: Bloomington. INDIANA: Kokomo. KANSAS: Overland Park. KENTUCKY: Lexington, Radcliff. MISSOURI: Springfield. NORTH CAROLINA: Roanoke Rapids. SOUTH CAROLINA: Greenville, Spartanburg. TENNESSEE: Cleveland. TEXAS: Arlington, Plano, Richardson. VIRGINIA: Wytheville. WEST VIRGINIA: Beckley, Princeton. WISCONSIN: Racine.

RANK **30**

Thomson Newspapers

Toronto

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	373	294	26.8
Total sales	683	581	17.5
Net income	126	110	14.2

Sales by media	1985	1984	% chg
Newspaper	373	294	26.8
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Thomson Newspapers recorded an increase of 26.8% in sales from its U.S. newspapers, which increased by eight to reach 100 in 1985, as difficult competitive and marketing pressures at its two largest dailies in Canada cut into its financial performance on the home front.

Thomson, Toronto, is solely a newspaper company, its U.S. media equal to 54.6% of combined U.S. and Canadian revenues of $683.2 million, 17.6% more than 1984. Total 1985 net income (both U.S. and Canadian operations) was $125.7 million, up 14%. Thomson Newspapers does not state separately its net income from media operations. Thomson is ranked the 30th largest media company on the basis of its U.S. media revenues.

U.S. dollar figures for this profile were converted from Canadian currency at the rate of C$1=U.S.$0.716 The same rate was applied to 1984 figures for comparison. The Canadian dollar fell 8% against the U.S. dollar in 1985.

"Thomson has among the best records of profitability in the newspaper business," says Murray Grossner, analyst with Richardson Greenshields, Toronto. "They have a very strong balance sheet characterized by low debt relative to equity."

In the U.S., Thomson added nine new dailies (and a separate Sunday paper) during the past 18 months, bringing the total to 100, including 96 dailies, three weeklies, and one twice-weekly. More than 171,000 circulation was added by the new dailies, bringing total 1985 U.S. circulation to 1,497,900, up about 8%. The company also sold in January, 1985, the *Douglas* (Ariz.) *Daily Dispatch* with 3,007 circulation.

Thomson publishes 50 newspapers in nine of the 10 Canadian provinces (not Quebec), including 37 dailies, the balance published once, twice or thrice weekly. Media sales in Canada were $310 million in 1985, up 8% from 1984. Canadian circulation slipped about 1% in 1985 to 1,125,900. A major reason for this small drop, according to Thomson, was a new Sunday marketing program for the *Winnipeg Free Press*. No acquisitions or sales of papers were reported for Canada in 1985.

"We hope to continue to grow in the U.S. There's a bigger opportunity

Public leading media cos. by return on sales

Company	% return on sales 1985	% return on sales 1984	Net income 1985	Net income 1984	Total revenues 1985	Total revenues 1984	Media revenues 1985	Media revenues 1984
LIN Broadcasting Corp.	20.9	19.6	$35.8	$29.1	$171.7	$148.8	$163.1	$142.8
Thomson Newspapers	18.4	18.9	125.7	110.1	683.2	581.2	373.2	294.3
Warner Communications	16.3	(53.8)	195.3	(586.1)	1,201.0	1,099.0	330.9	271.0
Lee Enterprises	14.9	14.1	30.7	26.7	206.6	190.0	183.3	169.4
Park Communications	14.4	14.4	15.2	14.1	105.3	98.0	105.3	98.0
Dow Jones & Co.	13.3	13.4	138.6	129.1	1,039.3	965.6	978.1	910.1
Taft Broadcasting Co.	12.9	8.6	48.5	39.0	375.3	454.0	189.6	172.0
Rollins Inc.	12.0	11.6	12.0	9.9	99.9	85.5	99.9	85.5
Gannett Co.	11.5	11.4	253.3	223.9	2,209.4	1,960.2	2,152.5	1,915.0
Dun & Bradstreet	10.6	10.7	294.7	255.9	2,771.7	2,397.3	1,717.7	1,458.6
Journal Co.	10.6	10.0	35.8	34.0	338.7	340.0	215.8	197.0
McGraw-Hill	9.9	10.3	147.4	144.2	1,491.2	1,401.8	1,031.0	964.0
Berkshire Hathaway	9.9	9.6	92.9	70.2	939.9	729.2	107.9	101.6
Chris-Craft Industries	9.6	(12.5)	18.3	(21.4)	190.3	170.7	168.2	151.4
Washington Post Co.	9.5	8.7	102.0	86.0	1,079.0	984.0	1,037.0	984.0
Viacom International	9.2	9.6	37.1	30.6	404.1	320.4	376.3	254.2
Meredith Corp.	9.0	8.4	42.7	38.0	474.9	451.0	356.2	327.0
Affiliated Publications	8.4	8.0	31.0	27.4	367.3	343.8	366.0	342.8
New York Times Co.	8.3	8.1	116.3	100.0	1,393.8	1,230.0	1,393.8	1,230.0
Freedom Newspapers	8.1	8.9	26.4	26.4	325.0	295.0	325.0	295.0
Times Mirror Co.	8.0	8.3	237.1	232.7	2,959.4	2,804.8	2,171.3	1,988.1
Cowles Media	8.0	6.8	19.2	15.7	240.6	232.1	240.6	232.1
Knight-Ridder Newspapers	7.7	8.5	132.7	140.8	1,729.6	1,664.7	1,678.8	1,618.5
Pulitzer Publishing Co.	7.4	6.3	20.0	15.2	272.1	242.6	272.1	242.6
Macromedia Inc.	7.2	—	8.7	—	120.6	109.0	120.0	109.0
Capital Cities/ABC	7.0	7.1	300.6	330.5	4,320.0	4,624.5	3,841.2	3,953.1
Multimedia Inc.	6.4	11.1	21.6	33.7	336.3	304.4	336.3	304.4
Tribune Co.	6.4	5.7	123.8	103.0	1,937.9	1,794.4	1,683.5	1,597.0
International Thomson Holdings	6.3	5.6	144.3	127.3	2,291.9	2,255.5	560.0	550.0
National Geographic Society	6.3	5.1	22.4	16.8	356.4	326.8	220.0	213.0
United Cable Television Corp.	6.2	2.8	10.5	3.9	168.9	141.0	168.9	141.0
A H. Belo Corp.	6.2	8.1	23.8	28.6	385.1	354.0	385.1	354.0
Maclean Hunter Communications	6.1	5.4	42.5	35.2	696.2	645.9	257.5	247.8
Stauffer Communications	5.9	5.8	6.7	6.1	113.9	104.9	96.1	88.7
Time Inc.	5.9	7.0	200.0	216.0	3,404.0	3,067.0	2,852.0	2,576.0
Media General	5.7	7.3	32.8	40.0	578.6	548.0	330.6	295.0
Westinghouse Electric Co.	5.7	5.2	605.3	535.9	10,700.0	10,265.0	1,069.2	934.9
Heritage Communications	5.3	5.1	8.3	6.6	157.4	128.8	95.9	84.4
Harcourt Brace Jovanovich	5.1	4.5	50.0	34.0	990.0	755.0	137.0	119.0
RCA Corp.	4.1	3.9	369.1	341.0	8,972.1	8,671.2	2,647.5	2,370.9
Playboy Enterprises	3.5	14.6	6.7	27.3	192.3	187.0	172.3	166.0
Tele-Communications Inc.	1.7	3.9	10.1	17.4	577.2	449.2	577.2	449.2
CBS Inc.	0.6	4.6	27.4	212.4	4,755.6	4,640.1	3,170.4	3,030.5
Turner Broadcasting Co.	0.3	3.3	1.2	10.0	368.5	299.7	332.3	266.0
John Blair & Co.	(4.6)	2.2	(29.1)	10.5	630.5	487.3	549.3	416.3
Rogers Cablesystems	(6.3)	(10.5)	(16.1)	(22.1)	253.6	211.1	117.7	90.2
Ackerley Communciations	(7.9)	(7.5)	(8.9)	(7.3)	112.5	97.9	104.4	90.1

NOTE: Dollars in millions
Source: Sales and income figures company sources

there," says Brian Slaight, exec vp, Thomson Newspapers. Thomson denies it has any special formula for picking its acquisitions and operating them successfully, but it does have a good track record.

"We try to analyze the newspaper and its market," Mr. Slaight says. "And we do that in all sorts of ways. People approach us. We approach them. We have friends in the industry, and we're aware of a lot that's going on.

"Our papers average about 16,000 circulation. Our main interest is in small and medium-size markets."

Thomson is known to maintain "a very respectable rate of growth . . . they engage in very strong and consistent cost planning to finance acquisitions," securities analyst Mr. Grossner says.

One of the Canadian company's U.S. buys during 1985 was the *Daily News*, evening and Saturday issues, in Lebanon, Pa., which Thomson purchased from Richard Mellon Scaife. Also included in the Lebanon purchase was the companion Sunday paper, the *Sunday Pennsylvanian*. Average six-month circulation reported March 31, 1986, by ABC was 25,148 for the daily, down 8.1% for the same period a year earlier; 24,900 Sunday, down 14.2%.

Other Thomson U.S. acquisitions were: The *Vidette Messenger*, an evening and Saturday morning paper, circulation 13,265, in Valparaiso, Ind.; *Richmond Register*, an evening paper, 9,056, in Richmond, Ky.; *Herald Palladin*, evening, circulation 36,284, in neighboring Benton Harbor and St. Joseph, Mich.; the *Daily Journal*, evening, 12,988, in Fergus Falls, Minn.; *Sedalia Democrat*, evening, 14,189, and Sunday, 15,502, in Sedalia, Mo.; *Daily Advance*, evening, 11,119, and Sunday, 12,205, in Elizabeth City, N.C., and the *Dickinson Press*, morning (except Monday), 8,081, and Sunday, 8,462, Dickinson, N.D.

Circulation at most of these newspapers is down slightly from the previous year—an industrywide trend in 1985-86. "When Thomson acquires a newspaper it tends to boost profits within the next two to three years," Mr. Grossner says.

Thomson does not control its 31-state U.S. newspaper empire from Toronto. It manages and conducts communications from U.S. executive offices in Des Plaines, Ill., a Chicago suburb, and four divisional offices in Boston (Wellesley Hills), Mass.; Tampa, Fla.; Canton, O., and Kansas City, Mo.

Like other chains with papers in smaller cities and towns, Thomson often has no competing papers to confront. Not so in its hometown and biggest market, Toronto, Canada's largest city and the scene of some of the hottest newspaper competition. The daily faceoffs are among the *Star*, publishing seven days a week, circulating about 516,000 weekdays and Saturdays and 806,000 Sundays; the *Sun*, smallest during the week with about 268,000 mornings and Saturday but up to 451,300 on Sundays, and Thomson's *Globe and Mail*, publishing six mornings a week but not on Sunday. Its circulation is 315,000.

Mr. Grossner, who sees Thomson's earnings per share rising from $0.88 a share in 1985 to possibly $1.25 in 1987, says the only cloud on that horizon may be the heavy cost of seeking and winning advertising and circulation for the *Globe and Mail*. "Even if they should come out of Toronto with losses," he says, "the other [Thomson] papers can certainly reduce those and show an over-all profit."

Thomson has been working in its second biggest market, Winnipeg, Man., to add a Sunday edition to its Winnipeg Free Press, by far the biggest newspaper show in town, circulating about four times as many copies as the rival *Sun* on weekdays. But the *Free Press*' success in adding the seventh issue has diluted slightly its totals for daily circulation. *Free Press* weekday circulation in 1984 stood at about 175,400, and Saturday at 240,140. In 1985, after the Sunday introduction, daily was down to about 174,300, Saturday to 238,200, and Sunday was 151,150.

"It's not axiomatic that we always build or remodel when we acquire a paper, but if needed we don't hesitate," Mr. Slaight says. Thomson spent about $19.8 million on new facilities for its papers in 1985, including a new plant for the *Daily Spectrum*, St. George, Utah. About the same amount is slated for 1986, including new construction at the *Key West* (Fla.) *Citizen*, the *Coshocton* (O.) *Tribune*, and at least one more paper about which Thomson will not release details.

With equal partner Abitibi-Price, Thomson Newspapers Ltd. has taken half interest in a recently expanded newsprint plant of the Augusta Newsprint Co., Augusta, Ga. This is Thomson's sole nonnewspaper interest. During 1985 Thomson took its $4 million share of the about $8 million total pretax loss as the North American newsprint market proved problematic because of foreign competition, lessening newsprint demand and undependable pricing. Thomson has reported to its shareholders that the mill is now operating well and the partnership is generating positive cash flow. Thomson's investment as of Dec. 31, 1985, was $215 million.

Thomson Newspapers Ltd. is a public company, owned 61% by Woodbridge Co. Ltd., Toronto. Woodbridge, a private holding company, is owned by descendants of the late Roy Thomson, who began the chain with the purchase of a weekly newspaper in Timmins, Ont., more than a half century ago. He became Lord Thomson of Fleet and owner of the *Times of London*, since sold to Rupert Murdoch. The present Lord Thomson of Fleet, Roy's son, Kenneth R. Thomson, now heads Thomson Newspapers as chairman of the board and president.

Woodbridge also owns controlling interest, 73.5%, in International Thomson Organisation Ltd., Toronto. This complex organization has several subsidiaries, including International Thomson Organisation plc, London, England, and a principal U.S. subsidiary, International Thomson Holdings Inc., New York, which includes specialized publishers plus travel, oil and gas businesses.

MEDIA PROPERTIES
Newspapers (dailies)

ALABAMA: *Dothan Eagle, Enterprise Ledger, Opelika-Auburn News.* ARKANSAS: *Northwest Arkansas Times* (Fayetteville). CALIFORNIA: *Barstow Desert Dispatch, Eureka Times-Standard, Oxnard Press-Courier, San Gabriel Valley Tribune* (West Covina), *Siskiyou Daily News* (Yreka), *Whittier Daily News.* CONNECTICUT: *Ansonia Evening Sentinel.* FLORIDA: *Clay Today* (Orange Park), *Jackson County Floridian* (Marianna), *Key West Citizen, Punta Gorda Daily Herald-News.* GEORGIA: *Americus-Times Recorder* (Americus), *Cordele Dispatch, Dalton Daily Citizen-News, Griffin Daily News, Thomasville Times-Enterprise, Tifton Gazette, Valdosta Daily Times.* ILLINOIS: *Jacksonville Journal Courier, Mount Vernon Register-News.* INDIANA: *Kokomo Tribune, New Albany Tribune, Vidette-Messenger* (Valparaiso). IOWA: *Council Bluffs Nonpariel, Oelwein Daily Register.* KANSAS: *Atchison Daily Globe, Leavenworth Times.* KENTUCKY: *Corbin Times-Tribune, Richmond Register.* LOUISIANA: *Lafayette Daily Advertiser.* MARYLAND: *Salisbury Daily Times.* MASSACHUSETTS: *Fitchburg Daily Sentinel and Leominster Enterprise, Taunton Daily Gazette.* MICHIGAN: *Adrian Daily Telegram, Escanaba Daily Press, Herald-Palladium* (Benton Harbor/St. Joseph, Mich.), *Houghton Daily Mining Gazette, Iron Mountain Daily News, Marquette Mining Journal.* MINNESOTA: *Albert Lea Evening Tribune, Austin Daily Herald, Daily Journal* (Fergus Falls). MISSISSIPPI: *Laurel Leader-Call.* MISSOURI: *Cape Girardeau Southeast Missourian, Carthage Press, Sedalia Democrat, Sikeston Daily Standard.* NEW HAMPSHIRE: *Portsmouth Herald.* NEW YORK: *Herkimer Evening Telegram, Newburgh Evening News, Oswego Palladium-Times.* NORTH CAROLINA: *Daily Advance* (Elizabeth City), *Rocky Mount Evening Telegram.* NORTH DAKOTA: *Dickinson Press.* OHIO: *Canton Repository, Coshocton Tribune, East Liverpool Evening Review, Greenville Daily Advocate, Lancaster Eagle-Gazette, Marion Star, Middletown Journal, Newark Advocate, Piqua Daily Call, Portsmouth Times, Salem News, Steubenville Herald-Star, Xenia Daily Gazette, Zanesville Times Recorder.* OKLAHOMA: *Ada Daily News.* PENNSYLVANIA: *Altoona Mirror, Connellsville Daily Courier, Daily News* (Lebanon), *Easton Express, Greenville Record-Argus* (Kittanning), *Hanover Evening Sun, Kittanning Leader-Times, Lock Haven Express, Meadville Tribune, Monessen Valley Independent, News Item* (Shamokin). SOUTH CAROLINA: Florence Morning News. SOUTH DAKOTA: *Mitchell Daily Republic.* UTAH: *Daily Spectrum* (St. George). VIRGINIA: *Petersburg Progress-Index.* WEST VIRGINIA: *Fairmont Times-West Virginian, Weirton Daily Times.* WISCONSIN: *Fond du Lac Reporter, Manitowoc Herald-Times Reporter, Post-Crescent* (Appleton), *Waukesha Freeman, Daily Tribune* (Wisconsin Rapids).

Newspapers (nondailies)

FLORIDA: *Englewood Herald.* ILLINOIS: *McLeansboro Times-Leader.* OHIO: *Franklin Chronicle.* WISCONSIN: *West Bend News.*

RANK **59**

3M

St. Paul

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	200	174	14.9
Total sales	7,846	7,705	1.8
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	200	174	14.9

Bedford Park, Ill.-based 3M National Advertising Co. late in 1985 embarked on aggressive expansion plans in the Sunbelt and in several major markets that could push it into the top position among out-of-home media companies.

Ranking a close third behind Los Angeles-based Foster & Kleiser and New York-based Gannett Outdoor, 3M's estimated media revenues of $200 million, ranking it the 59th largest media company, represented about 13% of the out-of-home industry's estimated revenues of $1.5 billion in 1985.

The media company is a unit of 3M, St. Paul, Minn., which does not disclose revenues for units smaller than divisions. 3M's graphic technologies division, which contains 3M National, had revenues of $1.3 billion in 1985, up 2% from 1984.

The 3M National unit is zeroing in on Foster & Kleiser, with revenues of $212 million in 1985, and Gannett Outdoor, with $207 million in 1985 revenues, says Frank Rolfes, analyst with Dain Bosworth, Minneapolis.

3M National in 1986 has set a goal of 15% revenue growth, putting it at about $230 million in revenues. The 3M unit has been growing at a 15% clip each year since 1970 through construction of outdoor bulletins, says Tom Devine, marketing operations manager. By comparison, Gannett Outdoor's revenues grew 4% in 1985.

3M National sought to grow through acquisition of Naegele Outdoor in 1985 (estimated annual revenues of $100 million), but it was forced to call off its plans when a U.S. Justice Department opinion in December, 1984, noted there could be antitrust implications. Naegele subsequently was purchased in July, 1985, for an estimated $400 million by Morris Communications, Augusta, Ga.

The 3M unit is the nation's largest owner of painted bulletins with 25,000 standard, highway and expressway sizes in 80 markets. That compares with 400 painted bulletins in 10 markets when 3M entered the business in 1970. Painted bulletins account for about 85% of 3M National's revenues, Mr. Devine says.

The 3M unit constructed more than 600 new bulletins between September, 1985, and May, 1986, in a broad area between Atlanta and the Rio Grande valley, Mr. Devine says. In the same period, it has added another 300 bulletins in the Chicago and Detroit markets. In 1985, the 3M unit added 50 new employes to its property leasing department, bringing the total to 150.

"In outdoor advertising, your product is the [property] lease. The most important guy in the company is the one who can give you a location," Mr. Devine says.

3M has taken a different approach from Foster & Kleiser and Gannett by specializing in painted bulletins while its two biggest competitors are stronger in posters.

It spreads out its holdings along highways and urban expressways in 80 markets while its two big competitors are concentrating in about 15 markets each. And it focuses on local and regional advertising accounts, while Foster & Kleiser and Gannett have focused more heavily on national accounts. This latter difference has made 3M less vulnerable than its competitors to recent losses in revenues from tobacco and liquor advertising, Mr. Devine says.

About 10% of 3M National's revenues come from eight-sheet posters and from shopping mall advertising. The latter category is estimated to be a $25 million segment dominated by 3M, which has exclusive contracts with 650 of the nation's 1,800 malls. The 3M unit also operates 10,000 to 15,000 eight-sheet panels in New Jersey, Philadelphia and Baltimore.

About 5% its revenues come from Panagraphic backlight displays, one of its fastest growing segments. Growth is spurred by a trend toward the use of backlights in 14-by-48-ft. and 20-by-60-ft. sizes by big tobacco companies. R.J. Reynolds Industries now has 400 backlights in 40 markets. Philip Morris and Lorillard each have more than 50 displays in 15 to 20 markets. All three companies are rapidly expanding backlight installations.

Technology is a factor in the booming backlights business. In recent years, the graphic technologies division has developed the world's largest screen press, capable of printing 14-by-48-ft. sheets, at its 3M-Italy plant in Bologna. Gannett's Mediacom subsidiary in Toronto, by comparison, recently has developed North America's largest screen press, capable of printing 10-by-30-ft. sheets.

"As outdoor advertising locations become dearer, the desire to make a site more valuable means building it up by installing backlights," Mr. Devine says.

The graphic technologies division also continues to iron out difficulties with 3M's Comput-a-paint system, a computerized, four-color painting process now under development. The 3M system is in a race with Mitsubishi Corp. of Japan to revolutionize production of painted bulletins. The systems would provide magazine-quality reproduction in hours, compared with wide variations in quality from hand-painting, which takes several days.

There also have been several personnel shifts at 3M National, including the appointment in January, 1986, of Jack Pickett as general manager and Jim Shaeen as eastern marketing director. This completes a management restructuring that began late in 1984 with the appointments of Harry Bolin as western marketing director; Tom Devine, marketing operations manager; Frank Loftus, sales manager-national accounts, and Paul Gill, research manager.

MEDIA PROPERTIES
3M National Advertising Co.

RANK **3**

Time Inc.

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	2,852	2,576	10.7
Total sales	3,404	3,067	11.0
Net income	200	216	(7.4)

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	1,482	1,321	12.2
Broadcast	—	—	—
Cable	1,370	1,255	9.2
Outdoor	—	—	—

In an era of unfriendly takeovers and a less buoyant economy, Time Inc. has moved toward a new strategy that includes cost-containment measures, a reorganization to further bolster its magazine group, and a spate of acquisitions that will be paid for in part by the 20% sale of its American Television & Communications Inc. subsidiary.

The nation's third largest media company had an over-all revenue growth of 11% to $3.4 billion in 1985 over 1984; however, earnings dropped 7.4% to $200 million. Earnings were affected by a $13 million charge against staff reductions, a decline in interest income from lower cash balances and the absence of a 1984 pretax gain of $37 million. The media portion of Time Inc. was up 11.5% in revenue, but down 1% in pretax operating income to $396 million.

Media revenues, which represented 84% of total revenues—about the same per cent as in 1984—are derived from a video operations unit and a magazine group, which publishes 11 magazines, including *Time*, the nation's No. 1 title in total advertising revenue, according to Publishers Information Bureau, New York. A third division, books and information services, is not considered media in this report.

Magazine group revenues increased 12%, while pretax operating profit declined 6% to $176 million. The drop in income was primarily because the acquisition in March, 1985, of Southern Progress Corp.

Video operations include Home Box Office, the nation's largest pay cable service; Cinemax pay cable, and ATC, the nation's second largest cable tv system operator. Revenue from video operations was up 9%, and pretax operating profit was up 3% to $220 million.

During 1985, Time Inc. initiated a plan to cut operating costs in 1986 by $75 million or 2.5% because of a slowed economy and an effort to fund growth "internally or by acquisition." To meet that goal, Time Inc. tightened some of its liberal benefits and laid off 136 employes.

Through much of 1985, Time Inc. was visibly concerned about the potential of a hostile takeover. It adopted tough antitakeover measures. But it was reported to have had friendly merger discussions as well with several sources, including Gannett Co. Time Inc. in June, 1986, authorized the repurchase of 10 million shares, or 16% of Time's shares outstanding—a move designed to put a floor beneath the stock.

Time Inc. spent $480 million in March, 1985, for Southern Progress in its biggest to-date magazine investment. Southern Progress publishes *Southern Living, Creative Ideas for Living* and *Progressive Farmer*. While the purchase caused operating income to drop slightly in 1985, the publishing company says the acquisition "has been successful beyond our expectations . . . and will add to 1986 earnings." In October, Southern Progress purchased W.R.C. Smith Publishing Co., Atlanta, publisher of *Southern Accents*, and merged into it *Southern Living Classics*, an every-other-monthly it recently had introduced that closely resembled *Southern Accents*.

Time Inc.'s magazine group saw many changes this past year. A test of Picture Week, a newsstand-only human-interest photo weekly, was suspended last February after 4½ months and is scheduled to resume in mid-July. The company also is taking a financial stake in a new magazine, *Parenting*, to be published outside Time Inc.

The magazine group also underwent a major reorganization involving 18 executives. The most significant action in the move was the formation of a four-man executive team, headed by Kelso Sutton, exec vp, Time Inc., to run the group.

While magazine industry advertising revenues were lukewarm in 1985—rising just 4% over-all—Time Inc.'s publications saw a 9% gain in ad revenues to a record $840 million. For the

16th consecutive year, *Time* was first in ad revenues among all publications, up 3.3% to $346.6 million, according to PIB.

Life, meanwhile, had its best year since resuming publication as a monthly in 1978, with ad revenue gains of 14% to $39.8 million. *People* also had a record year as ad revenues increased 8% to $250.7 million. And *Money*, which Time Inc. calls the nation's "fastest-growing major magazine," had revenue gains of 8% to $237.3 million.

Time Inc. also moved to strengthen its international holdings in September with the purchase of a majority interest in *Asiaweek*, a leading English-language magazine that is in a neck-and-neck battle with Dow Jones & Co.'s *Eastern Economic Review*. Earlier this year, Time Inc. also joined in a venture with John Fairfax & Sons to publish *Time South Pacific*.

On the video front, Time Inc. posted gains in revenues and profits and reach an agreement to sell 20% of its ATC cable subsidiary in a public offering. Proceeds of the sales, estimated to run as much as $400 million, will be used for acquisitions, says Time officials.

In December, ATC and four other companies purchased nearly all the cable operations of Westinghouse Electric's Group W. Total Group W purchase price is estimated at $1.75 billion. Time Inc. expects to pay about 20% to 30% of that price for its share. ATC, meanwhile, increased its number of subscribers to 2.7 million, up 200,000 from 1984.

Home Box Office and Cinemax turned in strong performances. HBO posted a slight gain in subscribers to 14.6 million; Cinemax moved to 3.7 million from 3.3 million, making it the nation's third largest pay service.

HBO also signed a series of deals with major studios giving it film rights. The latest agreement was reached in early June, 1986, with Warner Brothers Inc. that gives HBO rights to Warner Brothers' films for the next five years. The deal is valued at an estimated $600 million. Other deals were struck with Columbia, Orion Pictures, Universal, Twentieth Century-Fox and Tri-Star Pictures. HBO this year began testing a third pay channel called Festival.

In other ventures, Time Inc.'s Selling Areas Marketing Inc. market research company signed an agreement earlier this year to purchase Burke Marketing Services. SAMI and Arbitron Ratings Co., in another agreement, plan a joint venture to monitor audience viewing of tv and commercial verification by brand, product and manufacturer.

MEDIA PROPERTIES

Cable/video

CHANNELS: Cinemax, Home Box Office.
SYSTEMS: American Television & Communications Corp.—Operates within 470 franchise areas in 30 states.

Magazines

Asiaweek (84% ownership), *Creative Ideas for Living, Discover, Fortune, Life, Money, People, Picture Week, Progressive Farmer, Southern Accents, Southern Living, Sports Illustrated, Time.*

OTHER OPERATIONS

Book-of-the Month Club, Little Brown & Co., Oxmoor House, Selling Areas-Marketing, Time-Life Books, Time-Life Video.

Times Journal Co.

RANK **87**

Springfield, Va.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	115	96	20.0
Total sales	155	133	16.5
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	115	96	20.0
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Times Journal Co., Springfield, Va., broke even for the first time on its Journal newspapers serving suburban Washington, launched *Defense News* and closed its *Times Magazine* supplement to *Army Times* in boosting media sales 20% in 1985 over 1984.

The nation's 87th largest media company, Times Journal, launched *Defense News*, a national weekly newspaper devoted to defense, security and strategic policy, amid great fanfare January, 1986, throwing a coming-out party that included as guests Defense Secretary Caspar Weinberger, top Reagan administration officials and some 30 members of Congress.

Defense News printed several preview issues in 1985. Its circulation is pegged at 12,000, although it has not yet been audited. Annual subscription price is $65, or $2 an issue at newsstands. Start-up costs may have approached $5 million for the publication, which the company says has "surpassed our hopes, both in circulation and advertising." *Defense News* has an editorial staff of 12 in Washington and correspondents in Israel, Paris, London and Brazil. Richard C. Barnard, a former editor of *Defense Week*, is the new publication's editor; Jack Kerrigan, a 25-year veteran of the *Washington Post*, is its publisher.

Defense News is part of the Times Journal Co.'s Army Times group, which began in 1940 with the publication of the *Army Times* and added the *Air Force Times* (1947), *Navy Times* (1951) and the *Federal Times* (1965). The group also publishes *Military Market*, a trade magazine for military commissary and exchange personnel.

Times Journal officials say although circulation for the Times publications remained fairly constant at about 320,000 in 1985, advertising revenues increased 7%, primarily because of a 5% display ad increase.

The Army Times publications discontinued publication in December of *Times Magazine*, a slick-stock insert supplement to the military Times papers; elements of the magazine were consolidated into the *Life in the Times* section of the publications.

Bigger revenue producers for privately held Times Journal are the five suburban Journal newspapers, five-day-a-week papers covering Washington's Maryland and Virginia suburbs. In 1984, the papers showed a profit for the first time since they went from a twice-weekly status in 1981, and built on those profits in 1985, although the company would not say how much.

As did the Times publications, circulation at the Journal papers remained relatively flat in 1985, increasing to 151,206 at the end of the year from 150,000 in 1984. Both classified and display ad rates were hiked in 1985, and total advertising revenues from the five papers increased almost 27% from 1984.

Journal publisher Geoff Edwards says he believes the papers' relatively flat circulation figures are the result of a settling-in process as subscribers become accustomed to a daily format. "I think we'll see a growth of maybe 10,000 subscribers a year for the next few years," Mr. Edwards says.

The Journal papers not only face stiff competition from increasing suburban coverage by the *Washington Post*, but also by competing local newspapers in the Journal papers' five circulation areas—Prince Georges and Montgomery counties in Maryland, Arlington and Fairfax counties in Virginia, and the city of Alexandria in Virginia.

In 1985, as in 1984, Times Journal spent almost $500,000 in radio advertising promoting circulation and classified advertising for the Journal papers. In 1986, the company has added tv advertising, much of it in support of its redesigned Friday real estate section—now a tabloid insert—and will spend an estimated $1.5 million in radio and tv promotional efforts.

Times Journal Co. has two other divisions, the Times Journal Printing Co., and Times Journal Telemarketing Co. Revenues were down for the telemarketing division, which not only solicits subscriptions for Times Journal but also for other companies and services such as automobile clubs and credit card insurance.

Revenue at the Times Journal Printing Co. leveled off in 1985, says Steve Ackley, public affairs director, primarily because of revenues lost when the *Washington Post* discontinued printing its Sunday tv guide on Times Journal presses. The printing division did pick up some new customers in 1985, including the Audubon Society's tabloid newspaper and the *Chronicle of Higher Education*. Times Journal Publishing Co. continues to print *USA Today's* regional editions and Times Mirror Co.'s *Sporting News*.

MEDIA PROPERTIES

Magazines

Military Market (trade magazine).

Newspapers (dailies)

MARYLAND: *Montgomery Journal, Prince Georges Journal.* VIRGINIA: *Alexandria Journal, Arlington Journal, Fairfax Journal.*

Newspapers (nondailies)

NATIONAL: *Air Force Times, Army Times, Defense News, Federal Times, Navy Times.*

Other media operations

Times Journal Printing Co., Times Journal Telemarketing Co.

Times Mirror Co.

RANK **5**

Los Angeles

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	2,171	1,988	9.2
Total sales	2,959	2,805	5.5
Net income	237	233	1.9

Sales by media	1985	1984	% chg
Newspaper	1,620	1,472	10.1
Magazine	144	140	2.9
Broadcast	129	125	3.3
Cable	279	252	10.8
Outdoor	—	—	—

Times Mirror Co. media operations, ranked fifth among the nation's media companies, underwent considerable shuffling in 1985, but nothing like the first half of 1986 in which the company shelled out $600 million for A.S. Abell Co., owner of the Sunpapers in Baltimore, and $10 million for the prestigious weekly magazine *National Journal.**(See the A.S. Abell profile elsewhere in this report.)*

The heavy buying by the Los Angeles-based company followed a year in which the company sold three of its seven tv stations, closed Gateway videotex, bought the *Morning Call* in Allentown, Pa., and launched a New York City special edition of *Newsday*.

Times Mirror, whose earnings increased 1.9% in 1985 from 1984—largely because of tax considerations (operating earnings were up 14%)—will experience a dilution of earnings from the Abell acquisition for four to five years, according to the company. In the first quarter, which closed just before the purchase, net income fell 22% to $34.5 million on a slight decline in revenue to $693 million.

Newspaper publishing, accounting for 51% of total revenues at Times Mirror, improved by 10% in 1985 aided by the acquisition of the Allentown (Pa.) *Morning Call* and increases in ad linage at Times Mirror's eastern newspapers.

But while its eastern newspapers prospered, Times Mirror's western papers, notably the *Los Angeles Times*, didn't fare as well. Full-run ad linage at the *Times* dropped 4% compared with 1984. Over-all, newspaper group operating profits rose 5%, with declines offset by ad rate hikes and expense controls.

Times Mirror's book, magazine and other publishing segments ended 1985 with a 14% increase in revenues and a 15% gain in operating profits. The magazine division reported reduced profits, a downturn marked by the soft national advertising environment. Cable tv experienced a record year, with revenues up 11% and operating profits increasing by 25%. Times Mirror made these gains by restructuring its operation, divesting unprofitable systems and trading others to focus on specific regions, such as the greater Phoenix area.

In March, 1986, Times Mirror decided to dump its struggling Gateway videotex system, after numerous attempts to revive the information system failed. Times Mirror management said that after 15 months of commercial trial, it didn't believe there was sufficient consumer demand to make it an ongoing business.

In October, 1985, the *Los Angeles Times* dumped its 40-year-old *Home* magazine for a new, glossy publication named the *Los Angeles Times Magazine*. In its 8¼-by-10¾-in. consumer size, the magazine is designed to attract the national and retail advertisers that had become disillusioned with its predecessor. Many observers predict it may signal a trend in the Sunday magazine field.

For its maiden issue, the *Los Angeles Times Magazine* had a whopping 184 pages—a radical change from the skimpy appearance of *Home*. But since then, the size of the issues has dropped substantially, although Times Mirror insists the magazine is performing precisely as expected—an average of 48 pages per issue, with 65% of ad revenue from national advertisers.

As a potential circulation booster, the *Los Angeles Times* introduced a new feature, a "Monday Sports Special," a color wrap-up of weekend sports news. It also stepped up its business coverage.

The 1,088,155-plus circulation paper introduced a new San Fernando Valley edition in October, 1984, enabling the *Times* to compete head-to-head against the Los Angeles *Daily News* in the Valley and southern Ventura County. The *Times'* daily circulation in the San Fernando Valley was 185,926 in 1985, compared with 177,316 in 1984. On Sunday, the Valley circulation was 217,673 in 1985, compared with 210,148 a year earlier.

The *Los Angeles Times* set up an internal committee to determine the feasibility of a western edition for the West Coast and some contiguous states.

While the *Times* dominates the Los Angeles market, other Times Mirror papers face tough competitive challenges in the weak economies of Denver and Dallas.

Its *Denver Post* received a massive circulation boost after the ABC allowed it to count as paid circulation 50,000 readers it added in a distribution deal with a local cable tv operator. In a controversial agreement with United Cable of Colorado, the *Post* incorporated the cable operator's program guide into its Sunday paper.

The *Dallas Times Herald* by most accounts seems to be losing in its war against A.H. Belo Corp.'s *Dallas Morning News*. For the six-month period ended March 31, 1986, the *Times Herald's* daily circulation rose 1.5% to 244,629, but that slight gain was made with the help of contests and promotional giveaways. The *Times Herald* still lags the *News* by a wide margin—145,646 copies.

In an attempt to shore up the *Times Herald's* numerous problems, *Los Angeles Times* publisher Tom Johnson took on the additional responsibility of running the Dallas paper. For a year before new management was put in place, Mr. Johnson spent about 60% of his time in Dallas, where he was publisher before moving to the *Times*. Many have criticized Times Mirror's management ranks as too thin.

During the year, the *Times Herald* put into operation the first of four offset presses and a satellite facility for inserting preprints, actions meant to make the paper more attractive to advertisers and readers.

Also to that end, the Dallas paper introduced a special section on Mondays called *Dallas Inc.*, a tabloid covering business news features.

The paper hired Arthur Wible away from the Chicago-based Tribune Co.'s *New York Daily News* to become president of the *Times Herald* in the fall of 1985, a vacant post. In addition, *U.S. News & World Report* and Washington Post alumnus Shelby Coffey III joined the paper as editor, replacing Will Jarrett, who resigned.

Concentrating on trying to build circulation, the paper has undertaken extensive market research, which led to a number of editorial changes, including new sections and new graphics.

Newsday is expanding from its suburban base, having launched a special New York City edition of the paper in April, 1985, promoted by a $3 million tv, radio and outdoor board advertising campaign. The move puts the 500,000-circulation Long Island daily in competition against the *New York Times*, the New York *Daily News* and the *New York Post*. Industry estimates are Times Mirror is investing $10 million in the expansion. It intends to have the edition on every newsstand in Manhattan by yearend.

While it began as a special edition for Queens, the company is increasing its staff, trimming suburban news from the paper in a bid to become the complete newspaper for all of New York City.

Times Mirror acquired the *Morning Call* in Allentown, Pa., in late 1984. Since then, the *Call* has revamped and renamed its Saturday tabloid. The paper redesigned its Sunday package as well.

Times Mirror magazines gained the *National Journal* in late May, 1986, paying Anthony Stout for his 80% share of the magazine and the Washington Post Co. for its 20% equity. The publication, with only 5,000 circulation, has influence far beyond those numbers. It carries a hefty $546 one-year subscription. Ad revenues for 1985 were $1.9 million, a 119% increase over 1984, on 552 ad pages, up 91.2%. The publication just began accepting ads in 1982.

Times Mirror magazines named Andrew Dempsey, formerly exec vp, McCall Corp., as president, replacing John A. Scott, now publisher, *Madison Avenue* magazine. James Kopper, a former president of Ziff-Davis, took on the new title of exec vp-group publisher.

The company entered into an agreement to sell three of its seven tv stations for $84 million, a move that freed it to make bids in larger markets. The stations, sold to Smith Acquisition Corp., were in Harrisburg, Pa., and Syracuse and Elmira, N.Y. As part of its plan to redeploy its assets, Times Mirror sold 80% of its Publishers Paper Co. to the Jefferson Smurfit Corp. The company completed the transaction in Febuary, 1986. The company also has stated its intention to dispose of its timberlands.

Otis Chandler, who was publisher of the *Los Angeles Times* from 1960 to 1980 and chairman and editor-in-chief of Times Mirror for the past five years, added the title of chairman of the executive committee of the board of directors. He succeeded Franklin Murphy, who reached the mandatory retirement age of 70.

At the annual meeting in April, 1986, Times Mirror announced that, as of Jan. 1, 1987, senior vp-eastern newspapers David Laventhol would become president of Times Mirror, succeeding Robert F. Erburu, who continues as chairman-ceo. Additionally, Tom Johnson, senior vp-western newspapers, takes on the additional post of vice-chairman of the corporation. Exec vp Phillip Williams will become vice-chairman of the board.

MEDIA PROPERTIES

Broadcasting

TV: KDFW-TV, Dallas; KTBC-TV, Austin; KTVI, St. Louis; WVTM-TV, Birmingham, Ala.; (from Abell Co.) WMAR-TV, Baltimore, and WRLH-TV, Richmond.

Cable/video

SYSTEMS: ARIZONA: Bullhead City, Casa Grande, Eloy, Fountain Hills, Heber, Lake Havasu, Nogales, Paradise Valley, Phoenix, Rio Verde, Superior, Tempe. CALIFORNIA: Escondido, Laguna Beach, unincorporated Orange County, San Juan Capistrano, Palos Verdes. CONNECTICUT: Meriden. ILLINOIS: Springfield. INDIANA: Lafayette. KENTUCKY: Ashland. MASSACHUSETTS: Amherst, Greenfield, Longmeadow, Palmer, Weymouth. NEVADA: Las Vegas. NEW YORK: Riverhead. OHIO: Caldwell, Cambridge, Coshocton, Defiance, Greenfield, Ironton, Logan,

Newark, Newcomerston, New Philadelphia/Urichsville, Toronto, Waverly. PENNSYLVANIA: Beaver Falls, Glenolden/Upper Darby,Washington, Williamsport. RHODE ISLAND: Providence, West Warwick. TEXAS: Del Rio, Kerrville, Marlin, Midland, Texarkana, Uvalde. WEST VIRGINIA: Weirton.

Magazines

Golf, Outdoor Life, Popular Science, Ski, Sporting News; (pending from Abell Co.) *Mid-Atlantic Country, New England Skiers Guide, Ski Racing, Ski Show Daily* (pending from Government Publishing Corp.); *National Journal*.

Newspapers (dailies)

CALIFORNIA: *Los Angeles Times*. COLORADO: *Denver Post*. CONNECTICUT: *Greenwich Time, Hartford Courant, Stamford Advocate*. MARYLAND: (pending from Abell Co.) *Baltimore Sun & Evening Sun, Sunday Sun*. PENNSYLVANIA: Morning Call, (Allentown). TEXAS: *Dallas Times Herald*. NEW YORK: *Newsday*.

Other media operations

Times Mirror Broadcasting (Greenwich, Conn); Times Mirror National Marketing.

OTHER OPERATIONS

Matthew Bender & Co. (publishing), C.V. Mosby Company (publishing), Year Book Medical Publishers, Learning International, Inc., Jeppesen Sanderson (flight navigation information), Harry N. Abrams, Inc. (publishing), MEDI-TRACE Products Division, Times Mirror Press, Publishers Paper Co., Times Mirror Land and Timber Company.

Times Publishing Co.

RANK **69**

St. Petersburg, Fla.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	157	152	9.8
Total sales	167	152	9.8
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	153	142	8.2
Magazine	13	10	30.0
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Times Publishing Co., St. Petersburg, Fla., reports gains in both advertising and circulation for its daily newspapers and in September will launch the third of its *Trend* business magazines, the Phoenix-based *Arizona Trend*.

Times Publishing, a privately held corporation, reports a 10.8% increase in revenues from its media properties for 1985 over 1984, making it the 69th largest U.S. media company. Times Publishing is 100% media.

Arizona Trend will be the second statewide monthly business journal to be started by Times in two years. Times reports the year-old *Georgia Trend* is, as of March 31, circulating 24,500 copies. Although both magazines started in a new market, they are not new product categories for Times. *Florida Trend* has been operating since 1958. Its circulation rose 6.5% to 42,997 in 1985.

In the company's primary market, St. Petersburg, both Times papers, the *St. Petersburg Times* and the *St. Petersburg Evening Independent*, report circulation and advertising gains. The *Independent* is showing a 1.7% circulation growth rate two years after its distribution was confined to the immediate St. Petersburg area and the beach communities just south of the city. Circulation, according to six-month ABC statements ended March 31, 1986, was 39,998, up from 38,085 in the corresponding year-earlier period. The morning *Times*, by contrast, circulated 315,698 in the same period, up 9.7%. Sunday *Times* circulation rose a dramatic 10.2% for the same reporting period, to 408,095. The daily and Sunday *Times* papers retain a regional target area. Their distribution is not restricted like the *Evening Independent*.

Ad inches in the morning and evening papers are also on the rise. At the *Times*, ad inches are divided into part-run, ads that appear in one but not all of the *Times* eight regionally-zoned editions, and full-run, ads that appear in all the zoned editions.

For the morning daily, part-run advertising inches were up 13.4% to 2,656,119, according to Leo Kubiet, vp and advertising director. He reports full-run ad inches for the *Times* at 3,858,300, a gain of 4.2% from the previous year. For the *Evening Independent*, where all the advertising is full run, inches totaled 1,661,736, up 8.5%.

Times Publishing is restricted in how it can expand by the will of its former owner, Nelson Poynter, who died in 1978. Mr. Poynter established that the company could not acquire papers other than those it owned when he died—the two St. Petersburg papers. He further stipulated that those two papers never be sold.

This does not keep Times from acquiring or starting magazines such as *Georgia Trend* and *Arizona Trend*. And it also has meant studying the possibilities of cable and other electronics. But Times decided not to venture into those fields.

"We studied the possibility of getting into cable communication videotex or other forms of electronics," Mr. Kubiet says, "and decided against that. We found that it's impractical and not profitable."

Not so the *Trend* magazines. Although Times won't disclose its revenues or earnings from the Georgia and Florida magazines, Mr. Kubiet describes their performance as outstanding.

Arizona Trend is confident its 20,000-controlled circulation monthly will reach the top business and political leaders statewide. Although it will compete with two weeklies, Scripps Howard's *Phoenix Business Journal* and the *Arizona Business Gazette*, owned by the *Arizona Republic & Phoenix Gazette* newspaper, *Arizona Trend* will be the only slick, in-depth monthly aimed directly at business and community leaders.

Ad director Blayne Bosse says *Arizona Trend* will start off charging advertisers $1,690 for a full-page, b&w ad, with four color to cost $700 more. As an incentive, charter advertisers will be able to get one ad free for buying three.

Arizona Trend has its genesis in a prototype slick monthly called *Arizona Inc.*, published in November by former associate publisher of the *Des Moines Register* James Kaiser. Mr. Kaiser sold the idea to Times Publishing and now will stay on to direct *Arizona Trend*.

Times Publishing is confident a monthly business magazine can sell in Arizona because it gained a foothold in Georgia. *Georgia Trend's* circulation is up 22.5% from a year earlier, when it started with a 20,000 paid-controlled circulation mix.

In Georgia, *Georgia Trend* competes with Scripps Howard's *Atlanta Business Chronicle* and Communication Channels Inc.'s *Business Atlanta* monthly.

The Times Publishing-owned Modern Graphic Arts will be printing all three *Trend* publications. A commercial printing house, its revenues of $7.7 million are folded into newspaper revenues. Modern Graphic Arts also prints inserts and the covers for the Sunday *Times TV Dial* guide.

Times Publishing further puts out "Congressional Quarterly" and Editorial Research Reports. Mr. Kubiet reports sales for these two publications of $13.3 million, all of which is folded into the magazine total.

MEDIA PROPERTIES

Newspapers (dailies)

St. Petersburg Times, St. Petersburg Evening Independent.

Magazines

Florida Trend; Georgia Trend; Arizona Trend (startup September, 1986).

Other media operations

"Congressional Quarterly," Editorial Research Reports; Modern Graphic Arts commercial printer.

Promo king: 'LA Times'

The *Los Angeles Times* spent $2 million in advertising itself to lead all other newspapers in self-promotion in 1985, according to LNA, which monitors national advertising. Other leaders: *Chicago Tribune*, $1.6 million; *Boston Herald*, $1.4 million.

Triangle Publications

RANK **20**

Radnor, Pa.

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	720	657	9.6
Total sales	720	657	9.6
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	72	68	5.9
Magazine	648	589	10.0
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Triangle Publications, Radnor, Pa., relaunched a magazine discontinued more than a decade ago and suffered declining ad pages but increased ad revenues from its two long-standing magazines in reporting over-all net revenue growth of an estimated 4.3% in 1985.

Triangle, ranked the 20th largest media company, is a private company owned by Walter Annenberg, who relinquished his title of president to William Henrich in 1985 while adding his own name to the new role of chairman.

Triangle in February, 1986, added *Good Food*, a digest-size consumer weekly, to its publications lineup after a hiatus of 12 years. The company already publishes two magazines, *TV Guide* and *Seventeen*, as well as the turfside newspaper, the *Daily Racing Form*. Triangle published eight issues of *Good Food* in 1974.

A subsidiary, Triangle Communications, was created by the parent company in 1985 to accommodate the operations of *Good Food* and *Seventeen*. Frank G. Wolf, former publisher of *Seventeen*, was named group publisher.

For a number of reasons, the relaunch of *Good Food* met with less success than anticipated. Twelve years ago, the magazine averaged 1.3 million in circulation with an average of 40 ad pages an issue. In the intervening years, competition in the food magazine category has intensified. Advertisers, apparently concerned about the company's commitment to the project, have adopted a wait-and-see attitude.

According to Mr. Wolf, the initial issue of *Good Food* contained 20 ad pages. Two million copies of the inaugural issue were circulated in more than 40,000 supermarkets (it has a 750,000 guaranteed circulation rate base). Single copies go for $1, and subscriptions, $12 per year.

Through the first six issues, Mr. Wolf expects the magazine to average 12 pages of advertising. Despite the seemingly slow start, Mr. Wolf is optimistic. "Our judgment is that with the growing interest in food and nutrition we should be successful," he says. "We had some initial problems with our supermarket distribution, but those wrinkles have been ironed out. We expect strong results from our yearend subscription drive. Our reader mail has been so positive that we know there is a demand for our product."

Triangle is prepared to stand behind the publication to make it a success, he says. Work has just been completed on a test kitchen for *Good Food*. Bob Young, formerly with *New York*, was hired as associate publisher-advertising.

Seventeen, the other publication under Mr. Wolf's direction as group publisher, had another strong year in 1985. Although advertising pages were down 4% to 1,437, gross ad revenue climbed 5.9% to $34,145,984, according to Publishers Information Bureau.

Circulation rose to an all-time high of 1,750,513, according to yearend ABC figures, a slight 0.3% increase over 1984. *Seventeen* has achieved new single-issue circulation records for 34 of the past 36 issues.

Seventeen attributes its success to its increasing penetration of the teen market. It is achieving circulation highs at a time when the number of 13-to-19-year-olds is on the decline—an upturn in this demographic is not expected until 1992. In 1986, Mr. Wolf says, the magazine will reach 14.3% of the 12.3 million American teen agers with its 1.75 million circulation. By contrast, in 1976, when the number of American teens was at an all-time high of 14.7 million, *Seventeen's* market penetration stood at 9.8% from 1.45 million circulation.

TV Guide, by far the most powerful of Triangle's publications, carried 3,670 ad pages, a 3.4% drop, according to PIB, which monitors gross ad revenues. However, those pages generated 3.2% more in gross ad revenues for a 1985 total of $314 million.

TV Guide has been unable to reverse a declining circulation trend, prompted in part by a September, 1984, price increase to 60 cents on newsstands and $29.90 basic subscription, costs up 20% and 28%, respectively. The publication's average circulation dropped 1.2% to 17,002,000 in 1985. Circulation for 1985 was equally divided between subscription copies and newsstand sales.

In reaction to the circulation decline, *TV Guide* will initiate a rate base reduction to 16,400,000 from 17,000,000 effective July 5, 1986. However, any ad rate adjustments will be offset by rate increases. The cost of a four-color page in *TV Guide* will rise by 1.2% in July. A one-time insertion for a four-color ad in the magazine now costs $94,700.

"We still will have the largest circulation of any magazine in America," says William Deitch, assistant to *TV Guide* publisher Eric G. Larson.

Through 1986, the magazine has had an average of 16.9 million issues sold, just slightly below its guarantee.

TV Guide's editorial product continued to expand to reflect the interests of the tv viewer. Coverage in 1985 included an increased emphasis on videocassette recorder usage and cable. Page format listings were changed.

Michael P. Sandler, publisher of the *Daily Racing Form*, reports that ad revenues for the broadsheet were up 12% from 1984 levels, though he would not provide specific figures. The publication is largely circulation driven.

Mr. Sandler believes this advertising interest mirrors the growing interest of the general public in horse racing as more and more states approve racing, and others sanction off-track betting and simulcasting. To keep up with increased demand, the *Daily Racing Form* has added editions, printing as many as 45 regional editions on Kentucky Derby day.

It has begun satellite transmission of its West Coast editions to a Seattle printing and distribution facility. A similar satellite relay system is planned to link East Coast operations between Hightstown, N.J., and Pompano Beach, Fla., for publication of an all-Florida edition.

ABC figures show net paid circulation for 1985 at 183,559 on Saturday, 124,787 on Monday, and 107,163 each Tuesday through Friday. These figures are about 1% lower than 1984 levels.

Triangle Publications also operates a magazine distribution network that circulates five titles in addition to the company's own publications.

MEDIA PROPERTIES

Magazines

Good Food, Seventeen, TV Guide.

Newspapers (dailies)

Daily Racing Form.

Tribune Co.

RANK **9**

Chicago

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	1,684	1,597	5.4
Total sales	1,938	1,794	8.0
Net income	124	103	20.2

Sales by media	1985	1984	% chg
Newspaper	1,357	1,275	6.5
Magazine	—	—	—
Broadcast	273	237	15.3
Cable	53	40	33.1
Outdoor	—	—	—

Tribune Co., Chicago, experienced strong gains in 1985 influenced by returns from its record-breaking acquisition of KTLA-TV, Los Angeles, and by the financial performance of its leading newspaper sector, even though the company's two big-city dailies posted circulation declines.

The Chicago-based company also sold the Los Angeles *Daily News* and began to divest all its cable properties. Gross proceeds from the disposition of the *Daily News* and 15 cable systems was $506.5 million.

Media revenues ranked Tribune the ninth largest media company in 1985. Those revenues represent nearly 90% of the corporate total, and rose 9% in 1985, compared with an over-all revenue growth of 8%. The only nonmedia operations are newsprint and forest products division and the Chicago Cubs baseball team. Over-all operating profits were $241.4 million, a 28% gain.

The $510 million KTLA purchase from Golden West Television made Tribune Co. the nation's fourth largest broadcaster, behind the three networks, by giving the company an entree to 18.6% of U.S. tv households. But it also required Tribune to divest the Los Angeles *Daily News* and several cable tv systems to comply with FCC cross-ownership rules.

While analysts believed Tribune Co. overpaid by as much as $100 million for the plum tv station, the company also reaped surprising rewards from its divestitures. The *Daily News*, sold to Jack Kent Cooke for $176 million in December, was a four-day-a-week community shopper when the company bought it for $24 million in 1973. It now is a paid daily with a circulation of 150,000.

Required sales of two Los Angeles-area cable systems led to the eventual sale of the company's entire cable operation amid disappointing returns from its investment. So far, the sale of eight systems to Jones Intercable, Denver, has been completed for $195 million. Others are pending.

The newspaper publishing segment, which makes Tribune Co. the fourth-largest newspaper publisher in the U.S., recorded a 6.5% gain in revenues from 1984 and operating profits of $175 million, up 21%.

While nonunion dailies in Fort Lauderdale and Orlando, Fla., remain profitable, the company has faced troubling situations in large markets. A year-old strike by 1,000 unionized production workers at the flagship *Chicago Tribune* continues, despite at least symbolic attempts to reconcile disagreements between management and staff.

Tribune management says automation has made high unionized staffing levels unnecessary, and it has sought to retrain workers for other departments. Union members believe such redirection of labor will cost them job seniority and have picketed the *Tribune* since July, 1985.

Tribune officials used the occasion of the strike last August to implement a planned phaseout of its late-afternoon Green Streak edition, which it replaced with a revamped national edition circulated primarily via new satellite printing sites near St. Louis and Madison, Wis. It later increased distribution of that edition at Chicago-area newsstands.

New sections introduced last year include three zoned tabloids: a revamped "Style" fashion and life-style section, a new Monday business tab and "Friday," a successful weekend entertainment vehicle zoned to nine regions of the metropolitan area.

Average daily Tribune circulation for the six months ended March 31, 1986, was 760,031, down 2%, which for the first time put it below the *Washington Post* rankings. Sunday circulation was 1,163,083, down 0.2% from the year-earlier period.

Meanwhile, the *Daily News* in New York has faced intensified competition from Times Mirror Co.'s Long Island, N.Y., *Newsday*, whose expansion into Manhattan has given it a 100,000-circulation foothold.

Properties bought and sold by

Buyer	Electronic property	Seller	Price
Ackerley Communications	KCBA-TV, Salinas/Monterey, Cal.	Sainte Broadcasting	$13,100,000
Amzak, Inc. (Community Cablesystem)	Cable systems serving Fridley, Bloomington, and St. Louis Park, Minn.	SCI Holdings (KKR)	N/A
Cablevision Industries	Cable systems serving Glen Falls, Oneida and Fredonia, N.Y.; Jackson, Tenn.	Tribune Co.	53,000,000
Capital Cities Communications	WPLO(am), Atlanta	Dyson Kisner Moran Corp.	6,850,000
	KQRS(am,fm), Minneapolis	Hudson Broadcasting Corp.	10,500,000
	Cable system serving Union City, Cal.	Storer Communications	N/A
Citizen's Cable Communications	Cable system in Fort Wayne, Ind.	Cox Cable Communications	9,750,000
Dick Clark	United Stations Radio Networks, New York	RKO General	10,000,000
Communications Services, Inc.	Cable systems serving Gainesville and East Texas; Fort Smith, Ark.	Rogers U.S. Cablesystems	N/A
Continental Cablevision, Inc.	Cable systems serving Fresno, Tulare County, Yuba City/Marysville, Cal., and Telcab Communications, Reno, Nev.	McClatchy Newspapers	N/A
	Cable system serving Hampton, N.H.	TCI	N/A
	Cable system serving Northville, O.	Group W	N/A
	Commonwealth Cablevision of Western Mass. (60% Interest)	Commonwealth Cablevision	N/A
Cook Inlet Communications, L.P.	WTNH-TV, New Haven, Conn.	Capital Cities Communications	170,000,000
Cox Enterprises	Cable system serving Fortuna, Cal.	Storer Communications	Exchange
Crain Communications	WWUS(fm), Big Pine Key, Fla.	Lower Keys Broadcasting Co.	N/A
Davis & Associates	Cable system serving Tuolumne, Cal.	Viacom International	7,300,000
Eastern States Broadcasting	WPJB(fm); WEAN(am), Providence, R.I.	Providence Journal Co.	N/A
Federal Communications	WARY(am); WVEZ(fm), Louisville, Ky.	Multimedia Inc.	3,150,000
First Media Corp.	WCPX-TV, Orlando, Fla.	Outlet Communications	200,000,000
Freedom Newspapers	WRGB-TV, Schenectady, N.Y.	Universe Communications Corp.	56,000,000
Gannett Co.	KTKS(fm), Dallas	American Broadcasting Cos.	16,000,000
	WALA-TV, Mobile, Ala.; KOLD-TV, Tucson, Ariz.; KTVY-TV, Oklahoma City; WWJ(am)-WJOI(fm), Detroit; WDVM-TV, Washington; KVUE-TV, Austin, Tex.	Evening News Association	717,000,000
	KCMO(am) and KBKC(fm), Kansas City, Mo.	Summit Radio of Kansas City	11,200,000
	KHIT(fm), Seattle	Bingham Broadcasting of Washington	6,500,000
Peter Gilbert	Staten Island Cablevision, New York	Continental Cablevision	N/A
Gulfstream Cablevision	Cablesystem serving Pasco County, Fla.	Storer Communications	N/A
H&C Communications	KSAT-TV, San Antonio, Tex.	Outlet Communications	153,000,000
Hauser Communications	Cable system serving Montgomery County, Gaithersberg, Md.	Tribune Co.	40,000,000
	Cable system serving northwest suburbs of Minneapolis	Storer Communications	23,000,000
Hearst Corp.	Cable system serving Saratoga, Cal.	Video Engineering	N/A
Heritage Broadcasting Group	KDLT-TV, Mitchell, S.D.; KEVN-TV, Rapid City, S.D.; KIVV-TV, Lead, S.D.	Dakotaland Broadcasting Co.	15,500,000
	Three cable systems serving Dallas	Warner Amex Cable Communications	110,000,000
	Gill Cable, San Jose, Cal. (51% Interest)	Gill Industries	43,000,000
David Hermelin	WWJ(am)-WJOI(fm), Detroit	Gannett	39,000,000
Hubbard Broadcasting	KOBR-TV, (formerly KSWS-TV) Roswell, N.M.	KCBD Associates	3,000,000
Jacor Communications	WGST(am)-WPCH(fm), Atlanta; Georgia Radio News Service	Meredith Corp.	20,000,000
Jones Intercable	Cable systems serving Lakewood and Palmdale, Cal.; Albuquerque, N.M.; Tampa, Fla. (pending); Houghton, Mich.; Glencoe and Owatonna, Minn.; Milwaukie, Ore.; Alexandria, Va.	Tribune Co.	237,500,000
Journal Co.	WSAU(am)-WIFC(fm), Wausau, Wis.	Wausau Radio (David Eskowitz)	1,875,000
	WSYM-TV, Lansing, Mich.	F&S Communications/News	8,200,000
Knight-Ridder Broadcasting	KOLD-TV, Tucson, Ariz.; KTVY-TV, Oklahoma City; WALA-TV, Mobile, Ala.	Gannett Co.	160,000,000
Lorimar-Telepictures	WAGA-TV, Atlanta; WSBK-TV, Boston; WJKW-TV, Cleveland; WJBK-TV, Detroit; KCST-TV, San Diego; WITI-TV, Milwaukee; Storer Programs; Storer Television Sales; a Washington News Bureau.	SCI Holding, Inc. (KKR)	1,445,000,000
	WTVJ-TV, Miami	Wometco Broadcasting (KKR)	405,000,000
Malrite	KLAC(am)-KZLA(fm), and KJOI(fm), Los Angeles	Capital Cities Communications	
	KSRR(fm), Houston	American Broadcasting Cos.	75,500,000
MCA	WOR-TV, Secaucus, N.J.	RKO General	387,000,000
McCall Publishing Co.	Cable systems serving Syracuse, N.Y.	Rogers U.S. Cablesystems	20,000,000
McCaw Communications Co.	Cable systems in Tucson, Ariz.; Aberdeen, Wash.; Dalles, Astoria, Seaside, and Warrenton, Ore.	Cox Cable Enterprises	90,000,000
Meredith Corp.	KVVU-TV, Las Vegas	Carson Broadcasting Corp.	27,500,000
Art Modell	WWWE(am)-WDOK(fm), Cleveland	Gannett Co.	9,500,000
Narragansett Television Co.	KOVR-TV, Stockton-Sacramento, Cal.	Outlet Communications	104,000,000
New York Times Co.	WNEP-TV, Scranton, Pa.	NEP Communications	40,000,000
	WQAD-TV, Moline, Ill.	Des Moines Register & Tribune Co.	24,000,000
Outlet Communications	WPDS-TV, (formerly WXIN-TV) Indianapolis	Anapcomp Inc.	22,000,000
	WATL-TV, Atlanta	Sillerman-Morrow	28,000,000
Park Communications	WPAT(am,fm), Paterson, N.J.	Capital Cities Communications	49,000,000
Price Communications	WZZM-TV, Grand Rapids, Mich.	Wometco (KKR)	62,000,000
	WKBW(am), Buffalo, N.Y.	Capital Cities Communications	2,000,000
Prime Cable Corp.	Cable system serving northern Prince County, Ga.	Storer Communications	N/A
Prospect Communications	WFAS(fm), White Plains, N.Y.	Affiliated Publications	5,000,000
Providence Journal Co.	WHAS-TV, Louisville, Ky.	Courier-Journal & Louisville Times Co.	85,700,000
	KGSW-TV, Albuquerque, N.M.	Gene Adelstein, Ed Burger, Rich Richardson	N/A
	KMSB-TV (formerly KZAZ), Tucson, Ariz.	Gene Adelstein, Ed Burger	N/A
Queen City Broadcasting	WKBW-TV, Buffalo, N.Y.	Capital Cities Communications	65,000,000
Republic Cable	Cable system serving Glendale and Peoria, Ariz.	SCI Holding	23,500,000
Rifkin & Associates	Cable system serving Southern Tenn.	Rogers U.S. Cablesystems	N/A
R&R Broadcasting	WHYN(am,fm), Springfield, Mass.	Affiliated Publications	7,800,000
Rollins Communications	KAUT-TV, Oklahoma City	Ina Autry	5,600,000
Sammons Communications	Blackhawk Cablesystems, Fort Worth, Tex.	Storer Cable Communications (KKR)	N/A
	Cable systems serving Denton, Tex.; Harrisburg, Pa.; Seneca, Mo.; Tuskegee, Ala.	TCI	N/A
	Cable systems serving Dallas, Corinth, and Hickory Creek, Tex.	Lake Cities Cablevision, Ltm.	N/A
Kohlberg Kravis Roberts & Co.	Cable systems serving Louisville; North Little Rock and Jacksonville, Ark.; Point Pleasant Beach, N.J.	Times Mirror Co.	Exchange
Scripps Howard	WXYZ-TV, Detroit; WFTS-TV Tampa, Fla.	Capital Cities/ABC	246,000,000
Silver Star Communications	WRIF(fm), Detroit	American Broadcasting Cos.	14,000,000
Smith Acquisition Corp.	WHTM-TV, Harrisburg, Pa.; WETM-TV, Elmira, N.Y.; WSTM-TV, Syracuse, N.Y.	Times Mirror	84,000,000
Stauffer Communications	KMIZ-TV (formerly KCBJ-TV), Columbia, Mo.	Richard and Robert Koening	4,250,000
	KYCU-TV, Cheyenne, Wyo.	Burke Broadcasting Co. of Cheyenne	11,870,000
Storer Communications	Cable systems serving Seabring and Avon Park, Fla.	Cox Enterprises	Exchange
Sudbrink Broadcasting Group	KAAY(am)-KLPQ(fm), Little Rock, Ark.	Multimedia Inc.	3,750,000
Alexander Tanger Limited Partners	WQRS(fm), Detroit	Outlet Communications	5,075,000
Tichenor Media Systems	WIND(am), Chicago	Westinghouse Electric	6,855,000
Tidell Communications	Cable system serving Washington County, Ore.	SCI Holdings, Inc. (KKR)	N/A
Times Mirror Co.	Cable systems in Phoenix, Paradise Valley, Mesa, Ariz.; Laguna Beach, San Juan Capistrano, San Clemente, Cal.	Storer Communications	Exchange
Times Publishing Inc.	WVTY(am) Dunedin, Fla.; WTVY(fm), Holiday, Fla.	Sylan Taplinger, Gary Hess, & Martin Spector	1,700,000
Toledo Blade Co.	KTRV-TV, Nampa/Boise, Id.	Cary Jones and John Serrao	4,900,000
United Cable Television Corp.	Cable system serving Hartford, Conn.	Times Mirror Co.	61,500,000
	Cable system serving Tulsa, Okla.	Tele-Communications Inc.	N/A
Viacom International	KMOX-TV, St. Louis	CBS	122,500,000
	KNBQ(fm), Tacoma, Wash; Puget Sound Cable System	Tribune Publishing Co.	184,000,000
Washington Post Co.	Capital Cities Cable Division	Capital Cities Communications	350,000,000
Wesray Inc. and Management	Outlet Communications	Rockefeller Group, Inc.	625,000,000
Westinghouse Electric	KHJ-TV, Los Angeles	RKO General	308,000,000
	KMEO(am,fm), Phoenix, Ariz.	Scripps Howard	16,000,000
	KEZW(am), Denver	Republic Media	1,500,000
	Cable system serving Leon County, Fla.	Gateway Cablevision	5,000,000

NOTE: This list includes media transactions involving only *Advertising Age*'s 100 leading media companies between June 1985 and June 1986.

100 leading media companies

Buyer	Print property	Seller	Price
Advanced Publications	Building and printing facilities of Guide Newspapers, New Orleans, La.	Cox Enterprises Inc.	N/A
Cahners Publishing Co.	R.R. Bowker Co.	R.R. Bowker Co.	$90,000,000
	Physicans Travel & Meeting Guide	Physicans Travel & Meeting Guide, Inc.	N/A
Chronicle Publishing Co.	*Computer Sports World*, Las Vegas	American Gaming Systems, Las Vegas	N/A
Jack Kent Cooke	*Daily News*, Los Angeles	Tribune Co.	176,000,000
Corcoran Communications	*Appliance Manufacturer*	Cahners Publishing Co.	N/A
Crain Communications	*New York CityBusiness*	MCP Inc.	N/A
Donrey Media Group	*Minot* (N.D.) *Daily News*	Davies and Dobsons family	N/A
	Clinton (Ia.) *Herald*	Robert Evans family	N/A
	Altus (Okla.) *Times*	Jefferson-Pilot Group	N/A
Ducan McIntosh Co.	*Sea*	Petersen Publishing Co.	N/A
Dun & Bradstreet Corp.	Southwestern Directory Co., Oklahoma City	Southwestern Directory Co.	N/A
	Oklahoma Telephone Directories, Tulsa, Okla.	Oklahoma Telephone Directories	N/A
	River City Directories, San Antonio, Tex.	River City Directories	N/A
	Southern States Directory Co., Dayton Beach, Fla.	Southern States Directory Co.	N/A
Forbes	American Heritage Publishing Co.	American Heritage Publishing Co.	N/A
Freedom Newspapers	*Colorado Springs* (Colo.) *Sun*	Oklahoma Publishing Co.	N/A
Gannett Co.	*Courier-Journal*, Louisville, Ky; *Louisville* (Ky.) *Times.*	Bingham Family	300,000,000
	Peekskill (N.Y.) *Star*	Ogden Newspapers	5,000,000
Harcourt Brace Jovanovich	*Oklahoma/Texas Farmer-Stockman*	Oklahoma Publishing Co.	N/A
	Pocket Survival Guide - Showpower	Media Group, Ltd.	N/A
Harte-Hanks Communications	*Dedham* (Mass.) *Daily Transcript; Waltham* (Mass.) *News-Tribune*	Media News Group	trade
	Lewisville (Tex.) *Daily Leader; Plano* (Tex.) *Daily Star-Courier*	Taylor Communications	N/A
	Century Newspapers of Winchester, Mass.	C. Peter and Kathryn Jorgensen	N/A
	Wellesley (Mass.) *Townsman*	Townsman Publishing Co.	N/A
	San Antonio (Tex.) *Monthly*	San Antonio Publishing Co.	N/A
Horvitz family	*Lake County Telegraph* (Plainsville, O.)	Media News Group	N/A
Ingersoll Publications	*New Haven* (Conn.) *Register & Journal Courier*	Family of Lionel S. Jackson	170,000,000
	Today Newspaper, Inc.	Harold Matzner	N/A
	Fairlawn-East Paterson (N.J.) Shopper, Inc.	Charles Wruble	N/A
	West Chester (Pa.) *Daily Local News*	John Thomas, Lois Ziemba	N/A
	Warren (O.) *Tribune Chronicle*	Zell Draz	27,000,000
International Thomson Holdings	Gale Research Co., Detroit	Gale Research Co.	N/A
	AutEx Systems, Wellesley, Mass.	AutEx Systems	N/A
	Practical Accountant, Computers in Accounting	Institute for Continuing Professional Development	N/A
	Practitioners Publishing, Fort Worth, Tex.	Practitioners Publishing	N/A
Landmark Communications	*Greensboro* (N.C) *Adventure*	J. Body Clapp	N/A
	Winston-Salem (N.C) *Advisor*	Eddie and Jerry Rowell	N/A
	Triad Publishing, Inc.	Triad Publishing, Inc.	N/A
Lee Enterprises	Bismarck (N.D.) Tribune Co.	Howard Communications	N/A
Maclean Hunter Publishing Co.	GPI Publishing (*Frets, Guitar Player, Keyboard*)	GPI Publishing	N/A
Macromedia Inc.	*Woodbridge* (N.J.) *News Tribune*	Middlesex Publishing Co.	N/A
McClatchy Newspapers	*Tacoma* (Wash.) *News-Tribune*	Tribune Publishing Co.	(Pending) N/A
McGraw-Hill	Certain assets of Data Decision	Ziff-Davis Publishing Co.	N/A
	Numerax	Numerax	N/A
	Money Market Directories Inc.	Money Market Directories Inc.	N/A
	Industrial Chemical News	Bill Communications	N/A
	COADE	International Thomson	N/A
	News From Drafting Wills and Trusts Agreements, Lawyers P.C.	R.F.W. Publishing Corp.	N/A
Media News Group	*Paterson* (N.J.) *News; Union City* (N.J.) *Dispatch*	Allbritton Communications	N/A
	Hamilton (O.) *Journal-News; Yakima* (Wash.) *Herald-Republic; Big Spring* (Tex.) *Herald; Del Rio* (Tex.) *News*		
	Herald; Huntsville (Tex.) *Item; Marshall* (Tex.) *News Messenger; Ypsilanti* (Mich.)*Press*	Harte-Hanks Communications	N/A
Meredith Corp.	*Ladies Home Journal*	Family Media	92,000,000
Carl Narvarre Jr.	Atlantic Monthly Press	Mortimer Zuckerman	N/A
New York Times Co.	*Gadsden* (Ala.) *Times; Tuscaloosa* (Ala.) *News; Spartanburg* (S.C.) *Herald-Tribune*	Public Welfare Foundation	N/A
	Santa Barbara (Cal.) *News-Press*	News Press Publishing Co.	N/A
	Santa Rosa (Cal.) *Press-Democrat*	Evert B. Person	N/A
News America Publishing Inc.	*European Travel & Life*	Mark Inabnit	N/A
Park Communications	*Hudson* (N.Y.) *Register-Star; Chatham* (N.Y.) *Courier Rough Notes*	Raymond C. Kennedy	N/A
	Leitchfield (Ky.) *Grayson County News Gazette;* (London, Ky.)*Sentinel-Echo; Russellville* (Ky.) *News-Democrat*	Albert and Martha Helen Smith	N/A
	Honesdale (Pa.) *Wayne Independent*	John W. Johnson	N/A
	Mooresville (N.C.) *Tribune*	J.D. Chamberlain & Lee Sullivan families	N/A
Penthouse International	*Four Wheeler*	Four Wheeler Publishing Co.	N/A
Philips Media, Inc.	Marshall (Mo.) Publishing Co; Nevada Publishing Co; *Maryville* (Mo.) *Daily Forum*	Stauffer Communications	N/A
Price Communications	*Red Bank* (N.J.) *Register, Ocean County* (N.J.) *Reporter*	Capital Cities Communications	7,500,000
Pulitzer Publishing Co.	Southtown Economist Newspapers, Chicago	Bruce Sagan	40,000,000
Quad/Marketing	Sunday Insert	John Blair & Co.	12,000,000
Scripps Howard	Southeast Group of Hearst Community Newspapers, Cal.; Hillsborough Community Publications, Tampa Bay, Fla.	Hearst Corp.	N/A
	La Mirada (Cal.) *Lamplighter; Buena Park* (Cal.) *News*	Knight-Ridder Broadcasting	N/A
	Polk County Shoppers of Lakeland, Fla.	Thomson Newspapers	N/A
Stauffer Communications Inc.	*East Lycoming County Shopper*	Don & Donna Kleninger	N/A
Leonard Stern	*Village Voice*	News America Publishing Inc.	55,000,000
Thomson Newspapers	(Benton Harbor-St. Joseph, Mich.) *Herald-Palladium*	Banyon family	N/A
	Fergus Falls (Minn.) *Daily Journal*	Fergus Journal Co.	
	Dickinson (N.D.) *Press*	Clark O. Murray and Les Daughtry	N/A
	Lebanon (Pa.) *Daily News*	Lebanon News Publishing Co.	
	Shamokin (Pa.) *News-Item*	Reid family	N/A
	Richmond (Ky.) *Register*	Richmond Publishing Corp.	N/A
	Vidette Messenger (Valparaiso, Ind.)	Vidette Messenger Co.	N/A
	Mexico (Mo.) *Ledger*	Robert M. White II	N/A
	Elizabeth City (N.C.) *Daily Advance; Rensselaer* (Ind.) *Republican; Sedalia* (Mo.) *Democrat*	Dear Publications	N/A
Time Inc.	W.R.C. Smith Publishing, Co.	W.R.C. Smith Publishing, Co.	N/A
Times Mirror Co.	Government Publishing Corp. *(National Journal)*	Anthony Stout	N/A

Buyer	Outdoor property	Seller	Price
Gannett Co.	Triangle Sign Co., Chicago	Triangle Sign Co.	N/A
Naegele Outdoor Advertising Co.	Farvue Outdoor Advertising	Hubbard Broadcasting	N/A
Patrick Media Group	Park Outdoor	Park Outdoor	N/A
Price Communications	Outdoor Operations in Columbia/Jefferson City, Mo.	Patrick Media Group	N/A
Winston Network	Independent Outdoor	Peter Steinlauf	N/A

The *Daily News* is answering that challenge with improved tv and sports coverage, a new "Money Talks" business section and a Sunday "City Lights" entertainment tab.

Still, the paper lost more than 100,000 daily sales in the six-month average ended March 31, yet remained the largest-circulation U.S. daily newspaper. Its daily circulation was 1,275,268, an 8.3% loss, while Sunday circulation dropped 5.4%, to 1,676,858.

Despite the high visibility of the New York and Chicago properties, Florida has proved the most lucrative market for the Tribune Co., with the *Fort Lauderdale News* and *Sun-Sentinel* and the *Orlando Sentinel* now contributing more than half of the company's newspaper operating profits. Both papers are in noncompetitive environments. Neither is unionized.

Circulation for the *Orlando Sentinel* for the six-month period ended March 31 averaged 263,865, up 7.6%, while Sunday circulation was up 6.9%, to 330,251. The morning *Fort Lauderdale Sun-Sentinel* posted a 22% daily gain, to 155,197, while the evening *News* lost 8%, dropping to 76,992. Combined Sunday circulation was 288,916, a 7.9% gain.

In broadcasting, the KTLA purchase enabled Tribune to reach tv households in the top three markets as well as Atlanta, Denver and New Orleans. It thus is able to guarantee program placement for shows its Tribune Entertainment subsidiary jointly produces and distributes. The trend has proved popular among other station owners, too, at a time when more stations compete for fewer syndicated programs.

Broadcast (tv and radio) revenues were paced by a record $231 million from tv, up 17%. Radio added $42 million, up 9%. Although WPIX, New York, was tv's largest contributor, company officials say KTLA may quickly replace it. Four of the six tv stations are the top-rated independents in their markets, and the company says Chicago's WGN (am) is the top-billing radio station in the country. The five-station radio group also posted record revenues 9% higher than in 1984; gains made by WGN more than offset losses at some other stations. Operating profit for the entire broadcasting, entertainment and cable division (which includes the Chicago Cubs baseball team) increased 11%, to $45.7 million.

Tribune Entertainment Co., formed in 1982, lost the hosts of its founding program—"At the Movies"—when Roger Ebert and *Tribune* film critic Gene Siskel left in 1986 to launch a new movie-review program for Walt Disney Co.'s Buena Vista Television. (That move quickly led to a "realignment" of Mr. Siskel's role as the newspaper's chief film critic). The tv program will continue in the 1986-87 season with new hosts Bill Harris and Rex Reed. The group had total revenues of $58.6 million, up 29%.

Most Tribune Entertainment projects are joint ventures with program producers, with Tribune handling distribution and barter ad sales. Among those projects are "Soul Train," "Dempsey & Makepeace," "Tales from the Darkside" and the animated "G.I. Joe."

The cable business, once thought to be a major area of expansion for the company, has drained profits through expensive capital spending and waning enthusiasm from would-be cable subscribers. Tribune Co. has decided to concentrate its resources on areas of proven success, and system sales either completed or pending have removed the company from the cable arena.

MEDIA PROPERTIES

Broadcasting

TV: KWGN-TV, Denver; KTLA, Los Angeles; WGN-TV, Chicago; WGNO-TV, New Orleans; WGNA, Atlanta; WPIX, New York.

RADIO: KGNR, KCTC (fm), Sacramento, Cal.; WGN, Chicago; WICC, Bridgeport, Conn; WPIX (fm), New York.

Newspapers (dailies)

CALIFORNIA: *Times-Advocate* (Escondido), *Peninsula Times Tribune* (Palo Alto). FLORIDA: *Fort Lauderdale News*, *Orlando Sentinel*, *Sun-Sentinel*. ILLINOIS: *Chicago Tribune*. NEW YORK: *Daily News* (New York).

Newspapers (nondailies)

Tribune Community Publications: CALIFORNIA: *Greensheet Shopper* (North Ridge). ILLINOIS: DuPage Today (Burr Ridge), *Pennysaver* (Tinley Park). OKLAHOMA: *Trading Post* (Tulsa). Sunbelt Publishing: FLORIDA: *Advertiser of Citrus County* (Inverness), *Charlotte Shopping Guide* (Punta Gorda), *Fort Myers Beach Observer*, *Gold Coast Shopper* (Boca Raton), *Island Reporter* (Sanibel Island), *Suncoast News* (New Port Richy).

Other media operations

Independent Network News, Tribune Entertainment, Tribune Syndicate.

OTHER OPERATIONS

Chicago Cubs, Ontario Paper Co., Thorold Mill, Baie Comeau Mill, Manicouagan Power Co. (60% ownership), Scierie des Outardes Enr. (40% ownership).

Turner Broadcasting Co.

RANK 34

Atlanta

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	332	266	24.9
Total sales	369	300	23.0
Net income	1	10	(88.0)
Sales by media	**1985**	**1984**	**% chg**
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	206	177	16.3
Cable	127	88	43.9
Outdoor	—	—	—

Turner Broadcasting System, Atlanta, was left reeling from its thwarted takeover of CBS Inc. in 1985, as profits dropped 88.5% for the year. Profit in 1986 will further be influenced by Turner's ability to recoup its investment in MGM/UA Entertainment, which TBS acquired in March, 1986, for $1.5 billion.

TBS, which ran up $16.3 million in expenses in its $5.4 billion bid to buy CBS before CBS began buying back 20% of its stock, is beginning to lessen the load of its subsequent acquisition of MGM/UA with its agreement in early June, 1986, to sell certain assets to Lorimar-Telepiciures Inc. and United Artists Corp. for $490 million.

MGM/UA Entertainment was purchased to provide movie classics from MGM's film library as programing for the company's WTBS superstation. TBS subsequently sold the United Artists portion of the purchase to UA majority stockholder Kirk Kerkorian for $480 million.

TBS was forced to pay Rainbow Programming Enterprises, Woodbury, N.Y., $17.5 million as its share of a $50 million judgment brought against TBS and MGM/UA. Rainbow sued the two claiming it had an agreement for certain rights to the film library of the Culver City, Cal.-based MGM studio.

In agreements announced in June, 1986, TBS agreed to sell MGM's 44-acre real estate holding to Lorimar-Telepictures for $190 million, and sell the film and tv production business, home video company, its half-interest in MGM/UA distribution company and the MGM logotype to United Artists Corp. for $300 million in cash.

TBS ended up paying about $1.2 billion for the film library minus these asset sales. The library generates about $100 million annually in cash flow. Also TBS is considering the sale of a half-interest in Cable News Network to finance the MGM/UA acquisition. During 1985, TBS courted suitors including Rupert Murdoch's News America, Time Inc. and NBC for the cable news service. Talks with the latter for an estimated $200 million to $300 million buy-in fell apart in late November because of TBS' refusal to relinquish editorial control to NBC.

Denver-based multiple system operator Tele-Communications Inc. also has offered to purchase an undetermined portion, but TBS' interest in finding a CNN buyer has begun to wane. TCI, however, is talking with TBS regarding the launch of a new "flagship" basic cable channel that may use WTBS as a base or utilize MGM studios to produce made-for-cable programing.

Media revenues at TBS, which account for 90% of company revenues, ranked TBS as the nation's 34th largest media company in 1985. The big contributor is WTBS, the company's superstation, accounting for 33% of revenues. WTBS increased subscribers to 36 million households, up 9% from 1984. WTBS is available in 87% of U.S. cable homes and 42% of U.S. tv homes. Advertising revenues rose to $172.8 million, up 10.6% from 1984.

An anticipated revenue producer is WTBS' July transmission of the Goodwill Games, an international sports competition arranged with Moscow's Soyuzsport and Gosteleradio. But so far the coverage has attracted little advertiser interest. Sponsorships, originally intended for sale at $6 million, shrunk to $1.4 million, with only three major sponsorships—Pepsi-Cola, Mars Inc.'s Snickers bar and Stroh's beer—so far. TBS spent $7.9 million through last December on the games, which are to be broadcast from the U.S. in 1990. The 1986 games also will be syndicated.

Bolstered by a per subscriber fee to cable operators (25 cents for systems not carrying WTBS, or 18 cents per subscriber for systems carrying all three TBS services), cable interests CNN and CNN Headline News contributed a combined 56% of TBS revenue in 1985. CNN reached 33.5 million households, up 6.7% from the previous year, representing 81% of U.S. cable homes and 39% of U.S. tv homes. CNN, available in Australia, Canada and Japan as well as the U.S., also broadened its base to include Western Europe in October. CNN generated $56.5 million in advertising revenues, up 23.3%.

CNN Headline News widened its subscriber base to 18 million from 15.3 million, representing exposure to 42% of U.S. cable homes and 21% of U.S. tv homes. CNN Headline also more than doubled its flagging advertising revenues in 1985 to $13.7 million from $6.4 million. Both CNN and CNN Headline News plan to hike the fee per subscriber next January. In 1985, the company also switched primary satellites to Galaxy I from SATCOM III-R for each of its three services.

Operating profit for the cable segment did an about-face in 1985, posting an $18.8 million gain compared with a $15.3 million loss the prior year. Operating profit for the combined CNN and CNN Headline News was in the black for the first time in TBS history, with $20,753 compared with a $13,000 loss the prior year. Broadcasting segment operating profit, however, fell 15.4% to $55.7 million.

In nonmedia properties, TBS maintains a 96% interest in the Atlanta Hawks professional basketball team; wholly owns the Atlanta Braves professional baseball team through TBS subsidiary Atlanta National League Baseball Club, and operates minor league farm teams in Richmond, Va.; Greenville, S.C., and Sumter, S.C. The Atlanta Braves accounted for 6% of the company's revenue in 1985. Revenues for the total professional sports segment were $23.4 million, down 3.7%.

In May, 1985, TBS acquired for $1.8 million a 75% interest in Omni Ventures, a real estate and hotel operator in Atlanta. The property, which accounted for 2% of company revenues, includes the Omni International office building into which TBS will move its corporate offices as well as CNN and CNN Headline News operations.

MEDIA PROPERTIES

Broadcasting

TV: WTBS, Atlanta.

RADIO: CNN Radio.

Cable/video

CHANNELS: Cable News Network, CNN Headline News, WTBS superstation services.

Other media operations

MGM Entertainment Co. (Culver City, Cal.), Turner Program Services, international syndication.

OTHER OPERATIONS

Atlanta National League Baseball, owner of Atlanta Braves and farm clubs in Savannah, Ga.; Anderson, S.C., and Richmond, Va.; Atlanta Hawks basketball team (96% interest); Turner Omni Ventures (75% interest).

United Cable Television Corp.

RANK 67

Denver

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	169	141	19.8
Total sales	169	141	19.8
Net income	11	4	169.2
Sales by media	**1985**	**1984**	**% chg**
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	—	—	—
Cable	169	141	19.8
Outdoor	—	—	—

United Cable Television Corp. maintained its watch for acquisitions in 1985, grabbing the Hartford franchise and others to push its total subscriber count up 18.4% to 838,000 and increase total revenues 20%, all from cable.

In the first three quarters of fiscal 1986, ended May 31, Denver-based United is continuing its growth pace of 1985 with revenues of $143.9 million, up 15% from the similar period in 1985. The gains came as revenues flowed from several systems acquired in 1984 and 1985. Income from new systems contributed 9% of the revenue increase during the period. The remaining 6% came from increases in basic subscribers in existing systems and rate increases.

Net earnings during the nine months dropped 13.7% to $6.8 million because of the cost of financing the purchase of the Hartford system, says the company, ranked as the 67th largest media company in the nation.

Basic subscribers from consolidated properties on Feb. 28, 1986, numbered 838,000, up from 708,000 a year earlier. That number rises to 999,000 when including subscribers in the company's managed limited partnerships, up from 796,000 for the same period the prior year.

United, with 41 systems in 17 states and ranking as the fifth fastest growing major multiple system operator in basic subscribers and fourth fastest in homes passed, acquired the Hartford, Conn., system, numbering 60,000 subscribers from Times Mirror Cable Television for $61.5 million. The deal, consummated in October, was its biggest for the fiscal year.

Tele-Communications Inc., Denver, also sold two mature systems to United. One covered Golden, Lakewood and Jefferson County, Colo., and La Vista, Neb., and totaled 30,000 subscribers. The deal was completed in August, 1984. The other, concluded in April, 1985, was in the Tulsa, Okla., suburban area with 11,500 subscribers.

United exchanged stock for the TCI systems in Oklahoma. TCI has been a heavy investor in United's common stock; it now owns more than 3 million shares, or about 24%. In its SEC filing, TCI says its purchase of United stock "has been and continues to be for investment purposes," and TCI is bound by a stand-still agreement not to influence United's operating or financial policies. Nevertheless, some analysts speculate that TCI is bringing United under its umbrella.

During 1985, United completed construction on systems in Oakland County, Mich.; Scottsdale, Ariz.; Alameda, Cal., and part of Los Angeles County, Cal. During the fall, United began construction on two major systems covering 300,000 homes in Baltimore, Md., and 170,000 homes in East San Fernando Valley, Cal.

Finding financing for the East Valley system brought United some tense moments during 1985. United's franchise in the area, which includes Van Nuys, Studio City and North Hollywood, was set to expire January, 1987, and the company told the Los Angeles Board of Telecommunications it could not complete its limited-partner financing package for the $66 million system if it didn't get a 10-year extension. The city balked because United had missed construction deadlines. But at the last minute the city agreed to extend the franchise. The financing was completed and certified and construction continues, although United still faces fines over the missed deadlines.

United is looking at other sources of income besides subscriber growth. In April, 1985, it launched a pay-per-view experiment in its system in Oakland County, Mich. For about $5 for one showing, subscribers were able to view films about six months before they reached the premium cable services. United found that during the experiment, the average subscriber spent an extra $7.50 a month.

United has begun to roll out pay-per-view systemwide. The first systems—those already having addressable equipment—were to receive the "First View Theater" package by June, 1986. The company has pledged to replace all nonaddressable equipment within three years, enabling the ppv service to be delivered to United's entire subscribership. United expects ppv to generate about $2 million in revenue during its first year.

United also has been taking full advantage of advertising revenues. United Cable of Colorado, which serves the Denver suburbs, set up an advertising interconnect in October with Mile Hi Cablevision, which operates in Denver proper. United gleaned $1.2 million in gross ad revenues during fiscal 1985 from the Denver suburban system, and officials expected profits to climb with the interconnect. Meanwhile, United's system in Tulsa reported $2 million in advertising revenues for fiscal 1985.

United has decided to share its business success, establishing in December, 1985, United Cable Advertising Inc., a wholly owned subsidiary created to help cable systems—affiliated with United or other msos—in their ad sales efforts. In some systems, United will work as the local sales rep, and in others it will manage the local department. United launched the subsidiary in its systems in Tyler, Tex., and Scottsdale, Ariz., and anticipated operating in more than 10 systems by the end of 1986.

United appointed former vp-finance William J. Elsner as senior vp-cfo. David J. Leonard became vp-operations, and Donald J. Masters was named vp-general counsel. Former director of marketing Nimrod J. Kovacs became vp-marketing and programing, replacing Charles Townsend, who in March became president of Colony Communications of Providence, R.I.

MEDIA PROPERTIES

Cable/video

SYSTEMS: ARIZONA: Scottsdale. CALIFORNIA: Alameda, Cupertino, East San Fernando Valley, Foster City, Hacienda Heights/S. Whittier/La Puente, Hayward, San Leandro, San Lorenzo. COLORADO: Denver suburbs, Grand Junction. CONNECTICUT: Hartford/Plainville, Vernon. IDAHO: Boise. ILLINOIS: Carpentersville, Effingham, Galesburg, Mendota, Monmouth, Peru. INDIANA: Hammond. LOUISIANA: Bossier City. MARYLAND: Baltimore, Eastern Shore. MICHIGAN: East Lansing/Meridian, Lincoln Park/Woodhaven, Oakland County/Orion. MINNESOTA: Chaska, Shakopee. NEBRASKA: Bellevue/Tri-Cities/Lavista. NEW MEXICO: Gallup, Santa Fe. OKLAHOMA: Tulsa. TEXAS: Abilene, Anson, Hamlin, Perryton, Rotan, Sweetwater, Tyler/Jacksonville. UTAH: Moab. WYOMING: Casper.

OTHER OPERATIONS

United Paging Corp.

Cable ad spending drops

Ad spending by cable services, the only medium to spend less on itself from 1984 to 1985 according to Leading National Advertisers, totaled $51.7 million 1985, down 13.3%, compared with newspapers and magazines, $54.8 million, up 41.2%; radio, $88.9 million, up 8.8%; and tv, $116.2 million, up 21.1%.

RANK 75

U.S. News & World Report

Washington

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	145	151	(3.8)
Total sales	169	176	(3.7)
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	145	151	(3.8)
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

U.S. News & World Report, Washington, continues to undergo dramatic changes more than a year after Mort Zuckerman, a real estate developer, purchased the employe-owned magazine, but those changes, including redesigning the magazine, slashing subscription prices and shuffling editorial and business staff, have yet to bear fruit.

Mr. Zuckerman's media holdings under the corporate banner, U.S. News & World Report, lost ground in 1985, as revenue from *U.S. News* and the *Atlantic* dropped 3.8% to an estimated $144.8 million, ranking the company as the 75th largest media company.

Ad pages at *U.S. News* in 1985 rose 1.2% to 1,779, while competitors' ad pages fell. Advertising revenue, however, rose only 1.1% to $102.6 million. For the first quarter of 1986, *U.S. News'* ad pages were off 6%, but revenue increased 3.2% over the first quarter of 1985.

Most recently the magazine announced a 6% increase in circulation for the first quarter of 1986. Dick Thompson, publisher for the past year, says he expects to deliver a 10% circulation bonus on the rate base of 2.05 million for the rest of the year, but will not increase ad rates.

A cut in the subscription price last November to $29 from $41 also helped boost circulation. This year the magazine launched a $2 million-plus tv and print campaign targeting new readers. Dancer Fitzgerald Sample, New York, the agency selected last fall to replace Foote, Cone & Belding, New York, handles.

U.S. News unveiled a cleaner, more colorful look in its Dec. 30 issue. Harry Evans, editorial director, spent a year supervising the redesign. The magazine is now divided into sections, with more pages devoted to business and new features such as recommended movies, books and entertainment.

The magazine's executives hope the redesign will attract younger, wealthier readers, and it seems to be working. Readers' median age dropped to 41.9 years from 42.5, according to a Mediamark Research report for the six months ending in February. The median household income for the period increased to $38,096 from $35,057.

Mr. Zuckerman involves himself in the day-to-day editorial operations of the magazine. In April, 1985, two weeks after appointing Shelby Coffey III editor, Mr. Zuckerman named himself editor-in-chief. By January Mr. Coffey had left for the editorship at the *Dallas Times Herald*.

Mr. Zuckerman looked outside the magazine for a replacement, but after a three-month search, promoted David Gergen, managing editor, to the post. Mr. Gergen is formerly White House director of communications but has no journalism background.

Gary Fisketjon was named editorial director of *U.S. News* in mid-May, 1986, replacing Harold Evans, who remains editor-in-chief of the publication. Mr. Fisketjon was the editor at Random House who directed it into its Vintage Contemporary series.

Jim Glassman, exec vp of U.S. News and president of the *Atlantic*, also left earlier this year, to be replaced at U.S. News by Bill Harris, vp-consumer marketing since July. Mr. Harris was circulation director of Time Inc.'s magazine development group.

Bill Anderson, a partner at an energy consulting company, became *Atlantic* president in May. His experience includes stints as associate publisher for *Science 82*, *Science 83* and the *Saturday Evening Review*.

Mr. Zuckerman is now moving to control expenses by consolidating *Atlantic* and *U.S. News* business operations, although the two magazines will be operated separately. In March, Fred Drasner, who was vice-chairman, president and ceo of *U.S. News*, added vice-chairman-ceo, the *Atlantic*, to his duties. Later this year the magazines will move business operations into shared quarters.

Other top spots filled in the past year include Jake Winebaum to vp-circulation from special assignments at Time Inc.'s magazine development group. He replaced Joe Aserno, who resigned. Another Time compatriot, Robin Johnson, in March became vp corporate development of *U.S. News* and vp-operations for the *Atlantic*.

Despite the first-quarter drop in ad pages, Mr. Thompson says he expects to show an increase for the year. In May he announced a special space commitment program for advertisers. Patterned after similar programs at *Fortune* and *Forbes*, it gives bonus pages to advertisers who commit to buying certain levels in 1986 and 1987. Mr. Thompson also this year increased circulation of the magazine's blue chip edition to 650,000 higher income households from 475,000.

U.S. News this year will offer special sections on small business, health and international travel.

Last year Mr. Thompson said he wanted to position *U.S. News* between the newsweeklies and the business magazines. Now he says, "What we would like advertisers to do is not niche us." The magazine carries about 37% advertising, a much lighter ratio than its competitors.

U.S. News last year discontinued the "U.S. News Washington Letter," a weekly newsletter with circulation of nearly 80,000. The company continues to publish "U.S. News Washington Business Report," which is a smaller newsletter. Revenue for 1985 is estimated at $2 million.

The *Atlantic* in 1985 had 579 pages, a 2% decline from 1984, but its ad revenue grew by 1.7% to $6.84 million. For the first quarter of 1986, the magazine joins the rest of the industry's slump, as ad revenues for the first quarter of 1986 dropped 14% to $1.35 million, while ad pages plummeted 18% to 108. Mr. Anderson's main task will be to boost advertising at the monthly general interest magazine.

Among nonmedia operations, Atlantic Monthly Press was sold in mid-May, 1986, to Carl Navarre Jr., a 34-year-old businessman and writer from Chattanooga, Tenn. Purchase price was not disclosed. He outbid Mondadori, the Italian publishing house, for the property. *U.S. News* also owns Publishers Service International, Carlstadt, N.J., which has estimated annual revenues of $20 million. The company sets type and graphic data for a number of publications.

MEDIA PROPERTIES

Magazines

Atlantic, U.S. News & World Report.

Newsletter

U.S. News Washington Business Report.

OTHER OPERATIONS

Publishers Service International.

RANK 29

Viacom International

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	376	254	48.0
Total sales	444	320	38.8
Net income	37	31	21.2

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	84	71	18.7
Cable	293	184	59.2
Outdoor	—	—	—

Viacom International, New York, which moved aggressively into the cable network business in 1985 in buying the stock it did not already hold in MTV Networks and Showtime/The Movie Channel, spent the early part of 1986 fending off a takeover challenge by financier Carl Icahn.

Viacom appeared to have weathered the Icahn move by late May, buying him off in a deal comprised of $217 million in cash for 3.5 million shares he had accumulated. Viacom got assurance from Mr. Icahn that he would not purchase any additional stock during the next 11 years, but the price for such an assurance was dear—a stock purchase option guaranteeing a $65.40 to $72 per share price for six years and $10 million worth of commercial time on its cable, radio and broadcast tv outlet stations. Mr. Icahn had gained 16.9% of the stock.

Such "greenmailing" success could set up Viacom for target from other investors hungry for a company whose shares, for example, ranged from $62 in April to $70 May 9 when Mr. Icahn let his intentions be known. Before his takeover attempt, J.M.B. Realty, Chicago, acquired 13.5% of Viacom's stock, spurring takeover rumors although J.M.B. Realty said the accumulation was friendly. Warner Communications owns warrants to buy 10% of Viacom shares, and Lorimar-Telepictures Inc. has been mentioned as a potential takeover candidate.

During all this, Viacom, the nation's 29th largest media company, saw first-quarter revenues in 1986 leap a dramatic 159% to $212.6 million from the corresponding period a year earlier. Net earnings, however, fell 32% in the period to $4.2 million—a factor of higher interest expense and good-will amortization associated with the company's November, 1985, acquisition of the 50% of Showtime/The Movie Channel the company didn't own and the purchase of two-thirds of MTV Networks Inc. from Warner Communications and its subsidiary, Warner Amex (now Warner Cable). The remaining one-third, which was in the public's hand, was acquired in March, 1986.

In May, the company announced a two-for-one stock split, and a 16⅔% increase in its annual cash dividend. It also announced it has signed a definitive agreement to acquire Movielab, a postproduction facility with $5 million in revenues. The $14 million transaction was accomplished by a stock switch.

The company formed Viacom Networks to house its Cable Health Network, Showtime/The Movie Channel and MTV Networks along with Lifetime, the advertiser-supported cable tv network, owned by Viacom, Hearst Corp. and ABC Video Enterprises. Video Enterprises is now the company's second largest division with revenues of $86.5 million in 1985.

Viacom Cablevision, the 11th largest multiple system operator, paced the cable segment with $206.1 million, up 12.6%. Other media contributions come from broadcasting, up 18.7%. Only program distribution, with revenues of $66.5 million in 1985, up 8.7%, is not considered media for the purpose of this report.

Lifetime continued to lose money in 1985. Viacom suffered a $6.5 million loss from its equity in the venture. Losses in the first quarter of 1986 declined, in part because of a per-subscriber fee passed on to cable system operators that was initiated in January, 1986. A company spokesman says Lifetime is expected to turn the corner in late 1986 or early 1987.

In 1985, Lifetime began a redesign to further target its prime audience—upscale, working women with large disposable incomes—an audience particularly attractive to advertisers. Reacting to that redesign, billings from advertisers sales rose 30% last year. Several new programs are in development, and some syndicated tv series are ready to be aired. At yearend, Lifetime was carried by 2,700 cable systems reaching 24 million domestic households, a 12% increase in penetration over 1984. Paul Kagan Associates projected Lifetime's 1985 ad revenues at $26 million.

Subscribers for Showtime/The Movie Channel remained level in 1985—5.4 million for the former and 3.1 million for the latter. In November, Viewer's Choice was introduced as Showtime/The Movie Channel's third network. It offers feature films at a flat fee per viewing, specials and live concerts are slated to be added to the roster.

Increased marketing and promotion of all three networks are planned for 1986.

A spokesman says while 1985 was the year for original pay tv programming, 1986 will be the year for exclusivity. In addition to the five-year agreement Showtime/The Movie Channel has in place with Paramount Pictures, Viacom recently signed a pact with the Cannon Group, good through 1989.

Atlantic Releasing and Touchstone Films also have signed exclusivity pacts with Viacom. The latter studio produced the successful "Splash" and "Down and Out in Beverly Hills"; it is also producing a remake of Paul Newman's "The Hustler."

MTV Networks, which is comprised of MTV:Music Television, VH-1:Video Hits One, Nickelodeon and Nick at Nite, instituted some changes in 1985. According to A.C. Nielsen Co., MTV:Music Television reached 28.2 million subscribers as of March, 1986.

Nielsen's numbers are being discussed by Nielsen and MTV management; both agree that Nielsen's metered samples do not adequately reflect the composition of MTV's targeted audience of 12-to 34-year-olds.

The company says that last year MTV:Music Television generated the highest advertising revenue of any cable-originated basic network. Kagan Associates projected MTV:Music Television's 1985 revenues at $83 million.

An MTV spokesman says this year, as the network celebrates its fifth birthday, viewers can expect to see a continuation of out-of-studio events, more live concerts, more new videos and more syndicated programing along the lines of "The Monkees" revival. MTV has syndicated such programs as its "Top 20 Video Hit Countdown." Viacom also is discussing some MTV co-ventures with major studios for youth films along the lines of "Pretty in Pink."

The company also increased its ownership in Cable Health Network from minority to 80% by yearend, 1985. CHN had a pretax loss in 1985, but added to a pretax gain from Showtime/The Movie Channel produced about $9 million in pretax earnings at Viacom.

In broadcasting, WLTW (fm) was the No. 1 fm station in New York for ages 25 through 54, according to Arbitron figures. Viacom acquired Memphis am station WKDJ and changed it to WRVR, the same call letters as Viacom's fm station in that market. WMZQ-FM in Arlington, Va., got a companion am station. A Viacom spokesman says the fm station's country format has been so successful that the No. 2 country station changed its format.

Viacom agreed to buy KMOX-TV in St. Louis, a CBS affiliate, in late May. The company is paying CBS $122.5 million for the property. FCC approval is pending. And in a package from the Tribune Publishing Co. Viacom will acquire Puget Sound Cable and an fm station in Tacoma, Wash.

A company spokesman says the only field where Viacom doesn't enjoy a major stake is the motion picture studio industry.

In February, 1986, Viacom did acquire a 15% stake in Orion Pictures, but it will be a number of months before Viacom decides what action to pursue. Viacom had been talking to Ted Turner about purchasing 50% of MGM-UA Entertainment Co. before talks broke off and Mr. Turner sold major assets of the company to Lorimar-Telepictures.

MEDIA PROPERTIES

Broadcasting

TV: KSLA, Shreveport, La.; WVIT, New Britain/Hartford/New Haven/Waterbury, Conn.; WHEC, Rochester, N.Y.; WNYT, Albany/Troy/Schenectady, N.Y.; KMOX-TV, St. Louis (pending).
RADIO: KIKK, Pasadena, Tex.: KIKK-FM, Houston; WMZQ (am, fm), Arlington, Va.; KNBQ (fm), Tacoma, Wa.; WLAK (fm), Chicago; WLTW (fm), New York; WRVR (am, fm), WKDJ, Memphis.

Cable/video

CHANNELS: Viacom Networks: Showtime/The Movie Channel, MTV Networks, Lifetime (33%), Cable Health Network.
SYSTEMS: CALIFORNIA: Finer Living System—East Bay, Pittsburg, Redding, Red Bluff; Oroville System—Oroville, Paradise; Sonoma System—Sonora, San Rafael, Mountain View, Petaluma, Healdsburg; Napa System—Napa, Pinole; San Francisco. NEW YORK: Suffolk County, Long Island. OHIO: Cleveland, Dayton. OREGON: Salem. TENNESSEE: Nashville. WASHINGTON: Snohomish System—Everett, Oak Harbor; Redmond. WISCONSIN: Milwaukee System—North Shore and Greenfield. Cable Interconnects: Northwest Cable—Bay Area.

OTHER OPERATIONS

Viacom Enterprises and Viacom Productions, Viacom World Wide, MGS Services and the licensing and merchandising division, Orion Pictures (15% interest).

RANK 35

Warner Communications

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	331	271	22.1
Total sales	1,201	1,090	10.2
Net income	195	(586)	(133.3)

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	35	35	0.0
Broadcast	—	—	—
Cable	296	363	(18.6)
Outdoor	—	—	—

The media composition at Warner Communications Inc. changed dramatically in 1985 as Warner bought out its partner in the nation's sixth largest cable system—Warner Cable Communications Inc.—and disposed of several major cable networks.

Media at New York-based Warner, the 35th largest media company, now consists of Warner Cable (formerly Warner Amex), with small contributions from DC Comics and *Mad* magazine.

Warner Cable, consisting of 101 cable systems in 21 states with a subscriber base of some 1.2 million, came under complete Warner ownership in early 1986 after Warner and American Express reached an agreement in August, 1985, to sell American Express' portion of the joint venture for $450 million.

Warner also got $510 million in cash, short-term notes and additional considerations on Nov. 12, 1985, from Viacom International for Warner's interest in Showtime/The Movie Channel Inc. (31%), Warner Amex's interest (19%) in the same cable network and Warner Amex's 66.1% share in MTV Networks Inc., once a subsidiary of Warner that went public in 1985. MTV operates MTV:Music Television, VH-1: Video Hits One and Nickelodeon.

Warner's net income for 1985, up dramatically to $195.3 million from a net loss of $586.1 million in 1984, reflects an aftertax gain of $86 million on the sale of the networks to Viacom. Operating income at Warner showed steady improvement to $160.2 million, up 6.5%.

Warner in 1985 continued to account for Warner Cable and its cable networks ownership percentage during the year by the equity method, meaning only income and not revenues were folded into Warner's results.

Treating MTV and S/TMC as discontinued operations in 1985, Warner Cable had total revenues of $295.9 million just for the cable side, down from $363.4 million in 1984, a figure also including the divested cable networks.

The comics books and *Mad* added

another estimated $35 million in revenue, providing Warner with $330.3 million in total media revenues, or 15% of total revenues at Warner. Warner consists of filmed entertainment, recorded music/music publishing and publishing/related distribution. DC Comics sales were hurt during the year by weakness in newsstand sales, although specialty store sales picked up. *Mad* had a record year in subscription sales and performed well at newsstands, according to the company.

In other moves, shareholder equity in Warner increased 55% during the year to $525 million. The company's debt was reduced to $510 million from $840 million in 1984. Staff was pared in 1985—corporate overhead fell 40% —and interest expense dropped 31%.

Warner continued its strong financial growth in the first quarter of 1986. Net income of $30 million represented a 42% gain over the first quarter of 1985. Total revenues in the quarter were $688 million, up 22.4%. Part of that growth came from the cable and broadcasting division: $3.5 million in operating earnings compared with a $4.4 million loss in the first quarter of 1985.

The quarterly results also include Warner's 42.5% share of the income from Chris-Craft subsidiary BHC Inc. Chris-Craft, which owns about 30% of Warner's voting stock, apparently settled its differences with Warner and dropped its plans for a threatened proxy fight.

During 1985, Warner Cable sold its Dallas franchise to Heritage Communications for $110 million. The New York franchise's first subscriber went on-line in December; 1991 is the target year for the system's completion and it is expected to pass 500,000 homes. Milwaukee, another newly won franchise, is being financed through a limited partnership, and Warner Amex has a 35% interest. The system is expected to be complete by the third quarter of 1986 and will pass more than 250,000 homes.

Warner showed strong gains during the year from its filmed entertainment division (Warner Bros.) with operating income of $160.2 million on revenues of $1.2 billion; recorded music and music publishing division with operating income of $112.7 million on revenue of $912.3 million, and publishing and related distribution, the only group with a decline in income. Operating income dropped 14.5% to $13.7 million on revenues of $121.7 million, up 5%.

Warner Cable in April, 1986, named James L. Gray president-coo. A 12-year veteran of Warner Cable, he moved up from group senior vp and president of its national division at Dublin, O. He succeeds Drew Lewis, who resigned as chairman-ceo on April 1. John Fowler, executive vp, and Jack Messman, executive vp-cfo, resigned with Mr. Gray's appointment. They had been considered candidates to replace Mr. Lewis. John Charlton, senior vp, programing, marketing and sales, turned in his resignation at the same time.

Mr. Gray's real test will come in 1987 when the FCC lifts its restrictions on the rate increases cable operators can make. Decisions on the prices the market will bear, reduced or increased services and other factors will be critical not only for Mr. Gray and Warner Cable, but also for other multiple system operators.

MEDIA PROPERTIES

Cable/video

Warner Cable Communications: ARIZONA: Flagstaff, Kingman, Parker, Sedona. ARKANSAS: Booneville, Clarksville, Fayetteville, Paris, Russellville. CALIFORNIA: Avenal, Bakersfield, Barstow, Blythe, Palm Springs, Taft. FLORIDA: Crestview, Fort Walton Beach, Lake City, Niceville. ILLINOIS: Altamont, Danville, DeKalb, Rochelle, St. Almo, Sycamore. INDIANA: Union City, Warsaw. MASSACHUSETTS: Athol, Chelsea, Dalton, Everett, Lynn, Pittsfield, Salem, Somerville, Swampscott, Wakefield, Winthrop. MICHIGAN: Menominee. MISSISSIPPI: Batesville, Cleveland, Lambert, Marks, Yazoo City. NEW HAMPSHIRE: Berglin, Claremont, Nashua. NEW JERSEY: Avalon. NEW YORK: New York (under construction), Olean. OHIO: Akron, Alliance, Canton, Cincinnati (city), Cincinnati (suburbs), Columbus, Cridersville, Delphos, Fort Shawnee, Kenton, Plain Township, Sandy, St. Mary's, Sidney, Wapakoneta, Youngstown. OREGON: Coos Bay, Myrtle Point. PENNSYLVANIA: Altoona, Bradford, Chambersburg, Clearfield, Marietta, Morrison Cove, Newport, Pottsville, Reedsville, Roaring Springs, Warren. TENNESSEE: Kingsport. TEXAS: Houston (suburbs), Houston (NW & suburbs), Houston (SW & suburbs), Houston (Meyerland area). VERMONT: Bellows Falls, Brattleboro, Bristol (under contract to be sold). VIRGINIA: Hampton, Harrisonburg, Reston, Williamsburg. WEST VIRGINIA: Hampton, Harrisburg, Poquoson, Reston, Williamsburg. WEST VIRGINIA: Martinsburg. WISCONSIN: Marinette, Marshfield, Menasha, Merrill, Milwaukee (under construction), Neenah, Oshkosh.

Magazines

DC Comics, *Mad*, *Mad Specials*.

OTHER OPERATIONS

BHC Inc., Warner Bros. (films), Warner Bros. Television, Warner Bros. Television Programming, Warner Bros. Television Syndication, Warner Bros. Television-East Coast, Warner Home Video, Licensing Company of America, Warner Bros. Records, Atlantic Records, Electra/Asylum/Nonesuch Records, WEA Corp., WEA Manufacturing, Warner Bros. Music, Warner Books, Warner Publisher Services, Warner Audio Publishing.

Washington Post Co. RANK 15

Washington

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	1,037	984	5.4
Total sales	1,079	984	9.7
Net income	102	86	18.6

Sales by media	1985	1984	% chg
Newspaper	556	517	7.5
Magazine	326	332	(1.8)
Broadcast	155	136	14.0
Cable	—	—	—
Outdoor	—	—	—

Washington Post Co. is continuing its strategy to diversify into other types of businesses and invest in other media companies with the Jan. 3, 1986, acquisition of the 53-system cable division of Capital Cities Communications.

The company, ranked the 15th largest media company, continues to generate profits from the meat of its business, newspapers and magazines.

In 1986, the company's earnings will be diluted because of the $350 million Capital Cities cable tv purchase. The Post Co. set up a new division, Post-Newsweek Cable, to oversee the operations. The systems serve 360,000 subscribers in the Midwest, South and West. Howard E. Wall is president of the new division; he had been vp-chief account officer, Post Co.

The Post says it will invest $30 million over the next two to three years to upgrade the systems. Richard Simmons, Post Co. president, says that in the first quarter the cable systems generated about $20 million. The Post continues to own portions of four regional cable SportsChannels.

Revenues in the newspaper division rose 8% in 1985. The *Washington Post*, which dominates the division, had a 4% increase in advertising volume to 5.5 million ins., while ad revenue grew 9% to $426.7 million. The newspaper in 1986 hiked its ad rates by 6.5% and saw its advertising inches in the first quarter of 1986 fall 1% from the year-earlier period. Mr. Simmons, however, believes the newspaper will end 1986 ahead of last year.

The *Post's* circulation surged ahead this year, making it the seventh largest newspaper for the six months ended March 31, 1986, according to ABC. The *Post* had a 1.3% daily gain, to 781,371, putting it ahead of the *Chicago Tribune*. On Sunday, the Tribune still leads. But the *Post's* Sunday circulation rose 2.4% to 1,065,782.

The *Post* continues its strong penetration in the Washington market, reaching 54% of the households during the week and 73% on Sunday.

This year the *Post* is devoting efforts to an expensive redesign of its Sunday magazine supplement. The new format, which debuts in September, is small and glossy, with full-color capability. The magazine will nearly double its editorial staff. The sales staff already has received a major commitment from Sears to advertise its designer lines. The Post wants to attract more upscale retailers and national advertisers to the magazine.

Last year, the *Post* added the weekly tabloid supplement, *Health*, which has attracted image advertising from drugstore and grocery chains that already use the newspaper for product advertising.

In 1985 the *Post* broke its first tv image campaign, hoping scenes of Washington would sway younger readers to pick up the paper. The newspaper this year is putting its ad budget behind its Sunday magazine and may break a consumer campaign in the fall. Needham Harper Worldwide, Washington, handles.

The *Herald*, Everett, Wash., was in the black in 1985, for the first time since 1980. "It was in the black not a material amount," says Mr. Simmons, who expects the *Herald* to continue turning a small profit. In 1985, ad inches grew 15% to 2 million.

The *Washington Post National Weekly*, a spinoff started in 1983, reached a circulation of 50,000, up 5.5% from 1984. Ad pages, however, "haven't attracted the level we expected we would have," Mr. Simmons says. Circulation, however, is larger than expected.

Newsweek saw the most changes in the past year. Its over-all revenue decreased 2% to $326 million in 1985, and it again led the newsweeklies in ad pages with 2,714 pages, according to Publishers Information Bureau. However, total pages decreased 9.8%, compared with competitor *Time's* 4.3% drop to 2,695 pages. Total ad revenues were $274.1 million for both 1985 and 1984 at *Newsweek*. Operating income rose 32% to $29 million in 1985. For the first quarter of 1986, *Newsweek* revenue rose 7%, while domestic ad pages were flat.

The magazine spent $1 million on its redesign unveiled in November. Since the redesign, Mr. Simmons says, newsstand sales increased 20%. Over-all ad revenues remain down in the first quarter, but Mr. Simmons predicts, "When the year is over, I'll expect we'll lead everyone again."

Last July *Newsweek* announced it would sell ads based on audience rather than circulation. It's actually using both figures in its sales presentations, offering an audience of 16,887,000 readers and a circulation base of 3.05 million. Mr. Simmons says it will "take a while for advertisers to evaluate our new service."

Newsweek in January launched *Newsweek Japan*, a Japanese-language edition that is the magazine's first foreign-language edition. The magazine has a circulation of 120,000. The Japanese edition comes a year after *Newsweek* began a joint publishing venture with the *Bulletin*, the leading Australian newsweekly.

Newsweek this spring entered a joint venture with American Express, producing *Travel & Leisure Asia*, a monthly magazine with a circulation of 100,000. *Newsweek* is responsible for selling advertising.

In personnel moves, Gerard Smith last July was promoted to publisher of *Newsweek*, from associate publisher and senior vp. Before coming to the magazine two years ago, he was a senior vp and managing director, Ogilvy & Mather, Los Angeles. Stephen Smith became executive editor in January, from acting assistant managing editor, *Time*.

Newsweek has been test marketing "Newsweek on Health," a quarterly compilation of recent *Newsweek* articles on health and fitness.

The *International Herald Tribune*, Paris, one-third owned by the *Post*, this year began printing in Miami. The "Americas" edition has a 15,000 circulation in the Caribbean, North

The Post's four tv stations saw operating income rise 14% to $58 million in 1985. Its Detroit, Hartford, Conn., and Jacksonville, Fla., stations each rank first in their markets; the Miami station is tied for first. In the first quarter of 1986, revenue rose 8%.

The Post last year pumped $71 million into a 20% stake in Cowles Media Co., a family-owned company that owns the *Minneapolis Star & Tribune*. Mr. Simmons says no further investment in Cowles is planned.

A sale to Times Mirror Co. of National Journal Co., another media company in which the Post has a 20% share, was pending at press time.

In nonmedia, the Post last year sold its cellular interests in the Northwest and will focus on the three systems in which it has a substantial interest. Its Washington-Baltimore cellular system, in which it has a 20% interest, will be profitable this year, Mr. Simmons says. The Post also has a 60% share in a Miami system, which may become operational this year. And it retains an 18% share in Detroit.

In late 1984, the Post purchased Stanley H. Kaplan Educational Centers. It also owns an electronic database publisher, Legi-Slate.

MEDIA PROPERTIES

Broadcasting

TV: WDIV, Detroit; WPLG, Miami; WFSB, Hartford, Conn.; WJXT, Jacksonville, Fla.

Cable/video

CHANNELS: SportsChannel Associates, Chicago; SportsChannel Associates, New York; SportsChannel Boston; SportsChannel New England; SportsChannel PRISM, Philadelphia.

SYSTEMS: MICHIGAN: Post-Newsweek Cable—Bloomfield Hills.

Magazines

Newsweek, *Newsweek International*, *Newsweek Japan*.

Newspapers (dailies)

DISTRICT OF COLUMBIA: *Washington Post*. WASHINGTON STATE: *Herald* (Everett).

Newspapers (nondailies)

DISTRICT OF COLUMBIA: *Washington Post* (weekly edition).

Other media operations

Washington Post Writers Group, Legi-Slate (electronic data publishing), Los Angeles Times-Washington Post News Service Inc. (50% owned), *International Herald Tribune* (33% owned), Cowles Media Co. (20% owned).

OTHER OPERATIONS

Robinson Terminal Warehouse Corp. (newsprint handling and storage), Bowater Mersey Paper Co. Ltd. (49% owned), Bear Island Paper Co. (33% owned), Cellular Radiotelephone Systems (Washington and Baltimore, 20% owned; Detroit, 18% owned, Miami, 60% owned), Stanley H. Kaplan Educational Centers.

Westinghouse Electric Corp. RANK 14

Pittsburgh

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	1,069	935	14.4
Total sales	10,700	10,265	4.2
Net income	605	536	13.0

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	539	495	9.0
Cable	530	490	8.2
Outdoor	—	—	—

Westinghouse Electric Corp., Pittsburgh, has exited the cable market in 1986 as a multiple system operator while becoming more involved on the television media side.

The 14th largest media company based on media revenues reached an agreement earlier this year to sell Group W, the country's third largest multiple system operator with 2.1 million basic subscribers. A consortium of companies is paying $2.1 billion for the mso.

Westinghouse is seeking to purchase KHJ-TV in Los Angeles from RKO General. The company agreed to the purchase in January, costing an estimated $313 million, but a federal judge subsequently ruled against the transfer of ownership of the station.

gain ownership as soon as licensing problems are cleared up with the FCC.

Not included in the Group W sale are the cable systems Group W is building in the Chicago area. They will be completed and sold separately. The Group W sale is set for completion at midyear.

Westinghouse says it should realize $1.6 billion and book about $500 million from the sale of the cable company that accounted for about $535 million in revenues and slightly less than $34.7 million in operating profits.

The cable sale will not affect Westinghouse's operation of Home Team Sports pay-cable station, which has about 300,000 subscribers. Neither will it affect the marketing and distribution of the Oklahoma Publishing Co.'s 24.6 million-subscriber Nashville Network handled by Group W Satellite Communications.

The media portion of Westinghouse's Broadcasting & Cable segment generated $1 billion in revenues and an estimated $129.7 million in operating profits during 1985. These totals do not include Group W Productions, a program production company, and the only nonmedia activity of this business segment at Westinghouse.

Group W Productions, which produces "PM Magazine," "Hour Magazine," "Newsfeed Network," "He-Man and Masters of the Universe," "She-Ra: Princess of Power," "Every Second Counts," "Fat Albert and the Cosby Kids" and "Music of Your Life," generated an estimated $70 million in revenue and $9.02 million in operating profits.

Total revenues for Westinghouse Broadcasting & Cable for 1985 were $1.07 billion, up 8.6% from the $985 million in 1984, and operating profits totaled $138.7 million, up nearly 95% from the previous year.

At the same time, capital expenditures by the division have fallen sharply since 1983 when it spent $290 million. In 1984, it spent $234 million, or 19.3% less, and in 1985, it spent $155 million, down 33.8%.

Over-all, Westinghouse Electric Corp. reported revenues for 1985 up 4% to $10.7 billion and operating profits up 21.7% to $742.1 million. Net income rose 13% to $605.3 million.

Group W Cable will go to a group made up of Tele-Communications Inc., Time Inc. subsidiary American Television & Communications, Comcast Communications, Daniels Associates and Century Southwest Communications Corp.

Despite the apparently high price tag, analysts say the $1,050-per-subscriber sale actually may have been discounted because if the cable system had been broken into components and sold separately, those separate units would have brought in more money.

The sale was made even though Westinghouse was relatively happy with the cable system's performance in contributing to the 95% rise in operating profits Westinghouse Broadcasting & Cable experienced for the year. Group W Cable would contribute about $286.2 million in revenues to the company's performance in 1986.

Westinghouse says the sale was made because "the properties' true value was not and would not be fully reflected in the price of Westinghouse stock."

Shortly after the sale, Westinghouse

Buffett: On reinsurers and Coke

Berkshire Hathaway's (*Buffalo News*) contains a copyright on the "Chairman's Letter" from chairman, director and ceo Warren Buffett, who laments in one passage about the reinsurance business, one of Berkshire Hathaway's business lines: "The behavior of reinsurers finally becomes like that of Mark Twain's cat: Having once sat on a hot stove, it never did so again—but it never again sat on a cold stove, either." He closed the letter saying, "in an unprecedented display of behavioral flexibility" he had switched allegiance from an unnamed soft drink to Cherry Coke, heretofore the official

Broadcasting Cable president Daniel Ritchie said the decision, "really had nothing to do with the cable business, oddly enough, but it has to do with the stock market and valuation."

What was happening, he said, was that Westinghouse was growing undervalued and thus becoming a potential takeover target. In conjunction with the sale of the cable group, the company announced plans to buy back 25 million of its stock shares, paying for that with the proceeds of the sale.

Such a move increases the price of the stock and generally makes a takeover more difficult by putting that much more stock in the company's direct control.

"The differential between the stock market value and the underlying asset value of Westinghouse was becoming so great that it was becoming an uncomfortable situation," Mr. Ritchie said. Yet the divestiture of its cable operations did not signal a move out of broadcasting for Westinghouse.

Upon the close of this sale later this year, says Westinghouse chairman Douglas D. Danforth, the company intends to complete an extensive strategic restructuring of its businesses focusing on what the company perceives as key growth areas. "One such growth area is broadcasting, where Westinghouse has, from the birth of the industry, been a leading factor," he says.

In January, the company signed a definitive agreement to buy KHJ-TV in Los Angeles, the country's second largest market, from RKO General. However, late in April federal administrative law judge Edward J. Kuhlmann rejected the sale. In a strongly worded ruling, Mr. Kuhlmann said the sale would be "detrimental to the public interest."

The sale was part of a complex effort to allow RKO to sell the station by paying off a separate group called Fidelity Television, which had challenged its license. Fidelity consists of a number of prominent Southern California investors, among them the late Donna Reed.

The FCC has battled RKO over the company's qualifications to hold broadcast licenses. It ruled that RKO cannot dispose of its interest in KHJ-TV until the issue of its qualifications has been settled.

Linda Stern, a Westinghouse spokeswoman, says the ruling was not totally unexpected and the company's position is to take whatever steps it can to bring about a faster settlement, which it believes would be more beneficial to the public and all parties. The RKO-Fidelity litigation has been going on for nearly two decades, she says.

She says many lawyers agree that the FCC, particularly in light of new legislation expanding its powers, can take such a case and it was a "fair bet" the FCC would overrule the judge's recommendation.

The Westinghouse agreement requires an FCC order substantially approving the deal by Jan. 31, 1987, and final FCC approval by July 31, 1988. If neither of those deadlines is met, any party can cancel the agreement.

In other radio property buys, Westinghouse Broadcasting & Cable bought radio stations KMEO (am, fm) in Phoenix, Ariz., and sold WIND radio in Chicago. Its Group W Radio Inc. is buying KEZW in Denver for between $1.5 million and $2 million.

Nets outdistance tv advertisers

The networks spent the most ad dollars promoting themselves among tv segment advertisers listed by LNA, a service that monitors national advertising in seven media. No. 1 was CBS at $31.8 million, followed by ABC Tv Network, $29.8 million; NBC Tv Network, $27.9 million; Television Program Enterprises, $3.4 million; GenCorp's KHJ-TV (L.A.), $1.9 million; Tribune Co.'s KTLA (L.A.), $1.2 million; AMBA Marketing Systems's KCOP-TV (L.A.), $988,000; Lexington Broadcasting Tv Programing, $809,000; WABC-TV (N.Y.),

MEDIA PROPERTIES

Broadcasting

TV: KPIX, San Francisco; WJZ-TV, Baltimore; WBZ-TV, Boston; KYW-TV, Philadelphia; KDKA-TV, Pittsburgh.
RADIO: KEZW, Denver; KJQY (fm), San Diego; KFWB, Los Angeles; KOSi (fm), Denver; KQXT (fm), San Antonio, Tex.; WBZ, Boston; WINS, New York; KYW, Philadelphia; KDKA, Pittsburgh; KQZY (fm), Dallas; KODA (fm), Houston; KMEO (am, fm), Phoenix, Ariz.

Cable/video

CHANNELS: Markets and distributes Home Team Sports and The Nashville Network.

OTHER OPERATIONS

Group W Productions.

RANK **92**

Winston Network

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	105	95	11.0
Total sales	105	95	11.0
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	—	—	—
Broadcast	—	—	—
Cable	—	—	—
Outdoor	105	95	11.0

Winston Network, an out-of-home media company, is compensating for an industrywide reduction in spending by tobacco companies by directing its sales tactics at nontraditional outdoor advertisers and expanding its outdoor capabilities by developing telephone poster coverage in New York.

Ranked the 92nd largest media company, the privately held concern's current volume compares with sales of only $5 million in 1976, says Marc Winston, president. Mr. Winston, 40, took over in 1978 as president from his father, Irwin, 75, now chairman.

Winston Network, based in New York, is the fourth or fifth largest competitor in the $1.5 billion out-of-home media industry. In total revenues, Winston follows Foster & Kleiser, Gannett Outdoor, 3M National Advertising, in that order, and perhaps privately held Naegele.

Unlike many out-of-home companies, Winston Network has a full range of out-of-home media, such as painted bulletins, 30-sheet posters, eight-sheet posters and smaller media. Its production formats in 30 locations nationwide covering 60 markets include 25,000 commuter posters, 11,000 eight-sheet posters, 1,250 30-sheet panels and 250 painted bulletins.

Operations also include posters and interior cards on 20,000 buses, 2,000 taxis and 500 bus shelters. In 1986, the company began adding 4,000 telephone posters in New York on a 10-year permit.

Winston Network provides analytical tools to help advertisers select combinations of out-of-home media. Its MAPPING system (Marketing Analysis of Predictable Patterns of Intra-Neighborhood Geo-demographics) helps pinpoint market segments based on syndicated information and other sources.

MAPPING generates a rating index based on known buying habits, and a computer plotter creates a block-by-block map of each target group in a market. Coupled with information on transportation patterns, advertisers are able to fine-tune media plans.

Winston Network's MAPPING system and its diverse media options are helping the company target potential advertisers in the package goods, retail and healthcare categories, Mr. Winston says. Falling revenues from tobacco and liquor companies in the past few years have forced out-of-home media companies to become more aggressive, he says.

"This industry has gotten so fat on cigaret and liquor [advertising] that it has forgotten how to sell," he says. Winston Network gained about 25% of in 1986. Media companies accounted for about 19% of 1985 sales. Entertainment and package goods categories accounted for 5% to 6% each, with the latter being a growth category, he says.

Acquisitions have played a role in Winston Network's ability to attract new advertisers. In February, 1985, Winston Network acquired Independent Outdoor for an undisclosed sum, one of the nation's largest eight-sheet networks with 6,500 posters throughout Southern California.

The acquisition was important because eight-sheets provide access to minority groups and other segmented markets in urban areas, Mr. Winston says. And because urban zoning laws are making it more difficult to erect bulletins and 30-sheet sizes, eight-sheets increasingly are viable options. Winston Network is plowing 35% to 40% of its annual revenues into building eight-sheet and other size poster plants in all of its markets.

Another factor favoring eight-sheet and other posters is that media combinations are needed for general coverage and segmented campaigns in all markets. An example is Los Angeles, out-of-home's most competitive market, where Winston Network is a niche player with about $15 million in bus fleet and eight-sheet revenues in 1985, compared with Foster & Kleiser's and Gannett's estimated $45 million each in 1985 revenues from 30-sheet and painted bulletins.

Winston Network is stronger in other markets, such as New York, where it dominates with about $30 million in 1985 revenues from 25,000 posters. Chicago is its third biggest market with about $7 million in commuter, bus fleet and terminal advertising, followed by San Francisco and Washington, with $5 million to $6 million each in 1985 revenues.

Winston Network also is known as an innovator among out-of-home media companies. One example is its "Streetfare Journal," introduced in seven cities early in 1985, covering themed topics such as weddings, swimsuits and the arts. "Streetfare Journal" entices commuters to read bus cards.

Winston Network also reorganized its management team in fall, 1985, naming three senior vps to oversee three new regions, including: Don Foley, West; John Mikovich, Midwest, and Burt Miller, East. Other top management appointments include Craig Heard senior vp-general manager; Angelo Schifano, senior vp-outdoor advertising, and Larry Silverman, vp-marketing.

With the financial success and growing sophistication of Winston Network, Mr. Winston says his next goal is to make it a diversified media company.

"We will be looking at radio and possibly tv and newspapers to eventually [follow the example of Metromedia chairman] John Kluge or Carl Eller," Mr. Winston says. "We understand media and marketing."

MEDIA PROPERTIES

Winston Outdoor Advertising.

RANK **80**

Ziff Communications

New York

($ in millions)

Corp. returns	1985	1984	% chg
Media sales	125	115	8.7
Total sales	125	115	8.7
Net income	N/A	N/A	N/A

Sales by media	1985	1984	% chg
Newspaper	—	—	—
Magazine	125	115	8.7
Broadcast	—	—	—
Cable	—	—	—
Outdoor	—	—	—

Ziff Communications Co., New York, which devoted itself to divestitures rather than acquisitions the past few years, scored one of the few successful acquisitions in the past few years with its purchase of Interactive Market Systems in 1985, the first full year of operations.

PC Week is among six computer magazines and electronic information service subscriptions comprising media at Ziff, the nation's 80th largest media company.

The company's six computer magazines netted $97.8 million in gross advertising revenues, with the largest gains (260%) and greatest number of total advertising revenues ($36.5 million), coming from *PC Week*, according to Sheila Clarke, vp-marketing at Adscope Inc., Goldendale, Wash.

Ziff took a respite this year from its reductionist tendencies. Several years ago, company revenues hovered near $500 million. But it since has sold its tv stations for $100 million, 24 consumer and trade publications for a combined price of $712.5 million, folding or sold computer magazines, and scaled back its electronic-information offerings. Owner of the closely held, family-owned company, William Ziff, has been quoted: "We've reached the end of the line. There will be no additional sales of properties," a company spokesperson says.

Ziff continues to look into new ventures, but "nothing is imminent," says Baird Davis, vp-production, purchasing and circulation at Ziff Communications. Last November, the *Wall Street Journal* reported Mr. Ziff plans to expand the company, though no direction or activities were cited.

The current scaled-down version of Ziff Communications consists of six computer publications in both the consumer and trade areas, a real estate publication that caters to affluent markets, a publishing subsidiary that puts out college directories for various schools and five electronic information services.

The five services fall under the Ziff-Davis Technical Information Unit. Total subscriber count for all five is 4,744.

Ziff folded *Creative Computing*, a monthly consumer magazine, with its December, 1985, issue, apparently as a result of segmentation and a heavier business orientation in the microcomputer market. Creative Computing, with a circulation of 375,000, had addressed those interested in computer applications in various areas, such as art, music, education and games. But last year alone, the magazine lost more than $4 million in advertising over the previous year, according to Adscope.

The company also abandoned a new venture in the computer magazine field last year when it discontinued publication of "Computer Industry Daily" several months after introduction. The ad-free daily newsletter was to have also appeared in electronic magazine format.

Last March, Ziff Communications sold three trade publications to Lakewood Publications, Minneapolis, for an undisclosed price. Publishing offices for *Photomethods* (circulation 53,000), *Photo/Design* (circulation 28,000) and *International Television* (circulation 26,000), remain in New York.

In November, Ziff sold the assets of its Data Decision unit, which included computer magazine *Data Decision*, to McGraw-Hill Inc., New York, for a price reported to be less than $25 million, which a Ziff spokesman discredited as too high a break-off point.

These sales followed the 1984 sale of 12 consumer magazines to CBS Inc. for $362.5 million, which was finalized Feb. 4, 1985. This sale, which analysts said was the highest price ever paid for a group of specialty publications, included such titles as *Car & Driver, Modern Bride, Popular Photography, Stereo Review* and various sporting magazines such as *Runner, Boating, Cycle, Skiing* and *Flying*.

Close on the heels of the sale to CBS was the purchase by Rupert Murdoch's News America Corp. of Ziff's 12 trade titles for $350 million. The deal marks News America's first venture into the trade publication field and includes such travel and aviation titles as *Travel Weekly, Hotel & Travel Index,*

Rumors continued to fly with reports of the pending sale of the Financial Information Services Group, part of the Strategic Information Inc. subsidiary of Ziff Communications. The group provides applications software and information services to financial institutions.

Ziff has been fighting a suit filed by CBS against Ziff-Davis Publishing and its independent auditor, Touche Ross & Co., over what CBS claimed were overstated earnings of the 12 consumer magazines CBS purchased. Although New York state supreme court Justice Martin Evans dismissed CBS' claims of fraud and misrepresentation on the part of Ziff, the court let stand other CBS charges, including breach of contract. A Ziff spokesperson, satisfied with the dismissal of the most serious charges against the company, referred to the matter as "past history."

In other court matters, consumer advocate Ralph Nader accepted a $20,000 settlement from Ziff-Davis in November from a libel litigation he had brought against *Car & Driver* magazine, which Ziff-Davis Publishing had owned at the time of the suit.

The highly publicized appointment of David C. Cole, former software executive from Ashton-Tate Inc., to the position of president-chief operating officer, Ziff Communications, ended with Mr. Cole's resignation in January, 1986.

Ziff Communication's entry into the growing field of advertising expensive homes to affluent readers, *Unique Homes*, now boasts a circulation of 77,845, of which 44,645 are subscribers of the every-other-monthly publication. Time Inc. launched a competitor, *New York/New Jersey/Connecticut Real Estate* on April 21, 1986. It joins other titles such as *Manhattan Living* from MKL Ltd., *Homes International & Previews* from Sears, Roebuck & Co.'s Coldwell Banker unit and Merrill Lynch's *Fine Homes*.

Unique Homes' cachet in this field is its acceptance of property listings from all companies, unlike its agency-associated competitors, from which it also accepts and carries property advertising. *Unique Homes* also is the only audited book in the genre.

Priority of the real estate book is to pursue the home furnishings market, says the company. The publisher has hired three rep companies. There are also long-term plans to enhance circulation to 100,000.

All the remaining Ziff magazines are computer-oriented. The entire computer magazine package contributed close to $94 million in ad revenues. The Ziff magazine stable is promoted via direct mail and in trade and consumer magazines.

One additional source of revenue is the company's University Communications Inc. subsidiary in Rahway, N.J., which publishes a directory of classes for various colleges and which functions as an advertising vehicle.

MEDIA PROPERTIES

Magazines

A+ Data Sources, Digital Review, PC, PC Week, PC Tech Journal, Unique Homes.

Other media Operations

Computer Intelligence (La Jolla, Cal.); Information Access Co. (Belmont, Cal.); Information Marketing International (IMI, Oak Park, Mich.); Management Contents (Northbrook, Ill.); Strategic Information (Boston).

OTHER OPERATIONS

University Communications (college information service, Rahway, N.J.).

Coming

ADVERTISING AGE's Special Report will take a one-week hiatus; however, the July 7 issue will include a special feature on World Brands to be presented in the International section. The Special Report will return to the July 14 issue and will focus on Travel and Tourism.

AdWatch

(Continued from Page 4)

30 days. In May, 1,000 adults were questioned by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

In springtime, a working stiff's fancy turns to vacation.

That was evident in the May adWatch figures, which showed some shuffling among the ad awareness leaders in the airline and credit card categories.

Among airlines, advertising for Eastern gained 3.6 awareness percentage points, boosting its score to 11.8% of first mentions, good for the third position among air carriers.

Trans World Airlines' advertising lost 7.6 points of top-of-mind awareness, falling to fourth place from first place in April with 10.1% of first mentions.

Eastern scored points with a campaign themed "There's no face like home," designed to encourage domestic travel. The spots pitch lower domestic fares and fly/drive packages.

TWA lost share of top-of-mind awareness when it virtually eliminated tv commercials in April and May while reviewing its account, then at Ogilvy & Mather, New York.

Winning ads from Young & Rubicam, themed "Today's TWA—Find out how good we really are," broke May 19, too late to affect TWA's May adWatch score.

In May, 14.4% of consumers named United's advertising as the first that came to mind for that industry, good enough for the No. 1 spot. American was No. 2 with 13%.

Consumers interested in financing their vacations in May got an eyeful of a new MasterCard campaign touting the value and benefit of credit cards rather than the card's status. MasterCard's share of first mentions rose 5.5 points to 25.5%.

Advertising for Visa remained tops in consumers' minds, garnering 32.1% of the first mentions, rising slightly from a month earlier.

American Express was third with 12.9%.

The top 10 best recalled ads in May were, in descending order: Coca-Cola, Pepsi-Cola, McDonald's, Miller/Miller Lite, Budweiser/Bud Light (Anheuser-Busch), Ford, Chevrolet, K mart, Burger King and Coors beer.

In other news from the May adWatch survey:

- For the third month, the normally volatile **soft-drink** category is silent, though the spread between Coca-Cola and Pepsi-Cola's share of first mentions is widening. In May, Coke garnered 36.4% of first mentions, up slightly from April, and Pepsi scored 29.7% of first mentions, down slightly from April.

Advertising for Pepsi's Slice juice-added drink moved into the No. 3 position with 2.7% of first mentions while 7UP's advertising fell to fourth with 2.5% of first mentions.

- Joining soft drinks as a stagnant advertising awareness category is **fast-food**, where the battle for first mentions is as tough as competition at the cash register. McDonald's advertising scored 46.6%, up slightly over its April score, while Burger King's ad awareness score remained flat at 12.4%.

Look for BK's ad score to get a boost from "This is a Burger King town," a new campaign that broke in May.

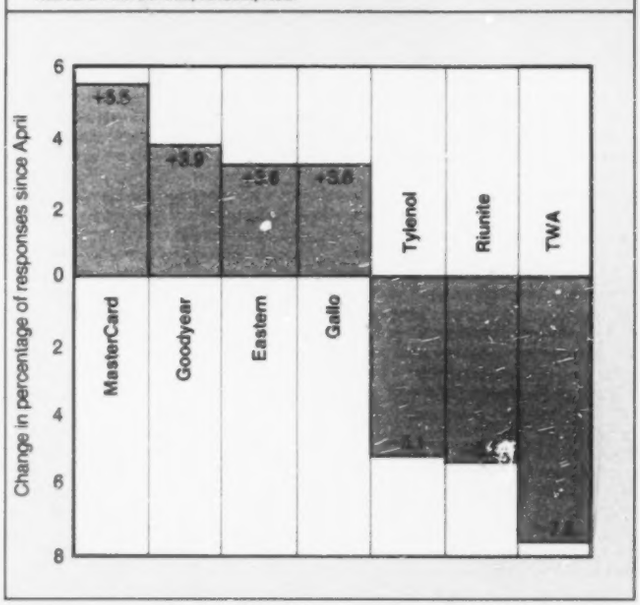
- Tylenol's share of first mentions dropped 5.1 points in the **medicine & drug** category. That may reflect the cessation of the heavy media weights that backed Johnson & Johnson's introduction of Tylenol caplets. Tylenol's 31.9% share of first mentions in May is still 10.3 points higher than the 21.6% the brand's advertising scored in the January survey before the cyanide poisoning incident.

Glenbrook Labs' Bayer and Whitehall Laboratories' Advil tied for the No. 2 spot with 6.8% of first mentions.#

For more information or data, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

May winners and losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 percentage points is statistically significant. *Source: SRI Research Center Inc., Lincoln, Neb.*



Coen

(Continued from Page 6)

in 1985 U.S. spending, and certainly much lower than the 15.8% increase recorded in 1984, an Olympics and presidential election year.

In 1986, first-quarter ad spending was "about as expected, but there are growing indications of softness during the second quarter and considerable uncertainty about how the last two quarters of the year will finally turn out," said Mr. Coen.

Network tv ad revenues in the first quarter were up only 4%. Spot tv, up 12% was "surprisingly strong," though "there is reason to expect that it will not last throughout the rest of 1986," said Mr. Coen. He predicted that network spending would be up 4% in 1986 and 6% next year.

As for magazines, lack of growth in the transportation, tobacco and technology categories led to first-quarter flatness in pages and a 6% increase in revenues. National ad revenues in newspapers were up 1.3%.

While "national marketers are obviously guarding their budgets and spending cautiously," said Mr. Coen, local ad budgets were growing at a "better pace."

In the first quarter, local ad revenues in newspapers were up 4.1%, local tv revenues were ahead 13% and local radio revenues were up 8.1%. "Above-average growth in the broadcast media is expected to offset some of the sluggishness that has been occurring in the newspaper sector," said Mr. Coen, "and during 1986 the total local budgets for all media should rise considerably more than those of the na-

B/PAA gets push on creativity, risk

'Uncertainty can be opportunity'

By LISA E. PHILLIPS

BOSTON—Business-to-business advertisers attending the Business/Professional Advertising Assn.'s 64th annual conference here were urged to embrace strong creative concepts to make product advertising stand out.

"Good ads are directly related to a good concept, not to company logos, tag lines or design of the ad itself," said Don Just, president of Martin Agency, Richmond, Va.

Although good advertising, by definition, is risky, he said, uncertainty should be an advertiser's opportunity.

Mr. Just listed several factors that go into making good business-to-business ads, including: Projecting the personality of the product and the company; speaking to prospects as people first, not as clients; supporting a company's sales force but not presuming to substitute for it; being interesting, memorable and conversational, and generating enthusiasm, empathy and awareness for the company and the product.

According to a study made public at the conference, held June 15 to 18, business-to-business advertisers last year spent $93.6 billion in the U.S. alone.

The study, compiled from 300 sources, was the work of *Business Marketing*, a publication of Crain Communications Inc., which also publishes ADVERTISING AGE. The study tracked spending on advertising, direct marketing, trade shows, sales promotion, sales-force management, incentives and other promotional areas.

Of those categories, *BM* estimates that business marketers spent $30.8 billion on direct marketing, $21 billion on trade show promotions and $15 billion on sales incentives.

Also at the conference, Daniel Bellack, principal at Tycer-Fultz-Bellack, Palo Alto, Cal., was elected B/PAA's 1986-87 chairman, from first vp. He succeeds Frank Compton, president of Sawyer, Riley, Compton, Gainesville, Ga., who had served as B/PAA president.

Effective with this election, the title of B/PAA's chief elected officer becomes chairman, rather than president.

David Green, assistant to the chairman of PPG Industries, Pittsburgh, and a past international president of B/PAA, received the 1986 G.D. Crain Jr. Award, named for the founder of Crain Communications.#

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"Any actuarial chart would tell you that with five [Supreme Court] justices over 75 years old, there is likely to be, well, some turnover during Reagan's second term...All logic points to Antonin Scalia now [to be the first new justice appointed]. He is a fierce proponent of judicial restraint and he may have improved his standing inside the administration with his anti-press dissent in a libel case recently. A Scalia nomination makes political sense. 'What a symbol,' a White House official exclaims. 'Nino would be the first Italian-American on the Court. He's got nine kids. He's a brilliant conservative. What more could you want?'

Time, June '86?
Newsweek, June '86?
No, The New Republic, June 10, '85.

The New Republic is more than just America's foremost magazine of political opinion and the arts. Every week we bring fresh perspective to a wide range of topics—often revealing today what tomorrow's headlines will be.

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THE NEW REPUBLIC

Losses

(Continued from Page 1)

W-L management in each country.

• RJR Nabisco, Winston-Salem, N.C., pulled $96 million from Bates' William Esty Co. unit and another $32 million from Doyle Dane Bernbach. RJR was one of Esty's initial accounts 54 years ago.

• General Foods pulled from Bates two coffee brands, Maxim and Mellow Roast. Neither had been supported recently, making the loss less costly, but it was another not-so-subtle hint that the integrity of the conflict policy will be maintained. Saatchi & Saatchi Compton Worldwide handles Procter & Gamble's High Point decaffeinated coffees.

Maxim was assigned to Ogilvy & Mather, which handles other Maxwell House brands. Mellow Roast was not assigned.

The biggest winner in this record-setting round of account changes during the last two months is an agency that has remained a spectator rather than a participant in the new merger game. Young & Rubicam, New York, pushed out of the No. 1 spot to No. 3 by Saatchi and Omnicom, has realized a net gain of $254 million in business since those mergers were announced.

Meanwhile, the two agencies involved in the biggest acquisition and merger deals in ad-agency history have fared dismally. The Saatchi group has sustained a net loss of $255 million, mainly because its clients have refused to accept conflicts despite Saatchi's parallel agency structure. And the three Omnicom agencies have taken a net loss of $117 million, for much the same reason.

Besides W-L and RJR Nabisco, other advertisers that have sent a stern no-conflict message to their agencies by reassigning their business include Mars, Colgate-Palmolive and Procter & Gamble (AA, June 9). P&G accurately forecast—if it didn't inspire—the reaction when its vp-advertising, Robert Goldstein, said of the megamergers, "The client chapter has yet to come" (AA, May 26).

Events of the last few weeks raise the question of the advisability of growth through merger and acquisition, a strategy Y&R president-ceo Alex Kroll eschewed in an internal memo. Although he does not rule out acquisitions altogether, he said Y&R seeks "organic growth, in which the integrity of the company remains intact, its values and mission recognizable."

In the memo sent June 2 to office managers, he stated, "Advertising thrives on differentiation, and our competitors have handed us a wonderful difference. So it may be said that the recent mergers have put Y&R in a class by itself. We have won major global accounts and significant local ones at a rate faster than any other company."

The two marketers rearranging their assignments this week both officially cited "consolidation" as the reason for their moves. Nonetheless, Bates expressed "shock" that W-L ended its long-term relationship.

Agency executives surmised that the conflicts, paired with a relatively new W-L management that has been cutting costs, sparked the decision. Bates conceded that the loss of the RJR Nabisco business did not come as a complete surprise, but denied the move was conflict-related.

(see story, Page 8). McCann gained an estimated $30 million in new RJR Nabisco business.

TLK also picked up another $8.7 million from the company with Hawaiian Punch drinks, which was moved from DYR, Los Angeles. That brings its Nabisco new-business total to $19 million. And Bozell, Jacobs, Kenyon & Eckhardt got an estimated $2 million in billings for Nabisco Confections, including Junior Mints. It had been working on other Nabisco candy

> "Advertising thrives on differentiation, and our competitors have handed us a wonderful difference."
>
> **—Alex Kroll, Y&R president-ceo**

Among the brands pulled from Esty were Salem cigarets, an estimated $50 million account, which moved to FCB/Leber Katz Partners. LKP, recently acquired by Foote, Cone & Belding, has been a Reynolds agency for some time. FCB/LKP also got an estimated $6 million in Nabisco business, including Milk Bone and Butcher Bones dog biscuits, from Esty. And it got Nabisco's hot and cold cereal business and Royal desserts from DDB, worth an estimated $22 million. Another $10 million in Blue Bonnet and Fleischmann margarine and Fleischmann Egg Beaters business has been moved from DDB to Tatham-Laird & Kudner, Chicago, sparking that agency's resignation of the $12 million butter account of the National Dairy Promotion & Research Board, Rosslyn, Va.

FCB/Leber Katz Partners, however, lost two RJR cigarets, Now and More, billing an estimated $22 million and $25 million, respectively, to Y&R. Y&R, despite the loss of responsibility for RJR Nabisco's network buying to in-house RJR Nabisco Broadcast earlier this year, has been on a roll with Reynolds for the past 16 months. Y&R picked up several liquor brands from its Heublein unit during last year's RJR agency shakeup, and last week added its first domestic cigaret business since it lost Liggett & Myers in 1970.

DFS-Dorland Worldwide, already a major Nabisco agency, picked up an estimated $31.8 million in Nabisco cookie business, including the Oreo and Newtons lines, from Esty; McCann-Erickson got Nabisco's Premium Saltines and Ritz crackers from Esty. When combined with the Nabisco snack-cracker business acquired with the purchase of Ohlmeyer Advertising

business.

The $30 million package W-L presented to Y&R includes Rolaids antacid ($12 million), Efferdent denture cleanser ($8 million), Mediquell cough squares ($10 million) and Remegel antacid, a minor brand with about $100,000 in ad spending last year. That business joins Y&R's existing $21 million in W-L billings that include Dentyne gum ($11 million) and Certs mints ($10 million).

JWT received Trident sugarless gum ($16 million), Bubblicious bubble gum ($3 million), Halls cough drops ($8 million), Listermint mouthwash ($8 million) and Suplical calcium supplements ($3 million). Before the reassignment, W-L had about $62 million in billings at JWT, including Listerine mouthwash ($16 million), Schick razors ($7 million), Sinutab sinus remedy ($8 million) and Clorets mints ($7 million).

> The evaluation at RJR Nabisco that led to the shakeup was under way "long before" Bates went to Saatchi.
>
> **—sources close to Reynolds**

Rumors were circulating for several days that Melvin Goodes, W-L president-ceo, was upset about the conflict created by the Bates acquisition by Saatchi, since Saatchi's DFS-Dorland handles RJR Nabisco's Bubble Yum bubblegum, Life Savers candies and Care*Free sugarless gum.

A W-L spokesman conceded that "conflict was a concern" but would not elaborate beyond a basic statement about the realignment. Unlike other major package-goods companies that have faced conflicts in the past, W-L had not and therefore its reaction could not be predicted.

Ironically, just days before W-L dropped Bates, chairman Joseph Williams was on the dais at a B'nai B'rith dinner in Manhattan honoring Bates chairman Robert Jacoby as its advertising man of the year.

W-L's Mr. Williams delivered several jokes about the Bates chairman in a speech more appropriate for a roast than an awards dinner. Mr. Williams jokingly apologized to the American people for the W-L campaigns Bates created over the years. He kidded that, had W-L known that Mr. Jacoby's agency would develop slogans so insulting to people's intelligence, the company never would have launched the products.

He also joked that Mr. Jacoby had helped destroy the foundation of American education by convincing people that the word "relief" is really spelled "R-o-l-a-i-d-s." "To which Mr. Jacoby replied," said Mr. Williams, "at least we got the first letter right."

The evaluation at RJR Nabisco that led to the shakeup was under way "long before" Bates agreed to come under the Saatchi umbrella, according to sources close to Reynolds.

Those sources believe the mega-client simply was dissatisfied with Esty's performance, especially on the estimated $50 million Salem cigaret account. Salem, although firmly ensconsed in the only growing segment of the cigaret market (females), has lost nearly a share point between 1982 and 1985, when its share stood at 7.9% of all cigarets sold in the U.S., according to John C. Maxwell Jr., tobacco industry analyst with Furman Selz Mager Dietz & Birney, New York. A share point for a branded cigaret is worth an estimated $200 million in annual sales.

A year ago, RJR's relationships with both Esty and Bates had soured to the point that RJR pulled Winston, its flagship brand with about $60 million in billings, from Esty, and Sterling, a relatively new brand that had been spending at the $40 million level during its 1984 introduction, from Bates. Winston, which had been America's No. 1-selling smoke from 1966 through 1974, went to McCann-Erickson, which had been handling Camel for RJR. Sterling went to TLK in Chicago, a relatively new Reynolds cigaret shop that had handled the highly successful introduction of RJR's Century brand family. Compounding matters, General Foods, a Bates client, was acquired by RJR archrival Philip Morris last fall.

Nabisco's withdrawal of some $32 million out of DDB is believed to be a direct reaction to that agency's merger with Needham Harper Worldwide and teaming with BBDO. Needham is a major agency of Kraft, handling, among other products, Parkay margarine, a direct competitor of Blue Bonnet and Fleischmann's. It is also a major General Mills agency, handling, among other brands, Wheaties cereal. Nabisco's Shredded Wheat is a direct competitor.

A spokesman for DDB said the agency was not "totally surprised" by the Nabisco move, but he added that when they entered into the merger, it was hoped that some arrangement could be worked out.

The three biggest losses at Bates—Colgate, W-L and RJR—are remarkable in that all three had been at the agency or its Esty subsidiary for more than 30 years.

Other names—Maybelline cosmetics and Eveready/Energizer batteries—have joined the list of clients that may be shaky at these shops. Maybelline president David Brittain called the Maybelline reports "absolutely untrue."

General Mills, Minneapolis, is staying put, sources say, although the food company is exerting "silent" pressure on its shops to drop conflicting clients, including Pillsbury, P&G and Quaker Oats.

Plough Inc.'s Maybelline eye and nailcare lines, billing more than $20 million, are handled by Bates; Eveready/Energizer, which officially becomes part of Ralston Purina Co. today, uses Esty for its $25 million business.

Ralston sources say the company is holding a creative competition for the account, something it does periodically with all its accounts. "We're not necessarily looking for a new agency, though," the source added.

Bates recently lost on one such competition, handing over the $9 million Continental Baking Co.'s Wonder bread account to TLK after the company's acquisition by Ralston. Bates kept the $12 million Hostess snack cake and Home Pride bread portion of the account (AA, May 12).

Part of General Mills' $50 million in Needham billings had conflicted with Nabisco's estimated $25 million in DDB billings that just moved to FCB/Leber Katz Partners. But General Mills still is worried about its $80 million in Big G cereal billings at DFS-Dorland, which conflict with cousin Saatchi & Saatchi Compton's $40 million in P&G Duncan Hines billings.

Although the company hasn't set any deadlines, a spokesman noted that conflicts cannot continue for long.#

Contributing to this story were Paul L. Edwards, Nancy Giges, William F. Gloede, Pat Sloan and Patricia Winters in New York and Julie Franz in Chicago.

Coast

(Continued from Page 2)

Distribution Co., will have separate marketing departments. WRG/West president Larry Olshan said he is confident the agency will keep the MGM business and be given a fair shot at the UA account.

Gregory Morrison, recently promoted to exec vp-marketing, MGM, has ties with WRG, having worked with the agency since he joined the studio in 1980. UA is a different story. Andrew Fogelson, a former independent producer and Warner Bros. executive, joined UA in January as president/worldwide marketing. Observers think it's certain UA will open its business up for review. Mr. Fogelson was unavailable for comment.

Winchell's Donut Houses, La Mirada, Cal., has named Tom Anderson as vp-marketing, a vacant post that senior vp-marketing and planning John Hatch assumed temporarily. Mr. Anderson, formerly director of promotions, Taco Bell Corp., Irvine, Cal., hasn't yet been replaced at the PepsiCo division. His appointment follows Winchell's decision to shift its $6 million account from Foote, Cone & Belding to McCann-Erickson, both based in Los Angeles (AA, May 26).

Golden State Warriors, Oakland, Cal., a National Basketball Assn. franchise, assigned its $200,000 direct-marketing account to Lewis & Partners, San Francisco, its first agency, following a review. Grey Direct, Jamison & Associates, both San Francisco, and RAHM, Oakland, also competed.

Ketchum Advertising/Los Angeles has hired Brandt Irvine, formerly a senior writer with Doyle Dane Bernbach, Los Angeles, as vp-associate creative director, a new post.

California State Lottery Commission, Sacramento, starts new tv commercials in key markets for its latest instant game, "The Good Life," around the same theme this week. Separately, the commission will evaluate all advertising, marketing and public relations at its July 9 meeting. Needham Harper Worldwide, Los Angeles, which will become Rubin, Postaer & Associates July 1 (AA, May 12), handles the $24 million account.#

BBDO promotes two

New York—Phil Dusenberry has been elected chairman and Tom Clark ceo of Batten, Barton, Durstine & Osborn. Both also were elected vice-chairmen of BBDO Worldwide.

The new titles are an outgrowth of the merger earlier this year of BBDO International, Doyle Dane Bernbach Group and Needham Harper Worldwide.

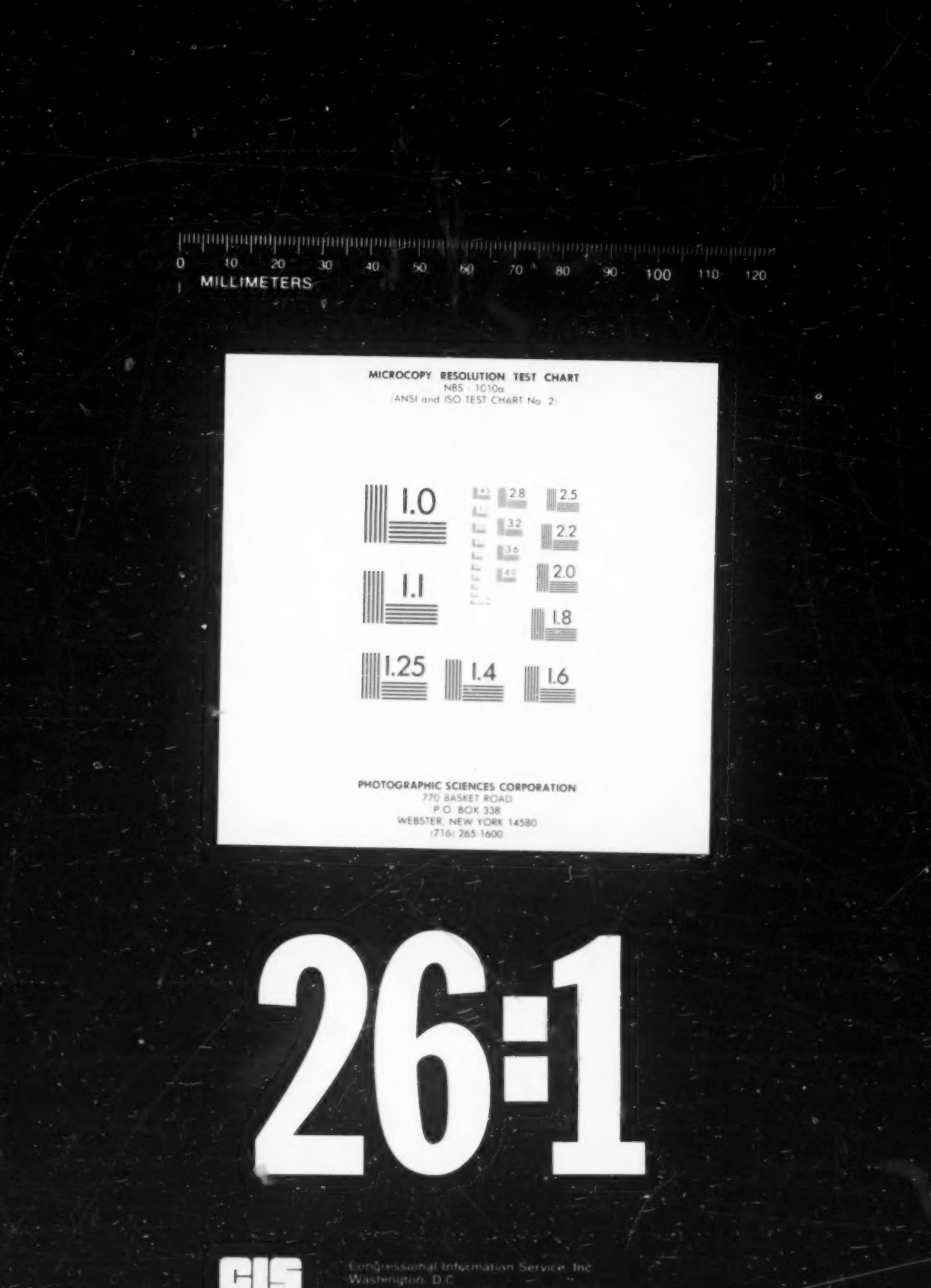
Mr. Dusenberry, formerly vice-chairman and executive creative director, will continue to head the creative department, under the new title of chief creative director. Mr. Clark continues as president-chief operating officer.

The titles of chairman and ceo were held by Allen Rosenshine,

P. Dusenberry

T. Clark

who will become ceo, Omnicom Group, the company formed by the merger. Under Omnicom, two networks will operate independently, BBDO Worldwide—the new name for BBDO International—and DDB Needham Worldwide.#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Monday, July 7, 1986

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

An empire builder without peer, John Werner Kluge has cashed in his cellular radio phone chips for $1.65 billion—and he's on the loose again.

With $2.5 billion, what's next target for John Kluge?

By VERNE GAY

One of the best stories told about John Werner Kluge involves his desire for a little elbow room around his home in the exclusive Premium Point section of New Rochelle, N.Y.

He purchased the huge, completely furnished house of his neighbor, Christian Dior chairman Bernard Arnaud, and immediately had it bulldozed to the ground. Unconfirmed reports have it that Mr. Kluge did not bother to have Mr. Arnaud's furniture removed before the bulldozers arrived.

That's vintage Kluge, and just what Kluge-watchers expect from the man who already has built and dismantled one of the largest media companies in the world—Metromedia.

Now the 71-year-old empire builder has struck again, selling his mobile cellular radio phone business last week to Southwestern Bell for an astounding $1.65 billion—almost double what analysts expected he would get.

Mr. Kluge appeared to be cashing out with a personal fortune estimated at more than $2.5 billion, owning only a beef company, two long-distance telephone networks in Texas and Florida, interests in Broadway plays and real estate, and—as usual—one keen eye cocked upon the future. "This is just the beginning," he told a colleague a

(Continued on Page 60)

Last Minute News

Lord, Geller and JWT may be IBM winners

ARMONK, N.Y.—IBM Corp. last week denied a report from a well placed source that Lord, Geller, Federico, Einstein and sister JWT Group agency J. Walter Thompson USA, both New York, will emerge as winners from Big Blue's agency consolidation (AA, June 23). LGFE reportedly will handle all domestic advertising, and JWT will get international business.

Omnicom stumbles over SEC requirements

NEW YORK—Omnicom Group's formation by BBDO International, Doyle Dane Bernbach and Needham Harper Worldwide has been pushed back,

(Continued on Page 8)

Global Marketing—Page S-1

NEWSPAPER

Shoe marketers step up

WASHINGTON DC 20014
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CONGRESSIONAL INFO SERVICE

High Court's ruling sets back ad rights

By STEVEN W. COLFORD

WASHINGTON—While the rest of America celebrated Lady Liberty, the advertising industry last week was rummaging through a painful U.S. Supreme Court decision for signs that commercial speech will retain its First Amendment protections and not fall prey to widespread bans.

Although some silver linings appeared in the Court's ruling that Puerto Rico could ban certain advertising for casino gambling, the immediate industry reaction was gloom, doom and uncertainty over how proposed bans on tobacco and alcohol advertising might be treated by the Court.

"The Court may not have reversed itself by 180 degrees" from decisions of the past 11 years that expanded protection of commercial speech, said Thomas McGrew, a noted First Amendment and advertising attorney in Washington, "but it certainly did turn 179 degrees."

Allen Rosenshine, designated chief executive officer of Omnicom Group, called the Court's decision "an unfortunate abridgement of freedom of speech" that he believes could lead to a "further encroachment against the First Amendment."

And David Versfelt, counsel to the American Assn. of Advertising Agencies, said: "It's a dark day for Madison Avenue."

Reacting more gleefully was the antitobacco element on Capitol Hill.

The health and environment subcommittee chaired by Rep. Henry Waxman (D., Cal.) plans hearings July 18 on tobacco advertising and promotion—a $2.8 billion annual expenditure—and a committee aide said the Court's ruling "makes it perfectly clear that the constitutionality of an ad ban is no longer in question."

The gloom-and-doom case involved a challenge by a casino to a Puerto Rican law that bans casino ads "to the public of Puerto Rico," while permitting advertising to tourists.

The significance of the Court's 5-to-4 ruling upholding the partial ban was multiple:

- It marked the first time the Supreme Court upheld, even in part, a ban of truthful, accurate advertising for a legal product.
- The majority decision was writ-

(Continued on Page 62)

May signal start of layoffs

DDB shifts 2 key execs

By STEWART ALTER

Two key creative executives at Doyle Dane Bernbach/New York have been moved out of major roles and their creative group has been disbanded as agency personnel anxiously await major layoffs.

Michael Mangano, at one point No. 2 in DDB/New York's creative department, and John Caggiano, also a DDB veteran, last week lost their posts as co-creative directors of one of the agency's three creative groups.

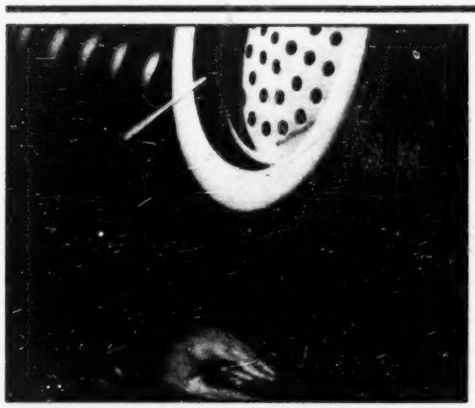
An agency spokesman said the two are "stepping aside as co-creative directors and will be working on special assignments for the indefinite future." Their group, responsible for about $160 million in billings from GTE Corp., Hershey Foods, Joseph E. Seagram & Sons, Clairol and Borden, is being folded into the other two groups. The reason seems unclear; no one at DDB would discuss the matter and observers say the group's efforts for its client list have been well received.

The creative shifts are a surprise prelude to the large number of layoffs expected soon at DDB as a result of recent account losses and its impending merger with Needham Harper Worldwide under the Omnicom Group umbrella (AA, June 30). But they are said to be unrelated to those developments.

The DDB moves come as two other agencies, Ted Bates Advertising/New York and William Esty Co., prepare for major layoffs following account losses, also in large part related to the major agency merger activity of recent months. Esty, hardest hit in RJR Nabisco's recent account realignment with a $96 million loss in billings (AA, June 30), also now finds itself under review on its $20 million-to-$25 million Eveready Battery account following Union Carbide Corp.'s sale of that unit to Ralston Purina.

Mr. Mangano, who first joined

(Continued on Page 58)



US Sprint's pinpoint marketing

Opening round of US Sprint's new $100 million ad effort touts its fiber-optics equipment as providing transmission so clear you can hear a pin drop over the phone. (See story on Page 3.)

HIGHLIGHTS

High Court lowers boom 1

While the rest of America celebrated Lady Liberty, the advertising industry last week was rummaging through a painful U.S. Supreme Court decision for signs that commercial speech will retain its First Amendment protections and not fall prey to widespread bans.

DDB disbands group 1

Two key creative executives at Doyle Dane Bernbach/New York have been moved out of major roles and their creative group has been disbanded as agency personnel anxiously await major layoffs. Michael Mangano and John Caggiano last week lost their posts as co-creative directors.

Hancock's direct appeal 3

Glitzy gimmicks in tv advertising can capture the eye, but it takes more than that to capture a viewer's imagination. That would seem to be what judges at this year's International Advertising Film Festival were thinking when they gave the Grand Prix to a campaign by Boston-based Hill, Holliday, Connors, Cosmopulos for John Hancock Financial Services.

Fiber optics Sprint into view 3

US Sprint Communications Co.'s current campaign touting its fiber-optics technology is only its first marketing thrust in an estimated $100 million advertising effort announcing the formation of the new company.

Lever's latest labels 4

Lever Bros. is stepping up its new-product activity, with most of the items bearing familiar names. In various stages of test market and national rollout are Wisk powder detergent, Aim Anti-Plaque toothbrush and Pepsodent denture cleanser and adhesive.

Time runs out for 'Science 86' 6

Science 86 has become the first casualty in the magazine industry's hard-hit popular science category. Following Time Inc.'s purchase of assets of *Science 86*, the July/August issue becomes its last, and subscribers instead will be offered *Discover*, Time Inc.'s problem-plagued popular science title.

Putting on the dog for walkers 12

Walking may be making strides as exercise, but marketers seeking to capitalize on it could be in for a long, arduous trek. Shoe marketers are leading other specialty items such as apparel, socks and accessories in pitching to walking enthusiasts.

Italian wines unfreeze 22

Leading importers of Italian wine have returned with new campaigns and hefty increases in summer ad spending after pulling their ads following last April's methanol scandal in Italy.

Clarion's clearly for the masses 39

Noxell Corp. this fall will go national with Clarion, a new line of cosmetics that retailers are calling "the Clinique of the mass market."

Kellogg logs bran entry 40

Kellogg Co.'s $7 million introduction later this week of All-Bran Fruit & Almonds targets the ready-to-eat cereal market's big growth area. Adult bran/fiber cereal varieties last year grew twice as fast as the market in general.

FEATURES

Horns of plenty 77

Five days a week, 50 weeks a year, for the past 15 or so years, director Steve Horn and his wife, producer Linda Horn, have been following roughly the same routine. It starts with reveille at about 6:30 a.m., followed by Linda's 45-minute workout and an 8 a.m. start at their studios on Manhattan's East 83rd St. It usually ends around 8 p.m.—an average working day of 12 hours. It is this demanding, often punishing, routine that has made Steve and Linda Horn the industry's most prodigious, prolific and award-winning directing team.

GLOBAL MARKETING

Snatches of Saatchi S-1

ADVERTISING AGE's third annual global marketing special section examines how Maurice and Charles Saatchi built a communications empire from a small U.K. ad agency and how Saatchi & Saatchi transformed the barely profitable Compton Communications into a success. Also included is an organizational chart of the agency, a look at its finances, an overview of worldwide agency holdings and a whimsical tale of a breakfast meeting between Maurice Saatchi and former Foote, Cone & Belding chairman John O'Toole.

WORLD BRANDS

International review S-4

ADVERTISING AGE again provides its annual International Agency/Client Report covering 28 selected agencies with charts and notations on their clients around the globe.

OTHER NEWS

Christiaan Barnard's role in pitching Alfin Fragrances' Glycel—the beauty industry's latest hope in a bottle—is changing the way skincare products are marketed. Page 3.

Southern California has become a major advertising battleground for imported beer marketers, with Australian, Japanese and Mexican competitors challenging traditional powerhouses. Page 22.

The biggest shootouts for auto makers in the 1987 model year are shaping up on traditional high-profit turf: Trucks and luxury. Page 39.

Ralston Purina Co. has a new twist planned for Nerds, the sixth "licensed concept" presweetened children's cereal it has introduced in the past few years: A two-compartment box containing different flavors. Page 40.

Despite the combined talents of George Lucas, Jim Henson and David Bowie, Tri-Star Pictures' "Labyrinth" opened June 27 with surprisingly limited support from licensors. Page 49.

It is tempting to interpret Ed McCabe's resignation from Scali, McCabe, Sloves as the end of an era. First, because in recent weeks two key "creative" agencies, Doyle Dane Bernbach and Ally & Gargano, ended their status as independent shops. Second, because Mr. McCabe is one of the most respected and award-winning copywriters who trace their roots to the "creative" era of the 1960s and early '70s. Page 55.

Miller Brewing Co. again has hopped into test with a new premium-price beer. Gettelman Lager last week was introduced to test in Charlotte, N.C.; Corpus Christi, Tex.; Dayton, O., and Sacramento. Page 56.

Michael Turner last week signed on as vice-chairman of the Earle Palmer Brown Cos., Bethesda, Md., one month after abandoning his efforts to expand the Ogilvy & Mather Washington office with issue-advertising clients. Page 57.

Southwestern Bell Corp.'s acquisition of Metromedia's cellular telephone and paging systems is a key step in the company's effort to become a power in global telecommunications. The July 1 purchase makes the St. Louis-based company the nation's largest cellular operator. Page 61.

CAMPAIGNS BREAKING

Zenith Electronics Corp., Glenview, Ill., this week begins a nine-month tv campaign for consumer electronics products that will include 11 spots used as stand-alone :15s and split-30s. Foote, Cone & Belding, Chicago, handles.

SPECIAL REPORT

Special Report is taking a one-week hiatus. It will return July 14 and will focus on Travel and Tourism.

REGULAR FEATURES

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ABP MPA RED TAG ABC CMCA

Movie shifts to affect shops?

By WAYNE WALLEY

LOS ANGELES—The resignation last week of 20th Century Fox Film Corp. marketing president David Weitzner and the firing of De Laurentiis Entertainment Group marketing vp Kathryn Linclau may touch off another spin of Hollywood's marketing merry-go-round.

At Fox, distribution president Thomas Sherak resumes responsibility for marketing, promotion and publicity this week. He is thought to be scrutinizing all operations, including Fox's agency relationship with JWT Entertainment, which has had the account since 1980. Mr. Sherak could not be reached for comment.

Fox has called an agency review

(Continued on Page 62)

Sacks toes bottom line at Seagram

By PATRICIA WINTERS

NEW YORK—David Sacks' promotion to president of Montreal-based Seagram Co. puts a keen financial mind at the cash register and keeps the seat warm for Edgar Bronfman Jr., still heir apparent to the international liquor dynasty.

Mr. Sacks, 62, a lawyer and financial expert, had been exec vp-finance and administration at Seagram. He is expected to focus on Seagram's finances and will sit on the board of Wilmington, Del.-based E.I. du Pont de Nemours & Co., in which Seagram has a 22.5% interest.

Marketing responsibilities reportedly will be left mainly to

(Continued on Page 58)

West Coast news

Burnett new chief at T-L/LA

Tracy-Locke Advertising shunted aside Los Angeles president Rod Underhill last week after one year in that post, naming Ted Burnett Jr., former general manager of Benton & Bowles, Los Angeles, to succeed him. Mr. Underhill, a 12-year T-L veteran, said he expects to remain within the Omnicom Group, the holding company being formed by T-L parent BBDO International, Doyle Dane Bernbach and Needham Harper Worldwide, but may explore op-

(Continued on Page 62)

INTERNATIONAL AGENCY/CLIENT REPORT

How to read the charts

The charts in this section are based on the following criteria:

- Clients must be in three or more countries by the end of 1985.
- Client business must add up to an aggregate of $3 million.
- An asterisk (*) denotes an agency that included affiliated (non-equity) shops in its report because of their importance to the agency's business.

The country list is not a complete breakdown of each agency's shops worldwide.

Some additional business was not included because of lack of space.

Some additional accounts are mentioned in accompanying footnotes in this section.#

N W Ayer

Clients:	Americas								Europe														Africa	Asia, Pacific						
	USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Mexico	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Portugal	Greece		Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand	Malaysia
Bahamas Tourism	•											•	•	•						•										
Beecham										•			•	•																
Bristol Myers													•					•												•
Cariplo	•									•		•	•							•										
Copper Dev. Assn.												•	•	•						•										
Deere & Co.	•	•						•	•	•		•	•	•		•	•			•	•									
Economics Laboratory			•	•				•		•				•				•		•				•						
General Motors	•											•								•										
Iberia Airlines	•								•				•			•									•					
Nordica	•								•			•	•	•											•					
Playmobil Toys										•		•			•															
SE Banken													•					•		•										
Smirnoff										•		•			•															
U.S. Travel & Tourism													•		•					•		•								
Vredestein Tires										•		•	•		•					•										

Non-equity affiliation. Source: N W Ayer

N W Ayer

N W Ayer, New York, had non-U.S. gross income of $26.8 million in 1985, or 98.5% over 1984. Non-U.S. billings rose 97.3% to $174.4 million in 1985 over 1984. Growth primarily came from mergers and acquisitions.

In 1985, world gross income was $114.5 million—23.4% from non-U.S., up from 13% in 1984. World billings hit $826.4 million.

Ayer owns majority or maximum-allowable stock in 13 shops and has nonequity affiliations with 18 agencies.

In 1985, Ayer bought a minority stake in William Wilkens, a Duesseldorf-based agency, and merged it into an existing office. Ayer merged with Berefelt & Delsol, Stockholm, acquired Angelica, Singapore and merged with Delrieu et Duprat Associes, Paris. It sold its stake in GDD, Barcelona.

Major international business won in 1985 includes Iberia Airlines, Nordica and Playmobil. Major business lost includes Firestone and McGregor Navire (U.K.) and Audi Cars (Netherlands).

Top international executives: Lou Hagopian, chairman-ceo; Jerry Siano, vice-chairman-chief creative director; Bruce McDonald, president-international; Peter Elder, senior vp-managing director, Europe/Middle East; David Dodd, senior vp-managing director, Asia Pacific/Latin America; James Haag, exec vp-international business development, and Ted Regan, exec vp-creative director.#

Ted Bates Worldwide

Clients:	Americas									Europe																South Africa*	Middle East*	Asia, Pacific						
	USA	Argentina*	Brazil*	Canada	Chile*	Colombia	Mexico	Paraguay*	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK				Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Avis	•																			•			•											
BAT				•				•			•					•				•			•				•							•
Beiersdorf											•		•	•							•				•	•								
Caltex																											•				•	•	•	
Colgate-Palmolive	•	•	•	•	•		•	•	•											•					•		•	•	•		•	•	•	•
Cyanamid	•		•			•			•													•												•
De Beers																												•	•			•		
DHL	•		•	•	•	•	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•			•	•	•		•	•	•	•	
Estee Lauder	•								•		•			•	•					•		•					•	•		•				
Mars (conf.,pet foods)	•	•		•	•					•	•	•	•	•	•	•	•	•		•	•	•	•				•			•	•		•	•
Match Box Toys	•									•			•	•	•		•			•			•											
Matsushita	•								•			•			•			•	•				•				•							
Nicholas Labs											•	•		•	•			•		•		•	•		•									
Nissan	•			•	•																				•		•							
Novo Enzymes		•	•								•	•	•				•			•		•	•			•	•			•				
Olivetti										•	•	•		•	•		•	•		•		•	•										•	
SAS										•	•	•							•		•													
S.C. Johnson	•						•																		•									•
Schering-Plough	•						•		•	•								•		•	•		•		•									
Seiko	•	•	•						•	•	•					•		•			•		•		•	•	•			•	•			
Selley's Stores																											•	•					•	•
Simmons				•			•				•																•							
Tambrands	•																										•	•			•	•	•	•
Thomas Cook									•																•	•	•	•		•	•			
Union Carbide	•			•																							•	•			•	•	•	•
Warner-Lambert	•			•						•	•				•	•		•		•	•				•	•							
Wella									•	•		•									•													

*Non-equity affiliation. Source: Ted Bates Worldwide

Ted Bates Worldwide

Ted Bates Worldwide, New York, (in the process of being acquired by Saatchi & Saatchi) had non-U.S. gross income of $178.5 million in 1985—10.7% over 1984. Non-U.S. billings jumped 10.8% to $1.2 billion.

World gross income was $466 million in 1985, with non-U.S. at 38.3% of the total. World billings hit $3.1 billion.

The Bates network consists of 102 offices in 46 countries including the U.S.

Bates owns majority or maximum-allowable stock in 75 shops, minority interest in 14, has one 50/50 joint venture and non-equity affiliations with 12 shops.

Bates bought 51% of Scholz & Friends, Hamburg; 60% of Delvico, Madrid, and signed a nonequity affiliation with Korea First, Seoul.

Business gained in 1985 includes Mars (U.K.) and Richardson-Vicks (Thailand). Business lost includes Colgate-Palmolive in France, Germany and Italy (Bates will lose all Colgate business in September) and Nikon Cameras (France).

BBDO International

Clients:	Americas: USA	Argentina	Brazil	Canada	Chile	Colombia*	Mexico	Peru*	Puerto Rico	Uruguay	Europe: Austria	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Other	South Africa	Middle East	Asia, Pacific: Australia	Hong Kong	Japan	Malaysia*	New Zealand	Singapore	Thailand
Agfa-Gevaert												•				•	•	•		•													
Apple Computer	•					•	•	•	•		•	•		•	•		•	•		•	•	•	•	•				•			•	•	
Bayer/Miles						•	•	•	•							•		•									•						
Campbell Soup	•								•																		•	•			•		
Delta Airlines	•			•					•						•								•										
Frito-Lay	•						•													•							•						
Gillette	•		•			•	•				•	•	•	•	•	•	•	•		•	•	•	•		•		•						
Henkel											•			•	•		•	•		•													
Lever Bros	•		•	•		•			•								•	•															
Kuwait Petroleum												•	•				•	•			•		•										
PepsiCo.	•					•		•							•	•	•	•		•							•						
N.V. Philips															•	•						•	•										
Quaker Oats	•													•	•		•	•															
Rothmans															•			•									•		•				
Scott Paper	•					•			•			•		•				•															
Wella					•		•																						•			•	
Wrigley Co.	•			•					•				•	•	•		•				•		•										

*Non-equity affiliation. Source: Advertising Age

Bozell, Jacobs, Kenyon & Eckhardt

Clients:	Americas: USA	Argentina*	Brazil*	Canada	Jamaica	Mexico	Puerto Rico	Trinidad	Europe: Austria*	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland*	UK	South Africa*	Middle East	Asia, Pacific: Australia*	Japan	Hong Kong	New Zealand*	Singapore	Sri Lanka	Thailand
American Airlines	•			•		•														•									
Bell Helicopters	•			•																•									
Bulgari	•											•							•										
Chrysler	•			•		•	•					•	•									•							
Helena Rubinstein								•				•	•	•						•							•		
Holiday Inn	•											•	•	•			•			•			•				•		
Nestle								•																				•	
Ricoh																													
Sheaffer Pens																								•			•	•	
Spanish Natl. Tourist Org.												•	•				•												
Texas Instruments	•											•								•									

*Non-equity affiliation. Source: Bozell, Jacobs, Kenyon & Eckhardt

Leo Burnett Co.

Clients:	Americas: USA	Argentina	Brazil	Canada	Chile	Colombia	Dominican Rep.	Mexico	Panama	Puerto Rico	Venezuela	Europe: Austria	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Spain	Switzerland	UK	Guatemala	Egypt	Lebanon	Asia, Pacific: Australia	Hong Kong	Japan	Malaysia	Philippines*	Singapore	Taiwan	Thailand
Bayer/Miles			•			•				•	•					•		•						•	•								
Beatrice	•			•																							•						
Beecham			•		•	•		•			•			•													•		•				•
Cathay Pacific				•												•						•				•	•	•	•	•	•	•	•
Hewlett-Packard	•																									•	•				•	•	
Kellogg Co.	•			•		•	•	•	•	•	•				•					•		•	•			•	•						
Kraft Inc.	•					•					•					•		•				•											
Mars	•		•						•	•																							
McDonald's	•	•	•						•	•				•	•							•								•			
Philip Morris	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•		•	•	
Pillsbury/Green Giant	•			•						•					•							•											
Procter & Gamble	•			•	•			•	•	•	•	•		•	•	•	•	•	•	•		•		•	•	•	•	•	•	•	•	•	
Seven-Up Co.	•	•		•	•	•	•	•	•	•	•				•	•	•		•	•		•				•	•	•	•	•	•	•	•
Star-Kist Foods	•			•											•	•	•																
Union Carbide	•			•		•														•				•			•			•			
United Airlines	•							•														•				•	•			•	•	•	•
Warner-Lambert						•		•			•						•							•	•								•

*Non-equity affiliation. Source: Advertising Age

DFS-Dorland Worldwide

Clients:	Americas: USA	Argentina*	Brazil*	Canada*	Chile*	Colombia*	Mexico*	Peru*	Puerto Rico*	Venezuela*	Europe: Austria	Belgium*	Denmark*	Finland*	France*	Germany*	Italy	Netherlands	Norway*	Spain*	Sweden	Switzerland*	UK	South Africa	Middle East*	Asia, Pacific: Australia	Hong Kong	India*	Indonesia	Japan	Malaysia	New Zealand	Thailand
Blue Bell	•				•																							•					

Top international executives: Bob Jacoby, chairman; Larry Light, president-international; William Maynard, director-worldwide creative services; Bruce McLaren, president-Europe; Gonzalo Meza, president-Latin America, and Geoffrey Cousins, chairman and president-George Patterson Pty., Australia.#

BBDO International

BBDO International, New York, (part of a new holding company, Omnicom Group, with Needham Harper Worldwide and Doyle Dane Bernbach) had non-U.S. gross income of $103 million in 1985, down 1.9% from 1984. Non-U.S. billings fell to $688 million, 0.9% below '84, mostly due to BBDO's disposal of its South African shop.

World gross income reached $377 million in 1985, with international 27.3% of the total. World billings hit $2.5 billion, with international making up 27.3%.

The network has 88 agencies in 43 countries outside the U.S. and holds equity in 80 of them.

In 1985, BBDO gained additional business from BMW, Whitehall Labs, Krups, Adidas and Henkel. It lost Kosta Boda, Daniel Hechter and Bridgestone Tires.

Top international executives in 1985 include Allen Rosenshine, president-ceo, and Willi Schalk, exec vp and president-international group.#

Bozell, Jacobs, Kenyon & Eckhardt

Bozell, Jacobs, Kenyon & Eckhardt had combined non-U.S. gross income of $18 million in 1985, 7.1% over equivalent 1984 figures. Non-U.S. billings rose 7.3% over 1984, to $120 million.

Worldwide gross income was $173.7 million, 10.4% of which was attributed to international. Worldwide billings were $1.2 billion, with international taking up 9.8% of that total.

BJK&E has 42 overseas offices in 28 countries and owns majority or maximum-allowable stock in 14, minority interest in 12 and has nonequity affiliations with 10.

New accounts added in 1985 include Texas Instruments (France, U.K.).

Accounts lost in 1985 include American Airlines (U.K.) and Cinzano (Italy).

Top international executives: Murray Smith, president-international; Florian Shollet, exec vp-international; Peter Handley, senior vp-area director, Europe; Michael Anderson, senior vp-area director, Asia/Pacific; Andre de Louckx, senior vp-area director, Middle East, and Michael Sampietro, senior vp-administration.#

Leo Burnett Co.

Leo Burnett Co., Chicago, had non-U.S. gross income of $89.7 million in 1985, down 0.7% from 1984. Non-U.S. billings dropped 0.5% to $598.6 million, compared with 1984, primarily due to losing the Nestle account overseas.

Worldwide gross income was $269.4 million, 33.3% of which was international. Worldwide billings were $1.9 billion, 32% of which was international.

Burnett's non-U.S. network consists of 38 agencies in 30 countries. It owns majority or maximum-allowable stock in 34 agencies, minority in four and has a nonequity affiliation with three. Burnett bought shops in Switzerland, Greece, Italy and New Zealand, took a minority stake in France and opened a Taiwan agency.

Major accounts gained or added

(Continued on Page S-6)

DFS-Dorland Worldwide

Clients:	Americas										Europe															Africa		Asia, Pacific							
	USA	Argentina*	Brazil*	Canada*	Chile*	Colombia*	Mexico*	Peru*	Puerto Rico*	Venezuela*	Austria	Belgium*	Denmark*	Finland*	France*	Germany*	Italy	Netherlands	Norway*	Spain*	Sweden	Switzerland*	UK	South Africa	Middle East*	Australia	Hong Kong	India*	Indonesia	Japan	Malaysia	New Zealand	Thailand
Castrol																		•					•		•									
Caterpillar												•	•	•	•	•	•	•	•	•	•	•	•		•									
CPC International	•			•																														
Distillers															•				•				•						•					
Duracell		•			•			•						•	•		•						•											
Faxe Beer																							•											
Fiskars													•			•	•			•														
Hewlett Packard	•		•											•					•		•													
London Rubber Co.																	•																	
Mexican Tourism	•															•		•								•								
Pedro Domecq						•									•		•			•			•							•				
Sara Lee Corp.	•				•		•		•	•		•		•																				
Sheraton													•		•																				
Shulton/Am. Cyanamid	•		•																	•			•		•									
Thompson Brandt	•													•	•								•											
Toyota	•			•										•									•											
Wendy's	•			•																						•			•					
Xerox						•		•		•																•			•					
Yoplait Yogurt	•	•			•	•																												

*Non-equity affiliation. Source: DFS/Dorland Worldwide

DMB&B

Clients:	Americas								Europe																		Africa		Asia, Pacific							
	USA	Argentina	Brazil	Canada	Chile	Mexico	Peru	Uruguay	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa		Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
Allied Lyons											•						•					•				•							
American Cyanamid														•		•						•				•							
American Home Products	•					•							•			•						•				•							
Anheuser-Busch	•			•																		•				•							
BASF									•					•	•											•							
Barclays Bank	•			•						•	•			•	•					•	•	•				•							
Bayer AG	•			•						•						•						•				•		•	•				
Beatrice	•			•		•																•						•	•		•		
Bongrain										•	•		•			•										•							
Bristol-Myers	•			•																													
Budget-Rent-a-Car	•																									•					•		
Ciba-Geigy	•																									•					•		
Digital Equipment				•					•	•		•	•	•		•	•	•	•			•					•							
Dow Chemical	•			•																		•					•							
Distiller Co./Haig						•				•	•		•		•	•	•				•	•				•		•						
Eli Lilly																•											•						•	
General Motors	•					•																•				•							
General Foods	•					•										•						•											
Glaxo Ltd.											•					•				•		•								•			
H.J.Heinz	•			•										•		•						•						•					
Hoechst AG	•													•		•				•		•						•					
Hoffmann-LaRoche														•		•						•					•	•					•	
Hoover										•		•		•		•					•	•				•							
ICI plc	•			•										•					•			•											
FTD/Interflora	•			•							•							•				•	•		•			•					
S.C.Johnson																•						•	•										•	
Kimberly-Clark											•							•		•	•	•												
Lego											•			•			•						•											
Les Must de Cartier						•							•	•												•								
Lotus											•		•	•		•		•	•	•		•												
Mars Inc./Pet Foods	•			•					•	•	•		•	•		•	•	•	•	•	•	•				•	•							
Mars Inc..	•			•					•	•	•	•	•	•	•	•	•	•	•	•	•	•				•	•							
E. Merck														•		•				•		•												
Mobil										•							•					•												
Nobel Industries	•								•	•	•	•	•	•		•	•	•	•	•	•					•								
Pfizer	•													•								•					•							
N.V. Philips											•						•					•												
Procter & Gamble	•			•		•				•	•		•	•		•	•		•	•		•				•								
Reckitt & Colman															•	•						•												
Rhone-Poulenc		•																																
Richardson-Vicks	•					•											•		•			•												
Ricoh													•				•	•		•	•					•		•		•			•	
Royal Canadian Mint			•							•				•																				
Schering-Plough			•											•								•	•			•			•		•			

(Continued from Page S-5)

by Burnett include United Airlines (Hong Kong, Philippines, Taiwan, Thailand), Kraft (U.K., Germany), Kellogg (Italy) and Mars (Brazil).

Accounts lost include Austin Rover (U.K.), McDonald's (France) and Beecham (Germany, Greece, Spain, Australia, Japan).

Top international executives: Henry Feeley, chairman-ceo, international; Michael Conrad, president-chief creative director; regional managing directors: Albert Winninghoff (Europe/Middle East), Dennis Dunlap (Canada), Jamie Aitken (Australia/New Zealand), Kerry Rubie (Asia) and Sergio Suarez-Solis (Latin America).#

DFS-Dorland Worldwide

DFS-Dorland Worldwide was formed in April when Saatchi & Saatchi-owned Dorland Advertising, London, bought Dancer Fitzgerald Sample, New York, through a complex loan transaction. Both agencies had been closely associated, particularly in Europe.

The network now has worldwide billings of about $1.2 billion, 72.3% of which is outside the U.S.

The new network consists of 31 agencies in 31 countries. DFS-Dorland owns a majority or maximum-allowable stock in seven agencies, a minority interest in two, and has nonequity affiliations with 22.

Major international accounts won in 1985 include Wendy's (Canada), Iberia Airlines and SEAT automobiles (Spain), Austin Rover and Blue Nun (U.K.) and Polaroid (Middle East). Major international accounts lost include L'Oreal (U.K.), Wendy's (Italy) and Mennen (Mexico).

Top international executives include William McC. Vickery, chairman; Robert Eagan, senior vp-manager; Bob Grierson, group international executive-director, and Philip Byford, managing director.

In 1984, DFS alone had non-U.S. gross income of $4.7 million, 4.1% of the agency's total.#

DMB&B

D'Arcy Masius Benton & Bowles, New York, formed last year when D'Arcy MacManus & Masius merged with Benton & Bowles, had non-U.S. gross income of $122 million in 1985, 3.8% over the equivalent total of the combined agencies in 1984. Non-U.S. billings rose 1.7% over 1984, to $848.2 million.

Worldwide gross income was $319.5 million, 38.2% of which was international. Worldwide billings hit $2.2 billion, with international at 38.9%.

It has 66 offices in 26 countries, owns a majority or maximum-allowable stock in 50 agencies, minority interest in 16 and has nonequity affiliations with 16.

Accounts gained in 1985 include Fiat Croma (Italy), Shakey's International (U.K., Singapore), Imperial Tobacco (U.K.), Mars pet food and Royal Canadian Mint (Japan), Firestone tires (Spain), Richardson-Vicks (Australia) and McDonald's (Netherlands).

Accounts lost include Peugot-Talbot, McDonald's, Mars candy, Allied Lyons spirits, General Foods, Richardson-Vicks, Brooke Bond Oxo (all U.K.), Kimberly-Clark toilet tissue and Lee jeans (Germany).

Top international executives include John S. Bowen, chairman-ceo; Roy J. Bostock, president-USA; Peter T. W. Redsell, president-international; George J. Simko, president-diversified communications; Craig D. Brown, exec vp-ceo, and Bernard Kanner, exec vp-international.#

DMB&B

Clients:	Americas: USA	Argentina	Brazil	Canada	Chile	Mexico	Peru	Uruguay	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Asia, Pacific: Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Singapore	Thailand
S.E.G.M. Co.											•		•	•			•														
3M	•										•					•															
Union Carbide	•																		•								•				

Source: DMB&B

Doyle Dane Bernbach

Clients:	Americas: USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Mexico	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	U.K.	Portugal	South Africa	Middle East*	Asia, Pacific: Australia	Japan*	Hong Kong	New Zealand	Singapore	Thailand
American Airlines												•	•							•									
Audi	•			•						•		•		•			•				•			•				•	
Bally									•										•						•				
Bristol-Myers	•													•			•		•	•					•				
Chanel	•			•													•								•				
Citicorp	•							•											•						•	•		•	
Colombian Coffee	•			•													•												
Delsey										•		•	•	•	•					•			•						
Heinz	•													•						•					•				
IBM	•																•						•	•	•				
Intergold	•			•																						•			
S.C. Johnson										•		•					•			•	•				•				
Memorex	•			•									•							•									
Meridien																									•	•		•	
Nabisco	•									•		•		•			•												
Porsche				•						•					•														
Quaker				•						•		•								•									
Quick Intl.										•		•	•							•									
Seagram	•								•	•		•	•		•				•	•					•				
Spanish Tourist Bd.									•			•					•												
Volkswagen	•			•				•		•		•	•	•	•		•			•	•			•				•	

*Non-equity affiliation. Source: Doyle Dane Bernbach International

DYR Worldwide

Clients:	Americas: USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Asia, Pacific: Australia	Hong Kong	Japan	Malaysia	New Zealand	Singapore	Thailand
Adidas																						•		•		•	
Canon	•											■												•		•	
Colgate-Palmolive																						•	•	•			•
Hong Kong Tourism	•																					•	•	•		•	•

Source: DYR Worldwide

Eurocom Group

Clients:	Americas: USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Europe: Austria	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	South Africa	Middle East	Asia, Pacific: Australia	Hong Kong	Japan	New Zealand	Singapore	Taiwan*	Thailand
Agfa-Gevaert												•		•							•								
Audemars Piguet	•							•	•	•	•	•		•	•	•			•	•	•		•							
Bongrain			•																	•	•		•							
Buitoni											•			•	•															
Free-Time											•				•								•							
Fuji	•								•											•	•									
General Foods											•			•			•			•	•							•		
Lotus									•			•		•																
Nestle			•						•					•																
L'Oreal	•	•	•						•		•		•	•	•		•	•		•	•		•							
Perrier			•						•		•																			
RVI-Renault trucks								•	•		•			•	•		•	•			•									

Source: Eurocom Group

This report was prepared by Dennis Chase, international editor; Ilse Cermak, copy editor; Valerie Mackie, free-lance writer; Carol Septow, graphic designer, and Bob Zeni, graphics editor.

Some agencies did not cooperate in providing information for the charts. In such cases, Advertising Age collected the data from its correspondents and asked those agencies to comment. New or merged agencies added to the global roster this year: Lowe Marschalk; D'Arcy Masius Benton & Bowles; Bozell, Jacobs, Kenyon & Eckhardt, and DFS-Dorland Worldwide.#

Doyle Dane Bernbach

Doyle Dane Bernbach Group, New York, part of the Omnicom Group holding company *(see BBDO)*, had 1985 non-U.S. gross income of $63.2 million, up 6.4% over 1984. Non-U.S. billings rose 16.5% to $458 million.

World gross income was $231.8 million, 27.3% international. World billings rose to $1.7 billion, 27.4% international.

The group consists of 56 agencies in 19 countries. DDB owns majority or maximum-allowable stock in 54, minority stakes in two and has non-equity affiliations with 15.

In 1985, DDB acquired a minority position in Verba, Milan, and opened an office in Lisbon. DDB also has a minority equity position in Dai-Ichi Kikaku, Tokyo. It sold an agency in Perth, Australia, then affiliated with Mangus Nankervis & Curl, Sydney, and formed a joint venture with Sanyu, Tokyo.

Accounts gained include S.C. Johnson (U.K.), American Airlines (France, Germany, U.K.), Delsey Luggage (pan-European), Memorex (Canada, Germany, U.K.), and Quick International (Belgium, France, Germany, U.K.).

Accounts lost include Polaroid in 17 countries; Harveys Bristol Cream sherry, Tuborg and Lufthansa, all in the U.K., and Knorr, Johnson Wax and Miele in Germany.

Top executives include Joseph Daly, chairman; Barry Loughrane, president-ceo; John Bernbach, president-international; Nicolai von Dellingshausen, chairman-DDB Europe; Pierre de Plas, president-DDB Europe; Alan Pilkington, president-DDB Asia Pacific; Steve Burton, senior vp, ceo-international division.#

DYR Worldwide

DYR Worldwide, New York, a 50-50 joint venture between Young & Rubicam, New York, and Dentsu, Toyko, had non-U.S. gross income of $20.7 million in 1985, 3.8% over 1984. Non-U.S. billings were $143.5 million, up 26.3%.

Total worldwide gross income was $41.5 million, 49.9% from outside the U.S. Worldwide billings were $286.7 million, 50% coming from outside the U.S.

The network consists of eight agencies in five countries outside Japan and the U.S., including Malaysia, Australia and Thailand. In 1986, DYR bought a 40% stake in R.W. Eggert, Duesseldorf—its first agency outside of Asia and the U.S. It also opened an office in China this year.

New international business picked up in 1985 includes Adidas (Hong Kong, Singapore, Malaysia), Remy XO cognac (Hong Kong) and Air Canada (Singapore).

Accounts lost include Johnson & Johnson and United Airlines (Hong Kong).

Top international executives include Hideharu Tamaru, chairman (Tokyo); Alexander Brody, president-ceo (New York); Shinzo Uneno, exec vp-area director, South East Asia/Australia; Peggy Healy, senior vp-business affairs manager; Toyosuke Gamo, senior vp-coordination and marketing; Jerry Roberts, chairman, DYR Inc., and Shunya Hasiguchi, president, DYR K.K.

Y&R is profiled separately in this report. Dentsu has only one full-service office overseas, in Bangkok.#

Eurocom Group

Eurocom Group, based in Paris, had total, non-French gross income of $47.6 million in 1985, which amounted to a 36% increase in non-French gross income over

(Continued on Page S-8)

Foote, Cone & Belding

Clients:	Americas: United States	Canada	Argentina	Brazil	Costa Rica	Dom.Rep.	Ecuador	Guatemala	Mexico	Panama	Puerto Rico	Trinidad	Venezuela	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Portugal	Spain	Sweden	UK	South Africa	Asia, Pacific: Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Philippines	Singapore
Beiersdorf			•									•					•	•		•		•	•											
Bermuda Tourism	•	•																							•									
Bristol-Myers	•										•							•								•								
Cadbury Schweppes																•	•			•			•	•	•	•			•					
California Raisin Board	•	•													•	•		•		•	•		•	•	•									
Cinzano				•									•		•							•				•								
Citibank	•					•					•															•			•					
Clorox	•								•		•												•							•				
Colgate-Palmolive	•	•		•	•	•	•	•	•	•	•	•	•			•	•	•	•			•	•	•	•									
Computerland	•	•																							•		•							
Data General	•	•							•					•			•	•	•	•			•	•	•					•				•
Frito-Lay	•																										•			•				
Gillette									•				•				•	•	•				•		•									
Hewlett Packard	•		•													•						•						•						
Hiram Walker	•		•						•				•		•		•	•	•	•		•	•			•	•							
Hoechst																	•				•				•									
Hughes Aircraft	•																		•											•				
Iberia Airlines										•								•					•											
Imperial Chemical		•															•	•				•			•	•								
Iveco	•													•						•			•											
S.C. Johnson	•	•			•											•	•		•		•	•	•	•	•		•						
Kimberly-Clark	•	•		•	•			•		•			•		•					•						•				•			•	
Kraft	•	•													•			•	•		•		•		•									
Matsushita					•			•		•																								
Max Factor								•																			•			•				•
Mazda	•	•									•				•															•				•
Melitta																		•									•	•						
Monsanto						•		•	•	•	•		•																					
Nestle	•						•					•					•																	
North Sea Ferries															•			•		•														
Pearle Vision	•								•		•														•									
Philip Morris	•																							•										
Pizza Hut																		•							•					•				•
Quaker Oats											•							•		•														
Rothmans																										•	•		•					•
Sears	•	•									•															•								
Shulton		•												•					•				•		•	•								
Siemens														•							•					•								
Sunkist Fresh Fruit	•	•													•		•										•	•						
Warner-Lambert											•											•										•		
Wrigley Co.																			•	•	•				•									

Source: Foote, Cone & Belding

GGK

Clients:	Americas: USA	Argentine	Brazil	Canada	Chile	Colombia	Mexico	Puerto Rico	Venezuela	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Asia, Pacific: Australia	Hong Kong	Japan	New Zealand	Singapore	Thailand
Austrian Tourist Board										•			•					•		•							
Crest Hotels	•															•					•						
Henkel														•	•	•		•									
Hoffmann-LaRoche			•																	•	•						
IBM										•			•	•	•	•		•		•	•						
Intl. Watch Co.	•									•			•	•	•	•		•		•							
Jaegermeister										•				•	•					•							
Lois Jeans	•													•							•						
Porsche Design	•									•			•	•	•	•		•		•	•						
Swiss Air			•							•			•			•		•		•	•						
United Technology	•												•	•							•						
Volkswagen			•							•				•													

Source: GGK

Grey Advertising

Clients:	Americas: USA	Argentina	Canada	Chile	Peru	Uruguay	Venezuela	Mexico	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Asia, Pacific: Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand	Philippines	Taiwan
AES Data			•							•			•		•		•		•	•									

(Continued from Page S-7)

1984. World gross income was $129.1 million, 37% of which was outside France.

Eurocom owns majority or maximum-allowable stock in 36 agencies and is affiliated with three.

The government-controlled Havas, parent of Eurocom, is expected to be sold at the end of this year. Havas owns 45% of Eurocom.

Eurocom foreign shops include 13 in the HCM network, in which the group holds a 51% interest. Young & Rubicam owns the rest.

If total (rather than percentage ownership) gross income of all Eurocom network foreign holdings is considered, the network would have gross income from sources outside France of $105.2 million. International business billing more than $3 million won in 1985 includes Audemars Piguet, Bongrain, Free-Time and Perrier.

Top international executives: Bernard Brochand, president, Eurocom Group, and Claude Douce, vp, Eurocom Group.#

Foote, Cone & Belding

Foote, Cone & Belding, Chicago, had a non-U.S. gross income of $70.5 million in 1985, down 1.5% from 1984.

Non-U.S. billings also were down 1.7% to $470 million.

World gross income was $284.2 million in 1985, with international making up 24.8% of the total. World billings reached $1.9 billion, 24.7% of which came from international.

In 1984, FCB's non-U.S. gross income equaled 26.7% of its total gross income.

Foote, Cone owns a majority or maximum-allowable interest in 41 agencies, has a minority interest in 18 and has a nonequity affiliation with 34 agencies outside the U.S.

Part of the reason for the downturn in FCB gross income and billings in 1985 was caused by difficulty the agency has been having combining its overseas offices with the NCK Organization, the largely European agency network FCB acquired in 1984.

In 1985, the agency also acquired a minority stake in Basic Advertising, Manila, and affiliated with Yaratim, Istanbul.

Major international accounts gained in 1985 include British Caledonian, 3M and Matsushita. FCB also picked up more business from existing clients—Bayer, Motta, Royal Bank of Canada, Schering-Plough and Shell.

Major accounts the network lost include Cinzano (in four countries) and Iberia Airlines (in three countries).

It also lost Clorox in three countries and Hoechst, Hughes Aircraft and Philip Morris Cos. in two countries.

Top international executives include Norman Brown, chairman-ceo; Abbott C. Jones, president-ceo; Emine Messiqua, chairman-FCB Europe; Len Sugarman, vice-chairman Europe; Craig Wiggins, president Europe; William Kiely, chairman FCB U.K., and Antonio Beja, president Latin America/Pacific/South America.#

GGK

The Basle-based GGK group had non-U.S. income of $27.8 million in 1985, 79% of total gross income of $35.8 million.

The network consists of 15 agencies that are located in 10 countries.

In 1984, non-U.S. gross income was $24 million, 75% of total gross income of $31.7 million.

In 1985, the GGK group acquired the following agencies, which are

Grey Advertising

Clients:	Americas: USA	Argentina	Canada	Chile	Peru	Uruguay	Venezuela	Mexico	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Asia, Pacific: Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand	Philippines	Taiwan
Agfa-Gevaert				•										•		•	•			•									
Avis			•								•							•											
BankAmerica	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•			•	•	•	•	•	•	•
BAT												•	•	•			•				•								
Bayer									•				•		•		•			•									
Beecham	•		•	•				•			•	•				•	•	•	•	•	•		•						
Block Drug Co.	•		•					•	•	•	•	•	•	•	•		•	•		•	•	•	•	•	•	•	•		
Bristol-Myers	•		•																		•		•						
BSN Gervais-Danone									•	•		•	•																
CPC					•								•																•
Canon	•		•									•		•						•	•	•	•						
Carter Wallace										•					•								•						
Ciba-Geigy			•	•		•									•												•		
Combe			•							•					•														
Dunkin' Donuts							•																				•		•
General Foods	•		•	•	•		•					•								•								•	
B.F. Goodrich	•	•	•						•	•	•	•	•	•		•		•	•	•			•	•					
Hewlett Packard									•			•							•										
InterContinental Hotels	•						•		•	•		•	•		•		•			•									
Johnson & Johnson						•															•		•						
Kenner-Parker	•								•	•		•	•	•	•		•			•									
Kroy	•		•														•			•		•							
Mars												•	•							•			•						
Melitta									•	•	•	•	•	•	•			•	•	•									
Mennen			•																	•								•	
Nike									•			•	•			•		•		•									
Northwest Orient Airlines	•										•		•	•	•	•		•											•
Pioneer									•	•	•	•	•	•	•	•	•	•	•	•									
Playtex	•		•	•				•		•		•	•	•	•			•	•	•	•		•						
Procter & Gamble	•		•	•	•		•	•	•	•	•	•	•	•	•		•	•	•	•									
Remington Prods.	•		•				•			•			•					•		•			•	•	•	•			•
Revlon	•		•	•	•	•	•	•		•		•	•	•	•		•	•		•	•		•	•	•	•	•	•	•
Saudia Airlines															•					•								•	
Seagrams			•	•										•									•						
Shell		•									•										•				•				
Simplicity			•							•										•		•			•				
3M	•						•					•	•	•			•			•			•						
Timex	•		•							•			•		•	•		•		•					•				
Warner Bros.	•		•											•				•		•									
Wrigley Co.																							•	•					•

*Non-equity affiliation. Source: Grey Advertising

Hakuhodo Inc.

Clients:	Americas: USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Sweden	Switzerland	UK*	South Africa	Asia, Pacific: Australia*	Hong Kong*	Japan	Malaysia	New Zealand	Singapore	Thailand
Ajinomoto			•																			•	•			•
Bridgestone																		•				•			•	•
Canon	•																	•			•	•			•	
Citizen			•									•						•			•	•	•			
Japan Air Lines																		•				•	•		•	
Jusco																						•	•			•
KAO																						•	•		•	•
Konishiroku	•																				•	•				
Matsushita																						•			•	•
NEC	•											•						•			•	•	•		•	•
TDK												•									•	•				
Toshiba												•									•	•	•			

*Non-equity affiliation. Source: Hakuhodo Inc.

HCM

Clients:	Americas: USA	Argentina*	Brazil*	Canada	Chile	Peru	Uruguay	Europe: Austria*	Belgium	Denmark*	France	Germany	Italy	Netherlands	Norway*	Portugal	Spain	Sweden*	Switzerland	UK	Asia, Pacific: Australia*	China*	Hong Kong*	Japan*	Korea*	Malaysia*	Philippines*	Singapore*	Taiwan	Thailand
Air France									•		•		•																
BSN Gervais Danone	•								•		•	•	•				•			•									
Chanel											•	•	•	•															

(Continued on Page S-10)

now part of the GGK network: Michele Rizzi, Milano, now Michele Rizzi/GGK; Akkerman Meijer van Varik, now GGK Amsterdam, and Kaubisch & Schenner, Salzburg, now GGK, Salzburg.

Major international accounts won include the Austrian Tourist Board in Vienna, which the GGK group handles in Switzerland, France, Italy, Spain and the U.S., and Alfa Romeo in the U.K. A major international loss was the Continental tire business in Germany.

The top international executives here include: Peter Erzberger, director-international executive board, London; Gary Washer, also a director, and Volkmar Guenther, its international financial director.#

Grey Advertising

Grey Advertising, New York, had non-U.S. gross income of $76.1 million in 1985, 10.1% over 1984. Non-U.S. billings climbed 10.3%, to $507.9 million.

World gross income was $259.3 million, 29.3% international.

World billings were $1.7 billion, 29.4% international.

The network consists of 66 agencies in 30 countries. Grey acquired Grierson, Cockman, Craig & Druiff, London, and Gould Cargill, Vienna.

Grey bought a majority stake in Konsell Partners, Frankfurt; acquired a minority stake in Trace, Barcelona, and Aspac Communications, Manila, and established affiliate relationships in Korea and Turkey.

Accounts gained by Grey Advertising include Beecham (Austria, Canada, Denmark, Mexico, Norway, Sweden, U.K.), Nike (Austria, France, Germany), Canon (Australia, Thailand), Playtex (Belgium, Chile, Germany, Netherlands) and Mars (U.K., Brazil, France, Germany).

Accounts lost include Bank America (Australia), Thomas Lipton (Canada), Citroen (Germany), Fruit of the Loom (U.K.), General Mills (Italy), and Chesebrough-Pond's (Switzerland).

Top international executives: Edward Meyer, chairman-president; Anthony Thurston, general manager-international, and area directors Norman Vale, (Europe, Africa, Middle East), Frank Clarke (Americas) and T. Bruce McDonald (Pacific).#

Hakuhodo

Hakuhodo Inc., Tokyo, had non-Japanese gross income in 1985 of $6.6 million—3.3% of total gross income of $198.9 million. In 1984, the agency had non-Japanese gross income of $10.7 million, 5.4% of the total.

It has majority or maximum-allowable interest in six agencies outside Japan and has nonequity relationships with seven other agencies.

In 1979, Hakuhodo's non-Japanese gross income was $4.9 million —3.8% of total gross income of $127 million.

Major multinational clients added in 1985 are Jusco, Konishiroku and TDK.

Top international executives include: Michitaka Kondo, chairman-ceo, Ritsuo Isobe, president, and Tadakatsu Ishikawa, executive manager, corporate public relations.#

HCM

HCM, New York, a joint venture between Paris-based Eurocom (51%) and New York-based Young & Rubicam (49%), had non-U.S. gross income of $50.2 million in 1985, 20.7% over 1984. Non-U.S. billings rose to $334.9 million, a

HCM

Clients:	Americas: USA	Argentina*	Brazil*	Canada	Chile	Peru	Uruguay	Europe: Austria*	Belgium	Denmark*	France	Germany	Italy	Netherlands	Norway*	Portugal	Spain	Sweden*	Switzerland	UK	Asia, Pacific: Australia*	China*	Hong Kong*	Japan*	Korea*	Malaysia*	Philippines*	Singapore*	Taiwan	Thailand
Credit Suisse								•	•	•	•	•	•	•	•	•	•	•	•	•										
Damard											•	•	•	•			•													
Du Pont								•	•	•	•	•	•	•	•	•	•	•	•	•										
Flying Tigers	•	•	•						•			•	•							•	•	•	•	•	•	•	•	•	•	•
Pernod-Ricard	•								•		•								•	•										
Peugeot Talbot	•								•			•	•	•			•		•	•										
Woolmark								•				•							•											
Dow Chemical	•							•	•	•	•	•		•	•		•	•	•											

*Non-equity affiliation. Source: HCM

Ketchum International

Clients:	Americas: USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Asia, Pacific: Australia	Hong Kong	Japan	New Zealand	Singapore	Thailand
Bank of America	•																					•	•			
BWIA Intl.	•											•							•				•			
Jardine Matheson																						•	•		•	

Source: Ketchum International

Lowe Marschalk Worldwide

Clients:	Americas: USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Europe: Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Asia, Pacific: Australia	Hong Kong	Japan	New Zealand	Singapore	Thailand
Coca-Cola	•								•			•		•												
General Motors								•	•		•		•						•							
Henkel				•				•	•		•	•		•												
Parker Pens									•			•		•					•							
Rothmans									•	•									•		•					
Unilever									•		•								•							

Source: Lowe Marschalk Worldwide

McCann-Erickson

Clients:	Americas: USA	Canada	Argentina	Brazil	Colombia	Costa Rica	Ecuador	Mexico	Panama	Venezuela	Europe: Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	Kenya	South Africa	Asia, Pacific: Australia	China	Hong Kong	Japan	Malaysia	Philippines	Singapore	Thailand
American Express	•	•				•			•						•	•	•							•	•						•		•			
American Home Products	•			•	•	•	•	•								•										•						•		•	•
Bayer/Miles	•		•		•	•	•	•			•				•	•		•			•				•		•	•	•	•	•		•	•
Beatrice	•	•		•	•			•	•	•																				•					
Beecham																					•					•									
Black & Decker	•		•	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•			•			•			•	
Carnation								•		•	•				•		•	•	•		•			•							•	•	•	•	•
Casio				•	•	•	•			•																					•	•		•	
Chesebrough-Pond's						•			•										•		•	•				•									
Coca-Cola	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•			•	•	•	•	•	•	•	•
CPC						•						•						•	•																
Del Monte	•	•						•		•	•	•	•	•	•	•				•	•		•	•				•		•	•	•		•	
Dow Chemical			•		•	•	•			•																		•							
Eastman Kodak		•						•			•	•		•	•	•	•	•	•	•	•	•	•	•					•	•	•	•	•	•	•
Exxon/Esso	•		•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•					•	•	•	•			
General Motors	•		•	•			•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•			•	•			•		•	•	
Gillette	•			•	•	•	•	•	•	•					•	•		•				•					•		•	•	•	•	•	•	•
Goodyear			•	•	•	•		•	•	•	•	•	•		•	•	•	•	•		•		•	•	•		•	•	•	•	•	•	•	•	•
Henkel	•			•				•			•	•			•	•		•	•			•			•										
Heublein	•					•				•								•												•	•		•	•	•
Intergold	•								•							•		•			•	•			•					•	•				
Johnson & Johnson	•	•	•			•	•	•	•	•					•			•		•	•					•	•			•		•	•	
Kuwait Air																																•			
Levi Strauss		•										•			•	•	•		•	•		•		•				•		•	•	•	•	•	•
L'Oreal	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•		•		•	•	•	•	•		•	•
Lockheed	•			•				•					•		•						•				•			•	•	•	•				
Lufthansa	•	•	•	•	•	•	•	•	•							•										•					•				
Martini & Rossi	•	•		•	•					•	•	•	•			•		•	•		•	•		•	•			•				•			
Nabisco Brands		•				•			•							•		•			•		•					•			•	•		•	
Nestle	•			•		•	•	•	•	•	•	•				•		•			•	•		•	•			•				•		•	•

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20.8% increase. Worldwide gross income was $75 million, 70% non-U.S., up from 54.4%. Worldwide billings grew to $500.3 million, up from 42.4% in 1984.

HCM operates 19 agencies in 10 countries with a regional network of 12 agencies in France. It owns a majority interest in all its agencies.

Accounts gained: Peugeot (London, Italy), BSN (Spain, Germany), Damart (Germany, Italy, Netherlands, Spain), Credit Suisse (pan-Europe) and Woolmark (Germany, Switzerland).

Accounts lost: SEAT (France), Citizen (U.K.) and SGB (Belgium).

Top international executives: Robert Schmetterer, ceo-worldwide; Alain de Pouzilhac, ceo-Europe; Annie Prost, senior vp-director international accounts, and Alain Rousset, senior vp-chief financial officer.#

Ketchum International

Ketchum International, Pittsburgh, in 1985 had non-U.S. gross income of $6 million worldwide, down 23% from 1984. Non-U.S. billings were $40 million, down 23% from 1984. Worldwide gross income was $62.9 million, 9.5% of which was international.

The agency owns majority or maximum-allowable interest in Frankfurt and Tokyo shops; minority interest in London, Paris, Hong Kong, and Singapore shops, and nonequity affiliations with 40.

International accounts gained in 1985 include Epson Computers (France), Porsche Automobiles (Japan), Finnair (Japan) and Visa (Hong Kong).

Accounts lost: Miller Lite beer (Japan) and Leeds Building Society (U.K.). Westinghouse, Bank of America and PPG cut spending.

Top international executives: Thomas Smith, president, Ketchum International, and William A. White, president, Ketchum Advertising Japan and regional manager, Asia/Pacific.#

Lowe Marschalk Worldwide

Lowe Marschalk Worldwide, London, formed when New York-based Marschalk Inc. joined Lowe Howard-Spink, London, replaces Marschalk Campbell-Ewald. Interpublic owns 38.1% of the new network.

The new agency network has $675 million in world billings—55% of which is international. In 1985, M-E had non-U.S. gross income of $23 million, and Lowe Howard-Spink, London, had total gross income of $12.6 million.

The new agency has 16 shops in 10 countries, holds majority or maximum-allowable stock in 14 agencies, minority stakes in 12 and nonequity affiliations in 10.

Accounts gained include Parker Pen (Belgium, U.K., France, Netherlands), Eastern Air Lines (U.K.) and Toys "R" Us (U.K.). Accounts lost: United Breweries (France) and Quaker pet food (Belgium).

Top international executives: Frank Lowe, chairman; Michael Lesser, president, and Lester Delano, chairman-executive committee.#

McCann-Erickson

McCann-Erickson Worldwide, based in New York, had total gross income outside the U.S. amounting to $220.2 million in 1985, which equalled 26.8% over McCann-Erickson's equivalent non-U.S. gross income in 1984.

In addition, the agency's total billings outside the U.S. in 1985 reached $1.5 billion, also amounting to a 26.8% jump over 1984.

McCann-Erickson

Clients:	Americas										Europe																Asia, Pacific								Africa	
	USA	Canada	Argentina	Brazil	Colombia	Costa Rica	Ecuador	Mexico	Panama	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	Kenya	South Africa	Australia	China	Hong Kong	Japan	Malaysia	Philippines	Singapore	Thailand
Quaker Oats				•	•	•			•							•												•					•		
Reckitt & Colman																										•	•	•				•		•	
R.J. Reynolds	•	•	•	•			•	•	•			•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•	•	•		•	
Richardson-Vicks				•						•																		•		•		•			
Texas Instruments	•	•	•	•				•		•	•	•	•	•	•	•		•	•	•	•	•	•	•	•			•		•	•	•			
Unilever	•	•		•	•			•			•	•	•	•		•	•	•	•		•	•		•	•	•	•		•		•	•	•		
Union Carbide				•		•			•			•															•						•			

Source: McCann-Erickson Worldwide

Needham Harper Worldwide

Clients:	Americas							Europe																Asia, Pacific							
	USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK					Australia	Japan*	Hong Kong	Malaysia	New Zealand	Singapore	Taiwan	Thailand
BAT												•					•										•				
Boots Drugs														•					•					•		•	•			•	•
Capri Sun										•				•		•															
Jack Chia																										•	•		•		
Fortune Magazine	•											•	•													•					
Ford																								•			•	•		•	•
Hasbro Toys	•															•			•												
HFC	•			•															•												
Sara Lee																								•		•			•		
S.C. Johnson																								•	•	•					
Lam Soon																										•	•				•
McDonald's	•											•				•		•						•		•		•	•		•
Sandoz	•													•														•			
G.D. Searle	•																							•				•			
Wrigley Co.	•																							•				•	•		
Xerox				•								•		•												•					

*Non-equity affiliation. Source: Needham Harper Worldwide

Ogilvy & Mather

Clients:	Americas										Europe																Africa		Asia, Pacific							
	USA	Argentina	Brazil	Canada	Chile	Colombia	Ecuador*	Mexico	Uruguay*	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	South Africa	Kenya	Australia	Hong Kong	India	Indonesia*	Malaysia	New Zealand	Singapore	Thailand
AGA	•										•			•		•				•		•	•	•										
Alfred Benzon												•	•	•			•		•	•														
American Express	•	•	•	•	•			•		•	•	•	•	•	•	•	•	•	•	•	•		•	•	•		•	•	•	•	•	•	•	•
Avon		•	•	•				•		•	•				•	•		•			•		•	•			•				•	•		•
BAT Industries	•	•	•		•			•		•		•				•			•	•					•			•		•			•	
Bayer																		•													•		•	•
Beecham			•	•		•	•	•		•			•		•	•					•		•	•			•	•	•	•	•	•	•	
Beiersdorf											•	•				•			•			•												
Boeing													•						•							•	•	•	•		•		•	
British Tourist Auth.	•	•		•							•	•	•	•	•	•		•	•	•	•	•		•		•	•	•				•	•	
Chesebrough-Pond's	•	•	•			•	•	•		•																	•	•	•				•	•
Ciba-Geigy	•		•	•					•												•													
Compaq	•														•			•						•			•							
Dow Chemical			•				•								•												•	•						
Duracell	•		•	•																								•				•	•	
General Foods	•	•	•	•				•			•		•	•	•	•		•				•						•	•		•			•
Guinness	•												•		•	•		•	•					•			•	•		•	•	•	•	•
IBM			•													•		•			•			•										
Johnson & Johnson				•			•														•						•		•	•		•		•
Kimberly-Clark	•			•				•							•			•	•		•			•				•			•		•	•
Korean Air	•										•				•							•	•				•	•		•	•		•	•
Mattel	•			•			•	•		•	•	•			•	•		•	•		•				•		•	•	•	•	•		•	•
Mercedes Benz		•	•								•				•	•										•			•		•			
Nestle					•													•				•			•		•				•		•	
Oce Industries											•	•	•		•	•		•	•	•	•			•				•					•	
Parker Pen	•	•	•	•				•	•		•			•			•	•		•	•	•	•			•	•	•		•	•	•	•	•
PepsiCo.														•						•		•	•		•						•		•	•
N.V.Philips		•	•				•	•	•			•	•	•		•		•	•	•	•	•		•				•	•	•			•	•
Polaroid		•	•	•	•	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•			•	•		•	•	•	•	•
Richardson-Vicks	•										•				•	•					•	•	•		•			•		•			•	
Seagram	•	•	•	•			•			•	•	•			•	•		•			•		•	•	•		•	•				•		

Worldwide gross income reached $345.2 million in 1985, with international making up 63.8% of the total. Worldwide billings rose to $2.3 billion, with international at 63.8%.

McCann owns majority or maximum-allowable stock in 119 agencies—29 more than it reported in 1984.

It is in 63 countries and has nonequity affiliations with 22 overseas agencies.

In 1985, McCann bought an agency in Sweden, took a majority share in an agency in Turkey and acquired a 100% stake in its agency in New Zealand.

Major international accounts gained include worldwide assignment for Black & Decker and Bayer/Miles.

It also picked up major business from American Home Products, Goodyear, Nabisco, Nestle, L'Oreal, American Express, Henkel and Unilever.

Major international accounts lost include Kodak in about 20 countries in 1986, Kuwait Air in five countries, N.V. Philips in three countries and Warner-Lambert and Lloyd's Bank (U.K.), Coca-Cola Co. (South Africa), Asuag watches (Switzerland), Krups (Belgium, France) and Club Med (Germany).

Top international executives are Bob James, chairman-ceo; Jerry McNamara, president-ceo; Barry Day, vice-chairman; Gianni Cottardo and Jerry Shively, exec vps-Europe; Michael Ferrier, exec vp-Europe/Africa; Jens Olesen, exec vp-Latin America, and Max Cusnir, exec vp-Asia/Pacific.#

Needham Harper Worldwide

Needham Harper Worldwide, part of the new Omnicom Group holding company *(see BBDO and Doyle Dane Bernbach)*, had non-U.S. gross income of $19.2 million in 1985, 4.7% over 1984. Non-U.S. billings rose 4.3% to $127.8 million over 1984.

Worldwide gross income was $127.1 million, 15.1% international. Worldwide billings were $847.3 million, 15% international.

It has 28 overseas offices operating in 18 countries. It owns a majority or maximum-allowable interest in five agencies, minority in 12 and a nonequity link with one.

Accounts gained include Jack Chia (Hong Kong, Singapore, Malaysia), Lam Soon (Hong Kong, Thailand, Malaysia), Capri Sun (Netherlands, Spain) and Hasbro Toys (U.K., Spain).

Accounts lost include Xerox (U.S., Australia, New Zealand and Sweden), Ramada Inns (U.S., Canada) and Honda (U.S., Spain).

Top international executives are John Bradstock, president-international division; Norval Stephens, exec vp-international, and Barbara Wolfson, vp-manager.#

Ogilvy & Mather

Ogilvy & Mather Worldwide, New York, had non-U.S. gross income of $145 million in 1985, up 6% from 1984.

World gross income was $411 million, 40% international.

The agency has 226 offices in 45 countries, including the U.S. It owns majority or maximum-allowable stock in 186 offices, a minority stake in 25 agencies and has nonequity affiliations with 17 shops.

O&M bought majority stakes in Canada, Portugal, West Germany, Philippines and the Netherlands, and signed an affiliation with Dai-Ichi Advertising, Tokyo.

Accounts gained include American Express (Greece, Germany), Polaroid (worldwide), Seagrams (Argentina, Austria, Netherlands).

(Continued on Page S-12)

Ogilvy & Mather

Clients:	Americas										Europe															Africa		Asia, Pacific							
	USA	Argentina	Brazil	Canada	Chile	Colombia	Ecuador*	Mexico	Uruguay*	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK		South Africa	Kenya	Australia	Hong Kong	India	Indonesia*	Malaysia	New Zealand	Singapore	Thailand
Searle	•	•	•	•				•		•			•										•			•	•					•	•		
Shell	•	•	•	•	•			•		•	•	•		•		•	•		•	•	•	•	•	•		•	•	•			•	•	•	•	•
TWA	•											•	•		•		•				•								•						
Unilever	•	•	•	•	•	•	•	•			•	•	•	•	•	•		•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•
Warner-Lambert																			•											•	•		•	•	
Wagner Spray Tech.	•			•												•							•			•		•				•			
ZF Corp.	•														•	•		•		•	•	•	•					•							

Non-equity affiliation. Source: Ogilvy & Mather

Publicis International

Clients:	Americas							Europe																		Asia, Pacific
	USA	Argentina	Canada	Chile	Colombia*	Mexico*	Venezuela*	Austria	Belgium	Denmark*	Finland*	France	Germany	Greece*	Ireland*	Italy	Netherlands	Norway*	Portugal	Spain	Sweden	Switzerland	UK		
Air France					•					•	•	•	•					•				•			
Boursin									•			•	•				•					•			
Dim	•								•	•		•	•				•			•	•	•	•		
Europ-Assistance									•				•								•	•			
Europcar									•				•				•			•	•	•	•		
French Govt. Tourism	•									•			•												
Henkel								•	•			•													
L'Oreal	•							•	•	•		•	•	•		•	•	•	•	•	•	•	•		
Nestle					•			•	•			•	•				•								
N.V. Philips												•					•		•			•	•		
Renault		•			•	•	•	•	•			•	•			•	•		•			•	•		
Waterman									•			•	•			•	•			•			•		

Non-equity affiliation. Source: Publicis International

Roux Seguela Cayzac & Goudard

Clients:	Americas							Europe																			Asia, Pacific					
	USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK				Gabon	Ivory Coast	Saudi Arabia	Australia	Hong Kong	Japan	New Zealand	Singapore	Thailand
Citroen								•			•	•	•	•		•		•	•						•						
Club Med									•			•	•					•	•												
Jacobs Suchard									•		•	•				•		•													
Marlboro Leisurewear									•		•	•	•	•				•	•												
Redoute											•	•						•	•				•	•							
Sheraton Hotels								•	•	•		•			•		•	•													

Source: Roux, Seguela, Cayzac & Goudard

Saatchi & Saatchi Compton Worldwide

Clients:	Americas										Europe																	Africa		Asia, Pacific							
	USA	Brazil*	Canada	Peru*	Barbados	Bermuda	Jamaica	Trinidad	Mexico	Puerto Rico	Austria	Belgium*	Denmark	France	Germany	Italy	Netherlands	Norway*	Spain	Sweden	Switzerland	UK	Ireland	Portugal	Finland*	South Africa*	Middle East*	Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand*	Philippines	Malaysia
Allied Lyons	•	•	•		•	•	•	•			•						•					•				•									
American Home Products	•				•			•				•																							
American Motor Corp.	•			•											•	•																			
Avis		•												•		•		•			•	•													
British Airways	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•		•		•		•	•	•	•
B.P.	•																					•		•		•	•								
BSN Gervais-Danone									•					•	•	•						•													
Cadbury Schweppes						•											•					•													
Chesebrough-Pond's	•		•		•		•	•						•											•	•									
Citicorp	•											•				•	•					•											•		
Cunard	•			•																		•													
Dupont	•													•	•							•													
Gallaher Intl.								•											•			•	•					•							
Gillette														•							•	•					•								
IBM	•				•									•		•			•			•													
Jacobs Interfood			•									•	•	•	•				•		•										•				
Johnson & Johnson	•			•					•	•				•	•				•								•		•				•		
Eastman Kodak	•																						•				•								
Massey-Ferguson														•		•						•	•	•											
Nabisco Brands			•		•		•	•		•					•	•	•		•													•			
National Panasonic								•				•																				•			

(Continued from Page S-11)

Kimberly-Clark (Italy, Netherlands, Taiwan, Thailand, Spain), N.V. Philips (Belgium, Italy) and AT&T (Australia, Canada, Thailand).

Accounts lost include Air Canada (16 countries), Beecham (Italy, Japan, Netherlands), Parker Pen (Colombia, France, Netherlands, U.K.), Canon (France) and Wendy's (Canada).

Top international executives: Bill Phillips, chairman-ceo; Ken Roman, president; Graham Phillips, chairman-U.S., and Norman Berry, president (N.Y.)-creative head worldwide.#

Publicis International

Publicis International, Paris, had non-French gross income in 1985 of $33.1 million—42.5% of the agency's total gross income of $82.1 million.

Non-French billings were $235.3 million, 42.5% of the total.

Publicis owns majority or maximum-allowable stock in 21 shops, and has nonequity affiliations with 14 agencies.

It acquired equity in Espiral, Lisbon, and sold its interest in Promedia, Copenhagen. It won new business from the French Government Tourism Office.

Top international executives: Claude Marcus, chairman; Gerard Pedraglio, vice-chairman and ceo; Gunter Ludemann, financial and administrative director; Michael Conroy, chairman and managing director, London; Gorgen Eliasson, managing director, Sweden and regional director, Nordic region, and Karl-Heinz Langhans, chairman, Germany.#

Roux, Seguela, Cayzac & Goudard

Roux, Seguela, Cayzac & Goudard, Paris, had non-French gross income of $18.7 million in 1985, 38% over its 1984 total.

Non-French billings were $133.8 million in 1985, up 41% from 1984 results.

Roux, Seguela, Cayzac & Goudard owns majority or maximum-allowable stock in 13 agencies.

Agencies added to the network in 1985 include RSC&G Jasch & Schramm, Vienna, and The Creative Business, London and Geneva. RSC&G opened an office in Dubai.

By comparison, in 1983, the agency had non-French gross income of $12.5 million—35.1% of total gross income of $35.6 million.

International accounts gained in 1985 include Club Med, Sheraton Hotels and Marlboro Leisurewear.

Roux, Seguela, Cayzac & Goudard's top international executives in 1985 include Jean Michel Goudard, president, RSC&G International, and Philippe Leguay, international director.#

Saatchi & Saatchi Compton Worldwide

Saatchi & Saatchi Compton Worldwide, London, had non-U.S. gross income of $271.2 million in 1985, a 50.6% increase over 1984. Non-U.S. billings rose 49% to $1.8 billion in 1985.

Growth came primarily from acquisitions.

Worldwide gross income reached $440.9 million in 1985, with non-U.S. gross income making up 61.5% of the total. Worldwide billings climbed to $3 billion, with non-U.S. billings equaling 49% of the total.

The percentage of non-U.S. in-

Saatchi & Saatchi Compton Worldwide

Clients:	Americas										Europe														Africa		Asia, Pacific							
	USA	Brazil*	Canada	Peru*	Barbados	Bermuda	Jamaica	Trinidad	Mexico	Puerto Rico	Austria	Belgium*	Denmark	France	Germany	Italy	Netherlands	Norway*	Spain	Sweden	Switzerland	UK	Ireland	Portugal	Finland*	South Africa*	Middle East*	Australia	Japan	Hong Kong	New Zealand	Singapore	Thailand*	Philippines	Malaysia
Nestle			•	•		•					•	•		•	•	•				•						•		•					•	
Procter & Gamble	•	•		•	•	•		•		•	•			•	•	•	•		•	•		•	•				•			•		•	•	•
Philips	•			•							•						•			•	•			•	•									
Pirelli	•											•																						
Portugal Tourism	•											•		•	•		•		•						•									
Reckitt & Colman																						•				•	•	•				•		
Revlon	•				•							•	•	•					•								•		•		•		•	
Richardson-Vicks					•	•	•			•															•									
Rowntree-Mackintosh			•		•	•										•						•	•			•								
Malaysian Tourism	•													•								•					•		•			•		
Schering-Plough	•	•							•				•	•												•								
Thorn-EMI	•																						•											
Trusthouse Forte	•										•	•	•	•	•	•	•	•	•		•	•	•		•									
United Biscuits		•																				•	•										•	
Hiram Walker	•				•	•		•		•	•			•	•								•											
Wander Foods											•				•		•				•								•					
Wrangler													•	•	•															•				
Xerox	•			•	•		•	•																										

*Non-equity affiliation. Source: Saatchi & Saatchi Compton Worldwide

Scali, McCabe, Sloves

Clients:	Americas							Europe															Africa		Asia, Pacific						
	USA	Argentina	Brazil	Canada	Chile	Peru	Uruguay	Austria	Belgium	Denmark	France	Germany	Italy	Netherlands	Norway	Spain	Sweden	Switzerland	UK	Ireland	Portugal	Finland	South Africa		Australia	Hong Kong	Japan	New Zealand	Singapore	Thailand
Hertz	•			•																					•					
Volvo	•			•															•											

Source: Scali, McCabe, Sloves

SSC&B:Lintas Worldwide

Clients:	Americas									Europe																		Africa		Asia, Pacific							
	USA	Argentina	Brazil	Canada	Chile	Mexico	Peru	Uruguay	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK	South Africa	Zimbabwe	Australia	Hong Kong	India	Japan	Malaysia	New Zealand	Singapore	Thailand
Bahlsen										•				•	•									•										
Bata					•																								•			•		
Bausch & Lomb			•									•				•		•	•			•												
Bridgestone														•					•	•				•										
Canon																												•	•		•			
C.C.F.																															•			•
Chefaro			•		•				•	•	•	•	•	•	•	•	•	•	•	•		•	•				•							
Citicorp/Diners	•					•				•						•						•						•	•	•	•	•	•	•
Citizen	•																					•		•				•	•					
Coca-Cola	•			•	•	•													•					•	•		•					•		•
Corning														•			•												•					
Dr. Scholl											•								•		•	•												
Fuji film										•				•		•																		
I.C.I.																												•			•		•	•
Japan Air Lines												•		•	•		•	•				•	•	•										
Johnson & Johnson	•		•							•					•	•				•	•		•	•	•		•		•	•	•			•
Lego	•																						•							•				
Molnlycke											•	•	•					•	•			•												
N.E.C.														•										•			•	•				•		
Nestle	•			•							•			•	•								•	•										•
Noxell	•			•										•				•						•			•							
N.V. Philips		•	•			•			•	•		•	•	•	•			•				•				•		•				•	•	
RCA Columbia	•													•	•			•			•						•			•		•		
Remy Martin															•									•						•				•
Rowntree Mackintosh										•	•	•	•	•	•	•	•	•	•	•	•	•	•		•			•					•	•
SEB/Tefal											•			•				•	•															
Speedy Muffler	•			•											•									•										
Sterling Drugs	•	•		•	•						•	•	•						•	•		•	•	•	•		•			•	•	•	•	
Timberland shoes	•											•	•	•	•	•			•				•											
Toyota												•							•					•										
Unilever	•	•	•	•	•	•			•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•

Source: SSC&B:Lintas

come and billings is expected to decrease in 1986 because of Saatchi's recent acquisitions of New York-based Backer & Spielvogel and Ted Bates Co. *(see separate listing and special report in this issue)*, among other agencies. Saatchi also expanded its second network, Dorland Advertising, by joining it with Dancer Fitzgerald Sample to create DFS-Dorland *(see separate listing)*.

The Saatchi network consists of 150 wholly owned offices in 50 countries.

Besides public relations, direct marketing, market research and management consulting companies, advertising agencies that Saatchi bought in 1986 include Grandfield Rork Collins in the U.K. and Hayhurst Advertising in Canada.

Major international accounts gained in 1985 include United Biscuits, Campbell Soup, Nissan, Guinness and Gillette (all U.K.), BSN (France), Lego (Austria, France, Turkey) and more Johnson & Johnson business (Canada, Greece, Turkey) and Sterling Drugs (Canada).

Accounts lost in 1985 include Black & Decker (U.K., Germany, Norway, Portugal), Playtex (Australia, Belgium, Switzerland) and Polaroid (Greece, Norway, Switzerland).

Top international executives include O. Milton Gossett, chairman-ceo; Robert Jordan, chairman, New York; Ed Wax, ceo-president, New York; James Adler, director-international; Alban Lloyd, chairman-Europe, and Roderick More, chairman-Far East.#

Scali, McCabe, Sloves

Scali, McCabe, Sloves, New York, part of the Ogilvy Group, had non-U.S. gross income of $13.6 million in 1985, down 3.5% from its 1984 results.

Non-U.S. billings were down 6.9% to $90.8 million, compared with 1984. Worldwide gross income reached $50.2 million in 1985, with international equalling 27% of the total. Worldwide billings were $334.7 million, with international at 27.1%.

Scali owns majority or maximum-allowable interest in six agencies and minority interest in one.

In 1985, Scali reduced its equity holding in Abbott, Mead Vickers/SMS, London, and also bought a majority stake in Cascades in Paris.

Key international accounts won in 1985 include Labatt Brewing Co. (Canada) and Goodyear (Australia).

Losses include Seagrams (U.K.) and Beecham (worldwide).

The network's top international executive is Marvin Sloves, chairman-ceo.#

SSC&B:Lintas Worldwide

SSC&B:Lintas Worldwide, based in London, had 1985 non-U.S. gross income of $123.5 million, 19.5% over 1984.

Non-U.S. billings jumped 20% to $850.9 million.

Worldwide gross income was $190.9 million, 64.6% from outside the U.S.

Worldwide billings for 1985 were $1.3 billion.

SSC&B:Lintas, part of the Interpublic Group of Cos., owns majority or maximum-allowable stock in 59 agencies, minority interest in four, and has a nonequity affiliation with 15. In 1986 the agency opened an office in Australia and Taiwan. In 1985 it formed nonequity associations with agencies in

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TBWA

Clients:	Americas							Europe														Asia, Pacific							
	USA	Argentina	Brazil	Canada*	Chile	Peru	Uruguay	Austria	Belgium	Denmark*	France	Germany	Greece	Italy	Netherlands	Norway*	Portugal	Spain	Sweden*	Switzerland	UK	South Africa*	Australia	Hong Kong	Japan	New Zealand	Singapore	Thailand
AEG								•				•			•			•		•									
Barilla pasta									•		•	•								•	•								
BSN Gervais-Danone	•								•		•	•								•	•								
Bull Computers								•	•	•	•	•			•					•									
CPC Intl.												•		•	•														
Dunlop								•				•									•								
Evian	•																			•	•								
Grand Marnier	•											•			•														
Grand Met-IDV	•											•			•						•								
Henkel								•	•		•	•		•	•			•											
Johnson & Johnson														•						•	•								
Lego										•											•								
Monsanto	•										•	•									•								
Philip Morris									•		•	•			•														
Ralston Purina	•										•	•		•				•											
Samsonite	•							•	•	•	•	•		•	•	•		•	•	•	•	•							
SEAT automobiles								•	•	•	•	•	•	•	•	•	•	•	•	•	•								

*Non-equity affiliation. Source: TBWA Advertising

J. Walter Thompson Co.

Clients:	Americas										Europe														South Africa	UAE	Asia, Pacific						
	USA	Argentina	Brazil	Canada	Chile	Mexico	Peru	Puerto Rico	Uruguay	Venezuela	Austria	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK			Australia	Hong Kong	Japan	Malaysia	New Zealand	Philippines	Singapore	Thailand
Allied Breweries	•																	•			•			•				•	•			•	
Bacardi			•			•						•	•	•	•	•		•			•			•					•				
Beatrice Foods	•	•						•						•													•						
Beecham					•														•		•			•									
Benetton	•			•							•	•	•		•	•	•	•	•		•		•	•									
Burger King	•			•						•					•						•		•	•			•	•		•		•	
Champion	•	•		•		•	•	•	•	•												•	•				•				•	•	•
Chesebrough-Pond's					•		•			•																							
Commodore											•	•	•		•			•	•			•	•										
CPC Intl.											•										•										•		
DeBeers			•	•		•					•	•	•	•	•		•	•	•	•	•	•	•	•		•		•		•			
Eli Lilly	•			•	•													•															
Ford	•	•	•	•	•	•		•	•	•	•	•	•	•		•	•	•			•	•	•						•				
Garrett (Signal)	•	•												•	•																		
Gerber	•					•		•								•																	
Goodyear	•			•	•																												
Hyatt	•			•		•																						•	•	•	•	•	•
IBM				•																								•	•	•		•	•
Intl. Wool Secretariat																			•									•	•	•			
Jacobs				•							•	•		•	•				•				•										
S.C. Johnson	•	•	•		•	•		•	•	•	•				•		•	•										•		•		•	•
Kellogg	•	•	•	•	•	•				•	•	•		•	•	•	•	•					•	•		•		•		•	•		
Kodak	•	•	•		•	•	•	•	•	•	•		•			•	•		•	•	•	•		•	•	•	•	•		•			
Kraft	•			•	•	•		•		•		•	•		•	•	•				•	•		•		•		•	•		•	•	
Lufthansa																												•		•		•	•
Malaysia Airlines	•													•	•			•					•	•			•	•		•		•	
McDonnell Douglas	•	•		•	•	•			•	•	•	•		•	•	•	•	•			•	•	•	•		•		•		•	•		
Monroe (Tenneco)	•													•	•																		
Nabisco Brands	•	•	•	•		•	•		•	•								•												•			•
Nestle	•	•	•		•	•	•	•				•			•			•		•	•			•				•		•		•	
Northern Telecom	•			•																				•					•			•	
Oscar Mayer (GF/PM)	•									•								•															
PepsiCo.	•	•	•	•	•	•				•		•			•	•			•	•			•			•		•	•			•	
N.V. Philips			•		•		•			•		•				•		•							•		•	•	•				
Quaker Oats	•					•				•									•	•													
RHM														•	•								•										
R.J.Reynolds			•	•		•	•	•				•			•	•					•		•					•	•	•			
Reckitt & Colman	•							•																	•		•						
Rolex	•	•	•	•		•			•	•	•	•	•	•	•		•	•	•	•	•	•		•			•	•	•		•		
Rowntree-Mackintosh	•														•				•					•									
Scott Paper	•	•		•																	•			•			•				•		•
Unilever	•	•	•	•	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Warner-Lambert	•	•	•	•	•	•	•	•	•	•		•	•	•	•	•	•	•		•	•	•	•	•	•		•	•	•				

Source: J. Walter Thompson Co.

(Continued from Page S-13)

Korea and Turkey.

Major international growth at SSC&B:Lintas came from more assignments from Coca-Cola Co. (Canada, Chile, New Zealand, South Africa, Thailand), Johnson & Johnson (Australia, Austria, U.K., Portugal, Spain, Thailand), Sterling Drugs (worldwide), N.V. Philips (Austria, Brazil, Denmark, Hong Kong, Mexico, New Zealand, Norway) and Kellogg (Australia).

Major international losses include Kimberly-Clark (Australia, France), Carnation (Hong Kong, Malaysia, Philippines, Singapore), Datapoint (Netherlands, Spain) and Volvo (Belgium, Mexico).

Top international executives include William Weithas, worldwide chairman-ceo; Kenneth Robbins, chairman-ceo, international, and Spencer Plavoukos, chairman-ceo, U.S.#

TBWA

TBWA Advertising, New York, in 1985 had non-U.S. gross income of $36.4 million, 23% over its 1984 results. Non-U.S. billings were up 23.2% to $243 million, compared with 1984.

Worldwide gross income was $49.6 million, 73.4% from outside the U.S. Worldwide billings were $330.9 million, 73.4% from outside the U.S.

TBWA owns majority or maximum-allowable stock in 12 shops in nine countries, and has non-equity affiliations with seven.

It bought Voelker & Vorwerk, Duesseldorf, and Valero y Asociados, Madrid.

Accounts won include Henkel (in Germany and several other countries), SEAT Automobiles ($45 million, in Europe) and AEG in five European countries.

Accounts lost include American Airlines ($3 million), L'Oreal, French government agriculture board and the Volvo corporate account in France.

Top international executives: William Tragos, chairman-ceo; Claude Bonnange, co-founder, marketing research; Uli Wiesendanger, co-founder, creative; Paolo Ajroldi, co-founder, account management; Richard Costello, president U.S.; Martin Denny, chairman U.K.; David Lake, international financial director, and managing directors Mike Camesasca (Germany, Switzerland), Alberto Levi (Italy), Jean-Francois Minne (France) and Roland van Kralingen (Netherlands).#

J. Walter Thompson Co.

J. Walter Thompson Co., New York, had non-U.S. gross income of $199.7 million in 1985, up 1.1% from its 1984 results. Non-U.S. billings also rose 1.1%, to $1.3 million, in 1985.

Worldwide gross income reached $450.9 million in 1985, with international making up 44.3% of the total. Worldwide billings reached $3 billion, with international also equalling 44.3%.

JWT's international network consists of 130 agencies in 40 countries.

In 1985, JWT acquired agencies in Brazil and Spain and took minority stakes in shops in Turkey and Finland.

JWT also sold off its second agency network in Europe, Euro Advertising, after losing key clients over a period of several years.

Major international clients gained in 1985 include Philips (Australia), Emery Worldwide (Canada), British Telecom, Nestle, Skol lager (all U.K.) and Mastercard (France). In 1986 JWT added more business from Eastman

(Continued on Page S-15)

Young & Rubicam

Clients:	Americas										Europe															South Africa		Asia, Pacific						
	USA	Argentina	Brazil	Canada	Chile	Colombia	Dominican Rep.	Mexico	Puerto Rico	Venezuela	Austria	Belgium	Denmark	Finland	France	Germany	Italy	Netherlands	Norway	Portugal	Spain	Sweden	Switzerland	UK			Australia	Hong Kong	Japan	Malaysia	New Zealand	Singapore	Thailand	
Adidas	•	•	•	•	•			•			•	•	•	•	•	•	•	•	•		•	•		•				•	•	•		•	•	
Air Canada															•	•							•	•					•			•		
American Home Prods.																																		
American Home Foods	•								•																									
Boyle Midway	•		•						•															•										
Whitehall Labs	•			•					•							•							•	•										
Beatrice Foods	•		•	•								•												•			•	•						
Bosch			•							•		•	•		•	•	•		•		•	•	•											
Bristol Myers	•			•					•															•				•	•	•		•		
BSN	•		•					•				•			•	•	•				•		•	•			•		•					
Coleco															•	•								•										
Colgate-Palmolive	•	•		•		•	•	•	•	•	•	•	•	•	•	•	•	•			•	•	•	•			•			•	•	•		
Diners Club											•		•		•	•						•		•										
DuPont	•		•	•				•		•		•			•	•	•				•		•	•			•	•	•			•		
Eastman-Kodak	•	•		•		•	•		•		•	•	•		•	•		•	•				•	•			•							
Flying Tigers		•	•																					•			•							
Ford Motor Co.	•		•											•	•	•						•		•			•							
General Foods	•			•				•	•		•		•		•	•		•			•	•	•	•					•					
Gillette	•				•											•					•						•							
H.J. Heinz												•						•						•			•							
Hertz								•				•				•		•						•										
Hong Kong Tourist Assn.	•														•	•								•			•	•	•				•	
Houbigant															•	•								•										
Jamaica Tourist Board	•			•																				•										
Johnson & Johnson	•	•	•	•	•		•					•					•	•			•					•	•		•				•	
PepsiCo. Foods Intl.			•	•				•	•																									
Pernod-Ricard	•			•								•			•		•						•	•										
Pfizer	•		•	•												•		•				•					•							
R.J. Reynolds																																		
Canada Dry	•				•			•				•																	•					
Hawaiian Punch	•								•																									
Kentucky Fried Chicken	•	•		•				•	•															•			•							
Rank Xerox											•	•	•	•	•		•	•	•			•	•	•										
Richardson-Vicks	•						•				•	•		•		•		•						•										
Royal Canadian Mint	•			•								•				•	•	•			•		•	•				•	•					
Singer											•	•			•	•	•	•	•		•			•										
Suchard		•	•								•				•	•					•		•											
Time Inc.	•		•	•											•	•	•							•				•						
Union Carbide	•				•				•		•	•			•	•	•				•	•	•											
United Brands											•	•	•			•	•	•	•			•	•											
Warner-Lambert	•			•	•																					•		•						

Source: Young & Rubicam

(Continued from Page S-14)

Kodak.

International clients lost in 1985 include ComputerLand (Australia, Canada, Denmark, France, Germany, U.K.); Labatt Importers (Canada), and Black & Decker (Italy, Agentina). In 1986 JWT lost the Ford account in Germany.

Top international executives include Don Johnston, chairman; Joseph W. O'Donnell, chairman-elect and ceo; Denis Lanigan, vice-chairman-ceo; Burt Manning, vice-chairman-creative resources, and John J. Cronin, vice-chairman.

Young & Rubicam

Young & Rubicam, New York, had non-U.S. gross income of $195.4 million in 1985, 24.5% over its 1984 results. Non-U.S. billings also jumped 24.5%, to $1.3 billion, in 1985.

Worldwide gross income reached $536 million, with international equalling 36.5% of the total. Worldwide billings were $3.6 billion, with international making up 36.5% of the total. The figures include 50% of DYR and HCM, which are listed separately in this section.

The network consists of 33 agencies in 27 countries. Y&R owns majority or maximum-allowable interest in 27 agencies, minority interest in four and has nonequity affiliations with two.

Major international business gained includes Adidas, Air Canada, Bosch Tools and Richard/Dubonnet (all of which are worldwide), Eastman Kodak (Australia, Belgium, Denmark, Holland), American Home Products and Cinzano (U.K.), Barilla pasta (Italy), Nestle (Brazil, Colombia, Puerto Rico), Tupperware and Walt Disney (Canada).

International accounts lost include Bailey's Irish Cream (U.K.), IKEA Stores and Bridgestone tires (Australia).

Top international executives include Edward Ney, chairman; Alexander Kroll, president-ceo; Peter Georgescu, president, Y&R Advertising; John McGarry, exec vp-chairman, worldwide client services; Joseph DeDeo, president, Y&R Europe; Nelson Demello, president, Y&R Latin America; James McCoubrey, exec vp-area director, Canada/Australia/Africa; Alan Sheldon, exec vp-director of finance and administration, and Niels Menko, senior vp-director, advertising headquarters.

Looking again at Compton's 'revival'

(Continued from Page S-1)

strengthen the creative product.

"A lot of people from the outside say Milt was being eased out, but without Milt it would never have happened," said Mr. Wax, 49, of Mr. Gossett, 61.

"There was a recognition of a need to update and be more innovative in the execution area." Senior people had to be added "because the perception was so negative," he said.

Another source noted the Saatchi influence in creative: "Not only did they [the Saatchi brothers] do good creative work, but their attitude toward creative is more single-minded than ours has been."

The Saatchis were able to accomplish this creative shift without hands-on interference. "Even within their own agency, they let their managers manage," said Mr. Wax. "They believe in autonomy of operations."

Mr. Wax said, "We'd send them our commercials. . .we got a note from Charles, who said the new Tide stuff was wonderful."

But from the point of view of many "old" Compton people, the Saatchis' success in improving Compton's performance comes from the feeling of partnership. Compton has gone from U.S. billings of $304 million and world billings of $1.3 billion in 1982 to U.S. billings of $590 million and world billings of $3.2 billion in 1985.

"We didn't suddenly become smarter, but we were one organization that became a better entity," said Mr. Wax, who would like to "get away from the implication that the Saatchis shook us up."

Many Compton executives feel that the view presented by the financial community is oversimplified. Since the Saatchi purchase, Compton's pretax margins of 6% to 7% of revenues have doubled, due to better financial systems, the closing of money-losing operations and better cash management.

"Saatchi brought something to the party with some very good fiscal-management systems," said one source, "but they were not rescuing a hapless organization that didn't know how to make a profit."

Compton executives would sometimes "wince" at what was being said about them, the source said, but swallowed it because the Saatchi legend benefited everyone.

After Mr. Gossett became ceo in 1975, he and his management launched an aggressive expansion program, and that accounted for the low margins, the source said.

What Mr. Gossett found was a mixture of success and frustration. "In 1975, we had billings of $105 million in the U.S., were 25th [in the agency rankings] and we were flat and spotty as an international network," he said. "Our team decided we had to reach $250 million in five years and that that would move us up to No. 15."

It achieved success in billings growth, so it targeted another $150 million and embarked upon an aggressive acquisition program, buying Rumrill-Hoyt; Ross Roy of New York; Klemtner; Fairfax, Hoffman-York, and Mayo Infurna Design in the U.S. as well as making overseas buys and startups.

But the agency was on a treadmill because of competitors' faster growth. "We grew $300 million in billings in six years, but we still ranked 18th. We had shot for $400 million and we got it, but we were still 18th and not 15th," he said.

It found in 1980 that it still had the ambition, but "we ran out of borrowing power," said Mr. Gossett. "To get into the top 10 we felt we had to merge."

It was that expansion and that borrowing that was chiefly responsible for Compton's poor bottom line, said Mr. Gossett. But he added, "Our stock historically grew as a private company at 20% a year, so we couldn't be too sloppy."

Another source noted that the debt service from the borrowing also affected the bottom line because interest rates were high.

But no one downplays the role of the Saatchis. "They helped us immeasurably financially with suggestions and procedures," said Mr. Gossett, who added that their objectivity as outsiders also helped. For example, on selling Hoffman-York, Milwaukee, Mr. Gossett said, "we might have kept it because it was our baby." Others note the agency was spun off because of conflict reasons.

But some of the turnaround in Compton's financial picture, sources said, began to occur because interest rates started declining, some relatively new overseas operations began to do well, and—with access to the stock markets—Compton had less need to borrow money in order to grow.

When Compton became public under Saatchi, it also changed its perspective. "As a public company, we all recognized that it was now advisable for existing units to think harder about ways to improve margins," said one source.

Becoming a public company led initially to Compton selling to Saatchi, an agency half its size. This access to capital for expansion has also been part of the motive cited by Backer & Spielvogel, Ted Bates Worldwide and Dancer Fitzgerald Sample to explain their subsequent deals with Saatchi.

Compton and Saatchi had worked for and shared many clients for seven years before the sale—for $29.2 million in cash and additional payments up to $27.6 million.

Compton first went overseas in 1960 when it bought a 49% interest in an agency that became Garland-Compton in London. Eventually, Saatchi bought the majority share in that agency.

In 1980, Compton and Saatchi began talking merger. "We tried to buy them," said Mr. Gossett. "They were going to sell us 40%, which we could have bought. Then Maurice said, 'Why don't you buy all of us?' That would have been about $10 million," continued Mr. Gossett.

Then, said Mr. Gossett, "Maurice made an incredible suggestion: 'Why don't we buy you?' " And they did.

Notes to charts

McCann-Erickson Worldwide handles additional global accounts in **Chile** (Black & Decker, Casio, Coca-Cola, Dow Chemical, Exxon/Esso, Gillette, Goodyear, Heublein, L'Oreal, Nestle, R.J. Reynolds); **El Salvador** (American Home Products, Bayer/Miles, Coca-Cola, Exxon/Esso, General Motors, Gillette, Heublein, Johnson & Johnson, L'Oreal, Lufthansa, Martini, Nestle); **Puerto Rico** (Beatrice, Black & Decker, Coca-Cola, Del Monte, Exxon/Esso, General Motors, Gillette, Heublein, L'Oreal, Nestle, R.J. Reynolds, Texas Instruments), and **Turkey** (Bayer/Miles, Coca-Cola, Goodyear, Henkel, Kuwait Air, Nestle, R.J. Reynolds).

Foote, Cone & Belding handles additional global accounts in **Argentina** (Hewlett-Packard, Schering-Plough); **Colombia** (Beiersdorf, Colgate-Palmolive, Monsanto, Schering-Plough), and **Ecuador** (Citibank, Colgate-Palmolive, Gillette, Monsanto, Nestle, Pizza Hut).

Ogilvy & Mather Worldwide also handles global accounts in **China** (American Express, BAT, Boeing, General Foods, Parker Pen, Polaroid, Richardson-Vicks, ZF Corp.) and **Japan** (Boeing, Guinness, Parker Pen). The Ball Partnership, a new O&M second network previously called Meridian Group, handles these accounts in more than three countries: **Seiko**, **Olivetti** and **Figurine Panini**.

Saatchi & Saatchi Compton Worldwide also handles global accounts in **Colombia** (American Motors, British Airways, Johnson & Johnson); **Greece** (British Airways, Johnson & Johnson, Procter & Gamble, Trusthouse Forte); **India** (Allied Lyons); **Indonesia** (Nestle); **Korea** (Revlon, Schering-Plough); **Taiwan** (Revlon); **Turkey** (Johnson & Johnson, Pirelli), and **Zimbabwe** (Chesebrough-Pond's, Cadbury, Nestle, Nabisco, Reckitt & Colman).

SSC&B:Lintas also handles global accounts in **Indonesia** (Citicorp/Diners, I.C.I., Sterling Drugs, Unilever); **Pakistan** (N.V. Philips, Unilever), and **Philippines** (Johnson & Johnson, Remy Martin, Sterling Drugs, Unilever).#

Agency/client summary

Clients:	N W Ayer	Ted Bates Worldwide	BBDO International	Bozell & Jacobs, Kenyon & Eckhardt	Leo Burnett Co.	DFS-Dorland Worldwide	DMB&B	Doyle Dane Bernbach International	DYR	Eurocom Group	Foote, Cone & Belding	GGK	Grey Advertising	Hakuhodo Inc.	HCM	Ketchum International	Lowe Marschalk Worldwide	McCann-Erickson Worldwide	Needham Harper Worldwide	Ogilvy & Mather International	Publicis International	Roux, Seguela, Cayzac & Goudard	Saatchi & Saatchi Compton Worldwide	Scali, McCabe, Sloves	SSC&B:Lintas	TBWA Advertising	J. Walter Thompson Co.	Young & Rubicam
Agfa-Gevaert			•							•			•															
American Home Products							•											•					•					•
BAT		•											•						•	•								
Bayer/Miles			•		•		•				•		•					•		•								
Beatrice Cos.					•		•											•									•	•
Beecham	•				•								•					•		•							•	
Beiersdorf		•									•									•								
Bristol-Myers	•						•	•			•		•															•
BSN Gervais-Danone													•		•								•			•		•
Chesebrough-Pond's																		•		•			•				•	
Ciba-Geigy							•						•							•								
Citibank								•			•												•					
Coca-Cola Co.																	•	•							•			
Colgate-Palmolive Co.		•							•		•																	•
CPC International						•							•					•									•	
Dow Chemical Co.							•								•			•		•								
Du Pont															•								•					•
Eastman Kodak Co.																		•					•				•	•
Frito-Lay			•								•																	
General Foods							•			•			•							•								•
General Motors	•						•										•	•										
Gillette Co.			•								•							•					•					•
H.J. Heinz							•	•																				•
Henkel AG			•									•					•	•			•					•		
Hewlett Packard					•	•					•		•															
Heublein																		•										
IBM								•				•								•			•				•	
Jacobs Suchard																						•					•	•
Johnson & Johnson													•					•		•					•	•		•
S.C. Johnson & Son		•					•	•			•								•								•	
Kimberly-Clark							•				•									•								
Kraft					•						•																•	
Mars		•			•		•						•															
Matsushita		•									•			•														
Monsanto Co.											•															•		
Philip Morris Inc.					•																					•		
Nabisco Brands								•										•					•				•	
Nestle Foods				•						•	•							•		•	•		•		•		•	
L'Oreal										•								•			•							
PepsiCo			•								•									•							•	•
N.V. Philips			•				•													•	•		•		•		•	
Procter & Gamble Co.					•		•						•										•					
Quaker Oats Co.			•					•										•									•	
Reckitt & Colman							•											•					•				•	
R.J. Reynolds																		•									•	•
Richardson-Vicks							•											•		•			•					•
Rothmans			•								•						•											
Rowntree-Mackintosh																							•		•		•	
Seagram								•					•							•								
3M							•				•		•															
Unilever			•														•	•		•					•		•	
Union Carbide		•			•		•											•										•
Warner-Lambert Co.		•			•						•									•							•	•
Wm. Wrigley Jr. Co.			•								•		•						•									
Xerox						•													•				•					•

Source: Compiled by Advertising Age

Saatchi house

(Continued from Page S-1)

Maurice Saatchi, a telephone and a list of other people's clients. Now it is more like a roving team of hit men, rivals say.

While other agencies have new-business directors, Saatchi has sales directors in charge of new business for a country, region or the entire world.

"Saatchi has a different approach to clients, based on its own business acumen," said David Butter, Young & Rubicam's new-business director for Europe. "Other agencies say how good and clever they are and what they can do for you. But Saatchi says: 'We're a business with real vision; we're going to be No. 1; here's our share price; you can be big, too, if you work with us.' "

Saatchi buys companies that are growth-obsessed. Dorland, a low-key but hard-driving London agency, is making international growth a priority after buying Dancer Fitzgerald Sample last year. Bates is also building an international business services network.

Saatchi's hands-off management style, apart from imposing financial controls and the occasional lunch with Maurice at his regular table in a turret at the Connaught Grill, is legendary.

As the Saatchi web extends, relationships with clients become more delicate and complex. Saatchi's brief relationship with McDonald's Corp. is the clearest recent example of the behind-the-scenes maneuvering, unsuccessful, to parlay a locally won account into a slice of global business.

According to London sources, after McDonald's awarded Saatchi its $12 million U.K. account last March, the client wanted Saatchi to resign its $8 million Krystal hamburger business in New York as well as other fast-food accounts. Saatchi was unwilling to give up business unless McDonald's would guarantee the agency the McDonald's account in other markets. McDonald's refused.

But other sources said client conflict was a non-issue, and pointed to Saatchi & Saatchi's attempts to "reinvent the wheel." The final straw, sources said, occurred when Saatchi creatives insisted on altering a campaign involving "Ronald McDonald," a McDonald's character whose popularity in the U.S. rivals Santa Claus.

McDonald's fired Saatchi and moved the account to Leo Burnett Co., beginning Aug. 10.

IBM, a Saatchi client in the U.K. and France, could be another relationship to watch. IBM already fired Saatchi from most of its business in Spain and may be concerned about the rival Olivetti account Bates holds in Europe.

Saatchi is sensitive about the creative reputation of the flagship London agency. It is credited with outstanding work for British Airways' global "Manhattan landing" campaign and Silk Cut cigaret ads for Gallaher, among others.

But many echo the creative director at a big London agency, who said: "It's the iceberg principle—they have a small proportion of work they push, and the other 90% they hardly admit to."

Maurice and Charles are being squeezed out of their overcrowded headquarters at 80 Charlotte St., where 750 of Saatchi's 12,000 employes worldwide (including Ted Bates) are housed. The brothers will move to a separate Regent Street office this month with about 30 corporate staffers, while Saatchi negotiates to take over the adjoining Charlotte Street building, giving it an entire block for its offices.

Away from the office, Charles, 43, lives in a converted Victorian Gothic chapel in the affluent North London neighborhood of St. John's Wood. His American wife, Doris, is U.K. editor of *House & Garden* magazine.

A quiet, temperamental man who takes his dog to the office, Charles "is never reticent about his opinions, and always thought big," said Ross Cramer, a former partner with Charles at Cramer/Saatchi, a creative consultancy.

"He makes up his mind quickly. . .he won't stay at a bad

(Continued on Page S-18)

Newspaper Advertising MRCS/SAU Inches

April 1986 vs. April 1985

AKRON, OH

	1986 Full Run	1986 Part Run	1985 Full Run	1985 Part Run
Beacon Journal (E)	92.861	— —	97.112	— —
Beacon Journal (S)	69.462	— —	67.206	— —
Grand Total	162.323	— —	164.318	— —

NOTE: Part run figures not available.

ALLENTOWN, PA

Call (M)	168.729	— —	— —	— —
Call (S)	78.172	— —	— —	— —
Grand Total	246.901	— —	— —	— —

NOTE: Part run figures and 1985 figures not available.

ATLANTA, GA

Constitution (M)	173.810	59.837	180.062	42.001
Journal (E)	171.630	65.577	179.556	42.013
Journal & Constitution (S)	129.530	44.642	119.942	52.178
Journal & Constitution (Sat)	43.713	— —	39.317	— —
Grand Total	518.683	170.056	518.877	136.192

NOTE: Constitution-Morning and Journal-Evening published five days a week only.

BALTIMORE, MD

News-American (S)	25.441	11.632	27.612	11.207
News-American (E)	36.667	7.034	38.785	4.788
Sun (M)	131.576	4.364	115.842	2.463
Sun (E)	107.384	4.376	94.524	2.443
Sun (S)	138.502	38.989	127.406	25.818
Grand Total	439.570	66.395	404.199	46.719

BERGEN COUNTY, NJ

Record (E)	161.902	21.800	143.293	19.987
Record (S)	131.900	45.456	123.657	22.648
Grand Total	293.802	67.256	266.950	42.635

NOTE: Record-Evening published five days a week only.

BOSTON, MA

Herald (M)	63.325	— —	47.309	— —
Herald (S)	18.594	34.809	19.062	28.390
Globe (M)	139.693	14.499	134.450	9.708
Globe (S)	184.867	29.321	167.931	22.708
Grand Total	406.479	78.629	368.752	60.806

BUFFALO, NY

News (AD)	115.422	13.862	111.925	21.820
News (S)	70.830	14.800	55.847	13.599
Grand Total	186.252	28.662	167.772	35.419

CAMDEN, NJ

Courier-Post (E)	138.788	23.944	118.091	16.624
Courier-Post (S)	57.243	10.785	52.512	1.512
Grand Total	196.031	34.729	170.603	18.136

CHARLOTTE, NC

News (E)	— —	— —	72.812	— —
Observer (M)	128.064	27.986	119.614	16.479
Observer (S)	71.468	41.288	66.118	33.485
Grand Total	199.532	69.274	258.544	49.964

NOTE: News-Evening ceased publication November 1, 1985. Part run figures not available.

CHICAGO, IL

Sun-Times (M)	132.846	85.274	123.435	68.254
Sun-Times (S)	63.543	28.258	50.063	30.950
*Tribune (M)	120.684	256.250	136.100	200.150
*Tribune (S)	122.987	113.276	121.151	83.488
Grand Total	440.060	483.058	430.749	382.842

NOTE: Tribune figures supplied by publisher to Media Records. 1986 figures represent advertising for 3/31/86 to 4/27/86. Tribune All Day changed to Morning publication effective August 19, 1985.

CINCINNATI, OH

Enquirer (M)	174.024	8.399	158.316	5.419
Enquirer (S)	135.935	11.435	114.406	10.735
Post (E)	84.602	17.560	80.533	20.767
Grand Total	394.561	37.394	353.255	36.921

CLEVELAND, OH

Plain Dealer (M)	145.030	41.918	139.745	23.420
Plain Dealer (S)	114.859	7.743	97.567	6.462
Grand Total	259.889	49.661	237.312	29.882

DALLAS, TX

News (M)	285.334	12.276	299.723	15.331
News (S)	173.310	11.996	162.828	11.313
Times-Herald (AD)	227.113	45.355	245.450	24.421
Times-Herald (S)	115.889	17.232	131.869	14.536
Grand Total	801.646	86.859	839.870	65.601

DENVER, CO

Rocky Mt. News (M)	265.694	2.241	272.801	3.718
Rocky Mt. News (S)	90.790	54	83.863	882
Post (M)	195.984	7.024	176.681	6.844
Post (S)	110.404	1.615	106.559	1.796
Grand Total	662.872	10.934	639.904	13.240

DETROIT, MI

Free Press (M)	98.292	34.936	102.837	31.825
Free Press (S)	45.722	31.469	40.853	27.514
News (AD)	161.309	44.730	146.010	34.926
News (S)	94.979	45.377	85.503	30.439
Grand Total	400.302	156.512	377.203	124.704

ESCONDIDO, CA

Times-Advocate (E)	105.065	4.705	— —	— —
Times-Advocate (S)	40.174	1.479	— —	— —
Grand Total	145.239	6.184	— —	— —

NOTE: 1985 figures not available.

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	105.225	— —	110.901	— —
Sun-Sentinel (M)	277.949	— —	286.733	— —
Grand Total	383.174	— —	397.634	— —

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

Journal Gazette (M)	82.332	— —	71.647	— —
Journal Gazette (S)	81.972	— —	62.988	— —
News Sentinel (E)	90.159	— —	88.598	— —
Grand Total	254.463	— —	223.233	— —

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

Time (E)	81.501	329	73.241	— —
Time (S)	61.584	645	51.618	— —
Advocate (E)	106.644	15.445	97.655	629
Advocate (S)	59.953	645	53.320	— —
Grand Total	309.682	17.064	275.834	629

HARTFORD, CT

Courant (M)	162.788	34.226	137.053	29.283
Courant (S)	81.019	125.050	75.401	102.585
Grand Total	243.807	159.276	212.454	131.868

HONOLULU, HI

Advertiser (M)	121.867	— —	113.769	— —
Star-Bulletin (E)	120.120	— —	107.540	— —
Star-Bulletin & Advertiser (S)	73.012	— —	63.671	— —
Grand Total	314.999	— —	284.980	— —

HOUSTON, TX

Chronicle (AD)	229.695	48.206	269.813	34.911
Chronicle (S)	116.298	27.870	122.335	29.455
Post (M)	172.648	33.012	164.999	40.202
Post (S)	66.351	31.179	63.868	25.848
Grand Total	578.992	140.267	621.015	130.416

LONG BEACH, CA

Press Telegram (M)	107.327	45.168	98.608	— —
Press Telegram (S)	56.746	74	49.534	— —
Grand Total	164.073	45.242	148.142	— —

NOTE: 1985 Part run figures not available.

LONG ISLAND, NY

Newsday (E)	152.149	99.750	175.066	43.244
Newsday (S)	102.350	95.165	93.056	66.626
Grand Total	254.499	194.915	268.122	109.870

LOS ANGELES, CA

Times (M)	287.930	262.123	286.212	253.808
Times (S)	166.657	94.124	167.143	71.866
Herald Examiner (M)	54.796	8.325	62.196	13.744
Herald Examiner (S)	14.460	8.290	11.111	5.633
Grand Total	523.843	372.862	526.662	345.051

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	205.451	30.639	192.153	18.840
News (S)	82.477	755	70.510	4.632
Grand Total	287.928	31.394	262.663	23.472

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	209.264	— —	183.195	— —
Grand Total	209.264	— —	183.195	— —

NOTE: Figures supplied by publisher to Media Records.

*LOUISVILLE, KY

Courier Journal (M)	97.178	45.441	95.478	38.399
Courier Journal (S)	60.242	70.155	58.716	56.397
Times (E)	96.407	78.274	94.632	53.471
Grand Total	253.827	193.870	248.826	148.267

NOTE: Figures supplied by publisher to Media Records.

*MEMPHIS, TN.

Commercial Appeal (M)	126.758	89.252	117.257	75.267
Commercial Appeal (S)	88.361	11.440	77.121	10.804
Grand Total	215.119	100.692	194.378	86.071

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	159.703	— —	165.464	— —
Herald (S)	95.738	— —	84.735	— —
News (E)	57.153	— —	69.726	— —
Grand Total	312.594	— —	319.925	— —

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	108.096	24.427	106.518	24.673
Star & Tribune (S)	145.461	2.340	135.391	2.322
Star & Tribune (Sat)	25.092	182	23.258	— —
Grand Total	282.649	26.949	265.167	26.995

*NASHVILLE, TN

Banner (E)	119.493	— —	109.939	— —
Tennessean (M)	116.924	— —	110.440	— —
Tennessean (S)	84.993	— —	83.596	— —
Grand Total	321.410	— —	303.975	— —

NOTE: Figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	98.660	2.052	79.723	3.063
Home News (S)	71.874	5.361	59.966	4.736
Grand Total	170.534	7.413	139.689	7.799

NEW YORK, NY

Times (M)	175.863	21.503	163.572	14.887
Times (S)	211.365	112.796	179.176	107.324
News (M)	61.085	96.012	59.735	108.003
News (S)	35.730	77.499	32.141	66.330
Post (AD)	57.243	1.174	56.990	1.631
Grand Total	541.286	308.984	491.614	298.175

NEWARK, NJ

Star Ledger (M)	215.057	7.027	190.230	7.550
Star Ledger (S)	180.012	29.769	157.346	23.264
Grand Total	395.069	36.796	347.576	30.814

OAKLAND, CA

Tribune (M)	76.665	94.221	87.630	47.353
Tribune (S)	42.954	33.054	39.458	25.517
Grand Total	119.619	127.275	127.088	72.870

OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY

Blade-Tribune (E)	96.205	4.548	— —	— —
Blade-Tribune (S)	42.068	— —	— —	— —
Grand Total	140.273	4.548	— —	— —

NOTE: Blade-Tribune Evening published five days a week only. 1985 figures not available.

ORANGE COUNTY, CA

Register (AD)	308.720	83.597	278.416	90.191
Register (S)	117.024	8.926	107.734	11.819
Grand Total	425.744	92.523	386.150	102.010

PHILADELPHIA, PA

Inquirer (M)	165.769	34.979	163.900	56.506
Inquirer (S)	121.812	57.601	88.309	33.517
News (E)	83.011	4.730	74.703	8.222
Grand Total	370.592	97.310	326.912	98.245

*PHOENIX, AZ

Arizona Republic (M)	234.205	13.050	227.601	10.268
Arizona Republic (S)	151.701	— —	142.598	— —
Gazette (E)	224.165	13.068	216.715	10.394
Grand Total	610.071	26.118	586.914	20.662

NOTE: Figures supplied by publisher to Media Records.

*RIVERSIDE, CA

Press Enterprise (M & S)	254.862	15.394	215.685	15.221
Grand Total	254.862	15.394	215.685	15.221

NOTE: Figures supplied by publisher to Media Records.

*ST. LOUIS, MO

Post Dispatch (M)	110.646	35.516	91.545	31.877
Post Dispatch (S)	123.293	— —	108.641	— —
Grand Total	233.939	35.516	200.186	31.877

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	90.532	— —	91.216	— —
Pioneer Press Dispatch (S)	93.624	— —	98.009	— —
Grand Total	184.156	— —	189.225	— —

NOTE: Part run figures not available.

SAN ANTONIO, TX

Express-News (AD)	115.853	43.364	127.674	15.838
Express-News (S)	73.884	26.885	89.977	10.893
Express-News (Sat)	36.663	— —	39.450	— —
Light (AD)	119.112	38.664	118.517	24.570
Light (S)	75.552	16.399	79.891	17.954
Light (Sat)	29.568	— —	33.112	— —
Grand Total	450.632	125.312	488.621	69.255

NOTE: Express-News All Day and Light All Day published five days a week only.

SAN DIEGO, CA

Union (M)	208.717	24.521	209.858	18.446
Union (S)	119.062	— —	106.942	— —
Tribune (E)	223.149	25.467	215.658	21.310
Grand Total	550.928	49.988	532.458	39.856

SAN FRANCISCO, CA

Chronicle (M)	128.891	76.031	129.534	48.899
Examiner & Chronicle (S)	75.322	36.820	69.597	30.078
Grand Total	204.213	112.851	199.131	78.977

SAN JOSE, CA

Mercury News (AD)	289.744	29.913	273.876	30.547
Mercury News (S)	141.604	— —	131.314	418
Grand Total	431.348	29.913	405.190	30.965

SHREVEPORT, LA

Journal (E)	94.524	4.131	84.828	3.528
Times (M)	109.254	13.068	106.069	16.300
Times (S)	60.259	11.247	60.340	9.458
Grand Total	264.037	28.446	251.237	29.286

*STATE COLLEGE, PA

Centre Times (E)	79.444	3.794	89.486	7.589
Centre Times (S)	31.546	382	23.684	— —
Grand Total	110.990	4.176	113.170	7.589

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

Herald Journal (E)	87.144	47.903	92.071	28.191
Herald American (S)	49.101	52.618	43.182	31.535
Post-Standard (M)	77.674	49.415	78.658	30.319
Grand Total	213.919	149.936	213.911	90.045

*TAMPA, FL

Tribune (AD&S)	262.984	110.346	299.987	106.678
Grand Total	262.984	110.346	299.987	106.678

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	100.613	— —	93.341	— —
Blade (S)	94.744	— —	69.445	— —
Grand Total	195.357	— —	162.786	— —

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

Post (M)	264.177	43.818	266.528	44.155
Post (S)	150.060	40.826	147.969	29.141
Grand Total	414.537	84.644	414.497	73.296

WASHINGTON, DC SUBURBAN GROUP

Alexandria Journal (M)	88.413	— —	61.408	705
Prince George's Journal (M)	74.837	— —	58.197	1.943
Montgomery Journal (M)	77.402	768	58.170	1.404
Fairfax Journal (M)	90.137	2.135	62.433	705
Arlington Journal (M)	88.101	— —	61.149	705
Grand Total	418.890	2.903	301.357	5.462

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	89.214	9.209	82.547	8.706
Reporter Dispatch (S)	85.117	17.376	65.065	12.321
Grand Total	174.331	26.585	147.612	21.027

WICHITA, KS

Eagle-Beacon (M)	127.052	— —	102.545	— —
Eagle-Beacon (S)	78.500	— —	61.500	— —
Grand Total	205.552	— —	164.045	— —

NOTE: Part run figures not available.

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the (NAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page.
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS/SAU Inches of the Page.

Adults lead cereal boom

By JOHN C. MAXWELL JR.

Last year was another record year for the cold-cereal industry, with volume up 4% to 2.17 billion lbs. from 2.09 billion lbs. in 1984 and 2.02 billion lbs. in 1983.

In dollars, the market was up to $4.45 billion from $4.05 billion in 1984 and $3.65 billion in 1983.

The main growth related to adult ready-to-eat bran varieties, which grew six times faster than the market and now have roughly 10% of the market, up from 7.5% in 1984. Family-type products and adult fortified-bran products grew in line with or slightly ahead of the market as a whole.

The presweetened cereals continued their decline, mainly because of the lack of interest in licensed products. We would expect 1986 to show the same trends.

Again, Kellogg had the biggest jump, up almost two share points, with most companies either flat to somewhat down. However, in the latter part of 1985 Kellogg's growth abated, due to lack of new-product entries. Thus, more of their growth occurred in the first two-thirds of the year.

However, Kellogg's Just Right and Raisin Squares seem to be doing very well. This, plus the introduction of several new products in the not-too-distant future, probably will enhance the company's share during the current calendar year. Kellogg's share could exceed 43% or even approach 44% by the yearend.

General Mills was the only other company to see an uptick, though it was small. However, new products such as Circus Time and Raisin Nut Bran seem to be doing very well, and General Mills' share is close to 21% on a poundage basis.

The main share of decline occurred at General Foods and Quaker Oats. Both companies are characterized by a lack of new-product entries and a decline in the share of their old-line products. Quaker Oats has recenty introduced Quaker Oh's, which looks interesting, and hopefully will begin to stabilize Quaker's share, which was down a point in 1985. However, General Foods is yet to be heard from and that company's share is now just above 13% on a poundage basis.

Ralston had several new products, which include Rainbow Brite and Cabbage Patch. These new-product introductions helped offset the decline in Chex and the disappointment of Donkey Kong. Again, these products seem to have run their course, and unless new products are forthcoming we would expect Ralston to lose a slight amount of share this current year.

Nabisco Brands' main product, Shredded Wheat, continues to move up.

In summation, Kellogg was probably up 8% in unit volume for the year. General Mills was up 5%, Nabisco was up 11% and Ralston was up 2%, while General Foods was down 4% and Quaker Oats was down 7%. In dollar volume, Kellogg was up 15%, General Mills was up 12%, Nabisco was up 3% and Ralston was up 9%, while Quaker Oats was down 3%.#

Mr. Maxwell is with Furman Selz Mager Dietz & Birney, New York.

Cold cereal's top 10

Frosted Flakes wrested the No. 1 dollar position from Cheerios. Figures are market share. *Source: John C. Maxwell Jr.*

Brand	1984 Pounds	1984 Dollars	1985 Pounds	1985 Dollars
Frosted Flakes (K)	5.6	5.2	6.0	5.7
Cheerios (GM)	5.2	5.5	5.0	5.2
Corn Flakes (K)	6.8	4.7	6.7	4.5
Raisin Bran (K)	4.5	4.0	4.7	4.3
Rice Krispies (K)	3.5	3.8	3.8	4.2
Chex (RAL)	4.3	4.6	3.6	3.7
Shredded Wheat (NAB)	4.0	3.3	4.0	3.5
Honey-Nut Cheerios (GM)	2.6	2.9	2.8	3.1
Cap'n Crunch (OAT)	2.7	3.2	2.6	3.1
Bran Products (K)	3.1	2.3	3.5	2.8
Raisin Bran (GF)	2.7	2.1	2.6	2.0
Total	45.0	41.6	45.4	42.0

Kellogg

(Continued from Page 40)

some cancers and suggesting that its All-Bran should be part of a high-fiber diet (AA, Oct. 29, '84, *et seq*.).

The marketer has told industry analysts to expect two or three more cereal entries by yearend but has not been more specific.

White Plains, N.Y.-based General Foods' Post division, the second-largest bran/fiber cereal marketer with a 32.7% share of the segment, has had its over-all market share saved by two of its bran lines, including the $13 million introduction of two new Fruit & Fiber varieties last year (AA, July 22). Also, last September Post reformulated its Raisin Bran, renaming it Post Natural Raisin Bran, removing the sugar coating from the raisins and taking out the preservatives.

The reformulated cereal was backed by a $15 million ad campaign using singer John Denver (AA, Sept. 9).

Grey Advertising, New York, handles the two Post brands.

Post's share of the total cereal market, now at 13.2%, had been as high as 19% in 1983, said Eric Larson, industry analyst with First Boston, New York.

But Post's share started to slip because of a lack of new-product introductions and declining ad support in '84 and early '85—down 60% to about $4 million for Raisin Bran—while Kellogg and General Mills were increasing their ad budgets, analysts say.

Minneapolis-based General Mills jumped into the bran/fiber segment last year with Fiber One, backed with $13.5 million in ad support, and Bran Muffin Crisp, backed by $16.2 million. General Mills already has garnered a 6.3% share of the bran segment, good enough for the No. 3 position.

The company followed that with the $24 million introduction of Raisin Nut Bran.

DFS Dorland Worldwide, New York, handles Fiber One and Raisin Nut Bran; Needham Harper Worldwide, Chicago, handles Bran Muffin Crisp.

Industry analysts give General Mills good odds at taking over the No. 2 position in the bran/fiber segment if Post remains sedentary.

Other competitors in the segment include Ralston Purina Co., St. Louis, with its Bran Chex (3.1% share); RJR Nabisco, East Hanover, N.J., with 100% Bran and Shredded Wheat & Bran (4.4% share), and Quaker Oats Co, Chicago, with Corn Bran (3.1% share).

In the over-all cereal market, Kellogg holds a 42% share; General Mills, 21.1%; Post, 13%; Ralston and Quaker, 7% each, and Nabisco, 5%, according to First Boston's Mr. Larson.#

New fragrances readied

NEW YORK—Chesebrough-Pond's, Greenwich, Conn., in September will introduce Masquerade fragrance in drug and department stores. William Esty Co handles.

Separately, Max Factor & Co., Stamford, Conn., will introduce a line of Michael Jackson fragrances for women. They are called Heartbeat, Unwind and Wildfire.

The agency has not been announced. Wells, Rich, Greene is Factor's agency of record.#

Cold cereal market shares

Kellogg showed the largest gain in last year's record $4.45 billion market, although the company's growth slowed late in the year. Figures represent market share by pounds and dollars. *Source: John C. Maxwell Jr.*

Brand	1983 Lbs.	1983 $$	1984 Lbs.	1984 $$	1985 Lbs.	1985 $$
Kellogg						
Frosted Flakes	5.2	4.8	5.6	5.2	6.0	5.7
Corn Flakes	6.8	4.7	6.8	4.7	6.7	4.5
Raisin Bran	4.6	4.1	4.5	4.0	4.7	4.3
Rice Krispies	3.6	3.9	3.5	3.8	3.8	4.2
Froot Loops	2.2	2.8	2.3	2.9	2.3	3.0
Bran products	2.8	2.1	3.1	2.3	3.5	2.8
Special K	1.7	2.3	1.9	2.5	1.5	2.0
Frosted Mini-Wheats	1.8	1.8	1.9	1.9	2.0	2.0
Apple Jacks	1.0	1.5	1.0	1.5	1.1	1.5
Sugar Smacks	1.3	1.3	1.2	1.3	1.1	1.2
Sugar Pops	1.0	1.2	1.1	1.2	1.1	1.2
Product 19	0.8	1.1	0.9	1.1	0.9	1.1
Nutri-Grain	1.0	1.0	1.2	1.1	1.2	1.1
Crispix	0.7	0.5	0.5	0.7	1.0	1.0
Cocoa Krispies	0.5	0.7	0.6	0.8	0.6	0.8
Raisin Squares	—	—	0.3	0.3	0.6	0.6
Apple Raisin Crisp	—	—	0.5	0.6	0.4	0.5
Fruitful Bran	—	—	0.7	0.6	0.6	0.5
O.J.'s	—	—	—	—	0.4	0.4
Marshmallow Krispies	0.5	0.7	0.4	0.6	0.3	0.4
Honey & Nut Corn Flakes	0.6	0.7	0.5	0.6	0.3	0.4
Cracklin' Bran	—	—	—	—	0.4	0.3
Just Right	—	—	—	—	0.3	0.3
Frosted Rice	0.5	0.6	0.4	0.4	0.3	0.3
Others	1.5	2.1	1.6	2.4	1.3	1.5
Total	38.5	38.5	40.5	40.3	42.4	41.6
General Mills						
Cheerios	5.5	5.8	5.2	5.5	5.0	5.2
Honey Nut Cheerios	2.3	2.6	2.6	2.9	2.8	3.1
Total	1.9	2.6	2.1	2.8	2.1	2.5
Lucky Charms	1.6	2.1	1.7	2.1	1.7	2.1
Trix	1.5	1.9	1.5	1.9	1.5	1.9
Wheaties	2.3	1.7	2.0	1.4	1.8	1.5
Golden Grahams	1.3	1.3	1.3	1.3	1.2	1.2
Crispy Wheats 'n Raisins	1.1	1.3	1.0	1.1	0.8	1.0
Cinnamon Toast Crunch	—	—	0.6	0.7	0.7	0.8
Cocoa Puffs	0.7	0.8	0.6	0.7	0.6	0.8
Monster cereals	0.6	0.9	0.5	0.8	0.6	0.8
Kix	—	—	—	—	0.6	0.8
Licensed products	1.1	1.3	0.7	1.0	0.3	0.5
S'Mores Crunch	—	—	—	—	0.4	0.5
Fibre One	—	—	—	—	0.4	0.3
Buc"Wheats	0.4	0.5	0.3	0.4	0.2	0.3
Others	0.5	0.4	0.6	0.5	0.2	0.4
Total	20.8	23.2	20.7	23.1	20.9	23.7
General Foods						
Post Raisin Bran	3.0	2.5	2.7	2.1	2.6	2.0
Grape-Nuts	2.5	1.9	2.2	1.5	2.4	1.8
Fruit & Fibre	1.3	1.4	1.3	1.4	1.6	1.7
Pebbles	1.2	1.4	1.1	1.3	1.2	1.3
Super Golden Crisp	1.5	1.6	1.4	1.4	1.2	1.2
Honeycombs	1.2	1.5	1.1	1.3	0.8	0.9
Bran Flakes	0.8	0.8	0.8	0.8	0.9	0.9
Alpha-Bits	0.8	0.9	0.7	0.8	0.6	0.7
Post Toasties	1.2	0.9	1.0	0.8	0.8	0.6
Raisin Grape-Nuts	0.6	0.6	0.4	0.4	0.4	0.4
Smurfberry Crunch	1.0	1.1	0.5	0.6	0.2	0.3
Fortified Oat Flakes	0.6	0.5	0.5	0.4	0.3	0.3
Honey-Nut Crunch Raisin Bran	0.7	0.7	0.2	0.2	0.1	0.1
Others	0.2	0.3	0.4	0.3	0.2	0.2
Total	16.6	16.1	14.3	13.3	13.3	12.4
Quaker Oats						
Cap'n Crunch	2.9	3.5	2.7	3.2	2.6	3.1
Life	2.4	2.2	2.4	2.2	2.0	1.9
100% Natural	1.6	1.5	1.5	1.4	1.5	1.4
Corn Bran	0.7	0.6	0.6	0.6	0.6	0.6
Others	1.3	1.1	1.1	1.2	0.6	0.7
Total	8.9	8.9	8.3	8.6	7.3	7.7
Ralston Purina						
Chex	4.3	4.4	4.3	4.6	3.6	3.7
Cookie-Crisp	0.5	0.7	0.4	0.7	0.5	0.7
Sun Flakes	—	—	—	—	0.6	0.5
Rainbow Brite	—	—	—	—	0.4	0.5
Others	1.0	0.9	1.2	1.0	0.4	0.4
Total	5.9	6.1	5.9	6.3	5.8	6.2
Nabisco						
Shredded Wheat	4.0	3.1	4.0	3.3	4.0	3.5
Others	0.9	0.7	0.9	0.9	0.9	0.9
Total	4.9	3.8	4.9	4.2	4.9	4.4
All Others	4.4	3.4	5.5	4.3	5.4	4.0
Total	100.0	100.0	100.0	100.0	100.0	100.0

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Crain's International Newspaper of Marketing. In Two Sections, Section 1.

ABC, CBS prices drop for 1st time

Big spenders get 5% cuts in upfront

By VERNE GAY

NEW YORK--ABC and CBS made network tv history last week by selling nearly $1.4 billion in prime time upfront inventory at lower rates than the previous year.

This also is the first time any network, let alone two, cut prime time prices. The cuts averaged about 1% less than the 1985-86 upfront market, but fell as much as 5% for some big tv ad spenders.

The cuts are a major victory for advertisers, who reversed a decades-long trend in which rate hikes were routine and often more than 10% a year.

NBC dominated the upfront market for the second straight year with average price hikes of 3% to 7%. The top-rated network sought 20% increases for its best shows.

NBC is expected to command at least $1 billion of the total $2.47 billion 1986-87 prime time upfront marketplace, which is flat over-all compared with last year. ABC already has cleared $700 million in sales, with CBS believed to be slightly behind. CBS, however, claims it leads ABC.

This year's lackluster market performance is due to lower budgets from network tv's biggest spenders. McDonald's Corp., which last year led upfront prime time spenders with a $133 million buy, decreased its expenditure to $120 million. McDonald's agency, Leo Burnett USA, the biggest upfront agency buyer, spent $300 million, down at least $15 million from last year.

The biggest spending cutbacks came from Sears, Roebuck & Co., which halved its upfront spending to $30 million, and Bristol-Myers, which dropped $20 million, to $30 million.

Other big spenders stayed out of the market altogether. Beecham Group, which spent $76.3 million in network tv last year, and Revlon ($24.2 million), made no upfront buys. The computer category also was a bust for the second year in a row, with Apple Computer, Data General, Commodore International and IBM Corp. making no deals.

Package-goods spending also failed to ignite the market. Network spending leader Procter & Gamble spent about $100 million, equal to last year's upfront buy. General Foods made $96 million-to-$100 million in buys, also flat. Johnson & Johnson cut upfront spending from $75 million to $70 million.

Lever Bros. was down to $60 million. Ralston Purina equaled last year's levels with $48 million to $50 million.

Coca-Cola Co., which has yet to complete deals for its estimated $55 million upfront budget, is nearly $5 million off last year's pace.

The market was not totally grim for the Big 3 networks. AT&T reversed a two-year slide by pumping an additional $5 million into its upfront buy. The company spent about $55 million.

The biggest upfront boost came from the wine-cooler segment. Led by E. & J. Gallo, upfront wine spending increased 50% across the three networks to about $100 million.

Despite Big Mac's conservative approach, the fast-food business continued to grow. Burger King raised spending 25% to $50 million, while Wendy's International also made a sizable buy.

Cereals were led this year by Kellogg's $60 million-to-$64 million buy. Kellogg, however, spent more in upfront last year.

The automotive category also

(Continued on Page 78)

Last Minute News

Fox, Murdoch pursue global ad deal

LOS ANGELES—Fox Broadcasting Co. says it and Rupert Murdoch are close to striking a multi-million-dollar global advertising deal with an unnamed agency. The agency, in a precedent-setting plan, would buy time for its clients on FBC's fledgling network, Mr. Murdoch's European Sky Channel and Australia's Network 10 Holdings' Channel 10, in which Mr. Murdoch maintains an interest.

Purina, Gaines pack millions into dog-food ads

ST. LOUIS—Ralston Purina today starts a $25 million tv, magazine and coupon campaign for the national rollout of Lucky Dog dog food (AA, Jan 21, '85). Tatham-Laird & Kudner, Chicago, handles. Purina competitor Gaines Foods, Tarrytown, N.Y., is going national with Gravy Train Puppy, a dry dog food. Chiat/Day, New York, is handling the estimated $13 million campaign for the Anderson Clayton subsidiary. The ad effort breaks in September and includes 50¢-off coupons in freestanding inserts.

Furnishings 2000 reviews $10M account

SAN DIEGO—Furnishings 2000 is reviewing its $10 million account, now at Admarketing, Los Angeles. The retailer may expand into electrical appliances, which would create a conflict with Admarketing client Circuit

(Continued on Page 8)

Saatchi deal not in danger despite losses

Bates lets go 60 in N.Y.

By STEWART ALTER

NEW YORK—Ted Bates Worldwide last week dismissed 60 employes at its flagship unit, Ted Bates Advertising/New York, the final step in keeping profits intact and averting any renegotiation of its $450 million sale to London-based Saatchi & Saatchi Co.

Top officials of the two agency groups met in London July 4 and 5 and set an Aug. 7 closing date on the biggest acquisition in agency history.

Bates chairman Robert Jacoby and several Saatchi officials last week denied persistent rumors the deal would be renegotiated downward if Bates lost 10% of its total billings by closing. Those rumors were fed by word that the original July 31 closing date had been postponed one week.

Since the announcement of the merger, Bates has lost 9.7% of its total billings due to client conflicts with other Saatchi shops.

"The price is not going to be renegotiated, nor have they [the Saatchis] ever brought it up," Mr. Jacoby said. Several Saatchi officials confirmed Mr. Jacoby's report.

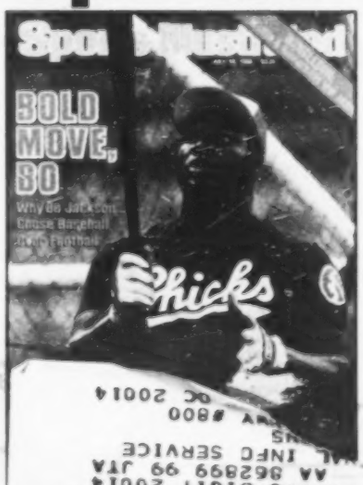
Saatchi's auditing of Bates' 102 offices took a week longer than expected, which is why the tentative July 31 closing had been changed. "The due diligence is done and fine," Mr. Jacoby said. "I have all the closing papers already."

The toll of account losses at Bates has led to the layoffs. Another 25 to 50 people at its William Esty Co. subsidiary also are expected to be let go (AA, July 7).

The major Bates losses—$100 million from Colgate-Palmolive Co., $38 million from Anheuser-Busch's Michelob and $68 million from Warner-Lambert Co.—plus $96 million in RJR Nabisco business lost by Esty—total $302 mil-

(Continued on Page 78)

Sponsor deals enrich Bo and Boris



Nike prefers grid

By ROBERT RAISSMAN

Nike Inc. is about to give Heisman Trophy winner Bo Jackson another incentive to give up professional baseball and sign with the Tampa Bay Buccaneers of the National Football League.

Beaverton, Ore.-based Nike shortly will sign Mr. Jackson (left) to an endorsement contract. If he stays in baseball (he signed with the Kansas City Royals for $100,000 and a $100,000 signing bonus and was assigned to its minor league club, the Memphis Chicks), Mr. Jackson will receive less than $100,000 from Nike.

But a switch to football (he turned down a five-year, $4.6 million offer from Tampa Bay, which made him the first college player selected in this year's NFL draft) could net Mr. Jackson more than $1 million from the Nike deal.

The clause in the Nike contract that

(Continued on Page 76)

Coke inks Becker

By ROBERT RAISSMAN

Boris Becker, the 18-year-old West German tennis star and winner of two consecutive Wimbledon men's singles titles, has signed a multiyear contract with the Coca-Cola Co., Atlanta, worth at least $3 million.

Neither Coca-Cola executives nor representatives of T-V Enterprises, the management company representing Mr. Becker, would confirm financial terms of the deal, which was finalized last month. But sources said Coca-Cola was willing to pay the teen ager's asking price to continue its assault on the teen market by using Mr. Becker on a worldwide basis.

Mr. Becker (right) has won only five major pro tournaments—although two were prestigious Wimbledon titles—but he is the most charismatic player among young tennis fans.

Heather Maclachlan, a director at New

(Continued on Page 76)

NEWSPAPER

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HIGHLIGHTS

Prime time prices down 1
ABC and CBS made network tv history last week by selling nearly $1.4 billion in prime time upfront inventory at lower rates than the previous year.

Athletes make deals 1
Boris Becker, the 18-year-old West German tennis star, has signed a multiyear contract with Coca-Cola Co. worth at least $3 million. And Nike Inc. is about to give Heisman Trophy winner Bo Jackson a deal that will pay him less than $100,000 if he stays in baseball, but would be much more lucrative if he returns to football.

P&G back on track 3
Procter & Gamble's recovery from last year's startling drop in earnings has been better and faster than expected. Not only has the company reasserted itself in its primary businesses, but in the past year P&G has become—through acquisitions—the top over-the-counter drug company in the U.S.

Shops gamble on Cal. lottery 3
California's lottery commission is giving ad agencies a shot at a grand prize, its $30 million account. The commission last week voted to put the account, at Rubin, Postaer & Associates, Los Angeles, for less than a year, in review and at the same time allocated more than 20% of its ad budget for an ethnic marketing agency.

Smoke-ad battle fires up 12
Cigaret advertisers and opponents of tobacco promotion join battle this week under the cloud of a U.S. Supreme Court decision limiting the "freedom" of advertising.

IBM offers dealer help 75
IBM Corp., stung by mounting retail competition, is giving in to dealer demands to provide better profit incentives. IBM last week cut dealer prices up to 18% on most of its pc line, which will allow most high-volume retailers to sell IBM machines as cheaply as leading clone models.

CORPORATE CLOSEUP

Back to basics for Curtis 4
Helene Curtis Industries, caught off-guard by bad timing and a hotly competitive market for personal-care products, is going back to basics. Curtis, the nation's No. 8 haircare marketer, commands a respectable 10% share of the $3.5 billion haircare category but has suffered major embarrassments in the last year.

FEATURES

They're only human 30
Campaigns for Subaru, Citizen Watch and La Yogurt exemplify the Levine, Huntley, Schmidt & Beaver trademark: Witty, beautifully observed slices of humanity. According to Allan Beaver, exec vp-creative director: "We're trying to devise commercials you can relate to on a human level. We've gotten into our stride creatively, and if we can stick to our credo we'll produce terrific advertising. We've been very lucky in getting clients who are very open and, as we've created our own personality, others have come to us."

LHS&B's Allan Beaver, Tony DeGregorio, Bob Nelson and Lee Garfinkel.

Splat! Bam! Crunch! Thwock! 47

Will the loathsome Kount Konflycts succeed in his plot to do in handsome Andy Advertising and winsome Clara Client? Can the mighty Omnicom trio of superheroes save the day? Did you ever think you'd see a cartoon in Advertising Age? *See Rance Crain's column.*

INTERNATIONAL

Israel's poster uproar 50
What began as a creative and profitable advertising idea has turned into a nightmare for Emanuel Shalem, ceo of Poster Media. Mr. Shalem's company constructs bus shelters throughout Israel and places poster ads on them. The ads, many depicting women modeling swimwear, have been at the center of a controversy between secular and ultra-Orthodox Jews angered by the public display of scantily clad females. Other ads that are equally offensive to the religious groups depict men and women together.

South African print troubles 50
Advertisers in South Africa are spending so much more on tv than print media that a growing number of newspapers and magazines is threatened with extinction.

OTHER NEWS

John Reid, who will succeed the dynamic Sergio Zyman as senior vp-marketing at Coca-Cola USA, is a sharp contrast to his controversial predecessor. Page 6.

As part of its prime time ratings comeback strategy, ABC-TV is casting itself as the network that's "making specials 'special' again." Page 24.

Things were going pretty well for Jim Hoge at the *New York Daily News*, until Gimbels died. The closing of Gimbels' Manhattan stores effectively slashed $10 million from the already anemic bottom line of the *News*. To compound the loss, Ohrbach's, another New York retailer that had spent about $1 million annually with the *News*, announced it was selling its stores and closing its Manhattan operation. Page 65.

The *Chicago Sun-Times*, despite improved profits and a less sensational approach to news coverage, still faces what analysts consider tough obstacles in winning back advertisers and readers. Page 65.

Godfather's Pizza president Herman Cain's "100-day turnaround strategy" for the troubled chain culminated last week with new advertising and a new marketing direction. Page 70.

Procter & Gamble last week continued its drive to bring young executives into its top management with the appointment of several new managers. Page 71.

John Wells, who last week was named president of N W Ayer's Midwest division, said his primary goal will be to increase the agency's package-goods accounts. Page 71.

Meredith Corp.'s planned February introduction of *Midwest Living* marks its first subscription magazine startup in two years and reflects the growing appeal of regional publications. Page 79.

SPECIAL REPORT

The North American travel business expects a banner year in 1986 because of several factors, one of which is the strong marketing programs by the states, Canadian provinces and Mexico. For fiscal year 1985, state tourism ad budgets totaled $82.8 million, up 11.8% from the previous year. Special Report examines some of these strong efforts to attract tourists.

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Games offering rays of summer

By JUDANN DAGNOLI

Two marketers of laser-like fantasy games will battle for the hearts and minds of 7-year-olds this summer in a marketing "star wars."

The games begin in August, according to the tag line in Chiat/Day's teaser spot for Laser Tag, marketed by Fremont, Cal.-based Worlds of Wonder. Laser Tag is up against a similar entry from LJN Toys, New York, called Photon Laser Blast, also due next month.

Both games are targeted to children seven and up. They are intended to capitalize on the popularity of Photon Inc., a Dallas-based franchise with 10 nationwide centers in which participants play out

(Continued on Page 78)

Media execs rip porn panel

By GARY LEVIN

Reaction from media last week on the Attorney General's Commission on Pornography report was swift and severe.

Officials at some media outlets said publicity on earlier drafts of the report unfairly grouped mainstream magazines, broadcast media and films with those that contain more explicit "adult" material.

The latter "pornography," the commission said, should be the subject of an intensive consumer effort. The commission suggested consumer "watch groups" boycott retailers selling the material and pressure legislators to ban its sale.

In a section entitled "the por-

(Continued on Page 74)

West Coast news

Wyse eyes account shakeup

Wyse Technology, San Jose, is reviewing its $4 million-to-$6 million account in preparation for its first corporate-image campaign. Incumbent of two years Battenberg, Fillhardt & Wright, San Jose, will be included in the review, along with nine other San Francisco and Silicon Valley agencies. The computer-terminal marketer expects to make a decision by the end of August. Earlier this month, Wyse said it will begin marketing an IBM PC AT-compatible com-

(Continued on Page 78)

Can Coca-Cola tap Reid's fountain magic?

Succeeds Zyman as marketing chief

By NANCY GIGES

John Reid, who will succeed the dynamic Sergio Zyman as senior vp-marketing at Coca-Cola USA, is a sharp contrast to his controversial predecessor, who has been credited with key product and advertising successes despite his often abrasive, impatient style.

Mr. Reid, 35, moves up from vp-marketing in Coca-Cola's fountain department on Aug. 1 when Mr. Zyman, 40, leaves to join a private investment group. Anthony Eames succeeds Mr. Reid, taking the title of vp-director of marketing, fountain sales. Mr. Eames had been director of marketing services for the fountain sales department.

Equipped with a planning and economics background, Mr. Reid will guide Atlanta-based Coca-Cola's advertising efforts at a time when the company is struggling to find the right strategy for selling two sugar colas.

Sources close to the company were somewhat surprised that Mr. Reid was selected over C. Patrick Garner and William Schermerhorn, directors of marketing for citrus and cola brands, respectively. Both reported to Mr. Zyman.

But others suggest that Coca-Cola may be hoping that Mr. Reid can take some of the magic of the fountain department, which has been doing quite well, and transfer it to supermarket shelves, where Coke still has not found a way to combat Pepsi-Cola's aggressiveness.

Some say Mr. Zyman's flamboyant personality led to a mutual agreement that he should leave, but both he and Coca-Cola deny that account. Reports that Mr. Zyman and Coca-Cola USA president Brian Dyson would leave or move into different positions have been circulating for at least six months.

There is still speculation that Mr. Dyson may be involved in a spin-off of bottling operations that Coca-Cola is assembling through acquisition of its biggest bottlers. If so, his most likely successor would be exec vp Edwin Mellett. Mr. Mellett was recruited two years ago from rival PepsiCo, Purchase, N.Y.

A source who worked with Mr. Zyman said: "I think his method of operating probably was a problem.

J. Reid

S. Zyman

He's a dynamo; he works seven days a week. He's more of an entrepreneurial-type person anyway and likes to do his own thing, which doesn't fit into a big corporate organization. He did a job of shaking up that company, to get it going in different directions."

Executives said many bottlers, in particular, objecte ' to his domineering approach and "bottlers have a lot to say about what ultimately happens," the source said.

Mr. Reid, who was not available for comment last week, joined Coca-Cola in 1974 as sales forecasting manager in the market research department. He then moved

(Continued on Page 73)

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CHIEF EXECUTIVE Magazine Congratulates Roger B. Smith, Recipient of Its First Chief Executive of the Year Award.

On July 15, executives from the highest echelon in business will gather in New York to honor Roger B. Smith, Chairman and Chief Executive Officer of General Motors.

Roger Smith was among hundreds of nominees whose names were submitted in a nationwide poll of 25,000 chief executives—every one a subscriber to *Chief Executive* magazine. Final selection was made by this distinguished panel:

JOHN BURTON, Dean, Columbia University Graduate School of Business
ARTHUR LEVITT, JR., Chairman, American Stock Exchange
PATRICK FOLEY, Chairman, Hyatt Hotels
THOMAS NEFF, President, Spencer Stuart & Associates
ROBERT LEAR, Former CEO, F&M Schaefer
IRVING SHAPIRO, Partner, Skadden, Arps, Slate, Meagher & Flom. Former CEO, DuPont

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CORRECTIONS & CLARIFICATIONS

- Oral B toothbrushes are marketed by the Gillette Co., not Johnson & Johnson, which markets the Reach brand (AA, July 7, P. 4).
- In the profile on Needham Harper Worldwide (AA, July 7, P. S-11), Needham only lost the Ramada Inns account in Germany, not the U.S. and Canada portions of the account, as had been reported.
- A profile of *U.S. News & World Report* in the 100 Leading Media Companies report (AA, June 30, P. S-73) incorrectly reported that Gary Fisketjon was named editorial director of *U.S. News & World Report*, replacing Harold Evans. Mr. Fisketjon is editorial director at the *Atlantic Monthly Press*. Mr. Evans, formerly editor-in-chief of *AMP*, left that post July 1 to become vp and senior editor of Weidenfeld & Nicolson in New York. Mr. Evans remains editorial director at *U.S. News*.
- Sally Jessy Raphael's NBC Talknet Radio show airs on 277 stations, not 220 (AA, June 30, P. 48).
- Howard, Merrell & Partners, Raleigh, N.C., won the national Addy award in the local public service, newspaper, category, along with the Triangle Ad Council, Rocky Mount, N.C. (AA, June 16, P. 32). The American Advertising Federation, sponsor of the competition, had erroneously listed another agency as winner.
- A story on Playboy Enterprises (AA, June 16, P. 89) should have noted a $3.5 million quarterly operating loss resulted in part from lowered income, not losses, at *Playboy*, as well as losses at company-owned clubs and lower interest income.

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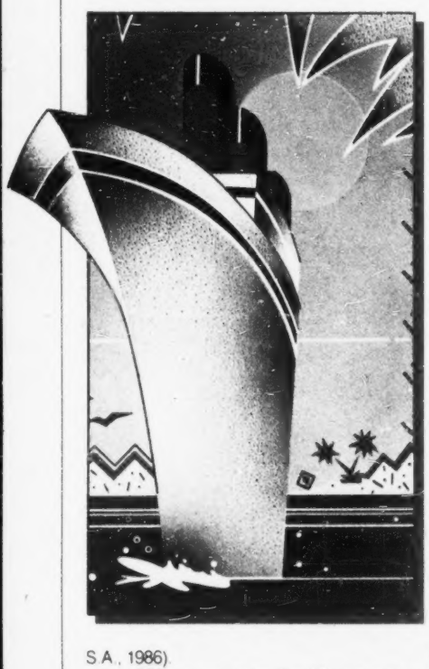
CURRENTS

If you're completely at sea, there's even a cruise to nowhere

Fewer than 10% of U.S. vacationers have discovered cruising, yet it is the fastest-growing segment of the travel industry, writes Douglas Ward, executive director of the International Cruise Passengers Assn., in his book, "Complete Handbook to Cruising" (Editions Berlitz division of Macmillan



S.A., 1986).

In 1985, more than 2 million people worldwide went on a cruise, visiting more than 300 ports. The most recent survey gives Americans the hands-down lead in the seafaring tourist category, followed by the British and the Germans, Ward writes.

The book explores cruising from stem to stern and is packed with information, ratings, anecdotes and ship descriptions. For example, Ward writes, "The standard of luxury is in direct proportion to the length of the cruise." The standard of fun is a much more subjective area. Besides the traditional gastronomical, sports and social events, most cruise ships offer a library with a large selection of books, periodicals and reference materials. One learns also that during the last few years "women have outnumbered men on many cruises by about 8 to 1"—a fact that will not be lost on seaworthy bachelors.

For those who have already settled down, dreams of romantic, moonlit nights at sea may be disrupted by the patter of little feet. Cruise lines are accommodating and entertaining an increasingly younger passenger with extensive kiddie programs. And if the sea air serves to arouse a healthy appetite, duck a l'orange and other delicacies are available from cruise ships' army-size galley stockpiles. The Queen Elizabeth 2, for example, carries as much as 25,000 lbs. of beef and 700 lbs. of marmalade on a trip.

The trend is toward specialty cruises, according to the author, and these range from bridge and chess to Trivial Pursuit, from children's educational to computer science to fashion cruises. There are even murder mystery cruises, and—no kidding—bird-watching cruises. For those who can't or won't make up their minds, there are cruises to "nowhere."

To get one's sea legs in proper stride, Ward offers a dictionary of maritime expressions and terminology (a fathom is 6 ft.), and advice on how to conquer seasickness—before, not after you get the bill.

Anna Sobczynski

The stage is set for another baby boom

Several companies seem to be picking up on that "Back to the Future" theme song, "Back in Time," by Huey Lewis & the News.

Hanna-Barbera Productions' "Flintstones" stars Fred, Wilma, Barney and Betty are coming back in September—as 10-year-olds. (Dino, the Flintstones' pet dinosaur, will be returning as a pup.)

ABC-TV is adding the prehistoric gang to the Saturday morning cartoon roster. The new series is scheduled to run against CBS' "Muppet Babies," Jim Henson's animated series, which was renewed for its third season.

Time travel is nothing new for the Muppets. Before Kermit, Miss Piggy, Rowlf and the rest were turned into toddlers, Henson had included a nonanimated Muppet Babies flashback sequence in the movie "The Muppets Take Manhattan." Since that time, the Babies have revitalized the Muppets' licensing power for New York-based Henson Associates. The company is planning a premium promotion for Pampers disposable diapers and Muppet Babies in 1987; their 1984 premium linkup was Procter & Gamble's "most successful," Henson says.

Flapper Betty Boop—she of the bee-stung lips and wide green eyes and dimpled knees—also is part of this miniaturization process. King Features, New York, has

created Baby Boop-Betty Boop. King has developed this small-fry version of an established character to excite potential licensees in the juvenile marketplace.

Who will go back to the future next?

James P. Forkan

Akimine's unusual way with materials blends fashion and third base

"If you can lift it, you can wear it," says San Francisco's Estelle Akimine, designer of dresses made of sticks, fiberglass screen and, most fetchingly, twin baseball mitts that caress the female torso.

"When I began making [regular] clothes in the late '70s, no one bought them," the 33-year-old designer says. "That was when a lot of punk stuff was coming out. I felt like I was in the Dark Ages." Damning her darning, Akimine traded needle and thread for drill press and wire.

San Francisco is "going crazy with costuming," she says. The large gay community "would do anything to dress up and celebrate. Most actually *prefer* to go as an inanimate object—a Mayan pyramid or the Empire State Bldg. It's not like you can go out on St. Patrick's Day in a green frog suit anymore."

Akimine has designed a cape made of recycled typewriter ribbon, a shirt made from a volleyball net, hats and shifts of thickly painted fiberglass, and the all-American baseball gown.

That's not to mention her matching "Zen" outfits: For him, a stick. For her, a rock. "Zen fashions make you look like nothing, even if you haven't achieved it yet," she quotes from her tongue-in-chic fashion show.

Akimine brings this show to clubs and cabarets. It's entertainment as well as advertising. When people *do* buy her work,

Louis Stetler

San Francisco designer Estelle Akimine's baseball mitt ball gown.

often they don't intend to wear it. "They'll use it as a sculpture and hang it in the living room." Prices start at $250.

A few years ago Akimine couldn't enter sculpture or textile competitions because her art fell somewhere in between. Thanks to broadening definitions of art, today she qualifies for both—"I've actually won some sculpture competitions."

Once in a while, though, she pays a price for her originality. "I used to live in a derelict district, and one night someone broke into my station wagon. They didn't take anything else, but they stole the baseball mitts off my gown."

Lenore Skenazy

Jones, Tork and Dolenz: Still monkeying around after all these years

In recent months certain members of the record business have questioned just how effective music video exposure really is.

Warner Bros. and Columbia Records, for example, announced that their respective supergroups, Van Halen and Journey, would not be doing any music videos to support their current releases. The record companies' contention was video exposure was not needed to promote such big-selling names.

But what if a group's name has rarely been heard since the late '60s?

The Monkees—remember them?—currently touring in the Chunky-sponsored "Anniversary Tour," produced by David Fishof Productions, New York, owe much of their reborn popularity to the exposure they got on MTV Music Television.

From February to April, MTV became Monkee TV, playing reruns of the '60s NBC-TV show "The Monkees" two to three times a day. During "Pleasant Valley Sunday Weekend" 22 hours of the half-hour sitcom were aired.

Ironically, long before anyone had to

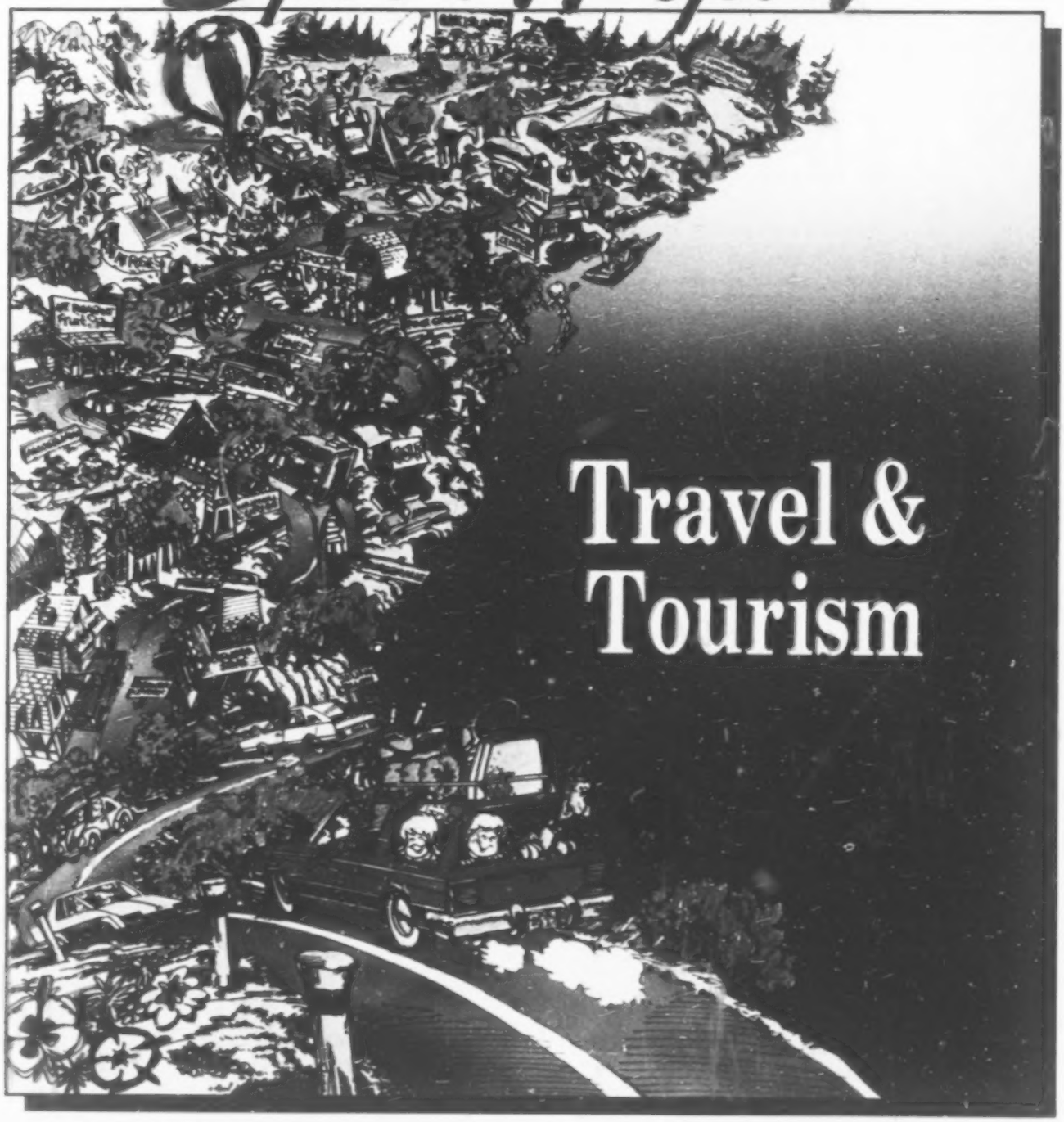
The hot seats

"Currents" takes a look at the latest concert scene with a listing of the top 10 concert draws for the past month.

Headliner/-supporting acts	Venue, city, dates	Total attendance (capacity), No. of shows	Promoter/-sponsors	Gross ticket sales
1. "Conspiracy of Hope Tour" Sting, U2, Bryan Adams	Giants Stadium, East Rutherford, N.J. June 15	50,207 (sellout)	Amnesty Int'l., Hyatt (Nat'l.), Coca-Cola	$1,757,245
2. June Jam: Alabama, Willie Nelson, Charlie Daniels	Ft. Payne H.S., Ft.Payne, AL, June 14	61,867 (sellout)	Fowler Proms./ Wrangler	$1,082,672
3. Bob Dylan/ Tom Petty/ Grateful Dead	Humphrey Metrodome, Minneapolis, MN., June 26	50,588 (53,000)	Monarch/ Westwood One	$1,011,760
4. ZZ Top/ Del Fuegos	Capitol Centre, Landover, MD, May 24-27	62, 924 (15,731) 4 sellouts	Beaver Prods./ Cellar Door Prods.	$975,322
5. Budweiser Superfest: Patti Labelle, New Edition	RFK Stadium, Washington, D.C., June 14	34,788 (62,859)	Dimensions/ Anheuser-Busch	$752,390
6. ZZ Top/ Del Fuegos	Meadowlands Area, East Rutherford, N.J. June 9-11	45,862 (16,000) 3 shows	Monarch/ St. Pauli Girl	$728,217
7. Ozzy Osbourne/ Metallica	Long Beach Center, Long Beach, CA, June 13-15	39,797 (13,266) 3 sellouts	Avalon/ KNAC-AM	$667,438
8. Grateful Dead	Alpine Valley, EastTroy, WI, June 28-29	51,109 (28,000) 2 shows	Monarch/ Budweiser	$641,297
9. Bob Dylan/ Tom Petty	Pacific Ampitheatre, Costa Mesa, CA, June 16-17	37,528 (18,764) 2 sellouts	Nederlander/ Westwood One	$626,682
10. Neil Diamond	Reunion Arena, Dallas, TX, June 9-10	37,196 (18,598) 2 sellouts	Chandler Ltd.	$608,977

Source: © Amusement Business

Special Report



Travel & Tourism

Marketing takes to the highroad

By Marie Spadoni

Stars, stripes and staying home will be the 1986 tourism anthem in North America.

Several factors will contribute to the momentum of 1986 tourism and continued prosperity for the future, but the key is a strong marketing program, industry sources say.

For fiscal year 1985, state ad budgets totaled about $82.8 million, an increase of about 11.8% from the previous year, according to the U.S. Travel Data Center in Washington. In 1985, 558.4 million trips were taken in the U.S., about 30.2 million more than the previous year.

"The amount of marketing pressure placed on the industry has grown at a geometric rate," says Tom Davidson, of York, Me.-based Davidson-Peterson Associates, a research company that specializes in travel. "Increased competition has resulted in an increase in marketing effectiveness." As the market matures, there has been an influx of marketing-savvy people to the industry and a continual increase in ad budgets.

Snowballing ad budgets began when New York state in 1979 doubled its budget to $10 million in one year, says Douglas Frechtling, director of the U.S. Travel Data Center.

"From that point, it was a competition domino effect, as states decided they had to promote and use tourism, rather than manufacturing, as an economic development strategy."

The industry just now is beginning to reap the rewards of a shift in marketing strategy. In 1985, tourism-derived revenue for the U.S. was up about 7% from the previous year to $269 billion, with $12 billion coming from foreign visitors, according to the U.S. Travel Data Center.

Virtually gone are the lackluster chamber of commerce-type tourism promotions that detailed a state's historic and cultural sites. In their place is tourism marketing that is "the packaging of products," says Alan Fredericks, editor of *Travel Weekly*, a New York-based in-

(Continued on Page S-2)

Leading state travel budgets

1. Illinois	$15,500,000
2. Michigan	11,800,000
3. Tennessee	10,645,900
4. New York	10,600,000
5. Florida	9,498,292

Largest increases in state tourism budgets*

1. Indiana	$2,532,000	56.5%
2. Iowa	1,014,964	42.5
3. Texas	5,157,183	35.3
4. Tennessee	10,645,900	34.0
5. Maryland	3,311,901	30.0

*Figures show an increase from fiscal 1985.
Source for tables: U.S. Travel Data Center figures for fiscal 1986

Main attraction not only show in New York state

By Lisa Phillips

The eyes of the nation turned to New York for its Fourth of July celebration this year, while New York state and neighboring states turned their eyes on the 39 million visitors expected to visit Miss Liberty during 1986, hoping the travelers will spend some time and money with them.

In 1985, 17.2 million tourists visited New York City. This summer, the New York State Department of Commerce expects an additional 22 million visitors to show up for the Statue of Liberty's 100th birthday celebration and 6 million more were expected on the Fourth of July weekend alone.

And the party isn't over yet. Although summer and the Fourth of July weekend are peak travel periods, Miss Liberty's true anniversary isn't until Oct. 28, the date of official dedication in 1886. Liberty-related festivities, ceremonies, exhibits and attractions will continue statewide through November.

In 1985, an estimated 50 million tourists traveled through New York state, spending about $14.4 billion, according to Bern Rotman, spokesman for the state's tourism development division. Those figures represent only a slight increase from 1984 tourism numbers, he says.

But thanks to the two years of hype and hoopla focused on the Statue of Liberty, New York state officials are braced for a banner tourism year in 1986. The state expects a 5% to 10% increase in tourist traffic this summer, says Linda Fisher, deputy commissioner of tourism development.

Last September, the tourism division began planning a special promotional campaign to capitalize on Miss Liberty's 100th birthday, says Ron Moss, tourism commissioner for the New York Department of Commerce.

Keeping the tourists in New York state once they've arrived isn't being left to chance. In mid-May, print ads in major metropolitan newspapers, including the *Boston Globe* and *Philadelphia Inquirer*, began offering free booklets called Liberty Passports, which contain 200 coupons worth more than $2,200 in discounts for hotel rooms, restaurants and attractions around the state.

By mid-July, all 850,000 Liberty Passports printed will be shipped from the Commerce Department to individuals, travel agencies and bulk distributors, Mr. Rotman says.

A rise in New York's tourism likely will mean an increase in tourism traffic for the entire region, but New York is gearing up to keep as much spending within its borders as possible.

"Pennsylvania, Massachusetts, Canada—all are aiming their guns at New York state. They all have new campaigns," Mr. Moss said at a May press conference unveiling the state's special summer campaign, themed "New York State of Mind." The $3 million effort is intended to lure visitors upstate.

SSC&B:Lintas USA, New York, which last September won a new $1.5 million business development account for the state, was commissioned to create the special summer promotion. The agency hit on the "New York State of Mind" song, featuring entertainer and New York native Billy Joel's music and vocals.

Liberty Weekend has put New York state tourism directors in a happy state of mind.

The two tv spots show quick cuts of New York state tourist attractions, including Boldt Castle in the Thousand Islands, Niagara Falls, horse racing at Saratoga and the Statue of Liberty.

Both tv spots—one 60 and one 30-second—broke June 2 in 23 northeast U.S. markets, plus the Canadian provinces of Ontario and Quebec.

At the same time, New York began running the spots in the Chicago, Los Angeles and San Francisco markets. The campaign originally was scheduled to end July 1, but it may be extended, Mr. Rotman says.

Tv spots featuring the long-running "I Love New York" campaign, via Wells, Rich, Greene, New York, have been retired for the summer, Mr. Rotman says. New spots for fall and winter tourism will break after Labor Day. Meanwhile, the "I Love New York" theme is running only in print ads.

New York's neighbors aren't sitting quietly by, waiting for a surfeit of tourists to cross their borders.

Massachusetts, the largest tourism destination in New England, increased its 1986 tourism budget, including pr, collateral and staff salaries, to $9.3 million from $7.6 million in fiscal 1984, according to Jonathan Hyde, a spokesman for the Massachusetts Department of Commerce & Development. In 1983, Massachusetts committed only $2.1 million to tourism promotion, he says.

Three 30-second tv spots began running at the end of May in northeastern markets, as well as in Toronto and Los Angeles for the first time. Each spot focuses on a separate part of the state, from cities to seashore to countryside. And in the state of Paul Revere, Bunker Hill and the Minuteman, "We market history heavily," Mr. Hyde says.

The state's slogan, "The spirit of Massachusetts is the spirit of America," created by Ingalls Advertising, Boston, reflects that slant. The slogan is beginning its third year and still going strong, backed by a $3.8 million spring-summer media buy.

Massachusetts wasn't trying to lure visitors from the Statue of Liberty celebration, Mr. Hyde says. Several trends came together to raise the state's hopes of garnering more visitors.

"The current psychology is that if you'd planned and canceled a trip to Europe, you're more inclined to take a big trip just to get away," Mr. Hyde says.

New Jersey also is hoping to cash in on those get-away travelers. In 1986, the state extended its campaign into Washington, Maryland, Delaware, Virginia, Ohio and northeastern New York, according to Victoria Schmidt, director of the state's tourism bureau in Trenton, N.J.

New Jersey is expecting a 10% increase in tourists this summer, but that is coincidental to the Liberty Centennial celebration, Ms. Schmidt says.

While the state doesn't have exact figures for total tourist traffic, last year 30 million people visited Atlantic City, and 10 million went to the Meadowlands Arena. Increased media spending accounted for the largest jump in the bureau's over-all budget, which was $6.5 million this year, up from $5.5 million in 1985. AA

Marketing takes highroad

(Continued from Page S-1)

dustry trade publication.

Tourism marketing previously relied on the private sector, but public agencies have increased their activity. "There has been an acceleration of involvement at all levels in marketing tourism products in order to bring in revenues," he says.

A national trend in advertising is emerging, Mr. Fredericks says. "It's not a direct result of external circumstances, just a continuation of an ongoing trend."

In 1986, however, external factors are influencing tourism.

For example, British Columbia and the Pacific Northwest are top-heavy with travelers—and cruise liners—drawn to Expo '86 in Vancouver; two years of pre-Liberty Weekend celebration in New York stimulated a keen interest in Americana, and airline fare wars rage on as a continuing result of deregulation. But perhaps the most frequently talked about subject is international terrorism.

"It's hysterical, what's happening right now," says Anastasia Kostoff-Mann, president of Los Angeles-based M[illegible] Allan Travel and chairwoman of the Travel and Tourism Research Assn., Salt Lake City. "And a lot of people don't realize the rebound effect on our economy is damaging."

While a portion of public concern over international travel is sensational, tourists' attitudes are not likely to change overnight. "I think terrorism abroad will abate as a problem, but I don't see a resurgence in travel abroad, particularly in Europe, because of the dollar," Mr. Frechtling says.

Travel Weekly's Mr. Fredericks agrees, saying Europe will take a couple of seasons to return as a desirable tourism destination.

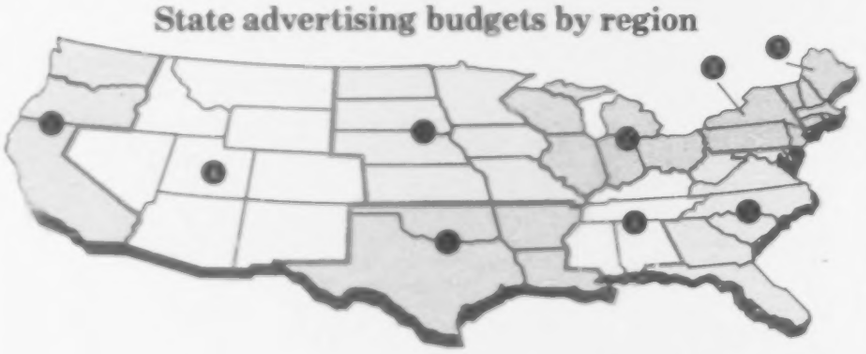
Consequently, massive international advertising and marketing efforts are being made. "Advertising is their only hope now," Ms. Kostoff-Mann says. "If the media is going to attack with airtime, the industry has to attack in the same way."

The international airline and hospitality industries have been hit hardest, while cruise lines have the advantage of putting their ships in other ports, she says. "The hysteria created by the media can be calmed by a good and well-directed marketing campaign."

Although consumers look at international terrorism as the primary reason for an upswing in North American tourism, observers recognize it as only one of many factors in an industry that has become solid because of continued growth and expertise in marketing strategy.

"Tourism research is more sophisticated, as well as the recognition of how much tourism benefits an economy," Mr. Fredericks says. "There has been a realization of the rippling effect of tourism dollars within an economy." AA

State advertising budgets by region



Region	Fiscal 1986 ad budget per region	Per cent change from fiscal 1985
New England	$6,688,068	12.9%
Mid Atlantic	11,189,100	9.5
South Atlantic	15,381,686	21.0
East South Central	5,379,450	103.4
West South Central	4,040,024	−3.3
East North Central	15,070,000	21.6
West North Central	6,018,481	41.3
Mountain	8,584,880	11.2
Pacific (includes Alaska, Hawaii)	10,212,600	−4.1

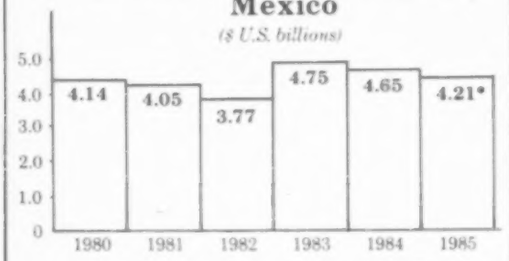
Source: U.S. Travel Data Center

Resorts warm Mexico's chilly tourism industry

Mexican fact dance

Total tourism spending in Mexico

($ U.S. billions)



Breakdown by air and by land

Year	By air	By land
1985	2.69*	1.51*
1984	3.00	1.65
1983	2.99	1.76
1982	2.17	1.59
1981	2.34	1.70
1980	2.47	1.67

*Figures for Sept.-Dec., 1985 are estimated.

U.S. tourist spending in Mexico

($ U.S. millions)

Year	Total dollars
1985	3.54*
1984	3.94
1983	4.09
1982	3.24
1981	3.45
1980	3.44

*Figures for Sept.-Dec., 1985 are estimated.

1985 breakdown by state

($ U.S. millions)

1. Texas	1,109
2. California	753
3. Arizona	212
4. Illinois	183
5. Florida	175
6. New York	120
7. New Mexico	82
8. Pennsylvania	58
9. New Jersey	42
10. Ohio	31
All others	776

Revenues from tourism by origin

($ U.S. billions)

Country	1985	1984	1983
United States	1,300	1,500	1,300
Canada	133	122	111
Europe	96	153	122
Latin America	129	129	93
Other	14	12	14
Total	**1,700**	**1,920**	**1,640**

Profile of the Tourist

Year	Daily spending	Avg. stay
1985	9.1 days	$44.90
1984	9.5	44.2
1983	9.2	37.2
1982	10.3	42.3
1980	10.1	39.9

Source for all charts: Secretaria de Turismo, Mexico City, March, 1986

Advertise in Travel-Holiday, and your message won't sail wide of its mark. Our readers have the Inclination as well as the Time and Money (TIM) for serious travel, taking 25 million trips last year. It's their hobby, their recreation, their life. Avid readers as well, they average two hours per issue and send nearly a million requests annually for information from our advertisers. Why not you? For our new media kit to help launch your ad, contact Ruth Halpert, Adv. Dir., Travel-Holiday, Travel Building, Floral Park, NY 11001. (516) 352-9700.

Time, Inclination and Money. Our readers have it.

TRAVEL-HOLIDAY

GOT A COMET BY THE TAIL

*Source: Erdos & Morgan, 1985

By Richard Edel

The ads say "Feel the warmth of Mexico," but many Americans are giving it the cold shoulder instead. In a year when North American destinations are popular, one would expect Mexico's cities and resorts to be swarming with vacationers. But 1986 is expected to follow the 1985 pattern, when travel to Mexico dropped. In 1985, the most recent figures available, travel from the U.S. to Mexico declined nearly 16% from a 1983 peak of more than 4 million persons, according to the U.S. Travel & Tourism Administration in Washington.

If there is a silver lining in this gloomy statistic, it is Mexico's resort business. In 1985, after a long-term pattern of nearly explosive growth, the resort industry maintained an even level from the previous year, even while travel to historic, archeological and colonial attractions was down. Consequently, Mexico continues to develop its vast resources of sun and sand as avidly as it sank new oil wells in the 1970s.

"Mexico has always been an important product for travel companies, and it always will be," says Alan Fredericks, associate publisher and editor of *Travel Weekly*, a New York-based trade publication. "Unfortunately, unlike Hawaii, Alaska, Bermuda, Canada and other [North American] destinations, you can't turn away from the negatives in Europe and look at an entirely positive situation for Mexico this year," he says.

Tourists tend to equate newspaper headlines with general conditions at their destinations. "People hear 'terrorism-Europe,' 'crime-New York,' 'earthquake-Mexico,' " and they refuse to go there, even though the problems may only be localized, Mr. Fredericks says. "It's very difficult to overcome these impressions with facts."

The facts: Mexico is faced with slumping markets for oil and manufacturing, its two leading industries, and is intensifying its efforts to promote tourism, the third largest sector at about $2 billion a year, says a spokesman for Mexico's secretary of tourism. Tourism also is critically important as a source of employment, he says.

But Mexico's strategy in developing tourism has changed dramatically in recent years. Escorted tours of cultural or historic sites are giving way to fun in the sun vacations at resort communities on the west and east coasts and travel experts say this represents a key shift in Mexico's tourism economy.

"Mexican travel in the past was more of a cultural vacation," Mr. Fredericks says. "To a greater degree today it's more of a resort sell with resort areas now accounting for a great deal of the tourism."

Richard Edel is a frequent contributor to Special Report.

In 1980, for example, airport arrivals at interior cities outnumbered those at beach destinations by 3 to 1. The ratio declined to slightly more than 2 to 1 in 1985, according to the Secretary of Tourism in Mexico City.

"I'm bullish on the outlook for Mexico travel, particularly as we go into the 1986-87 winter season," says Tim Warnock, vp-Mexico products for Denver-based First Tours, a unit of Carlson Cos., Minneapolis, a hotel, restaurant and travel corporation.

Mexico's tourism promotion is turning to the fun in the sun approach.

"From our standpoint we see a definite increase to resort destinations," Mr. Warnock says. First Tours' business to Mexico's resorts increased 25% in 1985, and Mr. Warnock projects another 15% to 20% increase in 1986. "But we don't know whether the increase is cyclical or a long-term trend."

But a spokesman for another Carlson unit, Minneapolis-based Cartan Tours, says Cartan is canceling several of its midseason Mexico tours because of lack of interest and shifting tour packages to Canada and Hawaii.

The Cartan tours were primarily to colonial and archeological points of interest, catering to a generally older clientele, Mr. Warnock says. This market has been sensitive to news reports of the September earthquake and to reports of danger south of the border.

"Television news was graphic in its portrayal of the earthquake disaster," he says. "This led to misperceptions about the extent of the damage." The city damage was confined to an area about the size of New York's Central Park, newspaper correspondents say.

The earthquake, registering 7.8 on the Richter scale, devastated a densely populated section of Mexico City, resulting in thousands of deaths and $1 billion in damage.

News reports of the disaster undeniably had a significant impact on Mexican tourism, coming as they did only months before the peak winter season, says Fernando Jarces-Soto, ad manager for Mexicana Airlines, Los Angeles.

For example, tourism to Mexico City was 2.1 million persons in 1985, down 16% from 1984, according to Mexico's secretary of tourism. Travel to Ixtapa, a resort area 200 miles southwest of Mexico City that also was damaged in the quake, was 311,000 in 1985, down 9% from the previous year.

"People in the United States live in such a stable, civilized society that anything unusual happening outside their borders scares the hell out of them," Jarces-Soto says. "The truth is that chaos is the natural state of things around the world."

Although 1985 tourism was down, he says air travel to resort areas, especially Cancun, continues to be strong.

For a decade, Mexico has been investing heavily in the construction of beach resort areas through Fonatur, a government agency. Since 1974, Mexico has added 83,465 hotel rooms, mainly in the five planned resorts of Cancun, Ixtapa Zihuatanejo, Loreto, Cabo San Lucas and Guaymas, a spokesman for the secretary of tourism says. The cost, according to the spokesman, was 204,221 million pesos, equivalent to about $2.4 billion, based on average exchange rates for the 10-year period.

Fonatur lays the groundwork by installing water and sanitary sewer lines, roads and other pieces of the resort infrastructure. Private developers follow with hotel developments, such as one recently announced between New York-based Hilton International, a subsidiary of Trans World Airlines, and Protexa Group, an industrial company based in Monterrey.

The two companies are planning a 434-room beachfront resort in Cancun to open in 1988. It could be the first of several resort and city developments for the partnership, a Hilton spokesman says.

Such developments are small but important pieces of a growing success story for Mexican tourism. Cancun, for example, was a sparsely populated, sandy island 20 years ago when Mexico began developing it as a tourism resource.

In 1975, Cancun had 1,322 hotel rooms, an occupancy rate of 51% and 100,000 visitors, mostly Mexican nationals. In 1985, Cancun has 6,591 rooms, an occupancy rate of 72%, and hosted 500,000 foreign guests and 230,000 nationals in 1985, up 2% from 1984.

A similar growth pattern is being experienced by several resort areas along Mexico's Pacific coast.

However, Pacific coast resorts will be hurt in the summer of 1986 because several cruise lines are diverting vessels from tours along Mexico's coast to tours of Alaska and Canada, says Jack Beuttell, vp-marketing for Sitmar Cruises, Los Angeles. Sitmar, Holland America and Princess cruises all are diverting ships, he says.

"Quite honestly, there's more demand for Alaska this summer. It's a question of seasonality and I suppose Expo '86 has a lot to do with it. We'll continue to support Mexico for nine months out of the year."

As Mexico's resort communities become more successful, marketers find ways to incorporate them into package deals, says Dolores Avalos, director-advertising for Westin Hotels & Resorts, Mexico City. Westin is working jointly with several airlines, including Mexicana, American Airlines and Aero-Mexico, and with tour wholesalers to create resort packages at reasonable prices, she says.

The advertising theme, "Think Mexico this summer . . . you get the best places at the best value," is breaking in key markets, including New York, Seattle and Houston, Ms. Avalos says. Westin also anticipates a boost in tour travel after last month's World Cup soccer games, held in Mexico City.

The Mexican government continues backing tourism with its "Feel the warmth" campaign, created by Dancer Fitzgerald Sample, New York. Introduced in April, 1985, in the U.S. and Canada with an annual budget of $12 million to $15 million, the campaign airs on network tv from mid-December to mid-April, Mexico's peak tourism season, and on spot tv the rest of the year.

About a third of the budget is divided between print media and newspapers. Mexico also has a $1 million annual budget for five western European countries and Japan.

Jim Hunter, senior vp-management supervisor at DFS, says the campaign is people oriented.

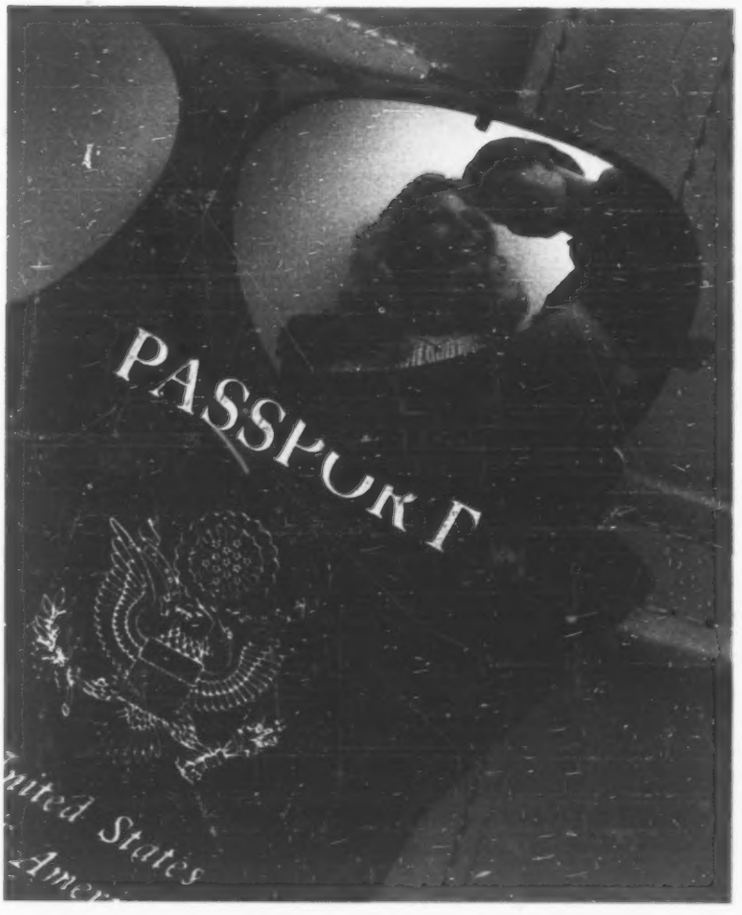
"We feel that most travel advertising doesn't show tourists relating to the people in the country they're visiting," he says. "This campaign features the two greatest assets of Mexico—the warmth of the people and the warmth of the sun."

Mr. Hunter says the Mexican government is attuned to the relationship between the country's image and the repercussions on tourism.

"The government has taken a very positive stance on tourism from the president [Miguel de la Madrid Hurtado] on down," he says. "Let's face it, with the price of oil going down, they need all the foreign currency through tourism that they can get." ■

More about Florida's Money Market

Nearly half the population of Fort Lauderdale/South Palm Beach hold passports. Almost 40% used them in the past three years.



The News/Sun-Sentinel delivers two out of three readers in Florida's affluent Money Market.

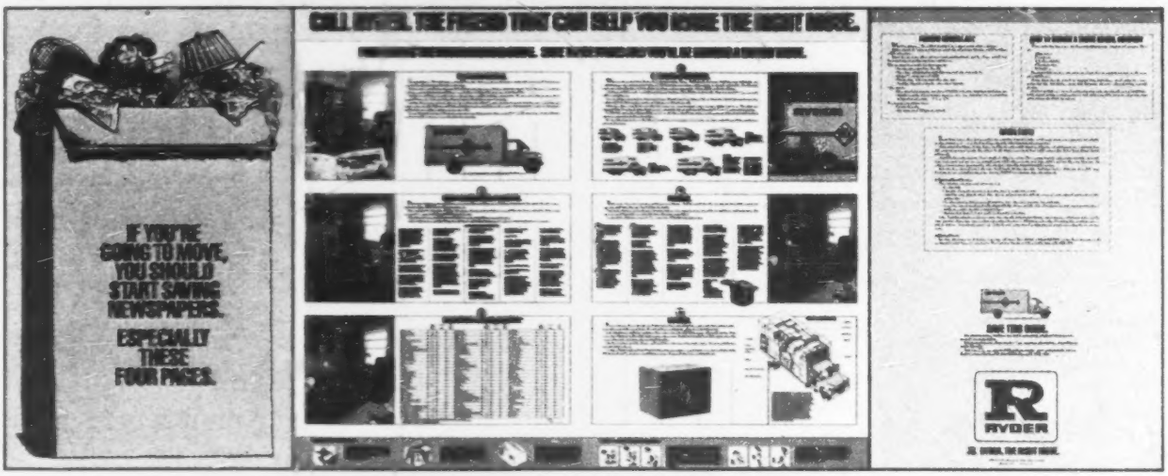
Fort Lauderdale/South Palm Beach
News/Sun-Sentinel
Florida's Money Market

Represented nationally by C.W.O. & O.; Sunday Magazine Network, in Florida by Publishers Representatives of Florida.
The News/Sun-Sentinel is a Tribune Company Newspaper.

BEST OF PRESS

If you're planning a move, you'll want this ad, a Burton-Campbell Inc., Atlanta, effort for Ryder Truck rental in Miami. The four-page ad, which ran in *USA Today*, uses a teaser on the first page; an attractive yet information-packed layout, with color, in the center spread, and leaves the hard sell for the last page. Creative director: Gabe Massimi; art directors: Tom Sapp, Randy Spear; copywriters: Gary Towers, Dianna Thorington.

Best of Press selections are made by Hank Simons, vp-creative director of the Newspaper Advertising Bureau; James Dunaway, vp-information at the bureau, and William F. Gloede of Advertising Age. National System Inc., St. Louis, provides tear sheets to the Newspaper Advertising Bureau for much of this work.


IF YOU'RE GOING TO MOVE, YOU SHOULD START SAVING NEWSPAPERS.
ESPECIALLY THESE FOUR PAGES.
CALL RYDER, THE FRIENDLY TRUCK THAT CAN HELP YOU MOVE THE RIGHT WAY.
RYDER

On June 10th
5,200 of you will devour, nibble, and sip:
8,250 glasses of champagne,
5,500 tins of caviar,
11,000 scones and
917 lbs. of smoked salmon.
All for nothing.
Go for it, America!
On June 10th every one of British Airways' 5,200 seats to Britain will be FREE. Win two of them.
To go for it, America, just enter here.
BRITISH AIRWAYS

Saatchi & Saatchi Compton's campaign for British Airways awarding 5,200 free flights was a classic use of the newspaper to whet readers' appetites, then satiate same. This ad, the finale in the series, followed efforts that gave hints about the prize, but never got specific. Creative directors: Charlie Abrams, David Herzbrun; art directors: Charlie Abrams, Douglas Levin, Dale Tangeman; copywriters: Jennifer Brooke, Robert Solomon, Norman Weill.

And Korey, Kay & Partners successfully exploited the interest engendered by the British Airways campaign by running this ad for its client, Virgin Atlantic Airways, normally the low-cost carrier. Associate creative director and art director: Neil Leinwohl; associate creative director and copywriter: Kevin McKeon.

IT HAS ALWAYS BEEN VIRGIN'S POLICY TO ENCOURAGE YOU TO FLY TO LONDON FOR AS LITTLE AS POSSIBLE.
SO ON JUNE 10 WE ENCOURAGE YOU TO FLY BRITISH AIRWAYS.
VIRGIN ATLANTIC AIRWAYS

FLASH REPORT: Newspaper advertising investment for April

April 1986	IN 100 THOUSANDS	IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR		1986	1985	ACTUAL $ G OR L	% G OR L
Amusements	1986		$28,989,315	$25,753,716	+3,234,599	+12.6
	1985					
Computer stores & supplies	1986		4,345,634	4,273,823	+71,811	+1.7
	1985					
Department stores	1986		91,815,534	78,173,838	+13,641,696	+17.5
	1985					
Food stores	1986		30,080,737	25,040,224	+5,040,513	+20.1
	1985					
Radio, tv, phonographs, records	1986		18,313,980	15,431,273	+2,882,707	+18.7
	1985					
General merchandise stores	1986		41,838,740	36,220,629	+5,618,111	+15.5
	1985					
Alcoholic beverages	1986		2,042,680	2,640,816	-598,156	-22.7
	1985					
Cameras, photo supplies & services	1986		21,475	242,805	-221,330	-91.2
	1985					
Computers, equipment & services	1986		3,601,455	4,747,205	-1,145,750	-24.1
	1985					
Public service utilities & communications	1986		6,062,346	8,448,235	-2,385,889	-28.2
	1985					
Publishing & media	1986		11,509,828	11,684,491	-174,663	-1.5
	1985					
Cigarets	1986		6,835,322	3,025,383	+3,809,939	+125.9
	1985					
Airlines	1986		14,555,964	14,390,920	+165,044	+1.1
	1985					
Passenger cars-new	1986		18,319,261	12,784,167	+5,535,094	+43.3
	1985					
Banks & trust companies	1986		10,293,394	9,847,170	+448,224	+4.5
	1985					
Stock, bond & investment houses	1986		2,215,712	1,280,195	+935,517	+73.1
	1985					

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Newspaper ads jump 14.5%

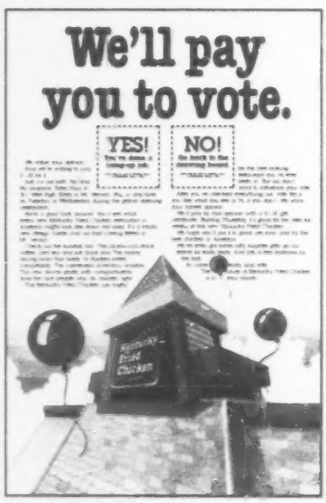
New York—Advertiser spending in the daily newspapers measured for the Advertising Age Flash Report by Media Records Inc. here shows a 14.5% increase in April, 1986, to $290.8 million. Food stores, department stores and general-merchandise stores all posted double-digit increases over April '85, with the food-stores category leading the way by increasing spending 20.1% to $30.1 million.

Department-store spending was up 17.5% to $91.8 million, and general-merchandise stores hiked spending 15.5% to $41.8 million.

Among other category gainers were amusements, up 12.6% to $29 million; radio-tv-phonograph-records retailers, up 18.7% to $18.3 million; cigarets, where spending more than doubled, up 125.9% to $6.8 million; airlines, up 1.1% to $14.5 million; new passenger cars, up 43.3% to $18.3 million; banks and trust companies, up 4.5% to $10.3 million; stock, bond and investment houses, up 73.1% to $2.2 million, and computer stores and supplies, up 1.7% to $4.3 million.

Among losing categories were alcoholic beverages, down 22.7% to $2 million; camera-photo supplies-services retailers, off 91.2% to $21,475; computer equipment and services, down 24.1% to $3.6 million; public service utilities and commissions, down 28.2% to $6.1 million, and publishing and media, off 1.5% to $11.5 million.

The Flash Report is based on SAU inch measurements by MRI in 29 daily and 23 Sunday newspapers in 15 major markets.#



This ad for a new Kentucky Fried Chicken store in Mount Vernon, O., via Innis Maggiore Olson Advertising & Marketing in Canton, O., used a good headline, color and coupons worth $1 off a food purchase to bring in the customers. And come in they did, in record numbers. KFC corporate is considering using the ad in other markets. Creative director and copywriter: Barry Olson; art director: Bob Petersen; illustrator: Sue Koudelka.

Thanks, Apple.
Late Monday night, May 19, 1986, we learned that Apple Computer was moving its advertising account from Chiat/Day to BBDO.
That marks the end of the roller coaster adventure our two companies have shared for nearly seven years. Together, we introduced a new technology to the world, founded a new industry in America and changed forever the way business talks to business.
Now we'd like to take this moment to say thanks, Apple.
Thanks for letting us make a little history.
Thanks for demanding our best, and then more than our best.
Thanks most of all for actually using our best, year after challenging year.
You've done for us what 1776 did for Uncle Dane Steinbach, what Hathaway did for Ogilvy & Mather, what McDonald's did for Needham, Harper & Steers.
So thanks, Apple.
It's been a great ride.
Chiat/Day

We thought this ad was simply a class act, following a history of good, sometimes great creative newspaper advertising by Chiat/Day, Los Angeles, for Apple Computer. The ad was written by Lee Clow, president, executive creative director, and Steve Hayden, senior vp and creative director.

Ad pages in farm publications for 6 months, 1986-85

Second-quarter and year-to-date figures for U.S. and Canadian publications reporting to Advertising Age

	Pages			
	April-June 1986	April-June 1985	Jan.-June 1986	Jan.-June 1985
Canadian				
Country Guide				
Eastern Edition	135.6	135.0	255.6	279.3
National Edition	226.8	264.4	448.2	540.5
Western Edition	178.3	189.6	318.4	368.5
Le Bulletin des Agriculteurs	—	—	—	—
Total Group	540.7	589.0	1,022.2	1,188.3
% change	-8.2%		-13.9%	
Dairy & livestock				
Beef Magazine A	101.8	132.6	270.8	355.9
Beefweek	66.4	123.0	200.5	267.5
The Cattleman	269.6	327.1	544.0	672.3
Dairy	74.8	75.2	156.1	156.3
Dairy Herd Management	35.9	66.8	83.9	148.3
Drovers Journal (52X) A	132.5	175.6	332.5	421.6
Feedlot Management	24.7	31.4	66.3	107.8
Florida Cattleman	—	—	—	—
Hoards Dairyman (23X) A	124.9	175.4	297.9	385.0
Hog Farm Management	34.6	33.0	67.8	89.3
National Hog Farmer	145.5	113.7	356.0	327.3
Pork '86	85.1	90.3	235.3	215.3
Premier Hog Producer	18.5	14.0	43.3	32.0
Southern Beef Producer (8X)	—	—	—	—
Southern Hog Producer (6X) A	—	—	—	—
Sunbelt Dairyman (6X)	—	—	—	—
Western Livestock Reporter	98.8	108.6	233.2	257.0
Total Group	1,213.1	1,466.7	2,887.6	3,435.6
% change	-17.2%		-15.9%	
Fruit & vegetable				
American Fruit Grower	—	—	—	—
American Vegetable Grower	—	—	—	—
Citrus & Vegetable	138.0	145.7	290.5	295.7
Total Group	138.0	145.7	290.5	295.7
% change	-5.2%		-1.7%	

	Pages			
	April-June 1986	April-June 1985	Jan.-June 1986	Jan.-June 1985
General farm publications				
American Agriculturist	—	—	—	—
California Farmer (21X) A	144.1	163.0	323.4	365.0
Farm Futures	110.2	81.9	306.2	269.5
Farm Industry News (10X)	74.6	83.8	284.7	309.6
Farm Journal Inc.				
Beef Extra (11X)	30.9	—	61.2	45.3
Dairy Extra (11X)	57.9	—	107.9	40.8
Farm Journal (14X)	118.4	156.8	384.7	431.0
Hog Extra (10X) 32.5	—	79.6	30.0	
Top Producer	48.6	54.1	109.4	105.7
Farmer-Stockman Unit				
Oklahoma Farmer-Stockman (12X)	53.3	41.3	102.6	102.2
Texas Farmer-Stockman (12X)	48.9	39.2	100.7	85.1
Florida Grower & Rancher	84.3	72.8	174.0	163.6
The Grower	96.6	93.3	178.2	181.5
Harvest Publishing Unit (21X)				
Kansas Farmer (21X)	96.0	102.2	294.7	320.3
Michigan Farmer (21X)	92.8	91.3	271.4	311.0
Missouri Ruralist (21X)	107.7	118.2	349.6	383.8
Ohio Farmer (21X)	108.9	128.7	336.8	427.5
Pennsylvania Farmer (21X)	68.1	73.7	235.9	282.1
High Plains Journal				
Central Kansas (52X)	467.8	540.7	979.7	1,069.8
Colorado	479.6	540.4	1,001.0	1,046.2
Nebraska	451.0	527.0	952.4	1,029.2
Oklahoma-Texas	463.9	546.8	969.3	1,073.3
Western Kansas	523.4	598.3	1,086.4	1,162.7
Irrigation Age (10X) A	32.4	36.4	99.3	139.6
Kentucky Farmer	70.5	71.3	173.2	185.2
Lancaster Farming (52X)	1,644.9	1,393.5	3,520.8	3,031.4
Midwest Farm Paper Unit (24X)				
Nebraska Farmer	177.9	226.7	566.7	668.8
Prairie Farmer A	163.3	213.8	506.0	649.5
Indiana Edition	162.4	211.6	486.1	615.4
Wallaces Farmer (24X) A	137.0	166.3	460.9	575.2
Wisconsin Agriculturist (22X)	103.3	123.3	317.3	373.7
Pecan South (6X)	23.8	11.5	45.7	28.5
Progressive Farmer A	—	—	—	—

	Pages			
	April-June 1986	April-June 1985	Jan.-June 1986	Jan.-June 1985
Specialized Agricultural Publications				
Coastal Plains Farmer	29.2	38.0	80.2	73.7
Flue Cured Tobacco Farmer	24.2	31.4	76.7	76.1
Peanut Farmer (8X)	42.5	37.6	87.8	75.5
Successful Farming A	112.1	128.6	390.2	407.0
Tennessee Farmer	—	—	—	—
Western Unit Farm Magazines				
Colorado Rancher & Farmer (14X)	71.1	74.1	177.0	195.3
Western Farmer-Stockman Magazines				
Arizona Farmer-Stockman (12X)	56.2	69.9	123.3	142.3
Idaho Farmer-Stockman (20X)	106.5	116.0	287.4	315.0
Montana Farmer-Stockman (20X)	157.8	201.1	392.2	485.1
Oregon Farmer Stockman (20X)	78.6	92.3	218.1	253.3
Utah Farmer-Stockman (20X)	66.6	89.6	166.6	233.6
Washington Farmer Stockman (20X)	90.1	103.0	237.1	268.7
Total Group	7,109.9	7,489.6	17,102.4	18,028.1
% change	-5.0%		-5.1%	
Poultry				
Broiler Industry	143.2	132.6	326.8	296.6
Poultry Digest	67.8	53.4	126.6	96.6
Poultry Tribune	58.0	51.4	115.5	110.3
Poultry & Egg News	—	—	—	—
Poultry Times	—	—	—	—
Northeast/Midwest	—	—	—	—
Pacific Edition	—	—	—	—
Southeast Edition	—	—	—	—
Southwest Edition	—	—	—	—
Poultry & Egg Mktg	—	—	—	—
Total Group	269.0	237.4	568.9	503.5
% change	+13.3%		+12.9%	

(X) Represents the number of times published each year; publications are monthly unless otherwise specified. A: Sectional linage included but prorated to circulation of regional editions.

L.A. hit by Lipton's citrus rain

Lipton Fruit Tea bows in a tv :30 and a :15 entitled "Let it pour," which features a shower of thousands of lemons and limes. The spots open with a young couple under a beach umbrella at poolside. Suddenly, a sprinkling "rainfall" of fruit begins, then a torrential downpour as the chorus sings, "Let it pour!" and the couple runs for cover under a colorful cabana. The spot was filmed at a Los Angeles pool after a series of experiments in the New York studio of director Andy Jenkins. He decided to photograph the fruit shower at 96 frames a second to give the Thomas J. Lipton Inc. spot a slow-motion, "live-action cartoon feel" without making the actor and actress' movements look unreal. Instead of using actual fruits, he used plastic lemons and limes. Crew members regulated the flow of the fruits via sheets stretched across the pool and the cabana. Creative credits at MCA Advertising, New York: Harvey Gabor, creative director, and Dick Wotring, producer. Production credits at Jenkins Covington Newman Rath, New York, besides Mr. Jenkins: Frank Nugent, producer.

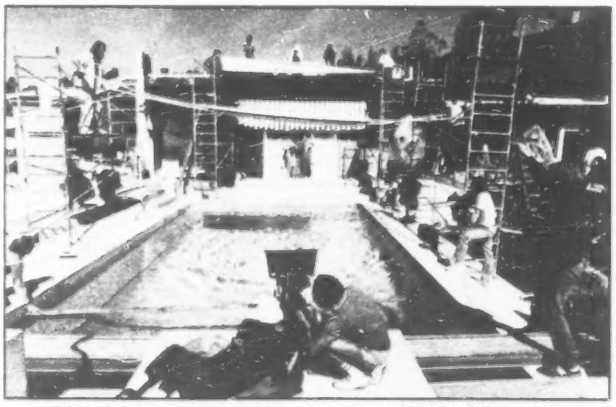
U.S. Postal Service, Washington, post-produced a :30 in which a new set of presidential stamps was introduced, displayed one per frame to create a layered effect as historic footage was shown in the background. Ira Schweitzer and Art Dome of Image Mix, New York, handled the editing with Will Wright, senior producer, Young & Rubicam.

David Lerner Associates, a New York investment company, has done an animated tv and cable :30 in which the company comes to the assistance of an average investor, depicted as bewildered as he heads down the road of investment decisions. An upcoming print campaign also will mirror the tv cartoon approach. Creative credits:

SHOOTS

Skip Ackerman, creative director; Joan Haberman, producer; Sandy Salatan, copywriter, and Maxine Brenneran, art director. Production credit: KCMP Productions, New York.

Marine Midland Bank, New York, used music in a tv :30 to contrast the attentive concern of its employes with the lackadaisical attitude of those in rival banks. Credits at DMB&B: Shelley Platt, producer; Al Silver, creative group head/art director, and Ed Caffrey, creative director/writer. Music credits at Roy Eaton Music, Roosevelt Island, N.Y.: Roy Eaton, producer, and Wally Strickland, composer/arranger.



It's raining "lemons and limes" in this Lipton Fruit Tea spot.

Pontiac Dealers Advertising Assn. of New York, New Jersey and Connecticut used a hard-rock, synthesizer music score for its "The Pontiac push is on" campaign. Creative team at David Deutsch Associates, New York: Donald Deutsch and Rich Kirschenbaum, producers. Production credits: Richard Lavsky and Tamara Kline, composers/arrangers, the Music House, also New York.

Bloomingdale's, New York, finished two music video-like tv :30s entitled "Countdown to summer fashion" and "Countdown to summer furniture," both shot at an elegant downtown Manhattan duplex loft. Claude Mogin, a well known fashion and beauty photographer who formed his own production house a year ago, directed the :30s. Creative credits: Bruce Allen, producer, and Doug Bartow, art director, of Grey Advertising, with John Jay, Bloomingdale's creative director. Production team: Mr. Mogin, director, and Declan Quinn, director of photography, both Claude Mogin Productions, with Bob Lampel, producer, BLTV, also New York. Both shops had worked together for Bloomie's on an earlier music video-like project.

Shoots is compiled by New York-based senior editor James P. Forkan.

Tighe

(Continued from Page 63)

place, nobody had ever done it before—and mail-order practitioners are a conservative bunch.

In the second place, you have to pay a premium for every first-class business reply card mailed back to you. And what good are a bunch of "No's"?

What good indeed? Today, we all know that using a Yes/No option usually generates enough additional "Yes" responses to pay for the "No's"—and then some. But nobody knew it then.

That may have been the beginning of database development, which of course the *Digest* more or less invented years before it became a buzzword. I say "may have been" because I don't know what the *Digest* did with its No's back in those dear, dead pre-sweepstakes days.

If it was like most other mailers, however, it probably didn't do much with 'em; more's the pity. But that's another story for another column.

What *can* you do with No's? Before answering that one, let me ask you another. Is a No really a No? Or is it a Yes in disguise? Let's examine this more closely.

What do you do if you really and truly have no use for the product or service described in the mailing you've just opened—if, for example, you're a practicing Catholic and the mailing is for birth control pills?

You scan the headline and throw it away—which, as we know, is what most junk mail recipients do. If the envelope cornercard and teaser copy telegraph that the contents hold absolutely no interest for you, you may even throw it away unopened.

But suppose that the mailing is about something you *may* be interested in. Suppose, for example, that you are an accountant and the mailing is about a new tax service. *(To be continued.)*#

Copywriter/consultant Mr. Tighe is known in direct-marketing circles as one of the most successful free lancers. Based in New York, he serves clients throughout the U.S. and Canada.

Study

(Continued from Page 63)

an inbound facility pay from $14,000 to $75,000 with an average of $37,078. In facilities that handle both inbound and outbound calls, managers earn from $8,000 to $81,000 with an average of $37,036.

For managers, salary represents 82% to 89% of total compensation.

Telemarketing supervisors in outbound centers earn $10,000 to $60,000, averaging $20,461. In inbound facilities, they earn $10,500 to $40,000, averaging $20,244. Those working in combined facilities earn $10,500 to $50,000, averaging $23,646.

For supervisors, salary is about 90% of total compensation.

Telephone sales representatives in outbound facilities make from $3.50 to $33 an hour, averaging $8.41. In inbound centers, they earn from $4 to $16.83 per hour, averaging $7.34. And in combined centers, they earn from $3.55 to $28 per hour, averaging $8.78.

Those salaries represent 81% to 92% of total compensation.

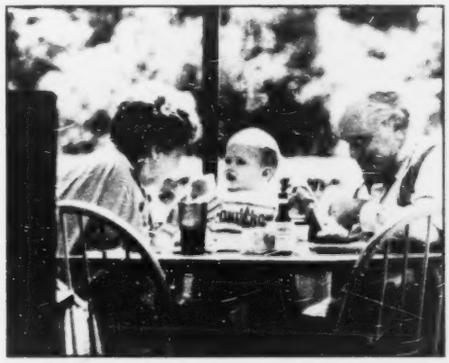
Additional compensation beyond salary comes from profit sharing, guaranteed bonuses, nonguaranteed bonuses, incentive plans and commissions.

Profit-sharing plans and nonguaranteed bonuses are the two most prevalent forms of added compensation in all companies for managers and directors, while supervisors are most likely to have incentive plans and nonguaranteed bonuses.#

Monday, July 21, 1986

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections, Section 1.



Ponderosa gets 'family feeling'

Ponderosa is boosting tv spending 40% to back its new "family feeling" campaign. The tv and print effort, positioning Ponderosa as a family restaurant, is the first work from Lowe Marschalk's New York and Cleveland offices, jointly assigned the $21 million account in April. *(See story, Page 3.)*

New network would chase 'MNF' if ABC bails out

Fox seeking grid lock

By ROBERT RAISSMAN

Fox Broadcasting Co. says it will try to fill a third night in its fledgling fourth tv network with "Monday Night Football" in 1987 if it can avoid setting off a bidding war.

Speculation persists that ABC-TV will not bid to renew "MNF" unless there is a substantial rollback in rights fees. ABC lost a reported $40 million on "MNF" in 1985 and is expected to lose millions more this year.

The National Football League's five-year, $2.1 billion broadcast contract with the three tv networks expires at the end of the 1986 season.

"We look at 'Monday Night Football' as a programing element that could be very beneficial to Fox," said FBC president Jamie Kellner. "However, the only way it would come to us is if ABC decided from a programing standpoint it was damaging, which it is, to their prime time schedule and they would rather go with series programs."

Under new owner Capital Cities Communications, New York, ABC Sports has been following a strategy that remains committed to sports only if it is competitive with other programing as a profit generator.

In the past few months, ABC Sports has failed to renew its contract with the College Football Assn. (ABC has broadcast college football for 23 years). A deal might yet be made, however, or ABC could try to raid CBS' current lineup of Big 10 and Pac 10 games.

ABC also has let it be known that it may not pick up "Monday Night Baseball" after the 1989 season. CBS exec vp Neal Pilson reportedly told Major League Baseball commissioner Peter Ueberroth during last week's All-Star Game that CBS would be interested if ABC drops the games.

Stephen Solomon, Capital Cities/ABC senior vp-sports planning, said all ABC's moves were predicated on bringing a "marketplace reality to the sports business." He said ABC has actually added to its sports programing. "We added the Belmont [one of the Triple Crown thoroughbred horse races] and college bas-

(Continued on Page 78)

Simmons, Scarborough split

Both companies planning '87 ratings studies

By WILLIAM F. GLOEDE

NEW YORK—Simmons-Scarborough Syndicated Research Associates, the supplier of syndicated research used in virtually all national newspaper advertising buys, is no more.

Simmons Market Research Bureau, owned by JWT Group, said it has terminated the partnership with Scarborough Research Corp. that created Simmons-Scarborough Syndicated Research Associates in 1984.

The companies came together in response to pleas from the newspaper industry for a single, comprehensive syndicated study of newspaper audiences in the top 50 markets. It conducted the 1985 Newspaper Ratings Study now in use at 104 major advertising agencies.

SMRB said in a letter mailed July 18 to subscribers to the 1985 study that it plans to conduct its own newspaper ratings study independently of Scarborough later this year for publication in June, 1987.

SMRB president Frank Stanton said the partnership had been ended as of July 17. But Harold Israel, president of Scarborough, said the partnership "as it stands now, is still in effect," and he questioned whether SMRB had the authority to unilaterally terminate the arrangement.

The falling out between the two research suppliers apparently stems from the differing business philosophies of SMRB and Scarborough and the differing personalities of Messrs. Stanton and Israel, sources in the research business said. "I guess that people who know these folks are not surprised," said one source.

Mr. Israel has been seeking new investors in his company and has

(Continued on Page 78)

Tobacco critics start battle for ad restrictions

By STEVEN W. COLFORD

WASHINGTON—Cigaret advertising critics in Congress built momentum last week for a showdown with the tobacco and advertising industries on Aug. 1.

But a decision to keep Surgeon General Everett Koop from attending last week's anti-tobacco hearing before the House health and environment subcommittee may give some encouragement to advertisers and tobacco marketers when they get their day in the sun.

Last Friday's hearing, devoted to opponents of tobacco advertising, produced little new in testimony from the American Medical Assn., Captain Kangaroo and other witnesses.

The committee is considering whether to recommend restrictions on the $2 billion tobacco marketing industry.

Only five of the committee's 25 members attended the opening hearing, which heard opponents of tobacco ads present their case.

Committee chairman Henry Waxman (D., Cal.) is committed to pressing for some restrictions. Whether his committee will recommend an outright ban, a limitation on imagery or the elimination of the tax deductibility of tobacco ad expenditures may not be known until 1987.

For the first time, the issue of tobacco advertising percolated to the top levels of President Reagan's senior advisers last week. At the urging of White House chief of staff Donald Regan, the Office of Management & Budget blocked plans for Mr. Koop to testify at Friday's hearing. His prepared remarks supported a tobacco ad ban.

Mr. Koop, who had asked to speak for the Reagan Administration, is expected to testify Aug. 1 when the hearings resume. But the White House may send along other spokespersons to argue against an ad ban on legal grounds. An administration spokesman last week went to some lengths to explain that OMB director James Miller III opposed a tobacco ad ban when serving as chairman of the Federal Trade Commission.

The principal argument advertisers plan to use next week—that the First Amendment proscribes a ban of truthful advertising for a legal product—was disputed at last week's hearing by the American Medical Assn., which cited the recent Supreme Court decision upholding a ban on casino ads in Puerto Rico (AA, June 16).

There was little new in the testimony of the anti-tobacco forces. The AMA and others claimed the

(Continued on Page 8)

Top 50 'brand' agencies

Which are the top agency "brands"—agencies operating under their own names, without subsidiaries or affiliates or non-advertising divisions? ADVERTISING AGE peeled away all the other-named units from its agency income issue of last March to devise a new list of agency brands, based on 1985 billings. The complete Top 50 table is on Page 65. The top 10:

1 J. Walter Thompson Co.
2 Leo Burnett Co.
3 DDB/Needham Worldwide
4 Ogilvy & Mather
5 Foote, Cone & Belding
6 Bozell, Jacobs, Kenyon & Eckhardt
7 Young & Rubicam
8 Grey Advertising
9 D'Arcy Masius Benton & Bowles
10 DFS Dorland Worldwide

Last Minute News

Grand Union is shopping for new agency

ELMWOOD PARK, N.J.—Grand Union Co. will hear presentations this week from Lowe Marschalk, New York, and Young & Rubicam/Zemp, St. Petersburg, Fla., to handle its expanded $10 million-to-$15 million image ad account. The supermarket account is currently at Grulich-Koenig Advertising, Miami, a $10 million shop that has been handling it for the past three years.

Northwest Orient-Grey split reported

MINNEAPOLIS—Northwest Orient Airlines has fired Grey Advertising, sources say. Grey was named only months ago to the estimated $50 mil-

(Continued on Page 8)

NEWSPAPER

SHINGTON DC 20014
4520 EAST-WEST HWY #800
SRI ACQUISITIONS
CONGRESSIONAL INFO SERVICE
CONGCI AA 8627999 99 KIA
3-DIGIT 20014

HIGHLIGHTS

Breakup for researchers 1
Simmons-Scarborough Syndicated Research Associates, the supplier of syndicated research used in virtually all national newspaper advertising buys, is no more. Simmons Market Research Bureau said it has terminated its partnership with Scarborough Research Corp.

Fox kicks off 'MNF' chase 1
Fox Broadcasting Co. says it will try to fill a third night in its fledgling fourth tv network with "Monday Night Football" in 1987 if it can avoid setting off a bidding war. Speculation persists that ABC-TV will not bid to renew "MNF" unless there is a rollback in rights fees. ABC lost a reported $40 million on "MNF" in 1985 and is expected to lose millions more this year.

Cheering up Big Blue 3
J. Walter Thompson USA and Lord, Geller, Federico, Einstein will start work on IBM Corp.'s consolidated $150 million domestic ad business facing a stiff challenge: Restore an aura of invincibility to the computer giant's tarnished image.

McNeil challenges Bristol-Myers 3
Johnson & Johnson's McNeil Consumer Products Co. challenged Bristol-Myers Co. in court last week over a tv spot for B-M's Nuprin pain reliever that claims two Nuprin tablets are stronger than J&J's Extra Strength Tylenol.

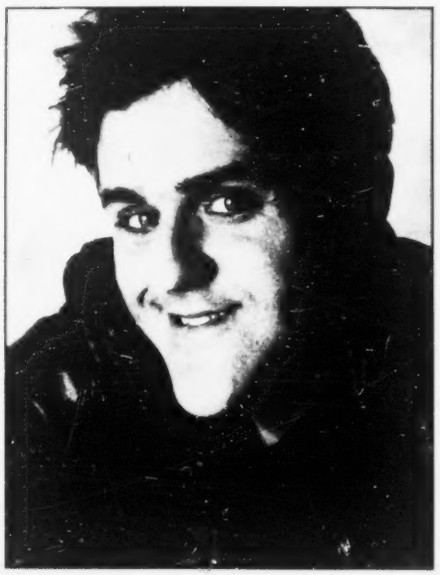
A jolt for Jartran 4
A court decision upholding a record false-advertising judgment against the Jartran truck-rental company may raise the stakes for marketers engaged in comparative campaigns, ad industry lawyers said last week. But some legal authorities believe the case is so unusual—and the violations so blatant—that the $40 million damage award won by U-Haul International will not have a chilling effect on advertisers that exercise appropriate controls on ad copy.

K-C slims down Huggies 69
Kimberly-Clark Corp. has responded to Procter & Gamble's "thin" challenge in the $2.8 billion U.S. disposable-diaper market, introducing a thin, superabsorbent Huggies diaper into Memphis and Kansas City.

New deal for Coke's Dyson 77
The man who has played a key role in guiding Coca-Cola USA into the 1980s will now focus on a new $3 billion company-controlled bottling operation. Brian Dyson, who has led the restructuring of Coca-Cola Co.'s franchised bottlers as president of Atlanta-based Coca-Cola USA, was named last week to head a new bottling operation that will account for almost a third of all Coca-Cola soft drinks sold in the U.S.

FEATURES

Comic relief 38
Jay Leno is the hottest and most down-to-earth comedian in America today. Hailed as "The



Bruce Springsteen of Comedy" (to which his stock reply is "I don't come from New Jersey and I'm not on fire") or a mixture of Sylvester Stallone and Stan Laurel (to which his reaction is equally disdainful), Leno is a combination satirist, court jester and social commentator, with the appeal of the boy next door.

The word according to Musto 42
Michael Musto's word on New York's Downtown art and club scene is gossip—no, gospel. As a columnist for the *Village Voice* and author of the definitive (for the moment) "Downtown," Musto reports from the vanguard of the would-be avant-garde, that ill-defined melange of performance art, art-art and fashion.

INTERNATIONAL

GGK lands a star 52
GGK, one of the most creative European agency groups, is expanding its international operations and has launched a global hunt for creative talent. The agency's first coup came earlier this month when it lured Washington Olivetto, Brazil's top creative director, away from Duailibi, Petit, Zaragoza Propaganda. Mr. Olivetto, an award-winning, internationally known creative talent, will end his 13-year tenure at DPZ to direct GGK's Sao Paulo office.

Nuclear furor in U.K. 53
British Nuclear Fuels, operators of the U.K. government's nuclear energy program, is using its first tv and print campaign to issue 9 million invitations to visit its nuclear fuel complex. At the same time, an antinuclear tv spot by the environmental group Greenpeace was deemed political by the Independent Broadcast Authority and was banned.

OTHER NEWS

The $246 million sale of Seven-Up Co.'s international operations to PepsiCo may result in the adaptation of Seven-Up's domestic ad campaign to non-U.S. markets. It also will hasten the expansion of the 7UP brands to new countries, including China, Japan and new markets in Africa and Mexico. Page 6.

American Airlines was one of several advertisers that modified ad claims after being reviewed last month by the National Advertising Division of the Council of Better Business Bureaus. Page 12.

Consumers ended the first half of 1986 feeling much more festive and hopeful than most economists did, the Advertising Age National Poll found. Economists were sounding doubtful about the fiscal future, but consumers were even more upbeat in the second quarter than at the beginning of the year. Page 33.

Tribune Co.'s $200 million purchase of the Daily Press Inc., Newport News, Va., marks its first newspaper acquisition in the 1980s era of soaring newspaper purchase prices. It is the most that the company has ever paid to acquire a newspaper operation. Page 36.

Aldus Corp., whose PageMaker software leads the desktop publishing industry, is staking out the business market with a national print campaign. The one-product company is counting on increased demand and acceptance by the business community of Apple Computer's Macintosh for which PageMaker was designed. *In regional news.* Page 58.

Donnelley Marketing is responding to the reintroduction of Metromail's Red Letter, a cooperative couponing envelope, by beefing up its own Carol Wright program. *In Promotional and Direct Marketing.* Page 60.

David Ogilvy called it the best birthday present he ever received. The gift was a 150-page book, a collection of previously unpublished memos, speeches, lists, photographs and Ogilvy-isms collected by the Ogilvy & Mather staff. The book was given to Mr. Ogilvy on his 75th birthday. Page 82.

SPECIAL REPORT

Distillers are pinning their hopes on sweet, low-calorie alternatives and mixed concoctions of their traditional brands as distilled spirit consumption continues to slide. Special Report examines some of the industry's survival tactics.

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Conflict bedevils B&S in Chicago

By JULIE FRANZ

Divesting Backer & Spielvogel's Chicago office is one of several options Saatchi & Saatchi is considering to satisfy a Quaker Oats-General Mills conflict among three of its agencies, according to sources.

The conflicting accounts are Backer's $75 million in billings from Quaker and the combined $150 million in General Mills billings at Ted Bates Worldwide subsidiary Campbell-Mithun, Minneapolis, and DFS Dorland Worldwide, New York. All three agencies are part of the Saatchi & Saatchi network.

But B&S president Carl Spielvogel says he has no intention of resigning the Quaker accounts or

(Continued on Page 78)

Creatives take aim at drugs

By STEWART ALTER

New York—Imagine a new creative superpower agency called Beaver, Berry, Clow, Dusenberry, Ernst, Fizdale, Gargano, Honig, Lenz, Levenson, Manning, McElligott, Moss, Reinhard, Riney, Robinson, Rydholm and Siano.

A facsimile of that agency opens shop today at the headquarters of the American Assn. of Advertising Agencies with a singular mission: End the use of illegal drugs in America.

The three-year, $1.5 billion anti-drug public service campaign, originally conceived by the Four A's and now a joint agency/advertiser project (AA, June 23), moves beyond

(Continued on Page 82)

West Coast news

New Mazda tv ads set next month

Mazda Motors of America, Rancho Dominguez, Cal., is filming six new tv spots featuring spokesman James Garner for the fall, including an ad with Los Angeles Raiders running back Marcus Allen. The latter spot, which shows Mr. Garner, a longtime Raiders fan, with Mr. Allen on a football field, will break on network and spot tv during the National Football League exhibition season in August. The car company has extended its contract with Mr. Gar-

(Continued on Page 82)

Pepsi may export 7UP's U.S. campaign

'Marriage made in heaven': Beeby

By GARY LEVIN

The $246 million sale of Seven-Up Co.'s international operations to PepsiCo may result in the adaptation of Seven-Up's domestic ad campaign to non-U.S. markets. It also will hasten the expansion of the 7UP brands to new countries, including China, Japan and new markets in Africa and Mexico.

Robert Beeby, president of PepsiCo International, told Advertising Age that the purchase of all non-U.S. brand rights as well as two Canadian bottling plants from Philip Morris Cos. was a "marriage made in heaven" and the prime reason PepsiCo sought the entire Seven-Up beverage business (AA, Jan. 27, *et seq.*).

The Federal Trade Commission earlier decided to try and stop, on antitrust grounds, Purchase, N.Y.-based PepsiCo's proposed $380 million acquisition of Seven-Up Co. PM then canceled that deal rather than fight the FTC.

The international acquisition, which does not require U.S. approval, gives PepsiCo an immediate 17.8% boost in international sales.

"It was our destiny, and that's why we made a preemptive strike to get it before it went [back] on the market," Mr. Beeby said.

Mr. Beeby also said the company is giving a "careful look" to international expansion of Citrus 7, a 10%-juice-added soft drink now in midwestern and western U.S. test markets (AA, March 3, *et seq.*).

While stating that he may adapt Leo Burnett USA's "Feels so good comin' down" domestic campaign in overseas markets, Mr. Beeby added that he's "not too impressed" by the same agency's current international work. Burnett won Seven-Up's international business in 1983, but only last year picked up the $45 million domestic account from N W Ayer, New York (AA, June 15, '85).

Although Mr. Beeby said he has

(Continued on Page 77)

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Bell to 'Modern Healthcare'

Chicago—Clark Bell has been named editor of *Modern Healthcare*, effective July 28. He replaces Donald E.L. Johnson, who resigned to open his own consulting business.

In announcing the appointment, publisher Charles Lauer stated that "Clark Bell's extensive background in business journalism will assure the continuation of *Modern Healthcare's* tradition of quality business news reporting. He will add a new dimension to our editorial direction as we enter our second decade of publishing under the Crain Communications banner."

Crain Communications Inc. publishes a variety of business publications, including Advertising Age.

Mr. Bell joins *Modern Healthcare* from the *Dallas Times Herald*, where he has been executive business editor since 1984. Previously, Mr. Bell was with the *Chicago Sun-Times* as marketing columnist for four years, after serving as consumer affairs editor from 1978 to 1980.

A graduate of Drake University with a bachelor's degree in journalism, Mr. Bell had an Alfred P. Sloan Foundation Fellowship in Economics Journalism at Princeton University, and earned his master's degree in urban studies at Chicago's Loyola University.#

CORRECTIONS & CLARIFICATIONS

- N W Ayer/Chicago billings figures used in an agency income issue (AA, March 27, P. 24) and a subsequent story on personnel moves (AA, July 14, P. 71) were incorrect. The agency says the office bills $75 million.
- Iconic Publicidad, not McCann-Erickson, lost the $1 million Moctezuma Superior beer account in Mexico (AA, May 19, P. 70).
- The correct cover price for *Toy & Model Trains* (AA, June 9, P. 68) is $2.95.
- United Media Licensing now has more than 40 licensees for its Wrinkles character, rather than 20 (AA, June 30, P. 26).#

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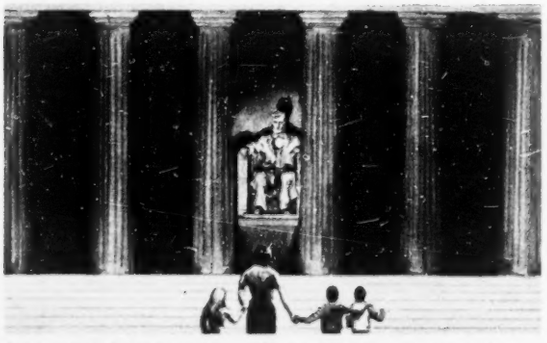
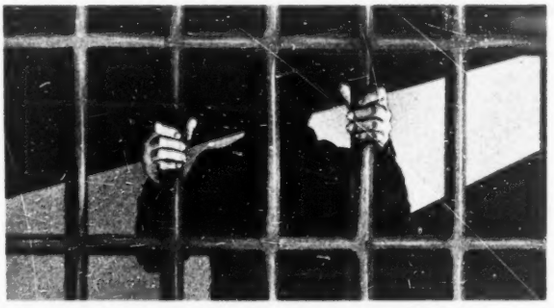
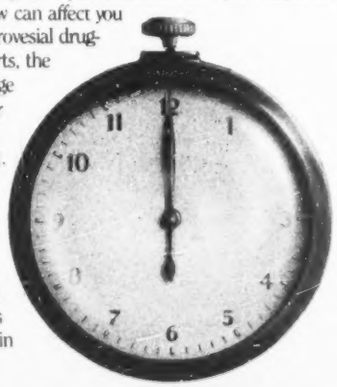
2 Primetime Specials: A rousing celebration with a medley of Sinatra favorites from the Boston Pops, a singalong, the 1812 Overture, and 4th of July Fireworks worthy of a 200th Anniversary. A smashing gala celebration, with the best stars in the entertainment world. And more, more, more.



4 Student Specials: National celebrities star with the children themselves in four 1-hour features on the real problems of children. Like drugs, students rights, teacher searches, and just plain growing-up.



4 Adult Documentaries: On nationally-publicized legal cases and their effect on the friends, families and attorneys involved. Programs like "What Price Justice," hosted by Ken Howard, discuss such famous cases as Claus Von Bulow, as well as many others. Every program hosted by a major celebrity, on topics that show how yesterday's news can affect the way the law can affect you tomorrow. Like the controvesial drug-testing programs in sports, the military and in many large corporations. The power of government and how the Constitution limits it.



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Future looks bright, green for Americans

They're feeling more hopeful, affluent

By LEO J. SHAPIRO and DWIGHT BOHMBACH

Consumers ended the first half of 1986 feeling much more festive and hopeful than most economists did, our Advertising Age National Poll finds. Economists were sounding doubtful about the fiscal future, but consumers were even more upbeat in the second quarter than at the beginning of the year.

Economists worried about a stubborn unemployment rate, despite 1.1 million new jobs added in the first half of 1986. However, our nationwide poll of 1,352 adults found consumers less concerned about recession/unemployment in each successive month of the second quarter.

Economists fretted over consumers' increasingly heavy debt load—now 19% of disposable income, the biggest installment bite since 1979.

But if consumers have been losing any sleep about debt loads, they didn't show it in June. Two out of three households (65%) called this "a good time to make major purchases." One in three (30%, the highest per cent since measurement began in 1975) had a major purchase in mind to take advantage of current prices.

Also, 37% were ready to borrow or use credit for major purchases, the highest level since April, 1986.

Consumer purchases of major goods have been on and off lately. Most Americans have the means and the patience to wait out the market until they see prices they can afford and a favorable deal.

However, when you compare our second-quarter data for consumers under age 40 and those over 40, it's obvious that there is a powerful potential demand for additional credit and major goods, especially among younger households *(see chart)*.

Cars and housing

One in five households was considering borrowing for a car during June, up five points from May.

One in eight (12%) was ready to borrow for housing in both months. Nevertheless, new-home sales fell sharply in April and May. Mortgage interest rates were up, mortgage approvals slow and the average price for a new home had climbed to $116,100—18% higher than a year ago.

Considering all those negative forces, the very fact that so many families persist in planning to buy housing shows how strong the demand remains. While the per cent planning for housing dipped month to month to 15% during the second quarter, the over-all quarterly average was still three points higher than in the first quarter.

Other major goods

Planning to buy major goods during the coming year increased between the first and second quarters in six out of nine major-goods categories: 17% of households reported they may buy housing; 19%, a used car; 26%, furniture; 15%, major appliances; 14%, carpeting, and 43%, hotel accommodations.

Planning to buy color tv and air travel was unchanged from the previous quarter. Planning to buy a new car ticked down a point.

A key factor in consumers' increased inclination to borrow and to plan major puchases during second-quarter 1986, was a general hunch that prices of housing and automobiles, as well as financing rates, would go up in the next six months.

Two out of three consumers were expecting new-car prices to rise (66%), compared with 62% in the first quarter. Six in ten expected housing prices to go up, compared with 58% the quarter before. Expectations of higher interest rates in the future rose each month in the quarter.

Causes for confidence

A general ground swell of confidence in the nation and themselves seems to be sustaining consumers' plans for major purchases.

Last year, we found quarter-to-quarter declines in the per cent of Americans believing "things are getting better for the country," to 39% by the end of 1985. In first-quarter 1986, this ticked up again to 40% and in the second quarter to 41%.

Money in the pocket helps: During second-quarter 1986, an average 47% of households had disposable cash left over at the end of the month, compared with only 41% in the first quarter.

Consumers feel more secure about the economy now, too. At the end of 1985, only 38% of Americans expected the economy to improve in the year ahead. Since then, this has jumped upward nine points to 47%.

WHERE THE POTENTIAL SPENDERS ARE

Consumers under age 40 compared with those over 40

	Total	Over 40	Under 40
Income increased past year	57%	69%	45%
Expect higher income next year	54	68	41
Expect to keep up with inflation	38	49	28
Better off financially than last year	43	55	33
Easier to pay bills than last year	40	48	33
Expect it to be easier next year	51	63	39
Expect to increase debts next year	21	28	14
Now's time to buy major items	64	70	59
Have major purchase to make now	28	39	17
Thinking of borrowing for purchase	36	49	24
Thinking of buying ... New car	17	20	13
Used car	19	25	13
Housing	17	26	9
Furniture	26	35	18
Major appliance	14	19	10
Carpeting	14	18	11
Color television	10	13	8
Air travel	32	32	31
Hotel/motel stay	43	45	41

Source: Leo J. Shapiro & Associates.
Base equal to 1,352 telephone interviews, national polls, April/May/June 1986.

A feeling that inflation is generally under control is a major contributor to this. At the end of 1985, 59% of Americans expected lower inflation in months ahead; this climbed to 66% by second-quarter 1986.

During June, we found 39% of consumers confident that their family will keep up with or ahead of inflation during the year to come. This is the highest level of confidence since last August.

Job and income security also is a key factor. Eight in ten households (77%) reported no layoffs or cuts in hours or pay during both first and second-quarter 1986.

The per cent expecting no job problems in coming months (67%) was three points higher in the second quarter.

The per cent of households reporting increased income this past year (57%) also climbed three points between first and second quarters, while the per cent expecting still higher income in the coming year (54%) rose four points.

People are generally feeling affluent. Three in four households (74%) are at least as well off now as last year at this time; 43% say they are "better off." More (59%) expect to be better off a year from now.

Despite growth in consumer indebtedness, substantially more Americans were finding it "easier to get by and pay bills than a year ago" during the second quarter (40%) than in the first quarter (33%).

The highest per cent (53%) of households we've seen since the presidential election in November 1984, expect to find it even easier to pay bills and get by a year from now.#

Philosopher

(Continued from Page 18)

a Chalet, a Walgreen's and a Woolworth's close by.

Surround yourself with interesting neighbors. A newspaper editor and a world-class tv commercial producer-director across the street. A stockbroker, too. A lawyer-physician who runs an emergency room doctors' service out of his home. A fantastically ambitious and eminently capable young couple next door operating a day-care facility for 3-to-5-year-olds. Down the street, a slum from which a BMW-driving young priest is rescuing his mother. An advertising person or two, an orthodontist, a photographer, some lawyers, a glee-club director, an organist, a home economist. Just plain folks like you and me.

Arm yourself with a glass of wine or a martini (before dinner or during the day; after dinner, a Remy Martin is in order), a Macanudo and a wife whom you love very much (or, depending on circumstances, a husband whom you love very much, in which case be sure to substitute a Marlboro for the Macanudo).

Then nestle your rear end comfortably on the top step or the second-from-the-top and watch the world go by.

Most strollers or runners are friendly—they'll throw a "Hi" or "How're you doing?" at you as they pass by. Or they'll stop to chat.

You'll *see*, maybe *touch*, certainly spend time with the people to whom you refer as "out there" when you're busy making ads or writing strategies. Those "out theres" are right here, in all sizes and shapes and colors and states of monetary liquidity.

Maybe you're spending time with them right now, as I am. Certainly your ads must be better for that.

In summer, too, when the weathermen are telling you that it's lower near the lake, you see all kinds of bodies in various stages of undress flocking toward the park and beaches. Eye-boggling! Mind-bending!

You can read on the stoop (yes, it's still in style) or you can do the *New York Times* puzzles. You can daydream and plot and fill your camera with wonders. You can exchange gossip with your neighbors, and you can join them in the frustrating game of trying to quell a runaway car alarm.

Never, never, *never* a dull moment.

More than anything else, you can find peace within yourself, a peace that comes of relaxation (car alarms notwithstanding), a peace nourished by warm encounters with people passing your stoop whom you may never see again but whom you know you know.

There's just nothing like a window on the world right from your own stoop. Beats taking Valium every Sunday night.

So if you're ever in the neighborhood anytime from spring through fall, and if you're interested in the fine art of stoop-sitting, look for the bearded, bald, old geezer with a cigar in one hand and a glass in the other.

It's never too early to start planning your own retirement.#

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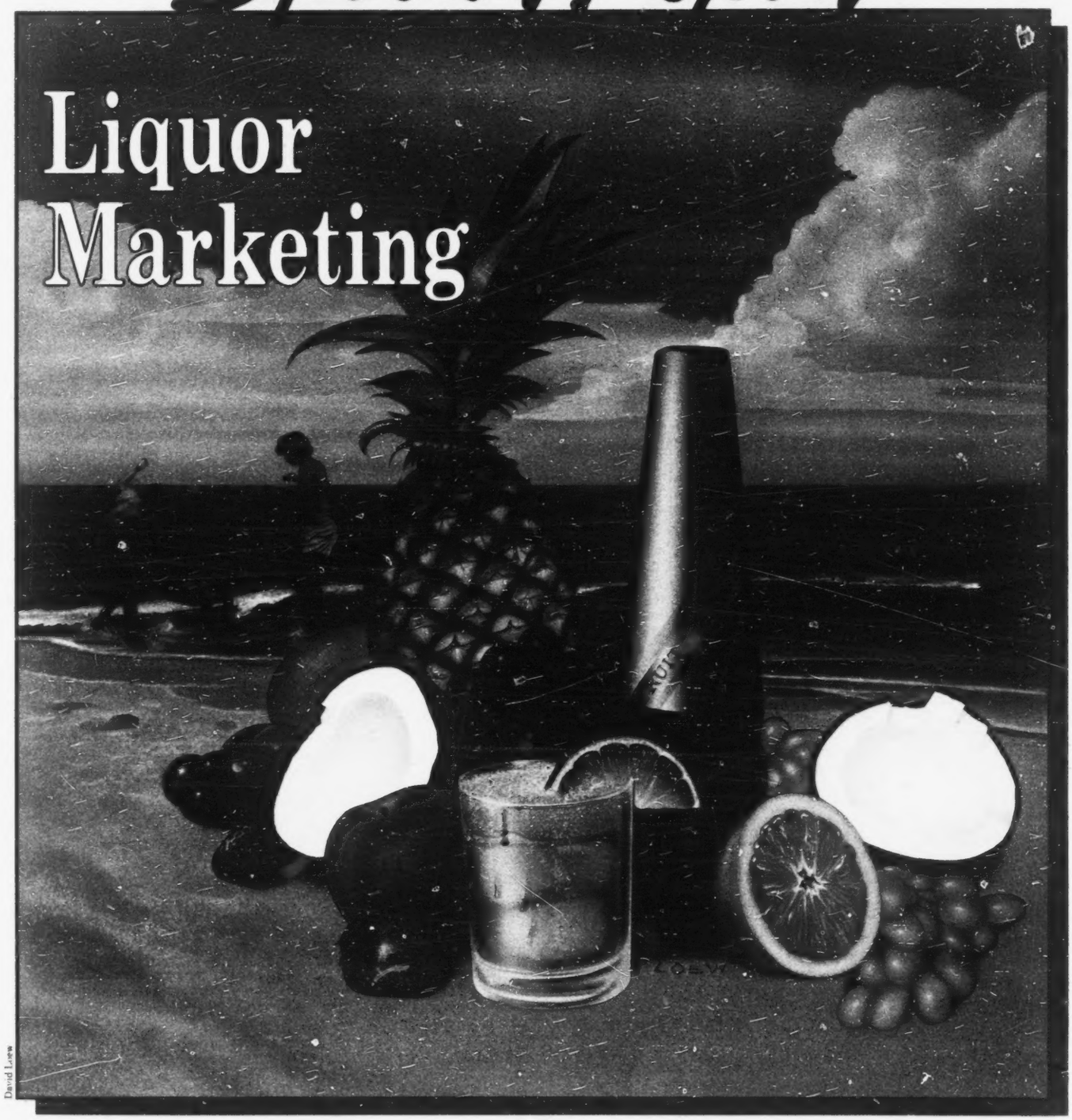
Special Report

Liquor Marketing



David Lees

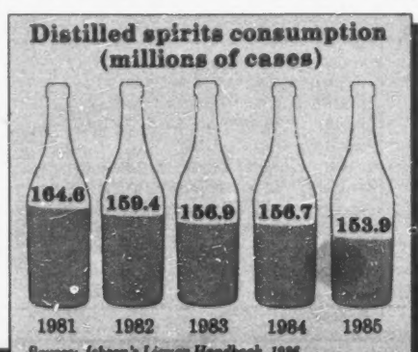
Spirits marketers lighten up in lean times

By Ed Fitch

Americans may be eating enough fruit to make Carmen Miranda's head spin; it's a perfect compromise between their indigenous sweet tooth and health-oriented social pressures. After what seemed to be a national fascination with the seven deadly sins—particular emphasis on sloth and gluttony—Americans are swapping sweets for sweat almost calorie for calorie.

As the fitness boom hit its stride, soft drinks surpassed water as the national beverage in 1983. Consumption of fruit juices jumped 5% from 1984 to 1985, according to New York-based *Impact*, a liquor industry newsletter. Distillers have joined the race, pursuing sweeter, lower calorie alternatives and promoting mixed concoctions of their traditional brands that would make a shot-and-a-beer man swoon.

The only other option is to lose customers, something that has happened for four years in a row—and 1986 figures should perpetuate the trend. Distilled spirit consumption has slid from 164.6 million cases in 1981 to 153.9 million cases in 1985, according to *Jobson's Liquor Handbook, 1986*, New York.



No one sees the writing on the wall more clearly than the people on the other side of the polished mahogany. Mirroring the industry's 1.6% drop last year, "per capita consumption definitely is down—around 1% per year for us," says Bob King, bar manager of Hillary's, located in Chicago's posh Water Tower Place, and *de facto* beverage manager, Levy Organization, which owns 20 Chicago-area bars and restaurants.

Data from *Impact* makes Hillary's 1% decline seem rather small. The industry newsletter reports distilled spirit shipments fell to 72 million 9-liter cases in 1985, down 2.7% from 1984.

Mr. King attributes the continued decline not only to changing times, but a lack of time. The

(Continued on Page S-2)

Photos by Michael A. Marcotte

Bob King, bar manager of Hillary's in Chicago, warns that consumers' tastes change. "Look at disco music; from all the rage to gone in a couple of years."

"The distillers are like auto manufacturers; they have a car for every taste and those tastes are primarily plebian," says Joe Danno, owner of Bucket O Suds.

Marketers lighten up

(Continued from Page S-1)

biggest consumers of liquor products are ages 18 to 45, particularly those age 23 to 35, he says.

"In the last five years this core age group has fallen into the health and fitness crazes, purchased houses, experienced greater job market pressures; basically their time for consumption is down."

When they do drink, it's largely products or drinks that weren't on the market 10 years ago. "There has been a definite shift away from the hard-line categories like brown goods, drinks on the rocks," says Mr. King, Hillary's resident bartender/MBA. "These types of drinks are taking a beating."

Numbers back up his notion. Total whisky consumption continued its plunge, down 5.4% in 1985, according to *Liquor Handbook*, while nonwhisky products nosed up 1.5%.

Across town and 500 yuppies away, the story is the same at the Bucket O Suds. "In general, people don't like the taste of whisky. That's what's motivating the cocktail trade and all the new mixes of products they're coming out with now," says Joe Danno, who entered the business after Prohibition 53 years ago, and has been a wholesaler, retailer and bar owner.

A whisky historian who contends he fired the first shot and beer chaser, Mr. Danno stocks some 1,000 different distilled spirits in an age when only about 600 brands are being marketed. "There are two things I can't understand. The quality of people's taste today, and the quality of the product the distillers are producing.

"The distillers are like auto manufacturers; they have a car for every taste and those tastes are primarily plebian," Mr. Danno says.

Consumers don't ask for quality because no one carries it anymore, he says. "They should bring a quality product to the people and let them decide for themselves. The brands are clones of clones. If you walk into a liquor store, you see the same five or six brands; 1,000 out of 1,000 bars carry the Seagram's line."

The scotch segment, which posted the best performance in the whisky category with a 3% decline last year, according to *Liquor Handbook*, is doing comparatively well because it maintains quality standards, Mr. Danno says. "Scotch gives you something for your money."

The premium and call business is doing well across category boundaries, Hillary's Mr. King says, because these products meet taste requirements and deliver an acceptable image-per-dollar balance.

Distillers have succeeded in meeting consumer demands for more taste intensive products through liqueurs, schnapps and fruit-based products, Mr. King says.

"Liqueurs and juice mixers—drinks like the Fuzzy Navel—are really on the rise. People love these because they can come into a bar, have several, not look like a fool and leave in basically the same shape as they came in," he says.

The industry has tried to improve its shape both at home and on premise by catapulting these kinds of products into the market with almost wild abandon. According to *Liquor Handbook*, 115 of the 147 products introduced in 1985 were brandies, cognacs, cordials, liqueurs, prepared cocktails or spirit-based coolers. *Impact* reports the specialties category was the only major spirit group to gain in 1985, up 5.2% to 33 million cases.

Mr. King cautions distillers about reading too much into these brands' sales success, saying consumers' palates are finicky beasts.

"Look at disco music; from all the rage to gone in a couple of years."

The new products will be just as cyclical and probably as short lived, he says. "Instead of concentrating on all the new fad products, distillers should redirect their interest to the traditional categories that got them where they are."

A select group of consumers—especially women, the target of most of the new lighter drinks—is renewing interest in traditional categories, Mr. Danno says. Catering to women's tastes for all products would be a smart move, he says. "The macho thing is gone; a lot of men want the lighter taste. The idea is to enjoy the taste and flavor."

Mr. King also sees a swing in the cycles, saying big tasting cocktails are on the rise. "Some of the things that were first to fade away are coming back."

The industry as a whole should look forward to better days, he says. "Classically, the industry has gone through 15-year cycles—first it was the McCarthy era, then the effects of the 1968 social rebellion."

Inherent generational rebellion also should boost distilled spirit sales, Mr. King says. Children entering the drinking market will begin looking for an alternative to their parents' primary choices of wine and beer. "We drank beer in college, and a generation ago they drank bourbon," he says. "I think it will swing back, but it will take awhile."

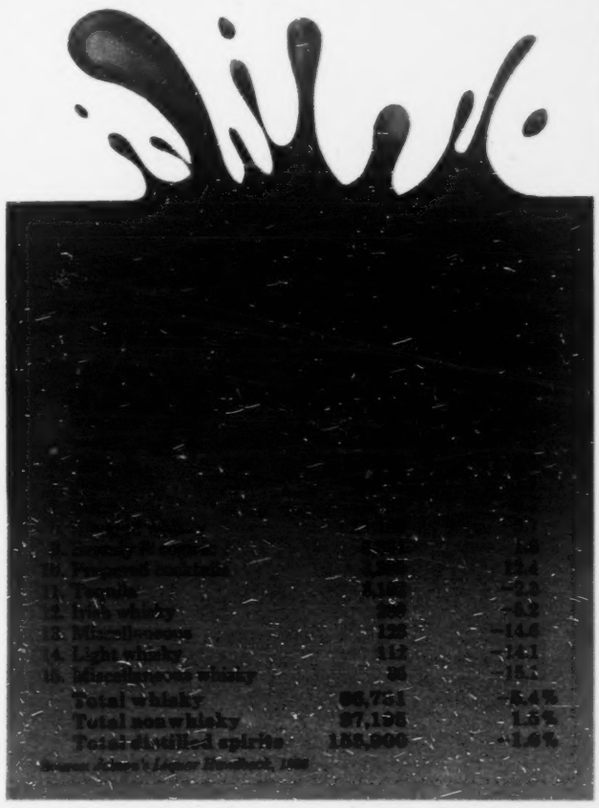
The beer and wine generation also may start trading mugs for highball glasses with greater frequency. "As they become more affluent, they're going to go to more dinner parties and you don't throw a cooler full of beer out at a dinner party," Mr. King says.

This generation is so cost-benefit oriented, and cocktails always have delivered the most bang for the buck, he says.

Mr. King, like Mr. Danno, clamors for a return to quality. "Distillers should concentrate on putting back the elan and image in classic products. They should be ready to step into the void if beer and wine are bounced from tv. I'd focus on the needs of 30-year-olds, who will hit their peak earning power in five years."

They also may be returning to some of those good old vices like sloth and gluttony. The number of joggers has run downhill since 1980.

Although most observers say the liquor industry has contracted permanently, if distillers expand their quality offerings they may not lap the health trend but they probably will close the distance. ■



Industry is sweet on flavored schnapps

By Patricia Winters

Just a few years ago executives at some major distillers probably would have snickered if they had been told their only product introductions in 1986 would be a variety of schnapps.

The liquor, with its name and roots planted deeply in northern Germany heritage, did not exactly have mass market potential. The strong, syrupy drink was consumed mainly by workmen and students who chased shots of it with beer and farmers who quaffed the stuff on cold winter days.

Besides that, Hiram Walker was the longtime leader in the category with its 50-year-old peppermint schnapps, a product that had not been challenged seriously in the market.

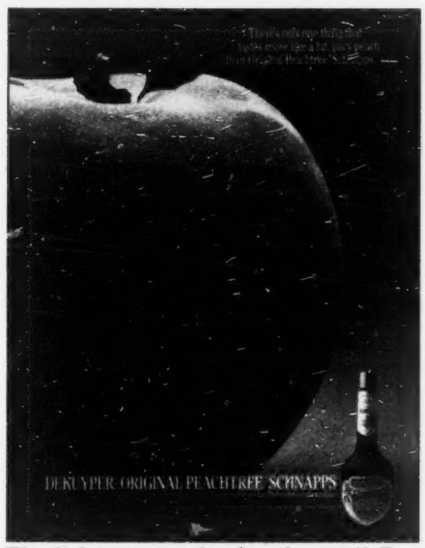
But in the past year, nearly every major national distiller and a number of regional marketers have jumped into or expanded their presence in the flavored schnapps category. An Advertising Age poll of 10 major distillers showed that of the 45 products they introduced from June, 1985, to June, 1986, 31 were some variety of schnapps.

Fueled by 1985's legendary success of New York-based National Distillers Products Co.'s DeKuyper Original Peachtree schnapps, flavored schnapps have become the darlings of the downward sliding distilled spirits industry.

The DeKuyper line—particularly Peachtree—lifted the industry out of the pits. Its case depletions climbed from 1.55 million in 1984 to about 3.01 million in 1985, up some 94%, according to New York-based *Impact*. This performance catapulted the line from the 21st best selling brand in 1984 to No. 9 in 1985, and gave it 15% of the cordial category and 1.7% of the distilled spirits business.

Not surprisingly, National suddenly has a lot of competition. Other companies banging heads with National's DeKuyper line include Hiram Walker, Seagram Distillers' Leroux line, Seagram's 375 Spirits' Dr. McGillicuddy's, Glenmore Distilleries' Mr. Boston line, Heublein's Arrow line, Schenley Industries' Nouvelle line and James B. Beam Distilling's Baron Von Scheuters, among others.

The drinks stalk the right trend at the right time. Offering less alcohol—about 40 proof to 48 proof—the potential for mixability and a full, fruity flavor, they appeal to the important and hard-to-target under-35 age group. In addition, flavored schnapps has brought women into the category and to distilled spirits, and marketers now say the category appeals to as many women as men.



The industry was in the pits until DeKuyper's Peachtree schnapps gave it a boost.

New users have more than doubled the category's volume from 2.1 million cases in 1983 to 5 million cases in 1985, according to New York-based *Market Watch*, an industry publication. Current industry estimates place case depletions at 5.5 million annually—and growing.

"We are the No. 1 schnapps line in the country, surpassing Hiram Walker in 1985," Todd Middleton, National's vp-marketing, says of DeKuyper. "And our competitors have not taken it lightly. They are throwing out a lot of flavors and hoping one sticks. If it doesn't, they replace one with another."

Even those involved warn the market won't support all the brands. Observers say the winners of the inevitable shakeout will be those with strong distribution capabilities, ad promotion budgets and rich, full flavors. Early market entry is also a plus.

"If you were a company just coming out with a schnapps line, you've missed the boat," says Meredith Galassi, marketing manager for Farmington, Conn.-based Heublein's Arrow cordial line. "The distributors don't even want to talk to you. They're schnappsed-out. The industry has virtually covered the flavor [spectrum]."

Ms. Galassi and others, however, are hardly tolling the category's death knell. Industry players estimate the market will grow this year anywhere from Mr. Middleton's conservative estimate of about 5% to Ms. Galassi's optimistic figure of 100% to 150%. They also see opportunities in segments of the country that have not yet caught on to the schnapps explosion, most notably major metropolitan areas.

"We've not reached the saturation point anywhere," Mr. Middleton says. "There's still a lot of opportunity—the metropolitan areas are only part of it. There's huge opportunity in the South, for example."

By all accounts, the Midwest instigated the schnapps revolution. The habit of belting down a bit of peppermint schnapps was passed down through generations of grain belt farmers.

In fall, 1982, Lousiville, Ky.-based Glenmore introduced Mr. Boston's Apple schnapps, the nation's first fruit-flavored schnapps. But Glenmore's pioneering effort had its drawbacks.

"We were the first," says James H. McKee, senior brand manager, Mr. Boston line. "We didn't know what we had. We lost the initial momentum."

National picked up where Glenmore left off, and less than a year after Mr. Boston's Apple hit the market, National rolled out its DeKuyper Apple Barrel. Despite little promotion and no consumer advertising, sales took off.

But it was not until DeKuyper's Peachtree flavor hit retail in late 1984 that distillers began to stand up and take notice. Peachtree began racking up sales immediately. By the end of 1985, case depletions totaled 1.3 million, making it the biggest selling success story in the distilled spirits industry.

Part of that success, Mr.

Ad-sales relationship not always cordial

If there's an argument to be made for advertising's effectiveness, it's the case of the DeKuyper line's case depletions. National Distillers Products Co. boosted national ad spending for the line 66.7% from 1984 to 1985, reaching $2.5 million, according to *Impact*, New York. At the same time, it moved almost 94% more cases: Cause and effect.

Agency executives should calm themselves, however. The only other distilled spirit in the top 25 to post a double-digit gain was E&J Brandy, which boosted case depletions 12.9% to almost 1.8 million in 1985. It reduced its ad budget 90% to $100,000 in 1985. Cause and effect?

DeKuyper's success hinges on more than ad dollars. But media weight has helped it tell its story—and a good one it is.

National's prominence gives it a definite advantage, observers say. Promotions, in-store displays and ads via BBDO, New York, prominently play up the DeKuyper name and identify it as "America's #1 Cordial Line." DeKuyper's six schnapps flavors are backed in 1986 by a healthy $5 million ad budget.

For years, Hiram Walker was the leading ad spender in the schnapps category, budgeting between $2.6 million and $3.2 million for its peppermint schnapps, says Bill Buesching, vp, director-marketing projects at Detroit-based Hiram Walker. According to *Impact*, the big drop came in 1985 when national ad spending plunged from $2.6 million in 1984 to $1.5 million, below 1980 spending levels.

Hiram Walker cordials posted a 7.4% gain in case depletions from 1984 to 1985.

"We'll be competitive [with DeKuyper this year], but we won't necessarily match them dollar for dollar," Mr. Buesching says. "We do things our own way."

Its ad budget will reflect a push for its peach-flavored product, a break from its traditional multiproduct approach. In August the company will break a new national consumer print and outdoor campaign, handled by McCaffrey & McCall, New York, and focusing on its Jubilee Peach flavor. The peppermint schnapps print campaign also will continue.

Also scheduled to break advertising soon—via Doyle Dane Bernbach, New York—is New York-based Seagram Distilling's LeRoux cordials. The line's ad spending fell below $50,000 in 1985 from a high of $2.2 million in 1981, according to *Impact*. Its 1984 to 1985 ad spending plunge of 96.4% was the most severe among top cordial and liqueur brands.

While LeRoux's schnapps line has had little ad support, Tony Bongiovanni, LeRoux senior product manager, says this year the company will introduce breakthrough advertising for its new flavors.

LeRoux recently rolled out five new flavored schnapps and will introduce two more in the fall, he says. LeRoux peppermint schnapps, which dates to Prohibition, is the sixth best selling schnapps in the U.S.

Louisville, Ky.-based Glenmore Distilleries is re-examining its advertising, anticipating breaking new campaigns this fall for its Mr. Boston line. Of all the major schnapps lines, Mr. Boston has been the most aggressive with image advertising. While most schnapps advertise flavor, Glenmore's ads focus on drinkers.

One round of advertising last year was themed a "Baby Boomers Guide to Nutcracker Schnapps." The ads, which appeared in publications like *National Lampoon* and *Rolling Stone*, gave consumers tips on what to wear, talk about and eat with Nutcracker schnapps.

Via Bloom Advertising, New York, Glenmore is promoting its newest flavor, Mr. Boston's Boss-Berry, in trade ads and on-premise with a takeoff on Bruce Springsteen's popularity. Ads headlined "It's the Boss!" show the bottle wearing Mr. Springsteen's trademark red neckerchief and are tagged "poured in the U.S.A."

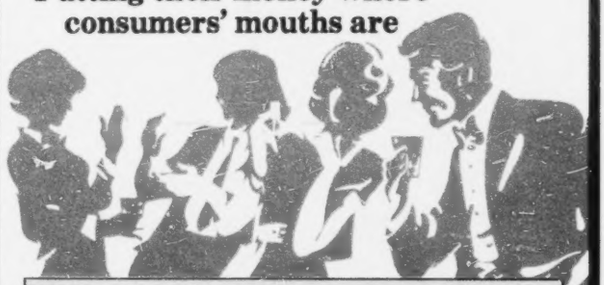
Farmington, Conn.-based Heublein is focusing all its ad efforts in the schnapps category on its new Peaches 'N Cream liqueur. Ads, via Leber Katz Partners, New York, show a peach slice dripping with cream.

The Arrow line, which has 15 flavors and the fourth largest schnapps brand in Arrow peppermint, also cut national ad spending dramatically from 1984 to 1985. The 75% decline brought the line's expenditures down to $300,000, according to *Impact*.

As DeKuyper's sales increases parallel boosts in ad spending, more schnapps marketers might look to greater ad expenditures as the cause behind the effect.

—*Patricia Winters*

Putting their money where consumers' mouths are



New product introductions, 1985

	Number of products
1. Cordials	85
2. Brandy & cognac	11
3. Prepared cocktails	10
4. Spirit-based coolers	9
5. Scotch	8
6. Vodka	5
Rum	5
8. Tequila	4
Canadian whisky	4
U.S. whisky	4
11. Gin	2

Source: *Jobson's Liquor Handbook, 1986*

Middleton says, was because of new technology that gave National the ability to cull a particularly rich, full peach flavor. But equally as important was timing. Just as the company started shaking peaches from the tree, the nation's new drinkers began looking for lower proof but fuller tasting drinks.

"The focus today is on flavor," says Bill Buesching, Detroit-based Hiram Walker's vp, director-marketing projects. "That's what it's all about—it's a reflection of life style. Consumers today want something that tastes good the first time."

DeKuyper received an unexpected windfall when it discovered drinkers in New York and the Midwest were a step ahead in creating new flavors. The Fuzzy Navel, a mix of peach schnapps and orange juice, "spread like wildfire," Mr. Middleton says.

Rather than throw its dollars at advertising, National capitalized on the drink in press releases and on premises with Fuzzy Navel Nights. Later, National began running ads tagged "it's love at first sip."

That has been the sip that launched thousands of sales. *Market Watch's* September, 1985, ranking of the top 10 schnapps brands listed four DeKuyper products: Peachtree in first place, followed by Apple Barrel in third, Peppermint in fifth and Mountain Strawberry in ninth. The company, he says, will continue to bring out a new flavor every six months or so.

Hiram Walker lost the momentum its peppermint schnapps had established by not bringing out new flavors fast enough; it didn't add its first flavored entry until spring, 1985. The company now has 15 flavors and is working to use its name to overtake some brands.

"There's not another logo in the business that has the consumer response and name for quality and value," Mr. Buesching says. "We are to schnapps what Campbell's is to soup."

Sales of the company's peppermint schnapps grew about 12% in 1985 and it remains No. 2. Even percentages like this don't convince everyone—even some who have hopped onto the schnapps trend—of the category's long-term potential.

Although James B. Beam Distilling Co., Chicago, created Baron Von Scheuters to have a presence in the segment, Lane Barnett, vp, director-advertising and marketing, says he is skeptical about flavored schnapps' staying power.

"It's driven by a group that is constantly experimenting with new flavors and products. They go on to what's new and hot, and leave behind what's not."

The same can be said for the marketers. "We expect that in another couple of years there will be only a few major brands competing," says Patricia Wiley, director-new product development at National. "So many people are throwing together products just to ride the wave of interest without putting in any quality."

The quality must go in, she says, before the company's name is added.

Mixed up products shake boundaries

By Pat McGeehan

It could be the ultimate case of the pot calling the kettle black. Several distillers launched premixed cocktails in the past two years, but, almost to a person, executives of those companies want to disassociate their products from the rest.

"I personally don't like to call it a premixed cocktail," says Mark Mather, New York-based Kobrand Corp.'s new product manager-spirits of Beefeater Gin & Tonic. "Premixed cocktails are dusty, dirty, too strong, too weak," he says, describing public perceptions. "People grab 'em and drink 'em on their way home from work. We are trying to position Beefeater Gin & Tonic as a premium, ready-made product," explaining the Beefeater name's prominence on the label and the glass container.

Lane Barnett, vp, director-advertising and marketing for Chicago-based James B. Beam Distilling Co., defines the company's Zzzinger's line not as a premixed cocktail, but as a "low-alcohol refreshment product."

Either way—low-alcohol refreshment product or premium, ready-made beverage—Beam's and Kobrand's new products fit the basic mold of premixed cocktails, a combination of distilled spirits and just about anything.

But, as Beam's Mr. Barnett says, "The defining lines are becoming very fuzzy. It all relates to trying to change popular perceptions of what a premixed cocktail is."

Beam combines its best-selling Jim Beam bourbon with cola, ginger ale, lemon-lime soda and lemonade, stressing the portability and quick-chilling aspects of its six-packs of 12-oz. cans.

Ancient Age Distilling Co. adds cola to its namesake bourbon in 1-liter plastic bottles. Medley Distilling Co., Louisville, Ky., sells its five-item rum and vodka-based Skol Quickies line in 375-ml. cans. Federal Distillers, Cambridge, Mass., mixes vodka with lemonade and watermelon flavoring under its Tango label.

As Ferdie Falk, owner of Roslyn, N.Y.-based Ancient Age, says, the new products just add to the confusion in a category that once was simple to identify. "I'm not sure the damned things can even be classified yet."

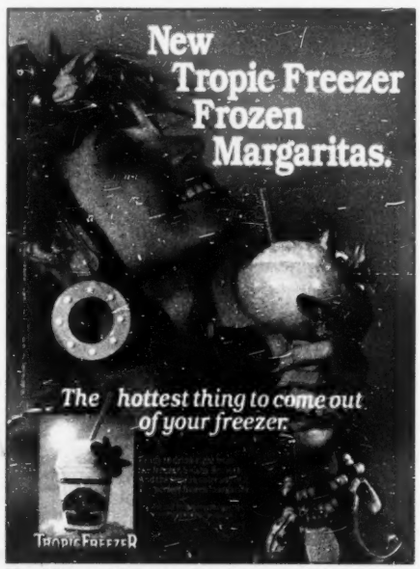
Some critics contend the products—particularly the canned goods—are an attempt to equate distilled spirits and soft drinks. Mr. Barnett says the packaging is merely an attempt to promote convenience.

"When you're out fishing, you don't want to lug around a huge bottle of bourbon and a mixer," he says. "We certainly have no intention of comparing the products to soft drinks."

Far from imitating soft drinks, the packaging of one of the category's newest entries resembles that of yogurt or ice cream. This spring Farmington, Conn.-based Heublein introduced a line of freeze-and-serve cocktails, called Tropic Freezers, packaged in 200-ml. plastic cups that are sold frozen or thawed, individually or in four-packs. The line includes a margarita and strawberry margarita and peach and strawberry daiquiris.

John Glover, Heublein's director-new product marketing, is one of the few marketing executives willing to accept his products' membership in the stigmatized category. "We fit, obviously, into the premixed cocktail category, but we're expanding the boundaries," he says.

Heublein, however, is trying to isolate Tropic Freezers in retail outlets. The company offers retailers 6-cu.-ft. storage freezers and permanent free-standing floor displays.



Heublein achieves an icy separation between categories with its Tropic Freezer line.

"The uniqueness of [the freezer offer and floor display] has gotten us a lot of attention," says Dave McDonough, Heublein's vp-product development. "It helps separate us from any other category, period."

Heublein wanted to stay away from traditional premixed cocktails, he says, because they don't turn over fast and, therefore, are placed poorly at retail. "They end up being in areas that are not high-traffic."

Kobrand also seeks its own space for Beefeater & Tonic, offering retailers a free-standing display that resembles a giant version of the product, Mr. Mather says. "It was developed for the purpose of keeping it away from other prepared cocktails and giving it its own identity as a premium product."

Companies want to avoid having their products lumped in with traditional premixed cocktails because they view the category as one whose time never really came but certainly is gone. Sales of premixed cocktails increased last year for the first time since 1980, primarily because of the introduction of Zzzingers, industry observers say. Beam moved 400,000 cases of Zzzingers from its May, 1985, introduction to year's end; the company expects to deplete 600,000 cases in 1986.

Premixed cocktail consumption rose from a little less than 3 million cases in 1984 to about 3.2 million last year, according to *Jobson's Liquor Handbook, 1986*, a New York-based industry publication. Jobson's projects 1986 consumption will remain stable or gain slightly because of Tropic Freezers' launch.

Most industry executives acknowledge specialty products, such as Tropic Freezers and Zzzingers, are the category's best hope for growth. But some say the new offshoots may boost sales of more traditional premixed cocktails.

"I see the new products and forms as welcome additions to the category," says Constance Williams, Heublein's marketing director-prepared drinks and scotch. The pioneer and perennial kingpin of premixed cocktails, Heublein commands more than 55% of the category between its Heublein and The Club brands.

"Our intent is to take the hot new flavors and concentrate on them," she says, adding that Heublein keeps an eye on on-premise trends by interviewing bartenders and customers in markets known for setting trends.

Ms. Williams says the company is focusing its efforts this summer on two new flavors, Seabreeze—Smirnoff vodka and cranberry juice—and a Gold Margarita made with Jose Cuervo Especial tequila.

"Higher-proof products have been the guts of Heublein's business," says Benjamin Corrado, a Pompano Beach, Fla.-based industry consultant. "But I think they can work both sides of the street. Why not?"

Dallas-based Schenley Industries, Heublein's primary competitor with an estimated 20% market share, appears to place similar faith in the future of premixed cocktails. The company recently introduced a wine cooler, a line of low-proof flavored schnapps and a Fuzzy Navel and grouped them along with its Cocktails for Two line under a new banner, Lite Libations.

Schenley is updating its cocktails line to keep up with the times, says Gary Martin, Schenley's vp-marketing.

"We did a lot of analyzing of the spirits business," says Richard Chapman, brand manager for Schenley. "We're seeing major changes among consumers, especially women. They want lower proof, sweeter taste and they're trading up."

Louisville-based Glenmore Distilleries Co. takes a dimmer view of the category's propects. "Indications are that it is still declining," says James McKee, senior brand manager, who oversees Glenmore's Mr. Boston line. "The dew is off the thing.

"The real pluses in this category are the specialty products," he says, pointing to Zzzingers as an example. "But I don't think there is much benefit to the traditional premixed cocktails."

Mr. Boston's market share has slipped "a point or so" from the 8% it claimed two years ago, Mr. McKee says. "That's a function, too, of the fact that we have not supported the line with massive advertising and promotion. For now, we're going to concentrate on the mixing trend with our schnapps."

Like its competitors, Schenley has not devoted many dollars to advertising its premixed cocktails. In previous years, the company placed ads in consumer magazines, but last year used no measured media, according to Leading National Advertisers. Schenley will promote its premixed line with a tv campaign this summer for Cocktails for Two wine cooler, the first time the Cocktails for Two name will appear on the tube.

Heublein is spending about $500,000 for Tropic Freezer ads, created by DYR, New York, and placed in *People* and *Sports Illustrated* in its three initial markets—Chicago, Connecticut and Florida; late summer will see the product in California and Texas. After virtually no media support for about a year, a 1987 ad campaign is being prepared for the Heublein and Club brands, Ms. Williams says.

Outdoor boards, handled by Bozell, Jacobs, Kenyon & Eckhardt, Chicago, represent Beam's Zzzingers' first consumer push. Retailers are welcoming the ad support, saying it is necessary when several wine coolers are being backed with annual budgets of $20 million or more.

Harold Binstein, president of Gold Standard, a Chicago-based retailer, says Zzzingers haven't been too successful in his stores, which puzzles him. "As popular as bourbon is in Chicago, I thought it would be a natural."

Kobrand, which introduced its Beefeater & Tonic at a boat show in England, has used boating events and publications to introduce the product in the U.S. through New York-based AC&R-created ads.

Unlike the cash and carry nature of most of the newer premixed brands, the product's 200-ml. glass container conjures up more traditional images of liquor products.

"We anticipate in-home consumption," Mr. Mather says. "That's part of the reason for positioning it as a 'great gin and tonic' and not just a portable one. What we're trying to do is to elevate the status of the premixed cocktail."

Breaking the bottle mold

(Continued from Page S-12)
close to the bottle, carries the headline "Absolut attraction." Another ad, headlined "Absolut summit," ran during last year's East-West summit. "The 'Absolut blank' works forever," Mr. Costello says.

"Absolut Warhol" and an Andy Warhol rendering of the bottle was Carillon president and chief executive officer Michel Roux's idea. "We were hesitant because it broke the photography format we had established, but he was right," he says. "The thinking is not to deviate from the sense of the campaign, but to keep it fresh."

Another way the agency accomplishes this is to play with page shapes and ad positioning. A recent ad shows an Absolut bottle wrapped in chains and tagged "Absolut security." The following right-hand page, labeled "Absolut larceny," shows the broken chains lying at the spot where the bottle had been.

TBWA employs tactics like this because distillers are not simply battling each other for readers' attention. It may be a small task to rise above other liquor ads, Mr. Costello says, "but it is never easy to stand out in the clutter of tv, print, newspapers, wherever."

Bigger budgets aren't the answer, he says, but consistency and continuity are. "Marketers must latch onto an idea, put it in the chest, lock it up with a key and say they'll run with it until hell freezes over. It always is possible to stimulate within an existing campaign."

When things aren't going well, which they aren't for many brands, ads should be evaluated equally with variables like distribution and pricing.

The industry's over-all poor performance makes breaking the bottle mold a requirement. But many factors preclude companies from doing this. "There is still an ultraconservative approach because this is a privilege business and no one wants to rock the boat," Mr. Kavanagh says.

Consumers and government and special interest watchdogs are not the only captains in that boat. Schieffelin's campaign for its Glenmorangie scotch initially was not well received by suppliers because it was not the "old boy's club style of selling scotch," he says. "Although we have been fortunate in that most of our suppliers have been willing to try far-out things. It's important to show suppliers that even a brand with a small budget can shake people up."

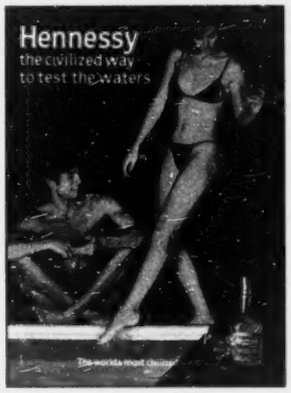
Shake up, down and sideways is what the Hennessy campaign has done to the industry and the market. One of the industry's sweetest taboos, sexuality, has been the blatant backbone of the approach.

The ad has produced major gains in awareness and generated a lot of mail, Mr. Kavanagh says, "a lot of it positive and some very negative. But we have added 180,000 cases since the advertising broke."

This sales increase and the campaign's saucy nature led one of Hennessy's competitors to petition the Distilled Spirits Council of the United States to impose a sanction on the campaign and protect the industry's sacred reputation. "The result was a unanimous decision that while the ads went toward the edge of acceptability, they did not step over that edge," he says.

"We can never go as far as Calvin Klein. No one would ever try," Mr. Kavanagh says. "We are much too regulated an industry. But any method of communication that meets the sales objective should be considered, be it based in humor, sex or a straight forward sell."

SSC&B's Mr. Wilde toasts that suggestion. "The booze people are too rooted in tradition. They need to start the process from where the consumers are, not from where they are."



The traditional bottle-and-glass ad and boy-meets-girl genre take on new shapes and forms in the hands of some distillers and their agencies.

Numbers don't tell the whole truth in ad spending

By Ed Fitch

In media, numbers talk. The tale liquor industry numbers tell magazine publishers is one of woe.

The 1985 American Magazine Conference was rife with foreboding. At the time, Lynn Mapes, vp-associate publisher, *Reader's Digest*, reported publishers saw space sales of liquor products deteriorating as distillers traded magazine-size sheets of paper for eight and 30 sheet outdoor boards (AA, Oct. 7). Telltale numbers back Mr. Mapes' supposition.

The top 10 1985 distilled spirits magazine advertisers trimmed their spending in the medium 6.8% to $180 million from 1984's level of $193.2 million, according to *Impact*, a New York-based industry newsletter. It's no surprise publishers' spirits were low.

But numbers don't tell the whole story. *Impact* reports Dewar's, the industry's advertising kingpin, cut $400,000 from its total 1985 expenditures to $11.6 million. However, Gary Martin, vp-marketing, Schenley Industries, Dallas, reports the brand's budget is higher than ever. "We have no intention of decreasing Dewar's ad spending."

The dollars listed by *Impact* do not accurately reflect Dewar's activity, he says. "When people talk about ad expenditures, they look at measured media sources." Such media forms as local and regional magazines and newspaper run of press are not included in these analyses, Mr. Martin says.

National ad expenditures for liquor marketing, a regional activity, would not spot subtle shifts in media spending mandated by short-term programs. "If you are looking to build awareness in Milwaukee, for example, you don't place an ad in a national magazine," he says. "We have made no conscious long-term shifts to other media forms, and we're not moving away from print."

Many recently introduced distilled spirits are specialties, which typically have more geographically limited franchises than traditional category brands. The ad budget for Fletcher & Oakes, Chicago-based James B. Beam Distilling Co.'s new spirit-based spritzer, wouldn't set any spending records. "But if you took what we're spending on a local level and projected it out on a national basis it would be very substantial," says Lane Barnett, Beam's vp, director-marketing and advertising.

Schieffelin & Co.'s Hennessy, the industry's 13th biggest advertiser, was one of only 13 of the top 25 advertised brands to have its budget increased in 1985, according to *Impact*. J. Penn Kavanagh, the New York-based company's chairman, chief executive officer and president, says more distillers are expressing frustration with the print medium, however. "It has become more a vehicle to maintain awareness rather than a dynamic vehicle to shape image.

"What frustrates them is it takes a very long time to change attitudes through print advertising," he says. And changing consumer attitudes is front and center on most distillers' craniums these days.

Although he reiterates Schenley's unwavering commitment to advertising, Mr. Martin says the continuing industry downturn has caused some marketers to question advertising's value in creating sales.

Little correlation exists between sales and ad awareness, says Don Wilde, vp, SSC&B: Lintas Worldwide, New York. "The problem is the testing services aren't reliable in determining the exact relation between ad awareness and product purchases. And awareness is not the goal, but increasing sales is."

Advertising and marketing are likely areas to trim some fat when times are lean, Mr. Barnett says. Although Beam plans to maintain its 1986 budget for its namesake brand at the same level as 1985, "if things soften up we can make short-term modifications in advertising toward the end of the year without having a major effect on our brand," he says.

Many companies are increasing promotional activity to meet immediate marketing objectives, Mr. Kavanagh says. "But promotions have become sort of a dynamic Band-Aid."

Not much thought is put into motivating consumers with promotions, he says. "An awful lot of the extensive retail display activity is to bribe the retailer into picking up another three cases of the product."

Visible promotions also have become essential to generate wholesaler interest. "With the ranks of distributors shrinking, companies have to do more to gain their attention," Mr. Ka-

Somewhere, five account execs are smiling

Top 10 distilled spirits advertisers

	1985 budgets ($ millions)	% change 1984 to 1985
1. Dewar's	$11.6	−3.3%
2. Smirnoff	10.0	5.3
3. Bacardi	9.9	26.9
4. Canadian Club	8.5	−2.3
5. Kahlua	7.7	28.3
6. Johnnie Walker Red	7.1	−15.5
Seagram's V.O.	7.1	6.0
8. Jack Daniel's Black	6.7	17.5
9. Beefeater	6.5	−5.8
Windsor Supreme	6.5	−7.1

Source: *Impact*

My ad manager stinks!

Yes, he gets my ads written in time to meet closing dates (barely!).
Sure, he sees to all the "details" that are part of getting ads placed properly.

BUT...

I ask for an ad that lets the public know I will beat or match the best prices in the Screenprinted Sportswear Industry.
He gives me a phrase like "competitively priced".

I want him to tell folks about our excellent record with time-critical deliveries.
His copy reads "Fast service".

I want him to assure people that no one, no where prints t-shirts better.
All he can come up with is "fine quality".

I tell him he's dull...
He tells me I don't know squat about advertising.

YOU BE THE JUDGE...

Call me at 1-800-241-1052 or write me and tell me if I'm the one who is crazy or if I should fire the smart-ass college kid!
By the way, let me send you our free color catalog at the same time.

signed– THE PREZ.

THE T-SHIRTERY INC.
1200 MENLO DRIVE
ATLANTA GEORGIA 30318
Where America goes for Promotional Clothes

The people who distill and market package goods should study package goods approaches. The situation is similar, he says, "because in the package goods industry a number of people are producing the same product and striving to break through the ad clutter and sameness of the brands."

If Metropolitan Life Insurance Co. can take a lighthearted approach to life and death issues by using Peanuts characters, Mr. Wilde says, liquor marketers can loosen up a bit. "The reason is simple: The buying generation was raised on things like Snoopy."

He also cites International Business Machines' use of Charlie Chaplin's "Little Tramp," which plays off this group's love of movies. "They were raised on tv, movies, standup comics, cartoons," Mr. Wilde says. Approaches based on these facets —along with celebrity endorsements, fitness appeals and straight product sell—should be thrown into the conceptual hopper, he says.

The need to upgrade ads is stronger than ever, Schenley's Mr. Martin says, because of the decline of the middle class of spirits. "It will evolve to a point where the only two types of brands remaining will be premiums and popular price."

Premium shoppers, he says, are buying image. This means taking chances with that image to create impact. Of the about 600 liquor brands, some 300 are advertised, Schieffelin's Mr. Kavanagh says.

"Society has been rousing distillers from their sleep with all the regulations, liability, lighter drinks and organizations like MADD [Mothers Against Drunk Driving]," Mr. Wilde says. "If the world has changed that much, they have to change their advertising."

Everyone is reluctant to change, he says, "except when they are forced to do it. That scenario is at hand: Change or die."

vanagh says.

Wholesaler consolidation has contributed to heightened promotional activity, but distilled spirits marketers always have held promotions in high regard, says Patricia Wiley, director-new product development, National Distillers, New York. "Both media and promotional budgets are going up. Distillers are no more frustrated with print advertising than previously."

Striking a balance between promotion and advertising is the key, Mr. Barnett says. "You have to pull as well as push. The problem with point-of-purchase is it reaches people who already are predisposed to the product."

Mr. Kavanagh links any increases in outdoor spending to pressure from the distribution chain. "The wholesaler loves outdoor because he sees it when he drives through town and feels it supports him more than an ad in *The New Yorker*." From a distiller's perspective, he says, outdoor is a consumer reminder, not an image shaper.

Because promotions suffer the same syndrome, Mr. Wilde says, print will remain the medium of choice despite distiller dissatisfaction. "If any of these brands are going to survive, they have to have a recognizable image and that means putting dollars into print."

It appears *Reader's Digest's* Mr. Mapes and his national publication colleagues are not losing pages to outdoor companies, but to their local and regional brethren. As a whole, distillers still stand shoulder to shoulder, bottle to bottle behind print advertising.

"People who downplay print's effectiveness are making excuses for poor advertising," Mr. Martin says. "Good advertising sells; bad advertising does not."

Liquor advertising hit parade

In addition to the campaigns mentioned in the accompanying story, agency sources cited the following trend-setting work.

Richard Costello, president, TBWA Advertising, New York:

"Going back about 10 or 15 years, a couple of brands did interesting things. Chivas Regal and Johnnie Walker Black come to mind.

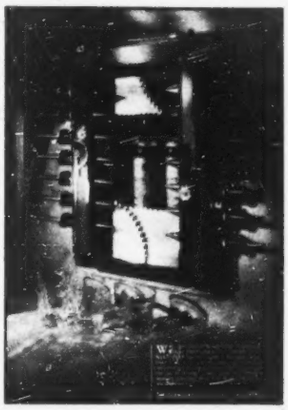
"Dewar's has done solid and continuous work. They also have run two separate campaigns [the Dewar's profiles and the highlander approach], which broke industry rules.

"The new Glenlivet ad is terrific. Seagram had been doing some very stodgy advertising for the most part. This new ad [with the bottle protected by an armed contraption that would make an Iron Maiden blush] is interesting and visually unusual."

Don Wilde, exec vp, SSC&B:Lintas Worldwide, New York:

"Rumple Minze is a strong example of a product addressing the issues. It's risky, adventuresome and I remember it.

"Studies show that 80% of those who read an ad can't remember the product 12 minutes after they see the ad. So this is progress."



A MEDIA PLAN WITHOUT NEW ORLEANS IS LIKE A BLOODY MARY WITHOUT THE TOMATO JUICE.

You can't make a martini without gin, a screwdriver without vodka, or a hot toddy without whiskey — and you can't cover the liquor market without The Times-Picayune/The States-Item.

New Orleans is the 20th ranked liquor market in the country. And The Times-Picayune/The States-Item is New Orleans' leading daily with 843,000 metropolitan adult readers - not to mention the hundreds of thousands of partying tourists who pick up The Times-Picayune/The States-Item every month.

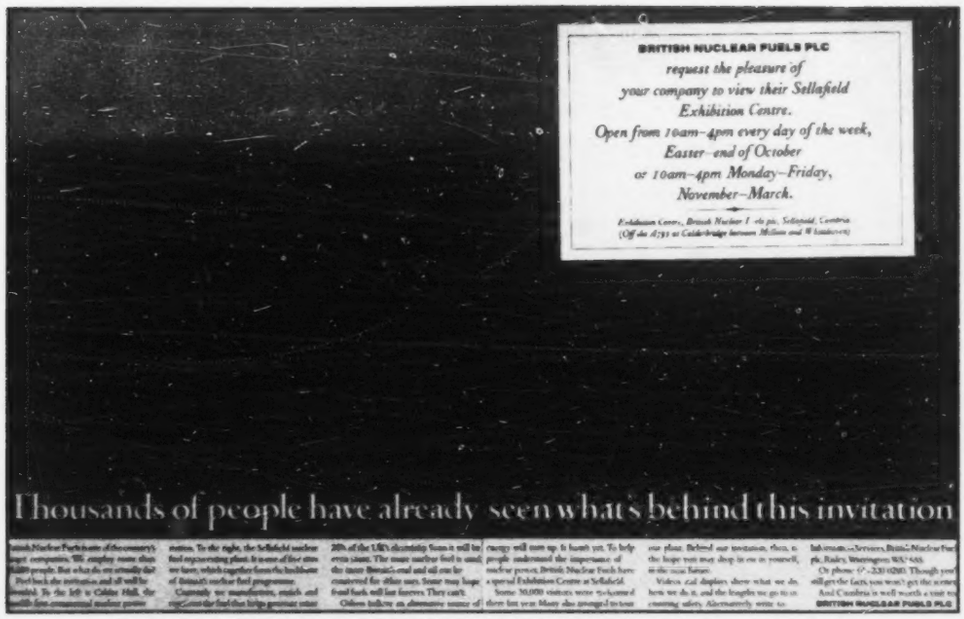
Give The Times-Picayune/The States-Item a shot. Call Lester Key, national advertising manager, at (504) 826-3075.

BUY SMART. BUY THE TIMES-PICAYUNE/THE STATES-ITEM.

Source: *Belden Associates CMS March - December, 1985 Liquor Handbook 1986*

The Times-Picayune
The States-Item

Represented Nationally By Newhouse Newspapers
New York, NY (212) 697-8020 Chicago, IL (312) 641-6242
Birmingham, MI (313) 540-5606 San Francisco, CA (415) 362-3367
Atlanta, GA (404) 955-2335 Beverly Hills, CA (213) 205-7647


BRITISH NUCLEAR FUELS PLC
request the pleasure of
your company to view their Sellafield
Exhibition Centre.
Open from 10am–4pm every day of the week,
Easter–end of October
or 10am–4pm Monday–Friday,
November–March.
Thousands of people have already seen what's behind this invitation
BRITISH NUCLEAR FUELS PLC

A print ad for British Nuclear Fuels invites visitors to tour the site of a nuclear plant.

Ad for U.K. nuclear plant includes invitation to site

By LAUREL WENTZ

LONDON—British Nuclear Fuels, operator of the U.K. government's nuclear energy program, is using its first tv and print campaign to issue 9 million invitations to visit its nuclear fuel complex.

At the same time, an anti-nuclear tv spot by the environmental group Greenpeace was deemed political by the Independent Broadcast Authority and was banned.

In the BNF spot, via Young & Rubicam, an invitation is peeled across the screen as a helicopter zooms to the Sellafield nuclear plant and lands on a welcome mat bearing a phone number to call for information. In the print ad, an invitation to visit Sellafield is partially glued to a spread showing the lush U.K. countryside where the plant is located. The invitation covers the part of the photo that shows the plant, but the copy at the bottom of the spread says, "Thousands of people have already seen what's behind this invitation."

Bob Cartwright, BNF publicity manager, said the timing of the $3 million campaign so soon after the Chernobyl nuclear accident in the Soviet Union was coincidental.

The script for the Greenpeace spot said: "If you'd visited Chernobyl on April 25 you would have seen a nice, clean nuclear plant. If you lived within 100 miles on April 26, you would have been evacuated. What's the point of a visit to Sellafield?"#

GreyCom looks to Europe, Asia

By JULIE SKUR HILL

GreyCom, the public relations arm of New York-based Grey Advertising, hopes to have 12 full-service offices in Europe and Southeast Asia operating by yearend.

GreyCom International was created in April, and Harriet Mouchly-Weiss was appointed president. She was previously chairman of the international division of Ruder Finn & Rotman. The new division of GreyCom now employs 15 fulltime staff members.

The goal is to develop "the same type of network the five leaders have," Ms. Mouchly-Weiss said, referring to the networks of Burson-Marsteller, Hill & Knowlton, Carl Byoir & Associates, Ruder Finn & Rotman and Daniel J. Edelman Inc. In addition to its New York office, GreyCom now has affiliates in Washington, Chicago and Los Angeles.

GreyCom has two international clients, the governments of Jamaica and Malaysia. The New York office handles the two accounts. She said GreyCom "is pitching for other international business," but declined to identify potential clients.

"We're assuming that many of the Grey Advertising clients will be interested in using us worldwide since they already use us in the U.S.," Ms. Mouchly-Weiss said.

Some products marketed by Procter & Gamble that are now handled by GreyCom in the U.S. would be potential business worldwide, she said.

Expansion will come through joint ventures and acquisitions, with a few nonequity affiliations, Ms. Mouchly-Weiss said. She added that GreyCom is working on deals with two pr shops, but she declined to name them.

GreyCom's first European targets are the U.K., France, Belgium and Sweden. "We hope to have our European set of offices in place no later than early fall," Ms. Mouchly-Weiss said.

In the Far East, GreyCom is looking at Indonesia, Hong Kong and Japan for offices. Ms. Mouchly-Weiss added that GreyCom is also interested in China, but "I wouldn't say it's on my priority list for this week."

GreyCom wants to staff the offices with local people "who understand pr on an international platform and have an understanding of American firms," she said. "Cross-cultural fertilization and understanding is essential for us and our clients."

For multimarket clients, GreyCom will fashion a program for local needs, Ms. Mouchly-Weiss said. "It's more than interpreting a press release. We'll take a problem, and we'll give it local interpretations."#

Foote, Cone & Belding

Clients:	Americas									Europe												Africa	Asia, Pacific							
	USA	Brazil	Canada	Costa Rica	Guatemala	Mexico	Panama	Puerto Rico	Trinidad	Venezuela	Austria	Belgium	Denmark	France	Germany	Greece	Italy	Netherlands	Norway	Portugal	Spain	Sweden	UK	South Africa	Australia	Hong Kong	Indonesia	Japan	Malaysia	New Zealand	Philippines	Singapore
Airbus Industries																	•						•								
Bayer									•										•					•							
Beiersdorf				•	•		•		•				•	•				•			•	•									
Bermuda Tourism	•		•																				•								
Bristol-Myers								•														•			•		•			•	
British Caledonian											•		•	•	•		•														
Cadbury-Schweppes												▪	•	•					•	•	•	•	•	•			•					
California Raisin	•		•								•	•		•					•			•	•									
Citibank	•							•	•			•									•			•								
Colgate-Palmolive	•	•	•	•	•	•	•	•	•	•		▪	•	•	•	•					•	•	•	•								
Computerland											•	•	•	•			•				•	•	•	•		•						
Data General	•		•			•		•		•	•	•		•	•		•	•				•	•	•		•				•		•
Frito-Lay	•					•	•																					•				
Gillette						•				•				•	•		•					•	•									
Hewlett-Packard												•											•									
Imperial Chemical				•							•		•	•							•				•							
S.C. Johnson	•			•	•						•	•	•	•			•		•	•	•	•	•									
Kimberly-Clark	•	•	•	•	•		•	•		•	•		•					•									•					
Kraft	•		•								•				•		•		•		•		•									
Levi Strauss	•			•	•																											
Matsushita				•	•		•																									
Max Factor					•																				•				•			•
Mazda	•		•					•			•																					
Melitta															•										•	•						
Monsanto					•	•		•		•																						
Motta/SME	•														•	•	•															
Nestle	•								•					•		•			•													
North Sea Ferries											•				•			•														
Pearle Vision	•		•					•															•									
Pepsi-Cola	•								•															•								
Pizza Hut	•														•								•					•				•
Rothmans																								•	•	•						•
Royal Bank of Canada		•	•							•													•									
Schering-Plough													•		•								•									
Sears	•		▪					•																								
Shell																	•							•	•							
Shulton											•						•			•		•		•							•	
Siemens											•								•					•								
Sunkist Fresh Fruit	•		•									•			•										•	•		•				
3M											•		•	•									•									
Hiram Walker		•				•				•		•		•	•		•	•		•	•		•		•							
Warner-Lambert								•												•											•	
Wrigley Co.															•		•				•											

Source: Foote, Cone & Belding

The above chart shows Foote, Cone & Belding's 1985 worldwide client roster. The agency's 1984 roster was erroneously published in the World Brands section of ADVERTISING AGE on July 7 (P. S-8).

Fleet St.

(Continued from Page 52)

Today for about $30 million. Mr. Shah remained as chairman and ceo of *Today*'s publishing company, News (U.K.), and kept control of 51% of the paper.

New plans call for *Today* to beef up editorial and production staffs and attempt to win back advertisers disillusioned by early editions. Color reproduction and layout have been improved and a managing director has been hired to take over the day-to-day running of the tabloid from Mr. Shah.

Terry Cassidy, the new managing director, is the former publisher of a Lonhro newspaper in Scotland. Plans also call for scrapping the independent distribution system Mr. Shah established for *Today* in favor of the unionized wholesalers used by most other U.K. newspapers.

To build circulation, *Today* is serializing "A Matter of Honour," the latest novel by Jeffrey Archer, one of the U.K.'s best selling novelists and deputy chairman of the U.K.'s Conservative party.

"The first hurdle is that many clients still remember the bad old days when our color wasn't very good," said Mark Pritchett, *Today*'s advertising director. "To convince them that we can handle color we are beginning to print special advertising newspapers full of ads."

On two Saturdays in July, *Today* produced a 32-page promotional prototype consisting entirely of ads, to be sent to prospective advertisers and ad agencies, he said.

Mr. Murdoch, meanwhile, succeeded in whisking his four newspapers overnight to a new printing plant and continuing to print and distribute them despite militant picketing by his former labor force. But staff morale at the four titles has plummeted and news staffers are harassed by pickets. Also, Mr. Murdoch's reporters are shunned by the Labor party and other news sources and many libraries refuse to stock the newspapers in sympathy with the strikers.

Mr. Murdoch's company, News International, has indicated interest in reopening negotiations with the print unions. That came despite the unions' rejection last month of what Mr. Murdoch said was his final offer, involving $75 million in compensation and the gift of the former News International printing plant to the unions, to start their own newspaper.

"Murdoch's cash flow has improved dramatically, although he had to spend a bit on barbed wire and trucks," said Mr. Terrington. "He must be making $90 million to $100 million [in reduced payroll] and advertising has been healthy."

But pressure on Mr. Murdoch is increasing. Attrition among the editorial staff has reached near-panic proportions. So far, 34 journalists from Mr. Murdoch's *Times* and *Sunday Times* have been poached by Andreas Whittam Smith, editor of the *Independent*, a new upmarket national daily broadsheet scheduled to be launched Oct. 7.

Other journalists have left or been fired because they disagreed with Mr. Murdoch's decision to outflank the print unions by moving to the new plant in Wapping, three miles east of Fleet Street, where U.K. newspapers are traditionally printed. In addition, Mr. Murdoch narrowly avoided a strike by journalists at the *Sun* by handing out 10% pay hikes.#

How the Top 50 agency 'brands' line up

Ad Age list peels away shops' subsidiary units

CHICAGO—An advertiser wants to assign business to one of the top 10 agencies but doesn't want to get involved with the subsidiaries that handle public relations, direct response, Yellow Pages, medical journals or sales promotion, to name a few. At that point, can he tell which *are* the top 10 agencies?

It isn't easy.

The search is complicated because billings scorecards traditionally lump together the agency's subsidiary revenues in arriving at total company revenue.

And then there are the agency mergers and megamergers that further conceal the outline of the so-called "brand name" agency, or the basic agency unit that remains after its support elements are peeled away.

"In accepting the challenge to prepare a list of the Top 10 agencies by 'brand name' calculations, we decided to antagonize not just those in and around the Top 10, but to go all out and apply this 'unbundling' process to a Top 50 list," said Fred Danzig, ADVERTISING AGE editor.

The process of extracting pure brand name numbers proved to be as complicated as it will be controversial, since some agencies may occasionally consider their regional subsidiaries to be offices, and others look upon subsidiaries as totally separate entities. To be consistent, the Brand Name Agency list excludes all units that are subsidiaries, but includes branch offices.

"A lot of apples and oranges get into the picture, and it has taken months of checking and rechecking to arrive at what can be considered a respectable list of this sort," observed Craig Endicott, who edits AA profile issues and supervised the brand name unbundling project.

To arrive at the Brand Name Agency total, agencies reporting their subsidiaries as part of their totals in the ADVERTISING AGE Agency Income Report published March 27, 1986, were asked to break out billings from their subsidiaries or assist AD AGE staffers in estimating the various components to arrive at a brand total minus subsidiaries. In select cases, estimates were made by AA.

As an example of what unbundling does, in the new calculation, Young & Rubicam, the No. 1 agency in combined U.S. billings ($2.27 billion for 1985) in the March Agency Income Report, yields that spot on the Brand Name Agency list to J. Walter Thompson Co. JWT ranked fifth in U.S. billings ($1.65 billion) in the traditional calculations. Unbundled, Y&R drops to No. 7 ($1.1 billion) on the Brand Name Agency list. The accompanying chart shows that 11 agencies were excluded from the Y&R composite.

Leo Burnett Co. surges to No. 2 on the new list, up from No. 8 in the March report. The new list also introduces Omnicom's DDB/Needham Worldwide, fresh from the Doyle Dane Bernbach-Needham Harper merger, and ranks it No. 3 ($1.27 billion). Ogilvy & Mather, extracted from the No. 2-ranked Ogilvy Group in the March report, ranks No. 4 on the Brand Name list. Foote, Cone & Belding moves up to No. 5 on the new list, from No. 6.

The first column entry on the Brand Name list, titled "Brand name agency rank," is a ranking of the billings composite of the "included" entries shown in the adjoining chart.

The March, 1986, Agency Income Report is the source of the second column entry. The rankings also are for the parent agency, which may or may not be the same name or composition in this chart as in the March report. The parent essentially represents all the units comprising both the "included" and "excluded" entries in the adjoining chart.

In most cases, the Brand Name Agency rank is the streamlined version of the agency's composition that provided its ranking in the March report.

Billings from acquisitions made since the March report and carried as offices rather than subsidiaries also have been added into the Brand Name Agency rank. An example of the latter is the merger of Leber Katz Partners Advertising into the New York office of Foote, Cone & Belding Communications. Figures used to determine rankings in both columns were 1985 U.S. billings totals.

Among housekeeping matters, a dash is placed next to DDB/Needham Worldwide, Campbell-Ewald and Lowe Marschalk in column two because they did not exist under these names in the March report.

In the same column, Ally & Gargano/MCA Advertising's No. 45 ranking in the March report is solely for MCA Advertising, and not the merger of the two that has occurred since the March report. Bernard Hodes Advertising, a subsidiary of DDB International, was not reported on separately in the March report in which its totals were folded into those of parent, DDB.

The third column entries bear the current names of the agencies. If the agency name differs from the name of the agency group to which it belongs, that agency group name is provided in the fourth column.

Top 50 brand name agencies

Brand name agency rank	3/27/86 income issue rank	Agency	Agency group	1985 U.S. billings
1	5	**J. Walter Thompson Co.**	JWT Group	$1,484,207,000
2	8	**Leo Burnett Co.**		1,269,906,000
3	—	**DDB/Needham Worldwide**	Omnicom Group	1,269,778,000
4	2	**Ogilvy & Mather**	Ogilvy Group	1,125,583,000
5	6	**Foote, Cone & Belding Communications**		1,124,367,000
6	12	**Bozell, Jacobs, Kenyon & Eckhardt**	Lorimar-Telepictures Corp.	1,100,000,000
7	1	**Young & Rubicam**		1,100,000,000
8	10	**Grey Advertising**		916,425,000
9	7	**D'Arcy Masius Benton & Bowles**		878,408,000
10	13	**DFS Dorland Worldwide, Inc.**	Saatchi & Saatchi plc (DFS)	836,900,000
11	15	**McCann-Erickson USA**	Interpublic Group of Cos.	808,177,000
12	3	**Ted Bates Advertising**	Saatchi & Saatchi plc (Bates)	754,409,899
13	17	**N W Ayer**		652,000,000
14	4	**BBDO Inc.**	Omnicom Group	615,000,000
15	9	**Saatchi & Saatchi Compton Inc.**	Saatchi & Saatchi plc	590,000,000
16	—	**Campbell-Ewald Co.**	Interpublic Group of Cos.	548,300,000
17	18	**Wells, Rich, Greene**		521,800,000
18	19	**William Esty Co.**	Saatchi & Saatchi plc (Bates)	510,000,000
19	20	**SSC&B:Lintas Worldwide**	Interpublic Group of Cos.	449,578,000
20	21	**Backer & Spielvogel**	Saatchi & Saatchi plc (Bates)	385,100,000
21	45	**Ally & Gargano/MCA Advertising**	Marketing Corp. of America	373,014,000
22	25	**HBM/Creamer**		318,000,000
23	22	**Ketchum Communications**		311,000,000
24	24	**Campbell-Mithun**	Saatchi & Saatchi plc (Bates)	308,574,000
25	—	**Lowe Marschalk**	Interpublic Group of Cos.	299,800,000
26	27	**Chiat/Day**		294,288,966
27	29	**Tracy-Locke, Inc.**	Omnicom Group	272,300,000
28	30	**Della Femina, Travisano & Partners**		245,000,000
29	31	**Scali, McCabe, Sloves**	Ogilvy Group	243,875,300
30	26	**Ross Roy Inc.**		241,300,000
31	23	**Cunningham & Walsh**	Mickelberry Corp	239,900,000
32	32	**Laurence, Charles, Free & Lawson**	Mickelberry Corp (C & W Group)	235,000,000
33	33	**Tatham-Laird & Kudner**		235,000,000
34	34	**Jordan, Case, Taylor & McGrath**		208,672,000
35	36	**McCaffrey & McCall**	Saatchi & Saatchi plc	198,000,000
36	37	**Hill, Holliday, Connors, Cosmopulos**		191,989,200
37	38	**Lord, Geller, Federico, Einstein**	JWT Group	185,665,039
38	39	**W.B. Doner & Co.**		185,200,000
39	40	**Wunderman, Ricotta & Kline**	Young & Rubicam	175,700,000
40	42	**Admarketing**		170,467,000
41	43	**Bloom Cos.**		170,000,000
42	44	**Geers Gross Advertising**		170,000,000
43	46	**HCM**	Y&R, Eurocom (joint venture)	165,415,000
44	47	**DYR Worldwide**	Y&R, Dentsu Inc. (joint venture)	143,200,000
45	—	**Bernard Hodes Adv.**	Omnicom Group	141,004,000
46	48	**Dailey & Associates**	Interpublic Group of Cos.	140,884,000
47	49	**Warwick Advertising**		140,000,000
48	50	**Rosenfeld, Sirowitz & Humphrey**		138,997,600
49	51	**Ammirati & Puris**		130,000,000
50	52	**Evans Communications**		122,000,000

Composition of brand name agencies without subsidiaries

Agency	Included	Excluded from parent
Ally & Gargano/MCA	Ally & Gargano/MCA Advertising	None
Ted Bates Advertising	Ted Bates-named shops	AC&R Advertising, Campbell-Mithun, Diener/Hauser/Bates Co., William Esty Co., Kobs & Brady, Sawdon & Bess Advertising, Stern Walter/Earle Ludgin
BBDO Inc.	BBDO Inc. (N.Y., Detroit, Minneapolis)	BBDO Chicago, BBDO Direct, BBDO/West, BDA/BBDO, Blair Advertising, Caravetta Allen, Kimbrough/BBDO, Frank J. Corbett Inc., Doremus & Co., GM DuBois, Hannaford, Ingalls Quinn & Johnson/BBDO, Lavey/Wolff/Swift, Marcos Direct, RC Communications, Franklin Spier Inc., Telerx Marketing, Tracy-Locke, Waring & LaRosa
Campbell-Ewald Co.	C-E-named shops	CECO Communications
Campbell-Mithun	Campbell-Mithun-named shops	Cash Plus Inc., Promotion Works Inc.
Cunningham & Walsh	Cunningham & Walsh-named shops, BBDM/Cunningham & Walsh	None
D'Arcy Masius Benton & Bowles	DMB&B-named shops	Ted Colangelo Associates, Direct Inc., Intergroup Marketing & Promotions, Manning, Selvage & Lee, Medicus Intercon, Poppe Tyson Inc., Telecom Entertainment
Dancer Fitzgerald Sample	DFS-named shops	DFS Progam Exchange, Program Syndication Services
DDB/Needham Worldwide	DDB-named shops, Needham Harper-named shops	Bernard Hodes Advertising (DDB), Cargill, Wilson & Acree (DDB), Direct Response Group (DDB), DR Group (Needham), Ecom—(terminated 1984) (DDB), Fletcher/Mayo/Associates (DDB), Kallir, Philips, Ross (DDB), Milici/Valenti Advertising (DDB), Needham Porter Novelli, Needham-Los Angeles (sold), Rapp & Collins (DDB), York, Alpern/DDB
Foote, Cone & Belding	FCB-named shops, Leber Katz	Albert Frank/Guenther Law, Carl Byoir & Associates, Deutsch, Shea & Evans, Golin/Harris Communications, Lewis, Gilman & Kynett, North Castle Partners, Smith-Hemmings-Gosden, VICOM Associates
Grey Advertising	Grey-named shops	Beaumont-Bennett, GreyCom Inc., Grey Direct, Grey Entertainment & Media, Grey Medical, LBS Communications, Levine, Huntley, Schmidt & Beaver
Jordan, Case, Taylor & McGrath	JCT&M-named shop	Bloom & Gelb, C.L. Stawasz
Ketchum Communications	Ketchum-named shops	Ketchum Public Relations, Ketchum Yellow Pages, Ketchum Direct
McCann-Erickson USA	McCann-Erickson-named shops	McCann Direct, Sieber & McIntyre
Medicus Intercon International	Medicus Intercon, Science & Medicine	None
Ogilvy & Mather	O&M-named shops	Cole & Weber, A. Eicoff & Co., Euramerica Translations, Eyepatch, Fallon McElligott, Graphic Services, Ogilvy & Mather Direct Response, O&M Partners, O&M Presents, O&M Public Relations Group, O&M Yellow Pages, Rolf Werner Rosenthal, Scali, McCabe, Sloves, Speech Dynamics, Sussman & Sugar
Rosenfeld, Sirowitz & Humphrey	RS&H's N.Y. shop	RS&H Co-op
Ross Roy Inc.	Ross Roy-named shops	Calet, Hirsch & Spector, Gray & Kilgore, Griswold Inc., Lerner Scott Corp., Ross Roy/Colarossi Griswold
Saatchi & Saatchi Compton	Saatchi & Saatchi Compton	Backer & Spielvogel, Ted Bates Worldwide, Cadwell Davis Partners, Cochrane Chase Livingston, Fairfax Inc., Hay Group, Hoffman York, Klaid Co., Klemtner Advertising, Irv Koons, Mayo Infurna Design, McCaffrey & McCall, Rowland Co., Rumrill-Hoyt, Skelly, Yankelovich & White
Scali, McCabe, Sloves	SMS-named shops	Fallon McElligott
J. Walter Thompson	JWT-named shops	Brouillard Communications, Lord, Geller, Federico, Einstein, Hill & Knowlton, JWT Direct, JWT Healthcare, Market Behavior, Marti Flores Prieto, Simmons Market Research Bureau, Thompson Recruitment
Wells, Rich, Greene	WRG-named shops	Gardner Advertising
Young & Rubicam	Y&R-named shops	Cato Johnson Y&R, Creswell, Munsell, Fultz & Zirbel, DYR, HCM, Hutchins/Y&R, Rives Smith Baldwin Carlberg+ Y&R, Sive Associates, Stone & Adler/Chapman, Sudler & Hennessey, Wunderman, Ricotta & Kline, Zemp/Y&R

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

July

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
— Art & antiques —				
American Artist	—	—	—	—
Antiques	—	—	—	—
Art in America	—	—	—	—
Southwest Art	65.7	76.7	493.0	544.2
Total Group	**65.7**	**76.7**	**493.0**	**544.2**
% change		**-14.3%**		**-9.4%**
— Auto/cycle/rec. vehicles —				
AutoWeek (52X)	133.4	168.4	1,038.2	939.9
Car & Driver	88.7	86.2	670.8	721.5
Car Craft	74.6	91.6	515.3	527.6
Circle Track	67.7	58.6	439.9	380.2
Cycle	34.6	62.8	360.3	400.6
Cycle Guide (11X)	40.4	44.4	349.7	323.3
Cycle World	32.3	62.0	385.8	451.7
Dirt Rider	33.9	32.3	307.7	243.0
Dune Buggies & Hot VW's	91.8	102.4	612.3	638.1
Family Motor Coaching	164.1	174.3	1,062.2	1,067.7
4 Wheel & Off-Road	89.6	80.8	608.8	522.2
Four Wheeler	82.4	82.4	588.0	602.1
Hot Rod	59.2	58.8	443.5	443.5
Motorcyclist	48.1	42.7	382.4	296.2
Motorhome Life	90.8	101.6	667.5	690.9
Motor Trend	58.2	66.8	472.0	533.6
Pick-Ups & Minitrucks	—	—	—	—
Rider	51.9	52.3	400.5	428.2
Road & Track	94.0	111.0	707.2	804.8
3 Wheeling	57.6	70.0	412.9	394.4
Trailer Life	107.0	107.2	833.6	909.0
Total Group	**1,500.3**	**1,656.8**	**11,258.6**	**12,198.5**
% change		**-9.4%**		**-7.7%**
— Boating & yachting —				
Boating	101.3	111.6	1,014.1	1,012.7
Chesapeake Bay	36.3	32.0	259.9	220.7
Cruising World	124.6	122.3	878.4	906.8
Lakeland Boating (10X)	59.5	50.5	490.5	463.0
Motor Boating & Sailing	131.6	126.7	1,286.5	1,214.3
Sail	84.8	83.2	791.9	942.3
Small Boat Journal (6X)	—	—	166.8	153.4
Trailer Boats (11X)	32.9	24.8	329.4	260.2
Western Boatman (6X)	30.0	41.1	162.8	189.9
Yachting	113.0	122.2	1,000.2	1,189.0
Total Group	**714.2**	**714.4**	**6,380.5**	**6,552.3**
% change		**+0.0%**		**-2.8%**
— Canadian —				
L'Actualite	51.8	47.7	572.1	419.5
Chatelaine				
English Edition A	70.4	60.0	650.0	643.2
French Edition	46.0	48.1	551.3	501.0
City and Country Home (8X)	—	—	269.9	200.5
City Woman (5X)	—	—	—	—
Equinox (6X)	32.2	28.5	147.2	107.0
Financial Post-Moneywise A	25.8	31.3	254.6	233.9
Flare A	35.3	35.6	478.3	423.3
Macleans (52X) A	65.3	94.5	852.3	788.5
Montreal Magazine (10X)	—	—	—	—
Montreal Ce Mois Ci	—	—	—	—
Reader's Digest				
Canadian-English A	64.6	57.7	499.9	448.9
Canadian-French A	59.8	47.3	417.9	347.2
Toronto Life	68.2	53.5	616.2	545.0
Vancouver	—	—	—	—
Total Group	**519.4**	**504.2**	**5,309.7**	**4,628.0**
% change		**+3.0%**		**+14.7%**
— Civic/fraternal —				
American Legion	22.6	17.2	168.3	178.9
Elks (10X)	—	—	112.1	119.5
Kiwanis	—	—	107.5	98.4
Lion (10X)	10.6	7.0	40.6	41.3
Rotarian	11.7	7.7	100.5	79.6
V.F.W. (11X)	—	—	163.9	159.3
Total Group	**44.9**	**31.9**	**692.9**	**677.0**
% change		**+40.7%**		**+2.3%**
— Comics —				
DC Comics	2.5	5.0	36.0	39.5
Marvel Comics Group	7.0	7.0	47.0	43.5
Total Group	**9.5**	**12.0**	**83.0**	**83.0**
% change		**-20.8%**		**+0.0%**
— General —				
American Health (10X)	73.7	42.2	356.4	308.1
American West (6X)	—	—	—	—
The Atlantic A	17.8	40.4	250.7	330.1
Audubon Magazine (6X)	25.3	24.0	106.0	136.0
Bon Appetit A	61.4	64.9	558.4	575.0
Changing Times	42.8	33.0	335.5	270.5
Connoisseur	28.5	25.0	461.0	402.2
Consumer's Digest (8X)	19.5	19.8	108.5	119.7
Ebony	77.5	89.7	655.6	641.2
Fifty Plus	22.8	34.0	247.6	222.8
Food & Wine	35.3	81.7	309.7	337.1
Games	—	—	—	—
Gourmet	64.5	50.3	614.1	609.0
Harper's A	17.5	19.0	159.9	178.9
Harrowsmith	28.8	—	157.4	—
Home Entertainment (8X)	—	—	124.6	129.3
Life	49.6	40.1	383.0	437.3
Modern Maturity (6X)	43.8	43.2	129.4	142.2
Money	97.7	103.9	858.5	830.2
Moneysworth (4X)	—	—	30.5	37.2
Mother Earth News (6X)	—	—	—	—
Mother Jones (9X)	—	—	—	—
National Geographic	—	—	—	—
Natural History	36.5	31.7	284.1	294.5
Prevention	54.9	55.5	430.3	412.5
Psychology Today	26.6	15.2	184.9	166.5
Reader's Digest A	70.4	51.4	676.8	522.8
Saturday Evening Post (9X)	37.6	39.0	188.3	180.0
Signature	54.0	37.3	481.9	379.2
Smithsonian	72.4	68.6	542.7	620.3
Success	—	—	—	—
Sylvia Porter's Personal Finance (6X)	36.2	38.3	239.1	156.6
Town & Country	55.0	73.6	761.6	826.3
Travel-Holiday	26.6	25.4	297.3	330.8
Travel & Leisure	60.9	106.5	722.9	772.6
Vanity Fair	21.1	16.6	274.5	215.4
Writer's Digest	19.1	21.9	174.5	165.4
Yankee	56.3	50.9	485.0	463.1
Total Group	**1,315.0**	**1,343.1**	**11,590.7**	**11,212.8**
% change		**-2.0%**		**+3.3%**
— Home —				
Americana (6X)	17.2	26.9	111.4	137.8
Architectural Digest A	63.1	60.2	835.2	875.8
Better Homes & Gardens	74.3	79.9	761.8	777.8
Colonial Homes (6X)	—	—	—	—
Columbus Monthly-Homes (4X)	29.4	26.8	81.7	26.8
Country Home (6X)	34.7	23.0	175.8	119.6
Country Journal	—	—	—	—
Country Living	60.8	61.5	490.0	457.8
Dallas-Ft. Worth Home & Garden	71.2	99.5	550.0	501.9
Family Handyman (10X) A	50.7	67.9	382.4	391.3
Flower & Garden (6X)	—	—	130.0	125.6
Home	36.8	40.4	343.5	345.9
The Homeowner (10X)	25.1	27.3	187.8	170.5
Horticulture	32.0	25.0	278.0	256.0
House Beautiful	39.4	63.4	504.3	568.4
House & Garden	52.0	62.2	626.8	654.1
Houston Home & Garden	70.0	92.3	531.5	609.0
Metropolitan Home	32.3	32.4	401.9	431.6
New Shelter (9X)	55.0	56.4	317.7	326.9
1,001 Home Ideas	28.0	36.9	299.6	312.7
Phoenix Home & Garden	60.3	56.8	467.3	453.9
Rodale's Organic Gardening	50.4	42.1	445.2	412.7
Rx Being Well	—	—	—	—
San Diego Home & Garden	70.5	87.8	487.3	522.6
South Florida Home & Garden	25.0	37.0	211.0	253.0
Southern Accents (6X)	59.9	61.4	377.7	335.1
Southern Living	99.8	114.8	993.2	907.3
Sunset Magazine A	117.0	120.6	993.1	1,014.6
Texas Homes	57.8	98.2	452.4	580.6
Workbench (6X)	31.5	38.2	191.3	209.9
Total Group	**1,344.2**	**1,538.9**	**11,627.9**	**12,504.6**
% change		**-12.6%**		**-7.0%**
— In-flight & other passenger —				
Aboard Group (7) (6X)	—	—	—	—
Alaska Airlines	65.3	49.8	404.7	329.7
East/West Network				
Eastern Review	71.3	78.7	739.6	668.3
Frontier	36.2	—	250.0	—
Northwest Orient	47.8	48.7	326.3	278.5
Ozark	50.0	51.2	330.0	280.0
Pan Am Clipper	39.3	82.3	446.1	406.8
PSA Magazine	80.2	58.5	619.0	538.8
Republic Scene	43.2	47.5	357.9	314.7
Spirit	—	—	—	—
United	66.2	88.0	684.2	618.0
Western's World	54.5	49.2	420.3	365.8
Halsey Publications				
Air Cal	51.2	48.0	367.5	322.9
Delta Sky	61.5	61.6	523.8	493.7
People's Expressions	29.5	—	276.8	—
US Air	41.3	46.3	307.0	318.8
Hawaii (6X)	—	—	—	—
Pace	50.6	80.5	557.4	389.6
Presidential Airways (6X)	9.2	—	29.2	—
Southwest Airlines	—	—	—	—
Spirit of Aloha (6X)	83.8	92.7	694.8	611.0
TWA Ambassador	54.5	65.0	352.9	366.3
Total Group	**932.6**	**948.0**	**7,627.5**	**6,302.9**
% change		**-1.6%**		**+21.0%**
— Men's —				
Esquire A	—	—	—	—
Firehouse Magazine (13X)	23.0	33.3	315.0	296.6
Gentlemen's Quarterly A	86.6	73.5	945.6	898.7
M	24.6	30.3	345.0	333.3
Penthouse A	34.7	36.6	251.0	274.3
Playboy A	62.2	71.9	449.4	503.8
Total Group	**231.6**	**245.6**	**2,306.0**	**2,306.7**
% change		**-5.9%**		**+0.0%**
— Metropolitan —				
Aloha (6X)	28.3	28.8	114.0	125.2
Atlanta	39.2	44.5	363.5	361.4
Baltimore	70.7	70.1	502.7	537.6
Boston	144.2	141.5	1,023.7	1,009.5
California	38.9	41.6	484.1	463.6
Chicago	126.8	104.0	857.6	896.1
Chicago's North Shore	70.8	56.6	536.0	512.3
Cincinnati	53.0	51.5	405.2	374.1
Cleveland	73.5	85.5	503.1	526.9
Coast (38X)	306.4	338.8	1,431.6	1,528.4
Columbus Monthly	78.1	60.7	461.0	460.4
Connecticut	73.2	58.9	635.2	594.6
D/Magazine, Dallas/Ft. Worth	104.5	121.0	854.4	893.1
Denver	36.0	30.7	248.6	206.8
Detroit Monthly	38.3	40.8	529.8	390.0
Grand Rapids	53.8	61.2	294.3	347.1
Gulfshore Life (10X)	—	—	—	—
Honolulu	—	—	—	—
Houston City	43.3	48.7	365.6	496.4
Indianapolis	—	—	—	—
Kansas City	—	—	—	—
Los Angeles	—	—	—	—
Louisiana Life (6X)	30.7	53.0	149.7	219.0
Madison	52.0	44.0	446.0	426.0
Metropolitan Detroit	84.2	74.2	530.4	495.2
Miami Mensual	38.3	38.2	314.3	260.0
Miami/South Florida	44.4	81.3	501.0	637.0
Mid Atlantic County	32.1	35.9	272.5	320.5
Milwaukee	56.5	71.9	450.9	439.7
Minneapolis/St. Paul	77.0	74.6	634.4	654.8
Nashville	73.0	34.0	282.0	245.0
New England Monthly	39.8	27.0	260.2	204.5
New Jersey Monthly	—	—	—	—
New Mexico	—	—	—	—
Ohio	43.2	52.9	402.0	443.2
Oregon	36.2	22.3	216.6	220.3
Orlando	98.8	113.8	693.5	705.7
Palm Beach Life	22.0	26.0	443.1	537.1
Palm Springs Life	42.0	41.3	720.7	743.6
Philadelphia	119.5	118.7	864.6	904.1
Phoenix	59.4	78.4	622.8	660.4
Pittsburgh	—	—	—	—
St. Louis	66.3	43.5	336.0	383.0
San Diego	116.0	136.7	939.2	1,078.1
San Francisco (6X)	—	—	—	—
San Francisco Focus	63.7	69.2	615.6	573.7
Texas Monthly	85.7	97.0	866.2	799.6
Twin Cities	42.6	51.7	351.5	398.8
Ultra	33.0	40.1	394.4	476.8
The Virginian	62.0	49.0	257.0	222.0
Washington (6X)	83.0	47.0	311.0	144.0
Washington Dossier (11X)	—	—	—	—
The Washingtonian	123.0	139.0	870.0	899.0
Total Group	**3,003.4**	**3,045.6**	**22,356.0**	**21,915.6**
% change		**-1.3%**		**+2.0%**
— Movie/romance/radio/tv —				
Macfadden's Women's Group				
Modern Romances	22.2	21.0	146.2	131.3
Secrets	22.2	21.0	146.2	131.3
True Confessions	22.2	21.0	146.2	131.3
True Experience	22.2	21.0	146.2	131.3
True Love	22.2	21.0	146.2	131.3
True Romance	22.2	21.0	146.2	131.3
Sterling Women's Group				
Daytime TV	26.5	28.5	178.0	201.5
Modern Screen	—	—	47.5	41.8
Movie Mirror (6X)	—	—	17.5	70.5
Soap Opera Stars	—	—	49.6	59.5
TV Movie Screen (6X)	—	—	25.9	19.3
TV Picture Life (6X)	—	—	10.6	15.0
Total Group	**159.7**	**154.5**	**1,206.3**	**1,195.4**
% change		**+3.3%**		**+0.91%**
— Music/entertainment —				
American Film (10X)	—	—	—	—
Audio	68.0	56.9	511.2	552.4
Circus Magazine	—	—	—	—
Dance Magazine	30.7	33.9	377.1	389.2
Musician	61.6	67.1	389.2	405.6
Playbill	37.2	38.2	299.3	335.8
Stereo Review	69.5	33.0	482.2	265.2
Video	72.5	63.6	521.2	519.9
Video Review	—	—	—	—
Total Group	**339.5**	**292.7**	**2,580.2**	**2,468.1**
% change		**+15.9%**		**+4.5%**
— National Sunday magazines —				
Parade (52X)	36.4	32.0	364.3	352.1
Total Group	**36.4**	**32.0**	**364.3**	**352.1**
% change		**+13.7%**		**+3.4%**
— Outdoor & sport —				
Alaska	36.3	34.8	316.2	334.7
The American Handgunner (6X)	42.0	34.0	142.0	136.0
American Hunter	12.2	20.9	120.4	115.7
American Rifleman	18.8	18.1	157.7	158.3
Backpacker (6X)	33.4	32.3	119.4	136.6
Bass Master (9X) A	28.3	34.4	382.1	393.5
Bicycling (9X)	66.2	92.1	526.9	642.3
Duck's Unlimited (6X)	30.0	34.1	110.0	93.7
Equus	—	—	—	—
Field & Stream	62.7	118.1	624.3	672.8
Fins & Feathers A	—	—	—	—
Fishing World	11.6	15.6	178.0	176.2
Florida Sportsman	74.3	68.8	831.1	760.4
Flying	44.7	55.9	256.2	328.1
Golf Digest	73.3	52.5	746.8	681.5
Golf Magazine	45.2	40.5	540.5	530.0
Gun Dog (6X)	28.8	28.8	118.0	103.6

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net, except Los Angeles Times Home Magazine and New York Times Magazine.

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July

	Current month 1986	1985	Year-to-date 1986	1985
Guns	31.0	22.0	214.0	152.0
Guns & Ammo	40.3	40.8	324.3	286.0
In-Fisherman (6X)	61.5	68.0	333.5	366.0
Muscle & Fitness	115.4	106.3	763.7	754.3
Outdoor Life	56.4	59.1	549.4	511.0
Outside	53.6	36.1	347.0	306.8
Petersen's Hunting	43.0	37.1	289.0	245.1
The Runner	32.8	34.7	216.8	252.9
Runner's World (13X)	20.6	40.1	215.4	265.5
Salt Water Sportsman	53.7	58.1	716.1	634.5
Shooting Times	26.3	23.0	247.0	227.3
Sierra	34.5	28.4	143.4	136.3
Ski (8X) A	—	—	249.2	215.4
Skiing (7X)	—	—	—	—
Skin Diver	97.3	86.7	667.1	583.2
Southern Outdoors (8X)	31.9	30.0	256.3	209.4
Sport	32.5	31.3	238.3	261.7
Sports Afield	56.6	61.2	516.6	593.7
Tennis	83.2	119.1	525.8	602.1
Waterski (8X)	53.0	45.0	260.5	191.3
Wildfowl (6X)	—	—	49.3	—
Women's Sports & Fitness	26.3	21.8	148.7	121.5
World Tennis	24.9	42.2	243.8	42.2
Total Group	**1,582.6**	**1,671.9**	**12,684.8**	**12,191.6**
% change		-5.3%		+4.0%
— Photography —				
American Photographer	45.3	39.3	263.8	281.8
Petersen's Photographic	25.4	25.1	178.0	190.9
Popular Photography	68.5	89.6	457.9	622.2
Total Group	**139.2**	**154.0**	**899.7**	**1,094.9**
% change		-9.6%		-17.8%
— Religious —				
Christian Herald (11X)	26.3	28.5	194.4	211.9
Christianity Today (18X)	31.0	29.2	305.0	405.5
Inside (4X)	—	—	167.8	142.0
Moody Monthly (11X)	21.6	36.5	288.5	350.0
Today's Christian Woman (6X)	—	—	—	—
Total Group	**78.9**	**94.2**	**955.7**	**1,109.4**
% change		-16.2%		-13.8%
— Science/electronic/mechanic —				
Discover	35.0	30.0	216.8	221.3
Family Computing	33.5	13.5	288.7	259.9
Home Mechanix	40.5	51.2	436.4	466.5
Info World (52X)	—	—	—	—
Omni	50.9	53.9	388.2	399.7
Popular Mechanics	140.5	78.3	689.1	672.8
Popular Science	49.9	46.9	489.9	449.7
Science Digest	13.3	15.4	88.9	165.5
Science 86 (10X)	22.7	26.9	129.7	181.1
Scientific American	24.2	36.6	229.3	318.2
Spectrum	—	—	—	—
Total Group	**410.5**	**352.7**	**2,957.0**	**3,134.7**
% change		+16.3%		-5.8%
— Women/fashion/service —				
Bride's Magazine (6X) A	—	—	1,096.8	966.0
Cosmopolitan A	140.7	142.0	1,368.9	1,316.6
Essence	64.4	67.0	548.2	556.8
Family Circle (17X) A	84.4	179.1	957.7	1,033.9
Family Magazine	36.7	35.0	284.9	269.5
Glamour	101.1	113.2	1,152.5	1,131.2
Good Housekeeping A	130.7	115.7	1,117.0	1,123.5
Harper's Bazaar	63.1	71.8	799.4	847.9
Health	37.3	31.6	282.9	267.0
Ladies' Home Journal	76.1	85.3	758.0	732.8
Mademoiselle	73.7	65.4	808.8	788.2
McCall's	71.1	10.9	624.3	621.7
Military Lifestyle (10X)	—	—	—	—
Modern Bride (5X)	—	—	945.1	911.4
Ms	36.5	49.5	274.9	346.1
New Woman	66.7	39.0	493.6	349.4
Parents A	93.8	60.9	625.5	593.7
Playgirl	—	—	—	—
Redbook	74.8	74.4	639.8	607.4
Self	72.0	55.9	640.9	633.6
Seventeen	64.6	58.9	694.7	757.8
Shape	67.9	57.6	495.7	436.1
Soap Opera Digest (26X)	23.9	30.1	139.0	205.5
'Teen Magazine	38.6	43.5	327.1	325.8
True Story A	46.7	51.1	318.0	328.0
Vogue	105.2	93.3	1,515.6	1,553.0
W Magazine	54.1	62.8	655.5	663.0
Weight Watchers	30.7	24.3	233.1	193.0
Woman's Day (16X) A	135.3	118.2	912.2	772.1
The Workbasket (10X)	—	—	208.7	227.4
Working Mother	49.7	60.3	447.2	497.8
Working Woman	75.6	59.1	716.0	677.9
Total Group	**1,915.4**	**2,643.5**	**19,354.4**	**19,734.1**
% change		-27.5%		-1.9%
— Youth —				
Boys' Life	12.5	31.6	107.9	125.4
Campus Life	21.1	33.0	228.6	282.9
Total Group	**33.6**	**64.6**	**336.5**	**408.3**
% change		-47.9%		-17.5%

June

	Current month 1986	1985	Year-to-date 1986	1985
— Business —				
Advantage	62.0	48.0	351.0	295.0
Arizona Bus. Gazette (52X)	37.1	29.8	193.4	170.1
Atlanta Bus. Chronicle (52X)	70.8	56.0	451.4	298.9
Austin Bus. Journal (52X)	39.4	62.8	276.1	326.0
Baltimore Bus. Journal	83.0	51.8	392.8	343.0
Barron's (52X)	212.6	194.9	1,162.3	1,148.1
Boston Bus. Journal (52X)	137.2	122.7	838.2	799.2
Business Atlanta	110.6	104.3	392.1	400.9
Business First of Buffalo	81.3	63.9	364.0	363.7
Business First of Columbus	87.1	80.5	487.5	440.4
Business Journal/Milwaukee	100.2	109.0	579.0	648.0
Business North Carolina	42.7	39.5	239.5	203.0
Business Week (52X) A	346.1	348.5	1,881.0	2,161.3
Business West	31.0	28.0	104.0	79.0
Cincinnati Bus. Courier	76.4	59.3	449.3	347.9
Corporate Report/Kansas City	31.1	58.1	186.2	300.4
Corporate Report/Minnesota	71.1	103.4	476.1	581.4
Crain's Chicago Bus. (52X)	204.2	147.0	1,001.5	889.0
Crain's Cleveland Bus. (52X)	69.8	68.3	357.3	451.8
Dun's Business Month	64.4	43.7	290.0	291.0
Financial World (24X)	54.0	55.5	321.8	242.6
Florida Trend (13X)	58.6	63.4	498.8	552.9
Forbes (26X)	357.9	279.6	1,610.1	1,708.4
Fortune (26X)	245.4	281.3	1,293.6	1,609.7
Frequent Flyer	54.7	63.5	351.8	372.4
Futures (13X)	45.5	45.0	276.1	288.0
Georgia Trend	43.7	—	307.5	—
Grand Rapids Bus. Journal	42.0	20.3	201.7	88.5
Hawaii Business	44.7	47.5	266.7	274.5
High Technology	16.3	33.6	110.4	199.0
Houston Bus. Journal (52X)	91.5	109.8	515.0	707.6
Inc. Magazine A	114.0	90.0	545.1	594.6
Industry Week (25X) A	94.5	75.4	549.7	539.2
Indianapolis Bus. Journal (52X)	166.1	118.8	866.7	692.2
Kansas City Bus. Journal	145.4	129.6	734.3	805.5
Manhattan, inc	72.2	51.0	412.3	214.8
Nation's Business A	41.3	27.6	215.6	214.5
Pacific Bus. News (52X)	149.0	117.5	697.8	640.5
Philadelphia Bus. Journal (52X)	129.9	67.8	673.2	509.2
Pittsburgh Bus. Times (52X)	98.7	72.5	533.9	429.0
Regardie's	80.8	73.3	818.0	732.7
San Jose Bus. Journal	89.0	110.8	564.9	642.0
Savvy	30.1	20.2	176.3	196.3
South Florida Bus. Journal	—	—	—	—
St. Louis Bus. Journal (52X)	159.8	163.3	833.4	845.5
Texas Business	—	—	—	—
Venture	78.6	101.9	421.3	423.5
Total Group	**4,461.8**	**4,038.7**	**24,268.7**	**24,061.2**
% change		+10.4%		+0.9%
— National Sunday magazines —				
Parade (52X)	59.4	52.5	327.9	319.9
USA Weekend (52X) A	45.2	53.9	313.2	302.3
Total Group	**104.6**	**106.4**	**641.1**	**622.2**
% change		-1.8%		+3.0%
— Newspaper Sunday magazines* —				
Boston Globe	214.2	194.7	1,203.0	1,131.8
Chicago Tribune	93.6	104.0	537.6	623.8
Cleveland Plain Dealer	52.9	51.8	291.1	269.3
Columbus Dispatch	35.9	55.1	243.4	278.9
Denver Post	172.0	180.0	880.0	944.0
Detroit News	72.0	90.0	548.0	525.0
L.A. Times Magazine	53.7	61.2	444.6	396.0
Louisville Courier-Journal	61.1	67.8	382.1	413.6
Miami Herald	57.4	49.5	299.9	249.1
New York Times Magazine	302.0	277.2	1,882.6	2,099.1
San Francisco Image	63.3	52.1	411.1	309.6
Seattle Times	57.0	49.0	308.0	256.0
Toledo Blade Magazine	40.4	59.5	238.2	245.0
Washington Post	93.7	135.2	738.1	698.3
Total Group	**1,369.2**	**1,427.1**	**8,407.7**	**8,439.5**
% change		-4.0%		-0.37%
— Weeklies/biweeklies —				
The Advocate (26X)	126.7	77.7	855.3	544.6
Army Times Military Group:				
Air Force Times (52X)	199.8	149.7	1,103.5	913.6
Army Times (52X)	191.0	149.6	999.9	892.3
Navy Times (52X)	203.4	159.8	1,073.7	975.9
The Blood-Horse (52X)	248.4	367.1	2,104.6	2,470.8
Capper's Weekly (26X)	16.8	13.8	166.7	146.1
Commonweal (22X)	3.1	2.0	46.4	40.1
Golf World (43X)	110.2	77.0	580.8	516.7
Grit (52X) A	23.0	14.7	147.6	116.4
National Journal (50X)	59.0	43.7	355.7	315.7
National Review (25X)	31.0	16.8	182.6	133.5
New Republic (48X)	44.8	29.7	217.1	165.8
New York Magazine (50X)	212.0	203.8	1,397.7	1,358.8
New Yorker (52X)	193.7	238.8	1,180.0	1,459.8
Newsweek (52X) A	232.6	210.9	1,203.7	1,283.6
People (52X)	365.1	321.5	1,789.3	1,767.6
Rolling Stone (25X)	101.7	89.8	603.4	496.5
Sporting News (52X)	44.3	39.6	311.8	218.4
Sports Illustrated (52X) A	242.6	217.9	1,362.1	1,332.2
Time (52X) A	225.5	204.4	1,252.8	1,289.8
Travelhost (52X) C	3,457.0	3,514.0	18,352.0	18,890.0
TV Guide (52X) A	181.6	202.0	1,799.5	1,835.9
TV Update (52X) C	2,109.0	2,724.0	14,328.0	13,795.0
Us Magazine (26X)	68.0	24.2	157.8	262.5
U.S. News & World Report (52X)	153.7	131.3	775.3	826.4
Total Group	**8,844.0**	**9,223.8**	**52,347.3**	**52,048.0**
% change		-4.1%		+5.7%
— Foreign —				
Business Week Int'l (52X)	147.2	134.0	751.8	719.2
Cosmopolitan Foreign Editions:				
Australia	59.3	68.3	346.7	339.2
Brazil	57.1	62.0	310.1	230.0
France	130.3	129.0	427.7	657.1
Germany	133.5	102.8	656.0	586.7
Great Britain	136.0	135.0	605.5	654.8
Greece	50.0	68.0	255.0	397.4
Holland	114.0	110.0	414.0	413.3
Italy	65.0	46.3	432.8	322.4
Japan	48.0	53.3	302.6	213.9
Cosmopolitan en Espanol:				
Central America	6.0	2.3	20.0	6.3
Colombia	23.7	14.0	61.7	63.0
Mexico	60.0	55.7	206.3	246.5
Peru	—	5.0	—	16.0
Puerto Rico	7.5	25.5	59.2	130.3
U.S. (Spanish language)	30.5	14.3	149.0	95.5
Venezuela	13.0	28.5	68.0	136.7
Good Housekeeping Foreign Editions:				
Australia	41.0	29.9	172.6	175.1
Great Britain	127.6	161.9	732.6	724.6
Japan	85.6	74.0	398.3	348.3
Buenhogar:				
Central America	3.0	1.0	7.0	6.0
Chile	2.0	1.0	8.0	7.0
Colombia	34.7	26.8	162.2	156.0
Ecuador	14.0	14.0	61.0	78.0
Mexico	30.5	34.7	159.8	192.7
Peru	12.5	9.0	36.5	43.5
Puerto Rico	11.0	8.5	51.5	47.5
Venezuela	15.0	40.7	117.7	164.3
Geomundo:				
Central America	5.0	4.0	22.0	27.5
Chile	7.0	5.0	24.0	30.5
Colombia	11.5	7.0	46.8	47.0
Ecuador	4.0	5.0	17.0	23.0
Mexico	11.0	5.0	36.5	35.0
Peru	4.0	4.0	16.0	29.5
Puerto Rico	1.0	2.0	10.0	21.0
Venezuela	11.0	7.0	61.0	49.5
Hombre De Mundo:				
Central America	4.0	3.0	35.0	20.0
Chile	6.0	4.0	36.0	24.0
Ecuador	6.0	3.0	30.0	22.5
Mexico	20.5	15.0	91.0	54.5
Peru	2.0	3.0	21.0	17.0
Puerto Rico	6.0	11.0	31.0	29.0
Venezuela	23.5	17.5	111.0	83.0
Ideas Para Su Hogar:				
Colombia	14.5	23.5	58.7	76.0
Ecuador	4.0	7.0	12.0	26.0
Mexico	12.0	10.7	31.8	43.8
Peru	5.5	2.5	17.5	12.5
Puerto Rico	—	4.5	—	9.5
Venezuela	14.5	28.5	58.7	91.0
Mecanica Popular:				
Argentina	2.7	0.3	16.0	15.3
Central America	8.8	9.2	53.7	59.0
Chile	5.0	3.3	28.3	21.2
Colombia	13.8	18.5	89.0	74.3
Mexico	12.2	17.3	55.8	74.3
Peru	9.8	9.8	56.7	69.0
Puerto Rico	5.8	7.5	39.7	60.0
Venezuela	13.5	11.8	61.3	69.8
Vanidades Continental:				
Central America	13.7	6.5	77.2	36.0
Chile	4.3	1.3	22.0	15.0
Colombia	84.2	61.0	324.2	352.5
Ecuador	11.0	13.7	92.2	108.3
Mexico	82.5	76.5	362.0	382.5
Peru	17.5	7.7	57.2	64.7
Puerto Rico	15.0	25.5	166.0	200.8
U.S.	37.7	31.0	242.7	219.8
Venezuela	28.8	48.8	175.7	276.3
International Communications:				
African Business	28.1	31.2	170.2	151.9
New African	16.7	17.6	109.5	91.1
The Middle East	14.1	11.2	59.6	101.5
International Management:				
Europe	47.2	46.5	263.8	270.2
Middle East	—	8.5	46.3	92.7
Johnston International:				
Alam Attijarat	45.1	52.3	217.1	282.8
Modern Africa (6X)	24.0	13.2	53.*	36.8
Modern Asia (11X)	71.2	24.7	220.5	169.9
Newsweek International A:				
Atlantic (52X)	118.2	95.9	494.7	478.2
Latin America (52X)	44.4	28.5	184.8	142.5
Pacific (52X)	81.7	79.1	342.1	347.5
Progreso (9X)	15.0	19.5	42.2	55.1
Reader's Digest:				
Arabic	8.5	20.5	29.5	65.5
Asian	262.0	249.0	1,329.3	1,151.0
Australian	47.3	48.8	340.2	310.4
Belgian-Flemish	108.8	123.0	433.4	518.5
Belgian-French	64.3	64.0	253.1	347.5
British	65.2	46.5	268.8	274.9
Chinese B	157.0	196.0	617.5	742.5
Danish	57.5	35.8	194.7	201.0
Dutch	58.0	17.0	217.6	231.1
Finnish	83.0	92.3	255.0	289.4
French	15.8	53.3	101.8	303.6
German	51.9	54.7	385.5	404.9
Iberian	1.5	—	6.0	31.0
Indian-English	67.5	109.5	519.5	614.5
Indian-Hindi	8.5	28.0	62.5	76.5
Italian	55.0	42.0	255.0	230.5
Korean	34.3	23.3	169.7	144.4
Latin American:				
Argentina	15.0	16.0	70.0	101.0
Brazil	7.0	5.0	16.0	24.0
Central America	8.0	12.0	35.0	49.0
Chile	15.0	12.0	61.5	50.5
Colombia	41.5	34.0	112.5	147.0
Ecuador	9.0	10.0	36.0	46.0
Mexico	92.0	75.4	322.4	251.8
Peru	11.0	8.0	42.0	49.5
Puerto Rico	6.0	3.0	25.5	26.0
U.P.B.	7.0	6.0	34.0	39.5
U.S. Spanish	8.5	10.5	100.0	53.5
Venezuela	33.5	8.0	71.0	59.5
New Zealand	47.0	63.0	291.0	99.0
Norwegian	11.5	19.0	48.5	120.5
South African	89.5	103.0	424.0	542.0
Swedish	17.0	25.0	105.0	89.5
Swiss-French	33.0	27.0	144.3	152.0
Swiss-German	41.0	37.0	189.0	211.5
Time International:				
Time-Asia	90.5	93.6	420.8	469.2
Time-Atlantic	112.5	99.8	570.9	553.3
Time-Canada	172.0	136.6	1,089.7	961.1
Time-Latin America	54.5	55.7	281.0	229.2
Time-South Pacific	132.5	122.9	505.0	623.2
Visao (52X)	107.0	95.7	772.4	652.4
Vision/Latin America (26X) A	34.7	37.5	148.7	141.6
Total Group	**4,844.3**	**4,725.0**	**23,219.5**	**23,698.0**
% change		+2.5%		-2.0%

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Monday, July 28, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Ogilvy bets on scanners

Sees growth in shelf wars

By STEWART ALTER

NEW YORK—With media spending losing ground to sales promotion dollars, the Ogilvy Group is about to make a major move into supermarket shelf-space management consulting, redefining the "full service agency" concept.

This expansion appears to be a significant alternative to agency growth via megamerger. Ogilvy apparently is saying that growth will come from the marketing and distribution process. Merging agency billings, Ogilvy seems to believe, results in a greater combined market share of media spending which is flat or shrinking (see story, Page 65).

While many ad agencies, including Ogilvy & Mather, have sales promotion units, the Ogilvy approach reportedly will be the first to deal with the in-store fight for shelf space. It also is in sync with a growing trend among advertisers to emphasize tracking of store sales to measure advertising and marketing effectiveness.

While Saatchi & Saatchi Co. has created consulting and research links to the agency business with its acquisitions, Ogilvy's move differs in that it extends its marketing expertise and interests in an integrated communications and marketing package.

Ogilvy, in the current issue of its house publication, revealed it is "on-line with a shelf-space management system in New York to learn how it can help our clients." The emphasis in that article on scanning and "on-line" tests clearly indicates it expects to blend some kind of computer software-related service activity with its marketing expertise.

Ogilvy declined comment last week. But it has been making its rationale public, both in its agency magazine and in a speech delivered earlier at the American Mar-

(Continued on Page 64)

Prospectus

Omnicom not hurting despite account losses

By STEWART ALTER

Account gains have helped the three agencies planning to form Omnicom Group hold combined net revenue losses to only 2.2% since their intent to merge was disclosed last spring.

But two of the agencies, Doyle Dane Bernbach Group and Needham Harper Worldwide, have lost major contributors to their profits.

These and other inside details about BBDO International, DDB and Needham emerge in a joint prospectus issued last week detailing financial aspects of the combination that will create the No. 2 agency group, behind Saatchi & Saatchi Co., with combined billings of about $5 billion. Needham shareholders will meet Aug. 12, and BBDO and DDB shareholders Aug. 28, to vote on the proposed combine.

While much of the interest following the April 27 merger announcement has focused on account losses, it appears that BBDO's gain of Apple Computer and Needham's Michelob win, with combined revenues of $15.5 million, roughly offset the $16.7 million in lost revenues, excluding the planned spinoff and sale of Needham's Los Angeles office with about $100 million in billings.

BBDO's loss of Stroh Brewery and Quaker Oats represented $4.3 million, or 1.3% of its 1985 revenues, and $1.1 million, or 2.8% of its 1985 pretax income.

DDB was hit much harder. Its IBM Corp. and RJR Nabisco losses amounted to $8.7 million, or 4% of its revenues, but contributed $2.5 million, or 18.9% of 1985 profits.

Needham, whose 1985 net income exceeded DDB's, although its revenues were only 56% of DDB's, suffered slightly from the accounts it lost: Procter & Gamble (the former G.D. Searle & Co. brands), Sandoz Nutrition Corp., Tri-Honda Dealers and McDonald's Corp.'s Phoenix area franchisees. These clients generated revenues of $3.7 million, or 3.1% of Needham's 1985 revenues, and $241,000, or 2.1%, of its 1985 pretax income.

Needham's loss of the $41 million Xerox Corp. account before the merger was announced was not mentioned in the prospectus.

Also, Needham's Los Angeles office, handling accounts including

(Continued on Page 64)

Campbell return to BK may be tough on JWT

By BRIAN MORAN

J. Jeffrey Campbell's sudden resumption of day-to-day operating duties at Burger King Corp. has J. Walter Thompson USA braced for another wrenching twist in its tempestuous relationship with the troubled chain.

Jay Darling, following his sudden resignation as BK's president, revealed in an interview with ADVERTISING AGE last week that JWT had faced dismissal on the $200 million account. He said he put JWT on notice 10 months ago that it had one year to come up with its "absolute best" or lose BK as a client.

After last winter's dismal "Herb" promotion and an aborted spring ad effort for Chicken Tenders, JWT unveiled "Burger King town," its new, often critically acclaimed campaign (AA, May 26).

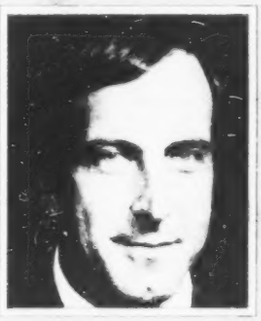
"There was no doubt that I was willing to pull the trigger if [JWT] didn't deliver, but they impressed me a lot," said Mr. Darling, who relinquished control to Mr. Campbell July 18 to become a BK franchisee.

The former president said he had to walk a tightrope during most of his high-pressured, eight-month tenure, as he sheltered the agency from irate BK franchisees who saw their sales fall while rival McDonald's feasted on its blockbuster McD.L.T. introduction.

"I felt I did a very good job of protecting the agency that I believed in," Mr. Darling said.

Yet despite initial favorable re-

(Continued on Page 66)



"Jeff (Campbell) is a tremendously powerful, forceful figure, and anytime he has given up total control it's left a vacuum that's been very hard to fill."

"He's the god of the hamburger business."

— Comments on Jeff Campbell, back in charge at Burger King

Last Minute News

ABC Entertainment goes with Grey, Fattel

LOS ANGELES—ABC Entertainment assigned its estimated $25 million account to Grey Entertainment, New York, already its agency for tv movie and miniseries advertising, and Fattel & Collins, Santa Monica, Cal., and said it intends to skew media spending toward radio and away from print. The tune-in and general promotion account had been pulled from McCaffrey & McCall, New York (AA, June 21), which retains the ABC Sports assignment. In 1985, ABC slashed print expenditures 40% while tripling its radio buys.

Quaker dumps health-claim ads for hot cereal

CHICAGO—Quaker Oats Co. has dropped plans to use tv spots that claim its long-cooking hot oats cereal helps reduce high blood-cholesterol levels that have been linked with heart disease, sources said. The spots, via Backer & Spielvogel, Chicago, reportedly failed to boost sales in test market (AA, March 3, *et seq.*). Quaker declined comment.

Sandoz drops Needham to relieve conflict

MINNEAPOLIS—Sandoz Nutrition Corp. dropped Needham Harper Worldwide, New York, from its $5 million Ovaltine account and as corporate agency of record, resolving a client conflict with Needham merger part-

(Continued on Page 8)

CBS' future under Tisches

What's in the cards for CBS now that the Tisch brothers, Laurence and Robert, appear to be there to stay? See Page 64.

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HIGHLIGHTS

Omnicom base steady, prospectus shows 1
Account gains have helped the three agencies planning to form Omnicom Group hold combined net revenue losses to only 2.2% since their intent to merge was disclosed last spring. But two of the agencies, Doyle Dane Bernbach Group and Needham Harper Worldwide, have lost major contributors to their profits.

Burger King shakeup may jolt JWT 1
J. Jeffrey Campbell's sudden resumption of day-to-day operating duties at Burger King Corp. has J. Walter Thompson USA braced for another twist in its tempestuous relationship with BK.

Madison Ave. raises 'Buy American' cry 3
The nationalistic marketing that started before the 1984 Summer Olympics and became ubiquitous during Liberty Weekend will be even more forceful this fall. This time, economic reality is the motivator behind Madison Avenue's call to "Buy American."

'Today' up, 'Journal' down in study 6
Last week's release of the 1986 Simmons Market Research Bureau Study of Media & Markets left executives at Dow Jones & Co.'s *Wall Street Journal* scratching their heads and put those at Gannett Co.'s *USA Today* in a state of near-euphoria.

Northwest flies with DFS 12
Northwest Orient Airlines' decision to ground Grey Advertising in the U.S. in favor of DFS Dorland Worldwide came after Grey presented what a Grey executive called a "controversial" image campaign and other sources called a "fumbled" presentation.

Schlitz keeps slinging the bull 26
The imagery may be changing but the bull crashes on in ads for Schlitz Malt Liquor. Stroh Brewery Co. last week began airing new tv and radio spots for the top-selling malt liquor.

Things settle down at LMS 48
Leonard Monahan Saabye, a hot shop that a few months ago learned the meaning of the phrase "seven-year itch," has survived its growing pains with new business and new hirings.

Agency execs pick the class of clients 60
Everybody talks about the bad guys, and the good guys get overlooked. To redress the imbalance, Advertising Age asked agency executives to name client-side people who make advertising fun.

FEATURES

Something special on the air 30
American Airlines takes to the airwaves today with a new round of dramatic, heart-tugging ads designed to lift the carrier above its competitors in the battle for business travelers.

Videos dress up 36
It used to be enough that fashion videos entertained. But fashion videos have grown up, and they're expected to earn their keep. The sales they generate are no less important than the image they create.

INTERNATIONAL

A startup for Saatchi 40
Add marketing consulting to the growing range of business services in which Saatchi & Saatchi is engaged. And add something else: A new startup, rather than an acquisition.

OTHER NEWS

In the heat of summer, when most people are outdoors ignoring tv, radio and other media, advertising recall wilted as measured by June's adWatch survey of top-of-mind awareness. Page 4.

Subaru of America is offering new Subaru car buyers a Visa credit card with a full-color picture of a vehicle as part of a new program. Page 22.

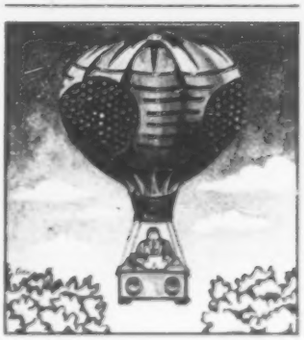
Young & Rubicam, the big winner in capturing accounts knocked loose by conflicts in merged agencies, is coming of age as a global agency. Page 24.

To hear Sanford Buchsbaum tell it, seven months ago he and Marvin Sloves were having lunch when Mr. Sloves, chairman of Scali, McCabe, Sloves, suggested Mr. Buchsbaum might find it an "opportune time" to form his own shop. Page 29.

Liquid Tide's reign as the leading liquid detergent has turned out to be short-lived. Lever Bros.' Wisk heavy-duty liquid laundry detergent proved its staying power as the No. 1 liquid detergent in the $1 billion liquid segment, pushing Procter & Gamble's Liquid Tide back to second place. Page 53.

Century 21 International has created an advertising-driven magazine to increase repeat business. It also joins other companies in making its client base available to other advertisers. Page 59.

SPECIAL REPORT



Expanded sections and zoned editions add weight to the newspaper advertising outlook. Local advertisers and new categories with smaller ad budgets, such as specialty advertisers, are finding a niche in the major daily papers' geographically zoned and special-interest sections. Special Report takes a section-by-section look at newspapers.

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Fiber-based diet aids, like Schering Corp.'s Fibre Trim, are helping expand the $115 million appetite suppresant category as consumers use the naturally based product for dual purposes. Ogilvy & Mather, New York, is Fibre Trim's agency.

Natural fiber fills bill for diet aids, laxatives growth

By PATRICIA WINTERS and LAURIE FREEMAN

Fiber, the ingredient that last year helped boost sales in the ready-to-eat cereal market, now is rescuing two other categories from the doldrums—diet aids and laxatives.

Manufacturer sales in the $115 million appetite-suppressant segment, which dropped 10% in 1985, have grown 19% during the first six months of '86, and sales could top $175 million by yearend. The $125 million laxative category (in manufacturer dollars) is expected, meanwhile, to see 10% dollar growth after several years of showing no increases.

Analysts attribute gains in both categories to numerous new natural-fiber products. New-product introductions are expected to make diet aids one of the big growth categories on tv this year, as marketers follow Schering-Plough Inc.'s lead in investing $25 million to launch Fibre Trim.

The health and fitness trend is driving fiber's popularity, as consumers turn away from chemical additives and seek natural alternatives. Publicity about National Cancer Institute recommendations for a low-fat, high-fiber diet also have helped spark sales.

While consumers seem to be gobbling up fiber cereals because they are "good" diet additives, fiber laxatives and diet aids may be seeing growth simply because they are "not bad." The active ingredient in most nonprescription appetitite suppressants—phenylpropanolamine (ppa)—has generated some bad publicity in recent years.

Fibre Trim's introduction has sparked new competition from New York-based Thompson Medical's Fiber Full and other generic and private-label fiber products. Morris Plains, N.J.-based Warner-Lambert, also eyeing the category, is testing LiquiSlim fiber diet-

(Continued on Page 68)

West Coast news

Fox sets review

Fox Broadcasting, Los Angeles, will begin reviewing agencies as early as next month for a radio, print and promotion account. New Fox vp-advertising/promotion Dennis Fitch, formerly vp-advertising, ABC Entertainment, Los Angeles, said the review will begin after staffing of Fox's marketing department is complete. Budget is undetermined. FBC plans to name an agency in time to work on the October launch of "The Late Show with Joan Rivers," its first regular program.

Foster Farms, Livingston, Cal., has split with McCann-Erickson, San Francisco, its agency of four years, and put its estimated $5 million account in review, sources said. Contenders include Young & Rubicam, DFS Dorland Worldwide and Foote, Cone & Belding, Los Angeles. Vp-marketing David Spencer, who joined the poultry marketer this year (AA, Jan. 21), will hear presentations in early August.

Atlantis Dairy Products, Los Angeles, shifted its $1 million account to Mendelsohn/Zien from Matsumoto-Herzog, Los Angeles, after a review. The addition of new president Dudley Callahan led to the review, though Matsumoto won the account less than six months ago (AA, Feb. 24). Atlantis will introduce Bon Lait, a yogurt-like French cheese product, late this year.

Sebastiani Vineyards, Sonoma, Cal., hired Robert Carroll as group brand manager, from director of marketing, Mirassou Vineyards, San Jose, and William Reading as national sales manager, from a

U.S. NewsWatch

Marketing news from regional centers across the country

Sun-Times' new rule switches agencies

CHICAGO—The *Chicago Sun-Times*, purchased this month from Rupert Murdoch by publisher Robert Page and others, moved its $2 million account to Smith, Badofsky & Raffel from Campbell-Mithun. The switch followed WMAQ-TV's move of its $2 million account from SB&R to Grey Advertising. SB&R last year pulled out of the *Sun-Times'* review when it landed WMAQ's account.

DENVER—The **Denver Post** will publish its last edition of the 36-year-old Sunday supplement, *Empire*, on Aug. 24 because of declining ad revenues.

LAKELAND, FLA.—**Publix Supermarkets** introduced a new slogan, "When you expect more, Publix is your store," in radio spots last week. The first effort by new agency Louis Benito Advertising, Tampa, will be supported by a tv campaign in October. Publix plans to add five combination food/pharmacy stores this year.

SAN FRANCISCO—**Dole Food Co.** is testing Dole Pure 'n Light fruit juice in Rockford, Ill., supported by a 10-second tv spot created by

(Continued on Page 46)

ADWATCH

Ad awareness suffering from summertime blues

By JULIE FRANZ

In the heat of summer, when most people are outdoors ignoring tv, radio and other media, advertising recall wilted as measured by June's adWatch survey of top-of-mind awareness.

"None" was among the most frequent responses when consumers were asked to name the first ad that came to mind of all seen, heard or read in the previous 30 days.

Brands in eight of the 25 categories for which adWatch measures consumer awareness of advertising lost ground last month *(see chart, Page 59)*. No brand in any category significantly increased its share of first mentions.

Of the eight categories where a brand or brands registered statistically significant losses in consumer ad awareness, seven showed increases in the number of consumers who drew a blank when asked to name the first advertising that came to mind in various categories.

Two categories that saw the largest increases in the number of consumers who could recall no advertising were bread (up 7.1 percentage points to 48.1% of respondents) and cameras (up 5.2 points to 36.9%).

In soft drinks, where Coca-Cola and Pepsi continue to wage their battle to produce the most eye-catching and memorable ads, the number of no responses remained steady at 14%.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb. Ad awareness is measured by asking a nationally projected sample of consumers to name the advertising that first comes to mind—over-all and in a variety of product categories—from among all advertising seen, heard or read in the previous 30 days.

In June, 1,000 consumers were polled by telephone. Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered statistically significant and attributable to more than sample variation.

June's 10 best recalled ads (without respondents being asked for a specific product category) were, in descending order: Coca-Cola, Pepsi-Cola, Miller/Miller Lite, Budweiser/Bud Light, Ford, McDonald's, Burger King, Jell-O, Toyota and AT&T. Even in answer to this question, where *any* tv, radio or print advertisement could be mentioned, more than 47% of those queried said no single ad immediately came to mind.

May's biggest gainer, Lever Bros. Surf detergent, slipped slightly last month in the detergent category to 3.3% of first mentions, tying the product for second with Lever's All. Surf is moving into national distribution.

Surf had been in ninth position in April when 1.8% of consumers surveyed named its advertising first. Its score peaked at 4.1% in May.

The following are last month's three best recalled advertisers for the remaining adWatch categories:

- **Airlines:** United (14.7% of first mentions); American (12.7%); TWA (9%). Eastern dropped three percentage points to move to fourth place from second in May.
- **Apparel:** Levi Strauss (8.7%); J.C. Penney (4.4%); Sears (4.4%).
- **Beer:** Budweiser (15.1%); Coors (11.3%); Miller (9.9%).
- **Breakfast foods:** Kellogg (7.3%); Wheaties (5.6%); Cheerios (4.4%). Cheerios' share of first mentions dropped 2.9 points, coinciding with a decrease in its media schedule, causing the brand to slip to third place from first place in May.
- **Bread:** Wonder (14.1%, down 2.9 points); Sunbeam (3.7%); Rainbo (2.5%).
- **Cameras:** Kodak (22.2%, down 3 points); Canon (14.1%); Polaroid (6.2%).
- **Cars & trucks:** Ford (22.2%); Chevrolet (13.6%); Toyota (7.5%).
- **Coffee:** Maxwell House (22.9%); Folger's (19.6%); Sanka (5.5%).
- **Computers:** Apple (23.9%); IBM (19.2%); other (6.2%). In a category normally packed with a variety of models from the big brands, "other" was the third most often mentioned brand in June, while Apple's share of first mentions dropped 4.6%. Commodore was fourth with 3.6% of first mentions.
- **Cosmetics:** Maybelline (5.6%); Avon (3%); L'Oreal 2.7%. L'Oreal zoomed to second position from the 12th spot in May on the strength of new print ads.
- **Credit cards:** VISA (29%); MasterCard (22.2%); American Express (14.1%). Both VISA and MasterCard fell slightly more than 3 points last month.
- **Home electronics:** General

(Continued on Page 59)

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Special Report

Mitch O'Connell

Adding sections to capture readers, advertisers

By Gary Levin

Pick up the Sunday newspaper this week, and you're likely to get some exercise.

It's not that there's a barbell hidden inside. Rather, it's what newspaper analyst John Morton, of Washington's Lynch, Jones & Ryan, calls an "abundance of success," in the face of agency executives' dire predictions for newspapers as a national advertising medium.

Major metropolitan Sunday editions, and many weekday issues, are heftier than ever, filled with an ever-growing array of sections, free-standing inserts, magazine tabloids and coupons. The trend toward "sectionalization" is not new, but has accelerated dramatically in recent years.

The added weight also comes from increases in local advertising (up 4.1% in the first quarter of this year compared with the year-earlier period, according to the Newspaper Advertising Bureau, New York), which enables papers to add to and promote their Sunday editions almost like a network promotes its prime-time lineup, by "narrowcasting" sections. It's no longer simply news, sports, business and life-style sections, but also home, arts, science, fashion, auto and an array of suburban or zoned editorial news sections.

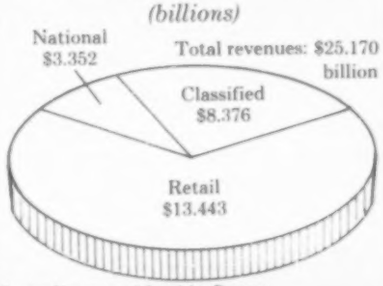
Because many of these sections offer geographically zoned ad opportunities, newspaper executives say they've been able to lure smaller, local advertisers and new categories with lower out-of-pocket costs. They also have attracted specialty advertisers—local furniture outlets with the home section, for example, or corporate image ads with weekly business tabloids—seeking to reach a well-defined, targeted audience

(Continued on Page S-2)

Unless otherwise noted, all circulation figures used in this Special Report are averages for the six months ended March 31, as reported to Audit Bureau of Circulations.

1985 newspaper ad revenues

(billions)



Source: Newspaper Advertising Bureau

Sections

(Continued from Page S-1)

more inclined to buy their products.

"Newspapers are traditionally a mass medium, but we think there's a class audience built into that mass," says Robert Hobson, marketing services director for Knight-Ridder Newspapers' *Wichita* (Kan.) *Eagle-Beacon*.

The danger of adding sections, Mr. Morton says, is the chance that readership of individual sections is reduced as consumers are drawn not only to competing media, but other sections as well.

"Some Sunday newspapers are so big they're getting to be formidable things to pick up and drag in the house," he says.

They will get even more formidable, according to the latest 1986 projections from Robert Coen, senior vp-director of forecasting for McCann-Erickson, New York. Mr. Coen says total newspaper national ad revenues should rise 4.5% this year, to $3.5 billion, while the NAB puts total newspaper ad dollars at $27.2 billion, up 8% from 1985.

Part of that increase should come from increased zoned advertising opportunities, which boost a daily's total linage figures. The *Chicago Tribune*, for example, since 1984 has offered eight weekly sections zoned to as many as nine regions of the metropolitan area.

"We've given [advertisers] a second vehicle, a complementary relationship. They'll buy a full-run ad in one section and two zones in another," says retail ad manager Dennis Grant. "The proliferation of zones has broadened the base of advertisers" to include more restaurants, theaters, hotels and amusement parks.

To open up opportunities for smaller advertisers, Hearst Corp.'s San Francisco *Examiner* in May launched "Epicure," an expanded food section zoned seven ways.

Other papers, however, have backed away from zoning. Times Mirror Co.'s *Denver Post*, which offered 13 zones in 1984, has none now. *Post* advertising director Steve Morris says the chain-dominated retail industry has led many to demand broader, less targeted coverage. He says although linage has dropped as a result, dollar volume has grown 15% over the past two years.

Many papers, however, need zoned editions to compete effectively with suburban papers, which "have enjoyed almost exclusive loyalty of local retailers," the *Tribune's* Mr. Grant says. "Newspapers cannot just live off the top 10 stores. They've got to get a broader base."

This emphasis on retail advertising—which accounts for 53% of total newspaper ad revenues, according to the NAB—comes at the expense of larger national advertisers. Big-name tobacco and liquor marketers have been stymied in their attempts to win favorable treatment from daily newspapers notwithstanding the premium prices they pay.

Despite the apparent potential of "narrowcast" sections such as home, food and science to attract them, these full-page advertisers say they have problems guaranteeing positions in sections.

"I've always taken the position that national advertisers should have the same shot at franchise positions as retail advertisers, particularly because of the higher costs we pay," says Robert Houghtlin, vp-media director on the Philip Morris account at Leo Burnett USA, Chicago.

Concedes Jerome Tilis, president and publisher of the *Detroit Free Press*, "The truth is that advertisers can't even be guaranteed a section, much less [one] juxtaposed with the same type of reading matter in all the papers they buy."

Industry executives say they're working on the problem. But by favoring retail accounts and charging "exorbitant" national rates, according to Richard Kostyra, exec vp-U.S. director of media services at J. Walter Thompson USA, New York, they further dissuade national advertisers. Newspapers command only 8% to 9% of all national ad dollars and 11.6% of total national consumer ad dollars, according to NAB.

Evening national and local ad rates haven't yet happened, and as Mr. Kostyra says, "I think single papers attempting to do something like that is very much like blowing in the wind. It requires an *en masse* move by media to readjust rates."

The industry's much-heralded 1984 adoption of the standard advertising unit system—now in use by 99% of the nation's newspapers—seems to have had little influence on national advertising.

"The move from newspapers is going to accelerate," Mr. Kostyra predicts. "I suggest that newspapers now are considered by national advertisers only for couponing or where specific [retail] locations are required, such as auto dealers."

Mr. Kostyra and other agency executives say rate differentials favoring retailers aren't the only issue turning national accounts away from metro dailies. "I can buy radio *and* tv in a given market for the cost of a four-color page," he says.

While newspaper marketers privately defend the national-local rate differential, saying they only reflect what the market will bear, some papers are experimenting with ways to close the gap. The *Eagle-Beacon*, for example, last February announced it would charge the same for national and local ads with a minimum three-time frequency, in a bid to increase Wichita's stature as a test market. But no ads sold on that basis have appeared.

"It's in their economic interest to reduce the differential, but until everybody's concerned enough to suffer short-term consequences, it won't happen," Mr. Morton says.

But newspapers are wooing national advertisers with other strategies, often including selling space against specific features. Mr. Morris at the *Denver Post* says he's just begun offering ad space on comics pages and near the well-read Ann Landers column. The *Post* also is promoting a small-space ad in stock tables for companies to publicize earnings or management changes directly beneath their stock quote.

On a national basis, Merrill Lynch has placed "hanging ads" above stock listings, and Philip Morris buys space for its Marlboro brand near Monday sports scores.

"It's an effective place to reach males," Mr. Houghtlin says. "In a sense we're using newspapers and stadium signs to replace the tv sports sponsorships we had in the '60s."

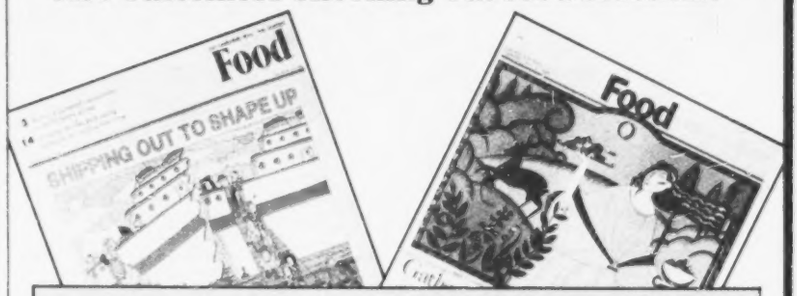
But scattered efforts to price and sell individual sections based on their ability to reach a particular target audience have met with little enthusiasm.

"There's not a long list of newspapers that have a fashion section that might appeal to a brand like Virginia Slims," Mr. Houghtlin says.

"Each paper is different enough from another that it's very difficult for national advertisers to look for enough sections to hit the target reader. Because of that, national advertisers end up in the same situation they've been in: They use newspapers for a high level of coverage in any market . . . to announce something or distribute [coupons]."

Instead, the agency executives suggest newspapers adopt a more aggressive pricing attitude, perhaps setting up a separate, discounted rate for package goods advertisers, who in recent years have shunned newspapers.

Are customers checking out food sections?



How often do you . . .?	(Per cent of respondents answering "pretty much every time") 1983	1984	1985	1986
look in the newspaper for grocery specials	52%	49%	41%	40%
use price-off coupons	38	39	30	39
compare prices at different supermarkets	30	29	27	25
go to supermarkets other than your principal one for advertised specials	13	12	10	9

Source: "Trends: Consumer attitudes and the supermarket," 1986 edition, Food Marketing Institute. Base equals 1,004 male and female supermarket shoppers across the U.S., surveyed in January, 1986.

Newspapers press toward the future

When network tv's audience shares began declining in the late 1970s, a few newspaper publishers' eyes lit up. If this keeps up, they chortled, they could wind up recapturing some of the ad dollars tv stole in the '50s and '60s.

The hopes of these few publishers are now the dreams of many and have taken shape as the newspaper industry's "Future of Advertising" project. The project, based on the work of 11 task forces made up of top industry executives, is intended to develop ideas and policies to help the newspaper business compete in the 1990s and beyond.

Under the over-all stewardship of Harold Andersen, president of the *Omaha* (Neb.) *World Herald*, and the board of directors of the Newspaper Advertising Bureau, New York, the year-old project is looking at virtually every aspect of the way newspapers do business with their advertisers. Among the areas being considered by the task forces are:

• **Readership and circulation.** This committee, chaired by Reg Murphy, president and publisher of the *Baltimore Sun*, is about to publish a manual written by Burl Osborn, editor of the *Dallas Morning News*, called "Readers: How to Gain and Maintain Them." The manual, intended for use by publishers and senior newspaper executives, will focus on readership strategy, research, market definition, positioning, packaging, distribution, advertising and pricing.

• **Reproduction.** Headed by Walter Mattson, president of the *New York Times*, this committee already has achieved its first goal: The publication of the "Guide to Quality Newspaper Reproduction," a 55-page book designed to help agencies, advertisers and newspapers prepare materials that will yield the highest quality reproduction. This task force also is looking at establishing a quality evaluation service for newspapers under the auspices of the American Newspaper Publishers Assn. It's also working with Gannett Co. staffers on the design of a production quality checklist that will help newspapers achieve the best quality production from existing equipment.

• **Standardization.** Headed by Joe D. Smith, publisher of the *Alexandria* (La.) *Daily Town Talk*, this group also has achieved one of its major goals: The development and implementation of a standard invoice for advertising. Since its unveiling at the ANPA's April meeting in San Francisco, the invoice has been endorsed by the Institute of Newspaper Financial Executives and seems headed toward acceptance throughout the industry. The task force also is monitoring this fall's expected startup of AD/SAT, the computerized system for single-point quality transmission of newspaper advertising materials. In the long term, this task force is working on standard contracts, a standard format for tv guides, and extending the standard advertising unit system to classified pages.

• **Pricing and positioning.** Headed by Jerome Tilis, president and publisher of the *Detroit Free Press*, this task force is charged with looking at how newspapers, as an industry, price themselves and how they run advertising. The committee already has asked a representative sampling of newspaper publishers, ad directors and editors to evaluate 12 new advertising positions, ranging from island display to the sponsored page concept, that are contained in an experimental newspaper produced by the *Hartford* (Conn.) *Courant*. This group also is charged with finding the answer to persistent complaints from national advertisers, which believe they are discriminated against through the local-national rate differential.

Other task forces are looking at how the newspaper business can better promote itself; how it can attract and hold better salespeople; what can be done to make classified advertising more useful to a larger number of advertisers, and what can be done to standardize retail readership research reports.

The "Future of Advertising" project represents the largest effort at self-criticism and self-improvement ever undertaken by the newspaper industry. In the view of many both inside and outside the newspaper business, it just might work.

—*William F. Gloede*

Underdogs score with sports packages

By Leslie Gilbert

In the nation's most competitive newspaper towns, the primary battlefield often is the playing field.

Sports holds fast as the second most-read section in most major daily newspapers. Papers that are No. 2 in their markets frequently try to capitalize on their readers' passion for sports with expanded and often expensive coverage.

For newspapers as well as their advertisers, sports sections can deliver a loyal audience, one whose passion for detail sometimes is shocking. "We print pages and pages of stats every day, and the readers *really* pay attention to them," says Michael Marks, promotion director at the Tribune Co.'s *New York Daily News*. "Readers will call us if there is a misprint on even the most obscure statistic."

But even this attractive audience needs courting. Newspapers must entice readers and keep them coming back for more. It's especially tough for the underdog.

"You can't put out a paper in this town without an awe-inspiring sports section," says Peter Drumsta, former sports editor for News Corp.'s *Boston Herald*. Boston fans take their sports seriously, and the *Boston Globe* is considered by many to publish the best sports section in the country. How can a No. 2 paper hope to compete?

Free-lance writer Leslie Gilbert is a former assistant editor with the National Hockey League's Goal *magazine.*

"We try to offer every single thing that we can to everyone interested in sports within the limitations of time, space and dollars," Mr. Drumsta says.

> ***"Sports is really the heart of our readership."***
> **Dave Smith**
> ***Dallas Morning News***

What sounds like a scattershot approach is actually more targeted and enhanced in two weekly magazine-format pullout sections.

"Sports Friday," created to compete with the *Globe's* coverage of participant sports, contains extensive coverage of weekend and recreational activities. The section includes a weekend tv schedule and a Jim Baker column devoted to sports broadcasting.

The highlight of the *Herald's* other magazine, "Sports Monday," is the "Sportrait," an off-the-field personality profile of a Boston athlete. "We might go to [Celtic] Robert Parish's home and interview him there—find out what he does in his spare time, what he likes to eat, what his favorite movies are," Mr. Drumsta says. "This Hollywoodish kind of editorial gets Mrs. Sports Fan interested in reading the sports section."

If sports sections were flowers, and the *Herald's* coverage a gigantic hothouse bouquet—with something for everyone—the *New York Times* used long-stemmed roses to woo its 1,625,649 Sunday readers. It didn't work.

A twice-a-year, glossy color supplement to the *Times* Sunday magazine section was terminated after just two 1985 installments, in January and June. The *Times* editorial and ad departments both cite lack of timeliness as the magazine's downfall; the staff was working with a six-month editorial lead time. With no way to predict who the news makers would be so far in advance of the seasons, the *Times* was forced to fall back on the perennial big names: Martina Navratilova, Eric Dickerson, Wayne Gretzky.

While the graphics were slick

Little Rock, Arkansas
A market profile.

		Little Rock Metro	% Gazette Coverage Daily	Sunday
TOTAL ADULTS		350,200	41%	53%
SEX	Male	163,700	41	55
	Female	186,600	40	51
AGE	18-24	56,700	36	51
	25-34	92,300	40	53
	35-44	67,600	38	47
	45-54	43,700	42	57
	55-64	40,700	46	62
	65 & Over	49,300	45	52
HOUSEHOLD INCOME	$20,000-$24,999	49,600	40	54
	$25,000-$34,999	76,600	39	58
	$35,000 & Over	84,200	58	66
	$50,000 & Over	39,800	63	68
EDUCATION	High School Graduate	130,200	37	48
	Part College	76,200	49	62
	College Graduate	48,500	64	73
MARITAL STATUS	Married	225,800	43	54
	Single	56,100	41	59
	Other	68,400	33	45
OCCUPATION	White Collar	145,600	51	61
	Blue Collar	61,700	27	45
	Other Employed	25,200	38	50
RACE	White	286,400	40	53
	Non-White	63,900	42	54
TENURE	Own	240,800	42	55
	Rent	109,500	37	49
TYPE OF DWELLING	Single Family Unit	257,500	42	55
	Multi Family Unit	46,800	44	53

Source: Simmons-Scarborough 1985 Newspaper Ratings Study
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Personality business

(Continued from Page S-31)

the news," Mr. Kupcinet says. "But sometimes things pop up on tv before I can break them. Even [Walter] Winchell would never have been as big as he was if tv had been around in his day."

Like other columnists today, Mr. Kupcinet says he verifies all items before they see print. "Columnists used to be lax; now they're more professional," he says.

Nevertheless, like many of his colleagues, Mr. Kupcinet has been sued a number of times, but says he's never lost. A typical lawsuit was one in which a husband sued him in a divorce case, claiming a newspaper item contributed to the marital breakup.

But some of reporters' best scoops never make it onto page. "You hear an incredible amount of great stuff, but you can't print it," says Jeannie Williams, Washington-based People Page editor for *USA Today's* "Life" section.

"We rarely will take a story if there's an unnamed source .... Readers are more sophisticated since Watergate. They want truth," she says.

USA Today, the nation's third largest newspaper with a circulation of 1,168,222, devotes an entire daily page to people reporting. "There's a never-ending fascination for famous people," Ms. Williams says. "My page is supposed to be a fun read."

Because of the paper's widespread readership, only celebrities who are household names qualify for *USA Today* coverage. Pursuing personalities who are "cultural points of reference" has led to the recent addition of book excerpts on the People Page. Ms. Williams also says she "feeds off" tv's morning shows and Telerep-syndicated "Entertainment Tonight," which, in turn, feed off her.

Items about tv personalities, meanwhile, are a mainstay for Ms. Williams. "Tv is one of the few vehicles that ties people together," she says.

But according to Herb Caen, of the *San Francisco Chronicle*, who this year celebrates 50 years as a daily columnist, the salient ingredient in a successful personality column is jumping quickly from item to item so no one gets bored. "It's the Winchell theory," he says. "I give them a one-liner, a joke, something to talk about at lunch.

"Once you become a habit, you're in, and I've been around so long, I'm part of people's breakfast habits." He says he plans to continue his first-person column "until I fall face

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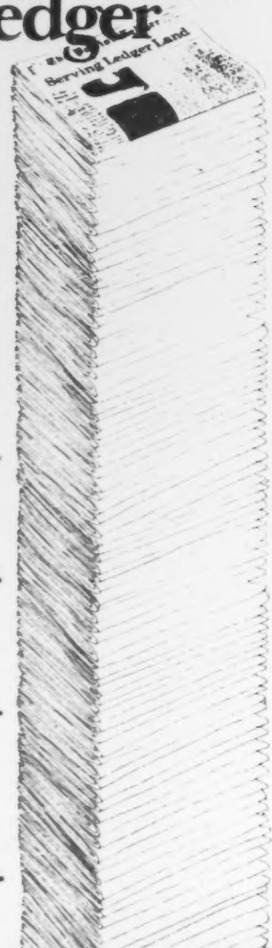

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and the writing top-notch—including Nora Ephron, Alistair Cooke and Mordecai Richler on its author list—the magazine could not offer fresh subject matter and it did not sell to advertisers.

But in a continuing effort to lift its section out of the doldrums that seem to plague it, the *Times* has bolstered this year's lineup with a series of pullout sections that supplement its "SportsMonday" roundup. "The pullouts are the product of a mutual desire of the advertising and editorial departments to develop a vehicle for special treatment of sporting events," says Joe Vecchione, sports editor. Subjects include the Super Bowl, professional basketball and hockey's All-Star Games, Major League Baseball's season opener, the Breeders' Cup, U.S. Open tennis and U.S. Open golf.

"The editorial is primarily service material for the readers—who to watch, what to watch, a preview of the field of competitors," Mr. Vecchione says. In the case of the U.S. Open in golf and tennis, both of which are held in the New York area this year, local interest material also might be used.

Five pullouts already have appeared this year, and according to Erich Linker, vp-advertising, response has been good. "We want to do more with sports packages," Mr. Linker says. "The fact that we run the section nationally gives us a selling advantage when we approach major advertisers who don't necessarily use newspapers but are interested in sports packages. The pullout sections let us offer them a 10-event package."

The *Daily News*, with the

(Continued on Page S-34)

The *Dallas Morning News'* "Football '85" preview section incorporating news on college, high school and professional competition, ran 88 broadsheet pages.

down into the typewriter with my nose into the 'I' key."

The changes in celebrity people columns have been paralleled in society columns, which today are less interested in what kind of finger sandwiches Mrs. Gotrocks served for tea than they are in how much money she raised for local charities. Jody Jacobs, who recently retired from 14 years of covering high society for the *Los Angeles Times* to write a novel about high society, says about half her stories pertained to fund raising.

"These people are the real movers today," Ms. Jacobs says. "Women are raising millions of dollars for good causes."

Even upscale Los Angeles department stores have gotten in on society's latest act, Ms. Jacobs says. "There's a trend toward holding big fund-raising parties in stores," she says.

For these retailers as well as other advertisers, society pages offer prime access to the female consumer, says Pat Fierro, ad director of Robinson's department stores in Los Angeles. Robinson's runs all its *Los Angeles Times* ads in the "View" section, where it has been joined by other local department stores, Ms. Fierro says.

The *Los Angeles Times*, which features Hollywood news every day, refuses to give short shrift to society news. No fewer than four society writers were on the staff before Ms. Jacobs retired—"more than the *New York Times*," boasts Jean Sharley Taylor, associate *Los Angeles Times* editor, whose "View" section covers the social scene.

Pat Steeger, who for 13 years has written "Social Scene" for the San Francisco *Chronicle*, says society columns often function as guides on what to buy, where to go and what to eat.

"This is the time in some ways of living vicariously," she says. "People want to go places they know these people are frequenting. These are the people who supposedly have all the money

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Underdogs score in sports

(Continued from Page S-33)

largest circulation in the New York area at 1,275,268, thinks of its entire sports section as a package.

Statistics and horse racing charts make up a large portion of the sports section. But according to sports editor Vic Ziegel, the editorial focus is on "the big stories that people want to read. If there's a big event in New York, we'll be all over it."

The latest addition to the mix is Howard Cosell, who writes a twice-a-week column.

"Howard Cosell gets fans excited," Mr. Ziegel says. "People want to know what's on his mind." Mr. Cosell is also a highly visible personality, and his *Daily News* debut in April was heralded by tv and radio spots.

But both Mr. Ziegel and promotion director Michael Marks agree that one fine columnist does not a sports section make. Mr. Marks cites the case of Dick Young, an outspoken columnist who left the *Daily News* in February, 1982, to join the staff of its major competitor, the *New York Post*—with little effect on the sales of either paper.

"We have advertisers, like Goodyear Tire, who run 52 weeks a year because of who we are," Mr. Marks says. "They are buying the audience we deliver, and we get those numbers with a sports package that is salable to the consumer. Columnists are only part of the package."

The *Dallas Morning News* might not agree. Part of its sports section rehabilitation included luring columnist Blackie Sherrod from the rival *Times Herald* and then promoting the move. Executive sports editor Dave Smith says bringing Mr. Sherrod over to the *Morning News* in January, 1985, added credibility to the section.

"The things that cause an increase in readership are quality and consistency," Mr. Smith says. "The reader has to know what to expect from his sports section."

In 1981, the *Morning News* had just passed its competitor, the *Times Herald*, in circulation. The *Morning News* led the race by about 41,000 copies daily and 25,000 on Sunday.

At that time, the *Morning News* realized sports would be a prime battleground for the papers. "Five years ago," says Harold Gaar, vp-marketing, "we were perceived as the No. 2 sports paper in Dallas. Research showed us that, in Dallas, sports is the most popular reader interest item."

To that end, the paper made an extended commitment to sports and to promoting that commitment. This included adding 10 sports staffers and doubling the section size overnight. "It was a hell of a commitment," Mr. Smith says. "People at other papers said, 'That can't last. You'll be cutting back again soon.' That was five years ago and we've added since then."

The commitment also includes the *Morning News* appearing as a strong advertising presence at sporting events and what Mr. Gaar calls "adopting a logical approach to serving your market."

When Mr. Smith moved to the *Morning News* in 1981, after an eight-year tenure as sports editor at the *Boston Globe* and two years trying to revive the sports section of the now-defunct *Washington Star*, he left the section alone for six months while he learned about the Dallas market.

Football is a predictable passion in Dallas. "A market research study we commissioned told us that we could call our paper 'The Dallas Cowboy News' and it would be very successful," Mr. Smith says.

Reflecting that passion, the *Morning News'* "Football '85" preview section ran 88 broadsheet pages—probably the largest special sports section in the country—encompassing professional, college and high school teams, with spotlights on Dallas athletes, predictions for the season, an overview of tv coverage and series of large full-color portraits. The special section ran on a Thursday, normally a slow sports day, and was folded into the regular sports slot.

Mr. Smith's experience at the *Globe* and with a special "Cowboy Extra" pullout in Dallas leads him to believe that tabloid pullouts are generally undesirable. "In both cases, the advertisers didn't want in on the special tabloid sections," he says. "They wanted to advertise in the sports section." He believes the section should appear as one cohesive unit.

"We run special features during the week—high schools on Tuesday, colleges on Wednesday, and so on—but they are always part of the whole sports section. My feeling is, we have to do everything every day," Mr. Smith says.

Bill Dwyer, sports editor of the *Los Angeles Times*, says, "Dave Smith is perhaps the only sports editor in the country who can come into a situation and really make a difference." Dan McGrath, executive sports editor of the *San Francisco Chronicle*, agrees. "I think he has shown the newspaper industry that sports does sell newspapers."

Today, the *Morning News'* circulation lead over the *Times Herald* has grown to about 145,000 daily and 174,000 on Sunday.

Sports has played a major role in the paper's success, Mr. Smith says. "I think if you talk to some of the premier newspaper editors in the country, any of them would tell you that, as much as some of them hate to say it, sports is the key.

"Readers will turn to the A section first," he says, "but sports is really the heart of our readership."

Sports editors' choice

	Total points earned	
1.	*Los Angeles Times*	36
2.	*Boston Globe*	34
3.	*Dallas Morning News*	25½
4.	*Philadelphia Daily News*	9
5.	*USA Today*	7½
6.	*Washington Post*	6
	Newsday	6
8.	*New York Post*	4
9.	*Boston Herald*	3
10.	*New York Times*	2
	Miami Herald	2
12.	*Atlanta Constitution*	1
	Newark Star-Ledger	1

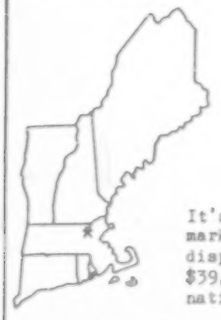
ADVERTISING AGE asked sports editors of the nation's 25 largest newspapers to rank the "three best over-all sports sections" among U.S. dailies. Despite common complaints that the task was impossible—*Newsday's* Richard Sandler said, "My sense is that in the top 10 there isn't a lot of difference"—the opinion poll revealed a clear consensus.

Of 68 total votes (one editor declined to participate, one could not be reached and one voted for only two papers), only 13 papers were mentioned. Papers were assigned three points for a first-place vote, two for second and one for third.

The *Los Angeles Times* received the most points (36) and the most mentions (16). Editors generally praised the *Los Angeles Times* for its comprehensiveness and its treatment of special issues. Several remain impressed by the Times Mirror Co. paper's coverage of the 1984 Summer Olympics.

Affiliated Publications' *Boston Globe's* writing was mentioned often as its most valuable asset. "The *Boston Globe* has some terrific writers who write with authority," said Dave Robinson of the *Detroit Free Press*. "Its beat writers know what they're talking about."

Many editors seemed envious of the space A.H. Belo Corp.'s *Morning News* devotes to sports. Lee Gordon of the Cleveland *Plain Dealer* called it "perhaps the most comprehensive section in the country," adding that it offers "solid writing, all the facts and statistics, and good use of graphics and photos."



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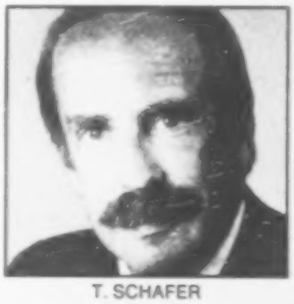
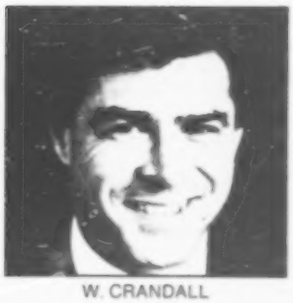
Street Talk

Although the proposed merger with Saatchi & Saatchi has cost Ted Bates Worldwide nearly 10% of its billings, the Saatchis say they won't renegotiate the purchase price. If you were buying Bates, would you renegotiate the price?


T. SCHAFER

Tom Schafer, senior partner-account management, Tatham-Laird & Kudner, Chicago: It is my understanding that all negotiations of this nature are based on future earnings potential for ultimate return on stockholder investment. Other important considerations are vitality of the organization, strength of management, client security and conflicts. With this in mind, the upfront price would not be renegotiable. However, there could be other means of returning stockholder investment.


W. CRANDALL

William Crandall, senior vp-general manager, Earle Palmer Brown Cos., Newark, N.J.: If I had agreed upfront to accept a 10% loss in client billing, what choice would I have but to close the deal? Anything else would confirm all that clients have been saying recently about the disloyal, self-serving nature of ad agencies and their chief executives. I would close the deal just to distinguish my agency from the U.S. competition. At Bates, they call it a USP (unique selling proposition).

C. SCHNEIDER

Cy Schneider, chairman, Bozell, Jacobs, Kenyon & Eckhardt/Pacific, Los Angeles: No. I've lived through a couple of these. In my experience, I've learned that in merger situations both parties take calculated risks on the consequences of the merger. Educated guesses on the reactions of clients must be made. Sometimes there are surprises no one could have predicted. It's part of the risk that goes with the game.

W. BORTREE

William Bortree, exec vp, Kane, Bortree & Associates, New York: Absolutely. They are damaged merchandise. I thought it was a generous deal to begin with. Now it looks like it's turning out to be foolhardy.

S. MORELOCK

Stephen Morelock, president, Saunders, Lubinski & White, Dallas: No. They (the Saatchis) had to anticipate those possibilities when they made the deal. I don't know what they thought they might lose or what the risks were, but as businessmen it was their responsibility to assess those risks beforehand. Everyone shook hands, knowing what the risks were. The losses may be greater than expected—but now everybody has to live with the decision. Can you imagine going back on a deal like that in Texas?

Want to be part of this weekly feature? You can enhance your chances by sending a clear, recent—and expendable—photo plus your company, title and phone number to: Street Talk, Advertising Age, 220 E. 42nd St., New York 10017. If AA then solicits your comments about an advertising topic, your photo will accompany your quote.

Detergent leaders seesaw

By LAURIE FREEMAN

Liquid Tide's reign as the leading liquid detergent has turned out to be short-lived.

Lever Bros.' Wisk heavy-duty liquid laundry detergent proved its staying power as the No. 1 liquid detergent in the $1 billion liquid segment, pushing Procter & Gamble's Liquid Tide back to second place.

In the latest two-month A.C. Nielsen Co. reporting period, ended May 23, Wisk's market share totaled 7.6%, compared with Liquid Tide's 6.1%.

Liquid Tide earlier had held a 7% share to Wisk's 6.8% (AA, May 19). Composite shares for the January-to-May period show Wisk with a 7.2% share, Liquid Tide with 6.3%.

Detergent industry sources believe the composite shares give a more accurate reading of how well the products are performing in the very competitive category.

"Depending on the amount of promotional spending and trade allowances, the two brands yo-yo almost every month," said a midwestern detergent buyer.

In the $3 billion category, long characterized by heavy promotional spending, the Liquid Tide-Wisk battle continues to set new spending standards. Industry sources say both Cincinnati-based P&G and New York-based Lever are backing their respective liquids with more than $30 million each in continuing advertising and promotional efforts.

"Both companies know they can buy market share if they continue to spend like crazy like they have been, but no one is making money at that peak spending level," said one industry insider.

Sources close to Lever say the latest flip-flop in share position is a result of the company's Barbara Mandrell sweepstakes for Wisk, in which winners received an all-expenses-paid trip to Hollywood to see the country singer in concert. Lever also has been putting 25¢-off Wisk coupons in Sunday free-standing newspaper supplements.

"Lever has adopted a marketing philosophy similar to P&G's for Liquid Tide, that market share is important and they're willing to take a short-term earnings hit for as long as needed to maintain progress," said Jay Freedman, household products analyst with Kidder, Peabody in New York. "Wisk is a significant part of Lever's profits in the U.S., and as much as they'd like to be even more profitable, they're willing to spend coupon-to-coupon and trade allowance-to-trade allowance [with P&G] to maintain Wisk's position."

BBDO, New York, handles Wisk; Saatchi & Saatchi Compton, New York, is the agency of record for Tide.#

Pitch for Shout adds twist

By LAURIE FREEMAN

It's no coincidence that the toddler shown in S.C. Johnson & Son's new campaign for Shout prewash is wearing overalls from OshKosh B'Gosh.

A recently signed agreement between Racine, Wis.-based Johnson and Oshkosh, Wis.-based OshKosh B'Gosh calls for Johnson to use models dressed in OshKosh apparel in this and future campaigns.

But the apparel agreement isn't the only difference between this and past Shout advertising. Johnson believes this campaign—from Foote, Cone & Belding, Chicago—finally breaks out of the product-demonstration mold traditionally seen by advertisers in the $190 million prewash soil-and-stain-remover category.

The 30-second tv spot—the first new creative produced for Shout in two years—couples the Isley Brothers' 1959 hit, "Shout," with the product's past theme line, "Want a tough stain out? Shout it out!"

But standard product-demonstration shots are interspersed with a fast-paced series of scenes showing a tap dancer, soccer players, cheerleaders and waitresses—all dressed in stain-free clothing.

"We've been looking for a way to express more than just the product benefit, more than the fact that it removes stains. We want Shout to be associated with keeping the family looking good," said Shout product manager Patrick O'Brien.

Johnson also hopes to set Shout advertising apart from the more traditional styles employed by competitors, such as Greenville, S.C.-based Texize (Spray 'n Wash) and Oakland, Cal.-based Clorox Co.'s Clorox Prewash.

The FCB creative staffers who worked on the campaign are group creative director Bobby Phillips; senior copywriter Jim Hansen; art director Jim Fansler, and vp-exec producer Bob Jackson.#

Chrysler retiring Ricardo

Detroit—Chrysler Corp. is shifting Chrysler's brand image to sportiness and performance from sophistication, a strategy change that last week brought down the curtain on actor Ricardo Montalban's 13-year run as brand spokesman.

Chrysler brand advertising in the 1987 model year will focus on "the driving experience" of models such as the restyled LeBaron coupe.

The car gets a sportier look as Chrysler aims it at the midsize specialty segment now dominated by the Oldsmobile Cutlass Supreme, Ford Thunderbird and Mercury Cougar.

Mr. Montalban appeared in ads for the upscale New Yorker, LeBaron and Fifth Avenue Chrysler models.

Mr. Montalban, whose praise for Chrysler's "fine Corinthian leather" became a "household cliche," was philosophic. In a statement, he said, "In a world where spokesmanship longevity of the kind I had with Chrysler is almost unheard of, I feel only a sense of gratitude."

Chrysler may use Mr. Montalban again in future ads, a Chrysler spokesman said.

But no contractual arrangements have been made, added a spokesman for Brokaw Co., the Los Angeles-based pr agency for Mr. Montalban.

Bozell, Jacobs, Kenyon & Eckhardt, Birmingham, Mich., handles Chrysler and Plymouth brands and Chrysler corporate advertising.#

Consumer chart corrected

The chart accompanying the Consumer Watch column (AA, July 21, P. 33) was incorrect, reversing the buying intentions of those over 40 and under 40. As the corrected chart below indicates, there is more potential demand among younger households.

WHERE THE POTENTIAL SPENDERS ARE

Consumers under age 40 compared with those over 40

	Total	Under 40	Over 40
Income increased past year	57%	69%	45%
Expect higher income next year	54	68	41
Expect to keep up with inflation	38	49	28
Better off financially than last year	43	55	33
Easier to pay bills than last year	40	48	33
Expect it to be easier next year	51	63	39
Expect to increase debts next year	21	28	14
Now's time to buy major items	64	70	59
Have major purchase to make now	28	39	17
Thinking of borrowing for purchase	36	49	24
Thinking of buying ... New car	17	20	13
Used car	19	25	13
Housing	17	26	9
Furniture	26	35	18
Major appliance	14	19	10
Carpeting	14	16	11
Color television	10	13	8
Air travel	32	32	31
Hotel/motel stay	43	45	41

Source: Leo J. Shapiro & Associates.
Base equal to 1,352 telephone interviews, national polls, April/May/June 1986.

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Century 21 becomes publishing house

Home seller aims book at new buyers

By BRIAN LOWRY

IRVINE, CAL.—Century 21 International has created an advertising-driven magazine as a tool to increase repeat business. It also joins other companies in making its client base available to other advertisers.

The nation's largest real estate broker this month began distributing the 170-page *Complete Home Guide* to its broker network. More than 620,000 home buyers will get the magazine over the next 12 months—a group 20 times more likely than the norm to purchase certain household items, Century 21 officials say.

Century 21 conceived the magazine as a way to maintain a link between broker and client, since the return rate in the real estate industry is only about 20%.

"There's no reason why someone in the industry can't increase repeat business a full 10% from what it is through aggressive marketing," said Century 21 senior vp-advertising and marketing Bruce Oseland.

Controlled Publishing & Marketing, Santa Monica, which produces the guide, convinced the company to turn the publication into an advertising vehicle.

Because the publication reaches only home buyers through individual Century 21 brokers, the company considers it a direct-marketing tool, as opposed to competing with publications such as *House Beautiful*.

Century 21 will update the magazine three times during its first year to allow in new advertisers. While eschewing sales goals, Mr. Oseland noted even a 3% increase in repeat or referral business would "mean millions of dollars" in the $16 billion residential real estate market.

Advertisers in the category-exclusive publication, which contains various home improvement tips, include First Interstate Bancorp, MCI Communications, U-Haul International and Magic Chef.

B&w or color pages in *Complete Home Guide* are identically priced at $75,000. That rate includes a yearlong run in *Complete Home Guide* plus six appearances in the every-other-monthly *21*, another magazine published by Century 21.

Century 21 based the ad rate on the propensity of home owners to buy.

Data cited in *USA Today* showed new owners spend more than $6,000 in refurbishing during the first year they own their homes. This represents a potential $3.6 billion market generated by Century 21 clients.

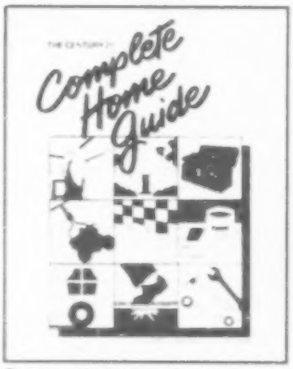
The program grew out of Century 21's Preferred Client Club, which currently mails *21* to 180,000 consumers.

The company hopes to bring that figure near 1 million by the end of next year.

Although other real estate companies send mailings to new clients, none has the client base for this sort of publication, Mr. Oseland contended. "The key figure is 620,000 [transactions]," he said. "It's not something a Red Carpet or Coldwell, Banker is going to want to duplicate."

The real estate market has been depressed recently due to uncertainty about President Reagan's tax reform package. Provisions in the legislation, if approved, would restrict home mortgage interest deductions to the house one lives in, excluding investment properties.

That kind of reform would dramatically limit home ownership for investment purposes, industry sources say.



Century 21 International, the nation's largest real estate broker, this month began distributing the 170-page *Complete Home Guide* to its broker network.

"The marketplace is really on hold until this thing passes," according to Mr. Oseland.

Anticipating that the tax package will pass before Labor Day, Century 21 will work up-to-date tax reform information into its annual Investor's Days, a weeklong series of seminars starting Oct. 6.

The event will get print, radio and network and spot tv support, via McCann-Erickson, New York.

Century 21 has an 11.4% share of the residential properties market, followed by Coldwell, Banker Real Estate Group, Los Angeles; ERA Real Estate, Shawnee Mission, Kan., and Red Carpet Corp. of America, Oklahoma City.

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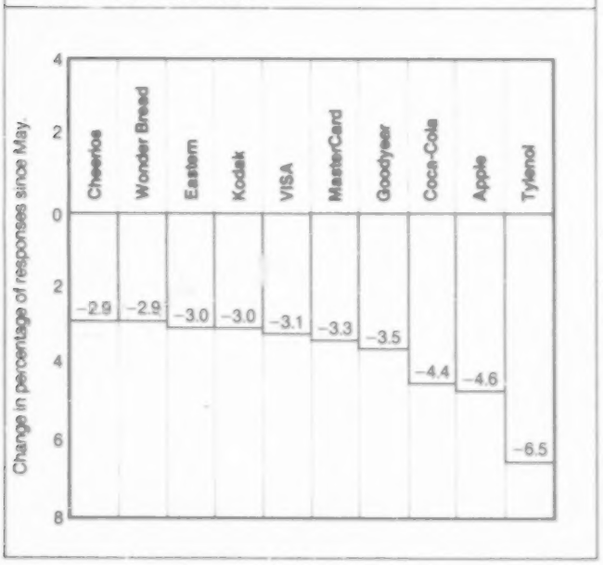
June winners and losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 percentage points is statistically significant. *Source: SRI Research Center Inc., Lincoln, Neb.*



adWatch

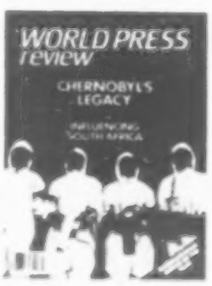
(Continued from Page 4)

Electric (7%); Sony (2.9%); Black & Decker (2.7%).

- **Financial:** E.F. Hutton (4.9%); Merrill Lynch (4.3%); Sears (3.6%).
- **Fast-food:** McDonald's (44.2%); Burger King (13.2%); Wendy's (7.3%).
- **Frozen food:** Bird's Eye (9.4%); Green Giant (3.4%); Swanson (3.2%).
- **Laundry products:** Tide (28.2%); All (3.3%); Surf (3.3%).
- **Liquor:** Seagram's (3.9%); Jack Daniel's (3.3%); Bacardi (1.5%).
- **Medicine & drugs:** Tylenol (25.2%); Bayer (5.7%); Advil (5.7%). Tylenol's ad recall score dropped another 6.5 points.
- **Overnight mail:** Federal Express (32.5%); UPS (9.8%); U.S. Express Mail (4.8%).
- **Pet foods:** Purina (10%); Alpo (8.9%); Puppy Chow (4.1%).
- **Soap & shampoo:** Ivory (12.1%); Dial (5.8%); Head & Shoulders (5.7%).
- **Soft drinks:** Coke (32%); Pepsi (29.7%); Slice (3.2%).
- **Tea:** Lipton (40.9%); Nestea (5%); Tetley (3.8%).
- **Automobile tires:** Goodyear (19.8%, down 3.5 points); Michelin (16.5%); Firestone (6.8%).
- **Tobacco:** Marlboro (8.1%); Skoal (4.7%); Winston (3.5%).
- **Wine:** Gallo (9.3%); Bartles & Jaymes (6.5%); Riunite (6.4%).

For additional information or data, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

visibility



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Sales promotion comes into its own

By PAUL L. EDWARDS

NEW YORK—Consumer sales promotion has grown steadily in the past 10 years, largely at the expense of traditional media advertising. Along the way, the definition of sales promotion has changed dramatically.

"Six or seven years ago, sales-promotion agencies were still collateral-driven," said Joseph Flanagan, president of Impact, the Chicago-based sales-promotion agency of Foote, Cone & Belding. "We were print-oriented, producing brochures and point-of-sale materials. Little strategic thinking went into what we did."

Today, sales promotion embraces a wide range of activities, many of them an integral part of a company's marketing plan. Frequent-flier programs have enabled airlines to build a base of loyal customers where none existed before. Sweepstakes and contests are a staple for some direct marketers. Rebates and financing plans sweeten the offer for car dealers. Magazines entice new readers with a seemingly limitless string of premiums. And for marketers of package goods, there is an unending flow of freestanding inserts, envelopes stuffed with coupons, game cards and contests.

Even the image of sales promotion has changed. Said Michael Wahl, president, Howard Marlboro Group, part of the Saatchi network since last year: "Sales promotion is no longer a bunch of checkered-suit guys selling colored fountain pens."

Understandably, advertising agencies are concerned that consumer-promotion spending will continue to grow, and it likely will. But just as likely, growth in consumer promotions will cut into trade-promotion spending, leaving media spending alone.

One reason is that large ad agencies are beginning to fight back, either by incorporating sales promotion in their ad programs or by buying sales-promotion agencies. Even more important, however, is the growing use of scanning equipment in retail stores.

The scanner enables manufacturers to get rapid feedback on the results of promotions directed at consumers. Redemption rates for coupons or sales volume can be obtained within days rather than the months it took before scanners. Trade promotions, usually taking the form of discounts to retailers or advertising allowances, are much more difficult to monitor and, for that reason, often result in abuses of the promotion.

Brown & Williamson Tobacco president Thomas Sandefur Jr., who had predicted promotion in the cigaret business might eventually outweigh advertising by a 4-to-1 ratio, more recently has taken a more conservative view.

"It probably won't go that high," he said in an interview with ADVERTISING AGE. "If you are marketing on a discounted basis, if all you do is go out and use stickers that say '$2 off,' you don't build any imagery and your brand becomes known as a discount brand. There's no long-term future in that."

If such a viewpoint holds, that would be welcome news for advertising agencies, which have seen their share of package-goods marketing budgets cut nearly 20% in the past five years.

Sales promotion has grown largely because of its ability to provide an immediate boost in sales. Manufacturers have learned to pump new life, albeit short-lived, into ailing brands by dropping coupons into the mail or an fsi. But some marketers charge, and sales-promotion executives concede, that too much promotion can erode brand loyalty.

In fact, Mr. Wahl said further cuts in advertising would be a serious mistake.

"It bothers me," said Mr. Wahl, "that in today's environment a brand manager can do a good job on sales promotion, but do nothing to build a brand.

"Sales promotion must work with media advertising. It should be used together, and good sales-promotion campaigns should work hand-in-hand with media."

Though Mr. Wahl is sincere and other sales-promotion executives share his view, ad agencies can hardly afford to sit back and relax.

Sales-promotion activity, for one thing, is hardly slowing down. And for another, sales-promotion tactics continue to improve and show many signs of beginning to build brand loyalty and not just short-term sales.

One of sales promotion's traditional techniques—the coupon—continues to grow unfettered by concerns its usefulness may be flagging.

Nearly 180 billion coupons were distributed last year, up 10% compared with 1984. In the past five years, coupon distribution is up 76%. And the number of companies distributing coupons has grown by 50% since 1980.

Yet the redemption rate for coupons is dropping. Over-all, only 3.6% of those coupons were redeemed last year, a 10% decline in redemption from 1981.

Undaunted, publishers of free-standing inserts continue to build their programs, as do packagers of cooperative coupon envelopes. This year, the four publishers of fsis will publish 108 issues. Though rates have declined significantly—from $7.25 to $6.25 per page per thousand distribution—total number of pages is way up.

"Over-all, the industry is doing about 10% to 15% better than last year," said Ken Bortner, president and ceo, Product Movers, New York.

Today, fsis account for nearly 60% of all coupons distributed.

"We have concerns about that at the agency," said Richard Hamilton, senior vp and media director, D'Arcy Masius Benton & Bowles. "When marketing dollars are diverted from advertising to promotion, what suffers in the long term is brand image."

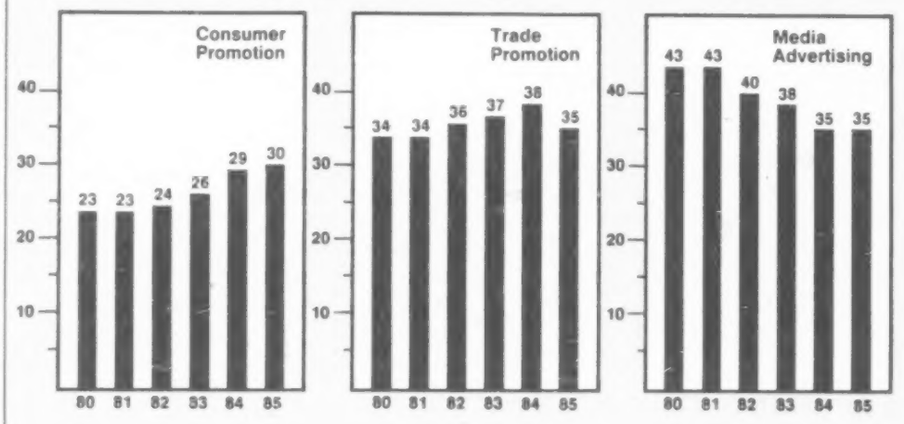
Mr. Hamilton said that DMB&B is studying alternatives such as run-of-paper coupons and direct mail. Beyond that, he said, the agency also is looking at alternatives to coupon promotions, such as sweepstakes and price reductions to the trade. The agency, he said, is seeking a way to participate in the sales-promotion boom.

So are sales-promotion agencies. While the amount of money spent on promotion rivals that of advertising, very little of it passes through agencies. The vast majority of promotions are handled in-house.

Most package-goods couponing, and everything in fsis, is placed in-house; fsis grant no commissions to agencies. The opportunity, and the challenge, for agencies is to demonstrate that they can do the job more creatively and effectively.

PROMOTION'S RISING SHARE OF THE MARKETING DOLLAR

Consumer promotion spending by package-goods companies is on the rise, primarily at the expense of media advertising, as marketers embrace promotion techniques designed to build long-term sales as well as spot sales. Spending on promotion to the retail trade had held relatively steady. Figures below show per cent of total marketing dollars. Figures may not add to 100 due to rounding. *Source: Donnelley Marketing.*



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Monday, August 4, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Tv sports takes a dive

Even Super Bowl will 'deal'

By ROBERT RAISSMAN and LARRY G. COLLINS

NEW YORK—The next two weeks could be the most critical in the history of tv sports, and the prognosis is unequivocably grim for the networks.

While in recent weeks most attention has centered on the U.S. Football League's antitrust suit against the National Football League, network tv sports was developing into the best buyer's market ever. Cost-per-thousand rates for NFL games will be at least 10% to 15% below last year, and the networks are offering unprecedented amounts of multidaypart deals to advertisers, thus bringing down the price of prime time.

CBS is offering discounts on Super Bowl XXI if advertisers will take time in its September NFL games. If that won't do it, CBS will throw in college-basketball regular season and tournament games, and even its coveted National Basketball Assn. coverage—all at reduced prices—if advertisers will take pro and college football.

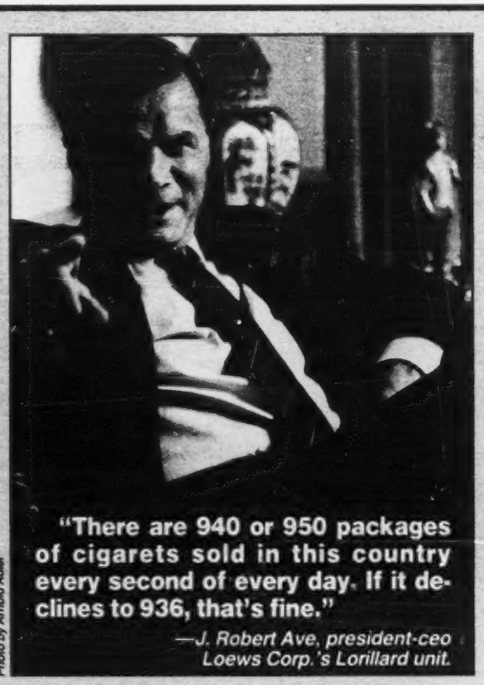
In order to move "Monday Night Football" in September, ABC is combining it with prime time and late night at 20% discounts. ABC also is offering "MNF" in combination with its Major League Baseball League Championship Series, with prices being cut drastically.

And NBC has sold its prime time programing at no price increase to advertisers willing to pay rate card prices for its NFL games. NBC's 1986-87 straight prime time rates increased 5% to 7%.

Most of those sales strategies have never before been offered in network sports.

The networks, facing the fourth consecutive year of soft sports sales and feeling extreme pressure from their new parent companies, are trying to sell all sports inventory upfront, eliminating the sports

(Continued on Page 64)



"There are 940 or 950 packages of cigarets sold in this country every second of every day. If it declines to 936, that's fine."

—J. Robert Ave, president-ceo Loews Corp.'s Lorillard unit.

Photo by Arnold Adler

Lotsa smoke, no fire

Ban tobacco ads? Marketers stay cool

By WILLIAM F. GLOEDE

There's a lot of smoke on Capitol Hill about banning tobacco advertising, but executives at the nation's largest tobacco companies are sitting back, lighting up and conducting business as usual.

They don't believe it'll happen.

And they're not in a panic over the fact that cigaret sales are sliding 1% to 2% per year, or over various moves to further curtail tobacco usage in the U.S.

"There are about 940 or 950 packages of cigarets sold in this country every second of every day around the clock. If it declines to 936, that's fine. If it declines to 932, that's fine, too," says J. Robert Ave, president and ceo of Loews Corp.'s Lorillard unit, the nation's fourth-largest cigaret maker.

Even though cigaret sales, by far the biggest sales segment in the tobacco industry, are sliding at the rate of between 1% and 2% per year, more than a quarter of all Americans use tobacco products. An estimated 50 million adults smoke cigarets, and only six companies fill nearly all the demand.

"Cigarets are a fantastic cash cow," says John C. Maxwell Jr., industry analyst for Furman Selz Dietz Mager & Birney, New York.

Mr. Maxwell proclaims the financial condition of the tobacco companies "fantastic," adding, "Philip Morris and Reynolds are throwing off almost $2.5 billion in [uncomitted] cash this year." He

(Continued on Page 66)

White House against ban on tobacco ads

By STEVEN W. COLFORD

WASHINGTON—Limiting anti-tobacco Surgeon General C. Everett Koop to an unofficial role, the White House threw its support to advertisers last week in the battle with a House subcommittee on proposed limits to tobacco advertising.

Representing the White House, deputy assistant attorney general Douglas Kmiec told the the House health and environment subcommittee Friday the Reagan administration "is not convinced that cigaret advertising leads to increased consumption."

He also noted that tobacco ads "sup-

(Continued on Page 8)

Puritan changes oil

Will tout lowest saturated fat level

By JUDANN DAGNOLI

Procter & Gamble, Cincinnati, today breaks an estimated $10 million health-oriented national campaign for a reformulated Puritan oil now that the term canola oil has been approved for marketing in the U.S.

New Puritan, reformulated with low erucic acid rapeseed oil, also known as canola, will replace the 20% soybean-oil and 80% corn-oil blend in Puritan in supermarkets this month, according to Don Tassone, a P&G spokeman. The first canola oil to be sold here, new Puritan will contain the lowest level of saturated fat on the market, he said.

Nabisco Brands, which markets Fleischmann's and Planter's oils, said there are no plans to introduce a canola-oil product here. It is not known whether rival Hunt-Wesson, Fullerton, Cal., will jump on the bandwagon if canola is successful.

The Grey Advertising campaign for new Puritan, which has 6% saturated fat, half of current Puritan's 12%, will continue to use Michael Learned, the Puritan spokeswoman, but will now stress even greater health benefits for the brand. One product claim notes

(Continued on Page 65)

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SRI ACCOUNTS
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WASHINGTON DC 20014
**********5-DIGIT 20014
ge 2
p

Last Minute News

BBDO quits Pillsbury cake, frosting accounts

NEW YORK—BBDO has resigned $15 million in Pillsbury cake mix and frosting business that conflicted with the $35 million General Mills Betty Crocker account handled by Omnicom sister agency Needham Harper Worldwide, Chicago. BBDO will keep another $15 million in Pillsbury microwavable-products assignments. Pillsbury says it is compiling a list of agencies with which to discuss the baked-goods account.

M&M shakes up creative department

NEW YORK—McCaffrey & McCall has reorganized leadership in its creative department. "In the wake of the ABC problem, quite a lot has been going on," said David McCall, chairman-creative director, referring to the loss of the $25 million ABC Entertainment account (AA, July 21) and the departure of three of five execs listed as co-creative directors under Mr. McCall. Senior vp Stephen Klausner has been promoted to copy chief, succeeding exec vp William Shaw, who has left, while senior vp Thomas Yohe has departed and exec vp John Sidebotham Jr. has retired, says Mr. McCall.

Big Mac moves to Burnett overseas

LONDON—McDonald's Corp. is moving its pan-European account for satellite tv advertising to Leo Burnett Co., in London and Frankfurt, from Heye Needham & Partner, Munich. The account is described as small and

(Continued on Page 8)

HIGHLIGHTS

Weak sports market shakes networks 1
The next two weeks could be the most critical in the history of tv sports, and the prognosis is grim for the networks. While most attention has centered on the USFL's suit against the NFL, network tv sports was developing into the best buyer's market ever.

P&G makes Puritan healthier 1
Procter & Gamble today breaks an estimated $10 million health-oriented national campaign for a reformulated Puritan oil now that the term canola oil has been approved for U.S. marketing.

Research split could hurt papers' ad sales 4
Newspaper-industry executives said the split between Simmons Market Research Bureau and Scarborough Research Corp. will make it tougher to sell national ads.

IRI heightens scanning competition 6
Competition for market share among research companies tracking market share intensified last week as Information Resources Inc. announced its InfoScan package-goods scanning service.

GM planning to slim down 10
General Motors Corp. plans to slash 39 models from its car lineup by 1992 to concentrate on each division's core models.

Agencies may fight for Army 15
By ordering a 10% cut in next year's Army advertising budget, the Pentagon finally may succeed in generating agency competition for an account still expected to rank among the biggest in U.S. advertising.

Outlook good for nonprescription drugs 26
The nonprescription-drug industry is expected to experience steady growth during the next several years, fueled by acquisitions, the switch from prescription to nonprescription status for some drugs and the emergence of new applications for existing drugs.

Fattal lands a big one 59
Fattal & Collins, a small Santa Monica creative boutique founded four years ago, is moving under a national spotlight now that it's been named to share the $25 million ABC Entertainment account with Grey Entertainment & Media.

Flanagan faces tough tasks 61
As the new chairman of the American Advertising Federation, *Wall Street Journal* vp-marketing Bernard Flanagan will have to serve as the point man representing the "grass roots" of the advertising business at a time when it is under fire in several areas.

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Software marketers square off 22
Computer software marketers are joining makers of personal computers in a scramble toward lower prices. The result is new, stiff competition at the low end of the software market.

INTERNATIONAL

Foreign ad spending on the rise 42
Foreign advertising expenditures are soaring higher than anyone predicted at the beginning of the year, due to new private tv channels in Europe. At the same time, surging inflation is sending the ad industries in Latin America and South Africa into a tailspin, but not enough to offset advances in Europe. An ADVERTISING AGE roundup.

OTHER NEWS

Maxicare Health Plans' acquisition of HealthAmerica Corp. may be a shot in the arm for Chiat/Day. Page 10.

Sara Lee Corp.'s Peck Meat Packing unit, exploring what would be Sara Lee's first entry into retail deli products, created a new $5 million advertising budget and assigned it to Cramer-Krasselt. Page 12.

Dow Chemical's Ziploc plastic bag still has the lock on the interlocking plastic bag market, but it may be facing its heftiest challenge this year from rival Glad plastic bags. Page 26.

Eastern Air Lines next month will attempt to clip Pan American World Airways' wings with a multi-million-dollar campaign supporting the first major service improvements on its shuttles in 25 years. Page 28.

The House of Seagram, the spirits marketing arm of Jos. E. Seagram & Sons, has shifted marketing responsibilities for some of its largest brands. Page 60.

Ron Kaatz says it's because this is such an exciting time in media and media research that he is looking forward to phasing out his involvement in the agency business. In September he will leave his post as senior vp-U.S. director of media concepts at J. Walter Thompson USA to become a parttime professor at Northwestern University's Medill School of Journalism. Page 61.

CAMPAIGNS BREAKING

Burger King Corp., Miami, this week begins a four-week promotion tying its children's meals to Lorimar-Telepicture's ThunderCats characters. Tv and point-of-purchase, via J. Walter Thompson USA, New York, supports (AA, June 30). *(See related story on Page 53.)*

SPECIAL REPORT

As the going gets tough, tough radio stations are seeking new personalities, promoting community events and turning to state-of-the-art marketing, including geodemographic and psychographic research. Special Report examines how radio stations are using these tools in response to competition.

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Fox signs up 79 affiliates for fourth net

By WAYNE WALLEY

LOS ANGELES—Fox Broadcasting Co. said last week it will start its fledgling tv network this fall with at least 79 independent tv stations as affiliates.

The affiliates, which have signed two-year agreements starting with the October premiere of "The Late Show starring Joan Rivers" and including FBC's limited prime time offerings in March, cover nearly 80% of the country.

Together with its six owned tv stations, which it acquired from Metromedia, Fox said it will have outlets in all of the top 20 tv markets. That includes Boston, where Fox said it expects to select an affiliate soon from among a number of interested independents.

This surprising support from group and independent station owners lends more credibility to Rupert Murdoch and 20th Century Fox chairman-ceo Barry Diller in their attempt to create a programming service to compete with the Big 3 networks.

When FBC outlined its plans for a fourth network earlier this year (AA, May 5), most observers expected Fox to attract only the lowest-rated independent stations. But David Johnson, FBC's senior vp-marketing, and David Hilton, vp-affiliate relations, said each of FBC's affiliates is "the best independent station available in each market."

In many markets, such as Detroit and San Francisco-Oakland, Fox snared the top rated independent station. In others, such as Seattle, it signed the second ranked indy in a market with four inde-

(Continued on Page 64)

Spuds sells suds for Bud

Spuds Mackenzie, the "Original Party Animal," makes his tv debut for Anheuser-Busch's Bud Light brand. The 3-year-old English Bull Terrier, a college campus cult figure (AA, March 6), is featured in three 30-second spots being tested in Los Angeles and San Diego. Needham Harper Worldwide, Chicago, handles.

West Coast news

Cal. lottery may sanction shops

California State Lottery, Sacramento, is considering a provision that would bar agencies with ties to South Africa from pitching the $22 million-to-$24 million account, sources said. An aide to Assemblywoman Maxine Waters confirmed that the assemblywoman has suggested the commission prohibit agencies with South African offices from taking part in the review. The commission will solicit an opinion from Gov. George Deukmejian, who recently called for South African divestment in his gubernatorial campaign. "The governor and the commission have to be very sensitive on this issue," one source said. Such a provision could exclude several international agencies that have expressed an interest in the business, including Foote, Cone & Belding, JWT/West, McCann-Erickson and Young & Rubicam. Incumbent Rubin, Postaer & Associates, Los Angeles, wouldn't be affected. The

(Continued on Page 66)

IRI adds package-goods scanning service

By SCOTT HUME

CHICAGO—Competition for market share among research companies tracking market share intensified last week as Information Resources Inc. announced its InfoScan package-goods scanning service (AA, July 28).

Basically a nationwide extension of its BehaviorScan service, widely used to track product test-marketing, InfoScan will track consumer purchasing of every product carrying a Universal Product Code in stores across the country as well as promotional activities (newspaper feature advertising, couponing, in-store merchandising and price reductions).

The data are correlated with individual purchasing patterns for 60,000 households and metered tv-viewing habits for 10,000 households.

As a result, said IRI president Gian Fulgoni, InfoScan provides information not only on what is being purchased, but also on who is doing the purchasing and on the advertising and promotions to which buyers have been exposed. That, he said, puts IRI ahead of rivals such as Dun & Bradstreet's A.C. Nielsen Co. and Time Inc.'s Selling Areas-Marketing Inc., which track product movement alone. Mr. Fulgoni said the market-tracking business which IRI is entering with InfoScan is a $300 million category.

Northbrook, Ill.-based A.C. Nielsen Co., which previously tracked product movement only through twice-monthly retailer audits, last year introduced its own UPC scanner-based tracking service called ScanTrack Plus. Mr. Fulgoni said that "when the patriarch [Nielsen] blessed scanners," IRI took it as an indication that its research method was "a breakthrough product" and that it was time to expand its BehaviorScan technology beyond the eight markets in which it has operated if IRI were to maintain its lead.

BehaviorScan accounts for 85% of the electronic test-marketing business, he said.

Initially, InfoScan will cover 820 stores in 31 markets, including 20 major metropolitan markets. By July, 1987, data will be collected in 1,300 stores in 41 markets, and in 2,080 stores in 53 markets by the end of 1987.

One sign of what Mr. Fulgoni said was strong and immediate interest in InfoScan from major marketers was the commitment of Cincinnati-based Procter & Gamble to be a charter subscriber. P&G is IRI's largest client, accounting for approximately $10 million of the research company's 1985 revenues of $75 million. Other charter subscribers include Cadbury Schweppes, Campbell Soup Co., Chesebrough-Pond's, Del Monte Corp., Dial Corp., General Foods, General Mills, Miles Labs, PepsiCo, RJR Nabisco, Scott Paper Co. and Richardson-Vicks.#

AA to include monthly creative insert in N.Y.

NEW YORK—*New York Creativity*, a publication serving the creative community here, will be introduced to this market as part of ADVERTISING AGE's Sept. 8 issue.

Billed as "The newspaper of the creative process," *New York Creativity*, or *N.Y.C.*, will thereafter appear as a pullout section in copies of AA circulated in the New York City area every first Monday of the month. *N.Y.C.* will carry features and interviews with agency creatives, producers, commercial production house directors and editors, animators, creators of special effects, commercial music composers, musicians and producers, photographers and craftsmen engaged in printing and graphics design.

"Creativity is the heart of advertising and the process deserves the attention *N.Y.C.* will provide," said Rance Crain, president, Crain Communications Inc., and AA editor-in-chief. Louis De Marco, AA vp-publisher, announced that Charles Gabrielson and James P. Forkan will head the new venture as marketing director and editor, respectively. Mr. Forkan, AA senior editor-administration, has specialized in coverage of the tv and commercial music fields.

Mr. Gabrielson, who joined AA last year as marketing sales director, will have over-all responsibility for marketing and operating *N.Y.C.* He previously held advertising manager roles at Gannett Westchester-Rockland Newspapers and R.H. Macy's Bamberger's division. "*N.Y.C.* will be the first publication of its kind to bring together under one roof all the creative specialties—from concept to design to production," he said. Mr. Forkan, who will continue to write for AA, noted the new monthly will focus on "the unsung heroes of the creative process."#

LaSalle Group moves

ST. LOUIS—LaSalle Group has moved to Centre 40 Bldg., 1600 South Brentwood Blvd.

CORRECTIONS & CLARIFICATIONS

- Peter McSpadden's title was listed incorrectly in a story about DFS Dorland's assignment to handle the Northwest Orient Airlines account (AA, July 28, P. 12). He is president of the New York-based agency.
- *Us* submitted incorrect year-to-date figures for the June Consumer Magazine Ad Linage chart (AA, July 21, P. 68). Correct numbers should read: January-June, 1986—262.5; January-June, 1985—157.8.
- CBS/Broadcast Group president Gene Jankowski points out that he has mentioned—but not acted upon—the possible addition of a 30-second spot over a three-hour prime time period as a revenue-boosting move. He has not mentioned adding 30 seconds per each prime time series episode, as stated in a disapproving editorial on the subject (AA, July 28, P. 17).#

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Viewpoint: Forum

Luring the young to Mad Ave.

By Lisa Rae Gossels

How can ad agencies continue to attract the caliber of young applicant so vital to our future? What do we have to offer entry-level talent, and how can we keep and motivate them?

I recently talked with career counselers at some 10 graduate and undergraduate universities, and spoke with recruiters at some 10 Manhattan ad agencies. Finally, I concentrated on the young people in our industry—80 of them, under the age of 30, by questionnaire.

Now before we can attract good, new talent to our industry, we've got to know where our competition is. I learned that very quickly by talking with some college career counselors. One counselor from a major university told me that 10 years ago about 5% to 7% of Columbia Business School's graduating class went on to careers in advertising. Now the number is at 2% to 3%. As he put it, "Advertising lags other fields in compensation. Students are also faced with a greater variety of career opportunities in marketing—the most prevalent being financial marketing." Madison Avenue no longer seems to have the monopoly on creativity. Nowadays on Wall Street, creative minds are a commodity.

What motivated our sample of people under 30 to give the ad biz a try? Here is a list of their expectations (above), ranked from high to low. Seventy-nine per cent of the respondents chose advertising because it was creative, and 15% chose it as a possible step to a sales job. These numbers tell us, in broad terms, that they see advertising as creative, exciting and fast-paced. It also offers the possibility for broad creative exposure.

Young people's expectations of their advertising jobs

☆☆☆ indicates expectations were met
☆☆ met somewhat
☆ poorly met
Numbers represent percentage of 80 respondents

Creative	79%	☆
Exciting	77	☆☆
Creative exposure	68	☆
O-T-J training	63	☆☆
Self-expression	60	☆
Range of businesses	57	☆☆☆
Young	47	☆☆☆
Good salary	41	☆
Specific training	40	☆
General training	40	☆☆
Glamorous	31	☆
Step to brand mgmt.	21	☆☆
Step to sales	15	☆☆

On the other hand, only 41% of the respondents had high salary expectations going in—and 60% did not choose advertising based on its specific or general training programs. This tells me that our industry has a reputation among young people for underpaying and undertraining its employes.

Which expectations of young people are being met? Well—advertising is young, as expected. And in terms of initial perception, advertising gave young people the opportunity to work on the expected range of businesses.

But what of expectations met somewhat? It is in this group that we begin to see some discrepancies. Advertising, initially perceived as exciting, proves in reality to be somewhat less than exciting.

Okay—we can live with that.

But what about on-the-job and general training? Now these motivations weren't initially high, so if the expectations are met somewhat, this means that young people may be getting less training than they had hoped.

Once at the top of the career expectation list, creative ranks near the bottom in terms of industry realities. If young people's desires for creative exposure and self-expression are also not being met, how can we maintain their interest and enthusiasm?

What about young people's salary expectations? If they were low the first go around, they are even lower now.

This being the case, how can we expect to hold on to our

(Continued on Page 22)

Ms. Gossels is a senior media planner at USAdvertising, New York. This is excerpted from her recent speech to a session of the World Congress of the International Assn. of Advertising in Chicago.

'Can do' vs. 'Can't fail'

By Charles G. Burck

The Challenger space shuttle catastrophe continues to yield lessons for managers everywhere. Prominent among these are that top executives cannot afford to be isolated from the people below, who are in better touch with what is going on, and cannot afford to set unrealistic goals.

Yet not even this conclusion goes to the heart of the trouble at NASA. The flaw—call it an institutional virtue gone wrong—can trip many companies with overweening ambitions. In its widely hailed report on the tragedy, the commission headed by former Secretary of State William P. Rogers criticized "NASA's legendary 'can do' attitude." The agency, Mr. Rogers and his colleagues admonished, can't do everything.

Sen. John Glenn went further. The can-do spirit, he noted, worked perfectly well in the old days, when it included a powerful commitment to safety. In Sen. Glenn's view, "can do" gave way over the years to "an arrogant 'can't fail' attitude." Managers assumed that no matter what risks they took, the shuttle would succeed.

"Can't fail" arrogance is common enough in corporations that have long been on a roll. For years Detroit routinely launched badly built cars because the auto manufacturers had always been able to sell whatever they made. By the time they realized that consumers were rebelling, well-crafted Japanese cars had captured a commanding share of the market.

Sometimes "can't fail" reflects desperation. All too often the new venture is so important to the corporate future that it *must* succeed. Evidence to the contrary is not received with pleasure by top management. Nor are the courageous people who dare present that evidence. NASA suffered from this dangerous imperative, having made unrealistic promises in order to win congressional support.

Good internal communications will not help if top management does not want to hear about impending disaster. For the people down in the organization, survival dictates a blind eye.

Setting realistic goals is not good enough either. Most of the great technological breakthroughs were "unrealistic" ideas made by determined, creative people. A company whose goals are invariably realistic soon sinks into lassitude: The range of undertakings viewed as realistic gradually narrows, and managers become risk-averse caretakers of corporate assets.

It would be easy to draw the wrong lesson from the Challenger tragedy by failing to distinguish between can-do and can't-fail. A dynamic organization has to take risks, and without a can-do spirit, it can't do much. That means that top executives have to know how to set "unrealistic" goals that work, and how to motivate people to go after them with fire in their bellies rather than fear in their bowels. The company has to be strong enough to absorb the cost of failure—and smart enough to listen when the people who know what is happening reach the limits of the can-do spirit.#

Mr. Burck is on the board of editors of Fortune, *where this article first appeared.* *Copyright, 1986, by Time Inc. All rights reserved.*

Welcome to Nightsoil Radio

By Bill Earls

Good morning, boys and girls. This is Sleazy Sam Sludge on Nightsoil Radio—the radio program that asks the burning question: "Who else is that on my pillow?"

This is the radio station your mother doesn't want you to listen to.

This is the radio station your teachers hate.

To hell with those people—what do they know, right?

On with the show. Tell you what. Lean over, slap your sleeping partner on the fanny and say, "Wake up, you lazy bum."

You don't have a sleeping partner?

Shame on you. You must be uggggg-lee.

Here's our favorite song for the morning, "Like a Virgin." We hope there's nobody like that out there, don't we?

Stamp out virgins. That's our motto.

Hey, you got one of them freaky teachers wants you to learn algebra and all that other junk? Tell you how to fix him. Get your girlfriend to wear something low cut, see—and when he's trying to look down her dress, you fill his pockets with glue.

Okay, it's call-in time again. You have five minutes to call in to SCUZ Radio—and tell me your favorite thing to do with whipped cream. Give me a break, though—don't even mention strawberry shortcake.

I hope you're going out to buy my latest book—"The 1,000 Dirtiest Things I Ever Said on the Air." It's in all the bookstores and it's crowding out Shakespeare, Dylan Thomas and all that other dumb stuff. This is good writing—things I said right on the radio. And got away with.

Remember the motto of Radio Sleaze—"If it ain't dirty, it ain't fun."

Hang on a sec while we play the theme music from "Porky's" for all you film buffs out there.

Hey, we got a winner in the whipped cream contest. It's Susie Gondawanda—and I can't even tell you what she said. Susie wins a Prince album, a mirror for her bedroom ceiling and tickets to whatever R-rated movie she can sneak into. Susie's a freshman at Central High in Goobertown, by the way.

And, hey, fellas—she carries her own whipped cream.

Oh, just a minute—it's Lord's Prayer time on Reverend Radio. The Supreme Court says that you can't have prayers in school—bunch of pinko old men. We'll show them. Let's all say the Lord's Prayer together right now—and see if they shut us down for that.

Thank God for the First Amendment.

Here's a letter from Wilbur Flunge of Wibbleville. He was just suspended from school for smoking in geometry class and thinks that if we call his principal, Nasty Norman, maybe he can get back in school.

"It was just a little cigaret," Wilbur writes. "I don't think I should have to stay home and not see the cafeteria food fight."

We agree, Wilbur, and you get the Amnesty Award from Sleazy Sam.

Okay, lovers of truth and justice, call Wibbleville High School and tell Nasty Norman that if he don't let Wilbur back in school, you'll slash his tires. And maybe his suit—with him in it.

Here's a request. You say your name is Mary? When was the first time you made love with the milkman, Mary? You don't have a milkman? So what? You're 11 years old—you should find a milkman, then.

Okay, just because you promised to find a milkman, here's the song you requested, Mary, "You Make Me Feel Like a

(Continued on Page 22)

Mr. Earls, an author and free-lance writer, lives—and listens—in Middlefield, Conn.

CATEGORY REVIEW: SOFTWARE

Low-price software flooding pc market

Sale increases expected this year

By CLEVELAND HORTON

Computer software marketers are joining makers of personal computers in a scramble toward lower prices. The result is new, sometimes stiff, competition at the low end of the software market.

The competitive climate also is drawing new attention to the challenge of marketing software, as manufacturers seek the appropriate price to spur sales, fight for shelf space and wrestle with the need of consumers for "hand-holding" after they make a purchase.

Even companies with highly successful, high-price products, such as Ashton-Tate with its dBase data management system, are jumping into the cut-price commodity sector of the market with stripped-down or simplified versions of their breadwinners.

Today, a full-feature pc software program for word processing, accounting, database management and other business tasks is as likely to carry a $69.95 price tag as the more traditional $695.

"Everyone is trying to get into the low end of the market," says Jan Lewis, president of Palo Alto (Cal.) Research Group, a high-tech market research company.

The growing number of cheap computers arriving from Taiwan, Korea and other Far Eastern countries is forcing individual and corporate computer purchasers to look at software in a new way. If a company spends $600 for a machine that duplicates the functions of IBM's $2,895 PC XT computer, would it spend $695 for Ashton-Tate's best-selling dBASE III-Plus?

Total sales of software to the "workplace" market will hit $4.7 billion this year, up from $3.8 billion last year and $2.7 billion in 1984, according to Future Computing, a Richardson, Tex.-based market research company. Despite the high-price market leaders, Future Computing estimates 60% of software packages, by unit sales, are priced at $200 or less.

Established market leaders such as Ashton-Tate and Lotus Development Corp. continue to dominate their segments of the software market with relatively high-price products. But newcomers often try to elbow in through the low end of the market.

"The fact that Ashton-Tate and Lotus are able to survive at that high price point is very rare in the industry," said Ms. Lewis.

For Lotus, the company's early success with its multifunctional 1-2-3 spreadsheet, assisted by an extravagant $2 million introductory ad budget, made the program a "must-buy" for companies. Hill, Holliday, Connors, Cosmopulos, Boston, handles, although Lotus now is not promoting 1-2-3.

Exploiting its position as a safe and proven standard for business, Lotus is able to fend off the low-price look-alikes from less established competitors such as Paperback Software, a Berkeley-based publisher founded by computer industry maverick Adam Osborne. Paperback Software promotes its VP-Plannner as a "keystroke for keystroke" replica of 1-2-3, with several additional features. Its VP-Planner carries a $99.95 suggested price tag, compared with 1-2-3's hefty $495.

Sales of VP-Planner hardly bolted out of the gate at its introduction last October, but recently have picked up. Paperback Software, which markets other software packages as well, recorded total sales of just more than $1 million last year, and a loss of $810,000. For the first quarter of this year, the company broke even on total revenues of $650,000, mostly derived from VP-Planner. By contrast, Lotus sold 630,000 copies of 1-2-3.

Paperback Software and VP-Planner are pitted against Mosaic Software, Cambridge, Mass., which markets another 1-2-3 look-alike named Twin. Mosaic originally priced its entry at $149 but recently cut the price to $99, breaking what some observers believe is the psychological sticking point for software customers.

The company says it has sold about 30,000 copies of Twin, using limited, in-house advertising.

Paperback Software takes a more aggressive approach to promotion. The company's ads, prepared in-house, appear frequently in the computer magazines and always include an order form.

Dallas, Tex.-based Dac Software in just 13 months succeeded in selling 130,000 copies of Dac-Easy Accounting, a $69.95 package competing primarily against companies charging considerably more for their accounting packages. For example, Chang Laboratories, San Jose, Cal., one of the top five accounting software program publishers, charges $500 for a package that provides fewer functions than Dac's software.

Like Paperback Software, Dac also includes order forms in its print ads. Formerly at Ogilvy & Mather, Houston, the account is now handled in-house.

MicroPro International recently "discovered" low-price software. The San Rafael-based company once dominated the word-processing market with WordStar, one of the first full-feature writing programs. Since its introduction in 1978, MicroPro has sold more than 2 million copies of WordStar.

Lower-price word processors such as PFS:Write, and easier-to-use programs such as MicroSoft's Word, knocked WordStar off the best-seller lists several years ago and MicroPro never fully recovered. After an abortive effort to diversify into other types of software, MicroPro decided to concentrate on its former strength. In October, 1984, MicroPro released WordStar 2000, priced above the original WordStar program. In May, 1985, the company introduced Easy, an easy-to-learn word processor with some but not all of the features and speed of WordStar, at a quarter of the price.

Priced at $99, Easy is both MicroPro's loss leader and entry-level product. It is designed for infrequent writers, although MicroPro assumes some Easy customers will graduate to its WordStar programs.

While MicroPro created completely new software for the low-price category, other software publishers will strip features from a successful (and usually more expensive) program and market it at drastically lower prices.

WordPerfect, Orem, Utah, ranked sixth among word-processor publishers last year with its $495 program of the same name,

(Continued from Page 24)

Lotus Development Corp.'s 1-2-3 spreadsheet software continues to dominate its segment of the market with a relatively high-price product. But newcomer Dac Software has elbowed in at the low end of the electronic spreadsheet market.

Nightsoil

(Continued from Page 18)

Natural Woman."

Here's the Money-Saving Tip of the Week from the Grabbit brothers of Cliptown. They say to go into a supermarket, buy some of that cheap French bread and, while you're walking around, fold a couple of expensive sausages into the bread and then close the bag up. Cheap eating, they say. Thanks, guys. Don't come to my store.

Tell you what, it's getting pretty quiet here. While we play something gentle from Twisted Sister, why don't you call in and tell me the funniest thing you ever said while making love. No fair calling in if you're over 16—we don't want to tie up the phone lines.

Speaking of phones. The Weekly Take Care of Yourself Award goes to Reginald Snibblefirsch, who took a job as night janitor—just to call his senior class in Hong Kong from work. Good trick, Reggie.

Song time. Let's all sing together the theme song of Scuzbucket Radio:

"We're a bunch of sleazes/We say what we pleases/You can try to stop us/But no one can ever top us.

"We wallow in sex and slime/We do it all the time/We tell lots of bathroom jokes/Insult lots of folks/Fill the air with 'damns' and 'hells'/Cause what we're doing sells."

Hey, we gotta break for the news—find out what Rotten Ronnie and Barbie are doing with our tax money. We'll be back in six minutes with more slime and grime on Sleazeball Radio.

Awright!#

Mad. Ave.

(Continued from Page 18)

good people without paying them more? What can we do to attract good entry-level people?

1. *FIND THEM.* Let them know we exist. That means recruiting on more college campuses—not only for account executive positions, but media and creative as well.

2. *SELL OURSELVES BETTER.* Let young people know we offer a variety of career opportunities.

3. *PAY THEM BETTER.* If we want to attract the best young talent, we must offer competitive starting salaries. I suggest lowering the second and third pay increments to offset the initial loss.

4. *TRAIN THEM.* In all areas. General and specific. And where we don't have the manpower or resources, we should let applicants know we will finance some of their outside education.

But beyond that, what can be done to keep them in tow?

Keep them involved. Make them feel part of a greater whole.

If you make young people feel part of your company, they'll be less likely to leave.

If we want to compete for and hold on to the good people out there, we, the great communicators, must learn to communicate better—and share.#

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Cigar sales still slumping

By JOHN C. MAXWELL JR.

In 1985, the cigar industry continued its downward sales trend, a decline that has been continuing for more than two decades. In units, the large category fell 7.7%, small cigars were down 16% and little cigars were down 1.2%. Overall, the market share for the three types of cigars stayed pretty much stable.

On a dollar basis, sales also fell pretty much across the board. However, premium-price cigars continued to move up; a recent study shows that 53% of the ceos in the *Fortune* 500 companies smoke cigars.

Swisher continued its No. 1 position, but lost some share. Most of the other major companies maintained or increased share.

Again in the little-cigar category, Dutch Treats seems to be the only product to show some share increase.

About the only new products out there come from Swisher—Swisher Sweet Wood Tipped and the King Edward Wood Tipped products in regional markets.

Also, King Edward has a slim in test market.

Simmons Research data shows the younger generation (18 to 34) appears to be picking up as a cigar-smoking segment, while the older generation cigar smokers (over 65) seem to be the biggest consumer of all.

In the case of little cigars and cigarillos, again this appears to be concentrated in the young age bracket and over-65 in the high-income bracket.

A study by Mediamark Research shows that about 7% of the population smokes cigars, and college graduates appear to be the heavier smokers.#

Mr. Maxwell is with Furman Selz Mager Dietz & Birney, New York.

Cigar market shares

Small cigars led the industry's continuing unit sales decline last year with a category loss of 16%. Large cigars fell 7.7% and little cigars dropped 1.2%. Market share for the three categories was generally unchanged. John H. Swisher & Sons clung to its No. 1 spot in the large and small category while losing .3% in share, and Dutch Treats recorded the only share increase in the little cigar category. Large and small cigars are combined in this table for industry reporting purposes. *Source: John C. Maxwell.*

Brand	1983 Units	1983 %	1984 Units	1984 %	1985 Units	1985 %
Large and small cigars						
John H. Swisher & Sons						
King Edward	750	21.0	740	21.6	650	20.9
Others	150	4.2	160	4.7	160	5.1
Total	900	25.2	900	26.3	810	26.0
Consolidated Cigar						
Muriel	300	8.4	288	8.4	270	8.7
Dutch Masters	280	7.8	256	7.5	232	7.5
El Producto	175	4.9	158	4.6	137	4.4
Backwoods	43	1.2	41	1.2	38	1.2
Others	95	2.7	86	2.5	75	2.4
Total	893	25.0	829	24.2	752	24.2
General Cigar						
White Owl	195	5.5	176	5.1	165	5.3
Robert Burns	135	3.8	119	3.5	115	3.7
Tijuana Smalls	65	1.8	58	1.7	53	1.7
William Penn	125	3.5	101	2.9	82	2.6
Garcia y Vega	100	2.8	110	3.2	118	3.8
Others	50	1.4	47	1.4	40	1.3
Total	670	18.8	611	17.8	573	8.4
American Cigar						
Roi-Tan	64	1.8	50	1.5	38	1.2
Antonio y Cleopatra	164	4.6	148	4.3	138	4.4
La Corona	25	0.7	35	1.0	40	1.3
Casa Silva	—	—	11	0.3	4	0.1
Others	2	0.1	1	—	5	0.2
Total	255	7.1	245	7.1	225	7.2
Havatampa						
Havatampa	176	4.9	186	5.4	191	6.1
Phillies	174	4.9	166	4.7	160	5.1
Total	350	9.8	352	10.3	351	11.3
Lorillard						
Erik Filter Natural	67	1.9	62	1.8	58	1.9
Erik Filter Menthol	32	0.9	30	0.9	29	0.9
Erik Filter Cherry	19	0.5	18	0.5	17	0.6
Total	118	3.3	110	3.2	104	3.4
U.S. Tobacco						
House of Windsor	73	2.0	73	2.1	73	2.3
M&N Cigar Mfrs.						
Cuesta-Ray	22	0.6	23	0.7	23	0.7
Rigoletto	35	1.0	36	1.1	35	1.1
Total	57	1.6	59	1.7	58	1.9
Universal Cigar						
Optimo	62	1.7	60	1.8	57	1.8
Corral Wodiska y Co.	33	0.9	34	1.0	33	1.1
Others	156	4.4	154	4.5	74	2.4
Grand total	3,567	100.0	3,427	100.0	3,110	100.0
Little cigars						
Reynolds						
Winchester	654.0	48.8	575.0	46.4	502.0	41.0
Consolidated Cigar						
Dutch Treats	515.0	38.4	556.0	44.8	565.0	46.1
Lorillard						
Omega Natural 85s	13.1	1.0	11.3	0.9	10.5	0.9
Omega Natural 100s	35.1	2.6	34.1	2.8	33.3	2.7
Cherry 100s	4.4	0.3	4.0	0.3	3.3	0.3
Menthol 100s	3.4	0.3	3.1	0.3	2.9	0.2
Total Omega	56.0	4.2	52.5	4.2	50.0	4.1
Between the Acts (90mm)	39.9	3.0	37.9	3.1	36.0	2.9
Madison (80mm)	26.1	1.9	24.4	2.0	22.5	1.8
Total	122.0	9.1	114.8	9.3	108.5	8.9
American Cigar						
Roi-Tan (85mm, 100mm-F)	10.0	0.7	7.0	0.6	4.0	0.3
Antonio y Cleopatra (100mm-F)	18.0	1.3	10.0	0.8	6.0	0.5
Total	28.0	2.1	17.0	1.4	10.0	0.8
Change in inventory	22.0	1.6	(22.8)	(1.8)	39.5	3.2
Grand total	1,341	100.0	1,240	100.0	1,225	100.0

Glad adds color to lock bags

By LISA E. PHILLIPS

Dow Chemical's Ziploc plastic bag still has the lock on the interlocking plastic bag market, but it may be facing its heftiest challenge this year from rival Glad plastic bags, now marketed by First Brands Corp., Danbury, Conn., which just purchased the business from Union Carbide.

Glad Lock bags, featuring a unique color-changing seal, broke a network tv campaign in early July following the final phase of its yearlong national expansion. The third in a series of 30-second tv commercials for the brand, titled "Kindergarten," via Leo Burnett USA, Chicago, broke July 21.

The ads, each featuring at least one child, stress the color-change feature of Glad's seal, comprising a blue line of adhesive on one side and a yellow line on the other. When pressed together, the adhesive turns green and "you know your bag is sealed," according to Glad's tv spot spokesman, actor Tom Bosley.

"Kids love it. It's fun and it gets across that we're the only bag with a color-changing seal," said Jeff Schnell, Glad Lock product manager at First Brands.

Mr. Schnell declined to disclose spending on the Glad Lock campaign, which will run for at least a year, he said. No other new creative is expected.

The product line changed hands with the completion of the purchase of the business by former Union Carbide executives, who formed First Brands. Danbury-based Union Carbide put the product line on the selling block last year as part of a successful defense against GAF Corp.'s takeover attempt.

Eveready and Energizer batteries were bought by Ralston Purina Co., and First Brands also bought the Simoniz, Prestone and STP automotive-product lines.

Ziploc, with a 65% share of the interlocking plastic bag market, last year had measured spending of $18 million for its food storage, freezer, microwave and sandwich bag lines, according to Leading National Advertisers.

Glad Lock illustrates the benefits of its bags in advertising by showing kids having an unfortunate accident with competitors' bags, such as strawberry jam leaking out of a bag.

While zip-closures have "made a significant impact" in the food storage bag market, said Mobil Oil spokesman Jim Amana, Mobil's Baggies brand twist-tie plastic bags are still the over-all market leader, with 35% of the market. Ziploc accounts for 20% of the over-all food storage bag market, and Glad trails with 18%, he said.

The company is satisfied with the performance of its twist-tie bag and has no plans to introduce its own interlocking system, Mr. Amana said.

Mobil's Baggies and Hefty brand storage bags were backed by $2.7 million in measured ad spending last year, via Ted Bates Advertising/New York.

Glad spent only $3.4 million in measured media to support its food storage, freezer and sandwich bags. The majority of the total $18.2 million measured spending for Glad last year backed its other plastic products, such as trash and garbage bags and microwave food wrap.#

Drug outlook bright: Kline

Nonprescription proliferation will continue

FAIRFIELD, N.J.—The nonprescription-drug industry will continue to experience steady growth during the next several years, fueled by acquisitions, the switch from prescription to nonprescription status for some drugs and the emergence of new applications for existing drugs.

That analysis, from Charles H. Kline & Co., here, is based both on this year's growth in the over-the-counter market and on some of the changes that have taken place recently in the drug industry.

Sales of nonprescription drugs are forecast to increase 7% this year, compared with last year's 5.9% increase.

The survey predicts otc growth will continue.

According to the Kline survey, the increasing popularity of cross-over products, medications that can be used for more than one condition, has had a tremendous impact on the drug industry.

One such cross-over product is fiber, which is now being used as a diet aid and a laxative.

Sales of diet aids such as Schering-Plough's Fibre-Trim and laxatives such as Merrell-Dow's Citrucel were helped substantially by consumer interest in fiber, the survey showed.

Additionally, calcium helped revive the antacid category in 1985, with Norcliff-Thayer's Tums posting a sales increase of 34%.

Calcium also created a new category of otcs, calcium supplements, which Kline estimates will post 8% unit growth annually through 1990.

> The increasing popularity of cross-over products, medications that can be used for more than one condition, has had a tremendous impact on the drug industry.

Another contributor to Kline's favorable prediction is the increase in sales for major drug companies after mergers and acquisitions. According to the study, Procter & Gamble's otc business increased 350% in 1985, following its acquisitions of Richardson-Vicks and Searle Consumer Products. P&G now ranks fifth among nonprescription-drug companies.

Kline also predicts that increased promotion of Warner-Lambert's Benadryl and A.H. Robins' Dimetapp, which were both switched to nonprescription status in 1985, will fuel growth in the cold and allergy markets in 1986.

Last year, according to the study, both products increased their market shares.

The increased popularity of cold relievers that contain ibuprofen is another factor that should help increase sales and spur growth in the otc industry.

Ibuprofen-based pain relievers are estimated to capture 15% of the pain-reliever market this year, up from 8% in 1985.

Marketing exclusivity of ibuprofen for American Home Products (Advil) and Bristol-Myers (Nuprin) ends in September, opening the way for other otc manufacturers to take advantage of this growing market.

Johnson & Johnson already has announced the launch of an ibuprofen-based product, and Upjohn, which is not bound by the market exclusivity, and American Home Products both launched new ibuprofen-based products earlier this month.

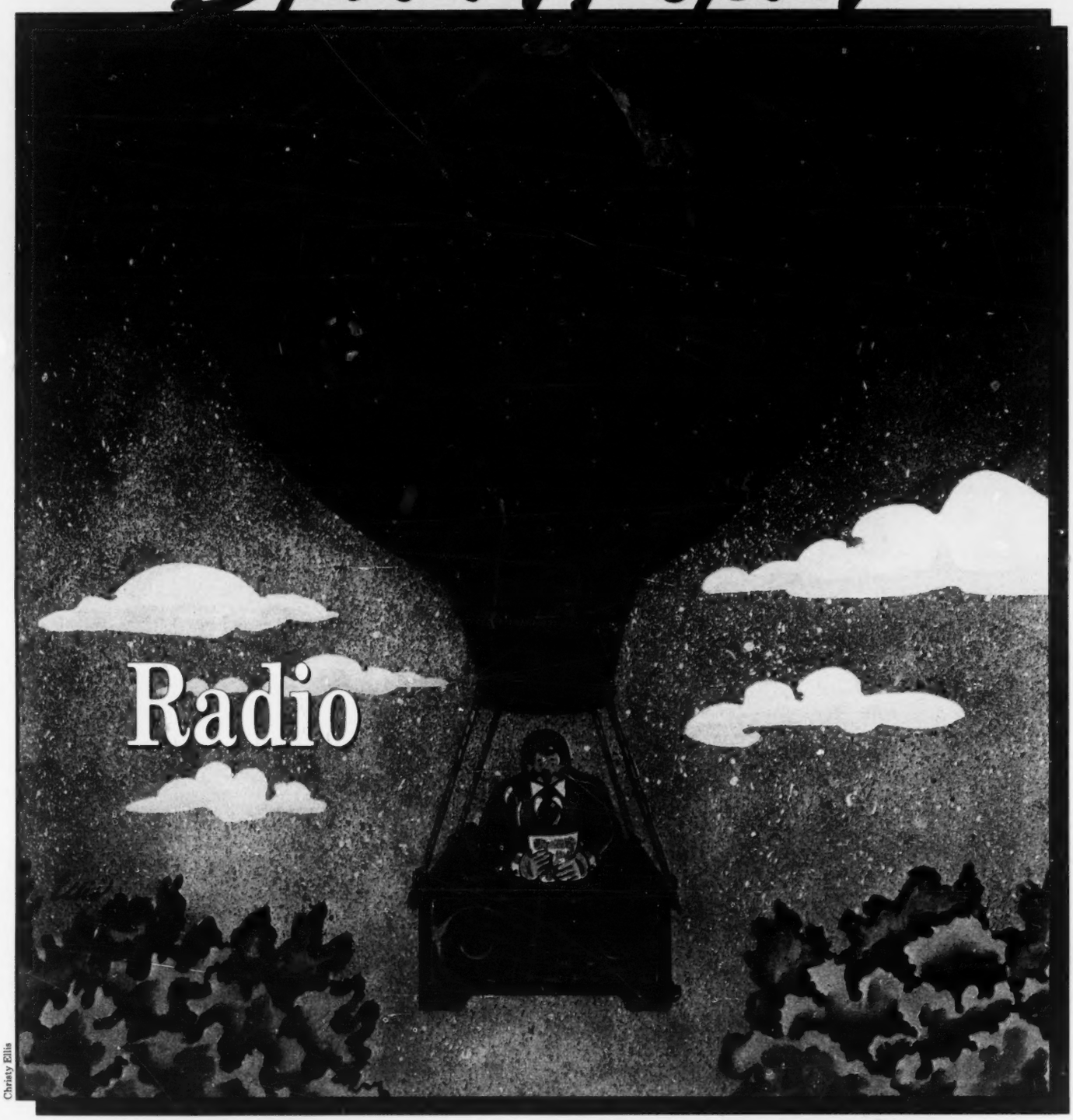
The complete survey is available from Charles H. Kline & Co., 330 Passaic Avenue, Fairfield, N.J. 07006-2099.#

Mark One Advertising adds regional office in Atlanta

ATLANTA—Mark One Advertising, Daytona Beach, Fla., has opened an office here to serve its regional retail clients.

The branch office is called Hancock Advertising, after Mark One's president, Mark Hancock, who will oversee operations in both offices. The new agency is at 200 Galleria Pkwy., 30339.#

Special Report



Christy Ellis

Tuning in strong marketing signals

By Janice Steinberg

Radio stations are fighting harder than ever to stay on top of intensely competitive markets. As the going gets tough, the tough in every market are fine tuning formats, seeking new personalities and promoting community events. They also are turning to state-of-the-art marketing: Geodemographic and psychographic research are radio's newest, shiniest weapons.

"Psychographic research is the wave of the future. It's interesting, it's insightful, it will make managers think," says Robert R. Davis, manager-corporate research for Midwest Communications, Minneapolis, owner of WCCO (am), Minneapolis.

Janice Steinberg is a free-lance writer and former radio station promotion director.

Arbitron's geodemographic Target Aid, which pairs each Zip code in a market with one of 47 cluster groups, such as "average educated, married couples, children, homeowners," has 220 station subscribers. Access to the information costs $320. Each request for specific information is priced based on complexity and size.

"Stations are doing much more sophisticated breakdowns and it's influencing the way they build promotions," says Danny Flamberg, senior vp-communications at the Radio Advertising Bureau, New York. "They are crafting their promotions to appeal to the life styles, the attitudes, the language of the people who are listening."

"Radio's got to be bigger than life," says Cindy Spodek, director-marketing at KIOI (fm), San Francisco. "You've got to be warm and cuddly and loved by your audience, but you've also got to have that incredible ability to pull off what nobody else can do."

Last summer, KIOI conducted a promotion in conjunction with Safeway Food Stores, Oakland, Cal., in which 101 people won trips to Disney-

(Continued on Page S-2)

Data on the dial

- In 1985, radio stations spent $88.9 million in six media including $62.4 million for spot tv and $25.4 million for outdoor advertising

Source: Broadcast Advertisers Reports, Institute of Outdoor Advertising and Outdoor Advertising Association of America as reported to Leading National Advertisers, New York.

- Total 1985 U.S. radio ad revenues of $6.56 billion were up from 1984 ad revenues of $5.88 billion.

Source: Radio Advertising Bureau, New York

Tuning in strong marketing signals

(Continued from Page S-1)

land. The seven-week promotion, called Celebration Vacation Sweepstakes, cost the station about $50,000 for tv spots and entry blanks.

Safeway paid more than $150,000 for tv, newspaper and spots on other radio stations—which mentioned the sweepstakes but did not name KIOI—and received more than $200,000 in KIOI spot time. Safeway also featured KIOI in extensive point-of-sale advertising in area stores.

KIOI's ratings went from 3.3 in Arbitron spring, 1985, ratings for 12-plus listeners to 4.0 for the contest period, and Ms. Spodek says the Disneyland promotion will run again this summer.

> ***"With radio today you can't just run some tv spots or run some print ads or run a billboard."***
>
> **Lee Pocock**
> **KSL (am), Salt Lake City**

The station also has done some imaginative low-cost promotions. A transplanted New Yorker, Ms. Spodek put on a New York "reunion" as a KIOI promotion in April, 1985, flying in Sabrett's hot dogs, cases of Yoo-Hoo beverage and Rheingold beer to a San Francisco bar. Although KIOI promoted the party only on the air—New York Mayor Ed Koch cut a promo—more than 800 people showed up.

"Word of mouth was phenomenal," Ms. Spodek says. "A listener called directory assistance and the operator noticed her heavy New York accent and asked if she was going to the KIOI party."

The station held a Chicago reunion in June, 1985, featuring Gino's pizza, White Castle hamburgers and an autographed Cubs baseball.

Total cost of both parties was $3,000. American Airlines flew in the food in trade for promotional considerations.

Also in the "bigger than life" category, this spring WNEW (fm), New York, gave away eight Porsches. At a total cost of $229,000 for the cars, director of advertising and promotion Rose Polidoro says she got a deal.

"It had the most incredible word of mouth buzz, it expanded the demographic in terms of hitting the hot button for a lifestyle prize, and it was on the air for three months," she says. Latest Arbitron ratings for spring, 1986, show WNEW went from a 3.7 rating to 3.9.

"Here was this promotion that awarded eight wonderful life style desirable prizes—incredible word of mouth—and it cost me one-fourth of what [a full-blown media campaign] would have cost. If I had put together a television schedule to compete with this, it would have been a phenomenal cost."

WNEW (fm) personality Dave Herman (in hat) shared smiles with six winners of Porsches and Bob Horowitz of Porsche Place (far left) after a three-month promotion at the New York station.

Although WNEW preferred Porsches, tv remains radio's most popular advertising medium. According to Broadcast Advertisers Reports, New York, stations ran $62.4 million of spot tv in 1985, representing 70% of all radio station advertising. The 1985 spending is up from $33.8 million in 1980.

Actual expenditures for tv may have gone up even more. Although the BAR figures include traded time, Danny Flamberg says stations are increasing buying rather than trading for tv time.

"Part of the increase in tv buys versus trades is the appreciation of the value of television as a reach medium for blanketing a market," Mr. Flamberg says. "Part is the greater availability of syndicated television commercials, which reduce the productive costs and give you higher production values than were ever available before." *(See related story on Page S-4.)*

Tv spots bring stations important residual benefits in markets influenced by ad agencies. Local media buyers, for example, may be sold by well-placed and well-produced tv spots, Mr. Flamberg says.

"You want women 18 to 34, so, like every other station in America, you try to get a local avail in 'Dynasty.' That's not targeting, that's a shotgun. But all the media buyers in town know you've bought it and you're getting incredible play and they're saying, 'Hey! KXRC is hot, they've got this new commercial, they've got this new image.' The value of that is so much greater than the number of eyeballs watching 'Dynasty.'"

Despite tv's benefits, stations are weighing the cost more carefully than ever, according to Erica Farber, vp-general manager of New York-based Interep Marketing Systems, which represents more than 1,000 stations.

"People are spending their money smarter," she says. "If they're going to use television, stations are taking a hard look. Can they really afford to buy television properly? They're looking at ways to dominate particular outside advertising vehicles, rather than doing a little of everything."

Outdoor is big, too. In Los Angeles, KNX (am) spends almost equal amounts on outdoor and tv. "Outdoor is a logical point-of-purchase medium for radio," says KNX director-advertising and promotion Fred Bergendorff. "People are in their cars, and they're only a fingertip away from the pushbuttons."

He says that by using a combination of outdoor and tv, the station's message is reinforced.

Los Angeles' KIIS-FM uses outdoor almost exclusively. Vp-station manager Lynn Anderson-Powell was unwilling to discuss whether KIIS is planning something new to win listeners from rival KPWR-FM. *(See related story on Page S-6.)*

In addition to traditional uses of tv and outdoor, radio marketers have discovered direct mail. Unidyne, a San Diego-based radio station promotional service, has done more than 200 direct mail campaigns in 115 markets in the past five years, according to Ernie Kovacs, sales manager.

When Unidyne's "Incredible Prize Catalog" arrives at every home in a station's market, promising a range of expensive goodies if listeners call within 15 minutes of hearing their entry number on WXYZ, people listen. David Spence, general manager of KVIL (am, fm), Dallas, credits the "Incredible Prize Catalog" with a three-point ratings gain. In addition to the prize catalog, Unidyne offers several other contests, including "The Check's in the Mail."

Similarly, adult contemporary WLVE (fm), Miami, sent a direct mail piece to more than 80,000 businesses, knowing that secretaries usually open the mail and turn on an office radio.

Another aspect of promotion many stations consider indispensable is community events. "With radio today you can't just run some tv spots or run some print ads or run a billboard. You just aren't going to get the attention," says Lee Pocock, director-promotion and creative services at KSL (am), the No. 1 station in Salt Lake City. "I believe you've constantly got to be out there, doing something."

Among KSL's 80 events a year are a radiothon that raised $120,000 for a children's hospital.

"Community involvement is probably the most important promotion any radio station can do. The bottom line is maintaining visibility in the community that we would like to have as our listening audience," says Jon Quick, director-marketing and promotions at WCCO. One of the station's most successful events is the Twin Cities Marathon. WCCO puts its call letters on the start and finish banners and t-shirts and also covers the race live from its mobile van.

"Being a vital part of the community is one of the things that has really helped our numbers grow," says Jim Marchyshyn, director-marketing and promotion at St. Louis' No. 2 station, KSHE (fm). KSHE does an annual "Coats for Kids" campaign and "the biggest blood drive in Missouri," he says.

Mr. Marchyshyn voiced an issue expressed at some of top stations around the country. Despite the industry's excitement about psychographics, "Research is good to a point, but you still have to know your market and go with a gut feeling," he says.

Midwest Communications' Mr. Davis has a lot of respect for gut feelings. "The best thing I can do as a researcher is to give managers enough information so that their gut is a little more finely honed."

Top 15 radio stations by ad spending

Company	Radio station, city	Thousands spent
1. Viacom International	WLTW (fm), New York	$1,674.1
2. Tribune Co.	WPIX (fm), New York	1,527.3
3. RCA Corp.	WYNY (fm), New York	1,380.5
4. Metromedia	WNEW (fm), New York	1,304.4
5. Bonneville International	WCLR(fm), Chicago	1,137.4
6. Westinghouse Electric Co.	WBZ (am), Boston	1,136.3
7. Capital Cities/ABC	WKHX (fm), Atlanta	1,013.8
8. Westinghouse Electric Co.	WINS (am), New York	929.3
9. Midwest Television	WCCO (am), Minneapolis	915.2
10. Westinghouse Electric Co.	KFWB, (am),Los Angeles	910.9
11. Gencorp	KHJ (am), Los Angeles	879.1
12. King Broadcasting	KING (fm),Seattle	867.8
13. Capital Cities/ABC	KGO (am/fm), San Francisco	847.8
14. Susquahana Broadcasting	WARM (am), Scranton, Pa.	832.1
15. Hobby-Cat	KPRC (am), Houston	831.5

Source: Broadcast Advertisers Reports as reported to Leading National Advertisers

Does the D.J. in Pittstown, USA tell your dealers how to advertise your product on the air?

ONLY EVERY DAY.

Your dealers let their local radio stations be their guide when they want to buy retail air time. Often, a station's D.J. sells the air time, tapes some canned music and does the voice-over from a form script that's altered to "fit" your dealers' needs. It's all designed to sell your product at the retail level — you hope!

Pontiac, Wrangler, Subaru, FTD, Toyota, Amoco, Cadillac, Suzuki, Honda, Kawasaki, GM Parts, VW and other major manufacturers don't just hope. They count on us to deliver **THEIR MESSAGE** — not some D.J.'s — to radio stations and their dealers in one neat package.

We're the *KWIKEE® RADIO BROADCAST SYSTEM (KRBS™).* And we can deliver *YOUR MESSAGE*, too.

Our base package includes: a soundsheet with up to eight minutes of sound for your music beds, jingles, pre-produced spots and/or donuts; three printed pages for your approved scripts, co-op information or whatever suits your needs; an identifying tab and distribution to our 4,500 subscribing stations. Those stations place your materials in the KRBS binder that we provide for them. Or you may choose distribution to 7,500 stations, or a mailing to match stations in your dealers' areas. Optional creative services are also available.

Remember, your dealers are not in the radio advertising business.
They need your help to air YOUR MESSAGE.

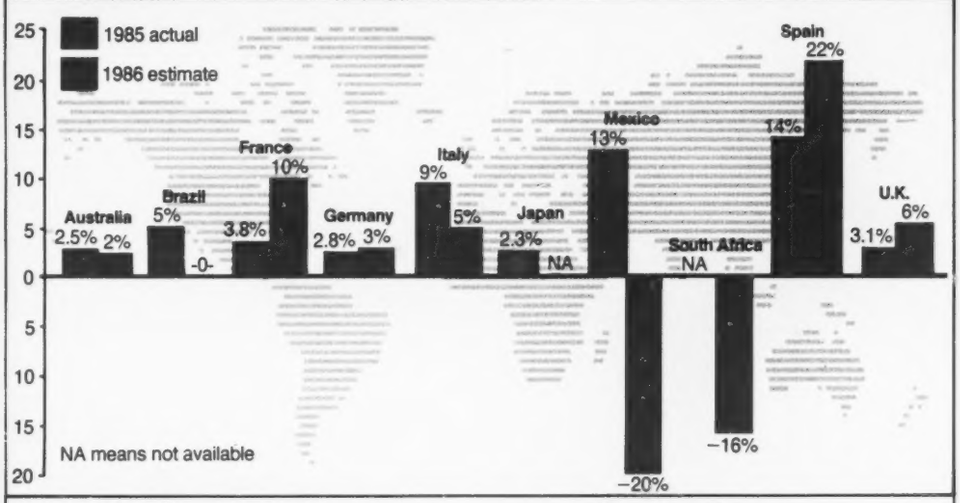
For more information on KRBS, call **(800) 447-1950.** In Illinois, **(800) 322-3941.** Ask for extension 351.

KWIKEE® RADIO BROADCAST SYSTEM

A DIVISION OF MULTI-AD SERVICES, INC.

Worldwide ad spending growth

A survey of advertising industry experts around the world indicates that 1986 ad spending in most of Europe will be higher than initially anticipated, but lower in South Africa and parts of Latin America. Inflation has been factored out and currency devaluations are not included. *Source: Advertising Age.*



Private tv sparks jump in European ad budgets

An Advertising Age roundup

Foreign advertising expenditures are soaring higher than anyone predicted at the beginning of the year, due to new private tv channels in Europe.

At the same time, surging inflation is sending the ad industries in Latin America and South Africa into a tailspin, but not enough to offset advances in Europe.

Those forecasts emerged from Advertising Age's latest twice-a-year survey of ad industry executives worldwide.

The survey supports predictions by Robert Coen, senior vp-director of forecasting, McCann-Erickson, New York, who recently said ad spending outside the U.S. will be up 26.7% over 1985, compared to a 7.6% increase in the U.S. (AA, June 30).

Mr. Coen's figures were converted into dollars, and consequently are more bullish than Ad Age's, which are expressed in the local currency. "I would not be surprised if my figures were revised upward at the end of the year," he said. "I've factored in a conservative exchange rate."

The revised 1986 Ad Age forecast shows real (*i.e.*, with inflation factored out) growth in the U.K., France, Spain and Germany nearly twice as high as anyone expected earlier this year. Forecasts for Brazil, Mexico and Italy have been revised downward. Australia and Japan remain unchanged.

EUROPE

The growing number of private tv channels is the single most important factor boosting 1986 advertising expenditure figures in Europe.

"With additional tv time in major markets like France, Italy, Belgium and Denmark, that's a hell of a lot of time," said Bill Tragos, TBWA's ceo.

TBWA, with 75% of its billings overseas, expects a double-digit increase this year over last, based in dollars, he said.

In Spain, softer oil prices, a weaker dollar and Spain's entry into the European Economic Community in January have led Spanish admen to speculate that ad expenditures will be up 22% by the end of the year—considerably higher than the previous 13% forecast made in February.

Ad spending in Spain grew 17% in real terms during the first six months of 1986 compared with the same period last year. Political ads for a recent election and for the NATO referendum "will make up 3% to 4% of the over-all increase," said Julian Bravo, director general, J. Walter Thompson S.A.

In France, predictions climbed from a 4% increase expected in February to 10%. The French Advertising Agency Assn. attributed the upswing to the growth of private tv channels after the ousting of the Socialist majority in March.

"The function creates the organ, or the more media we have, the more advertisers will buy the space," said Jacques Bordelais, president of Bordelais, Lemeunier & Leo Burnett.

In the U.K., estimates of ad-spending growth for the year doubled, from 3% predicted in February to 6% now. Expenditures in the first half of '86 climbed 9%, compared to a depressed 1985 first half. However, the British Advertising Assn. predicted a second-half slowing.

"Real incomes have been going up by around 6% in the country so far this year," said Mike Waterson, AA research director. "So consumers have had a lot more money to spend. At the same time, profits have been improving."

Germany expects a modest 3%-to-5% increase, despite a zero inflation rate. A 1% increase was previously predicted.

Italy was the only European country surveyed where growth predictions fell—from 8% to 5%.

Angelo Usai, president of McCann-Erickson Italiana, said, "I would say at midyear that we can expect growth in spending, though not the kind we saw during the boom," after Italy ended government ownership of tv and allowed ads in 1978.

"During the boom, there were years when real ad spending increased by 50%," said Vittorio Maglia, secretary-general of ASSAP, the Italian agency association. "But now we are a mature market."

LATIN AMERICA AND SOUTH AFRICA

Mexico's forecasts, like its economy, have taken a nosedive. Previously, agency executives anticipated a 13% increase over 1985 expenditures. Now, after months of a troubled economy and an 80% inflation rate, a 20% drop is expected.

Jaime Martinez, general director of Paulino Romero y Asociados, said the World Cup soccer tournament, held in Mexico in June, boosted ad expenditures, but not enough to push Mexico to last year's spending levels.

In Brazil, where the government introduced an anti-inflation plan in February, estimates were also revised downward, from 5% growth in February to no change from last year. After the inflation-fighting plan was enforced, ad spending came to a sudden halt. Media buying experienced a slow comeback in June because of declining media prices.

The price freeze boosted consumer spending, creating shortages of certain products such as cars, home appliances and tobacco. Marketers of the hard-to-find products have stopped advertising.

South Africa's political troubles are playing havoc with its economy and the ad industry. The country's forecast is the worst of the survey, with an estimated drop of 16% compared to last year.

JAPAN AND AUSTRALIA

In Japan, Dentsu, its largest agency, makes official predictions for the total Japanese industry once a year. Earlier this year, it estimated expenditures would increase by 4% in 1986, but the figure has not been updated and sources say it is now unrealistic.

Sources cite Dentsu's first-half performance; the agency said its real growth for January through June dropped 1%. "We are just praying that things will look up before the end of the year," said a Dentsu staffer.

"In Japan, the economy has been having some problems. It hasn't hit us yet, but we are anticipating it," said Jerry Roberts, ceo of DYR Inc.

Though ad restrictions for banks and financial

(Continued on Page 45)

Alfa Romeo shifts gears

By CLAIRE WILSON

Paris—Italian auto maker Alfa Romeo is giving its $15 million-to-$20 million European account to SSC&B:Lintas and local agencies in Italy, Spain and the U.K.

At the same time, the car marketer is changing its creative thrust to capture more of Europe's upscale automobile market.

The big loser in the agency switch is D'Arcy Masius Benton & Bowles, which relinquished the Alfa account six months ago. During the review, Alfa used existing DMB&B ads. DMB&B formerly handled the account in Austria, Belgium, France, Germany, Netherlands, Spain and Switzerland.

The account goes to Lintas in Austria, Belgium, France, Germany, Netherlands, Sweden and Switzerland.

In the U.K., the account goes to the Basel-based GGK network. Lintas has the Toyota account in the U.K.

The Italian budget represents about half of the European account, according to Claudio Masi, president of Milan-based MAC. His agency shares Alfa's Italian billings with Cremona, Italia/BBDO and ODG. Each Italian agency handles a different model, with Alfa Romeo controlling media planning and purchases.

CBC, in which DMB&B has a 10% stake, had the account in Italy for the last 15 years. Lintas has the Mercedes-Benz account in Italy.

Mr. Masi said dividing the account among four agencies in Italy is an experiment to "see who gets the best results and then pare it down to eventually two agencies."

In Spain, where Lintas has the account for Renault (which has a 33% market share), Alfa Romeo goes to Madrid shop NCA.

The old DMB&B strategy for Alfa Romeo involved corporate ads that showed the car maker's logo and revealed nothing about the performance of the car.

The new strategy, created by Lintas' Paris office and translated into different European languages, will break in October and will focus on Alfa's "sporting heritage," according to a Lintas source.

Alfa Romeo officials could not be reached for comment. The troubled Italian car maker, which manufactures only about 180,000 cars annually, has about a 1% market share in France, and even less in most markets, except Italy.

The company, owned and subsidized by the Italian government, is also talking with Ford Motor Co. about selling some Alfa units.

Alfa Romeo is interested in selling assets to Ford to solve Alfa's cash-flow problems, while Ford wants Alfa to develop special products for the U.S.#

Saatchi accord saves account

By DAGMAR MUSSEY and JULIE SKUR HILL

Ted Bates Worldwide and Saatchi & Saatchi last month narrowly saved about $40 million worth of business from German clients concerned about client conflicts arising from Saatchi's impending buyout of Bates.

Bates and Hamburg-based Scholz & Friends, 51% owned by Bates, took the unusual step of issuing "confidentiality agreements" to BMW, and possibly other clients, to assure that no information would be passed between Scholz and Saatchi.

The main conflict is between the Jaguar account, handled by Saatchi & Saatchi in the U.K., and Scholz' $22 million BMW account in Germany.

BMW, which traditionally uses smaller agencies, threatened to bolt Scholz & Friends, one of the hottest breakaway agencies in Europe, if the agency didn't maintain its independence from Saatchi.

When the auto marketer initially expressed its conflict concerns, agency co-founders Juergen Scholz and Michael Menzel attempted to buy themselves out of an 8-month-old agreement with Bates—either by buying 100% of the agency or 2%, giving them a majority (AA, July 7).

But the Bates-Scholz contract did not provide for a buyback, and Bates turned down the offer.

BMW then pushed the Hamburg agency for written confirmation that no BMW information be available to the Saatchi agencies.

Saatchi also handles a small account from coffee marketer Jacobs-Suchard in Germany, while Scholz handles Tchibo coffee. In addition, Saatchi handles Gallaher's Silk Cut cigarets in the U.K., while Scholz handles Reemtsma cigarets in Germany.

The Tchibo and Reemtsma accounts are worth about $10 million each.#

World News Roundup

(Continued from Page 3)

Ayer is not repitching.

Vevey, Switzerland—Nestle S.A. agreed to standardize nutritional information on packages worldwide to meet United Nations' codes.

Buenos Aires—Parker Pen chose Y&R de Argentina for its $800,000 account. Ortiz Scopesi/Ogilvy & Mather previously handled.

Paris—General Foods Corp. moved its $750,000 Tang account from Grey to Ogilvy & Mather.

London—PepsiCo picked Ogilvy & Mather for its media planning and buying for pan-European satellite tv channels, a new account. Saatchi & Saatchi, BBDO and J. Walter Thompson also pitched.

MEDIA PEOPLE

'Life' boosts 4 in ad sales shifts

NEW YORK—*Life* has named four advertising sales executives to new posts in a restructuring of its ad sales department.

Named sales division managers, in charge of three new regional sales divisions, are Sy Sarnoff and James Sammartino, co-eastern division managers; Robert Daley, midwestern division manager, and George Eckardt, western division manager.

Mr. Sarnoff was a sales rep. Mr. Sammartino was a senior sales rep. Mr. Daley was Detroit advertising manager and Mr. Eckardt was West Coast manager.

Other people moving:

Raymond Cyrgalis to display advertising director, a new post at the *Daily News*, New York, from retail advertising manager.

Dan O'Day to national ad manager, *Chicago Sun-Times*, from national ad sales manager. He succeeds **Scott Ring**, who earlier was named vp-advertising, and is replaced by **Bob Campbell**, formerly division manager-financial/media/publishing. Also at the *Sun-Times*, **Joe Sherman** to retail ad manager from division manager, replacing **Paul Skittone**, earlier named vp-display advertising; **Joe Murzanski** to retail ad sales manager from sales manager-dining/entertainment; **Norm Rosinski** to classified ad manager from retail sales manager, and **Chuck Agresti** to classified ad sales manager from associate manager-eastern region.

John Karns to Detroit branch manager, *Successful Farming*, Des Moines, from publication manager of *SF's* market development unit. Also, **Jeff Freel** to director of research from manager of financial services for parent Meredith Corp.'s magazine group.

Caroline Lippert to account manager, *Architectural Digest*, New York, from sales exec, *Metropolitan Home*. She succeeds **Scott Westerberg**, now account manager, *U.S. News & World Report*.

Jeanne Trkla to account manager, Webb Co.'s custom publishing division, St. Paul, Minn., from circulation manager.

Ernest Renzulli to advertising director, a new post, *Golf Illustrated*, New York, from advertising director, *Home Mechanix*, where he was succeeded by **John Young** (AA, March 13).

Gary Berkley to general manager, a new post at the *Belleville* (Ill.) News-Democrat, from vp-marketing. Also, **Frank Duke** to marketing director at the daily from circulation director.

Shirley Geoglanian to publisher, *Fancy Food & Candy*, Des Plaines, Ill., from associate publisher. She succeeds **Daniel von Rabenau**, who continues as president of parent Talcott Communications Corp.

Claire Gruppo to vp-development and acquisitions, a new post, American Express Publishing Corp., New York, from director-development and acquisitions.

Sharon McKee to director-creative services, *Mademoiselle*, New York, from head of her own copy/consulting business, succeeding **Marlene Rathgeb**, who left.

Gerd Hinske to European director, Management Focus Group, McGraw-Hill Publications Co., Lucerne, Switzerland, while remaining publisher, *International Management*.

Jim Connell to vp-publishing, a new post at Wayne Green Enterprises, Peterborough, N.H., from chairman-ceo of seven companies for Argus Press Group, London.

Allan Johnson to vp-advertising, a new post at ABC Publishing Agricultural Group, Lombard, Ill., from national sales manager, ABC's Farm Progress Cos., Lombard. Succeeding Mr. Johnson is **Chuck Roth** from regional manager, Farm Progress.

BROADCASTING

Kenneth Tonning to vp-general manager, KUSA-TV, Denver, from vp-station manager. He succeeds **Charles Leasure**, who was promoted to general executive, Gannett Television, Denver.

OTHER VIDEO

Ron Inman to vp-marketing director, Assn. of Independent TV Stations, New York, from general sales manager, WTOG-TV, Tampa-St. Petersburg, Fla. He succeeds **Richard Hogan**, who left.

Scott Trentadue to vp-director of sales and marketing, Goetz Broadcasting Corp., Fort Atkinson, Wis., from director of sales and marketing and sales manager for WFAW (am) and WSJY (fm). He is succeeded in the latter post by **Jim Vriezen**, formerly account exec. Also, **Virginia Berg** to sales manager, WDLB (am) and WLJY (fm), Marshfield, from account exec.

James Birschbach to vp-marketing, a new post with McGraw-Hill Broadcasting Co., New York, from national sales manager, KGTV, San Diego.

Chad Hoffman to vp-dramatic series development, ABC Entertainment, Los Angeles, from executive producer, ABC motion pictures for tv. He succeeds **Jordan Kerner**, who left.

Deborah Curtan to vp-network tv current comedy, a new post at Lorimar-Telepictures, Culver City, Cal., from director-current comedy programs, NBC, Burbank. Also at Lorimar-Telepictures: **Ken Horton** to the new post of vp-network tv from director-current programs.

Joe Levinsohn to vp-international sales, Republic Pictures Corp., Los Angeles, from managing director-worldwide sales/marketing, ABC Sports, New York. He replaces Arthur Gross, who died.

Mary Silverman to director-programming, a new post at Lifetime, New York, from manager-acquisitions, USA Network. Also to new posts at Lifetime: **Pam Burke** to executive producer from producer; **Margaret Sandwick** to vp-public affairs from press relations, MTV Networks; **Erin McGrath** to director-advertising/promotion from manager-advertising; **Sara Burke** to supervisor-marketing from marketing coordinator-affiliate relations; **Julie Bauer** and **Joyce Gibney** to marketing coordinators from, respectively, pr assistant and marketing assistant.

Rosalind Alcana to director-pr, a new post at Rainbow Programing Enterprises' Bravo subsidiary, Woodbury, N.Y., from director-programing services, Bravo and American Movie Classics. Also at Rainbow: **Cheryl Simon** to the new post of national sales director, Bravo, from western regional sales director.

Frank Hildebrand to vp-production, a new post at Empire Entertainment, Los Angeles, from independent producer, Samuel Goldwyn Co.#

Give your product away —on network tv game-shows.

It's the ultimate in low-cost, mass exposure. We provide a complete service to all network shows. Write for details.

Game-Show Placements, Ltd.
7011 Willoughby Avenue
Hollywood, CA 90038
(213) 874-7818

Budgets

(Continued from Page 42)

institutions in Japan have been relaxed, the effort apparently did not go far enough to boost ad spending. Also, the strength of the yen has socked such major exporters as Honda, Toyota and Nissan, forcing them to slow the growth of their ad budgets.

In Australia, a previous prediction of 2% remains on target, but 1987 looks bleak because of the weak Australian dollar.

"The coming 12 months are going to be pretty tough—there are strong signs that the economy is slowing," said Malcolm Spry, group managing director of Monahan Dayman Adams.#

This story was written by Julie Skur Hill in Chicago from reports filed by Sean Milmo in London; Claire Wilson in Paris; Marina Specht in Madrid; Dagmar Mussey in Duesseldorf; Tony Shugaar in Milan; Julia Michaels in Sao Paulo; Stephen Downer in Mexico City; Des Kilalea in Johannesburg, Nobuko Hara in Tokyo and Geoffrey Lee Martin in Sydney.

We delivered fat figures for Diet Dr Pepper.

John Albers
President, Dr Pepper Company

"Recently we used a television commercial to offer viewing households nationwide a free can of Diet Dr Pepper. All consumers had to do to take advantage of the offer was call a toll-free number.

"It was the single largest sampling effort in the history of the Dr Pepper Company. We felt a campaign of this magnitude could only be handled by the largest telemarketing company in the country. WATS Marketing of America. Not only did WATS Marketing have the size and technical capability, but based on our past experience with them, we knew they could do the job.

"Strategic staffing and thorough pre-planning guaranteed we'd get the results we wanted. And we did. In fact, the promotion was so successful, we're considering doing it again."

Helping clients reach marketing objectives. That's our goal at WATS Marketing of America. Nobody has more experience and nobody gets results like we do.

For information on how WATS Marketing of America can help you achieve your marketing goals, give us a call. We know how to get sweet results for any promotion.

Call our President, Tony Holzapfel
1-800-351-1000

WATS MARKETING of America, Inc.
Omaha, Nebraska 68134
402-571-8866
Full Range of Outbound Services Available.

An American Express company

DR PEPPER, DR and PEPPER are registered trademarks of Dr Pepper Company, Dallas, Texas, 1986

Newspaper Advertising MRCS/SAU Inches

May 1986 vs. May 1985

AKRON, OH

	1986 Full Run	1986 Part Run	1985 Full Run	1985 Part Run
Beacon Journal (E)	105 559	—	111 [illegible]	—
Beacon Journal (S)	66 760	—	70 911	—
Grand Total	172 319	—	182 108	—

NOTE: Part run figures not available

ALLENTOWN, PA

Call (M)	175 [illegible]	—	—	—
Call (S)	80 831	—	—	—
Grand Total	255 883	—	—	—

NOTE: Part run figures and 1985 figures not available

ATLANTA, GA

Constitution (M)	193 219	14 382	207 312	55 234
Journal (E)	193 005	70 413	207 809	56 448
Journal & Constitution (S)	136 941	58 615	128 388	61 933
Journal & Constitution (Sat)	53 808	—	43 579	—
Grand Total	576 973	203 110	582 188	173 615

NOTE: Constitution Morning and Journal Evening published five days a week only

BALTIMORE, MD

News American (S)	23 132	9 390	39 116	10 754
News American (E)	28 556	4 688	43 064	7 681
Sun (M)	135 661	1 112	134 954	—
Sun (E)	99 704	1 008	110 096	—
Sun (S)	141 183	42 501	144 803	31 150
Grand Total	428 236	58 699	472 033	49 585

NOTE: News American Sunday and Evening ceased publication May 27, 1986

BERGEN COUNTY, NJ

Record (E)	173 370	21 477	178 537	35 188
Record (S)	137 764	44 311	141 433	30 587
Grand Total	311 134	65 788	319 970	65 775

NOTE: Record Evening published five days a week only

BOSTON, MA

Herald (M)	68 949	—	51 054	—
Herald (S)	12 846	36 963	16 780	31 673
Globe (M)	158 786	14 450	151 516	9 744
Globe (S)	177 691	34 257	166 685	29 444
Grand Total	423 272	85 670	392 035	70 861

BUFFALO, NY

News (AD)	128 694	21 603	121 985	19 813
News (S)	72 560	19 520	65 168	19 991
Grand Total	200 954	41 123	187 163	39 804

CAMDEN, NJ

Courier Post (E)	168 [illegible]	21 109	129 505	19 847
Courier Post (S)	39 370	8 909	55 127	1 449
Grand Total	198 543	30 018	180 707	21 296

CHARLOTTE, NC

News (E)	—	—	80 736	518
Observer (M)	148 849	16 809	136 533	24 658
Observer (S)	76 495	40 666	68 616	34 625
Grand Total	225 344	57 475	285 885	59 801

NOTE: News Evening ceased publication November 1, 1985. Part run figures not available

CHICAGO, IL

Sun-Times (M)	147 815	94 353	111 209	81 [illegible]
Sun-Times (S)	64 058	27 882	50 [illegible]	40 044
Tribune (M)	137 046	263 358	150 [illegible]	221 276
Tribune (S)	116 919	113 920	118 899	98 887
Grand Total	465 838	499 543	431 111	441 [illegible]

NOTE: Tribune figures supplied by publisher to Media Records. 1986 figures represent advertising for 4-28-86 to 5-25-86. Tribune All Day changed to Morning publication effective August 19, 1985

CINCINNATI, OH

Enquirer (M)	182 323	6 133	183 261	6 [illegible]
Enquirer (S)	132 743	12 594	111 249	9 382
Post (E)	83 193	20 286	88 586	22 935
Grand Total	398 259	39 013	383 096	38 522

CLEVELAND, OH

Plain Dealer (M)	160 968	46 637	157 001	38 623
Plain Dealer (S)	109 902	8 610	105 875	7 484
Grand Total	270 870	55 237	262 876	46 107

DALLAS, TX

News (M)	321 084	10 822	332 604	16 319
News (S)	169 496	19 757	176 984	13 889
Times-Herald (AD)	243 326	31 323	291 829	25 951
Times-Herald (S)	121 411	27 426	132 204	10 575
Grand Total	855 317	80 328	933 621	66 734

DENVER, CO

Rocky Mt. News (M)	297 830	1 098	320 830	1 783
Rocky Mt. News (S)	98 076	800	91 279	2 749
Post (M)	203 160	8 031	218 836	6 410
Post (S)	125 383	—	119 230	3 163
Grand Total	724 449	9 929	750 125	14 105

DETROIT, MI

Free Press (M)	110 757	45 868	100 886	48 613
Free Press (S)	46 391	34 701	45 844	24 543
News (AD)	175 971	50 999	162 856	46 561
News (S)	90 851	38 157	79 981	34 176
Grand Total	423 970	169 725	389 567	153 893

ESCONDIDO, CA

Times-Advocate (E)	100 444	526	—	—
Times-Advocate (S)	47 909	—	—	—
Grand Total	148 353	526	—	—

NOTE: 1985 figures not available

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	100 395	—	116 944	—
Sun-Sentinel (M)	296 183	—	300 168	—
Grand Total	396 578	—	417 132	—

NOTE: Part run figures not available. Morning figures include the Saturday Edition

FORT WAYNE, IN

Journal Gazette (M)	81 101	—	83 309	—
Journal Gazette (S)	69 385	—	60 193	—
News Sentinel (E)	89 652	—	96 105	—
Grand Total	240 138	—	239 547	—

NOTE: Part run figures not available

GREENWICH/STAMFORD, CT

Time (E)	90 401	1 065	87 [illegible]	83
Time (S)	62 670	—	52 295	—
Advocate (E)	112 452	20 414	106 592	809
Advocate (S)	61 445	—	53 713	—
Grand Total	326 968	21 479	300 576	892

HARTFORD, CT

Courant (M)	164 360	40 465	157 [illegible]	38 [illegible]
Courant (S)	83 413	33 [illegible]	80 [illegible]	113 235
Grand Total	248 [illegible]	73 [illegible]	237 [illegible]	147 721

HONOLULU, HI

Advertiser (M)	110 [illegible]	—	98 [illegible]	—
Star-Bulletin (E)	122 [illegible]	—	102 [illegible]	—
Star-Bulletin & Advertiser (S)	170 [illegible]	—	144 [illegible]	—
Grand Total	292 [illegible]	—	246 [illegible]	—

HOUSTON, TX

Chronicle (AD)	246 [illegible]	31 [illegible]	227 [illegible]	30 [illegible]
Chronicle (S)	114 [illegible]	30 [illegible]	101 [illegible]	43 [illegible]
Post (M)	175 [illegible]	30 [illegible]	161 [illegible]	44 [illegible]
Post (S)	[illegible]	29 [illegible]	[illegible]	37 [illegible]
Grand Total	537 [illegible]	121 [illegible]	489 [illegible]	153 [illegible]

LONG BEACH, CA

Press-Telegram (M)	110 [illegible]	45 [illegible]	107 [illegible]	—
Press-Telegram (S)	67 [illegible]	—	53 [illegible]	—
Grand Total	174 [illegible]	49 [illegible]	156 [illegible]	—

NOTE: 1985 Part run figures not available

LONG ISLAND, NY

Newsday (E)	168 [illegible]	113 [illegible]	201 [illegible]	21 584
Newsday (S)	162 [illegible]	96 [illegible]	102 [illegible]	84 605
Grand Total	331 [illegible]	209 [illegible]	304 [illegible]	106 189

LOS ANGELES, CA

Times (M)	329 [illegible]	295 [illegible]	336 561	325 897
Times (S)	162 [illegible]	94 823	167 [illegible]	46 330
Herald Examiner (M)	61 752	2 [illegible]	73 693	13 043
Herald Examiner (S)	16 [illegible]	3 [illegible]	16 164	5 157
Grand Total	[illegible]	395 [illegible]	594 [illegible]	431 427

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	216 [illegible]	34 [illegible]	225 618	35 840
News (S)	88 551	712	78 130	1 584
Grand Total	305 288	35 585	[illegible]	37 424

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	224 591	—	218 712	—
Grand Total	224 591	—	218 712	—

NOTE: Figures supplied by publisher to Media Records

*LOUISVILLE, KY

Courier Journal (M)	105 141	60 927	106 762	49 330
Courier Journal (S)	61 530	67 708	58 659	66 566
Times (E)	101 909	67 975	105 193	68 403
Grand Total	268 580	196 610	270 614	184 299

NOTE: Figures supplied by publisher to Media Records

*MEMPHIS, TN

Commercial Appeal (M)	145 375	116 388	140 868	119 147
Commercial Appeal (S)	97 402	6 416	87 520	11 010
Grand Total	242 777	122 804	228 388	130 157

NOTE: Figures supplied by publisher to Media Records

MIAMI, FL

Herald (M)	166 638	—	182 766	—
Herald (S)	83 452	—	91 438	—
News (E)	62 576	—	67 940	—
Grand Total	312 666	—	342 144	—

NOTE: Part run figures not available

MINNEAPOLIS, MN

Star & Tribune (AD)	125 919	28 116	129 994	26 635
Star & Tribune (S)	138 172	4 394	132 255	1 696
Star & Tribune (Sat)	31 347	—	23 768	—
Grand Total	295 438	32 530	286 017	28 331

*NASHVILLE, TN

Banner (E)	119 773	—	129 716	—
Tennessean (M)	136 486	—	129 260	—
Tennessean (S)	90 942	—	88 037	—
Grand Total	347 201	—	347 013	—

NOTE: Figures supplied by publisher to Media Records

NEW BRUNSWICK, NJ

	1986 Full Run	1986 Part Run	1985 Full Run	1985 Part Run
Home News (E)	101 761	2 654	97 028	2 681
Home News (S)	75 259	7 139	74 636	1 135
Grand Total	177 020	9 793	171 664	3 816

NEW YORK, NY

Times (M)	187 065	17 147	180 649	16 202
Times (S)	189 118	101 895	181 304	106 335
News (M)	67 224	108 948	67 480	125 958
News (S)	37 719	83 935	38 481	87 003
Post (AD)	66 397	807	64 397	758
Grand Total	547 523	312 732	532 311	336 246

NEWARK, NJ

Star Ledger (M)	235 960	6 563	239 694	7 170
Star Ledger (S)	180 064	28 720	174 830	30 654
Grand Total	416 024	35 283	414 524	37 824

OAKLAND, CA

Tribune (M)	86 843	80 516	95 911	73 590
Tribune (S)	37 783	38 917	48 295	37 481
Grand Total	124 626	119 433	144 206	111 071

OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY

Blade Tribune (E)	93 395	4 134	—	—
Blade Tribune (S)	51 644	—	—	—
Grand Total	146 039	4 134	—	—

NOTE: Blade-Tribune Evening published five days a week only. 1985 figures not available

ORANGE COUNTY, CA

Register (AD)	335 957	98 818	310 267	106 859
Register (S)	121 843	10 504	124 535	9 078
Grand Total	457 800	109 322	434 802	115 937

PHILADELPHIA, PA

Inquirer (M)	176 350	45 530	177 528	55 612
Inquirer (S)	138 232	57 394	114 842	55 609
News (E)	97 039	5 045	86 183	7 819
Grand Total	411 621	107 969	378 553	119 045

*PHOENIX, AZ

Arizona Republic (M)	248 482	13 101	246 631	9 [illegible]
Arizona Republic (S)	152 759	—	144 088	—
Gazette (S)	240 146	13 [illegible]	233 [illegible]	9 [illegible]
Grand Total	641 387	26 [illegible]	624 [illegible]	18 [illegible]

NOTE: Figures supplied by publisher to Media Records

*RIVERSIDE, CA

Press-Enterprise (M & S)	274 150	27 633	278 046	18 174
Grand Total	274 150	27 633	278 046	18 174

NOTE: Figures supplied by publisher to Media Records

*ST. LOUIS, MO

Post-Dispatch (M)	196 268	38 990	196 [illegible]	37 [illegible]
Post-Dispatch (S)	170 220	519	122 [illegible]	—
Grand Total	366 488	39 509	318 554	37 387

NOTE: Figures supplied by publisher to Media Records

ST. PAUL, MN

Pioneer Press Dispatch (AD)	105 744	—	112 007	—
Pioneer Press Dispatch (S)	105 762	—	99 659	—
Grand Total	211 506	—	211 666	—

NOTE: Part run figures not available

SAN ANTONIO, TX

Express-News (AD)	137 323	33 147	152 002	28 058
Express-News (S)	73 478	40 647	95 842	16 601
Express-News (Sat)	45 790	—	40 486	—
Light (AD)	132 906	30 109	148 735	34 308
Light (S)	87 094	12 472	100 596	12 729
Light (Sat)	38 525	—	33 573	—
Grand Total	515 116	116 375	571 234	93 696

NOTE: Express-News All Day and Light All Day published five days a week only

SAN DIEGO, CA

Union (M)	231 129	30 744	247 933	25 022
Union (S)	123 301	—	119 656	—
Tribune (E)	231 157	28 288	259 [illegible]	26 983
Grand Total	585 587	59 032	627 347	52 005

SAN FRANCISCO, CA

Chronicle (M)	145 372	63 729	142 395	65 235
Examiner & Chronicle (S)	76 502	41 546	73 498	48 153
Grand Total	221 874	111 275	215 893	113 388

SAN JOSE, CA

Mercury News (AD)	307 041	26 688	314 292	37 826
Mercury News (S)	146 016	—	151 567	—
Grand Total	453 057	26 688	465 859	37 826

SHREVEPORT, LA

Journal (E)	88 472	4 209	96 711	3 734
Times (M)	113 151	19 906	122 461	18 782
Times (S)	60 236	11 134	68 738	6 821
Grand Total	261 859	34 349	287 910	29 337

*STATE COLLEGE, PA

Centre Times (E)	91 498	1 626	106 962	2 168
Centre Times (S)	33 825	514	28 384	—
Grand Total	125 323	2 140	135 346	2 168

NOTE: Figures supplied by publisher to Media Records

SYRACUSE, NY

Herald Journal (E)	92 273	37 889	101 155	28 552
Herald American (S)	45 646	57 202	43 494	42 278
Post-Standard (M)	85 968	42 698	86 152	36 447
Grand Total	223 887	137 789	230 801	107 277

*TAMPA, FL

Tribune (AD&S)	277 466	92 919	317 399	131 154
Grand Total	277 466	92 919	317 399	131 154

NOTE: Figures supplied by publisher to Media Records

*TOLEDO, OH

Blade (E)	118 908	—	110 702	—
Blade (S)	92 136	—	89 969	—
Grand Total	211 044	—	200 671	—

NOTE: Figures supplied by publisher to Media Records

WASHINGTON, DC

Post (M)	291 977	47 214	300 574	57 210
Post (S)	149 684	46 095	150 425	31 881
Grand Total	441 661	93 309	450 999	89 091

WASHINGTON, DC SUBURBAN GROUP

Alexandria Journal (M)	79 336	—	77 135	877
Prince George's Journal (M)	68 096	227	72 870	2 055
Montgomery Journal (M)	69 185	891	71 100	1 178
Fairfax Journal (M)	79 505	1 293	78 175	1 128
Arlington Journal (M)	78 969	—	76 706	877
Grand Total	375 161	2 411	376 186	6 115

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	99 664	13 838	95 632	22 502
Reporter Dispatch (S)	92 323	20 981	78 [illegible]	14 891
Grand Total	191 987	34 819	173 [illegible]	37 393

WICHITA, KS

Eagle Beacon (M)	132 [illegible]	—	129 786	—
Eagle Beacon (S)	74 [illegible]	—	75 [illegible]	—
Grand Total	206 [illegible]	—	204 [illegible]	—

NOTE: Part run figures not available

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in image but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page

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Monday, August 11, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Jerry for sale?

'Just talk,' he insists

Della Femina, Travisano & Partners boss Jerry Della Femina admits to talking with other agencies, but denies persistent reports that a deal is close.

By STEWART ALTER

NEW YORK—Is Della Femina, Travisano & Partners close to a sale?

Agency chairman Jerry Della Femina denied several reports that a sale is imminent, but acknowledged the agency has been involved in such conversations.

"I've spoken to five separate agencies in the last two and a half to three months," he said, but denied he was any more interested in making a deal now than before.

Mr. Della Femina maintained there was "more interest in us than ever before" in the aftermath of the megamerger activity this past spring. But he added that it was "all talk. What will come of this in my opinion is that I will get the gout because I've never had so many rich dinners in my life."

But sources maintain the conversations have been more serious than Mr. Della Femina has indicated and that he has not just been responding to overtures, but also actively seeking out buyers.

If so, that would be further confirmation of the growing interest in mid-size agency

(Continued on Page 62)

CBS romance with Tisches is turning sour

Could trigger exec bailouts

By CRAIG REISS

NEW YORK—If Loews Corp.'s Laurence Tisch wins the unfolding boardroom battle for control of CBS Inc., CBS chairman Thomas Wyman and possibly Gene Jankowski, CBS/Broadcast Group president, are likely to bail out under the protection of their multi-million-dollar golden parachutes.

As Mr. Tisch inches closer to a possible takeover, the CBS board reportedly is casting about for a new "white knight" to prevent its former "white knight" from gaining control of the communications giant.

"The battle lines have been drawn," said a knowledgeable source after Mr. Tisch last week boosted stock holdings in CBS to 22.5%. "He has a moral commitment" to owning CBS as "a legacy for the [Tisch] children."

Mr. Tisch has four sons, including Andrew, president of Bulova Watch Co.; James, Loews vp-financial analysis; Daniel, managing director of Salomon Bros. risk arbitrage department, and Thomas, who manages the four sons' investment portfolio under the name F.I.F. (Four Lucky Fellows).

Mr. Tisch's brother, Preston Robert, who last week left Loews to become U.S. postmaster general *(see accompanying story)*, has three children, including Jonathan, vp at Loews Hotels; Steve, a movie producer who

(Continued on Page 62)

GM shop list growing

Importer would create new slot

By JESSE SNYDER

General Motors Corp., for the first time in its history, is ready to search for a minority agency to handle black and Hispanic advertising for each car division and corporate. GM also may create a separate division, with its own ad agency, to market vehicles imported from its Adam Opel West Germany subsidiary.

Robert O'Connell, vp-marketing and product planning staffs, in confirming these reports, told ADVERTISING AGE the efforts will be coordinated through Philip Guarascio, GM exec director for advertising services.

If GM does set up a separate Euro-import brand unit, these moves—plus its new Saturn Corp.—would add three additional ad agencies by 1987 to the GM stable. Each of the newcomers would be getting mostly new billings. Other than naming Vic Olesen & Partners to handle special western region advertising for Chevrolet, these new appointments would mark the first new major agency assignments from GM in about 35 years.

GM has been considering Opel-built, domestic-badged vehicles for both Oldsmobile and Buick for several years. Last fall, GM tried but failed to acquire a European auto maker to set up as another GM domestic division (AA, Nov. 4). But with the sales nosedive Buick has taken trying to stretch its marketing image to attract young, performance-oriented buyers, GM insiders are favoring a separate Opel-supplied division.

Undecided is whether such an operation would have a separate dealership network within a full-fledged division like Saturn will be or be a brand sold through many Buick and perhaps Oldsmobile dealers, much like the Merkur imports sold through Lincoln-Mercury.

An Opel option would fill in a growing gap in the upscale, sporty segment of GM's marketing lineup. Buick is already planning to return to courting its tradi-

(Continued on Page 8)

Last Minute News

Guinness reviews $165M in Distillers billings

LONDON—Guinness Beverage Group is conducting an international review of all advertising and marketing of spirits done by the recently acquired Distillers Group, which spends $165 million a year through 30 agencies. Major Distillers agencies include Foote, Cone & Belding (Gordon's); SSC&B:Lintas Worldwide (White Horse), and Young & Rubicam (Johnnie Walker Red Label and Black Label). Also, Lowe Howard-Spink Marschalk last week won the Guinness-owned Bell's whisky business, worth an estimated $7.5 million, from Wight Collins Rutherford Scott.

American Stores move opens $28M in billings

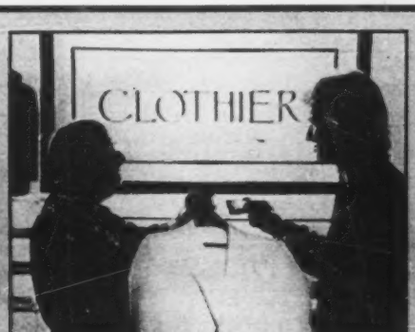
SALT LAKE CITY—American Stores Co. has decentralized its advertising division, sources say, permitting its operating units to put a total of $28 million in broadcast ad accounts up for review. Bozell, Jacobs, Kenyon & Eckhardt currently handles the majority of American Stores' broadcast business from offices here and in Chicago, Los Angeles and Union, N.J.

Campbell imports Saatchi talent for V-8

CAMDEN, N.J.—Campbell Soup, unhappy with the creative ad work for V-8 vegetable juice, has turned to Saatchi & Saatchi, London, for a campaign that will break later this month. Saatchi handles Campbell soups in the U.K. Backer & Spielvogel, New York, a unit of Saatchi, remains V-8 agency of record. "Some of the best creative in the world" is coming from London, said Campbell USA president Herb Baum. The humorous Saatchi

(Continued on Page 8)

New Sears spots for Discover Card breaking tonight show the many ways it can be used. *(See story, Page 59.)*



NEWSPAPER

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SRI ACQUISITIONS
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WASHINGTON DC 20014

HIGHLIGHTS

CBS execs reaching for parachutes? 1

The unfolding boardroom battle for control of CBS Inc. is likely to lead CBS chairman Thomas Wyman and possibly Gene Jankowski, CBS/Broadcast Group president, to bail out under the protection of their multi-million-dollar golden parachutes.

Della Femina sale rumors fly 1

Jerry Della Femina has denied reports that a sale of Della Femina, Travisano & Partners is imminent, but acknowledged the agency has had conversations. Mr. Della Femina said there is "more interest in us than ever before."

Warfare hazard to tobacco industry health 3

Cigaret price warfare, which began in 1981, appears here to stay, and some tobacco-industry executives are concerned that the battle for dominance in the low-end cigaret market could permanently erode profit margins.

Hill & Knowlton in line for No. 1 4

Foote, Cone & Belding Communications' inability to integrate its two public relations operations led it to sell Carl Byoir & Associates to Hill & Knowlton last week, catapulting the JWT Group subsidiary into the industry's No. 1 spot.

Fashion a heavy subject 12

Fashion magazines' September issues, which kick off the fall retailing and advertising seasons, are traditionally hefty, and this year is no exception.

Wine coolers get tough 23

The cost of competing in the booming $1 billion-plus wine-cooler market is growing higher as marketers slash wholesale prices, drop more coupons and offer special merchandising deals.

Wineries blossom across U.S. 44

Once considered palatable *only* if they came from Europe or maybe California, an ever-increasing number of wines is carrying labels from out-of-the-way places. The number of domestic wineries outside California has increased 150% since 1976, for a total of 1,289 wineries in 42 states.

Calcium keeps strong 49

The booming market in calcium supplements seems fit as a fiddle despite a new study suggesting that added calcium may not prevent osteoporosis, a debilitating bone disease afflicting women in middle age.

Phase two for Discover card 59

Sears, Roebuck & Co. today begins the second phase of its $40 million Discover Card advertising effort, concentrating on practical benefits of using the combination credit/financial services card.

FEATURES

Bernbach 24

Aug. 13 would have been William Bernbach's 75th birthday. Ad Age consultant Carl Hixon takes a look at the man and his ideas.

INTERNATIONAL

Mojo grows 37

Mojo MDA, the new agency created by the merger of Mojo Australia and Monahan Dayman Adams, plans to expand into the U.S. and Europe in a Saatchi & Saatchi-like, go-for-growth move.

OTHER NEWS

An "issue" ad from R.J. Reynolds Tobacco Co., questioning the link between smoking and disease, is outside Federal Trade Commission jurisdiction, an FTC administrative law judge ruled last week. Page 4.

W.R. Grace & Co. will spend more than $50,000 to promote the airing of its deficit-reduction commercial on independent tv stations Aug. 21. The Grace spot was rejected last January by all three networks. Page 6.

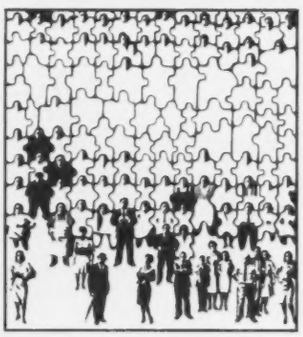
Quaker Oats Co.'s planned $8 million introduction next month of Fudge Dipps granola bars has come unglued because the fudge won't stick to the bars, according to retail grocery sources. Page 22.

Marketsource, a product marketing and promotion company, is planning to expand its product sampling program on college campuses to two programs a year. *In Promotional and Direct Marketing.* Page 47.

The National Dairy Promotion & Research Board will test nutritional messages for cheese as part of the $64 million it will spend on advertising during the year beginning Sept. 1. Page 56.

After airing a commercial nine times in one week, mostly late at night, Behavioral Systems Southwest received 187 phone calls and 15 new inmates for its private prisons. "I just got the bright idea one day," says BSS president Ted Nissen, explaining why he decided to advertise on local tv. Page 64.

SPECIAL REPORT



Inadequate research is hampering advertiser interest in the growing Hispanic market. Advertisers are concerned about how much of the market Hispanic tv, radio and print actually deliver. Some of these media and their efforts to attract advertisers are examined in Special Report.

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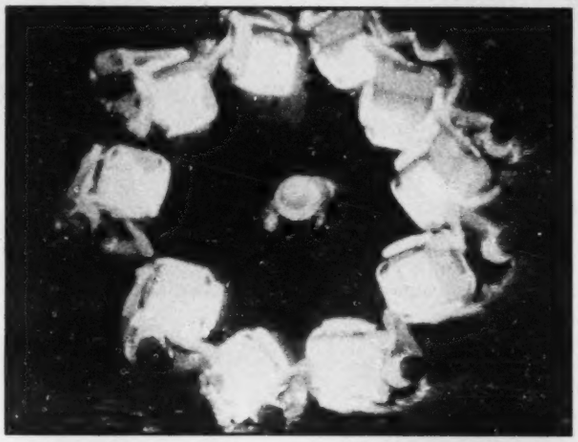


Serious about leisure

A lawnchair-wielding "drill team" exemplifies people who "take their leisure time seriously," the crowd that L.S. Heath & Sons, Robinson, Ill., is aiming to satisfy with Heath candy bars. A $4 million campaign, themed "Relax in style," breaks next month via Fallon McElligott, Minneapolis.

Stroh and Heinz boost media clout

By RAY SERAFIN and JUDANN DAGNOLI

Stroh Brewery Co. and H.J. Heinz Co. last week became the latest advertisers to take steps toward maximizing their media-buying clout.

Detroit-based Stroh named Grey Advertising, New York, its agency of record on all national broadcast media and spot tv, for two separate assignments billing a total of $80 million to $90 million.

Pittsburgh-based Heinz assigned its $50 million network tv budget to Leo Burnett USA, Chicago. Network buying had been split between Burnett, Doyle Dane Bernbach, Ketchum Advertising and Ally & Gargano/MCA on a brand-by-brand basis.

Stroh decided against taking the media buying in-house, officials said, in large part because its budget alone would not have provided nearly the leverage in price nego-

(Continued on Page 64)

West Coast news

FM is OK with ITT

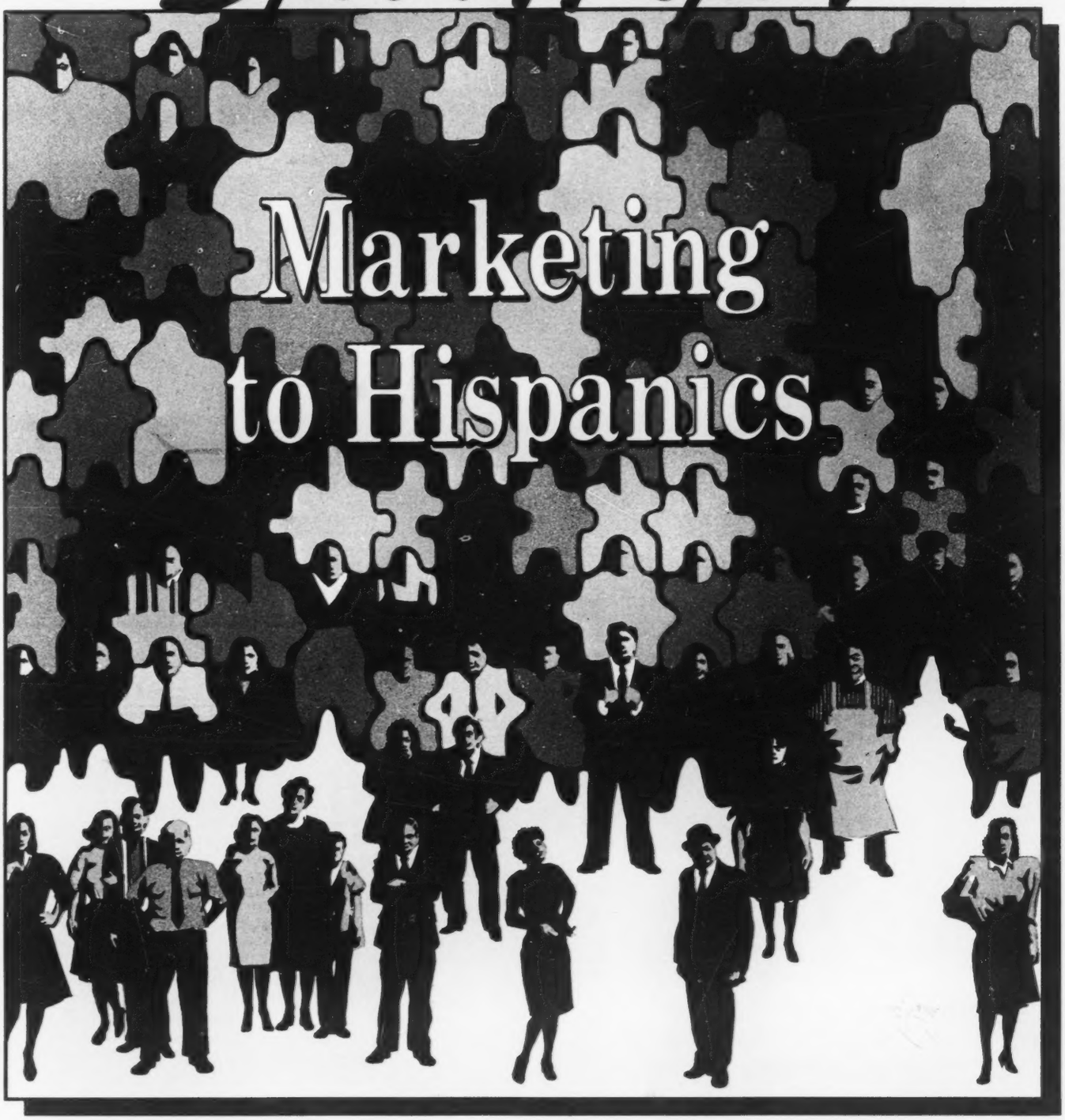
ITT Information Systems, San Jose, Cal., selected Fallon McElligott, Minneapolis, to handle its $5 million-plus account, previously at Ad Resources, Irvine. The marketer of the Xtra family of personal computers plans to start corporate image advertising for the first time by yearend. ITT entered the personal computer market in mid-1984, but has garnered only 1% share of the $14.5 billion U.S. pc market.

Alpine Electronics of America, Torrance, Cal., is reviewing agencies following a split with Kresser, Craig/D.I.K., Los Angeles. The marketer of car audio systems is talking to Hakuhodo Advertising, Los Angeles; Orenstein Savage, Sherman Oaks, and Specht Design and Production, Gardena.

Republic Savings & Loan senior vp-marketing Robert Ritchey has left the 13-branch Altadena, Cal.-based financial institution with unannounced future plans. There is no replacement yet. Exec

(Continued on Page 64)

Special Report



Marketing to Hispanics

Piecing together fragmented research

By Eileen Norris

Numbers are vital in advertising, and the Hispanic population in the U.S. has grown so rapidly and to such huge proportions that advertisers are understandably eager to climb aboard a lucrative marketing bandwagon.

Unfortunately, there is a hitch connected to this glowing tale of growth and prosperity. While the masses exist—many say the estimates of Hispanics in the U.S. are woefully low because they don't take into account undocumented immigrants—a concern persists over just how much of the market Hispanic tv, radio and print actually deliver.

Eileen Norris wrote about print media in the February Special Report on Hispanic Marketing.

Multiple reasons exist for these doubts. For one, the Hispanic market is relatively young, so research has not yet caught up with the horde of immigrants. What numbers have come forward can't be trusted entirely, advertisers complain.

Electronic media command the market

	1985 billings (000,000)
1. Local radio	$76.0
2. Local tv (SIN Television Network)	65.0
3. National tv (SIN)	55.0
4. National radio	42.0
5. Print	33.0
6. Promotion	30.0
7. Independent tv	20.5
8. Outdoor	9.0
9. Transit	3.0

Source: *Hispanic Business*

Most of them agree that the rating services for tv and radio aren't structured for Hispanic penetration, so the results are questionable.

The alternative doesn't set anyone's heart to dancing either: Hispanic research companies are thought to provide listening and viewing numbers on the high side.

All the concern about getting better figures from the rating services has one Hispanic ad agency executive privately admitting, "If we got more reliable figures it might hurt us because rates would be raised and then we'd really be in a predicament."

There's more. A recent shakeup of New York-based Spanish International Network, which reaches an estimated 4.2 million Hispanic households and attracts some $55 million in annual advertising revenue, hasn't helped matters. The Federal Communications Commission ordered

(Continued on Page S-28)

Expanding radio market battles research static

By Lynn Berling-Manuel

The U.S. Hispanic market is made up of a score of nationalities, but a common denominator of this diverse segment is the language itself—although it too is subject to its own nuances.

And one of the most effective ways of reaching the population, Hispanic marketing experts say, is Spanish-language radio. It gives a flexibility of programing, a reach within the market and around-the-clock access to its listeners that neither Spanish-language print media nor tv can compete with, its proponents say.

The number of Spanish-language stations in the U.S. has grown from 67 in 1975 to 168 in 1985, says Manny Ballestero, vp-national sales manager of New York-based Caballero Spanish Media, which represents 70 Spanish-language radio stations in the U.S.

"Spanish radio is the only medium that parallels the growth of the Spanish-speaking population in the U.S.," Mr. Ballestero says.

But that very figure arouses the most ire among Hispanic radio executives and the most questions among media buyers. Media is a numbers game, and Spanish-language radio has a tough time coming up with hard numbers that the stations and the researchers are happy with.

"We have felt Arbitron cannot reflect the accurate Hispanic numbers," says Lori Miller, operations manager for WOJO-FM, Chicago. "We think there's a much larger population base not included; undocumented workers are not counted in the census, but they still spend lots of dollars."

According to WOJO's vp-general manager, Athena Sofios, "Very little research is conducted for the Hispanic market, and traditional diary reporting for radio has not been executed effectively with this market segment."

WOJO's solution has been to bypass Arbitron Ratings Co. and conduct independent telephone surveys. WOJO says its surveys concluded that it had the highest listenership of any Hispanic radio station in Chicago.

But a station's own research always is scrutinized by media buyers, and the vast majority of Hispanic stations still live by Arbitron.

Mr. Ballestero, whose company represents close to half the Hispanic stations in the nation, has more faith in Arbitron. "I want to be very clear that we feel Arbitron is doing a fair to good job, but that it can be improved," he says. "Our stations are growing, so it becomes more important to have accurate ratings."

Arbitron is aware of the controversy and has invested time and money to make the Hispanic ratings more accurate. But even if the numbers are less than stations would like, they portray a listening pattern very attractive to companies targeting the Hispanic market.

"If we used the same research techniques we do with Anglo stations, the response would be lower," says David Lapovsky, Arbitron vp-research. "But over the years, we have spent probably the largest segment of our research on the issue of minority measurement." And though Mr. Lapovsky says undocumented aliens are not included in estimates because the census figures are the basis, he says including undocumented figures would not alter the percentages significantly.

"We've heard that Hispanics won't respond to our research, but we don't think it's true," he says. The reason for his belief is the differential survey treatment that Arbitron uses to test both Hispanic and black radio listenership.

The basic survey technique is not too different from that used for Anglo households. It consists of a seven-day radio diary that each household member fills in, noting stations and programs listened to, as well as where the consumer was while listening. The differences come in the followup.

"First we identify the Hispanic surname household and then call asking them to participate," Mr. Lapovsky says. "If they say yes, they get a bilingual diary that's taken to the house instead of mailed. They get three calls during the week to remind them of their importance to the survey. They also get an upgraded premium for their response."

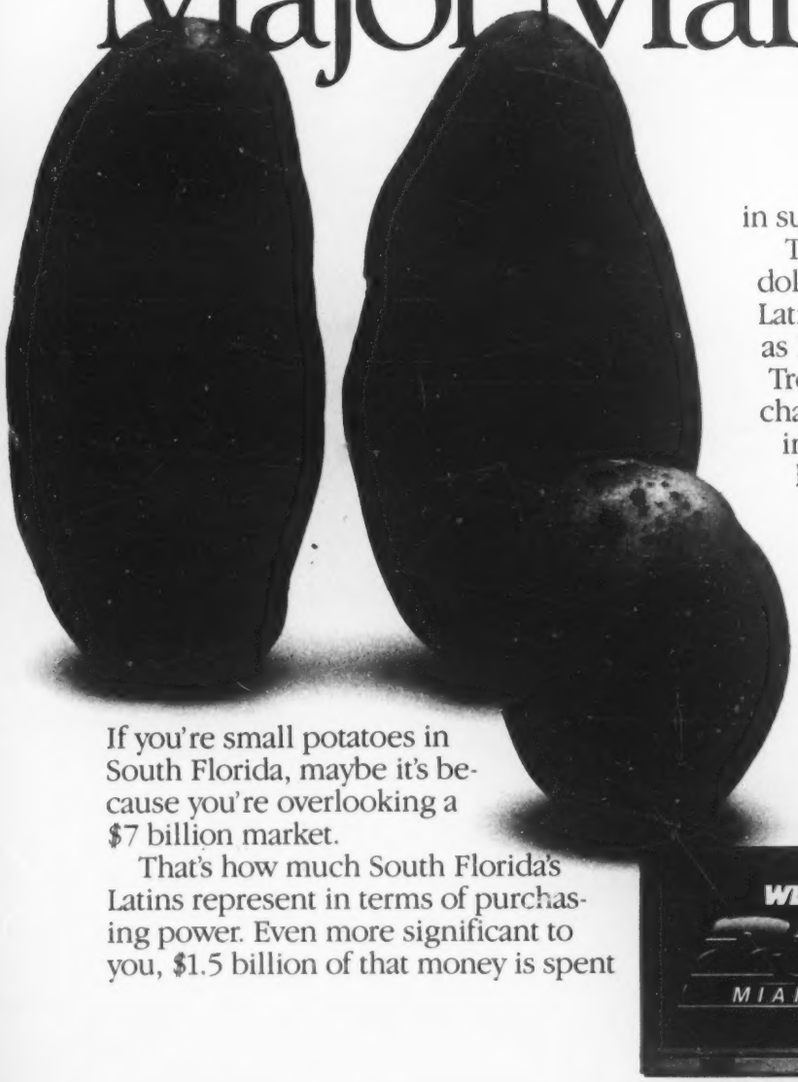
Anglo households in radio research usually get only one call and are asked to mail in the diaries at the end of the week. With the differential survey treatment, calls sometimes are placed at the end of each day to ensure the household has made diary entries accurately, and at the end of the period Arbitron picks up the diary.

"We've demonstrated repeatedly that we get roughly the same rate of return with these techniques," Mr. Lapovsky says.

(Continued on Page S-16)

Lynn Berling-Manuel covered the San Francisco Hispanic market in last year's Hispanic Marketing Special Report.

¿Are You Getting Mashed In A Major Market?



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That's how much South Florida's Latins represent in terms of purchasing power. Even more significant to you, $1.5 billion of that money is spent in supermarkets and grocery stores.

The fact is, over 50% of all food dollars spent in Miami is spent by Latins. Which is why such chains as Publix, Winn-Dixie, Sedanos, Tropical, Food Value and Xtra channel over $2 million a year into advertising on Spanish-language Channel 23. That amounts to over 40% of their entire TV expenditure in South Florida.

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Isn't it time you started cutting the competition down to size?

An affiliate of the SIN Network.

CHANNEL 23. ¡BECAUSE SOUTH FLORIDA SPENDS A LOT OF DINERO!

Battling research static

(Continued from Page S-12)

"It's true we're not including anybody not included in the census figures, but in the absence of better numbers, what figures should we use?"

Regardless of what individual ratings may say about stations, both Arbitron and the companies with long associations with Spanish-language radio are convinced the listening patterns are very attractive. In 1985, Arbitron published the report "Radio Today: The Hispanic Listener," which portrays a market segment that can be reached effectively through Spanish-language radio.

Arbitron's sample consists of 3,408 diaries randomly selected from Hispanic participants in eight of the 30 metropolitan markets where Arbitron uses the differential survey techniques. According to the report, radio reaches 98% of Hispanic persons 12 and older each week. The Hispanic listener spends an average of 30 hours a week with the radio.

Listening patterns by dayparts give access to varying age groups, with younger audiences tuning in to overnight radio, while daytime and evening listeners tend to be older.

Whether the official numbers are as exact as they might be is less important to media buyers than what kind of impact brand-aware Hispanic consumers have on the bottom line.

"Companies like Anheuser-Busch, Sears and McDonald's have long associations with Hispanic radio and by combining promotions with radio, they've come to the conclusion that radio is something they want to stay with," Mr. Ballestero says.

"In a local market, retail stores don't look so much at the numbers, they just want to know that their commercial on that station will bring customers to the door," says Manuel A. Escalante, marketing director for Harlingen, Tex.-based Tichenor Spanish Radio Group, which has just expanded to eight stations with the acquisition of WADO (am), New York. The reported purchase price of $20 million would make it the most ever paid for a "stand alone" (non-network) station, Mr. Escalante says.

According to Mr. Escalante, the WADO purchase is another indication of the market's expected growth. He says his group also is interested in acquiring stations in Miami, San Francisco and Los Angeles.

The market's growth gives it lots of potential, but it also adds to advertisers' headaches. "You have to understand that Spanish is a language, not a format," says Penny Yamron, director of Los Angeles-based Radio Espanol, a Spanish-language programing service.

Stations' programing uses Spanish as the common denominator, but also must appeal to a variety of nationalities. "I personally feel music is the message in this case," Ms. Yamron says. "But we've had good success with sports events, and we know there's high listenership for news programs."

Hispanic radio is flexible, Caballero's Mr. Ballestero says. "Being able to use Mexican-style music in Los Angeles or Chicago as the background music for a commercial, then being able to change it to Cuban music for Miami, and then again to Puerto Rican for New York, is what makes radio so useful."

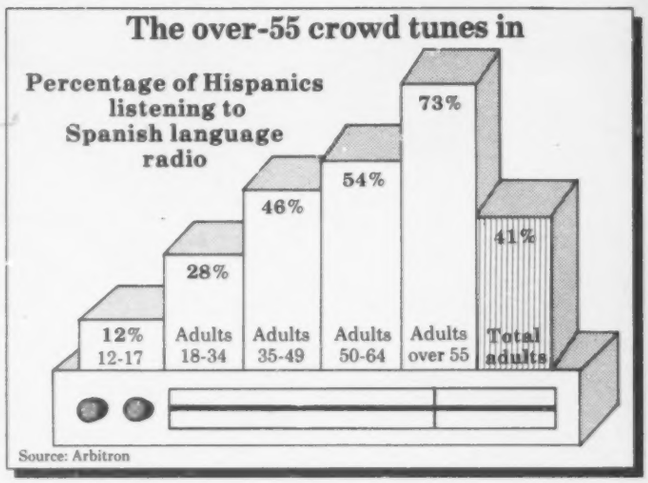
Accents also vary widely, although radio executives do seem to agree that there is a "generic" Spanish that can be used in any market. "We have accents in Spanish by area, but we don't really have dialects," says Alicia Martinez-Fontes, president of Miami's Adworks Inc., which handles marketing for WAQI-AM, Miami's most popular Hispanic station.

But marketers must exercise care as they look at specific markets because a market's composition often changes as it enlarges. Ten years ago, San Francisco's large Hispanic population was almost exclusively Mexican, but now has become more heavily Central American with the influx of political refugees.

"As the Hispanic market grows," Tichenor's Mr. Escalante says, "a good part of that will be a more educated, professional group because I think we'll see increasing numbers of political refugees from Latin America."

Another challenge for companies looking at the Hispanic market is that Spanish-language radio is clearly more listened to by an older audience. "What we think," one media buyer says, "is that the younger audience starts listening to popular music and that tends to be on Anglo and even black-oriented radio stations."

"As younger people assimilate more into the U.S., I think you'll see some additional English used in Spanish-language stations," says WOJO's Ms. Miller. "But I know that for us, we're still looking years away."



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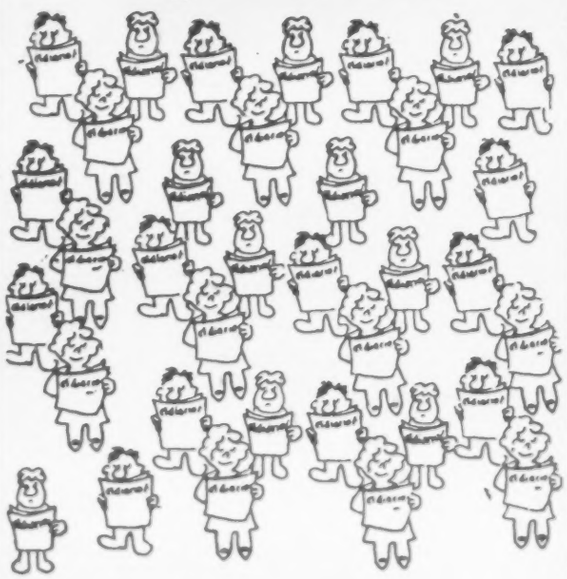

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Tv signal expected to boost Houston market

By Jennifer Lawrence

The nation's seventh largest Hispanic market finally may round out its media players with the addition of a local Spanish-language tv station.

Houston has never had a full-power local all-Hispanic tv channel despite being home to some 700,000 Hispanics. But Pueblo Broadcasting Corp., a team of local Hispanic investors led by J. Adan Trevino, intends to expand its low-power operation and become the city's first all-Spanish tv station as early as next spring.

Pueblo Broadcasting's uhf KXLN-TV is being hailed with a mixture of jubilation, relief and skepticism.

The station will fill a void for advertisers that rely on a strong Hispanic radio market to reach Houston's Hispanic community. Weekly Hispanic newspapers offer an advertising alternative, but many marketers favor radio to reach a larger audience.

Jennifer Lawrence is Advertising Age's *Houston correspondent.*

Local advertising executives say KXLN-TV will prompt national advertisers to take notice of the local Hispanic market.

Since 1979, the number of Hispanic radio stations in Houston has jumped from one to seven.

They say Houston has lost some national Hispanic advertising to other cities including San Antonio, which has well-developed Spanish-language tv.

The absence of a local Hispanic tv station combined with a growing Hispanic market close to Mexico helped establish local Hispanic radio. Even though cable companies carry SIN Television Network programing and some locally produced Hispanic programing is carried on network affiliates, local advertisers have pumped dollars into radio to reach the Hispanic market.

Since 1979, the number of Hispanic radio stations in Houston has jumped from one to seven, with formats ranging from ranchero to modern Latin beat and Chicano. Total Hispanic radio ad revenues climbed from an estimated $1 million in 1979 to $8 million in 1986. That figure could double to $16 million by 1991, says Ricardo Castillo, exec vp-general manager at KLAT (am), Houston's top billing Hispanic station, owned by Tichenor Spanish Radio, Harlingen, Tex.

The radio stations say they look forward to KXLN-TV's full-power debut, if only to draw attention to the sizable and rapidly growing Hispanic population that could make this the country's third-largest Hispanic market by 1990, according to The Hispanic Almanac, published by the Hispanic Policy Development Project Inc., Washington.

"There is room for all seven radio stations to grow," says Mr. Castillo. "I don't think advertisers will divert ad dollars to tv. I think they will increase their budgets to accommodate tv."

Some industry observers, however, are taking a wait-and-see approach on KXLN. Concern has been voiced over Pueblo's prospects of raising the necessary $3 million to construct the full-power station.

One thing is agreed: Houston has waited long enough for a full-power Hispanic tv station.

When Pueblo applied in 1978 to the Federal Communications Commission for the license to operate KXLN-TV, the eight local Hispanic business and community leaders who formed the company faced competition from two other applicants. Trinity Broadcasting, Tustin, Cal., dropped out, leaving Pueblo and Texas 45, a company formed by Howard Shapiro, president of Weigel Broadcasting, Chicago.

A bitter and costly battle between the two applicants ended last October, when the FCC ruled in favor of Pueblo, partly because the company was new to broadcasting and owned by local Hispanics.

The nearly eight-year struggle between Pueblo and Mr. Shapiro's Texas 45 reflects Houston's Hispanic market potential. Even now, as the oil-dependent city experiences a severe economic crunch, Mr. Shapiro says he still would consider entering the Houston market.

With the FCC appeals process completed and a construction permit in hand, Mr. Trevino, Pueblo president, says the station's financing should be completed by Sept. 1, and the station should sign on with full power in the spring.

Alfonso C. Pena, currently an account exec with Los Angeles-based KMEX-TV, will become KXLN-TV general manager, contingent on Pueblo financing.

Mr. Pena says he expects that after the station goes full power, first-year revenues will be about $3.6 million. It is expected that when the station goes to full-power, it will retain its SIN affiliation.

Until construction is com-

Houston doesn't make the media grade

Hispanic media expenditures (000,000)

	Tv	Radio	Print	Total
1. Los Angeles	$30.0	$22.0	$7.2	**$59.2**
2. Miami	24.5	18.0	13.2	**55.7**
3. New York	21.5	20.0	10.0	**51.5**
4. San Antonio	7.5	7.5	—	**15.0**
5. San Francisco/ San Jose	8.0	6.0	—	**14.0**
6. Chicago	5.5	6.0	—	**11.5**
7. San Diego	5.0	3.0	—	**8.0**
8. El Paso	1.8	5.0	—	**6.8**
9. Phoenix	3.5	2.2	—	**5.7**
10. Fresno	3.0	1.5	—	**4.5**

Source: *Hispanic Business*

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pleted, Pueblo will continue to operate K45AK, a low-power station in nearby Rosenberg that retransmits SIN programing to some 100,000 southwest Houston households. The low-power station began airing local advertising June 30.

Among the station's first advertisers is Fiesta Mart, a local supermarket chain that has grown to a 9% share of the total retail grocery market by catering to Hispanics.

If Fiesta's 30-second spots on the low-power signal generate response, the supermarket chain could make a major shift in its ad budget within six months, according to Paul Stevens, Fiesta marketing director.

Most of Fiesta's Hispanic advertising budget is placed in radio.

Allan Zadik, vp at Houston's Esmar Advertising, which specializes in Hispanic marketing, predicts, "Hispanic tv here will mean greater penetration and more flexibility to advertisers. Marketers will pay attention to the Hispanic market.

"This will hurt the radio stations short term but help medium term because advertisers will see the market's potential," he says.

For Jack Shirley, president of Houston-based Spanish Television Syndicators, the advent of a full-power KXLN is a mixed blessing. He oversees Television Hispana de Houston, carried on Storer Cable's local origination channel since last fall.

The 10 to 12 hours a day of all-Spanish programing have attracted both local and national advertisers.

But Television Hispana's national ad revenue may be cut by KXLN once it is full power, Mr. Shirley says.

Nevertheless, he says, "People here are dying to have Channel 45.

"Other people will realize in a couple of years that there is no stopping in sight as far as growth here in the Hispanic community.

"This is a gold mine for tv, because when the figures are out on the number of Hispanics, every agency will be champing at the bit to provide advertising," Mr. Shirley says. "But it is a gold mine as long as Pueblo can build a station that is economical."

Publisher seeks to improve 'Image'

By Gary Levin

John Asencio envisions Chicago's *Hispanic Image* becoming the *Ebony* of magazines aimed at the growing Hispanic market.

That may seem a lofty goal. After all, *Ebony* is a nationally circulated magazine, selling an average 1.75 million copies monthly. *Hispanic Image* is a fledgling local magazine with only 3,000 subscribers and is trying to crack a resistant base of upscale advertisers.

John Asencio, publisher of *Hispanic Image*, wants the magazine to symbolize the achievements of the Chicago area's Hispanics.

Mr. Asencio, who also runs an ad agency and art studio, sees the magazine as "a symbol of growth, a symbol of achievement," for the Chicago area's estimated 1 million Hispanics.

But he's not after all of them. In a carefully mapped strategy, *Hispanic Image* will leave the majority of its potential readers to Spanish-language newspapers and broadcast media, aiming instead for the 30% of Chicago Hispanics who earn more than $25,000 and prefer English to Spanish.

"In a sense the magazine has developed a new standard in the Hispanic market," Mr. Asencio says. "Many people have the impression of Hispanics as dragging a burro around and hiding from the immigration people," says the 40-year-old, Cuban-born publisher. "This magazine is supposed to show the segment of the Hispanic population that is very successful at what they do."

Hispanic Image, started by an investor group with $25,000 to $30,000, targets a "new" professional Hispanic audience more sophisticated than that reached by vehicles such as *Vista*, a Spanish-language newspaper supplement, and several tv and radio outlets.

Mr. Asencio says he attempted the magazine launch this year because "demographically, the Chicago market has finally matured." He estimates that 25% to 30% of Chicago Hispanic households earn annual incomes of $25,000 or more. (Figures reported in the 1980 census, the most recent available, show the six-county Chicago area's Hispanic population has an annual median income of $16,551, 28% less than the city's general population. In 1984, the nation's 16.9 million Hispanics earned median household incomes of $18,833.)

The glossy every-other-monthly, which goes monthly in October, has a visual focus, with large photo spreads, unusual typography and a heavy paper stock. *Hispanic Image* focuses on the arts, education and culture, seeking to enlighten the Hispanic population about achievers in their own community: Recent issues profiled Chicago Board of Education president George Munoz and general manager Richard Lobo of NBC-owned WMAQ-TV.

Mr. Asencio says the magazine takes a more artful, less literary approach than *Miami Mensual*, its closest competitor in tone *(see story on Page S-26)*. Like the latter publication, *Hispanic Image* publishes some articles in Spanish and others in English, seeking to reach its core audience of successful bilingual Hispanics as well as non-Hispanic potential advertisers that can be "helpful to the community."

Articles with wide appeal to audiences—such as profiles of local political or business figures—are generally printed in English, while stories of more parochial interest are published in Spanish. Mr. Asencio says the mix enables him to show non-Hispanic advertisers the quality of the magazine's editorial content and to reach his target audience of Hispanics who prefer speaking English.

Advertisers say they support the new venture, which debuted in February, as a way to increase the stature of Chicago's Hispanic community. But so far, fully paid ad pages have yet to show major evidence of that support, particularly among

(Continued on Page S-26)

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Piecing together research

(Continued from Page S-1)
seven of SIN's affiliate stations to be divested by its parent company, Spanish International Communications Corp., which the FCC ruled had violated the 20% alien ownership limit set by federal regulations.

Insiders say SIN is one of the few accomplishments the industry could point to with pride. At the very least, the FCC controversy is expected to leave a smudge on the image of the Spanish market. (Last month, it was announced that a Chicago-based venture capital group and Hallmark Cards agreed to purchase, for $301.5 million, 10 SICC-owned tv stations, five of them low-power outlets. Included are SIN powerhouses KMEX, Los Angeles, and WXTV, Paterson, N.J., in the New York metropolitan area.)

Much of the Hispanic print medium is being shunned by advertisers as a market not worth addressing because, they say, there isn't a single national Hispanic publication that can reach masses of people.

"An advertiser can probably reach more Hispanics by putting one ad in the *New York Daily News* than by placing ads in all five New York Spanish papers," says marketing consultant Jacqueline Da Costa, former media director at Ted Bates Advertising/New York, who recently formed JDC Communications in New York.

Ms. Da Costa says her largely negative appraisal falls in the minority opinion. Others hold that, while there are stumbling blocks, things are improving steadily.

Ms. Da Costa isn't convinced. "We have no more or better research. If anything, we're in a state of chaos because of the SIN divestiture. Spanish radio has made no great leaps, either. Print's at a plateau. All in all, it's been rather disappointing.

"On the other hand, we have come a long way. No one would have thought Hispanics would have a tv network in place."

For all the negatives, advertisers are latching onto the Hispanic market because it's a force to be reckoned with, especially in the large Hispanic enclaves of Houston, Miami, Los Angeles and Chicago.

Advertisers are using whatever avenues are open as they try to expand their share outside the general mass market. Many marketers have reached a plateau in the general market, and this is one area they can expand into to increase their share, says James Alexander, media director of the Bravo Group at Young & Rubicam, New York.

"We have to jump obstacles everyday to make it work," says Carlos Barba, president at WNJU-TV in New York, a leading Hispanic station, and of NetSpan, a tv programing and sales network. "But the media are growing more sophisticated in all areas—sales, promotion, research and programing."

Mr. Barba is not the only one pinning great hopes on the future. "The market is growing, growing, growing, what with the constant immigration of legal and illegal Hispanics," Mr. Alexander says. "We have enough first-generation Hispanics coming into the country to keep us growing for the next 10 years."

A 1985 Naisbitt Group Trend Report titled "Hispanics in America: The 'Sleeping Giant' Awakens" concludes there is no consensus on the 1980 U.S. Census Bureau figures, which place the U.S. Hispanic population at 14.6 million, or other studies, which estimate the numbers of Hispanics at upwards of 18 million. But the Naisbitt Group does predict the numbers will continue to stagger the imagination.

The Washington-based research group says if current high birth rates prevail and immigration patterns remain the same, Hispanics will continue to be the major cause of any national growth spurts.

It's clear the influx of Hispanics is being noticed and acted upon by advertisers. *Hispanic Business* reported advertisers in 1981 spent $166 million in Hispanic media, and by 1984 that had jumped to $228 million.

Today, it's estimated that at least $300 million a year is spent in the Hispanic media, says Ms. Da Costa, who adds this caveat: "Remember, that figure is relative. Approximately $100 per 1,000 of population is spent in the general market while it's more like $11 per 1,000 in the Hispanic market."

That seemingly small nugget in the bucket is a sore spot for those within the industry who complain that the big-name rating services aren't helping to paint a true picture of Spanish-language tv viewing.

Mr. Barba of WNJU-TV says he stopped using Arbitron Ratings Co. last year after four years of requests that the service "accurately measure" the Hispanic population brought no results.

"In New York, for example," he says, "Arbitron has discriminated against the Spanish community by placing only 39 of its 500 tv meters in the home of Hispanics. The meters they placed are in homes along Park and Fifth avenues, where the upscale viewers spend a lot of their time watching American tv. We recommend they put at least 100 meters in the New York area, including sections like the Bronx and Brooklyn, where Hispanics live."

The rating services counter by saying they need more Hispanic media subscribers before they can invest in more intricate research. Mr. Barba and several Hispanic ad agencies are using numbers provided by Strategy Research, a Miami-based company that has been estimating Spanish-language tv viewing since 1977.

Strategy Research is as good as anybody, says Jesse Wilson, exec vp for San Jose & Associates, an ad agency in Chicago, who says his clients, including Coca-Cola Co. and Sara Lee Corp., don't have a problem with the numbers provided.

"Any major agency can buy Hispanic tv with no problem," Strategy Research president Dick Tobin says, adding that the company has virtually all the subscribers in the Hispanic market.

SIN vp-director of sales John Pero bristles at some advertisers' suggestions that Strategy Research may not always provide good numbers. "In some instances, I'd say their numbers are low," he says.

"It's just a big fallacy that there's not enough research out there to support the Hispanic buy," Mr. Pero says. "It's a growing market and it continues to grow. Advertisers could do a little audience research themselves in the Spanish market."

Eduardo Caballero of Caballero Spanish Media, a New York company that represents 82 Hispanic radio stations, says most people in the radio industry agree the major rating services are not measuring the markets as well as they could be.

Mr. Caballero and a pool of Hispanic ad agencies and major advertisers formed the Spanish Radio Advertising Council to see if they could do something about that.

"We went into this project, which is costing hundreds of thousands of dollars, so that advertisers can be in on the ground floor of telling us what they want as far as research goes. We don't want to provide ratings that advertisers question," Mr. Caballero says.

Last month, the council selected Information & Analysis, Hicksville, N.Y., as the research company to handle the project. Other candidates were Arbitron and Strategy Research. Plans call for a pilot project in Chicago this fall. Chicago was chosen, Mr. Caballero says, because of its cross section of Hispanics.

Ms. Da Costa would take the radio council idea one step farther and form a consortium of tv and radio stations to pay for research that "no one can individually afford," she says. "We need all media forms, and not just tv. We need to get together."

Until solid research is in hand and the status of SIN's stations is ironed out, she fears the market will remain in limbo.

Others are more hopeful. "We're growing and continue to grow," says Mr. Pero of SIN, "but it will take some time before we gain total advertiser acceptance.

"There are still many advertisers leery of using the Hispanic media. I don't know if they're reluctant to take a chance or if they feel the audience research isn't adequate, but, either way, we still continue to get new advertisers every year, and advertisers are spending more money in the Hispanic market every year."

Mr. Wilson of San Jose & Associates may sum it up best. "I guess the answer for all of us is to use the best thing we have going at the moment, and that's what we're doing," he says. "This is a young and growing industry with many exciting times ahead."

Executive editor Robert Goldsborough coordinated this report on Marketing to Hispanics.

Coming

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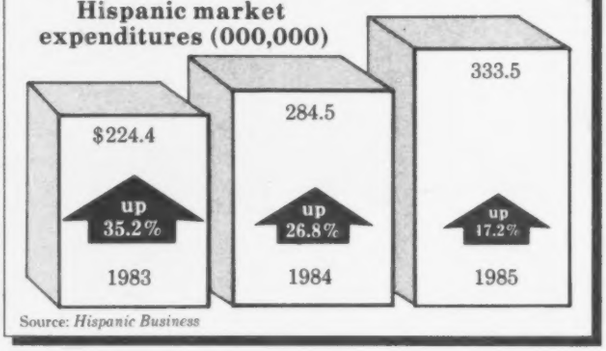
The market's up, but it's a *slow* rise



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'Mega' tide keeps rolling

Midsize shops react

By STEWART ALTER

Four ownership changes of midsize agencies last week gave further evidence that the 1986 megamergers are now causing shops of all sizes nationwide to rethink their growth strategies.

• **Della Femina, Travisano & Partners**, New York, whose chairman earlier acknowledged that there was "more interest in us" by potential acquirers following the megamergers (AA, Aug. 11), has agreed in principle to sell the agency to Wight, Collins, Rutherford, Scott, the publicly owned London agency that recently purchased HBM/Creamer.

• **Jordan, Case, Taylor & McGrath**, New York, one of the more vital midsize independent shops able to compete with the large agencies because it is made up of former top agency executives working directly on client business, strengthened that position and sent what it considered "a dramatic signal to advertisers" by attracting Burton Manning as a principal *(see story below)*. As chairman-ceo of J. Walter Thompson USA, Mr. Manning is widely credited with turning around its creative reputation.

• **Hal Riney & Partners**, a San Francisco-based agency with national ambitions fueled by its high creative profile, agreed to sever all ties with its Ogilvy Group parent because of stricter client conflict policies following the megamergers.

• **Martin Agency**, Richmond, Va., a regional agency with a growing creative reputation, followed hot Minneapolis shop Fallon McElligott in linking up with Ogilvy subsidiary Scali, McCabe, Sloves. That move reflects post-megamerger strategy rethinking by Scali as a midsize agency and Martin as a strong regional shop.

"The whole playing field has changed" and ambitious regional agencies "want to get in the game," said John Connors Jr., presi-

(Continued on Page 81)

A CIA DEFECTOR SURFACES IN MOSCOW
Newsweek
Andrew Wyeth's Secret Obsession
For 15 years he drew the same woman and hid the pictures in an attic. Now they've been sold for millions.
TIME
Andrew Wyeth's Stunning Secret
The Helga Paintings: A Portfolio

Formula: Sex plus a famous name equals cover stories, in this case *Newsweek* and *Time*.

Helgamania!

Wyeth's secret works a pr coup

By LENORE SKENAZY

Long a favorite of greeting card and calendar makers, 69-year-old artist Andrew Wyeth and his work have suddenly captivated the jaded art world—not to mention the consumer press. *Newsweek* and *Time* blast his "secret" obsession with maid/model Helga across their covers—a double whammy usually reserved for world wars and Bruce Springsteen.

With his wife as business partner, Mr. Wyeth has become hot property—a genius in mixed media: Watercolors, print and tv.

The media is delving deeply into a newly revealed secret cache of paintings of a mysterious Helga, many of them nudes, done over the past 15 years. Though Wyeth told *Art & Antiques* about them last September, and though in April the Chester, Pa., *Delaware County Daily Times* reported the sale of same, it wasn't until last week that anybody seemed to care

(Continued on Page 80)

Manning shift puts Metter in JWT post

By STEWART ALTER

In search of a "totally different kind of challenge," Burton Manning, chairman-ceo of J. Walter Thompson USA, has traded in that post for a significant equity position, his name on the door and a chance to work on advertising again at an agency about one-seventh JWT/USA's size.

Mr. Manning, chairman-ceo of the largest agency in U.S. advertising billings since it was formed as a separate unit in 1980, is joining Jordan, Case, Taylor & McGrath as a principal and chairman of the executive committee, a new post. The name of the $231 million shop is being changed to Jordan, Manning, Case, Taylor & McGrath.

Succeeding Mr. Manning as chairman-ceo of JWT/USA is Bert Metter, who, like Mr. Manning, has a creative background. Mr. Metter, once creative director for JWT's Ford Motor Co. business (the agency's largest client), has most recently been vice-chairman, spearheading the agency's successful new-business drive.

Pointing out that he has done the work of turning around a big a-

(Continued on Page 81)

Last Minute News

Wilson to cede RJR Nabisco ceo slot; will retire

WINSTON-SALEM, N.C.—RJR Nabisco chairman-ceo J. Tylee Wilson, 55, will relinquish the ceo title to F. Ross Johnson, now president-chief operating officer, effective Jan. 1. Mr. Wilson will take early retirement Jan. 1, 1988. Sources say the move confirms long-circulating rumors, while analysts believe the succession might have been agreed to during last year's negotiations that led to the merger of RJR Industries with Nabisco Brands. But a company spokesman says the agreement did not specify terms of succession of a particular chief executive. Mr. Johnson, 54, was vice-chairman/ceo of Nabisco at the time of the merger.

BBDO claims stockholder support for Omnicom

NEW YORK—BBDO, which needs the approval of two-thirds of owners of its outstanding stock to form Omnicom Group at its Aug. 28 meeting, has received an "overwhelmingly favorable" reaction from institutional stockholders, said agency director Stephen Oresman, who is in charge of

(Continued on Page 8)

NEWSPAPER

Studies cut prices,

CONGRESSIONAL INFO SERVICE
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Ad bans abroad—P. 46

Highlights

Midsize shops making moves 1
Four ownership changes of midsize agencies last week gave further evidence that the 1986 megamergers are now causing shops of all sizes nationwide to rethink their growth strategies.

Helga hits hype heights 1
Long relegated to greeting cards and calendars, Andrew Wyeth and his work have suddenly captivated the jaded art world—not to mention the consumer press. *Newsweek* and *Time* tout his "secret" obsession with maid/model Helga across their covers.

Hardee's a hit with Southland 4
Southland Corp.'s experiment in selling Hardee's hamburgers at some 7-Eleven stores seems to have helped—rather than hurt—sales of 7-Eleven's own food items. The test is the beginning of a lengthy effort that will see 7-Eleven through at least four full seasons with Hardee's and a growing roster of other national fast-food companies testing joint efforts with Southland.

RJR case may break new ground 6
A ruling by a Federal Trade Commission law judge in a case involving advocacy advertising by R.J. Reynolds may, if accepted by the FTC commissioners, lay out fresh criteria for distinguishing between commercial speech and expressions of corporate opinion.

VF rings up Blue Bell 24
VF Corp. has not decided yet how to reorganize its advertising after its acquisition of Blue Bell, but the deal already has put one rival on the offensive. When VF picked up Blue Bell for $800 million, it augmented its Lee jeans business with Blue Bell's Wrangler and Rustler brands, bringing its total sales up to almost $3 billion and giving it nearly a 25% share of the $8.5 billion jeans market.

U.S. auto makers plan for long haul 36
Anticipating lower U.S. market share during the next decade, each of the Big 3 auto makers intends to cut production costs and improve product quality, diversify into related fields and broaden its international base. But they are mapping different routes to the same goal—beating back intense market pressure from imports.

SAI checkmates 'white knights' 51
The "white knights" brought in to save Scientific American Inc. from a takeover bid last year helped precipitate the company's sale this year. That irony surfaces in the proxy statement sent to shareholders before they were to vote on a $52.6 million buyout proposal from Verlagsgruppe Georg von Holtzbrinck.

CATEGORY REVIEW

RVs find a rough ride 52
Gasoline prices are down. Interest rates have fallen. Americans are avoiding Europe and planning motoring vacations in their own country. The recreation-vehicle industry ought to be enjoying a banner year, but sales are up only slightly over last year.

INTERNATIONAL

Burnett eyes expansion overseas 46
Leo Burnett Co.'s corporate strategy for staying competitive while remaining independent involves a strong international expansion program. Sources say the company, the last of the major, privately held agencies, is determined not to join the megamerger parade.

OTHER NEWS

More than half the clients whose agencies have been swept up in megamergers either are "very satisfied" or "extremely satisfied" with the new arrangement, according to a survey of 200 marketing executives. Page 12.

In this year of tough ad sales for magazines, some are bucking the trend. Of the 147 magazine members of Publishers Information Bureau, 16 registered increases of 15% or more in both ad pages and ad revenues during the first half. Page 28.

The proposed tax-reform legislation includes a drastic change in how companies can deduct the cost of developing a new trademark or logo. Page 57.

Campbell Soup Co. is ladling up a line of individually wrapped snack-food portions to test the $8 billion snack market sold through the nation's 58,000 convenience stores. Page 60.

Consumers of premium-branded products share attitudes and goals more than common age or income, according to a new study on these "UltraConsumers" by Grey Advertising. Page 62.

Scandia Down shops, known primarily for luxurious comforters and pillows, will be described as one-stop bedroom supply stores in a multimedia campaign breaking in November. Page 66.

SPECIAL REPORT

From some 3,500 entries, Advertising Age *selected 10 finalists in each of 10 advertising categories for its first creativity annual. The winners are profiled in Special Report.*

Heston's ad debut

Charlton Heston, in his first role as a corporate spokesman, touts Contel Corp.'s emergence as an information-processing giant. In print and tv, the actor will pitch the company's talents in solving communications problems. Lord, Geller, Federico, Einstein created the $7 million campaign *(see Page 82).*

Nets' strategy leaves nothing for the others

By LARRY G. COLLINS and ROBERT RAISSMAN

New York—Client and agency megamergers are playing a role in reversing most recent broadcast sales trends.

Already hit by a flat prime time upfront market that forced cost-per-thousand rate rollbacks, the networks also adopted a new strategy, especially for sports. With an abundance of unsold time, the networks during the past few weeks have offered double-digit cpm rate cuts to build a bigger share of the total tv sports spending. The volume would leave the networks with fewer scatter units—which last year often turned into opportunistic buys—and a tighter inventory might firm up prices.

And while it has been painful for the nets, the strategy has worked.

In the past two weeks, CBS and NBC each reported selling out at least two full weekend National Football League games in September—at 10%-to-15%-cpm-rate cuts and mixed with other programing packages—and expect to sell out the remaining two weekends.

"Based on what we are seeing, it's not going to be that bad," said Jerome Dominus, vp-sales, CBS-TV. "We still have a sick patient, but he may not be terminal. All the talk about the softness in the market. . .flushes out the money and then we find that there's life in the old girl yet. But I wouldn't go crazy."

Buyers at most major agencies said that network sports and other daypart efficiencies have been so attractive that very little money remains.

At the same time, certain network daypart prices have come down, forcing syndicators—who traditionally price their shows below network cpm rates—to

(Continued on Page 78)

West Coast news

L.A. staffs shuffle

A host of changes riffled through senior creative personnel at Los Angeles agencies late last week. Chiat/Day experienced two more defections of key staff as vp-associate creative director L. Brent Bouchez and associate creative director Thomas Cordner Jr. moved to Ogilvy & Mather as co-creative directors, effective in mid-September. The departures of Messrs. Bouchez and Cordner follow the earlier exit of copywriter John Stein and art director Jean Robaire, who, with Mr. Bouchez, won the Los Angeles Advertising Club's 1985 top Sweepstakes award for their work on Pizza Hut. Messrs. Stein and Robaire joined Doyle Dane Bernbach/West as vp-associate creative directors (AA, July 21). Della Femina, Travisano & Partners experienced similar trauma, losing co-creative director John Armistead to D'Arcy Masius Benton & Bowles. Mr. Armistead will become executive creative director, succeeding Ken Berris, who will become a commercial director, affiliated with River Run Films. Vp-director of broadcast production Shannon Silverman also is leaving DFT&P, with future plans unannounced. The agency has not named replacements yet.

Teledyne Water Plk, Fort Col-

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RJR ruling may 'open up' issue advertising

FTC to hear appeal in November

By STEVEN W. COLFORD

A ruling by a Federal Trade Commission law judge in a case involving advocacy advertising by R.J. Reynolds may, if accepted by the FTC commissioners, lay out fresh criteria for distinguishing between commercial speech and expressions of corporate opinion.

The FTC can move against the truth and accuracy of commercial speech, but pure opinion, truthful or not, is protected by the First Amendment.

The ruling by administrative law judge Montgomery Hyun was that R.J. Reynolds Tobacco Co.'s "Of cigarets and science" ad is outside the FTC's jurisdiction (AA, Aug. 11). It is under appeal by the FTC staff, and the commission is not expected to rule on the appeal until November at the earliest, according to a spokeswoman.

The ad in question ran in consumer publications from March to June, 1985, and was the last in a series of RJR ads that discussed various smoking issues, including advertising to children, effects of passive smoke, smoking in bed and others. It was prepared in-house, with the help of FCB/Leber Katz Partners, New York.

In ruling for RJR, judge Hyun said the ad differed from earlier "landmark" cases—the Supreme Court's Bolger ruling against pamphlets about contraceptives from Young Drug Products Corp., and the FTC's own 1976 decision against issue ads about cholesterol by the National Commission on Egg Nutrition.

Unlike in the Bolger case, he said, the RJR ad does not: Name any brand name; list prices; discuss desirable attributes of a product, or show where the product may be purchased. It differs from the Egg Nutrition case, judge Hyun said, because it contains no "express promotional language or any statement which is even remotely comparable to the express and implied claims found in the NCEN ad."

That raises the possibility that an ad might be so constructed as to be deemed an editorial and, hence, outside the FTC's regulatory authority for accuracy and truth. Judge Hyun, in fact, raises the very question himself in his order. "Admittedly, proper classification of Reynolds' ad is not an easy task. The thought that it may be possible to craft promotional messages in the guise of an editorial gives us pause."

John O'Toole, American Assn. of Advertising Agencies exec vp, said the judge's ruling "seems to legitimize issue advertising." He also said it could "open up a lot of avenues for chicanery" if, for example, a beer marketer began placing ads arguing for a drinking age of 18, commensurate with the age for voting or joining the military.

"But I'd rather have that freedom than the opposite," he said.

Gil Weil, general counsel to the Assn. of National Advertisers, said the administrative law judge's decision, if upheld by the same commission that voted 4 to 1 to issue the complaint against the Reynolds ad, could make a difference, especially to advertisers in controversial markets.

See editorial, Page 17.

"I suppose that in particular situations—tobacco, alcohol and eggs, for example—this could be important because it gives advertisers the opportunity to get their story out to the public on controversial issues free of government censorship that would have a chilling effect," he said.

New York attorney Floyd Abrams represented RJR before judge Hyun. Mr. Abrams said a basic problem with the FTC staff argument was the untenable position that RJR, by virtue of its role as a major tobacco marketer, was proscribed from expressing its views on the question of smoking.

"They were forced to say that every ad by RJR with a position on smoking was necessarily commercial speech," said Mr. Abrams. "That's the same as saying a General Motors ad for cars and auto safety—without touting GM cars—that was part of the national debate over the 55mph speed limit, would be commercial speech."

FTC attorney Judith Wilkenfeld acknowledged that the RJR ad was in a gray area between purely commercial speech and expressions on public issues, but zeroed in on the connection between the messenger and the message.

The ad satisfies three court-established standards for determin-

(Continued on Page 77)

Surprise,
Surpr!se...

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the extras are a pleasant surprise.

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Extra. Extra effort on our part, not extra cost on yours.

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- Contests
- Games
- Refunds/Rebates
- Premiums
- Incentive Programs
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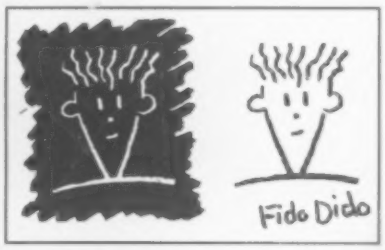
One Underhill Boulevard, Syosset, New York 11791
(516) 496-7300

CORRECTIONS & CLARIFICATIONS

- Given Saatchi & Saatchi Co.'s reports of more than $7 billion in world billings, a loss of "well below 1% of world billings" owing to client conflicts when it acquired Ted Bates Worldwide should have translated to less than $70 million (AA, Aug. 11, P. 59).
- General Cigar's share of the cigar market in 1985 was 18.4%. It was incorrect on a chart (AA, Aug. 4, P. 26).
- Before its reformulation, Procter & Gamble's Puritan oil was made of a blend of 20% soybean oil and 80% sunflower oil. Puritan did not contain corn oil (AA, Aug. 4, P. 1). Advertising/promotional campaign information was provided by P&G's pr agency, GreyCom, not P&G spokesman Donald Tassone. Information about the separation properties of rapeseed oil was incorrectly attributed to Mr. Tassone; the source was a marketer of private-label oils.
- Credit for the design of the book, "The Unpublished David Ogilvy," was incorrectly listed (AA, July 21, P. 82). The designer is Robert Smith, a retired Ogilvy & Mather art director.
- Gallup & Robinson, Princeton, N.J., is the correct name of the organization that conducted consumer tests on both award-winning Joe Sedelmaier commercials ("Hassle free" and "Auto teller") for General Motors Acceptance Corp. (AA, June 30, P. 45).

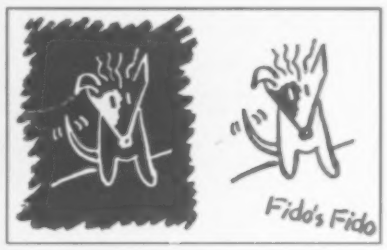
Fido? He's the past, the future, the t-shirt

If you step outside any time in the near future, odds are you'll be bumping into Fido Dido, or Video Dido, or even Fido Ditto (a quartet of Fidos). He's hard to miss. His head is shaped like an inverted triangle, his features are simply dots and dashes, and



his hair sticks up to there, thanks, no doubt, to the liberal application of stiffening gel. Fido is very *au courant*.

Who is this Fido Dido character? Possibly *the* face of 1986. A cartoon-like image, whose benign countenance appears on everything from t-shirts to underwear, and who right now is blowing out of stores as disparate as New York's Charivari, Macy's



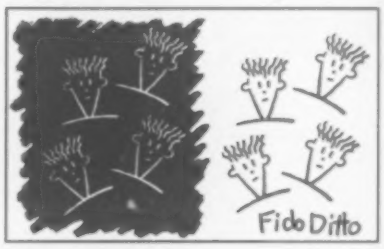
and Urban Outfitters.

Fido Dido is the brainchild of Joanna Ferrone, the owner of a photographic library, and Susan Rose, an art director at J. Walter Thompson USA, New York.

Though it's a long way from the ad business to the rag business, Fido was actually conceived somewhere in between—scribbled on a napkin over cocktails, to be exact. (Incidentally, Rose says the rag business makes the ad business seem calm.) Why did they get into it then? Ferrone and Rose believed Fido Dido's image was a strong one and a marketable one.

They originally thought of Fido as having indeterminate gender, but calling the creature "it" felt awkward. So "it" became a boy. A loss for nonsexist politics turned into a gain for marketability: Now they can create a second character, a female version.

Ferrone believes Fido is successful because "he's the all-American melting-pot boy." And in his various guises, he's every-



thing from an executive, with shirt, tie and glasses, to a sailor in uniform, to, get this, his own dog. Another factor that might explain Fido's success is the very style of the drawings. Highly graphic, they are hand-drawn, very funky and have an appeal not unlike that of Keith Haring's drawings.

And—shades of the '60s—there also is "The Fido Credo" printed on every piece of Fido merchandise:

"Fido is for Fido.
Fido is against no one.
Fido is youth.
Fido has no age.
Fido sees everything.
Fido judges nothing.
Fido is innocent.
Fido is powerful.
Fido comes from the past.
Fido is the future."

And Fido is making two young woman very happy.

Alexander Polakov

Players who don't find Condomoneyum indescribable could win a Florida condo.

Condomoneyum gives players a chance at winning the house

Sure, you can buy and sell chunks of real estate in Parker Bros.' Monopoly. But the new Condomoneyum game gives players a crack at winning a piece of *real* real estate —a $300,000 Miami Beach condo.

The man who came up with this game plan is Eric S. Medney, president, ESM Marketing Group, a 5-year-old sales promotion and sports marketing shop in Garden City, N.Y. He describes his game, which has been on sale in department stores since March, as combining elements of "advertising, real estate and Lotto."

In another relatively unusual angle, Medney sold "advertising" space on 31 game board squares at $25,000 a piece, for total ad revenues of $775,000. Among the largely upscale corporate or brand names on the current board are American Express Publishing Co.'s *Travel & Leisure* magazine; Eastern Airlines; Subaru; Frusen Gladje; Molson beer; *Newsweek*, Prudential Insurance Co.; the Ford Model agency; Remy Martin; Fontainebleau Hilton hotel, and *USA Today*.

The response from the public and the advertisers (some of whom are using the game as a premium or incentive) is strong enough to warrant his beginning sales pitches for the sponsored squares on the 1987 edition. The edition will be unveiled next March, when his "value-added product" will have added value: A chance to win a $400,000 condominium. A $500,000 sweepstakes promotion began this month and will run into October, with *USA Today*, Subaru, Eastern Airlines and 800 Cellular participating, says Medney. Six entrants will be chosen to compete in a Nov. 7 game, and the winner will receive a products-filled Subaru XT, he says.

This is apart from the condo contest, for which consumers must submit a definition of the term "Condomoneyum" in 100 words or less. Six finalists will play the game in March to win the Jockey Club III condo.

The objective of Condomoneyum is to build a six-room condominium. Each player begins with $100,000 and attempts to earn more money as he moves around the board by investing in stocks, challenging opponents for corporate advertising accounts and the like, all the while trying to avoid—as in real life—problems with the IRS.

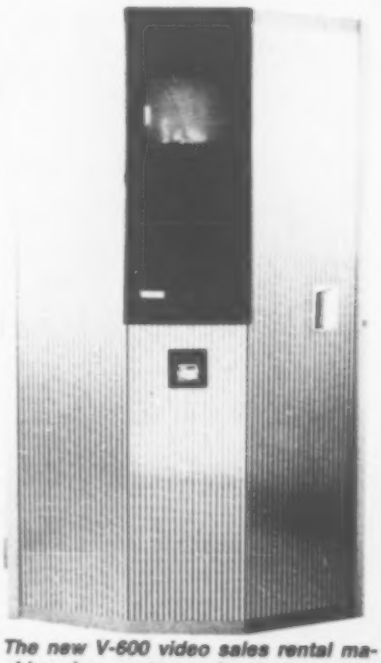
James P. Forkan

Before it bombs at home, get a sneak preview at the store

Have you ever rented a videocassette only to find that the cinematic event promised by the synopsis on the back of the box turned out to be a colossal yawn? Thanks to Video Express International, Inverness, Ill., you may never have another night home at the movies turn into a waste again.

Video Express has designed a new video rental sales machine, the V-600, featuring a 12-in. color monitor for previewing movie trailers at a press of a button.

The V-600 can stock as many as 660 VHS and Beta titles, but requires much less floor space than current vending machines. "We're aiming to market the ma-



The new V-600 video sales rental machine gives renters a chance to preview a movie before putting money down.

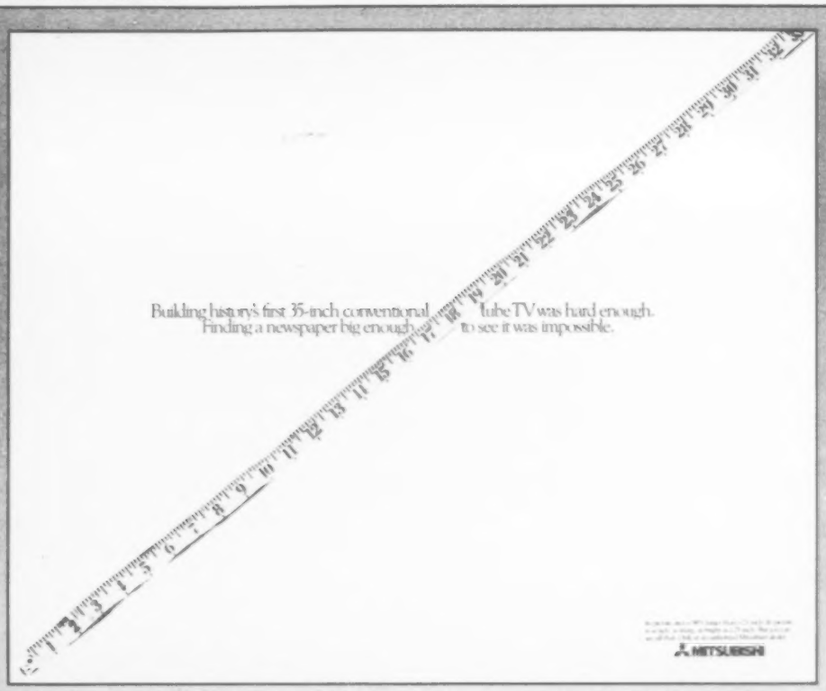
The hot seats

"Currents" takes a look at the latest concert scene with a listing of the top 10 concert draws for the past month.

Headliner, supporting acts	Venue, city, dates	Total attendance (capacity), No. of shows	Promoter or sponsors	Gross ticket sales
1. Grateful Dead Bob Dylan, Tom Petty	RFK Stadium, Washington, D.C., July 6-7	108,235 (65,000) 2 shows	Cellar Door, Grateful Dead, Westwood One	$2,132,700
2. "Texxas Fest", Van Halen, Loverboy, Dio	Cotton Bowl, Dallas, Texas, July 19	72,028 (80,000)	PACE Concerts, Schlitz	1,400,560
3. Van Halen, B.T. Overdrive	Meadowlands Arena, East Rutherford, N.J., July 28-Aug. 1	78,172 (19,543) 4 sellouts	Monarch	1,284,659
4. Bob Dylan, Grateful Dead, Tom Petty,	Rich Stadium, Buffalo, N.Y., July 4	63,850 (75,000)	Festivals East, Westwood One, Grateful Dead	1,277,000
5. "Mt. Air '86 Fest" ZZ Top, Night Ranger	Calaveras County Fair, Angels Camp, Cal., July 19-20	72,426 (2 sellouts)	Rock'N Chair, Budweiser	911,379
6. Van Halen, B.T. Overdrive	The Forum, Inglewood, Cal., July 2, 3 & 5	50,016 (16,672) 3 sellouts	Avalon	823,059
7. Farm Aid II	Manor Downs, Austin, Texas, July 4	40,500 sellout	Wrangler, Tyson	810,000
8. Bob Dylan, Tom Petty	Great Woods Center, Mansfield, Mass., July 8-9, 22	45,000 (15,000) 3 sellouts	Westwood One	745,205
9. Grateful Dead, Bob Dylan, Tom Petty	Rubber Bowl, Akron, Ohio, July 2	35,292 (38,000)	Belkin Prods. Grateful Dead Westwood One	690,180
10. Whitney Houston, Mark McCollum	Boston Common, Boston, Mass., July 29, 31, Aug. 1	37,500 (12,500) 3 sellouts	Miller Brewing, WNEV-TV, Boston Herald	667,065

Source: *Amusement Business*

BEST OF PRESS


Building history's first 35-inch conventional tube TV was hard enough.
Finding a newspaper big enough to see it was impossible.
MITSUBISHI

This ad for a new Mitsubishi Electric tv via Chiat/Day represents a classic use of spot color and a good visual to graphically demonstrate a product benefit. Creative director: Lee Clow; copywriters: Bill Hamilton, Phil Lanier; art directors: Rich Boyko, Andy Dijak; photographer: Dennis Manarchy.

This July 4th/Liberty Weekend ad from Scali, McCabe, Sloves was the best of the ads prepared to salute the Statue of Liberty. It hammers home the meaning behind the statue and does a good job of positioning the agency. Creative director: Ed McCabe; art director: Sam Scali; copywriter: Marvin Sloves.

This public service ad, one in a series now being run in Times Mirror Co.'s *Newsday* and *New York Newsday*, uses a strong visual and a strong headline to dissuade potential users of crack, the highly potent, smokable form of cocaine. The ad was created by *Newsday's* promotion department. Copywriter: Jack Squire; art director: Bob Delboy; photographer: William Senft.

Best of Press selections are made by a committee of three: Hank Simons, vp-creative director of the Newspaper Advertising Bureau; James Dunaway, vp-information at the bureau, and William F. Gloede, Advertising Age's newspaper industry reporter. National System Inc., St. Louis, provides tear sheets to the Newspaper Advertising Bureau for much of this work.

Agencies, clients and newspapers are invited to submit ads. Submissions should be sent to Mr. Gloede in Advertising Age New York bureau.

It's hard to miss the point of this ad for Yankelovich Clancy Shulman's new LITMUS-based market-testing system from Friedman Benjamin Inc., New York. Creative director and art director: Tony Benjamin; copywriter: Stephen Friedman; photographer: Barry Schein.

This ad for Volkswagen dealers from Doyle Dane Bernbach effectively used type—in this case Japanese type—to make a point about prices. Creative director: Bonnie Foister; art director: Ron Crooks; copywriter: John Roficki.

FLASH REPORT: Newspaper advertising investment for May

May 1986	IN 100 THOUSANDS IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR	1986	1985	ACTUAL $ G OR L	% G OR L
Amusements	1986	$31,003,316	$24,511,897	+6,491,619	+26.5
	1985				
Computer stores & supplies	1986	4,188,402	4,788,807	−600,205	−12.8
	1985				
Department stores	1986	99,421,611	91,776,450	+7,645,161	+8.3
	1985				
Food stores	1986	31,336,572	30,607,188	+731,384	+2.4
	1985				
Radio, tv, phonographs, records	1986	19,531,777	17,472,133	+2,059,644	+11.8
	1985				
General merchandise stores	1986	47,466,555	43,059,003	+4,407,552	+10.2
	1985				
Alcoholic beverages	1986	3,330,893	3,145,755	+185,138	+5.9
	1985				
Cameras, photo supplies & services	1986	862,810	502,566	+360,244	+71.7
	1985				
Computers, equipment & services	1986	3,275,718	5,232,242	−1,956,524	−37.4
	1985				
Public service utilities & communications	1986	7,473,832	6,515,845	+958,187	+14.7
	1985				
Publishing & media	1986	15,044,804	15,421,346	−376,742	−2.4
	1985				
Cigarets	1986	3,079,348	2,379,523	+699,825	+29.4
	1985				
Airlines	1986	18,568,534	15,094,269	+3,474,265	+23.0
	1985				
Passenger cars-new	1986	19,058,558	14,984,157	+4,072,401	+27.2
	1985				
Banks & trust companies	1986	7,971,191	6,825,151	+1,146,040	+16.8
	1985				
Stock, bond & investment houses	1986	1,997,419	1,265,020	+732,399	+57.9
	1985				

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.

Source: Media Records Inc.

May spending climbs 7.8%

New York—Advertiser spending in major-market daily newspapers climbed 7.8% in May from the same month last year, according to the Flash Report of newspaper advertising prepared for Advertising Age by Media Records Inc.

Total spending rose to $312.8 million across the 16 categories measured in the report.

Only three categories showed declines from May, 1985, spending, with the biggest losses coming in the national and local computer equipment and services advertising. The computers, equipment and services general category was down 37.4%, to $3.3 million; the computer stores and supplies retail category was off 12.6%, to $4.2 million.

More than offsetting the decreases were gains in the amusements category, up 26.5% to $31 million; department stores, up 8.3% to $99.4 million; general merchandise stores, up 10.2% to $47.5 million, and radio-tv-phonograph-record retailers, up $11.8% to $19.5 million.

Among other gainers were food stores, up 2.4% to $31.3 million; alcoholic beverages, up 5.9% to $3.3 million; camera-photo supplies and services, up 71.7% to $862,810; public service utilities and commissions, up 14.7% to $7.5 million; cigarets, up 29.4% to $3.1 million; airlines, up 23% to $18.6 million, and new passenger cars, up 27.2% to $19.1 million.

The Flash Report is based on measurements by Media Records in 29 daily and 23 Sunday newspapers in 15 major markets.

And Doyle Dane Bernbach's ad for another client, 375 Spirits Corp., uses color, an arresting headline and a good copy line to promote Chivas Regal scotch. Creative director: Charlie Piccirillo; art directors: Bill Arzonetti, Matt Rao; photographer: Alan Vogel.

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

August

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
— Art & antiques —				
American Artist	—	—	—	—
Antiques	—	—	—	—
Art in America	—	—	—	—
Southwest Art	65.1	71.8	558.2	615.7
Total Group	**65.1**	**71.8**	**558.2**	**615.7**
% change		-9.3%		-9.3%
— Auto/cycle/rec. vehicles —				
AutoWeek (52X)	—	—	—	—
Car & Driver	70.0	75.3	740.7	796.8
Car Collector & Car Classics	18.8	16.1	125.0	148.4
Car Craft	82.7	79.5	598.0	607.1
Circle Track	61.0	47.9	500.9	428.1
Cycle	23.8	43.9	384.1	444.5
Cycle Guide (11X)	—	26.2	344.3	345.1
Cycle World	26.2	41.2	412.0	492.9
Dirt Rider	29.8	23.0	337.4	266.0
Dune Buggies & Hot VW's	87.8	101.7	702.1	739.8
Family Motor Coaching	128.3	131.5	1,190.5	1,199.2
4 Wheel & Off-Road	87.4	77.8	696.2	600.1
Four Wheeler	88.1	89.2	676.1	691.3
Hot Rod	60.8	55.8	504.3	499.3
Motorcyclist	33.5	36.1	415.9	332.2
Motor Trend	48.6	70.4	520.6	604.1
Motorhome Life	93.4	99.9	760.9	790.8
Pick-Ups & Minitrucks	—	—	—	—
Rider	33.0	42.7	433.5	470.9
Road & Track	85.7	97.0	792.9	901.8
3 Wheeling	48.9	60.2	461.8	454.6
Trailer Life	98.6	109.7	932.2	1,018.7
Total Group	**1,206.4**	**1,325.1**	**11,529.4**	**11,831.7**
% change		-8.9%		-2.5%
— Boating & yachting —				
Boating	90.3	92.2	1,104.4	1,104.9
Chesapeake Bay	38.3	27.5	298.2	248.2
Cruising World	92.3	98.7	970.6	1,005.5
Lakeland Boating (10X)	67.5	66.5	558.0	529.5
Motor Boating & Sailing	117.9	127.9	1,404.4	1,342.2
Sail	113.0	108.3	904.9	1,050.6
Small Boat Journal (6X)	46.2	40.6	213.0	194.0
Trailer Boats (11X)	29.6	26.3	359.0	286.5
Western Boatman (6X)	—	—	162.8	189.9
Yachting	126.8	128.3	1,127.0	1,317.0
Total Group	**721.9**	**716.3**	**7,102.3**	**7,268.3**
% change		+0.7%		-2.2%
— Canadian —				
L'Actualite	38.7	44.8	610.8	464.3
Chatelaine:				
English Edition A.	54.2	59.5	704.2	672.7
French Edition	48.7	41.9	600.0	542.9
City and Country Home (8X)	—	—	269.9	200.5
City Woman	—	—	—	—
Equinox (6X)	—	—	—	—
Financial Post A.	12.8	9.2	267.4	243.1
Flare A.	49.2	53.7	527.6	477.0
Harrowsmith-Canada	28.8	25.5	155.2	120.5
Macleans (52X) A.	80.2	65.8	933.8	854.3
Montreal Calendar	—	—	—	—
Montreal Magazine (10X)	—	—	—	—
Reader's Digest:				
Canadian-English A.	46.7	30.8	546.5	479.7
Canadian-French A.	34.0	19.5	451.9	366.7
Toronto Life	—	—	—	—
Vancouver	—	—	—	—
Total Group	**393.4**	**350.7**	**5,067.3**	**4,421.7**
% change		+12.1%		+14.6%
— Civic/fraternal —				
American Legion	22.5	27.8	190.8	206.7
Elks (10X)	15.7	14.7	127.8	134.2
Kiwanis	18.7	18.1	126.2	116.5
Lion (10X)	—	—	—	—
Rotarian	13.0	7.6	113.5	87.2
V.F.W. (11X)	26.5	30.6	190.4	189.9
Total Group	**96.4**	**98.8**	**748.7**	**734.5**
% change		-2.4%		+1.9%
— Comics —				
DC Comics	3.0	7.0	39.0	46.5
Marvel Comics Group	—	—	—	—
Total Group	**3.0**	**7.0**	**39.0**	**46.5**
% change		-57.1%		-16.1%
— General —				
American Health (10X)	—	—	—	—
American West (6X)	39.5	27.5	132.5	132.0
The Atlantic A.	23.4	28.6	274.1	358.7
Audubon Magazine (6X)	—	—	—	—
Bon Appetit A.	55.8	73.1	614.2	648.0
Changing Times	36.3	30.6	371.8	301.1
Connoisseur	19.0	23.3	480.0	426.0
Consumer's Digest (8X)	—	—	—	—
Ebony	90.5	96.7	746.1	737.9
Fifty Plus	27.2	27.0	274.8	249.8
Food & Wine	36.3	27.4	346.0	364.5
Games	6.2	13.7	126.3	130.2
Gourmet	52.0	52.4	666.9	661.5
Harper's A.	—	—	—	—
Home Entertainment (8X)	—	—	—	—
Let's Live	49.0	35.0	386.0	330.0
Life	34.0	47.1	417.0	484.5
Modern Maturity (6X)	44.9	42.8	174.5	155.3
Money	70.1	96.7	928.6	926.9
Mother Earth News (6X)	—	—	—	—
Mother Jones (9X)	—	—	—	—
National Geographic	—	—	—	—
Natural History	28.7	22.8	312.8	317.3
Prevention	45.5	58.8	475.8	471.3
Psychology Today	29.6	21.9	214.4	188.3
Reader's Digest A.	73.1	80.6	750.0	603.5
Saturday Evening Post (9X)	38.7	39.0	189.3	180.0
Signature	47.2	33.7	529.0	413.0
Smithsonian	47.4	57.2	580.1	677.6
Sylvia Porter's Personal Finance (6X)	36.2	38.3	239.1	156.6
Town & Country	101.1	94.7	862.8	921.0
Travel-Holiday	27.0	24.0	321.3	354.7
Travel & Leisure	45.6	44.6	768.5	818.2
Vanity Fair	35.1	24.7	309.6	240.1
Writer's Digest	21.8	27.2	196.3	192.6
Yankee	52.1	59.0	537.2	522.1
Total Group	**1,168.4**	**1,205.6**	**12,050.5**	**11,807.4**
% change		-3.8%		+2.0%
— Home —				
Americana (6X)	17.2	26.9	111.4	137.8
Architectural Digest A.	64.8	69.2	899.1	941.7
Better Homes & Gardens	75.4	75.6	837.0	853.5
Colonial Homes (6X)	44.3	46.6	233.1	234.3
Columbus Monthly-Homes (4X)	—	—	81.7	26.8
Country Home (6X)	34.7	23.0	175.8	119.6
Country Journal	—	—	—	—
Country Living	56.9	62.7	546.8	520.5
Dallas-Ft. Worth Home & Garden	59.4	88.0	681.4	695.2
Family Handyman (10X) A.	—	—	382.4	391.3
Flower & Garden (6X)	26.4	33.2	156.4	158.8
Home	32.1	32.1	375.6	378.0
Home Mechanics	37.8	46.7	474.2	543.2
The Homeowner (10X)	25.1	27.3	187.8	170.5
Horticulture	26.8	23.5	304.8	279.5
House & Garden	61.3	58.2	688.1	712.2
House Beautiful	54.8	62.3	559.1	630.7
Houston Home & Garden	76.7	88.2	608.2	697.2
Metropolitan Home	38.2	45.6	440.2	477.2
New Shelter (9X)	—	—	317.7	326.9
1,001 Home Ideas	29.8	49.1	329.4	361.8
Phoenix Home/Garden	58.3	53.8	525.6	507.7
Rodale's Organic Gardening	35.3	38.4	480.5	451.1
Rx Being Well	—	—	—	—
San Diego Home/Garden	—	—	—	—
South Florida Home/Garden	27.8	49.9	—	—
Southern Accents (6X)	—	—	377.7	335.1
Southern Living	—	—	—	—
Sunset Magazine A.	90.1	103.1	1,083.2	1,117.7
Texas Homes	44.5	55.9	496.9	636.5
Workbench (6X)	—	—	191.3	209.9
The Workbasket	27.3	33.6	236.0	261.0
Total Group	**1,233.8**	**1,190.6**	**11,594.9**	**12,145.7**
% change		+3.6%		-4.6%
— In-flight & other passenger —				
Aboard Group (7) (6X)	—	—	—	—
Alaska Airlines	57.7	58.4	462.3	388.1
East/West Network:				
American Way	75.8	75.6	712.2	892.3
Eastern Review	57.5	84.3	797.1	752.6
Frontier	22.0	—	272.0	—
Northwest Orient	32.6	44.0	358.9	322.5
Ozark	25.6	37.0	355.6	317.0
Pan Am Clipper	32.5	60.7	357.2	491.3
PSA Magazine	77.8	85.5	696.8	624.3
Republic Scene	31.3	39.3	389.2	354.0
Spirit	68.5	92.7	763.3	703.7
United	64.3	86.7	748.5	704.7
Western's World	44.6	51.7	464.9	417.5
Halsey Publications:				
Air Cal	52.2	61.2	419.7	384.1
Delta Sky	60.0	66.2	583.8	559.9
People's Expressions	28.8	—	245.7	—
US Air	37.5	46.5	344.5	365.3
Hawaii (6X)	26.2	21.9	220.8	190.9
Pace	88.2	73.2	645.7	541.4
Presidential Airways (6X)	8.7	—	37.8	—
Spirit of Aloha (6X)	29.1	22.5	226.7	191.0
TWA Ambassador	52.0	56.7	404.9	422.5
Total Group	**972.9**	**1,064.1**	**9,628.7**	**8,599.3**
% change		-8.5%		+11.9%
— Men's —				
Esquire A.	42.5	62.6	705.5	754.0
Firehouse Magazine (13X)	26.5	26.0	315.0	333.5
Gentlemen's Quarterly A.	—	—	—	—
M	50.3	42.3	395.2	375.3
Penthouse A.	29.1	33.2	280.1	307.5
Playboy A.	42.3	60.0	491.7	563.8
Total Group	**190.7**	**224.1**	**2,187.5**	**2,334.1**
% change		-14.9%		-6.2%
— Metropolitan —				
Aloha (6X)	41.7	29.1	155.7	154.3
Atlanta	—	—	—	—
Baltimore	79.1	90.1	581.9	627.6
Boston	156.2	169.3	1,179.9	1,178.8
California	60.0	73.0	544.2	535.6
Chicago	95.0	104.7	952.6	1,000.8
Chicago's North Shore	91.7	78.8	627.7	591.1
Cincinnati	53.1	44.9	458.3	419.0
Cleveland	50.6	82.8	553.7	609.7
Coast (38X)	375.0	339.4	1,834.3	1,867.8
Columbus Monthly	66.4	65.1	527.4	525.5
Connecticut	111.4	109.6	747.1	704.2
D/Magazine, Dallas/-Fort Worth	99.1	106.0	953.5	999.1
Denver	35.0	37.8	283.6	244.6
Detroit Monthly	48.3	47.5	578.1	437.5
Grand Rapids	36.3	45.7	330.6	392.8
Gulfshore Life (10X)	75.7	77.0	599.4	380.0
Honolulu	84.4	88.3	481.3	481.2
Houston City	36.4	53.3	402.0	549.7
Louisiana Life (6X)	—	—	149.7	219.0
Madison	61.0	57.6	507.0	483.6
Metropolitan Detroit	46.0	56.3	576.4	551.1
Miami/South Florida	39.3	73.8	550.6	711.3
Mid Atlantic Country	38.3	40.8	310.7	361.4
Milwaukee	68.5	61.7	519.4	501.4
Minneapolis/St. Paul	111.5	81.6	745.9	736.4
Nashville	26.0	42.0	308.0	287.0
New England Monthly	25.3	21.0	285.5	225.5
Ohio	56.5	50.8	458.5	494.0
Orlando	100.3	102.8	793.8	808.5
Palm Beach Life	27.5	38.6	470.6	575.7
Palm Springs Life	40.3	29.6	761.0	773.2
Philadelphia	127.4	114.0	992.0	1,018.1
Phoenix	128.7	148.3	751.1	808.7
Pittsburgh	64.3	66.0	503.2	483.6
St. Louis	37.8	44.5	373.9	427.5
San Diego	144.9	162.2	1,084.1	1,240.3
San Francisco (6X)	—	—	—	—
San Francisco Focus	89.1	117.8	704.7	691.5
Texas Monthly	88.8	112.3	955.0	911.9
Twin Cities	48.0	46.9	339.5	445.7
The Virginian	—	—	257.0	222.0
Washington (7X)	83.0	47.0	311.0	144.0
Washington Dossier (11X)	32.3	36.1	337.5	381.7
The Washingtonian	142.0	137.0	1,135.0	1,157.0
Total Group	**3,222.2**	**3,331.1**	**25,972.4**	**26,359.4**
% change		-3.2%		-1.4%
— Movie/romance/radio/tv —				
Macfadden's Women's Group:				
Modern Romances	23.6	19.4	169.8	150.7
Secrets	23.6	19.4	169.8	150.7
True Confessions	23.6	19.4	169.8	150.7
True Experience	23.6	19.4	169.8	150.7
True Love	23.6	19.4	169.8	150.7
True Romance	23.6	19.4	169.8	150.7
Sterling Women's Group:				
Daytime TV	25.9	27.5	203.9	229.0
Modern Screen	16.2	16.5	63.7	58.3
Movie Mirror (6X)	1.0	1.0	18.5	71.5
Soap Opera Stars	16.2	17.6	62.8	77.1
TV Movie Screen (6X)	8.6	8.0	34.5	27.3
TV Picture Life (6X)	3.6	9.0	14.2	24.0
Total Group	**213.1**	**196.0**	**1,416.4**	**1,391.4**
% change		+8.7%		+1.7%
— Music/entertainment —				
Audio	67.4	61.6	578.6	614.0
Circus Magazine	—	—	—	—
Dance Magazine	45.3	50.8	422.4	440.0
Musician	56.3	58.4	445.5	464.0
Playbill	37.0	42.6	336.3	378.1
Stereo Review	73.1	39.4	555.3	304.6
Video	68.8	73.9	590.0	593.0
Total Group	**347.9**	**326.7**	**2,928.1**	**2,793.7**
% change		+6.4%		+4.8%
— National Sunday magazines —				
Parade (52X)	49.5	47.8	413.8	399.7
Total Group	**49.5**	**47.8**	**413.8**	**399.7**
% change		+3.5%		+3.5%
— Outdoor & sport —				
The American Handgunner (6X)	42.0	34.0	142.0	136.0
American Hunter	19.6	25.4	140.0	141.1
American Rifleman	32.8	35.6	190.6	194.0
Backpacker (6X)	—	—	119.4	136.6
Bass Master (9X) A.	—	—	382.1	393.5
Bicycling (9X)	56.4	70.7	583.3	683.0
Duck's Unlimited (6X)	—	—	110.0	93.7
Field & Stream	50.6	52.4	674.9	725.2
Fishing World	11.6	15.6	178.0	176.2
Florida Sportsman	85.4	76.4	916.5	836.8
Flying	46.0	42.4	302.2	370.5
Golf Digest	75.3	81.8	822.0	763.2
Golf Magazine	42.8	35.3	583.3	565.3
Gun Dog (6X)	—	—	118.0	103.6
Guns	34.0	25.0	248.0	177.0
Guns & Ammo	52.3	45.7	376.6	331.7
In-Fisherman (6X)	32.0	40.0	365.0	406.0
Muscle & Fitness	107.2	102.0	870.9	856.3
Outdoor Life	45.6	53.2	595.0	564.2
Outside	35.9	30.3	382.9	337.1
Petersen's Hunting	55.5	52.7	344.6	297.9
The Runner	23.0	23.7	239.8	276.6

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net, except Los Angeles Times Magazine and New York Times Magazine.

All figures represented in this chart are supplied by the magazines. Advertising Age makes no attempt to verify them and, therefore, is not responsible for inconsistencies or errors.

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(Continued from Page 67)

August

	Current month 1986	1985	Year-to-date 1986	1985
Runner's World (13X)	31.9	38.8	247.3	304.3
Salt Water Sportsman	53.6	56.0	744.1	690.5
Shooting Times	—	—	—	—
Ski (8X) A.	—	—	249.2	215.4
Skiing (7X)	—	—	—	—
Skin Diver	86.2	75.9	753.4	657.1
Southern Outdoors (8X)	—	—	259.3	209.4
Sport	41.5	40.5	279.8	302.2
Sports Afield	44.9	76.2	561.5	669.9
Tennis	52.3	59.4	578.2	661.5
Waterski (8X)	—	—	—	—
Western Outdoors (10X)	40.4	38.7	342.1	326.9
Wildfowl (6X)	21.8	14.6	71.1	14.8
Windrider (7X)	—	—	—	—
World Tennis	26.7	32.8	201.6	32.8
Total Group	**1,247.3**	**1,284.1**	**12,972.7**	**12,650.3**
% change		**-2.8%**		**+2.5%**
— Photography —				
American Photographer	39.3	35.7	303.1	317.5
Petersen's Photographic	18.3	27.7	196.3	218.6
Popular Photography	61.7	80.8	519.6	703.0
Total Group	**119.3**	**144.2**	**1,019.0**	**1,239.1**
% change		**-17.8%**		**-17.7%**
— Religious —				
Christian Herald (11X)	26.3	28.5	194.4	211.9
Inside (4X)	—	—	—	—
Moody Monthly (11X)	21.6	36.5	288.5	350.0
Today's Christian Woman (6X)	14.5	33.0	110.5	161.4
Total Group	**62.4**	**98.0**	**593.4**	**723.3**
% change		**-36.3%**		**-17.9%**
— Science/electronic/mechanic —				
Discover	22.6	26.5	239.3	247.8
Family Computing	41.5	30.0	329.7	290.3
Info World (52X)	—	—	—	—
Omni	41.5	53.7	429.7	453.4
Personal Computing	102.9	139.3	888.7	1,163.7
Popular Mechanics	65.9	79.0	755.0	751.9
Popular Science	52.9	47.7	542.8	497.4
Science Digest	22.4	14.6	122.5	195.1
Science 86 (10X)	—	—	—	—
Scientific American	23.2	28.8	252.5	347.0
Spectrum	63.5	80.6	648.5	808.1
Total Group	**436.4**	**500.5**	**4,208.7**	**4,854.7**
% change		**-12.8%**		**-13.3%**
— Women/fashion/service —				
Bride's Magazine (6X) A.	447.3	377.9	1,544.1	1,343.9
Cosmopolitan A.	158.5	174.9	1,527.4	1,491.4
Essence	—	—	—	—
Family Circle (17X) A.	153.2	97.0	1,110.9	1,130.5
Family Magazine	—	—	—	—
Glamour	175.0	194.6	1,327.5	1,325.8
Good Housekeeping A.	116.3	130.9	1,233.3	1,254.4
Harper's Bazaar	115.4	137.2	914.7	985.1
Health	35.5	48.7	318.5	315.7
Ladies' Home Journal	93.4	105.7	851.4	838.5
Mademoiselle	136.3	153.7	945.1	942.0
McCall's	74.4	70.7	698.7	692.4
Modern Bride (6X)	422.0	408.5	1,367.1	1,320.0
Ms.	29.9	20.9	304.8	366.9
New Woman	60.7	52.0	554.3	401.4
Parents A.	94.0	67.8	719.5	661.4
Playgirl	—	—	—	—
Redbook	64.2	83.1	704.0	690.6
Self	64.0	91.8	704.9	725.3
Seventeen	238.5	265.6	933.2	1,023.4
Shape	65.0	50.0	560.7	486.1
Soap Opera Digest (26X)	18.8	20.0	157.8	225.5
'Teen Magazine	81.0	76.6	408.2	402.4
True Story A.	48.8	46.2	366.8	374.2
Vogue	229.4	235.6	1,745.0	1,788.6
W Magazine	159.8	140.0	815.3	802.0
Weight Watchers	25.7	26.5	258.8	219.5
Woman's Day (16X) A.	—	—	—	—
Working Woman	75.4	70.5	771.4	748.4
Total Group	**3,182.5**	**3,146.4**	**20,843.4**	**20,555.4**
% change		**+1.1%**		**+1.4%**
— Youth —				
Boys' Life	13.1	12.7	118.2	138.7
Campus Life (10X)	21.1	33.0	228.6	282.9
Total Group	**34.2**	**45.7**	**346.8**	**421.6**
% change		**-25.1%**		**-17.7%**

July

	Current month 1986	1985	Year-to-date 1986	1985
— Business —				
Advantage	61.0	38.0	412.0	333.0
Arizona Bus. Gazette (52X)	23.3	18.9	221.2	188.9
Atlanta Bus. Chronicle (52X)	52.1	53.7	503.5	352.6
Austin Bus. Journal (52X)	32.4	66.3	308.5	392.3
Baltimore Bus. Journal	57.3	63.1	487.5	463.3
Barron's (52X)	130.4	163.6	1,292.8	1,311.7
Business Atlanta	63.1	64.2	455.2	465.1
Business First of Buffalo	53.0	70.8	417.0	445.1
Business First of Columbus	74.5	64.9	562.0	463.1
Business Journal/Sacramento	32.5	45.2	282.6	266.3
Business North Carolina	39.0	27.8	278.5	230.8
Business Week (52X) A.	214.3	306.1	2,094.5	2,467.4
Business West	—	—	104.0	79.0
California Business	—	—	—	—
Capital Dist. Bus. Review (25X)	—	—	—	—
Cincinnati Bus. Courier	69.8	59.8	519.2	410.7
Corporate Report/Kansas City	25.2	35.8	211.4	336.2
Corporate Report/Minnesota	70.4	73.3	546.5	654.7
Crain's Chicago Bus. (52X)	129.7	157.0	1,131.2	1,046.0
Crain's Cleveland Bus. (52X)	51.1	75.1	408.9	526.9
Crain's New York Bus.	23.5	18.0	237.0	93.0
Florida Trend (13X)	72.6	102.9	571.3	655.9
Forbes (26X)	185.9	237.6	1,796.0	1,946.0
Fortune (26X)	139.5	195.4	1,432.8	1,805.1
Frequent Flyer	56.7	45.0	408.5	413.8
Futures (13X)	45.1	49.0	321.2	337.0
Georgia Trend	63.1	—	370.6	—
Grand Rapids Bus. Journal	37.0	21.0	238.7	109.5
Hawaii Business	41.7	44.2	308.4	318.6
High Technology	21.0	23.6	131.4	222.6
Houston Bus. Journal (52X)	62.9	111.5	577.9	819.0
Inc. Magazine A.	67.1	67.8	612.1	662.4
Income Opportunities	75.9	53.6	396.1	319.3
Industry Week (25X) A.	57.5	59.1	607.2	598.3
Indianapolis Bus. Journal (52X)	144.0	137.1	1,010.7	829.3
Kansas City Bus. Journal	—	—	—	—
Manhattan, Inc.	46.9	34.4	459.2	249.2
Minnesota Bus. Journal	—	—	—	—
Nation's Business A.	33.4	27.1	249.0	241.6
New England Bus. (20X) A.	—	—	—	—
Pacific Bus. News (52X)	—	—	—	—
Philadelphia Bus. Journal (52X)	105.6	103.4	778.8	612.6
Pittsburgh Bus. Times (52X)	76.2	96.4	610.1	525.4
Regardie's	162.5	96.8	979.9	732.7
San Jose Bus. Journal	142.4	110.8	649.1	744.5
Savvy	18.4	21.0	199.7	217.3
South Florida Bus. Journal	72.0	98.2	745.3	591.7
St. Louis Bus. Journal (52X)	122.4	131.3	955.8	976.7
Texas Business	84.9	95.6	351.2	430.0
Venture	70.7	79.6	492.0	503.0
Total Group	**3,078.3**	**3,287.0**	**24,595.3**	**24,341.4**
% change		**-6.3%**		**+1.0%**
— National Sunday magazines —				
Parade	36.4	32.0	364.3	352.1
USA Weekend (52X) A.	37.4	39.7	350.8	342.0
Total Group	**73.8**	**71.7**	**715.1**	**694.1**
% change		**+2.9%**		**+3.0%**
— Newspaper Sunday magazines* —				
Boston Globe	123.1	112.6	1,353.1	1,244.5
Chicago Tribune	58.3	92.9	595.9	716.7
Cleveland Plain Dealer	22.3	25.4	313.4	294.6
Columbus Dispatch	24.9	26.1	268.3	305.0
Denver Post	96.0	100.0	996.0	1,072.0
Detroit News	57.0	67.0	605.0	592.0
L.A. Times Magazine	52.9	45.6	497.5	441.6
Louisville Courier-Journal	41.5	45.6	423.6	459.2
Miami Herald	29.8	24.9	329.7	274.1
New York Times Magazine	112.8	128.4	1,995.4	2,227.5
Philadelphia Inquirer	34.3	43.8	438.7	342.6
San Francisco Image				
Seattle Times	33.0	27.0	341.0	283.0
Toledo Blade Magazine	29.1	30.2	267.3	275.2
Washington Post	57.3	61.3	795.4	759.6
Total Group	**772.3**	**830.8**	**9,220.3**	**9,287.6**
% change		**-7.0%**		**+0.0%**
— Weeklies/bi-weeklies —				
The Advocate (26X)	111.0	82.0	966.3	626.6
Army Times Military Group:				
Air Force Times (52X)	165.7	169.3	1,269.2	1,082.9
Army Times (52X)	154.5	164.9	1,154.4	1,057.2
Navy Times (52X)	174.3	176.2	1,248.0	1,152.1
The Blood-Horse (52X)	423.6	549.6	2,528.2	3,020.4
Capper's Weekly (26X)	15.6	22.0	182.3	168.1
Commonweal (22X)	2.2	2.2	48.6	42.3
Grit (52X) A.	17.8	17.0	165.4	133.3
National Journal (50X)	36.7	36.3	392.3	352.0
National Review (25X)	28.4	26.7	211.1	160.1
New Republic (48X)	23.2	31.6	240.4	197.4
New York Magazine (50X)	196.0	177.6	1,353.2	1,316.6
Newsweek (52X) A.	131.3	164.9	1,335.0	1,448.6
People (52X)	235.9	233.3	2,025.1	2,000.8
Rolling Stone (25X)	132.6	95.2	736.0	591.7
Sporting News (52X)	36.1	49.1	347.9	267.5
Sports Illustrated (52X) A.	151.8	189.5	1,513.9	1,523.2
Time (52X) A.	119.5	167.5	1,381.3	1,457.3
Travelhost (52X) C.	3,560.0	2,795.5	21,912.0	21,685.0
TV Guide (52X) A.	183.2	191.1	1,982.8	2,026.9
TV Update (52X) C.	2,141.0	2,135.0	16,469.0	15,930.0
Us Magazine (26X)	35.3	36.3	297.8	194.1
U.S. News &				
World Report (52X) A.	94.6	116.0	869.9	942.4
Total Group	**4,966.3**	**7,628.8**	**58,630.1**	**57,376.5**
% change		**-34.9%**		**+2.1%**
— Foreign —				
Business Week Intl. (52X)	136.4	120.9	888.2	840.1
Cosmopolitan Foreign Editions:				
Australia	60.7	58.1	407.4	397.3
Brazil	56.8	51.5	366.9	281.5
China	32.9	19.8	260.6	140.4
France	74.0	64.5	501.7	721.5
Germany	74.3	80.7	730.4	667.5
Great Britain	111.0	109.0	716.5	763.8
Greece	32.0	37.0	287.0	434.4
Holland	35.0	35.0	449.0	448.3
Italy	27.3	31.0	460.2	353.4
Japan	48.9	49.7	351.5	218.3
S. Africa	67.0	75.0	484.0	553.0
Cosmopolitan en Espanol:				
Central America	4.3	0.3	24.3	6.7
Colombia	22.7	17.5	84.3	80.5
Ecuador	—	—	—	2.0
Mexico	59.0	48.0	263.3	304.0
Peru	—	5.0	—	21.0
Puerto Rico	9.8	21.5	69.0	151.8
U.S. (Spanish language)	24.7	17.0	173.7	112.5
Venezuela	16.3	27.0	84.3	163.7
Good Housekeeping Foreign Editions:				
Australia	39.2	53.2	211.6	228.2
Great Britain	110.9	120.6	843.6	845.2
Japan	94.7	91.1	493.0	409.4
Buenhogar:				
Central America	1.0	1.0	8.0	7.0
Chile	1.0	1.0	9.0	8.0
Colombia	37.7	61.0	199.8	219.0
Ecuador	12.0	25.0	73.0	103.0
Mexico	37.8	64.0	199.7	295.8
Peru	—	—	—	—
Puerto Rico	11.5	25.8	63.0	73.3
U.S.	22.7	26.7	142.3	116.5
Venezuela	24.0	58.2	141.7	222.5
Geomundo:				
Central America	4.0	3.0	26.0	30.5
Chile	5.0	3.0	29.0	33.5
Colombia	8.0	9.0	54.8	56.0
Ecuador	3.0	3.0	20.0	26.0
Mexico	22.7	11.5	59.2	46.5
Peru	2.0	3.0	18.0	32.5
Puerto Rico	11.5	1.0	21.5	22.0
Venezuela	32.5	13.5	93.5	63.0
Hombre De Mundo:				
Central America	3.0	4.0	38.0	24.0
Chile	3.0	6.0	39.0	30.0
Colombia	8.0	9.5	95.2	43.5
Ecuador	5.0	4.0	35.0	26.5
Mexico	12.0	12.5	102.0	67.0
Peru	2.0	4.0	23.0	21.0
Puerto Rico	2.0	12.0	33.0	41.0
Venezuela	20.0	34.0	131.0	119.0
Ideas Para Su Hogar:				
Colombia	9.2	14.0	67.8	90.0
Ecuador	2.0	6.0	14.0	32.0
Mexico	11.7	14.2	43.0	58.0
Peru	4.0	2.5	21.5	15.0
Puerto Rico	—	1.0	—	10.5
Venezuela	5.0	18.0	63.7	109.0
Latin America Finance	19.5	10.3	73.2	34.0
Mecanica Popular:				
Argentina	2.3	1.0	18.3	16.3
Central America	7.2	6.5	60.8	65.5
Chile	3.7	1.3	32.0	22.5
Colombia	13.7	15.2	102.7	89.5
Mexico	11.8	20.5	67.7	94.8
Peru	8.2	8.5	64.8	77.5
Puerto Rico	5.7	5.8	45.3	65.8
Venezuela	13.7	23.0	75.0	92.8
Vanidades Continental:				
Central America	25.2	4.5	102.3	40.5
Chile	4.5	2.3	26.5	17.3
Colombia	116.0	57.0	440.2	409.5
Ecuador	30.3	19.7	122.5	128.0
Mexico	122.8	82.2	488.5	520.7
Peru	24.7	10.7	81.8	75.3
Puerto Rico	61.8	25.5	227.8	226.3
U.S.	46.7	32.8	289.3	252.7
Venezuela	58.8	52.3	234.5	328.7
International Communications:				
African Business	22.3	21.6	192.5	173.4
New African	15.6	14.9	125.1	106.0
The Middle East	23.4	13.3	83.0	114.7
International Management:				
Europe	31.0	29.8	290.8	300.0
Middle East	13.2	9.5	59.5	102.2
Johnston International:				
Alam Attijarat	16.2	27.8	233.2	310.6
Modern Africa (6X)	25.1	11.8	78.3	48.6
Modern Asia (11X)	20.7	19.3	241.2	189.3
Newsweek International A.:				
Atlantic (52X)	43.0	70.9	537.7	549.0
Latin America (52X)	22.3	30.4	207.1	172.9
Pacific (52X)	42.4	52.4	384.5	399.8
Progreso (9X)	—	—	—	—
Reader's Digest:				
Arabic	7.9	7.0	36.5	74.5
Asian	162.5	193.5	1,491.8	1,344.8
Australian	55.5	70.0	395.7	380.4
Belgian-Flemish	28.0	36.5	461.4	555.0
Belgian-French	15.0	23.0	268.1	370.5
British	46.6	32.0	315.4	306.9
Chinese B.	77.3	104.5	694.8	847.0
Danish	9.0	12.0	203.7	213.0
Dutch	25.5	15.3	243.1	246.4
Finnish	16.0	19.5	271.0	308.9
French	5.8	16.8	107.6	320.4
German	38.0	42.3	423.5	447.2
Iberian	2.0	—	8.0	31.0
Indian-English	55.5	65.0	575.0	679.5
Indian-Hindi	8.5	5.0	71.0	81.5
Italian	19.0	19.0	274.5	249.5
Korean	23.3	21.8	193.0	166.2
Latin American:				
Argentina	16.5	20.5	86.5	121.5
Brazil	2.0	8.0	18.0	32.0
Central America	6.0	11.0	41.0	60.0
Chile	8.0	19.5	69.5	70.0
Colombia	32.5	21.5	145.0	168.5
Ecuador	5.0	11.0	41.0	57.0
Mexico	46.0	47.9	368.4	299.7
Peru	5.0	12.0	47.0	61.5
Portugal	29.5	42.8	240.8	239.6
Puerto Rico	6.0	7.0	31.5	33.0
U.P.B.	5.0	7.0	39.0	46.5
U.S. Spanish	12.5	7.5	112.5	61.0
Venezuela	8.5	12.5	79.5	72.0
New Zealand	59.3	57.5	350.3	356.5
Norwegian	5.0	13.5	53.5	134.0
South African	65.5	73.0	489.5	615.0
Swedish	11.0	11.0	116.0	100.5
Swiss-French	6.5	15.0	150.5	167.0
Swiss-German	12.5	21.0	209.5	232.5
Time International:				
Time-Asia	48.1	81.2	468.6	551.0
Time-Atlantic	52.7	74.8	623.8	628.7
Time-Canada	81.3	104.1	1,170.9	1,064.8
Time-Latin America	25.4	41.7	306.4	271.0
Time-South Pacific	83.2	125.0	589.1	748.2
Visao (52X)	139.9	142.3	942.2	794.7
Vision/Latin America (26X) A.	23.7	25.2	172.3	166.8
Total Group	**3,704.6**	**3,962.3**	**27,699.0**	**28,986.0**
% change		**-6.5%**		**-4.4%**

Pet food category off its feed, but snacks gain

By JOHN C. MAXWELL JR.

Last year was a mediocre one for the pet food industry, up close to 2.4% in dollars compared with 6.7% last year.

The continuing trend was the increased sales of cat food (up 5.7%) to the detriment of dog food (up only 0.5%). This relates to demographics; cats are easier to take care of than dogs. Thus we believe the dog population is rather flat, with cats growing about 4% to 5%. We believe this will be a continuing trend for the foreseeable future.

This, of course, has had adverse ramifications for some companies' share. Ralston Purina has been losing share, as it is more in the dog food area than the cat food area, where Carnation and Heinz have been gaining share.

As we indicated last year, 75% of all pets in the U.S. now eat some type of commercially prepared food. Obviously, with 55% of wives working and frozen dinners being more the rage, this points to increased use. Moist dog food, despite aggressive marketing by Quaker Oats, was flat.

In terms of unit trends, the canned dog food market was down about 3% over-all, with maintenance products down 6%. The premium canned food area was off slightly and continued that trend through early 1986. Dry dog food was also off about 2% with premium being flat and maintenance down about 6%.

Dog treats were up almost 2%. This area has come from almost nothing 10 years ago to being the third-largest product in the dog food area. Moist dog food was about flat, with soft-dry food down a little over 2%.

In the cat food area, the biggest growth came from canned cat food, up 7% over-all, with all the growth coming from the gourmet segment, which comprised about 85% of the canned cat food division. This segment had a gain of 9% in 1985 against 9% in 1984.

As far as company performance goes, Gaines appears to be the main loser, in seventh position last year out of the top seven companies we follow in detail.#

Mr. Maxwell is with Furman Selz Mager Dietz & Birney, New York.

Market share by company

Ralston saw its percentage share slip, but retained its dominance of the pet-food market. Figures in millions of dollars and share of market. *Source: John C. Maxwell Jr.*

Company	1984	Per cent share	1985	Per cent share
Ralston Purina	1,421.1	27.0	1,450.1	26.9
Carnation (Nestle)	626.2	11.9	659.0	12.2
Kal Kan (Mars)	456.7	8.7	453.3	8.4
Heinz	391.9	7.4	422.1	7.8
Anderson Clayton	359.5	6.8	356.8	6.6
Quaker Oats	376.6	7.1	383.2	7.1
Grand Met USA	327.9	6.2	384.9	7.1
All others	1,375.9	26.2	1,287.0	23.8
Total	$5,270.7	100.0	$5,396.4	100.0

Cat food sales

The popularity of cats as pets for single people and working women is giving cat food sales a boost. All figures in millions of dollars. *Source: John C. Maxwell Jr.*

Brand	Manufacturer	1984	1985
Canned cat food			
9-Lives	Heinz	$273.0	266.0
Kal Kan	Kal Kan (Mars)	164.0	189.0
Friskies Buffet	Carnation (Nestle)	144.0	163.0
Fancy Feast	Carnation (Nestle)	83.0	114.0
Purina 100	Ralston Purina	67.4	73.8
Bright Eyes	Carnation (Nestle)	41.7	26.4
Puss'n Boots	Quaker Oats	22.1	16.6
Tabby	Grand Met (USA)	2.5	4.3
Unique	Benco	0.7	3.9
Friskies	Carnation (Nestle)	8.2	2.3
All Others		164.4	190.7
Total		$971.0	$1,050.0
Dry cat food			
Cat Chow	Ralston Purina	149.0	153.0
Meow Mix	Ralston Purina	97.4	89.3
Friskies	Carnation (Nestle)	85.5	87.7
9-Lives	Heinz	37.3	56.6
Crave	Kal Kan (Mars)	57.0	51.0
Special Dinners	Ralston Purina	48.6	47.6
Chef's Blend	Carnation (Nestle)	34.4	39.6
Thrive	Ralston Purina	37.9	38.0
Kitten Chow	Ralston Purina	16.9	21.3
Alley Cat	Ralston Purina	6.1	20.2
Fish Ahoy	Carnation (Nestle)	3.1	1.7
All Others		97.4	104.0
Total		$670.6	$710.0
Moist cat food			
Tender Vittles	Ralston Purina	130.0	128.0
Happy Cat	Ralston Purina	81.0	72.7
9-Lives/Square Meal	Heinz	24.5	37.8
Moist Meals	Quaker Oats	18.4	14.4
Moist & Tender	Benco	2.2	2.6
All Others		10.3	3.5
Total		$266.4	$256.0

Dog food sales

Dogs remain the most popular pet in the country and that helps keep sales for dog food healthy and strong. All figures in millions of dollars. *Source: John C. Maxwell Jr.*

Brand	Manufacturer	1984	1985
Dry dog food			
Dog Chow	Ralston Purina	259.0	256.0
Puppy Chow	Ralston Purina	167.0	153.0
Gravy Train	Gaines	123.0	129.0
Alpo Beef Flavored Dinner	Grand Met USA	78.5	91.0
Dog Meal (Hi-Pro)	Ralston Purina	88.6	88.5
Come 'N Get It	Carnation (Nestle)	78.0	84.3
Meal Time	Kal Kan (Mars)	80.0	67.2
Chuck Wagon	Ralston Purina	51.9	55.2
Dry Cycle	Gaines	52.7	43.1
Main Stay	Ralston Purina	32.5	40.7
Purina Blends	Ralston Purina	36.4	36.4
Friskies Dinner & Cubes	Carnation (Nestle)	27.1	32.0
Fit & Trim	Ralston Purina	25.9	27.4
Praise	Ralston Purina	36.5	26.5
Hunters Choice	Jim Dandy	10.0	11.5
Jim Dandy Chunk & Ration	Jim Dandy	10.9	11.3
Ken-L Ration Biscuit & Meal	Quaker Oats	8.9	8.6
Sea Dog	Ralston Purina	30.0	7.7
Bow Wow	Piasa	8.2	7.3
Thrive	Ralston Purina	1.8	7.1
Kasco	Piasa	6.7	6.0
Field & Farm	Ralston Purina	4.3	4.1
Blue Mountain	Associated Prod.	2.9	2.0
Vest Nuggets	C.H.B. Foods	1.8	1.7
Strongheart	Beatrice	1.9	1.6
Gaines Meal	Gaines	2.0	1.4
Alamo Brand	Grand Met USA	14.0	—
New Breed	Carnation (Nestle)	13.5	—
All Other		525.2	494.2
Total		$1,779.0	$1,757.0
Moist dog food			
Gaines Burgers	Gaines	60.6	60.3
Top Choice	Gaines	44.8	40.5
Ken-L Ration Special Cuts	Quaker Oats	26.4	25.2
Ken-L Ration Cheeseburger	Quaker Oats	6.0	19.1
Ken-L Burgers (all types)	Quaker Oats	12.9	14.8
Moist & Meaty	Benco	11.4	12.5
Prime/Puppy Choice	Gaines	4.3	3.1
All Others		30.0	28.5
Total		$212.7	$212.6
Snack dog food			
Milk Bone, Flavor Snacks Bonz	Nabisco Brands	106.0	115.0
Jerky Treats	Heinz	36.0	34.2
Meaty Bones	Heinz	21.1	27.5
Bonz	Ralston Purina	27.8	23.7
Snausages	Quaker Oats	3.2	13.4
Liv-A-Snaps, Beef-Char-O-Snaps	Grand Met USA	11.7	11.8
Alpo Jerky	Grand Met USA	7.1	10.4
Beef Bites	Kal Kan (Mars)	8.2	7.8
Say Cheese, People Crackers	Hi-Life	2.5	1.7
Recipe	Campbell	1.7	1.7
All Others		65.8	54.9
Total		$291.0	$302.0
Canned dog food			
Alpo	Grand Met USA	206.0	245.0
Kal Kan	Kal Kan (Mars)	148.0	140.0
Mighty Dog	Carnation (Nestle)	99.4	106.0
Cycle	Gaines	64.9	67.4
Ken-L Ration	Quaker Oats	60.6	57.9
Skippy, Premium	C.H.B. Foods	33.9	36.4
Recipe	Campbell	23.2	24.8
Vets	C.H.B. Foods	19.9	21.0
Cadillac	Cadillac	17.6	18.0
Strongheart	Beatrice	12.9	11.6
Skippy	C.H.B. Foods	10.5	9.3
Blue Mountain	Associated Prod.	8.6	8.3
Twin Pet	Allied Foods	6.9	7.9
MPS	Kal Kan (Mars)	7.7	6.1
Laddie Boy	Laddie Pet Food	5.4	5.4
Henny Pen	Allied Foods	1.6	2.1
Friskies	Carnation (Nestle)	8.5	2.0
Tender Chunks Dinners	Quaker Oats	1.9	0.5
All Others		44.9	71.5
Total		$838.0	$860.0
Soft-dry dog food			
Tender Chunks	Quaker Oats	81.7	64.7
Moist & Chunky	Ralston Purina	25.1	26.2
Kibbles 'N Bits	Quaker Oats	7.3	—
Dinner Rounds	Campbell	4.7	4.7
Jim Dandy Tender Moist Chunks	Jim Dandy	4.0	4.0
Kibbles 'N Bits 'N Bits 'N Bits	Quaker Oats	84.9	102.0
Total		$223.2	$227.5

Foreign strength saved shops' 2nd quarter

Interpublic up 19%, Ogilvy off 13.8%

By STEWART ALTER

Taken at face value, the second-quarter results for the public advertising agencies seem to present a mixed picture, as earnings ranged from the Interpublic Group of Cos.' impressive 19% gain to the Ogilvy Group's 13.8% decline.

But there is more consistency to the second-quarter results than meets the eye, for all agencies are experiencing a softening of U.S. ad expenditures masked by excellent results overseas.

And those foreign results are themselves somewhat disguised: While there is real advertising growth abroad, the weakened U.S. dollar has multiplied those results several times.

The most disturbing results—and those of most general interest and relevance—are domestic revenues, which indicate that U.S. ad spending has continued to soften as the year has progressed. Uncertainty about the economy is leading advertisers to delay or trim spending, lowering agency profits since agencies generally budgeted 1986 expenses for a revenue level that is not materializing.

Not all of the public agencies release separate U.S. and international figures. But among those doing so as well as those providing ADVERTISING AGE with a specially requested breakdown, the picture is clearly not all that bright for U.S. ad spending.

Thus, some agency ceos are not all that optimistic about the second half of '86. JWT Group chairman Don Johnston observed that "given the uncertain outcome of the proposed U.S. income-tax changes, the sluggish economic environment and lower network television prices, the outlook for an improvement in our U.S. clients' advertising spending levels in the second half is doubtful."

Some domestic revenue results show the first half worsened as it went on; the second quarter indicated that spending softened as the year progressed. Foote, Cone & Belding Communications reported a 4.2% decline in U.S. revenues in the second quarter, compared with a 1.3% increase for the entire first half. Ogilvy's U.S. commissions and fees dropped 1.1% to $78.6 million in the second quarter, in part due to the TWA Airlines account loss, while first-half revenues rose by only 0.9%. Even JWT Group's J. Walter Thompson USA, which turned in an exceptionally strong first quarter (AA, May 19), saw second-quarter growth moderated to 7% vs. 9% for the half.

The chief financial officers of Interpublic and BBDO International, the two agencies that reported the best over-all results, provided a domestic/foreign breakout that confirmed the effects of the U.S. ad-spending slowdown are quite widespread.

Interpublic, excluding the Sieber & McIntyre acquisition that helped boost 1986 results, reported U.S. revenue increases of 2% to 5% for the first half, said chief financial officer Eugene Beard. And BBDO International, excluding the results of its Ingalls & Associates purchase this year, would have reported domestic revenue gains of about 7% for the first half and 4% for the second quarter, according to chief financial officer Jim Cannon. Both Messrs. Beard and Cannon indicated that clients' apparent wait-and-see attitude is affecting their spending levels.

But since most of the public agencies are also the large multinational operators, they have their overseas offices to thank for improving financial results. And while there was real foreign growth in ad spending, favorable currency translations to the dollar were a big help.

The most puzzling results were those of FCB, which restated its 1985 and 1986 results to include Leber Katz Partners, which was acquired as of June 30. The restated first-half figures for 1985 are higher in revenues, as expected ($150.7 million with LKP versus $140.2 million without), but lower both in pretax income ($12 million with LKP versus $12.8 million without) and in net income ($6.9 million with LKP versus $7.3 million without), suggesting LKP was operating at a loss.

An FCB spokesman explained those results by noting that "because LKP was a private business its objective was not to maximize net income, but, as with most private businesses, to reduce taxes to the ownership" and "second and even more important, LKP historically has made most of its money in the fourth quarter."

Agency financial results

The second quarter results were mixed, with net income gains as high as 18.8% for the Interpublic Group of Cos., and declines as much as 13.8% for the Ogilvy Group. But a closer look indicates that all are struggling with a slowdown in U.S. ad spending and enjoying overseas growth that is magnified by favorable currency translations. [1]Results for both 1985 and 1986 restated to include Leber Katz Partners, acquired June 30. [2]Net income in the first half of 1985 affected by loss taken on divestiture of EA-International advertising subsidiaries. Source: *Advertising Age*.

Agency	Income ($000) 1985	1986	(%)	Revenues ($000) 1985	1986	(%)
Second quarter						
BBDO	5,949	6,620	+11.3	83,702	98,015	+17.1
DDB	3,323	2,919	−12.2	55,698	60,785	+9.1
FCB[1]	5,980	5,205	−13.0	81,543	82,212	+0.8
Grey	4,069	3,627	−10.9	57,971	68,740	+18.6
Interpublic	15,261	18,124	+18.8	180,668	215,339	+19.2
JWT	5,762	5,783	+0.4	141,522	160,625	+13.5
Mickelberry	187	394	+110.7	35,058	35,238	+0.5
Ogilvy	7,473	6,439	−13.8	121,212	137,931	+13.8
Six months						
BBDO	10,168	11,499	+13.1	159,520	179,622	+12.6
DDB	4,429	4,493	+1.4	106,878	115,565	+8.1
FCB[1]	6,891	7,294	+5.8	150,691	158,113	+4.9
Grey	5,523	4,942	−10.5	107,599	125,846	+17.0
Interpublic	19,038	22,459	+18.0	328,817	383,262	+16.6
JWT[2]	5,971	8,728	+46.2	267,515	308,369	+15.3
Mickelberry	898	571	−36.4	69,718	66,318	−4.9
Ogilvy	11,036	9,675	−12.3	225,115	258,869	+15.0

Bay Area

(Continued from Page 3)

J. Walter Thompson USA keeping the $100 million US Sprint Communications Co. account after a review (AA, July 7) and new companies adding to the agency cash box and Worlds of Wonder, marketer of Teddy Ruxpin, has boosted Chiat/Day's billings $12 million.

But agency executives are concerned the area's over-all client base has begun to wither.

Among big accounts to flee is Dole Food Co., which pulled $30 million in billings from Allen & Dorward/San Francisco and JWT and consolidated them at New York shop William Esty Co. (AA, April 28). RJR Nabisco transferred an estimated $25 million in Del Monte USA billings to Lowe Marschalk, New York, from the agency's San Francisco office.

"They've cut down the big trees and taken them back East. I'm worried because those things are not easily replaced and I'm not sure how business is going to make a comeback," said Ron Berman, Cole & Weber creative director.

Several smaller trees also were felled. Foster Farms moved its $5 million account from McCann-Erickson to Chiat/Day, Los Angeles (AA, Aug. 11), and specialty retailer Aca Joe awarded its new $1 million account to Los Angeles agency Keye/Donna/Pearlstein.

Two products closely identified with the city—Rice-A-Roni and Ghirardelli chocolate—may not remain with Vantage Advertising & Marketing Associates. The shop is primarily an in-house operation for family-owned parent company Golden Grain Macaroni Co., which Quaker Oats Co. expects to buy later this year.

Another $12 million in Bay Area ad billings are in limbo following Marriott Corp.'s sale of Saga Corp. restaurant divisions (AA, Aug. 11). The Washington-based hotel chain is selling Grandy's, Spectrum Foods, Stuart Anderson's and the Velvet Turtle restaurant chains to a group of investors. Saga's Straw Hat Pizza and Spoons divisions remain on the chopping block, analysts say.

Riney handles the $5 million Stuart Anderson's and Spectrum account; Goodby picked up Saga's $3.5 million Velvet Turtle and Spoons account (AA, July 28), and Evans/Lynch Rockey handles Straw Hat's $4 million account.

"You have to check the paper every day to see who owns [Saga]," said one industry observer, underscoring one of the problems plaguing San Francisco agencies.

"The weeping and gnashing of teeth isn't imagined. There's a tremendous number of people out of work," said Andy Berlin, principal of Goodby, Berlin & Silverstein.

Jose Reynaldo, a principal of Comsearch, Lake Oswego, Ore., said unemployment among San Francisco agency personnel is the worst he has seen in nine years as a West Coast headhunter. People are taking "jobs they would not have looked at twice before," he said.

Many of the city's biggest corporations, including Castle & Cooke, Crocker National Bank, Crown Zellerbach Corp., Genstar Corp., Pacific Lumber Co. and Southern Pacific Transportation Co., have left the market.

According to the city, small entrepreneurial ventures, retailing and service companies are growing, but agencies consider these businesses less desirable because they often have smaller budgets and require constant attention.

The flight of big clients may leave local agencies no option, however, said Jeff Manning, Ketchum Advertising/San Francisco senior vp. "Instead of one $10 million account, you may need to get four or five $2 million accounts." He predicts San Francisco ad agency survival will hinge on a horse player's ability to pick winners: "Which $1 million account is going to grow into a $5 million account?"

Pitching smaller accounts has its advantages. Don Dorward, president and ceo, Allen & Dorward, said he thinks independent shops such as his will have new growth opportunities in the wake of agency and client megamergers.

D. Dorward R. Colnett

Jerry Gibbons, president-ceo of Doyle Dane Bernbach/San Francisco, said his agency's impending merger will provide more financial freedom, easing the day-to-day pressure for profits and giving his operation the ability to "take the longer view."

In the long term, creative strength may help parlay San Francisco into "the Florence of the ad industry," said Millie Olson, Ketchum's creative director.

Until then, thinning staffs may represent an additional burden. Ron Colnett, chairman, DFS Dorland, San Francisco, believes some of the city's hard-hit agencies are understaffed. "The remaining clients begin to suspect you are no longer committed," he said. "They become unsatisfied and look elsewhere."

He warns fellow agencies to resist giving in to what may be a temporary downward spiral.

"It's premature to say it's the end of the line for San Francisco," said Daniel Cohen, ceo at Lowe Marschalk, who was transferred to the agency's New York office as an exec vp to continue work on Del Monte. "I'm told things are not exactly popping in Los Angeles or New York."

Los Angeles reporters Brian Lowry and Marcy Magiera contributed to this story.

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Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.

Lower tax=high hopes

Positive impact on media seen

By WILLIAM F. GLOEDE

The tax bill approved by the House and Senate conference committee likely will be a boon to the media business, which historically has paid taxes at or near the highest corporate rate.

The elimination of investment tax credits will smart a bit at first, especially at those media companies with major cable tv operations, or at newspapers and magazines that have made substantial capital investments recently. But in the long run, analysts and media brokers predict media businesses will benefit greatly from the new tax structure.

"It's part of the reason the media stock prices have been up

(Continued on Page 60)

Financial field shifts into high

By PATRICIA WINTERS

New York—The financial-services industry is wasting no time transforming tax reform into one of its biggest marketing opportunities in years. The industry is gearing up to promote its investment expertise, while new products are under development to replace those eliminated by the tax changes.

While reform ultimately may hurt the industry because many investment opportunities tied to tax breaks will be eliminated, it also has created a marketer's dream: A captive audience searching for new ways to invest money. Individual companies are generally mum about their marketing plans, but analysts expect more ad spending and a wave of new

(Continued on Page 60)

Agencies eye compensation

By STEWART ALTER

While generally beneficial because of a drop in the corporate tax rate, tax-law changes may have their biggest impact on agencies by forcing a reexamination of executive compensation practices.

Private agencies, in particular, will have to explore ways to raise working capital other than selling stock to their own executives.

Tax rate changes in themselves are unlikely to influence anyone to succumb to megamerger fever, but an agency already in negotiations might quit bargaining for that extra nickel and sell this year, when the capital gains tax rate is

(Continued on Page 60)

A helping hand

New Federal Express spots again feature dimwits, but this time around they get help. The hand of a narrator interrupts confusion about shipping to point out the company's many high-tech capabilities. Ally & Gargano/MCA handles. (See story on Page 61.)

GE's Wright bringing new agenda to NBC

By VERNE GAY and WAYNE WALLEY

New York—General Electric Co.'s appointment this week of GE Financial Services president-ceo Robert Wright as chairman of its NBC unit will bring an active new agenda to the tv network.

Former colleagues predict Mr. Wright believes his mission has four goals: Expand the businesses of NBC; lessen the network's reliance on Hollywood; weaken the studios' ability to control programing costs, and make GE's $6.4 billion acquisition of RCA and its NBC subsidiary look good.

Those who know him say Mr. Wright will give top priority to pressing for repeal of the Federal Communications Commission financial interest rule, which prevents tv networks from getting into the lucrative tv syndication business.

Total repeal of the rule could bring the networks hundreds of millions of dollars in new revenues; even a partial repeal could expand network revenue potential.

At the same time, NBC has programing chief Brandon Tartikoff under contract for three more years. As part of Mr. Tartikoff's new contract, he will run a new movie studio that will make about five films a year at an average budget of $6 million each.

In addition, Mr. Tartikoff, president of NBC Entertainment, will oversee the production of more in-house programing, especially made-for-tv movies.

While these film production assignments were seen as "golden handcuffs" to keep Mr. Tartikoff in the NBC fold, the deal also gives NBC a new in-house studio to develop and perhaps the most respected programer in tv to run it.

"[Outgoing NBC chairman] Grant Tinker has been

(Continued on Page 62)

DMB&B abandons Houston

By GARY LEVIN and JENNIFER LAWRENCE

Houston—D'Arcy Masius Benton & Bowles' sale of its office here to top management raises questions about the role of four other small offices within the agency's domestic network.

The Houston sale, announced last week, will result in an as-yet-unnamed shop with $15 million in billings to be owned by managing director David Pyle and some of the office's 32 employes.

The transaction, for an undetermined price to be based on a multi-

(Continued on Page 62)

Last Minute News

Roux agency revises U.S. strategy

Paris—Roux, Seguela, Cayzac & Godard, which has been eager to open in the U.S., apparently has rethought its strategy of merging only with an existing $9 million-plus agency after being unable to forge a deal with Levine, Huntley, Schmidt & Beaver (AA, Aug. 4, *et seq.*). RSC&G is said to be exploring a startup with Curvin O'Rielly, the former exec vp-creative director of McCann-Erickson, New York.

Beecham gets final pitches on week of Sept. 8

Chicago—Beecham Cosmetics has set the week of Sept. 8 for final presentations on its $10 million creative assignment. Fallon McElligott, Minneapolis; Foote, Cone & Belding here, and Boston-based HBM/Creamer and Hill, Holliday, Connors, Cosmopulos remain contenders, with Fallon the front-runner, sources say. Wagner & Associates previously handled.

Quaker talks to agencies from coast to coast

Chicago—Quaker is hearing presentations for its $15 million pet-food and ready-to-eat cereal account from Geers Gross; Jordan, Manning, Case, Taylor & McGrath; McCann-Erickson, and SSC&B, all New York, as well as Chiat/Day, Los Angeles, and Hal Riney & Partners, Chicago, sources say. Also, J. Walter Thompson USA here is believed to be pitching only the pet-food portion. Quaker fired BBDO from the business due to a conflict arising from the Omnicom merger (AA, July 21). Separately,

(Continued on Page 8)

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Highlights

GE's NBC finds Mr. Wright 1

General Electric Co.'s appointment of Robert Wright as chairman of its NBC unit will bring an active new agenda to the network. Former colleagues predict Mr. Wright has four goals: Expand NBC's businesses; lessen its reliance on Hollywood; weaken the studios' ability to control programing costs, and make GE's acquisition of RCA and its NBC subsidiary look good.

DMB&B Houston deal raises questions 1

D'Arcy Masius Benton & Bowles' sale of its Houston office to top management raises questions about the role of four other small offices within the agency's domestic network.

Clients should reap merger benefits: Smith 3

The new megamerger ad agencies should invest the savings of their efficiencies "in the creative side of the business," said Roger Smith, Advertising Age's 1985 Advertising Man of the Year, in accepting his honor at the AA Creative Workshop Aug. 18.

Terror tampers with marketers 3

Once limited to over-the-counter drugs in capsule form, product-tampering threats have spread to some of the nation's largest package-goods marketers. The cost to marketers is in the millions of dollars and nobody knows exactly what to do about it.

Ford "borrows" from itself 4

Ford division is borrowing Ford Motor Co.'s corporate "best-built American cars and trucks" ad claim for its own 1987 advertising. The corporate theme has been modified to "best-built American cars, six years running," part of a new marketing strategy to emphasize the quality, value and design of Ford products.

Campbell goes frozen with Prego 12

Campbell Soup Co. is adding frozen Italian entrees to its growing list of Prego entries. The company late this month will start rolling the eight-item line into the Northeast.

Slump continues for many magazines 20

The single-copy sales slump plaguing many consumer magazines eased somewhat in the first half of 1986, but total paid circulation continued to drop for many major titles. The Audit Bureau of Circulations' semiannual FAS-FAX report for the January-through-June period revealed total paid sales dropped for seven of the ten largest magazines.

Competition lowers prices: Coke 25

The competition between Coca-Cola and Pepsi-Cola has been so intense that the price of Coke today is 90% lower than 85 years ago, in 1900 dollars. That's one of several statistics revealed in court papers by Coca-Cola Co. in supporting its now-aborted effort to acquire Dr Pepper Co. from Forstmann Little & Co.

Where there's smokes, there's sales 28

In the cigaret business, anyone who manages a brand into the top 10 will never have to worry about mundane things like career growth. That's because a top 10 cigaret brand is bigger than many entire companies. The smallest in the top 10—R.J. Reynolds Tobacco Co.'s Vantage—racked up sales of more than $600 million last year, according to industry estimates.

INTERNATIONAL

Intrigue in Brazil 38

U.S. advertising agencies need strong representation in major world markets. To get it, they are on a constant hunt to buy hot creative shops not yet attached to a competitor. Last year in Brazil, an intense battle developed over just that kind of local agency, Fischer & Justus, which, after some agonizing, decided to link with a U.S. shop. Ad Age presents a detailed, behind-the-scenes account.

OTHER NEWS

Ford Motor Co.'s advertising may say it makes the best-built American cars, but that is making less of an impression on consumers. Advertising Age's July adWatch survey found that the number of consumers who named Ford first from among all the auto and truck advertising seen, heard or read in the past 30 days has dropped. Page 4.

Bert Metter's climb to the top of the agency world as new chairman-ceo of J. Walter Thompson USA has taken far from the usual route. Page 6.

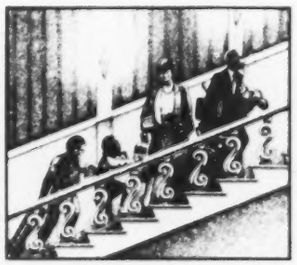
Marketers of "mature" brands who cut back on advertising in favor of price cuts and promotion risk turning a "cash cow" into a "dinosaur," an advertiser warned at the Advertising Age Creative Workshop last week. Page 41.

HBO/Cannon Video this fall will promote retail sales of its home-video line through sweepstakes and contests for consumers, retailers and distributors. *In Promotional and Direct Marketing.* Page 45.

Creative risk is easier and looks more logical when you have no formal training in advertising, and you're your own client, Steve Rechtschaffner, former vp-marketing at Swatch Watch USA, New York, and now a music-video producer, told a Creative Workshop session Aug. 18. Page 47.

Jacques Moret Inc. is trying to make a name for itself in the competitive exercise and bodywear market with a new ad-spending push from Wisseltier & Partners. Page 49.

SPECIAL REPORT



Financial services and fragrance marketers are two industries discovering that catering to the black consumer market can benefit the bottom line. Special Report examines these and other categories targeting the segment.

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FTC reviews Commodore ads for Amiga

By BRIAN MORAN

The Federal Trade Commission is investigating Commodore International Ltd.'s advertising claim that its Amiga personal computer can run IBM-compatible software.

An FTC spokesman said the probe is in response to complaints from several Amiga retailers that ads created by Ted Bates Advertising/New York misrepresent the computer's ability.

Executives of West Chester, Pa.-based Commodore did not return phone calls.

The complaining retailers reportedly accuse Commodore's ads of failing to disclose that only a handful of IBM-compatible programs can run on the Amiga via a special add-on cartridge. The complaints also allege that the Amiga requires additional software attachments to run IBM-compatible software at acceptable speed.

Commodore is already under an FTC order barring it from misrepresenting the performance or availability of its products. That action followed an FTC probe into a 1982 campaign, via Ally & Gargano, for Commodore's C64 computer. The FTC ruled that an advertised C64 feature that allowed the machine to run programs compatible with the CP/M operating system was not available for sale until nearly a year later.

Commodore's ads for the Amiga have claimed that the machine is IBM-compatible. However, it was not until early this year that the company finally introduced a peripheral software attachment, dubbed Sidecar, that provided compatibility.

The Amiga has been a disappointment for Commodore, though the company said the powerful computer had its strongest sales yet in the quarter ended in June.#

Ad ban pulls plug on smokeless

By STEVEN W. COLFORD

WASHINGTON—Ads for smokeless tobacco make their final appearance on tv and radio this week before following cigarets into exile from the electronic media.

The federal ban on tv and radio ads for chewing tobacco and snuff takes effect Aug. 28. It will leave cigars and pipe tobacco as the last tobacco products with access to tv and radio advertising.

After Feb. 27, 1987, labeling and the remaining ads for smokeless tobacco products must display one of three health warnings, on a revolving basis, mandated by the federal government.

The ban pinches particularly hard at Ted Turner's WTBS superstation. Red Man, a chewing tobacco marketed by Swedish Tobacco Co.'s Pinkerton division, Owensboro, Ky., has been a major sponsor on WTBS. The Bloom Agency, Dallas, handles.

Spending about $4 million this year, Red Man was a high-visibility sponsor of Atlanta Braves baseball and college football, said WTBS vp-sports sales Jim Trahey.

WTBS has sold to Mennen Co., Morristown, N.J., sponsorship of the scoreboard updates that air in the seventh or eighth inning of

(Continued on Page 61)

West Coast news

Gear strips account from O&M's roster

L.A. Gear ended its brief relationship with Ogilvy & Mather, Los Angeles (AA, July 14), taking its estimated $2 million account in-house last week. The Los Angeles-based athletic-shoe marketer fired its agency of only six weeks because, according to vp-marketing/advertising Sandy Saemann, the agency didn't produce as quickly as L.A. Gear felt necessary. The company will start talking to agencies in September. Sources give Admarketing, Los Angeles, which competed in the original review, the inside track on the business.

Brian McCarthy has been promoted to creative director, McCann-Erickson, San Francisco. The former deputy creative director succeeds Irv Sonn, who left. The changes come in the wake of McCann's loss of the $5 million Foster Farms account, which shifted to Chiat/Day, Los Angeles.

Wolfgang Puck Food Co., Los Angeles, a newly formed company put together by the famous Los Angeles chef, hired McCann-Erickson, Los Angeles, to introduce a pricy line of frozen pastries in Los Angeles and New York. Tom Patty, former general manager, Chiat/Day, Los Angeles, is

(Continued on Page 62)

U.S. NewsWatch

Marketing news from regional centers across the country

Ace Hardware paints new ad campaign

OAK BROOK, ILL.—Ace Hardware Corp. is airing its first product-specific tv and radio spots to promote its line of paints in Atlanta, Chicago, Milwaukee and New Orleans via Pierson & Co., Chicago.

LOS ANGELES—**U.S. Senate candidate** Ed Zschau (R., Cal.) has hired R&R Advertising, Las Vegas, to produce tv spots. R&R president Sid Rogich worked on President Ronald Reagan's reelection campaign. Riverbank, Mount Airy, Md., continues as consultant.

DALLAS—**Southwest Airlines** on Sept. 3 will extend its "Fun Fares" systemwide after limited use of the $19-to-$79, 14-day ad-

(Continued on Page 43)

ADWATCH

Ford's advertising slips in consumer recall poll

But it stays No. 1 among car makers

By JULIE FRANZ

Ford Motor Co.'s advertising may say it makes the best-built American cars, but that is making less of an impression on consumers.

In June, Ford started a new print attack in its continuing battle over "quality" claims with Chrysler Corp.

The two auto marketers' ads are quarreling over which has the least number of reported defects.

But ADVERTISING AGE's July adWatch survey found that fewer consumers named Ford first from among all the auto and truck advertising seen, heard or read in the past 30 days.

Ford's share of first mentions among auto makers fell 3.8 percentage points to 18.4%, still the highest figure among auto advertisers but Ford's poorest score since last August.

Chrysler's share of ad awareness remained steady at 3.7%, keeping it in fifth place among car and truck ads.

Ford's advertising could be losing out to the Japanese. Both Toyota and Nissan gained in their share of first mentions but not enough to be considered statistically significant.

Toyota's ad awareness score rose to 9.1%, putting the brand's advertising in third place, while Nissan's score rose slightly to 5.1% for fourth place.

Rounding out the car and truck category is General Motors Corp.'s Chevrolet, No. 2 with 13.2% of first mentions.

AdWatch is a joint project of ADVERTISING AGE and SRI Research Center, Lincoln, Neb.

Ad awareness is measured by asking a nationally projected sample of consumers to name the advertising that first comes to mind —over-all and in a variety of product categories—from among all advertising seen, heard or read in the previous 30 days.

During July, 1,000 consumers were polled by telephone.

Under adWatch methodology, an increase or decrease of 2.8 percentage points is considered to be statistically significant and attributable to more than sample variation.

July's 10 best-recalled ads (without respondents being asked for a specific product category) were, in descending order: Pepsi-Cola, Coca-Cola, McDonald's, Budweiser/Bud Light (Anheuser-Busch), Burger King, Marlboro (Philip Morris Cos.), Miller/Miller Lite, Jell-O, Ford and Coors.

More than 56% of those queried said "don't know" or "none" when asked to name *any* advertising they'd seen, heard or read from the previous month, up slightly from 54% in June.

Among other significant changes in advertising awareness during July:

- General Foods Corp.'s Jell-O brand remained among the **top 10** brands in unaided advertising awareness almost three months after an anonymous prankster warned he had tampered with the product. No actual tampering was discovered.

The brand, with star presenter Bill Cosby and a pint-size backup group singing the praises of its products, scored 0.8% of first men-

(Continued on Page 59)

Ford ads boast 'best-built'

New strategy stresses quality, design

By PATRICIA STRNAD

TORONTO—Ford division is borrowing Ford Motor Co.'s corporate "best-built American cars and trucks" ad claim for its own 1987 advertising.

The corporate theme has been modified for the Ford division to "best-built American cars, six years running," part of a new marketing strategy to emphasize the quality, value and design of Ford products. Ads also will include the long-running slogan, "Have you driven a Ford lately?"

Ford's use of the "best-built" claim has drawn fire from Chrysler Corp. chairman Lee Iacocca, who earlier this year challenged Ford's corporate quality superiority positioning and claimed a Chrysler survey of 1986 domestic vehicles put Chrysler ahead of General Motors Corp. and Ford (AA, May 19). He threatened to ask the Federal Trade Commission or tv network review committees to force Ford commercials off the air.

A Chrysler spokesman last week declined comment on the new Ford advertising, but said, "We believe our data. We think our data are correct."

Ford division said it isn't worried about the dispute. "Chrysler's study was based on one year, for 1986 models," Robert Rewey, vp-general manager of Ford division, said in an interview at the company's annual dealer show here. "Our study takes '81s that have been in service for five years and so forth all the way up. It wasn't just on how good a vehicle is coming out of the factory, but on how it holds up."

Mr. Rewey said Ford started to assess its quality status in 1980 by measuring the number of "things gone wrong" and, by 1986, Ford quality had improved by 64%.

Ford's 1987 advertising, via J. Walter Thompson USA, Detroit, will emphasize individual products and design features to "let the products speak for themselves."

A full-line spot on Ford design uses close camera angles of aerodynamic curves and features. An ad for the Thunderbird Turbo Coupe, which gets a redesigned front end and will be sold as a separate model in the Thunderbird line, calls it a "whole new category of automobiles." Another spot focuses solely on that car's intercooled turbocharger "to establish its credentials," said Ross Roberts, Ford division marketing manager. The F-series pickup truck, which has a heavily redesigned front end, is touted as the "new shape of tough."

Ford also showed dealers the Festiva, a minicar designed by Mazda and built by Korean auto maker Kia. It will be introduced in the spring of 1987 as a 1988 model. Festiva probably will beat to market GM's Pontiac LeMans, a 1988 subcompact built by Korean auto maker Daewoo that will be introduced in late summer or early fall of 1987.

The division is continuing a strategy of simplifying its product offerings and more clearly targeting the market for each vehicle. For example, Ford equipped Thunderbirds in 160 versions in 1985. For 1987, it will offer only 16 variations by prepackaging frequently ordered options, Mr. Rewey said.

Ford and Lincoln-Mercury divisions also are moving farther apart in the marketplace, as each goes after more distinct market segments. L-M will continue to pursue luxury car buyers, while Ford places greater emphasis on trucks. Mr. Rewey, who last year predicted that 1986 would be the first year in which trucks would outsell cars at Ford, said "it's a real horse race." Ford hopes to capture a 20% share of the U.S. car market and 30% for trucks. It now has about 18% and 29%, respectively.

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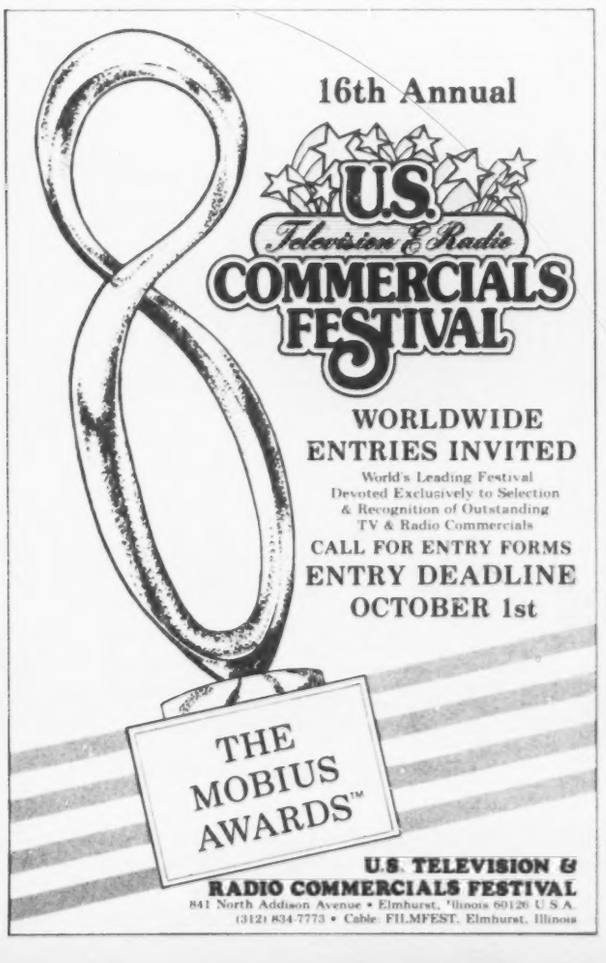
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NAMES IN THE NEWS

Metter takes tough path to summit

Accepted JWT jobs 'nobody wanted'

By STEWART ALTER

NEW YORK—Bert Metter's climb to the top of the agency world as new chairman-ceo of J. Walter Thompson USA has taken far from the usual or glamorous route.

A man who describes his career at JWT as one of "taking jobs nobody wanted to mess with because they were tough or seemed unrewarding," Mr. Metter defies the definitions of how agency careers are supposed to progress, as well as what people at his career stage are supposed to be like.

"He's very smart and very strategic," said James Patterson, JWT/New York's exec vp-executive creative director, stating a frequently heard assessment of Mr. Metter, who moves up from the post of vice-chairman. "And he continues to be hungry. He's 59 but a very young 59."

Mr. Metter turned 59 on Aug. 14, the day he was named to succeed Burton Manning, who left to join Jordan, Manning, Case, Taylor & McGrath (AA, Aug. 18).

He started out at JWT 26 years ago as a direct-response specialist when that branch of advertising had none of its current mystique.

The Brooklyn-born Mr. Metter, whose father was in the handbag manufacturing business, graduated from Brooklyn College with plans to become a reporter. But the M.A. in English literature he subsequently received from Columbia University made him overqualified for a job as a copyboy, he said.

Mr. Metter did eventually break into the newspaper business, rising to copy chief at the now shuttered *New York Mirror*, but shifted to marketing, in the direct-response field, as copy chief in the circulation department at *Newsweek*.

JWT hired Mr. Metter in 1960 to help try to win Ford Motor Co.'s direct-mail business. With that effort's success, Mr. Metter moved into general advertising via a process that involved working progressively in various Ford groups.

BERT METTER

He made his name on the Ford account, the agency's largest worldwide, and took on the job of creative director on the account in 1978.

A decade ago, under Lee Iacocca, Ford was "a wild scene," Mr. Metter said. "When they said they wanted to see new advertising, they meant the next morning, although it was late at night. People were reluctant to work on that business."

In 1982, after the Ford creative work was moved to Detroit and Mr. Metter opted not to make that move, he was named executive creative director of JWT/New York.

For various reasons—chief among them, sources say, that Mr. Metter was not the executional whiz that the agency needed at that time—he was only in that role for two years. But his reputation as an excellent strategist was untarnished. And it was at new business that he continued to excel, helping land a string of new accounts, including Miller Brewing Co.'s Miller High Life and Lowenbrau beers, Emery Air Freight, Sears, Roebuck & Co.'s Discover card and IBM Corp.

His secret, he said, was "knowing how to slide the cassette into a videocassette player and pressing the start button"—in other words, letting the quality of the work speak for itself.

As for the challenge that Mr. Metter faces in running the agency, his predecessor, Mr. Manning, believes it is maintaining "the creative momentum that has been established and to make sure that the profound cultural changes [that led to the creative changes] are truly institutionalized."#

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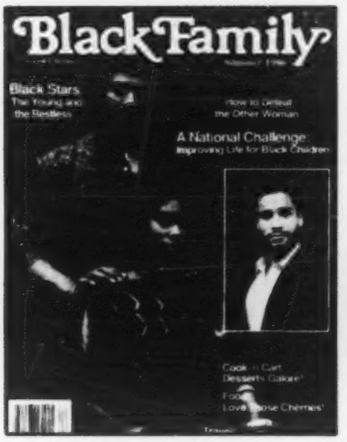

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CORRECTIONS & CLARIFICATIONS

- *Personal Computing*, Hasbrouck Heights, N.J., is the magazine that has scheduled a special October issue on computing in America. Its name was omitted from an item in the Newsstand column (AA, Aug. 11, P. 43).
- John Scher Presents was omitted from the promoters or sponsors list in "The Hot Seats" chart (AA, Aug. 18, P. 34). Scher co-sponsored events Nos. 1, 4 and 9.#

VW releases Fox in '87

TROY, MICH.—Volkswagen U.S. will call its new Brazilian-built subcompact (AA, Feb. 24) the Fox. It will roll out early next year.

VW said the car, which will be available in three models, will compete with entry-level vehicles priced under $6,000.

Doyle Dane Bernbach handles.#

Success still difficult to 'Discover'

Next 3 years may decide its fate

By STUART J. ELLIOTT

NEW YORK—After being interviewed at the Time & Life Bldg. about *Discover's* dilemmas, Gilbert Rogin, managing editor of the troubled science monthly, walks a reporter to the elevators. There they meet James Hayes, *Discover's* publisher, whom the reporter interviewed earlier.

"I told him we'd never make it," Mr. Rogin jokes.

"Until when?" Mr. Hayes replies.

That exchange typifies the philosophies of the two top executives: "Jim's an optimist," said Mr. Rogin, "and I'm a skeptic."

Nevertheless, both are making their best efforts to answer to Mr. Hayes' question.

"We're willing to try anything," Mr. Rogin said. "We work as closely as any publisher and editor in this building, because it's a desperate battle—it's really daunting."

With *Discover's* September issue, out today, Time Inc. starts its latest efforts to boldly go where no publisher of a consumer science magazine has gone before—into the black.

It's estimated *Discover* has lost close to $50 million since its October, 1980, introduction.

This is the first issue to be sent to the 525,000 subscribers of *Science 86* since that rival was folded by the Washington-based American Assn. for the Advancement of Science and its list sold to Time Inc. (AA, June 30, *et seq.*).

Subtracting duplicate subscribers and the 30,000 *Science 86* readers who asked for a cash refund—fewer than the 50,000 Mr. Hayes budgeted—*Discover* has about 425,000 in new circulation, of which Mr. Hayes hopes eventually to keep about 300,000.

Science 86 readers are being delivered to *Discover* advertisers with no change in the rate base of 850,000 until next July.

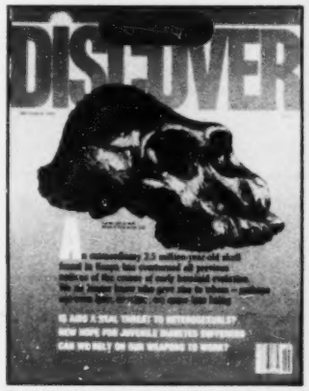
Until January, when Mr. Hayes plans a "single-digit" increase, ad rates are unchanged at $11,840 for a b&w page and $17,175 for a color page.

Not included in the circulation picked up from *Science 86* is the list Time Inc. is buying from *Science Digest*, the Hearst Magazines monthly that, with *Discover* and *Science 86*, comprised the now-defunct category.

Unlike the demographically desirable subscribers of *Science 86*, who were offered either *Discover* or cash refunds, *Science Digest's* 417,786 subscribers are being offered *Time* or *Discover* or cash. The only ones Mr. Hayes would "like very much to get the bulk of" are *SD's* 160,000-odd long-term renewers.

These moves, said Mr. Hayes, profile has greatly improved [and] we're a lot stronger case for a lot of ad categories: Automotive, consumer electronics, corporate advertising, liquor, travel," Mr. Hayes said.

Taking on the "somewhat higher-quality audience" of *Science 86*, amid some bitterness over its folding, is "our big gamble," Mr. Rogin said, to "convince advertisers this is a good magazine and



Publisher James Hayes (l.) and managing editor Gilbert Rogin have high hopes for *Discover* now that, effective with the September issue, it has acquired the subscribers of *Science 86*.

and the "pretty damn good" editorial and advertising results from last year's much-ballyhooed "September commitment" (AA, June 10, '85, *et seq.*), mean that "now we really have a clear shot at the kind of success this magazine deserves. . .We've cleared away a lot of the reasons for skepticism and questions."

The addition of *Science 86's* readers means "our demographic these are the people you should reach."

Getting these readers to stick with *Discover* will "really be crucial," he added.

Messrs. Hayes and Rogin agree a "high-quality" 1 million circulation would be just fine for *Discover*, versus its 877,806 for the six months ending June 30.

The cost of acquiring *Science 86's* list—$3.75 million upfront, $2.25 million over five years and a bonus of up to $1 million for expired *Science 86* subscriptions renewed for *Discover*—will be paid for by suspending *Discover's* own twice-yearly mail drops and agency sales, Mr. Hayes said, "so we've improved our [profit and loss] for the next two years."

His perspective on *Discover* is a bit longer than that.

"The ultimate answer [on the new moves] will be three years from now, when we see how healthy *Discover* is," Mr. Hayes said, for by 1989 is when its executives will "really have an understanding where we're going."

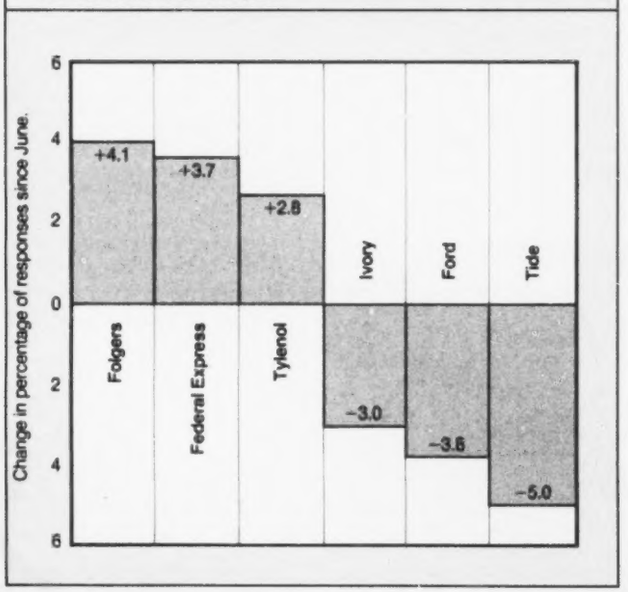
And if the new moves don't help?

"I think down the road we'd very definitely reassess everything if we didn't make any progress," Mr. Hayes said. "We'd have to make some hard decision on it."

"This is our shot," Mr. Rogin said. "We'll never have a better opportunity than we do now."#

July winners and losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? Note: A change of plus or minus 2.8 percentage points is statistically significant. *Source: SRI Research Center Inc., Lincoln, Neb.*



adWatch

(Continued from Page 4)

tions, up slightly over the month earlier.

• Tylenol pain reliever gained 2.8 percentage points to 28.2% of top-of-mind advertising awareness in the **medicine and drug** category. The Johnson & Johnson brand's ad awareness had been falling steadily since April when it garnered 37% of first mentions following an actual tampering incident that caused the death of a New York woman.

Whitehall Laboratories' Advil came in in second place with 6.2% of first mentions and Glenbrook Labs' Bayer ranked third with 5.7%.

• Despite Procter & Gamble's proliferation of brand extensions under its Tide and Ivory names, both lost ground in their advertising awareness categories. Tide's share of first mentions fell 5 points to 23.2%, but the brand is still the clear leader among **laundry detergents.**

P&G's Cheer is No. 2, with 3.3% of first mentions and Lever Bros.' All is No. 3 with 3.2% of first mentions.

• In the **personal soap and shampoo** category, P&G's Ivory lost 3 points of advertising awareness for a score of 9.1% of first mentions.

P&G's Prell came in second with 5.9% of first mentions while Armour-Dial's Dial, Lever's Dove and P&G's Head & Shoulders all tied for third with 4.5%.#

For additional information or data, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Critics turn guns on tv ads

Siskel, Ebert mix pans, praise at Workshop

NEW YORK—Film critics Roger Ebert and Gene Siskel, best known for their biting tv jabs at movies and at one another, drew almost continuous laughter when they turned their guns on tv ads at the ADVERTISING AGE Creative Workshop's closing luncheon Aug. 20.

Reviewing randomly selected tv commercials, each of the stars of syndicated tv's "At the Movies" gave four stars, the highest rating, to a different spot. Mr. Siskel's favorite was a Cheerios commercial he labeled "terrific" that stresses the cereal's unsinkability. Mr. Ebert's was the Frusen Gladje commercial that features a young woman admitting she ate an entire carton of the superpremium ice cream—and would do so again.

"I love that smirk," Mr. Ebert said of the woman's look, adding that the spot deserved four stars because it attempts to sell the ice cream with truth.

Mr. Ebert almost agreed with his partner about the perfection of the Cheerios spot, which he gave 3½ stars; this made it the highest-rated commercial reviewed. Mr. Siskel, however, did not share Mr. Ebert's enthusiasm for Frusen Gladje's guilty young woman, saying, "The more I watched the spot, the more I hated her."

The spot rated lowest over-all was for Caress soap. Mr. Siskel, calling it silly, gave it one star, while Mr. Ebert, saying the commercial tries to sell the product as a "sex substitute," gave it 1½ stars.

Another spot that received a negative review was for Ford trucks. Both men gave it only 1½ stars, as Mr. Siskel said there were too many qualifying words at the bottom of the screen and Mr. Ebert said the two men in the spot talk in ad statistics.

The latest in the series of tough-guy spots for Miller Lite, which features a drill sergeant drinking a Lite, drew 2½ stars from Mr. Siskel; he said he found it difficult to imagine his drill sergeant drinking a light beer. Mr. Ebert was more generous, giving it three stars.

Neither particularly liked a Maybelline commercial for Fresh Lash mascara. Mr. Ebert gave it two stars, saying, "What it didn't sell me on was the humanity of the company." Mr. Siskel gave it 2½ stars, saying, "It's too frantic trying to sell a very simple message: It'll stay on even in water."

Neither gave high praise to a Diet Coke commercial with jazz music and colorful graphics. Mr. Ebert called the spot fun, but said it gets lost at the end, when it makes a plug for caffeine-free Diet Coke. In the give-and-take between the two, Mr. Ebert did not get around to voicing a star rating for the commercial. Mr. Siskel said, "It's just another Coke spot" that will sell more cola than Coke, and gave it 2½ stars.

Photo by Arnold Adler

Gene Siskel (l.) and Roger Ebert.

Full illustrated coverage of the presentation of Messrs. Siskel and Ebert, who will move to a new Buena-Vista-produced tv movie show this fall, will appear in a future issue of ADVERTISING AGE.#

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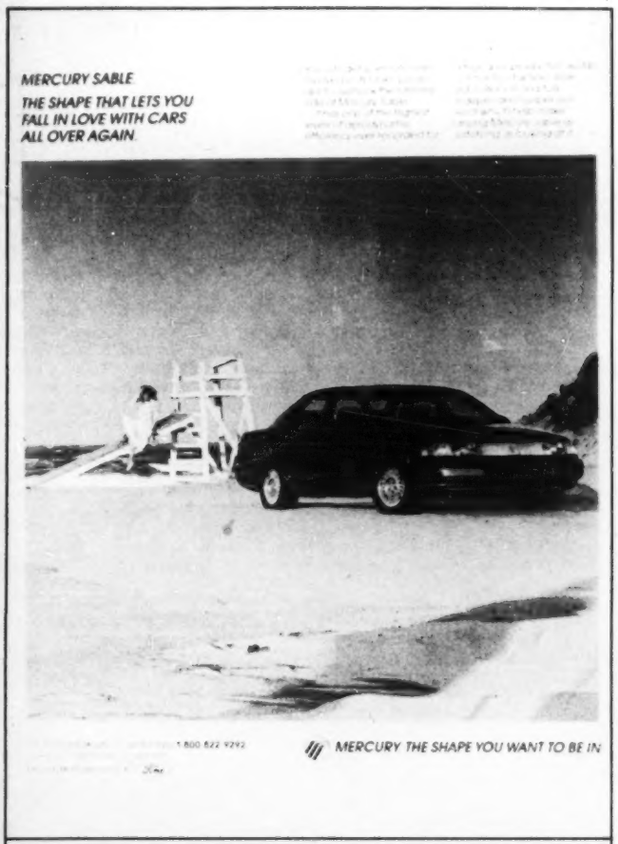
$1.50 a copy; $57 a year

Monday, September 1, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections, Section 1.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L-M sets new mood for '87

Lincoln-Mercury went to Cape Cod for this moody color magazine ad, one of a series for Mercury Sable that is part of the L-M 1987 ad program previewed last week. Radio plays a bigger role in L-M's media plan, and the music motif for tv and radio switches to Rod Stewart tunes of the 1970s. *(See story on Page 3.)*

McD's NFL tie aims at 7-11s

By SCOTT HUME

McDonald's Corp. next week throws for the end zone with a major national promotion tied, for the first time, to the National Football League.

The "Win with the NFL" game promotion, for which network tv advertising support begins Sept. 12, has been pitched to the chain's franchisees as the cornerstone in McDonald's efforts to offset slumping industry sales, widen its sales advantage over fast-food competitors and block an increasingly strong rush from convenience-store chains such as 7-Eleven.

The national promotion is only one element in a multiyear agreement between McDonald's and the NFL, according to sources. For example, local co-ops will be able to give away NFL merchandise after the scratch-card game has ended, and McDonald's will be buying time during local and national NFL telecasts. The chain also will work with NFL Charities, while the league and the Players Assn. have agreed to work with the Ronald McDonald House program (as Major League Baseball players do now).

Expanding to a national scale a promotion run in Chicago during last season's playoffs, the four-week "Win with the NFL" game involves trading cards featuring photos of home-team stars (or All-Pro stars in non-NFL markets). Scratching off a panel on each card reveals one of the 14 games being played in the upcoming week and a designated winning team. If that team does win the game, customers get a buy-one-get-one-free offer

(Continued on Page 44)

International billings to Y&R or McCann

C-P trims agency list

By PAT SLOAN

New York—Chesebrough-Pond's is preparing to consolidate $50 million in international billings at either Young & Rubicam or McCann-Erickson Worldwide.

The key brands in the review are in the skincare category and include Vaseline Intensive Care and Pond's creams, which account for most of C-P's overseas business and the lion's share of its billings.

The review doesn't involve U.S. assignments for the Vaseline and Pond's brands currently at William Esty Co. and Waring & LaRosa.

Tony Butterworth, president of C-P's international business, and Richard Painchaud, vp-business development, were unavailable for comment last week. But executives at Chesebrough confirmed that the review had been narrowed down to Y&R and McCann. A final decision is expected to be announced within "a month or two," said one source.

Not all categories will necessarily be affected by the review, executives said.

Household products, concentrated in Italy and handled by McCann, will probably not be shifted regardless of the outcome.

Currently, C-P employs a number of agencies overseas, including Y&R; McCann; Ogilvy & Mather Worldwide, and J. Walter Thompson Co.

By consolidating a majority of its overseas billings at one agency and trimming its roster, an executive said C-P should be able to get the "synergy we feel we're not getting and think we should be getting. It's clear to

(Continued on Page 40)

Last Minute News

Della Femina price tag is $20M-plus

New York—Della Femina, Travisano & Partners, which was sold to WCRS Group, London (AA, Aug. 18), is going for a previously undisclosed price of $20 million plus further payments based on a five-year earnout. DFT&P will be merged with HBM/Creamer's office here, forming a $300 million New York-Los Angeles-Atlanta agency headed by Jerry Della Femina as chairman-ceo and retaining the DFT&P name. Edward Eskandarian will be chairman-ceo of the $300 million HBM/Creamer, with offices in Boston, Chicago, Hartford, Pittsburgh and Providence, R.I. A new company called WCRS/North America will be formed with Tim Breene, WCRS deputy chief executive officer, as ceo and former HBM/Creamer top executives Donald Creamer as chairman and Harold Strauss as corporate financial officer.

Recruitment advertising feels Domino's effect

Ann Arbor, Mich.—Domino's Pizza plans to run the first-ever recruitment tv spot for a fast-food restaurant. The commercial, created by Group 243, pitches the fast-growing chain as a great place to work. It will run on a market-by-market basis; Domino's also is considering national airing.

(Continued on Page 8)

Omnicom deal sealed, shops turn to business

By STEWART ALTER

New York—The battle among the biggest advertising agencies for client business worldwide has escalated as Omnicom Group officially joins their ranks as a major superpower.

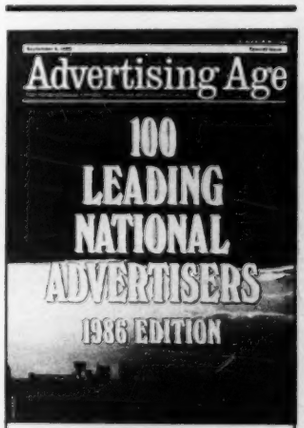
Omnicom, dubbed the "Big Bang" when three major agencies proposed its formation last spring (AA, April 28, *et seq.*), was born as a $5 billion agency when shareholders of BBDO International and Doyle Dane Bernbach Group approved the transaction at separate meetings in New York Aug. 28. Shareholders of the third partner, privately held Needham Harper Worldwide, gave their approval Aug. 12.

At BBDO, 77.4% of shares voted "yes," while at DDB, the ayes totaled 79.05%.

The formation of Omnicom and the acquisitions this year that have made the U.K.'s Saatchi & Saatchi Co. the No. 1 agency group are creating a new and unpredictable era in the agency business.

In an interview, Allen Rosenshine, BBDO's president-ceo who now becomes president-ceo of Omnicom, said rapid consolidation and multinational growth among cli-

(Continued on Page 42)



Coming this week

The 31st annual report on the 100 Leading National Advertisers, a special extra issue of Advertising Age, will be out Sept. 4, with complete marketing data on the top spenders.

NEWSPAPER

P&G kills Encanrin
cil

CONGELI AA 863599 99 ZCA 20014
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
WASHINGTON DC 20014

Highlights

Big Mac goes long with football promo 1

McDonald's Corp. next week throws for the end zone with a major national promotion tied to the National Football League. The promotion has been pitched to franchisees as the cornerstone in efforts to offset slumping sales, widen sales over fast-food competitors and block a strong rush from convenience-store chains.

C-P eyes account consolidation 1

Chesebrough-Pond's is preparing to consolidate $50 million in international billings at either Young & Rubicam or McCann-Erickson Worldwide. Key brands in the review are in skincare.

P&G swallows Encaprin loss 3

Procter & Gamble is getting rid of a marketing headache by discontinuing sales of Encaprin encapsulated aspirin, telling the trade lackluster sales held little promise of profitability.

Wright's time in the right place 3

Robert Wright says his job as NBC's new president is simply to "take the best and make it better." The network's prime time picture is glowing, news programs are enjoying greater success and late-night continues to be one of the strongest dayparts in tv.

Global Olympics effort hits snag 4

The first attempt to sell global sponsorships of the 1988 Olympic Games is running into trouble. American Express, Mars and other international advertisers, as well as national Olympic organizing committees, are resisting the effort, which International Sports, Culture & Leisure Marketing initiated at the behest of leading global advertisers.

Air Force makes a change 6

D'Arcy Masius Benton & Bowles' loss of the $11.5 million Air Force advertising account in a three-way dogfight last week, after 27 years, has industry leaders convinced that the defenses of longtime service agencies have finally been breached.

Eveready split helps DDB Needham 12

Ralston Purina's decision last week to split up its Eveready account recognizes marketplace differences between alkaline and nonalkaline batteries, sources close to St. Louis-based Ralston said. The Ralston account shakeup sent the largest piece of the Eveready business, the $25 million Eveready Energizer alkaline battery line, to DDB Needham, Chicago.

'Post' goes where others fear to tread 31

The *Washington Post* on Sept. 7 unveils a slick, sold-out Sunday magazine, and it hopes to have learned from the mistakes of two West Coast counterparts that last October launched the first 8¼-by-10¾-in. glossy Sunday magazines. The new supplements of the *Los Angeles Times* and *San Francisco Sunday Examiner & Chronicle* have watched their ad ratios slip to well under 50% this summer, and local advertisers are lukewarm.

INTERNATIONAL

Saatchi launches new BA campaign 28

A new, global tv campaign for British Airways via Saatchi & Saatchi will be launched in Canada and Western Europe this month with a U.S. effort scheduled to begin next year. BA will spend about $15 million on the "Supercare" campaign this year.

NEW PRODUCTS

Lines extend their reach 38

The trend of capitalizing on well known brand names with line extensions continued in August, with several popular brands taking new products under their wings, according to Advertising Age's compilation of new-product reports for the month.

OTHER NEWS

Rax Restaurants' marketing approach next week changes from hard soul to soft sell. Tv spots in Rax's midwestern and southeastern marketing territory position the chain as "Fast-food with style." Page 12.

Napoleon McCallum might be free to moonlight with the Los Angeles Raiders from his regular job as a Navy ensign, but it's no go as far as commercial endorsements are concerned. Page 25.

Maybelline has won a preliminary injunction in federal court against competitor Noxell Corp.'s advertising and packaging for Clean Lash mascara. The judge said the advertising was deceptive in claiming that the mascara was waterproof and "laughs at tears." The injunction also named Noxell's agency, SSC&B:Lintas Worldwide. Page 31.

Burton Manning's arrival at the newly renamed Jordan, Manning, Case, Taylor & McGrath created a "brain trust" of Quaker Oats ad alumni the food marketer couldn't resist. Last week, Quaker assigned the New York agency $20 million worth of business, only 72 hours after hearing a credentials presentation from Mr. Manning. Page 37.

Sharp Electronics Corp., Mahwah, N.J., next month plans to increase its annual ad spending to $22.5 million, via its agency of two years, Scali, McCabe, Sloves. That is a 12.5% increase from the 1985 budget and more than triple the $7 million that the Japanese marketer devoted to its first U.S. ad campaign in 1982. Page 38.

SPECIAL REPORT

Corporate America is joining the sports team in ever-growing numbers. Estimates of sports-sponsorship spending range from $1 billion to $4 billion. Special Report examines what sports are doing to attract the new participants.

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GM triggers new round of finance cuts

By PATRICIA STRNAD

Detroit—U.S. auto makers moved to clear out 1986 models with promotions of rock-bottom financing incentives.

General Motors Corp. is offering 2.9% annual percentage rate financing, backing it with its largest-ever incentive ad campaign.

Chrysler Corp. responded by undercutting GM, offering 2.4% financing on 24-month loans on most cars and trucks.

At press time Aug. 29, Ford Motor Co. had yet to announce its plans to match its competitors, but Thomas Wagner, vp-general manager of Ford's Lincoln-Mercury division, said, "They [GM] are calling the shots. We'll keep our dealers competitive any way we have to."

"We're out to ignite the market with this sweeping six-week program," said James Vorhes, vp in charge of the GM customer sales and service staff. "If anyone has been waiting for GM's final closeout of 1986 models, this is it."

Buick dealer Carl Fischer of Troy, Mich., said he sold 29 Buicks the first day of 2.9% financing, compared with a usual daily average of six or seven. "If anything is going to move the mountain, it's 2.9. But I'm a little concerned over what will happen in October" when the incentive program ends, Mr. Fischer said.

A GM spokesman declined to give ad spending for the campaign, but said, "It's pretty big, certainly the largest concentrated advertising program for any incentive activity in our history. All GM divisions will do their own campaigns with their own agencies tying into the Big one theme, and we expect very heavy local dealer advertis-

(Continued on Page 40)

Nike fast-talks walking shoe

By BRIAN LOWRY

Nike Inc. will snap off a series of weighty one-liners in a new print and outdoor campaign for its walking shoes.

Ads in October issues of *People* and *Reader's Digest* will show the company's $54.95 walking shoe, the EXW, and suggest that consumers "Try one on for thighs," "Make your wife lose her lunch" and "If you love your mother, make her leave home."

Outdoor boards take a similar approach, with bus boards reading "This bus isn't worth the weight" and "Walkers have no guts."

The Beaverton, Ore.-based athletic apparel company also will make its point in an old-fashion way. Walkers sporting sandwich boards will stroll the streets of New York, San Francisco and Boston beginning Sept. 15. Messages will be tailored to the city, with "Walk Nike" as the punch line on the back of each board.

In Boston, near Harvard University, the board will suggest "Exercise some intelligence." At historic Beacon Hill: "The walkers are coming, the walkers are coming." And on San Francisco's bar-laden Union Street: "Walk it off."

The campaign, created by Wieden & Kennedy, Portland, marks Nike's first general-market push for its walking shoes.

West Coast news

Tahoe seeks agency

Lake Tahoe Visitors Authority has sent questionnaires to agencies in California and Nevada concerning its estimated $1 million account. The tourism promotion board, formed July 1 through the merger of the California-based South Lake Tahoe Visitors Bureau and the Nevada-based South Tahoe Marketing Council, will select three to five finalists by Oct. 1. A decision is expected in mid-October. Barbara Klein, former marketing director of Nevada's commission on tourism, is executive director.

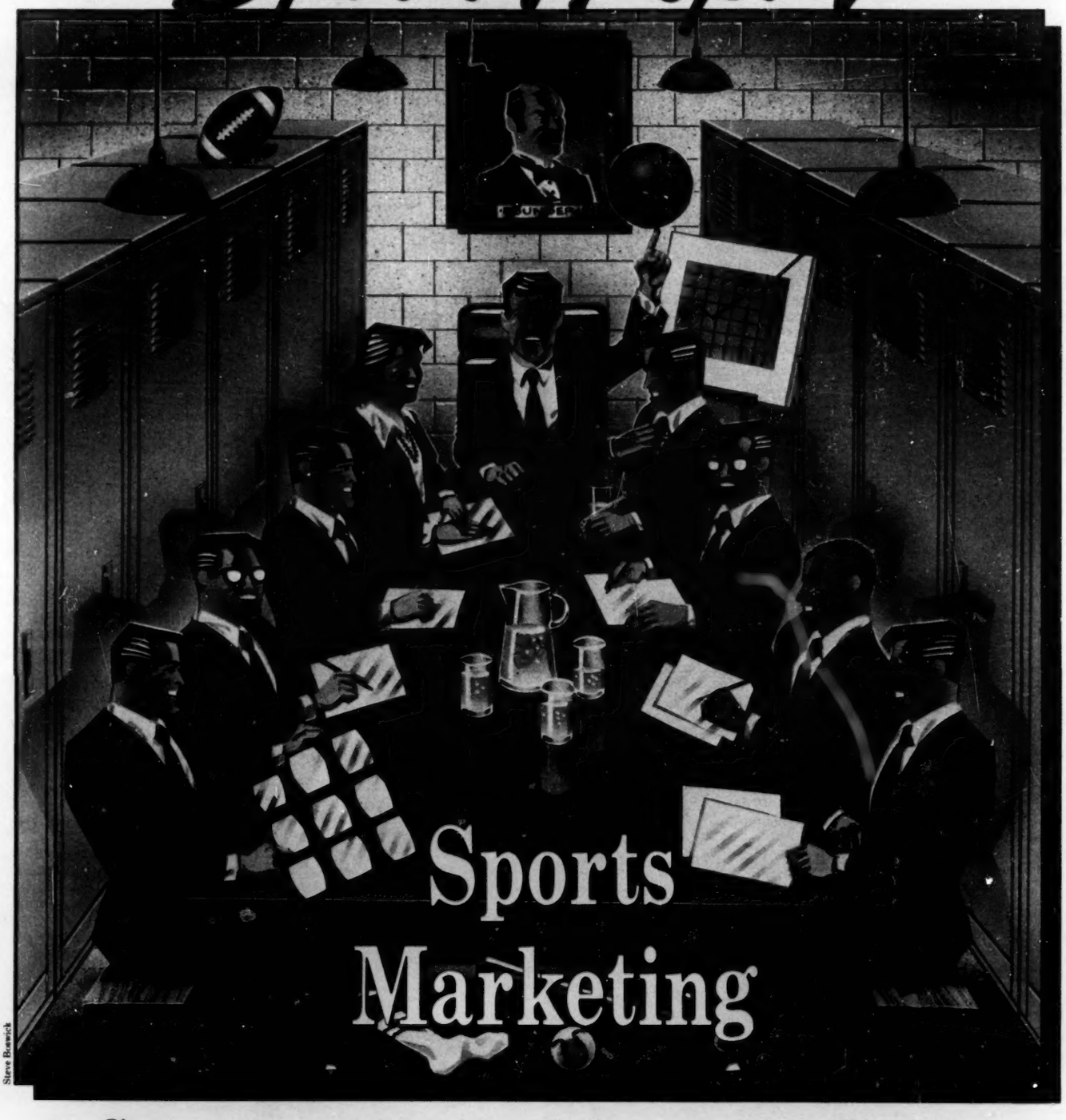
Grey Advertising, San Francisco, has laid off six employes, completing a 10% reduction of staff started at the beginning of the summer. The reduction reflects cutbacks following the loss of Kikkoman International, San Francisco, which shifted its account to DFS Dorland, San Francisco.

Needham Harper Worldwide's Los Angeles office, scheduled to become independent agency Rubin, Postaer & Associates today following the merger of BBDO, Doyle Dane Bernbach and Needham, has pushed back the date to Oct. 1 due to administrative and legal red tape connected with the deal.

Very Incredible Products, Costa Mesa, Cal., breaks tv commercials in Hawaii in late September for Wrinkle Free, an aerosol spray that removes wrinkles from cloth. The schedule includes page ads in national editions of *GQ* and

(Continued on Page 44)

Special Report



Steve Bunick

Corporate sponsors join starting lineup

By Ed Fitch

Companies long have been called sweatshops, usually in a not-too-endearing tone by employes. Yet sweat marketing is in, and more boardroom meetings may as well be held in locker rooms as corporate America plays up its involvement in sports sponsorship.

Although reporting supporting statistics is tough—estimates range from $1 billion to $4 billion, indicating the field's youth—those involved agree sports sponsorship is booming. They also say the lineup will accommodate many more players.

Despite tremendous growth, says Ray Benton, president, ProServ, a Washington-based sports marketing company, the field is only one-third filled. The growth will be in two arenas: Sponsorship of new sports and creative packaging and utilization of existing sports.

No sport is so mighty it has been able to ignore the marketing rookie's presence. "The cost of ad time on the Big Three sports is so high advertisers sought other opportunities within them," says Howard Wishner, president, Wishner Communications, New York.

This demand in part led to the creation of divisions like the National Football League's NFL Properties, which allow advertisers an opportunity to get involved without buying time. "The leagues are happy because they get the dollars, and the corporations are happy because they can associate themselves with the sport without picking up the tab of advertising," he says.

Corporations are interested in going beyond media buys in identifying themselves with sports, says Tom Osenton, associate publisher of Westport, Conn.-based *Sports Marketing News*. They want to extend the value of their sports activity over a longer period of time, he says, "a case of 30 seconds versus two months or two years."

In addition to the association factor, corpora-

(Continued on Page S-21)

Take them out to the ballgame

People attending at least one game in 1985 (millions)

1. Pro baseball	21.0
2. Pro football	9.5
3. College football	9.3
4. College basketball	7.6
5. Pro basketball	6.4
6. Hockey	3.9
7. Boxing	3.6
Wrestling	3.6
9. Golf	3.2
10. Tennis	2.5

Source: Simmons Market Research Bureau

NFL scores with national marketing game plan

By Thomas L. Moore

Professional football has sacked its reliance on a conservative marketing game plan. The New York-based National Football League once again is moving the ball, having been forced to punt in 1982 when the players went on strike.

The time to become aggressive couldn't be better. Last season was the NFL's best in terms of attendance, tv ratings and sales, all of which had previously dropped below 1981 levels.

A lot of this had to do with the Chicago Bears. Not only did they deal the New England Patriots the most crushing defeat in Super Bowl history, but the club also racked up 20% of all NFL merchandise sales, vaulting from the No. 8 slot to No. 1 last season. Had the Bear's William "the Refrigerator" Perry been a team, he would have edged out 10 teams in merchandise sales.

The beneficiary was not the Bears, however, but the NFL. The Bears fared no better than the Buffalo Bills because all revenue is kicked into a kitty controlled by NFL Properties, the league's national licensing, marketing and publishing arm. All 28 clubs own an equal share of the company, which controls league funds.

The Bears aren't bothered too much by the arrangement. Considering only six teams have repeated as Super Bowl champions, winning teams don't gripe too loudly because their fortunes—and sales—eventually will falter.

Thomas L. Moore, a former sports writer, profiled Patrick Ewing's endorsement activities and the sports marketing agency business in last year's Sports Marketing Special Report.

"You can't do all your marketing on your own," says Bill McGrane, the Bears' director-marketing and communications. "The philosophy that runs NFL Properties is no different from the philosophy that runs any team: To keep all of the teams strong."

In 1963, commissioner Pete Rozelle convinced the then 14 NFL team owners to pool their marketing resources. "The beginnings of the company are related to souvenir merchandise and a desire to get quality under control," says Bob Carey, NFLP president.

Mr. Rozelle wanted the clubs to concentrate on football, adds John Bello, exec vp-marketing. "It didn't make sense for clubs to go out and license products. It detracted from their primary purpose."

Mr. Carey says the centralization, which is based on the same concept as pooled tv rights, strengthens the teams. "It's equal sharing, equal investment and equal benefit."

A smaller market team does not suffer at the expense of a franchise in a prime media market, says Bob Eller, director-pr, Indianapolis Colts. "It benefits everybody, otherwise the big markets would dominate."

Rarely plagued by the problem of filling stadium seats, the NFL's move to merchandising was natural. Now 125 licensees manufacture some 350 articles, ranging from t-shirts to helmet-shaped easy chairs.

"When you sell out 92% of all your seats, marketing becomes a lot more than trying to sell tickets," says Rusty Martin, NFL Properties' director-club relations. "Our inventory situation and our ticket situation is totally different from all the other major sports."

Promotional licensing, third-party agreements with major corporations, now accounts for 50% of the NFLP's gross revenue.

Retail licensing racks up 33%, and publications pick up the remaining 17%. The retail and promotional licensing segments each account for 45% of operating profit; publishing garners 10%.

"Our business is expanding from the exclusive use of trademarks on actual products to the use of trademarks by big companies in sweepstakes, promotions and contests," Mr. Carey says. "That still fits our mandate."

More companies are shifting ad budgets into promotions, he says, triggering a lot of competition for dollars. "You're easily forgotten if you're not visible."

NFLP is tackling promotional involvement through a concept called "power marketing," Mr. Bello says. "The marketing structure in the NFL is national in scope and local in impact," designed to help companies meet any marketing objective.

In addition to the heavyweight marketing efforts, companies have sound reasons to line up with the NFL. A 1985 Louis Harris Survey reported 70% of adult men and 49% percent of adult women follow NFL action, eclipsing all other sports.

NFL games carry airwave clout as well, pulling the highest ratings for sporting events among all age segments, including teens and children, according to the 1985 Nielsen Television Index. More than 30 million households tune in to at least one NFL game weekly. "Monday Night Football," with a 19.7 rating last season, outscored the average prime time show.

To capitalize on this market dominance, NFLP targeted and filled 20 product and service categories, such as airlines and auto and food marketers, for promotional agreements. "Food companies tend to spend most promotionally," but product managers view football as male dominated and their products as women oriented, Mr. Bello says.

The league developed "Fun, Food and Football," a 24-page free-standing insert, "to bridge the gap between football and the female."

The annual food-oriented promotion—the biggest themed fsi, he says—penetrates 40 million households and carried a sweepstakes promotion last fall that netted average response levels of at least 6%, more than triple the norm. According to a *Parade* Starch Analysis, 92% of readers noted the section, and individual ads pulled readership scores as high as 62%; the average is 43%.

Deals like the inserts and sponsored activities allow a company to attach its name to a high image sport without the "high dollar ad money," says Alan Markow, director-communications planning for Phoenix-based GTE Telephone Operations. NFL marketing also offers sponsors access to league speakers, sales force incentives, including trips to games and visits to training camps.

Jim Millman, president of New York-based Omnicom's sports marketing subsidiary, Millsport, says NFL Properties' success rests on it providing one-stop shopping. "Once you reach an agreement with NFL Properties, they can deliver the promotional value and services on behalf of all 28 teams. We make the decision to work with the local clubs at the local levels where it makes sense."

This helps take the sting out of sharing the burden with less profitable teams. "Obviously, when you have a good year, you can't reap a lot of cash benefit from it," the Bears' Mr. McGrane says. "But we have more latitude with in-stadium programs."

Some teams think they could make more money marketing themselves, Mr. Carey says. "But when you sit down and talk with them, they realize it doesn't work that way."

The NFLP brings a lot to the party, Mr. Bello says. "We put a big accent on taking a national client and having him do things at the local level."

"We couldn't come anywhere near locally what they can do for us nationally," says Bill Harpole, marketing director for the Denver Broncos. The best marketing tool is a great team, he says, "but you can't control that."

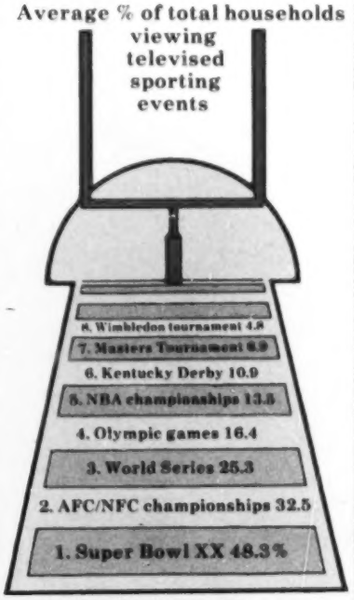
To protect against soft times, the Broncos wrap 70 local pages—65% of which are ads—around "Game Day," the national program put together by NFLP and distributed to the teams at no expense. In addition, the Broncos are offering six in-stadium corporate-sponsored promotions.

Despite having sold out the 60,000-seat Hoosier Dome, the Colts also are pursuing corporate promotions. "Our marketing objectives are to defray the cost of our

(Continued on Page S-4)

Football bowls them over

Average % of total households viewing televised sporting events


8. Wimbledon tournament 4.8
7. Masters Tournament 6.9
6. Kentucky Derby 10.9
5. NBA championships 13.8
4. Olympic games 16.4
3. World Series 25.3
2. AFC/NFC championships 32.5
1. Super Bowl XX 48.3%

Source: A.C. Nielsen Television Index, 1985

Fans sweet on sweetness

Familiarity/popularity quotients* for sports figures

1. Walter Payton	32
2. Larry Bird	30
3. Julius Erving	25
Dwight Gooden	25
5. Michael Jordan	24
Jack Nicklaus	24
7. Magic Johnson	23
8. Mary Lou Retton	21
Pete Rose	21
George Brett	21
Jim McMahon	21

*Per cent of sample rating player "one of my favorites" divided by per cent of people familiar with player. Norm is 16.
Source: Marketing Evaluations, May, 1986

McMahon passes up some offers

Chicago Bears quarterback Jim McMahon proved one point in the Super Bowl. He can play football like a man possessed.

Mr. McMahon also demonstrated he can garner an epic amount of media attention and do a superb job of imitating corporate signage. His pregame antics dimmed the Refrigerator's light in terms of media coverage, and his changing headbands during the game drew more comments than did the play of the New England Patriots.

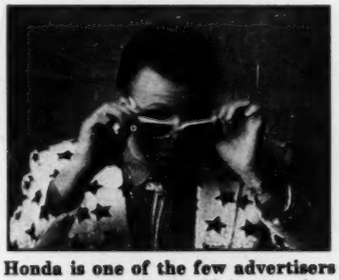
But media skeptics wondered if his stunts would endear him to advertisers. Corporations obviously are not as thin-skinned as the skeptics.

"We've had a ton of offers since the Super Bowl from a wide cross-section of companies," says Steve Zucker, head of Stephen Wade Zucker Ltd., Mr. McMahon's Skokie, Ill.-based agent. "But we're going real slow."

Messrs. Zucker and McMahon will limit the scrambler's advertising endorsements to three this year. Two down, one to go. In addition to the spot he did for American Honda Motor Co.'s motorcycle division, in early August Mr. McMahon agreed to star in a spot for Taco Bell, which will appear early this month. "We'd already turned down two other fast food companies," Mr. Zucker says.

Mr. McMahon will endorse only products he uses, and "he's a Taco Bell freak so it was a natural," he says. "He's immensely loyal to the companies he contracts with." Mr. McMahon's well-publicized arrival at training camp on a Honda was not staged, only an extension of his affinity for the product, Mr. Zucker says.

What is carefully groomed is Mr. McMahon's image in ads. All story-



Honda is one of the few advertisers graced with Jim McMahon's nod.

boards must be approved to make sure they don't portray the star as "too radical. It's not Jim. Sure he's his own man, but he's not the lunatic some people would take him for," Mr. Zucker says. His self-assuredness and the fact that he's not motivated by money make him a very credible spokesperson, he says.

Limiting his endorsements also makes him attractive to agencies looking for a strong tie between product and sports figure.

"We're trying to be low key," Mr. Zucker says, "as low key as you can be with Jim."

—Ed Fitch

NFL scores

(Continued from Page S-2)

promotions and to improve public relations," Mr. Eller says.

Many local marketing efforts are community related. "If a sponsor wants to use our logo," he says, "we explain the benefits to NFL Properties, and nine times out of ten they waive the royalty rights fee." The return is that sponsors often buy broadcast ads, which provides an additional bargaining chip when radio and tv rights are renegotiated. Another advantage is NFL-related promotions are, in a sense, ads for the league.

Another ripe area for growth is overseas licensing, which now accounts for a surprising 12% to 15% of retail licensing sales. "As Europeans convert to commercial tv, it's inevitable that we will get more exposure," he says.

NFL visibility in Britain has been heightened by a 75-minute weekly highlights show. With not even geography or cultural barriers blocking them, NFLP marketers appear poised to run up the score.

Another arrow in Chiefs' quiver

The Kansas City Chiefs have a lean and hungry look. It's been 14 long years since the club last saw any postseason action and fan interest has waned.

That's not good news for a club that plays in 78,000-seat Arrowhead Stadium, one of the biggest stadiums in the NFL, and one that is located in a market that ranks ahead of only Green Bay and Indianapolis in terms of population among NFL franchise locations. Unlike most clubs, the Chiefs' No. 1 challenge is to get people into the stands, says Mitch Wheeler, the Chiefs' director-promotions and group sales.

To help meet that objective, Mr. Wheeler draws his weapons from a diverse marketing arsenal, including an 80,000-piece direct mail campaign promoting group attendance, which filled 70,000 seats last season; community relations, and corporate sponsorships. "Frankly, we have learned from the Kansas City Chiefs," says John Bello, exec vp-marketing, NFL Properties, New York. "They are extremely innovative."

In an attempt to vault the Chiefs' won-loss record, the marketing theme is "Come celebrate the weekend with us," which highlights not only traditional action shots, but also marching bands and fans enjoying the game. "We're in the entertainment business," Mr. Wheeler says. "From the time people drive into our parking lot until the time they leave, we want to have the best production possible."

The production would rival any small-scale David Wolper effort. The Chiefs have their own marching band, co-ed cheerleaders, entertaining scoreboards and half-time shows.

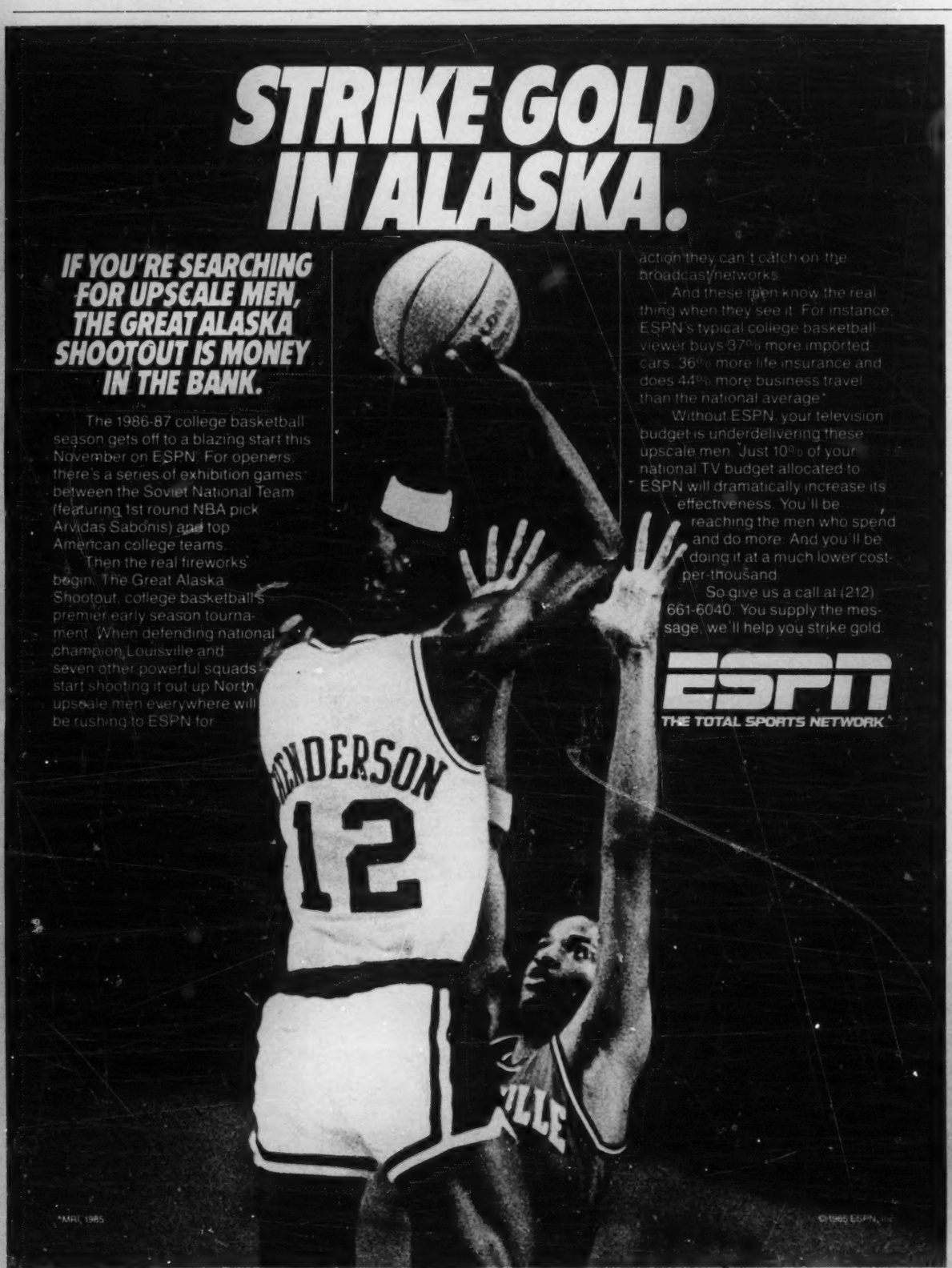
"Our goal is to put together a first-class program," he says. "Hopefully, if the team doesn't win, people still will feel as though they got their money's worth." With an ad budget of $200,000, the Chiefs have taken their message to the public through local newspapers and electronic media. "People think our budget is much larger because of our exposure level."

Mr. Wheeler also works with 35 to 40 companies to increase attendance through promotions and in-stadium giveaways. Sponsor Lee Jeans, for example, passes out a ticket with each purchase of a pair of jeans.

The Chiefs also look to corporate sponsors to chop expenses. "We look at all of those things we have to do and identify those we can take to a sponsor for a promotion tie-in to defray our costs." Oscar Mayer Food Corp., for example, put its logo on the Chiefs' pocket schedule, helping to offset printing costs.

As a result of Mr. Wheeler's strategy, average attendance at Arrowhead hit 50,000 last season. While this is a far cry from the glory days in the late '60s, he's had a lot less to work with lately.

—Thomas L. Moore


STRIKE GOLD IN ALASKA.
IF YOU'RE SEARCHING FOR UPSCALE MEN, THE GREAT ALASKA SHOOTOUT IS MONEY IN THE BANK.
The 1986-87 college basketball season gets off to a blazing start this November on ESPN. For openers, there's a series of exhibition games between the Soviet National Team (featuring 1st round NBA pick Arvidas Sabonis) and top American college teams.
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And these men know the real thing when they see it. For instance, ESPN's typical college basketball viewer buys 37% more imported cars, 36% more life insurance and does 44% more business travel than the national average.*
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made sense for us to kick off the fall tour with the Kodak Invitational here in Rochester."

But while all seems right with the PBA, bowling in general continues to struggle to get its image out of the gutter. The National Bowling Council and its agency, Baltimore-based Eisner & Associates, have decided to attack the problem with national advertising. Although the council produced limited national campaigns in the past, some featuring spokeswoman Mary Lou Retton, the focus had been on spots for local proprietor use and promotional tie-ins with companies.

Now comes "Superbowlin' Saturday," supported by a $3.5 million national ad campaign. Breaking next month and starring Ms. Retton, the ads invite children ages 6 to 12 to bowl during three-hour supervised events staged on four successive Saturdays starting Oct. 11.

"It's the first time we're marketing the sport with long-term benefits in mind," Mr. Schoenberg says. "Just maybe it will get the kids interested in bowling and they will keep it up."

If successful, the council expects to double its ad spending in 1987, while targeting senior citizens. Other campaigns are in the works, but not everyone is convinced the council is properly positioning bowling.

> ***"It's the first time we're marketing . . . with long-term benefits in mind."***
>
> **Joe Schoenberg**
> **National Bowling Council**

George Allen, author of "Bowling Industry Trend Study," insists the sport needs a new image. "Whoever is setting the advertising and pr policy for the National Bowling Council should totally change it because [the policies] are the reason for the low image and low integrity of the game," he says in *Bowlers Journal*.

Mr. Allen points to the "Bring a blob bowling" campaign. "A blob. What the hell does that do to the image of bowling? The most recent [campaign] featured people who were bored to death wondering what to do when a bowling ball drops out of the air into their hands. The implication is, if you're bored to death, go bowling. But don't go if you've got anything worthwhile going," Mr. Allen says.

"I would change the whole thrust," he says. "I would look for social trends out there that bowling can appeal to. It offers a lot of things for a lot of people."

While bowling may be hitting strikes in the tv sales and sponsorship game, Mr. Allen says that at least in terms of image it needs to get more on the ball to knock down the Archie Bunker mentality.

Participation sport may be on a roll

In many metropolitan areas, the most familiar sign on bowling alleys is the one that reads "For sale or lease." Bowling centers seem to be closing their doors at a rapid clip.

Property values in many areas have risen dramatically, giving owners more reason to sell. And many older alleys have opted to close rather than remodel.

But at the same time, larger, modern centers are opening, balancing the losses. According to the American Bowling Congress, 10,883 centers operated 157,013 lanes in 1962. Today 8,148 centers operate 152,876 lanes—a mere 3% drop in lanes.

"It's starting to come back," says V.A. Wapensky, executive director, Bowling Proprietors Assn. of America. "The two things bowling needs now is more advertising and the modernization of centers."

Perhaps the most telling sign of bowling's health is Beaverton, Ore.-based Nike's entrance into the sport, having recently introduced its first line of bowling shoes, apparel and bags via print ads. "Bowling is something we just couldn't ignore anymore," spokeswoman Mary Marks says.

"We looked at different sports, and bowling showed the greatest potential. It's a $4 billion-a-year industry in the U.S. and it can grow."

Nike brings legitimacy to bowling, says Joe Schoenberg, Washington-based National Bowling Council's vp-marketing. "It's a promotion-minded company able to infuse cash into the sport."

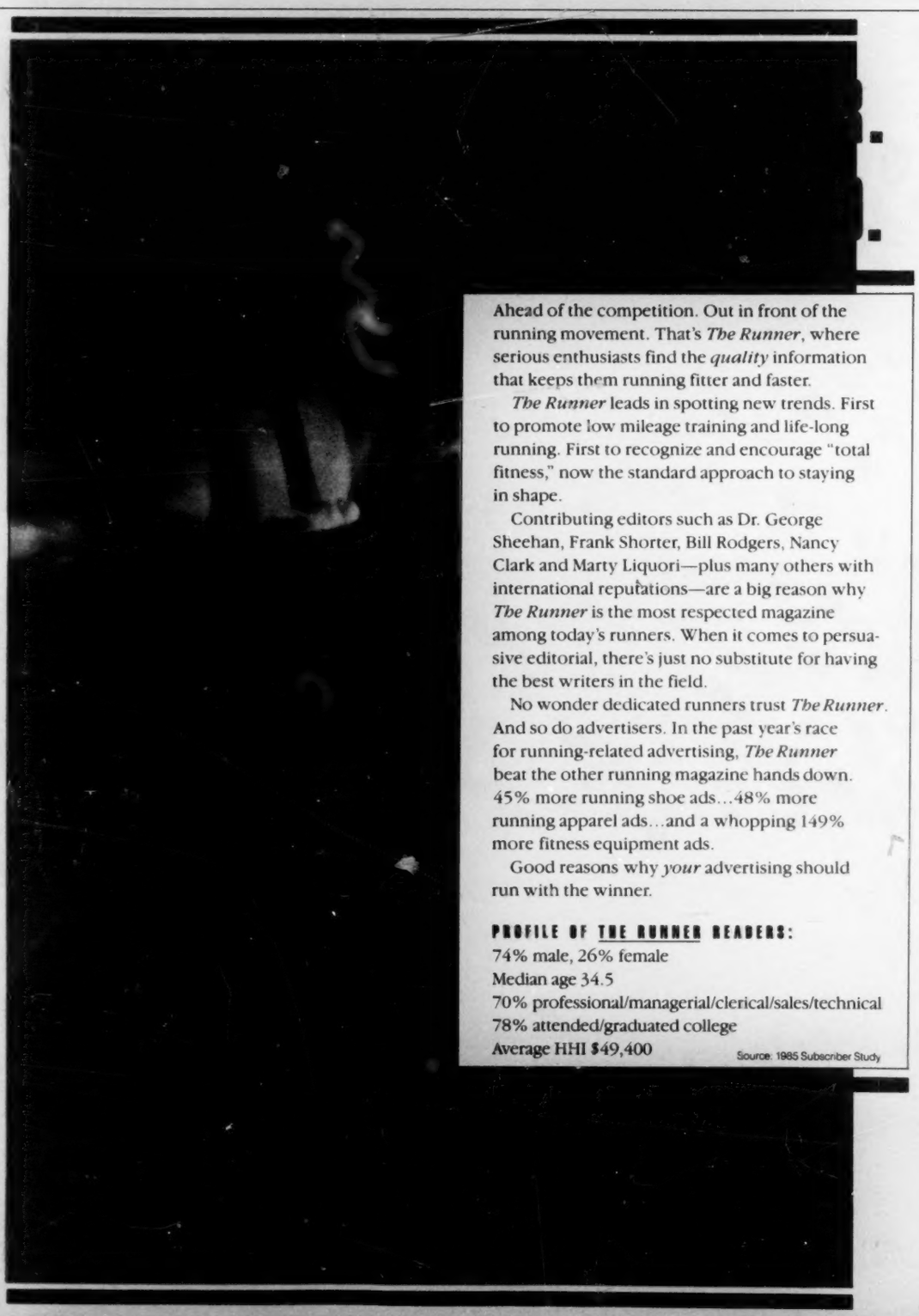
If the company's move succeeds, others may follow. "I hope Nike throws in a ton of money to promote its products," says Clay Donner, manager-advertising sales/promotion, Brunswick, Muskegon, Mich. "It will help everybody by actively promoting the sport and improving its image, which is exactly what bowling needs."

—Wayne Walley

Bigger centers spare lanes

	Bowling centers	Number of lanes
1986	8,148	152,876
1962	10,883	157,013
Per cent change	−25.1%	−2.6%

Source: American Bowling Congress



Ahead of the competition. Out in front of the running movement. That's *The Runner*, where serious enthusiasts find the *quality* information that keeps them running fitter and faster.

The Runner leads in spotting new trends. First to promote low mileage training and life-long running. First to recognize and encourage "total fitness," now the standard approach to staying in shape.

Contributing editors such as Dr. George Sheehan, Frank Shorter, Bill Rodgers, Nancy Clark and Marty Liquori—plus many others with international reputations—are a big reason why *The Runner* is the most respected magazine among today's runners. When it comes to persuasive editorial, there's just no substitute for having the best writers in the field.

No wonder dedicated runners trust *The Runner*. And so do advertisers. In the past year's race for running-related advertising, *The Runner* beat the other running magazine hands down. 45% more running shoe ads...48% more running apparel ads...and a whopping 149% more fitness equipment ads.

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PROFILE OF THE RUNNER READERS:
74% male, 26% female
Median age 34.5
70% professional/managerial/clerical/sales/technical
78% attended/graduated college
Average HHI $49,400

Source: 1985 Subscriber Study

first few days," he says. "Most problems did get resolved in time, but the fact of the matter is that we paid a not insignificant amount of money, but we had significant problems."

New York-based SIN Television Network, which broadcast all 52 final games in Spanish, sidestepped audio problems by announcing its play-by-play from San Antonio, Tex.

Like all those involved, however, Mr. Schanzer now points to the successes. "It was a very, very special event even though we were frustrated by production problems. We would have liked a better share for the final."

The final pulled a 4.1 rating, 13 share, putting the U.S. audience in the range of 6 million to 8 million households.

Because much of its audience is transplanted from countries playing in the finals, SIN delivered an audience of 2.7 million Hispanic households for the final, three times the amount estimated, says Mal Karwoski, director-sports publicity.

The same factor that helped SIN hurt NBC. "Without an American team included it was harder to sell to the American public," Mr. Schanzer says.

Despite the technical problems and the absence of a U.S. team, Gillette's Mr. Kalan says NBC shares the blame for the low rating. "NBC bought this thing and didn't know what to do with it. There was no promotion of the World Cup as an event."

Gillette and Italian sponsor Cinzano took advantage of the event by renting an Acapulco hotel for guests and shuttling them to Mexico City for the contests, a move that resulted in an unmatched customer relations coup, he says. "When you buy this kind of sponsorship, really all you're buying is an opportunity.... Now we can run promotions virtually anywhere around the world based on the World Cup."

Perhaps anywhere except the U.S., where interest in international soccer is comparatively low, although the National Sporting Goods Assn. reports more than 8 million Americans participate in the sport.

Regardless, the World Cup offers a chance for multinational corporations to highlight their international side every four years.

"Each of the World Cup sponsors has been given first option on 1990 [in Italy]," ISL's Mr. Breen says, "and it looks like they will all be back."

There are hints the U.S. will try to stage the 1994 tournament, although Brazil currently is the front-runner. None of the sponsoring U.S. companies admits to being part of such a push, but the U.S. Soccer Federation indicates the corporations will have a big part in helping the Federation Internationale de Football Assns., soccer's international governing body, decide where to place the event.

FIFA has called the U.S. a "sleeping giant" that could take soccer to higher levels—a goal increased corporate dollars would help it attain.

Sponsors join lineup

(Continued from Page S-1)

tions are racing toward sponsorship as another form of narrowcasting, says Steve Lesnik, president, Kemper Sports Management, Northbrook, Ill. Because the data are in on who watches and attends which sports, he says, it now is viewed as an effective way to target market.

As segmented marketing caught on, companies looked for less costly and more efficient alternatives to broadcast advertising. "The dollars that had been put into broadcasting are being put into sports, special-interest magazines, cable, special events," Mr. Lesnik says.

Mr. Wishner agrees, saying, "The growth is coming at the expense of traditional advertising," partly because companies discovered sports marketing can be used to foster corporate image.

But sponsorship is not about to sideline sports advertising, Mr. Benton says. The shift is from nonsport vehicles, he says, reiterating sponsorship is a good tool to target market segments in the face of rising national media costs. "It's a matter of taking a stronger commercial message to smaller audiences. A $500,000 investment in sports marketing buys a company a lot of visibility."

The press is packed with articles claiming sponsorship will usurp sports-related advertising. These opinions are out of bounds, according to Lesa Ukman, executive editor, "Special Events Report," Chicago. "Sponsorship is a drop in the bucket compared to advertising." Most companies advertise their sponsorship, so the boom in events generates more local ad revenues, she says.

Although tv is not down for a 10-count, the networks are aware of their competitor's clout. "Tv is coping by joining," Mr. Lesnik says. "Instead of saying, 'Oh no. That money has to go into a 30,' tv and agencies are looking at corporate sponsorship as a support activity rather than as something that siphons resources from advertising."

On-air presentations and sponsorship deals tied into time buys are becoming common. CBS now requires companies to pick up 25% of available time slots if they want to receive on-air credit as an event's sponsor.

"The networks are concentrating less on selling time and more on marketing involvement with sponsors," Mr. Osenton says. "They've made these moves for their own health," particularly as they tackle the problem of soft sports programing sales (AA, Aug. 4).

Teaming advertising and sponsorship allows companies to cover the bases. Event participation provides an opportunity for intensive on-site activities ranging from pr efforts, such as hospitality tents and VIP programs, to product sampling and research. "The overlay of paid advertising provides the broad-based coverage," Mr. Wishner says. "The question is whether companies will continue to be satisfied with having to buy ads in addition to sponsoring events."

Conjuring up creative programs for existing sporting events often garners more on-air coverage than an ad could supply, he says. Mr. Wishner's company designed a contest for

(Continued on Page S-22)

Ceo no longer writes the rules to game

Historically, sports sponsorship deals had all the sophistication of a slush fund. If the company chairman or president was an avid golfer, corporate dollars suddenly would be linked to golf tournaments, complete with a few private rounds between corporate hierarchy and top players.

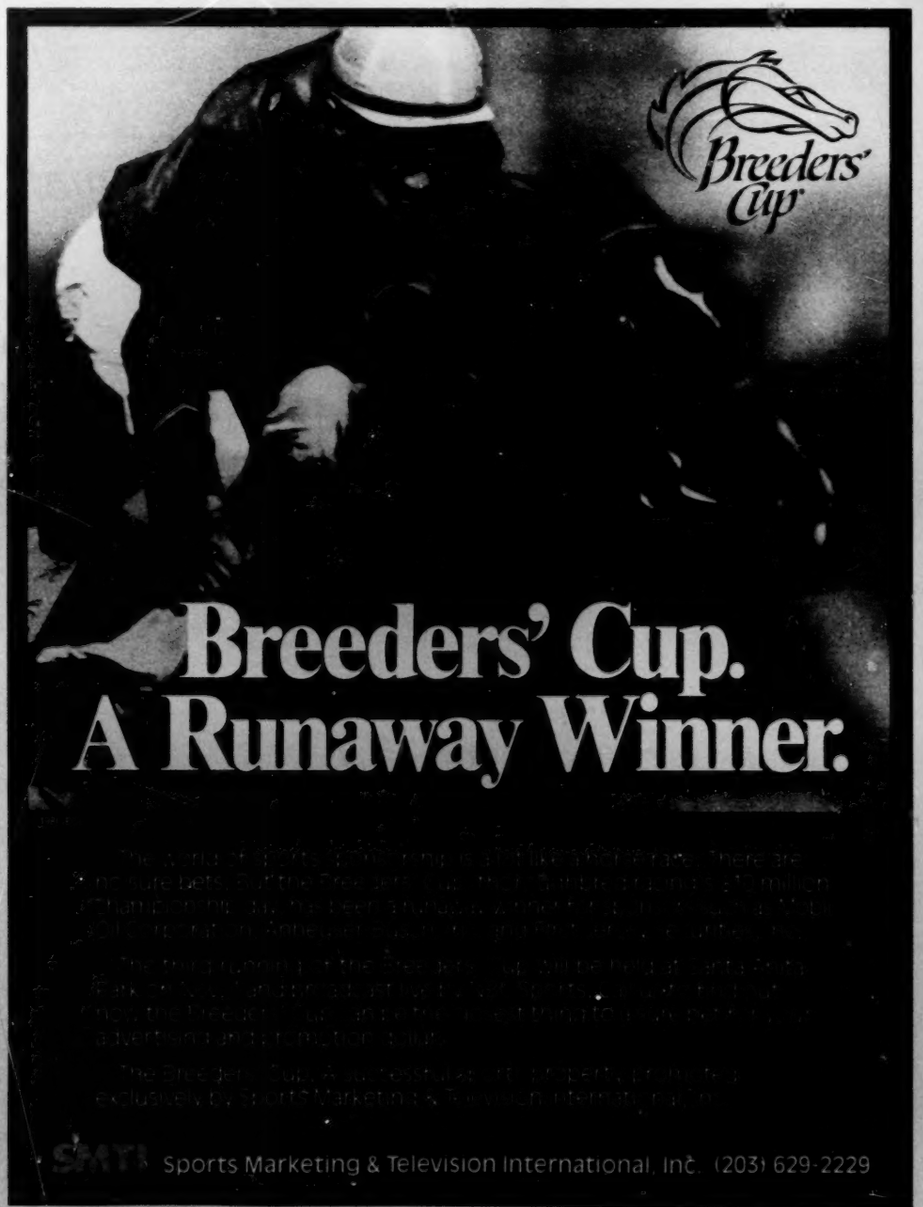
"This was more of a factor when sports marketing was in the fun and games region," says Steve Lesnik, president of Northbrook, Ill.-based Kemper Sports Management. "But the field is far beyond that."

The money involved is pushing companies toward making more educated choices, says Howard Wishner, president, Wishner Communications, New York.

Although, "the guy sitting in the head office still has a lot to do with which sports the company becomes involved in," he says. This is not all bad because there's nothing like the chairman's presence at events for pr value.

Although more decisions are being made on the marketing level, the field will continue to suffer the "ceo syndrome," says Lesa Ukman, executive editor of Chicago-based "Special Events Report." "Events are too sexy. Everyone from the top on down wants to get involved."

—Ed Fitch



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Express Sales Lead Cards

Sponsors join lineup

(Continued from Page S-21)

Purolator Courier Corp. that recognized the fastest pit crew during the Indy 500. "It added a new segment to the coverage, and the media is always looking for a new angle on an old event."

Other winners are the sports themselves, which had knocked network rights fees out of the ballpark. ABC recently reported its about $560 million 1984 to 1989 Major League Baseball contract would result in million-dollar losses annually, and the network pushed for renegotiation. "With tv revenues flat and the size of the gate and concession limited," Mr. Osenton says, "the natural option was corporate involvement."

The increased involvement has generated its own set of problems, the main one being clutter. "It's as hard to stand out in sports marketing as it is in advertising," Mr. Benton says.

The solution is to become sole sponsor of an event and heighten corporate-sport association, observers say. This means jumping into new sports or events, because the cost of sponsoring pro sports is as high as ad rates, Ms. Ukman says.

The public's fickle fascination with specific sports makes sole sponsorship a bit of a gamble, particularly when long-term continuity is the way to cement the corporate-sport association factor. "What's hot and what's not changes from year to year," Mr. Benton says.

Marathons, once a hot ticket, are common. Sources say sports to watch in terms of sponsorship are road rallies, triathlons, dogsled racing, mountaineering, orienteering, boardsailing, cycling, yachting and volleyball.

Not surprisingly, the No. 1 criterion is to go out for a sport that complements other marketing activities or fits the corporate personality. "Otherwise the credibility factor goes out the window," Mr. Lesnik says.

Increasingly, sponsorship activities are defining corporate personality. Two French boardsailors recently landed on a Florida beach, having crossed the Atlantic Ocean under Timex Corp.'s sponsorship, "a perfect example of how a company can change its image with an event," Mr. Benton says. Boardsailing was not only cost efficient, he says, but glamorous. "Consumers might expect Swatch to do something like this; it generated excitement for Timex."

Image-altering types of involvement obviously carry greater risks. But even the outcome of the most well conceived sponsorship cannot be guaranteed. "It might rain or there could be a major scandal involving the sport at the last minute," Ms. Ukman says.

The very things that make them attractive to sponsors—visibility, spontaneity, life-style imagery—make them perilous ventures, she says.

Predicting a shakeout in sponsorship action, Mr. Lesnik says, "People who aren't doing it for sound reasons will drop out."

Although not always a hit, sports sponsorship can be a critical addition to marketing plans. "It can be the cheapest and most visible form of sales promotion," Ms. Ukman says, which explains why more companies are taking their turn at bat.

—*Ed Fitch*

Corporations and sports share goals

Sports involve conflict. But conflict of interest is a relatively new addition to the sports arena. As sponsorship becomes more critical in determining whether a sport lives to run another day, the corporate-sport relationship borders on being incestuous.

"Sports are hypocritical," says Lesa Ukman, executive editor of Chicago-based "Special Events Report." "The federations control most of the amateur sports, and there is some controversy as to whether they are doing what is good for the sport vs. what is good for the sponsor."

The two goals need not be opposing. Without sponsors, many amateur sports would be left in the dust, she says.

The sponsorship tie-in doesn't break any rules, says Ray Benton, president of Washington-based ProServ, as long as it doesn't break the rules. "Short of changing the rules, it does not destroy the integrity of a sport if it is called the Volvo Tennis Tournament or if a player wears a patch with Avis on it."

Sports have been a form of recreation and entertainment, he says, now it's a form of marketing with corporate sponsorship as an integral part of its economic base.

Businesses wo't tinker too much with a sport's anatomy. Interfering with a sport's substance would only alienate the people the company was trying to reach, Ms. Ukman says.

The issue may abate as the number of events relying on corporate dollars increases. "The number of events is growing," says Tom Osenton, associate publisher, *Sports Marketing News*, Westport, Conn., "but so is the number of events owned. Soon all college bowl games will have title sponsors, for example."

The whole situation could turn into a vicious circle, however. The proliferation of events is being paced by a larger pot of dollars. "But that pot is limited," he says, "so there will be competition among sports for a piece of that pot." As the dollars dwindle, it will be interesting to see how far some sports will let their sponsors determine the rules of the game.

—*Ed Fitch*

Methods of keeping score for advertisers

In sports marketing, it's not so much how you play the game, but whether you win or lose. The trouble is, companies don't have a handy score card to measure the outcome. "It is as sophisticated as the so-called measured media and uses the same methods: The number of impressions vs. the cost of generating those impressions," says Ray Benton, president of Washington-based ProServ.

Measuring impact is still very visceral, agrees Lesa Ukman, executive editor of Chicago-based "Special Events Report." Companies are not demanding much research anyway, she says. "If you have 150,000 people at an event and the corporate name on a banner, you don't need to spend money on research to determine if the sponsorship was effective."

It is naive to judge an event's success by comparing media exposure to the cost of placing a spot, Ms. Ukman says. "You can't say the fact that a corporate name appears 20 times has the same amount of effectiveness as a tv commercial because you can't control the message the way you do in a tv spot."

Sports sponsorship carries a better message because it is nonpaid promotion, says Steve Lesnik, president, Kemper Sports Management, Northbrook, Ill. "Commercials do sell soap, but the public feels nonpaid forms of product promotion are more credible." Although sponsorship used to be evaluated on the same terms as advertising, he says, "now it's a combination of advertising, pr, quantitative data and gut feeling."

An accepted means of measuring effectiveness will have to be developed to prove event marketing's clout and keep it from being one of the first areas trimmed from budgets, Ms. Ukman says. "The way to prevent this is to make it self-liquidating," selling products at an event or having a financial stake where a percentage of the revenue generated is kicked back to the sponsor. "The best judge is a combination of the number of people reached on-site and the amount of the cost that is self-liquidated."

Ms. Ukman suggests it is irrelevant who is reached on-site. "At a Virginia Slims tournament, for example, it's not important to reach the 2,000 people attending the event." But it is essential the public associate the company with the event, she says.

The balance sheet is the best score card, says Mr. Benton. "Volvo has found the number of cars sold goes up after an event, and the people at Virginia Slims have long maintained sales increase after an event."

—*Ed Fitch*

Senior editor Ed Fitch coordinated this report on Sports Marketing.

Coming

There will be no Special Report Sept. 8. However, Ad Age will present its annual report of the 100 Leading National Advertisers on Sept. 4., and the Sept. 15 Special Report will focus on Women and the Auto Market.

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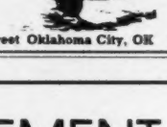

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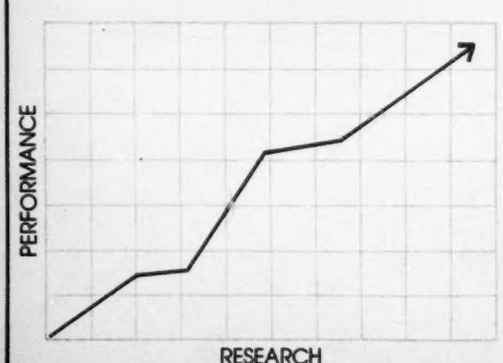

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100 LEADING NATIONAL ADVERTISERS

1986 EDITION

September 4, 1986 Special Issue

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Advertisers cut spending pace

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By R. CRAIG ENDICOTT

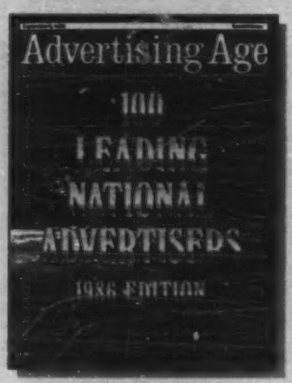
The nation's top 100 advertisers slowed their spending in 1985 to $26.67 billion, up only 2.7% from a restated $25.97 billion in 1984, according to Advertising Age's 31st annual 100 leading national advertisers report.

The small gain returns the top 100 to the single-digit growth rates of the late '60s and early '70s when the U.S. economy was experiencing slow growth, a condition reflecting today's market. Media, taking a cue from the national economy, have held the lid on rate increases without experiencing pain because of low inflation.

Advertisers became preoccupied with the economic downturn, fighting tender offers, restructuring business lines to become less cyclical in nature, while searching for means to attain greater ad economies.

Gone were the big percentage gains in ad spending by medium. Network tv, the big-ticket item for the top advertisers, dropped to $6.34 billion, a 2.6% decline from the year earlier. Network tv still accounted for 43.4% of the $14.57 billion spent by the top 100 in 11 measured media categories, up 4.4% from 1984.

A big dynamic in the market that probably led to less efficient advertising in 1985 and early 1986 was the impact of the consolidation among both the media companies and leading advertising agencies, where the buyout



fever was just as strong as among leading marketers. The trend led to countless account conflicts as advertisers changed agencies in midstream.

Still commanding the top rung among spenders was perennial leader Procter & Gamble with estimated ad spending of $1.6 billion, up 9.6% from a restated $1.46 billion in 1984. P&G faced a strong challenge from No. 2 Philip Morris Cos. with $1.4 billion, up 4.9% from a restated $1.34 billion in 1984. RJR/Nabisco, No. 3, had spent $1.09 billion, down 8% from restated $1.18 billion in 1984.

Events and issues facing the big three advertisers were symbolic of currents that ran deep into the top 100, leaving few untouched. Primary among those issues were the need to continue momentum and to grow in a stagnant economy. Acquisitions were the answer.

P&G bought Richardson-Vicks, gaining a foothold in pharmaceuticals to add to its dentifrice, detergents and diapers segments. Continuing their diversification, Philip Morris bought General Foods and R.J. Reynolds Industries acquired Nabisco Brands. Each partner acquired was among the top 100 national advertisers in the 1984 report.

These acquisitions and others throughout the top 100 list encouraged Ad Age to reestimate ad spending levels for 1984 to reflect a historic reading of the companies as they currently are assembled. In several cases, estimates have been recalculated for advertisers to reflect new knowledge about their spending in unmeasured media—promotion and special events, couponing, sampling, trade incentives, co-op, newspaper inserts and so on.

Selloffs occurred for various reasons, but centered on growth—divesting unprofitable businesses or selling assets to retire debt incurred in a buyout. Corporate restructuring, often a statement of the economy and a company's ability to compete, promoted a number of divestitures.

Restructuring, which forced marketers to look more closely at growth margins, meant the search was on to hold down expenses. This not only translated into major layoffs at leading advertisers, like No. 39 CBS and No. 98 Cap Cities/ABC, and streamlining of the executive suites, but also fine tuning of the advertising budget. This often led to shifting to less expensive forms of media, moving media planning and buying in-house, and increasing the use of below-the-line advertising, merchandising and promotions that cost less than media.

RJR/Nabisco Broadcast was formed to handle network broadcast media buying at RJR, which already handled print and outdoor buying in-house. Joseph E. Seagrams & Sons, No. 76, formed House of Seagram Media to handle buying of magazines, newspapers and outdoor. Busch Media Group was formed to oversee the purchase of national network tv and radio for all brands at Anheuser-Busch, No. 10.

General Motors, No. 5, took GM divisional advertising and media negotiation in-house to improve its bargaining clout. It left the actual media purchase to the ad agencies representing the divisions. Before forming this unit, GM squeezed additional efficiency out of ad dollars by reducing agency commissions to 13%, but it had mixed results when it sought special preference from magazines.

The megamergers among ad agencies caused their clients to shuffle their agency decks by firing their agencies because of "account conflict." Particularly affected were agencies that merged into Omnicom (BBDO, Doyle Dane Bernbach and Needham Harper Worldwide) and into Saatchi & Saatchi plc.

In the ad media mix, network tv's 2.6% dollar decline from 1984 among the 100 bore the brunt of change. The medium is virtually at the mercy of spending trends set by the 100, which in 1985 represented 76.2% of the spending in that medium.

The networks showed the effects, registering their first aggregate slip in

(Continued on Page 2)

100 leading national advertisers

Rank	Company	Advertising	Rank	Company	Advertising	Rank	Company	Advertising
1	Procter & Gamble	$1,500,000	35	Eastman Kodak Co.	$247,300	69	American Dairy Assn.	$121,000
2	Philip Morris Cos.	1,400,000	36	Quaker Oats Co.	245,997	70	CPC International	120,000
3	RJR/Nabisco	1,093,000	37	Sterling Drug	224,940	71	Hershey Foods Corp.	118,990
4	Sears, Roebuck & Co.	806,000	38	Campbell Soup Co.	215,059	72	Wendy's International	115,000
5	General Motors Corp.	779,000	39	CBS Inc.	208,000	73	Hasbro Inc.	114,849
6	Beatrice Cos.	684,000	40	Mobil Corp.	195,262	74	Stroh Brewery Co.	113,000
7	Ford Motor Co.	614,600	41	Tandy Corp.	186,861	75	E.I. du Pont de Nemours & Co.	112,184
8	K mart Corp.	567,000	42	Beecham Group plc	186,322	76	Jos. E. Seagram & Sons	110,183
9	McDonald's Corp.	550,000	43	Grand Metropolitan plc	176,749	77	Union Carbide Corp.	110,000
10	Anheuser-Busch Cos.	522,900	44	Bass Inc.	175,420	78	Bayer AG	108,000
11	American Telephone & Telegraph	521,318	45	Toyota Motor Corp.	172,035	79	Clorox Co.	107,105
12	Ralston Purina Co.	508,365	46	IC Industries	171,000	80	Noxell Corp.	106,128
13	Dart & Kraft	489,349	47	American Express Co.	169,868	81	AMR Corp.	105,412
14	General Mills	484,146	48	Schering-Plough Corp.	169,383	82	Dow Chemical Co.	105,000
15	J.C. Penney Co.	478,892	49	Nissan Motor Co.	162,566	83	Adolph Coors Co.	104,981
16	PepsiCo Inc.	478,372	50	Gillette Co.	161,000	84	Greyhound Corp.	102,604
17	Pillsbury Co.	473,220	51	American Brands	160,000	85	Mazda Motors of America	101,743
18	Warner-Lambert Co.	469,339	52	Chesebrough-Pond's	159,792	86	MCA Inc.	98,360
19	Unilever U.S.	413,623	53	Pfizer Inc.	158,463	87	Brown-Forman Co.	94,260
20	Johnson & Johnson	401,217	54	Loews Corp.	156,918	88	Delta Air Lines	94,020
21	American Home Products Corp.	399,516	55	Honda Motor Co.	156,475	89	Van Munching & Co.	93,388
22	Chrysler Corp.	393,400	56	Time Inc.	156,208	90	Monsanto Co.	92,885
23	Coca-Cola Co.	390,000	57	GTE Corp.	153,606	91	Eastern Air Lines	89,700
24	GE/RCA	373,336	58	Goodyear Tire & Rubber Co.	149,305	92	Matsushita Electric Industrial Co.	86,000
25	Kellogg Co.	364,299	59	ITT Corp.	149,200	93	Mattel Inc.	85,092
26	Bristol-Myers Co.	344,293	60	Revlon Group	147,215	94	Apple Computer	83,859
27	International Business Machines	327,834	61	S.C. Johnson & Sons	146,116	95	Gulf & Western	82,101
28	Nestle Enterprises	319,254	62	UAL Inc.	145,000	96	Wm. Wrigley Jr. Co.	81,536
29	Sara Lee Corp.	285,956	63	Walt Disney Co.	140,000	97	Canon Inc.	81,201
30	Mars Inc.	275,504	64	Xerox Corp.	128,898	98	Capital Cities/ABC	72,247
31	American Cyanamid Co.	266,189	65	American Motors Corp.	126,000	99	Cotter & Co.	71,670
32	H.J. Heinz Co.	267,541	66	Warner Communications	124,165	100	George A. Hormel & Co.	70,702
33	U.S. Government	259,050	67	Volkswagen of America	123,100			
34	Colgate-Palmolive Co.	253,495	68	Cosmair Inc.	122,149			

NOTE: Dollars in thousands

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sales since cigaret spots were banned. CBS and ABC networks took it on the chin as NBC surged to No. 1 in prime time. CBS was preoccupied with unfriendly suitors, though managed to emerge intact but scathed. To recoup its losses, the company bought blocks of stock to thwart takeover attempts and adopted cost-cutting measures that included sizable layoffs at the executive level. ABC did its own belt-tightening by thinning out the job redundancies created by its merger with Capital Cities Communications.

NBC's ratings success made it the one exception to negative growth among networks. But even NBC was the subject of a buyout in June, 1986, when No. 24 General Electric took over its parent, RCA Corp.

Although network tv continues to struggle, in early 1986 it was beginning to build back its lost revenues, and the other media were meeting with similar growth. Total measured advertising on the medium in the first quarter of 1986 was $2.04 billion, up 4% over first-quarter levels in 1985.

Spot tv was the major dollar volume benefactor among the top 100, which spent $3.07 billion in 1985, up 9.5% from 1984 when spot tv rose 8.5% from 1983. Advertising in spot tv in the first quarter of 1986 of $1.57 billion for all advertisers represented an 11% growth over the comparable quarter in 1985.

Network radio, relatively inexpensive, was the big media percentage gainer, rising 77.3% to $272 million among the top 100, which account for 61.4% of all network radio spending. Network radio continued to grow, rising 35% in the first quarter of 1986 over the similar period in 1985. Magazine advertising among the 100 grew 6.4% to $2.38 billion. Magazine advertising is up 6.8% in the first quarter over the corresponding period in 1985.

Apple Computer, which dropped network tv spending from $42.7 million to $25.8 million, let others in on its strategy in a reportedly "fictitious" memo printed as artwork in its annual report: "Reduce expensive network tv advertising; increase less expensive and more targeted advertising, such as radio and local newspapers; support dealer advertising aimed at increasing store traffic."

The 1986 first-quarter revival is being stimulated by more new product introductions than ever. The number increased 14.5% over the corresponding period in 1985 when new product entries hit an all-time high, according to "New Product News" publication produced by Dancer Fitzgerald Sample, New York.

Static media spending during 1985 reflects in part the maturation of a number of brands. When this occurs, the need to boost about product attributes with trade media dollars is minimized, and monies begin to flow into lower cost nonmedia promotions such as incentives and coupons. This kind of unmeasured advertising rose to $12.09 billion, up a marginal 0.7%.

A number of brands did get new life by finding new "authoritative" selling pegs: Alka-Seltzer and Bayer aspirin got mileage out of a Food & Drug Administration ruling that aspirin, a major ingredient in Alka-Seltzer, was effective in preventing heart attacks; No. 25 Kellogg's All Bran played up the National Cancer Institute's endorsement of a high fiber diet as a cancer preventative.

Brand advertising surged in several hot categories. While total beer, wine and liquor advertising was up a meager 1.3% in measured advertising spending in 1985, it was up a composite 3.9% for the six companies among the top 100 in that classification. Cause for much of the budget expansion among the top 100 was the hotly contested wine cooler market.

Brown-Forman Co., No. 87, purchased 1985 market leader California Cooler, backing it with $11.7 million in measured spending. While thriving, it has since lost its market lead to to E.&J. Gallo Winery's Bartles & Jaymes, boosted by $17.2 million in only a half year on the market in 1985. Seagram launched a liquor-based cooler, adding peach and citrus flavors this June in a $10 million campaign. Stroh Brewery Co., No. 74, tested White Mountain, a malt cooler, and went national in four months.

Anheuser-Busch, No. 10, seemed to step to a different drummer in the category by launching a poorly received champagne-based cooler called Baybry's and then coming out in June, 1986, with Dewey Stevens Premium Light, a light cooler. The fuss on the wine cooler side was balanced by lower wine case sales among the major producers. Market leader Gallo, for example, dropped 6.1% in liter cases in 1985.

On the volume side, the only two brewers in the top tier to expand their market share in 1985 were Anheuser-Busch and No. 83 Adolph Coors Co. Growth among brewers came in the price beer segment, the rung just below the popularly priced category.

Comparative advertising reached new heights among airlines, particularly No. 91 Eastern Air Lines, whose bid to be bought out by Texas Air Corp. was nixed temporarily by the government. It did takeoffs on No. 88 Delta Air Lines slogan ("Delta gets you there") with "Eastern gets you there for a whole lot less." It jabbed at People's "Fly smart" slogan by captioning Eastern's ads, "Fly smarter."

Auto marketers claimed superiority over their named competitors and tried to lowball the other with better finance charges—a tactic that left many of the major companies with strong sales and negative earnings. No. 5 General Motors late this August offered a 2.9% annual interest rate charge designed to sweep clean its inventory of 1986 models. Chrysler, No. 22, and Ford, No. 7, joined in, while continuing to bicker about who was and is the best pickup truck producer.

Calcium cropped up in everything from supplements to food products. General Mills, No. 14, added calcium to its Gold Medal flour; No. 21 American Home Products introduced Posture, and No. 18 Warner-Lambert launched Suplical and Theracal in the calcium supplement market.

Milk and milk products were in, attested by the inclusion this year of the American Dairy Assn., No. 69, as a top 100 advertiser. The ADA says milk consumption in 1984 and 1985 grew by 3.3% and 3.6%, respectively. Previously, there had been only two years between 1950 and 1984 in which market consumption eked out a 3% gain.

The over-the-counter analgesics market is passing through the darkest moment in that category's history with more deaths attributed to tampering episodes involving No. 20 Johnson & Johnson's Tylenol and No. 26 Bristol-Myers' Extra-Strength Excedrin capsules. Both companies withdrew their capsules from the market and reentered with caplets. Big stories are just unfolding for 1986: Marketers with FDA backing are unleashing a host of preascription drugs onto the otc market; the expiration of the ibuprofen patent is encouraging new market entries that should help build the segment from 9% to 15% of the market by yearend.

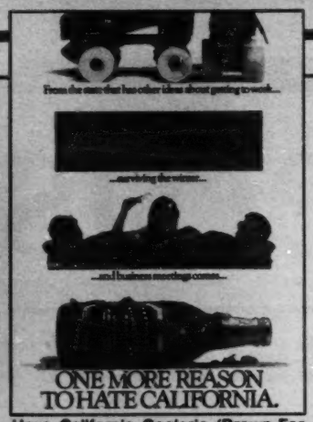
Cigaret marketers borrowed a page from the brewers in appealing to the consumer masses in directing products at the price-conscious. The big gainers were generic and price/value cigarets —the 25-cigaret packs for the price of a 20-piece pack. Among the top 10 cigaret brands in 1985, only No. 54 Loews' Newport from its Lorillard division and Philip Morris' Marlboro increased in volume.

In food marketing, "lite" is right, witnesses the labels for No. 32 Heinz ketchup and french fries from its Ore-Ida subsidiary, No. 38 Campbell Soup Co.'s reformulated Swanson tv dinners and No. 70 CPC International's Hellmann's and Best mayonnaises. Fiber also is in vogue, from No. 48 Schering-Plough's diet and weight control Fibre-Trim import from Denmark to Kellogg's All Bran with extra fiber.

Convenience has not left the food market, but it has caused major marketers to reconstitute major lines. In a single category—muffins—Sara Lee, No. 29, is going national this month with a frozen convenience food, Sara Lee Hearty Fruit muffins. P&G reportedly is deemphasizing its Duncan Hines cake mixes to concentrate on brownies and muffins. This pits P&G and Sara Lee head-on with General Mills' Betty Crocker, who got a new look in 1985, perhaps more symbolic of the board room than the kitchen.

In personal care products, No. 42 Beecham thrilled the '50s generation by reviving the old Brylcreem tag: "A little dab'll do ya" for a mousse Brylcreem; No. 16 PepsiCo again signed Michael Jackson to promote Pepsi—although the contract says he is not required to touch a Pepsi can—and advertisers covered the airwaves with Mary Lou Retton for No. 9 McDonald's Corp., Mary Lou Retton for Eveready (now with No. 12 Ralston Purina), and Mary Lou Retton for Mattel, No. 93.#

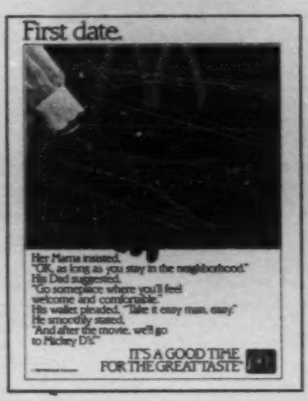
Chevrolet led auto marketers in appealing to the "emerging" women buyer, only a year after Ford upset focus groups with its infamous (as far as women are concerned) "pink truck" ad.



Have California Cooler's (Brown-Forman) beachy and hot tub ad renderings helped heat up the competition for the wine cooler market, now led by meteoric Bartles & Jaymes, promoted with the most down-home style imaginable?

Canon entered the 8mm camcorder vcr sector, and with Sony, Kodak (Matsushita-made), and Polaroid (Toshiba-made) reached a 5% to 10% share of market. Paramount enhanced the 8mm rush by creating video for Sony.

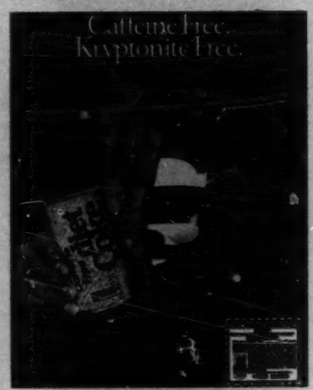
Mickey D's is the place to be among blacks, says the jive from McDonald's ad copy. Soul singers Jerry "Iceman" Butler and Aretha Franklin also appeared in McD.L.T. spots by Mickey D's black consumer agency, Burrell Advertising.

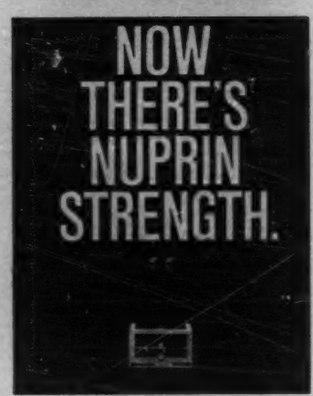

First date.
Her Mama insisted,
"Ok, as long as you stay in the neighborhood."
His Dad suggested,
"Go someplace where you'll feel
welcome and comfortable."
His wallet pleaded, "Take it easy man, easy."
He smoothly stated,
"And after the movie, we'll go
to Mickey D's."
IT'S A GOOD TIME
FOR THE GREAT TASTE

Caffeine Free diet Coke's market share rose to 1.1% in 1985 as cases increased to 80 million, up 23.1% from 1984. Coca-Cola's share of the diet soft drink sector looks to be infused with the kryponite this ad suggests is not present in Coke. All Coca-Cola diet soft drinks accounted for 44.1% of the diet category, up from 43.5% in 1984. During 1985, the industrywide diet category accounted for 21.6% of the total market, up from 19.8%, according to analyst John C. Maxwell Jr.

The consumer is calorie-conscious, cholesterol-shunning, right. Maybe so, but the consumer now seeks out calcium in everything from General Mills Gold Medal flour (recently fortified with calcium), American Home Products' Posture additive, and just plain milk. Milk (read: Calcium) got its big boost in 1983 when Congress approved a levy for milk promotion to be administered by a number of associations under the American Dairy Assn. auspices.

Comparative ads proliferate in the analgesics market, ranging from this "Two little Nuprin (Bristol-Myers) can stop headaches better than Extra Strength Tylenol (Johnson & Johnson)" to Bayer's (Sterling Drug) "desert island" claims. Nuprin and Advil (American Home Products) are fueling the ibuprofen surge in analgesic market which grew to 9% of market in 1985, up from 3%, and could reach 15% this year as a host of other ibuprofen entries join the market.





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Top 100 eke out 2.7% ad increase

American Brands — RANK 51
New York

($ in millions)

Worldwide	1985	1984	% chg
Sales	7,308	6,995	4.5
Net income	426	414	2.8
U.S.	**1985**	**1984**	**% chg**
Sales	3,150	3,065	2.8
Operating profits	898	551	63.0
Advertising	160	156	2.7
Division sales	**1985**	**1984**	**% chg**
Int'l tobacco	4,390	4,229	3.8
Hardware	569	519	9.6
Distilled bevs.	250	246	1.6
Office products	337	336	0.3
Food products	507	494	2.6
Other	1,256	1,171	7.3

American Brands experienced a positive turnaround in sales from its cigaret and cigar divisions in 1985, but despite the improvement, the divisions suffered an across-the-board decline in market share among lead brands—Pall Mall, Tareyton and Carlton.

American Brands seems tied to the annual performance of its tobacco divisions, which in 1985 grew 3.8% in sales, helping push over-all sales up 4.5%. This compares with a 4.3% drop in cigaret and cigar sales in 1984 and an over-all drop of 1.4% for the parent company.

The divisions had combined sales accounting for 60% of total company sales, and drew 58% of all measured media ad spending at American Brands.

American Tobacco Co., incorporated as a separate operating subsidiary in January, saw its share of the total cigaret market decrease in 1985 from 7.9 to 7.4, with its largest seller, Pall Mall, recording a 3.5 market share, down from 3.8 in 1984.

Pall Mall, the seventh best-selling cigaret in the country, is the industry leader in the nonfilter cigaret market, and American Brands spent less than $100,000 in measured advertising on the brand.

The Pall Mall brand family began receiving more substantial ad support in 1986 with the national rollout of Pall Mall 25s, a full-per-unit-priced convenience packaging.

American Tobacco's Carlton family, which now includes 11 products, was expanded in 1985 with the addition of Carlton Menthol 100's box. AB spent $24 million on the Carlton brands in the seven media measured by Leading National Advertisers last year, nearly 41% of all the money it spent in measured media.

American Tobacco spent more than $7 million on its Lucky Strike brand, a brand family that, although steeped in tradition, has presented the best growth opportunity for AT in Lucky low-tar filters and Lucky Lights, mid and low-tar entries. The Lucky filters line is backed by the sometimes controversial yet well noted "Light My Lucky" campaign. The two brand styles posted a whopping 41.2% unit sales increase and moved to a 0.4% market share, slightly below the 0.5% considered to be the breaking point for a sustainable cigaret brand, according to John C. Maxwell Jr., tobacco analyst for Furman Selz Dietz Mager & Birney, New York.

The company's Tareyton brand continued its long-term sales decline and ended 1985 with an 8.7% drop in volume. At yearend, the brand held a 1% share of market, according to Mr. Maxwell.

American Brands' other tobacco division, American Cigar Co., rolled out several new products in 1985, including American Sweets, a moderate-priced, full-bodied cigar. American Sweets is American Cigar's first entry into this popular cigar category. The new product has a suggested retail price of 60¢ for a package of five.

The leading national advertisers spent $26.67 billion in total advertising in 1985, up from a restated $25.97 billion in 1984. Spending broke out into $14.57 billion, up about 4%, in 11 measured media, representing about 53% of all national expenditures in those media, and $12.1 billion in unmeasured advertising, up 0.7%.

Cigars in the five-for-60¢ category account for more than 45% of U.S. cigar sales. Trade promotion and consumer sampling for American Sweets is being handled by SSC&B, which handles American Brands' other cigars, as well as Pall Mall and Tareyton cigarets. American Cigar also introduced Whiffs Tip cigars, an extension of its La Corona Whiffs brand. SSC&B is handling the limited advertising.

However, American Brands in July, 1986, sold American Tobacco to Mac Andrews & Forbes, Camden, N.J. That divestiture will affect the third quarter, 1986, results. American Brands will take a one-time $100 million, after-tax writeoff in the quarter to reflect charges in connection with the sale. The writeoff also involves expenses related to the closing of Durham, N.C., and Richmond, Va., plants.

American Brands has closed its 100-year-old cigaret making plant in Durham and moved production to a new high speed facility in Reidsville, N.C., about 45 miles away. Many of the 1,000 employed in the Durham facility were transfered to Reidsville. The company's Stemming facility in Richmond, Va., will be closed during the first quarter of 1987.

American Brands for the first half, 1986, reported net income of $216 million, up 11.3% from the same six-month period in 1985, on record sales of $4 billion, up 17.7%. Operating income for the same period was $477 million in 1986, up 45.2% from 1986. American Brands traditionally generates about half of its operating profit from cigarets.

AB's distilled beverage division, James B. Beam Distilling Co., increased its sales over last year by only 1.6%. This compares with a 2.2% increase in sales in 1984. The company's flagship brand, Jim Beam bourbon, remained the best-selling bourbon in the country, despite an industrywide decline in bourbon sales.

Beam must still contend with the macho image that many consumers associate with its bourbon and that company executives would like to escape. To change its image, Beam spent nearly $3 million in measured media advertising that tries to depict the bourbon as a more youthful brand.

Beam made an unusual move in 1985 when it introduced nationally Jim Beam ZZZingers, which mix Beam bourbon in a can with cola, ginger ale and lemon-lime soda. Beam spent $250,000 on the new product line, which is being handled by Bozell, Jacobs, Kenyon & Eckhardt, Chicago. Beam also entered the flavored schnapps market in 1985, with the introduction of Baron Von Scheuters line.

Despite a 2.6% increase in sales for American Brands' food products division, the division ended the year with a slight decline in operating profits. Sunshine Biscuits Inc., which accounts for the largest portion of sales in the division, completed the national rollout of its Sunshine American Heritage line of snack crackers.

In 1985, Sunshine entered the declining soft cookie market, dominated by Nabisco Brands, Keebler and Duncan Hines, with its new Chippy Chews, a soft chocolate chip cookie available in fudge, peanut butter, butterscotch and raisin flavors. Despite company boasts of "excellent consumer and trade support," Sunshine picked up less than 1% of the chewy cookie market last year.

Other products made by Sunshine are Fig Chewies, Krispy Saltine crackers, Hydrox cookies, Vienna Fingers cookies and Cheez-It crackers. Sunshine spent slightly more than $2.5 million in measured media, all in spot tv, for its cookie and cracker products.

Andrew Jergens Co., AB's personal care products division, spent $7.8 million in measured advertising in 1985, more than half of that on spot tv. This contributed to the parent company's growth in spot tv spending from only $804,000 in 1984 to $6.9 million in 1985.

Sales of Jergens products rose 10% to $147.1 million paced by Jergen's liquid soap, currently in third place in that growing category, with a 9.8% share, behind market leading Minnetonka and Procter & Gamble's Ivory. Minnetonka created the category in 1980.

In the hand-and-body moisturizer category, Jergens is No. 2 with a market share of 11%, behind Chesebrough-Pond's Vaseline Intensive Care, which commands a 19% share of the market.

American Brands' hardware and security division, which consists of Master Lock Co., Pinkerton's Inc., Prestige Group of Gallaher, MCM Products and a portion of Swingline Inc., had increased sales of 8.8% over the previous year. This represents the highest increase among all AB divisions. Master Lock spent $1.3 million in measured advertising, slightly greater than in 1984. Master Lock manufactures 250 padlock products.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$ 35,025	$32,683
Newspaper	4,050	4,995
Newsp. supp.	364	140
Bus. pubs.	0	6
Network tv	8,839	10,783
Spot tv	6,912	840
Network radio	204	0
Spot radio	0	87
Outdoor	7,709	11,894
Network cable	100	111
Total measured	63,202	61,540
Unmeasured	96,798	155,791
Total	160,000	94,252

AMERICAN BRANDS
1700 E. Putnam Ave.
Old Greenwich, Conn. 06870-0811
(203) 698-5000

AMERICAN TOBACCO CO.
Stamford, Conn.
Corporate Personnel
T.C. Hays, exec vp
Marketing Personnel
W.J. Moore, vp-adv
W.C. Stevenson, mktg controller
M.J. O'Neill, mktg services dir
E.T. Bonnett, sr rsch analyst
H.W. Bahrenburg, prod mgr, Carlton
E.J. Gesell, prod mgr, Lucky Strike
J.J. Mellett, media mgr
W. Degenhardt, media super
C.H. Mullen, sr vp-sales
T.F. McGuire, mgr-sales operations
Advertising Agency
Laurence, Charles, Free & Lawson, New York—Carlton, Lucky Strike, Silva Thins—Albert Magnane, Malcolm Minor, vps-mgmt supers; Thomas Keane, R. LaFrance, acct supers.

SUNSHINE BISCUITS
Woodbridge, N.J.
Marketing Personnel
Joseph F. Simrany, vp-mktg
Alan B. Hiller, mgr-new business & specialty mktg
Harold B. Derstine, group prod mgr-crackers
Robert M. Lorya, group prod mgr-cookies
Hedy Britton, sr prod mgr-cookies
Richard Gomel, sr prod mgr-cookies
Gerald Jantzi, sr prod mgr-crackers
William Shadrach, sr prod mgr-crackers
Alexander Nichols, mgr-adv & mktg services
Carol Goggim, consumer relations superhome economist
Christine Dominik, mktg-consumer rsch coord
Advertising Agency
Sherwood & Schneider, New York—Marvin Schneider, chmn-ceo; Lew Sherwood, president; Brendan Hawk, exec vp-genl mgr; Jim Williams, acct super.

FRANKLIN LIFE INSURANCE CO.
Springfield, Ill.
Marketing Personnel
Jack Watson, sr vp-mktg
T.M. Costa, vp, dir-sales promo

SOUTHLAND LIFE INSURANCE CO.
Dallas
Marketing Personnel
Joe W. Hopkins, sr exec vp-mktg officer
Virgil L. Hooper, second vp-dir special mkts

JAMES B. BEAM DISTILLING CO.
Chicago
Marketing Personnel
G. Lane Barnett, vp-dir mktg & adv
B.J. Bilocerkowycz, adv mgr
Advertising Agencies
Bozell, Jacobs, Kenyon & Eckhardt, Chicago—Jim Beam, Jim Beam and Cola—Norton X. O'Meara, mgmt super; Charles Brom, acct super.
HCM, Chicago—Beam's Black Label premium bourbon, Beam's Choice premium bourbon, Imported Kamora coffee liqueur, Imported Kamora decaffeinated coffee liqueur, Peter Heering cherry liqueur, UTU orange liqueur, Aalborg Akvavit, Gammel Dansk Bitters, Spey Royal scotch, Chateaux cordials, Dark Eyes vodka—D. Brashears, mgmt super.

MASTER LOCK CO.
Milwaukee
Marketing Personnel
Peter U. Jung, vp-mktg
Harv Schneider, mgr-mktg, communications
Advertising Agency
Cramer-Krasselt, Milwaukee—consumer trade, intl adv—W. Faude, acct super.

WILSON JONES CO.
Chicago
Marketing Personnel
A.E. Fontenot Jr., vp-mktg
R.F. Smock, vp-adv & mktg services
M.A. Rosenfeldt, adv mgr
Advertising Agency
Al Paul Lefton Co., New York—Jack Stack, vp; Robert Ellis, vp.

ACME VISIBLE RECORDS
Crozet, Va.
Marketing Personnel
Irving M. Sloan, adv mgr
Advertising Agency
Al Paul Lefton Co., New York—Jack Stack, vp; Larry Wilson, acct rep.

ACUSHNET CO.
New Bedford, Mass.
GOLF DIVISION
Marketing Personnel
Robert B. Forbush, vp-worldwide mktg-golf
John W. Hoogland, business mgr-golf balls
Theodore S. Ingalls, business mgr-intl mkt
Robert A. Shell, business mgr-apparel
Gerald M. Bellis, business mgr-accessories
RUBBER DIVISION
Marketing Personnel
James G. DeMello, vp-mktg devel

Guide to corporate boxtops

Consolidated Apex Systems — RANK 51
Garden State Estates, N.J.

($ in millions)

Worldwide	1985	1984	% chg
Sales	7,308	6,995	4.5
Net income	426	414	2.8
U.S.	**1985**	**1984**	**% chg**
Sales	3,150	3,065	2.8
Operating profits	898	551	63.0
Advertising	160	156	2.7
Division sales	**1985**	**1984**	**% chg**
Enzymes	4,390	4,229	3.8
Commodities	569	519	9.6
Biomass	250	246	1.6
Additives	337	336	0.3
Food processing	507	494	2.6
Other	1,256	1,171	7.3

Consolidated Apex Systems is ranked 51st among the 100 Leading National Advertisers picked by Ad Age in this issue and based on total U.S. advertising spending in 1985, which is reported in this box either under Worldwide or U.S. bold headings.

Consolidated Apex Systems is based in Garden State Estates, N.J.

CAS reports on a calendar basis like most of the top 100. However, should a company report on a fiscal basis, the years heading the column would read, 1986 and 1985, if the fiscal year closing date occurs before this issue was published.

The advertising figure is a composite of CAS's media spending, both measured and unmeasured, contained in the tabular breakout at the end of the text in each profile. See "Where Ad Age got its data" on Page 16 for an explanation of the the tabular breakout.

Division sales are the business segments as defined by CAS and their sales for comparable years. However, should CAS have too many divisions to fit into the box, the editors combined those segments into "other." In this case, CAS segments for its specialty meats and chicken broiler production—both providing minor contributions to its strong industrial base—were merged into "other."

Richard A. Bugg, dir-mktg & sales
Roger M. Hornig, field sales mgr
Ernest P. Amaral, mgr-natl accts
Jack W. Wagner, mgr-natl accts

Advertising Agency

Humphrey Browning MacDougall/Creamer, Boston—John McNamara, acct super-golf div; Marty Curran, acct super-rubber div.

PINKERTON'S
New York
Marketing Personnel

C. Gehrmann Holland, sr vp, sales & mktg

Advertising Agency

Douglas J. Turner, Newark, N.J.—Douglas J. Turner, acct super.

ANDREW JERGENS CO.
Cincinnati
Marketing Personnel

Robert L. Dorn, exec vp-mktg
Rodger V. Reed, vp-mktg
Linda D. Cornell, vp-new prod devel
D. Tim Zimmerman, dir-prod mgmt
Richard R. Culpin, vp-sales

Advertising Agency

Ally & Gargano, New York—Jergens lotion, Jergens Aloe & Lanolin lotion, Jergens mild soap, Jergens Aloe & Lanolin soap, Jergens lotion-enriched liquid soap, Gentle Touch soap, plus a general line of toiletries & cosmetics—Dennis Visich, sr vp-group mgmt super; Charles McMellon, vp-mgmt super; Peter Fedyck, acct super.

SWINGLINE INC.
New York
Marketing Personnel

David B. Miller, vp-sales & mktg
John Sheridan, dir-sales & mktg, business machines div
Fred Weiss, vp-mktg devel & admin
Jack Shulman, vp-sales, office prod div
Anne Burritt, mktg services mgr, office prod div
John Peters, export mgr
William Gibbons, natl sales mgr, consumer prod & retail stationery div
Anne Beirne, mktg services mgr, consumer prod & retail stationery div

Advertising Agency

Al Paul Lefton Co., New York—G. William Wolfston, president-mgmt super; Robert H.D. Ellis, vp.

MCM PRODUCTS
Old Greenwich, Conn.
Corporate Personnel

R.P. Truitt, president-ceo.

Marketing Personnel

Daniel Roberts, natl sales mgr, W.R. Case & Sons Cutlery Co.
Richard B. Turner, vp-sales, professional div, Marson Corp.
Robert M. Hewson, vp-sales, consumer/hardware div, Marson Corp.
Craig M. Meyers, vp-sales, fastener div, Marson Corp.
Paul Greenberg, vp-sales & mktg, Marvel Lighting Corp.

Advertising Agencies

McDougall Associates, Peabody, Mass.—Marson Corp.—Dan McDougall, president.
Paul, Phelan & Perry Ltd.—Marson Canada—K.E. McEnirney, president.

American Cyanamid Co.

RANK **31**

Wayne, N.J.

($ in millions)

Worldwide	**1985**	**1984**	**% chg**
Sales	3,536	3,524	0.4
Net income	129	216	(40.2)
U.S.	**1985**	**1984**	**% chg**
Sales	2,489	2,498	(0.3)
Operating profits	108	184	(41.6)
Advertising	266	285	(6.5)
Division sales	**1985**	**1984**	**% chg**
Medical	1,167	1,057	10.4
Agricultural	859	803	(3.8)
Chemicals	972	1,045	(7.0)
Shulton	539	529	1.9

American Cyanamid's main emphasis in 1985 was the march toward restructuring that is taking it from bulk chemicals and fertilizers and other commodity businesses toward higher technology areas and more consumer products.

The metamorphosis is beginning. Gone is the Formica, the titanium dioxide and phosphates. In are the high-tech surgical instruments, solar cells and consumer products like Combat roach control.

In 1985 the company sold its Formica decorative laminate business (except for small operations mostly in Latin America) for $200 million to a new organization formed by members of Formica management and Shearson Lehman/American Express. The titanium dioxide business went for $5.5 million. American Cyanamid is discontinuing the mining of phosphates, a fertilizer ingredient, at its Brewster, Fla., site.

In this drive for restructuring, American Cyanamid is like any number of other U.S. companies—Union Carbide Corp., Dow Chemical Co. and Black & Decker Corp.—reshaping themselves, whether it be to cool down the hot boiler of production closer to tepid consumer demand, to fend off takeovers or to cope with the strong dollar, foreign trade imbalance and sluggish or cyclical market for unbranded bulk commodity product.

No subtleties underlie the moves toward corporate remodeling. Earnings in 1985 dropped 40.2% as sales rose only 0.4% for the year. Only Shulton, the consumer products division, showed gains in both sales (up 2%) and operating income (up 0.8%), the latter representing $25.7 million out of a total operating income of $251.5 million. The only other segment in the plus column in either category was the big medical group. Its sales were up 10.3%, although operating income was down 6.9% to $145.1 million.

The outlook, however, was brighter for the first half of 1986. Sales were up 39% over the comparable period the prior year, to $1.27 billion. Net income for the first half rose 41%, to $105.6 million.

For 1985, the agricultural and chemical segments were both down in sales, 3.8% and 7.1%, respectively, and down in operating income, 34.6% and 53.4%. An American Cyanamid spokesperson listed the litany of reasons earnings fell: "Our agricultural group sales and earnings were down especially because foreign exchange—the strong dollar—hurt throughout the year. Medical group earnings were down because of cost containment in hospitals. The agricultural group also suffered from higher manufacturing expenses, largely because of the increasing cost of natural gas used in fertilizer production.

American Cyanamid's response in measured media advertising spending for 1985 varied among its business groups. Agricultural spending for its herbicides and insecticides, such as Prowl and Thimet, was up 37%, to $6.6 million in 1985. Medical Group spending for Lederle Laboratories' Centrum and Stresstabs vitamins and Caltrate calcium supplement dropped 38%, to about $12.1 million. The Shulton Group, with the bulk of American Cyanamid's consumer products, slipped a bit to total ad spending of $39.5 million in 1985 from $40 million.

Creativity in American Cyanamid's advertising and promotion knew no bounds. The company's new Combat roach control system was brought to the war against possible cockroaches in the U.S. Capitol.

Combat also appeared in an ad series called "Intimacies," which also promoted Pine Sol cleaners, Old Spice toiletries and Centrum multivitamins. Each 30-second product message was introduced by a 60-second slice of life monolog. Sister Arts, New York, prepared the 24 monologs.

Spending to support Caltrate, the calcium supplement recently introduced by Lederle Laboratories, was off about 11% in 1985, to $5.4 million. In the new calcium supplement market, estimated at about $125 million, Caltrate is ranked the second largest seller, behind Marion Laboratories' Os-Cal brand. Its agency, Carrafiello Diehl & Associates, Irvington-on-Hudson, N.Y., put more weight in magazines for Caltrate in 1985, spending more than $2 million in print compared with $1.4 million in 1984. Network tv was $3.06 million in 1985, down from $4.1 million.

Other Lederle spending also was down for 1985, with Centrum vitamins falling 42% to $6.2 million. And at $484,000, Stresstab 600 spending, all of it in magazines, was less than one-fourth of the previous year's $2.3 million expenditure.

By contrast, Shulton Group nearly tripled spending for Breck hair products, almost all of it for new Breck styling mousse, rising to $3.6 million from $1.2 million in 1984. Two-thirds was in network tv and much of the remainder in magazines.

Shulton also has introduced three line extensions of its patented insect bait tray product, the Combat roach control system; the Combat ant control system, Combat large roach control system and Combat fire ant killer.

The Combat entries received $2.9 million for their battle in the ant-and-roach-killer market, reportedly near $640 million annually, most of it aerosol sprays. S.C. Johnson's Raid holds an estimated 50% share of the market (including a 10% share for Raid Fogger and 9% for Raid Ant and Roach Killer), American Home Products' Black Flag's Roach Ender roach spray holds a 20% share, Sterling Drug's d-Con, 20%, and Combat, 3.4%.

The eight lines of Old Spice brand of men's toiletries received $13.4 million in measured spending, down 15%. As in 1984, preference was given to network tv, where spending totaled $6.5 million, compared with $4.3 million for spot tv. But in 1984 the preponderance for network was much greater, reaching $11.7 million compared with $3.9 million for spot.

Another big piece of the Shulton Group, Pine Sol cleaners, was almost even in measured ad spending—nearly $9 million in 1985 vs. $9.7 million in 1984. Among its competitors in the $200 million pine oil cleaner segment of the surface cleaning industry, Pine Sol ranks fourth, with 14% market share. Procter & Gamble's Mr. Clean and Spic 'n Span Pine have 21% and 20%, respectively, and Sterling Drug's Lysol, 20%. Almost all of the Pine Sol spending in 1985 was for tv—$5.6 million for network and $3.1 million for spot.

Gone from the Shulton Group is the Ultra Swim line of soap, shampoo and conditioner for which Shulton had obtained the license in 1984 from the Eljenn Co., Newton, Mass. Shulton found demand for the products, formulated just for pool swimmers, too narrow and gave up the license, which since has been acquired by Chattem Co., Chattanooga, Tenn. Shulton's 1984 ad spending of $1.2 million for Ultra Swim dropped to only $103,100 in 1985.

In its allocation of spending by medium in 1985, American Cyanamid had increases in all but network tv, which fell 33%, to $28.4 million. The biggest percentage increases were for radio, where spot radio rose 54%, and network radio, also up 54%.

In moving toward specialty types of business and products, American Cyanamid is looking for growth to both its internal operations and to acquisitions that rely on research and development.

American Cyanamid operates 12 research laboratories worldwide and in 1985 spent about $251 million for "research and process development," up 8%. Other recent moves show American Cyanamid's emphasis on research and development to shape its future.

Already a supplier of nutritional and health preparations to animal husbandry, the company in 1985 acquired 49.9% of the stock in Langford Laboratories, Canada's only maker of veterinary biologicals. Early in 1986 the company formed the Venture Chemical Division in its Chemicals Group with the goal of developing new product areas for American Cyanamid in chemistry.

One of the first steps taken by Venture Division was to acquire Applied Solar Energy Co., City of Industry, Cal. Applied Solar makes solar cells for use by the National Aeronautics & Space Administration and the aerospace industry to supplement other power sources.

The Medical Group, too, is looking for expansion into basically three areas, orthopedic, ophthalmic and cardiovascular. So far in 1986, two companies have been acquired for the medical segment: Acufex Microsurgical, Norwood, Mass., which makes arthroscopic surgical devices for joint repairs, and Storz Instrument Co., St. Louis, also a maker of surgical equipment.

In 1985 agency changes, the account for Scepter, Aastar and Thimet agricultural chemicals, reportedly worth $4.5 million, went to Miller Meester Advertising, Bloomington, Minn. The Thimet advertising left Tucker Wayne Co., Atlanta, but American Cyanamid's newly developed Assert herbicide for wild oats was placed with that agency. U.S. approval for European-tested Assert is expected by 1987. The $2.5 million budget for Niki De Saint Phalle fragrances, from the Jacqueline Cochran division of the Shulton Group, left Peter Rogers Associates, New York. No replacement has been named.

During 1985, Robert Hiatt, formerly president of Kentucky Fried Chicken's international division, joined the Shulton Group as group vp with international responsibility. Iain A. Forsythe became president of Jacqueline Cochran, moving over from Shulton's British and Asian operations where he was chairman-managing director.

American Cyanamid, the subject of government investigations and pressures on waste spills, water pollution and alleged emissions at plant sites in New Jersey and Connecticut, spent about $67 million for pollution control, and in 1986 plans $25 million more in pollution-control expenditures.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$10,149	$7,891
Newspaper	59	241
Newsp. supp.	1,326	263
Bus. pubs.	1,439	813
Network tv	28,371	42,325
Spot tv	13,833	11,031
Network radio	626	406
Spot radio	2,169	1,408
Outdoor	194	60
Network cable	2,231	1,347
Farm pubs.	5,017	4,173
Total measured	65,414	69,959
Unmeasured	200,776	214,726
Total	266,189	284,685

AMERICAN CYANAMID CO.
One Cyanamid Plaza
Wayne, N.J. 07470
(201) 831-2000
AGRICULTURAL GROUP
Wayne, N.J.
Marketing Personnel

T.J. Raser, communications mgr
D.J. Durand, adv mgr-crop protection chemicals
Christine B. Cannon, adv-sales promo mgr, animal nutrition & health, VPC ventures
David Butterfield-dir public affairs

Advertising Agencies

H.T. Fenton, Somerville, N.J.—Malathion, Cythion—Harry Fenton, acct mgr; Karna Godridge, acct super; Andrea Bestul, acct exec.

Miller-Meester, Minneapolis—Scepter, Aastar, Thimet—Paul Durham, acct super, prod publicity all prods.

Richardson, Myers & Donofrio, Baltimore, Md.—animal industry prod—Bill Nimtz, acct super.

Tucker Wayne & Co., Atlanta—Counter, Avenge, Prowl, Cygon, Cyprex, Assert, Amdro—L.E. Ver Steegh, mgmt super; Mark Kirkpatrick, acct super; Lisa Larson, acct exec.

CHEMICALS GROUP
Marketing Personnel

M.R. O'Rourke, mgr-mktg communications

CHEMICAL
PRODUCTS DIVISION
Marketing Personnel

Jayne Kulesz, mgr-mktg communications

Advertising Agency

Barbetta & Miller, Fairfield, N.J. —CY/RO Industries, industrial chemical div—Joseph Barbetta, president; Tom Brogan, exec vp.

INDUSTRIAL
PRODUCTS DIVISION
Marketing Personnel

Diane L. Flood, mgr-mktg communications

Advertising Agency

Barbetta Miller, Fairfield, N.J.—T. Brogan, exec vp.

VENTURE
CHEMICALS DIVISION

Diane L. Flood, mgr-mktg communications

Advertising Agency

Barbetta Miller, Fairfield, N.J.—Thomas Brogan, exec vp.

POLYMER
PRODUCTS DIVISION

Jayne Kulesz, mgr-mktg communications

Advertising Agency

Barbetta Miller, Fairfield, N.J.—Thomas Brogan, exec vp.

FIBERS DIVISION
Marketing Personnel

W. DeMartine, vp-mktg
J.B Simmons, mgr-mktg communications

Advertising Agency

Baumont-Bennett Inc., New York—Creslan acrylic fibers—W. Korach, vp-acct mgr.

LEDERLE
LABORATORIES
Marketing Personnel
PHARMACEUTICAL DEPT.

H.H. Spoon, vp-genl mgr, pharmaceutical prods
H.T. Hurt, dir mktg, pharmaceuticals

DAVIS & GECK DIVISION
Danbury, Conn.
Marketing Personnel

D.A. Sullivan, dir-professional & trade relations

Advertising Agencies

Carrafiello, Diehl & Associates, Hudson, N.Y.—pharmaceuticals—T. Sweeney, acct exec.

Dugan/Farley Communications, Montvale, N.J.—E.J. Farley, exec vp.

Klemtner Advertising, New York—pharmaceuticals—Gabin Scotti, acct super.

Naimark & Barba, Cedar Knolls, N.J.—Dr. George M. Naimark, president; Joan Garcia, acct super; David Barba, creative dir; Debbie Quintman, media dir.

Rolf Werner Rosenthal Inc., New York—H. Messinger, mgmt acct super; R. Recobs, acct super.

CONSUMER PRODUCTS
SHULTON U.S.A. DIVISION
Marketing Personnel

B.W. Morgan, vp-mktg, toiletries
K.M. Freeman, vp-mktg, household
S.A. Hopkins, strategic business unit mgr, fragrances
A. Lowry, strategic business unit mgr, all-purpose cleaner
L.B. Koslow, strategic business unit mgr-deodorant/AP
J.P. Grey, strategic business unit mgr, hair care
J.O'Brien, dir-new category devel
L. Lent, dir-mktg service

Advertising Agencies

Ted Bates Advertising, New York—Breck, Old Spice aftershave & cologne, Pine-Sol liquid cleaner—Scott Messenger, mgmt rep; Nancy Clott, media dir; Diana Singer, acct super, Old Spice aftershave & cologne; Laura Jackson, acct-super, Pine-Sol Liquid Cleaner.

Carrafiello Diehl & Associates, Irvington-on-Hudson, N.Y.—Combat, Surpass—A. Louis Carrafiello, president; Robert Brandt, mgmt super; Len Fiore, acct exec; Marguerite Kennedy, media dir.

Dancer Fitzgerald Sample, New York — Old Spice stick deodorant/antiperspirant, Old Spice line, Lady's Choice—Gary Himes, mgmt super, Lady's Choice, Old Spice; Roy Elvove, acct super; Stanley Becker, creative dir.

JACQUELINE COCHRAN INC.
DIVISION
New York, N.Y.
Corporate Personnel

Iain A. Forsythe, president

Marketing Personnel

S. Cohen Forrest, dir-La Prairie mktg
M.F. Fleishman, sr exec-vp, mktg
B. Kotlikoff, sr vp-mktg, Ricci prods
L. Miller, vp-mktg, women's fragrances
T. Moloney, vp-mktg, men's fragrances

Advertising Agency

BBDO, New York—Nina Ricci/Pierre Cardin—Jack Thorne, exec vp; M. Paxton, sr vp; B. Day, vp-acct super.

SHULTON INC.
INTERNATIONAL DIVISION
Wayne, N.J.
Marketing Personnel

F.L. Laevey, vp-mktg
J. Akkerman, dir-mktg
J.W. Janis, dir-mktg
O.A. Fohl, dir-business info service

INTERNATIONAL/LATIN
AMERICA GROUP
Marketing Personnel

K.M. Sethna, dir-mktg, Lederle prods, Cyanamid International
J.L. Ackermann, dir-Davis & Geck prods
D. Pritchard, dir-Lederle Pharmaceuticals, Latin America Group
E.J. Reynolds, dir-Davis & Geck prods, Latin America Group

CHEMICAL PRODUCTS
Corporate Personnel

D.N. Wiedman, dir-Canada/Europe/Mid-east/Africa
George Roberts, dir-Australia/Far East
L.D. Frattaroli, dir-Latin America group

Advertising Agency

(In-house) Berdan Associates—B. Evangelos, adv mgr

MEDICAL PRODUCTS
Advertising Agencies

AM/PM Advertising, Newark, N.J.—R. Saks, partner; Ronald Hodes, partner-acct exec.

Carrafiello & Diehl Associates—Lou Carreffiello, president.

D.M. Advertising, Jericho, N.Y.—D.F. McGuillicuddy, president.

Dugan Farley—John Farley, partner; Pat Dugan, partner.

Daniel Glassman Associates—Daniel Glassman, president.

Klemtner Advertising, New York—L.A. G. Scott, exec vp.

American Dairy Assn.

Rosemont, Ill.

RANK **69**

($ in millions)

U.S.	1985	1984	% chg
Sales	58	46	22.8
Net income	N/A	N/A	N/A
Advertising	121	60	100.9

The new-found advertising dollars —a 258% increase from 1984 to 1985 —for the American Dairy Assn. are an example of how legislative fiat can energize an industry.

The bigger budget for the ADA resulted from lobbying by the nation's steadily slumping dairy farmers that produced the Dairy & Tobacco Adjustment Act of 1983, which authorizes a national program of dairy promotion, research and nutrition education paid for by a mandatory assessment of 15¢ per hundredweight on milk produced by dairy farmers.

Administering this program is the National Dairy Promotion & Research Board, consisting of 36 dairy farmers selected by the U.S. secretary of agriculture from nominees submitted by dairy producer organizations across the country.

Of the 15¢, up to 10¢ can go to local and regional dairy councils or other bodies for dairy-product promotion and education; 5¢ can be used by the national board.

For the promotion of dairy products in 1985 and through August, 1986, this meant the influx of an additional $68 million to advertise milk, cheese, butter and ice cream. These funds were contributed to the ADA by the Dairy Promotion Federation Assn. and the NDPRB; all three joined in coordinating the big promo nationally. The ADA and its principal agency, D'Arcy Masius Benton & Bowles, Chicago, planned and bought the media.

The American Dairy Assn. is the marketing/advertising arm of the United Dairy Industry Assn., Rosemont, Ill., a dairy industry umbrella organization to promote the consumption of dairy foods. The other two main areas are Dairy Research Inc., or DRINC, which sponsors research and development of new dairy technologies, and the National Dairy Council, which provides education, encourages and administers nutrition research in scientific, medical, dental institutions and universities to promote dairy product use.

UDIA, the world's largest commodity promotion organization, says its representation covers 95% of all U.S. dairy farmers and 85% of all milk marketed in the U.S. The organization had its beginnings in 1915 with the chartering of the National Dairy Council, formed to teach children about good eating habits. This was followed in 1940 with the founding of the American Dairy Assn., set up to begin aggressively advertising dairy products when the need for such promotion was first being recognized. Three decades later, in 1969, Dairy Research Inc. was started to assure continuing dairy market growth by developing new milk-related products, and in 1970 the UDIA was established to pull all these functions together in one coordinated dairy promotion program.

Support and promotion of the U.S. dairy industry is so complex that UDIA is only one of a panoply that also includes the International Assn. of Ice Cream Manufacturers, the National Promotion and Research Dairy Board, the Milk Industry Foundation, the DPFA, the NDPRB and the dozens of member and affiliated regional and local dairy organizations such as the South East UDIA, Wisconsin Milk Marketing Board and the New England Dairy & Food Council.

Even the UDIA continues to proliferate. Late in 1985, it formed a new group, the Dairy Industry Foundation, to raise $1 million for fighting world hunger. Relief is channeled through Church World Hunger/CROP and Catholic Relief Services.

While other areas of UDIA in 1985 dealt with crisis-management tasks in the year's cheese and milk salmonella contaminations, the ADA had its own problem to solve—the chronic malady of stagnant milk sales for many years. Continuing marketing promotion over the years and now the sharp upturn in ad spending for 1985 and 1986 appears to be helping. From 1950 to 1984, annual milk-product sales increases exceeded 3% in only two years. But in just the past two years sales jumped 7%, rising more than 3.3% in 1984 and 3.6% in 1985.

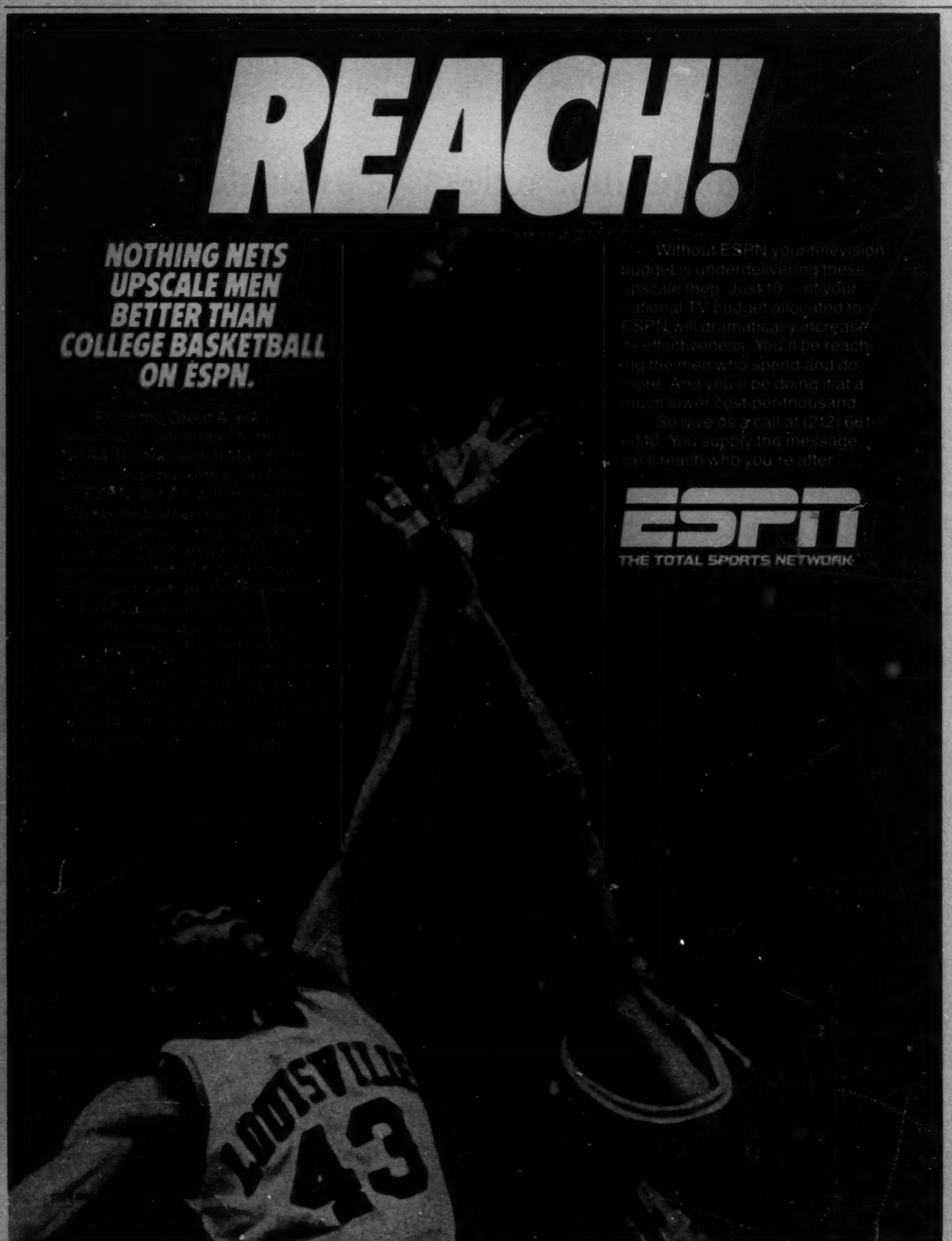
More unified action by the dairy industry is said to be the major factor in in this success. Aided and abetted by both the Dairy Promotion Federation Assn. and National Dairy Promotion & Research Board, the UDIA's ADA and the West Coast dairy promotion group, COW Dairymen—the acronym for California, Oregon and Washington—mounted major advertising programs to sell adults on milk, cheese, butter and ice cream. The 15¢ assessment from the new Dairy Promotion Program added up to the major surge in 1985 spending by ADA.

The Leading National Advertisers seven measured media figure alone was $99.4 million for 1985, compared with $23.7 million in 1984. The additional $3 million spent for unmeasured advertising went for point-of-purchase kits and installations, according to Donna Arcus, ADA director of advertising services.

In addition to planning and coordinating the UDIA dairy advertising program, a second ADA promotional effort is the Food Publicity Program which promote the use of dairy products singularly or as used in recipies. Another publicity phase is developing personal contact with food editors. The third area of ADA promotional responsibility is the foodservice program, aimed at increasing use of dairy products by distributors that supply foods to hotels, restaurants, schools and other institutional outlets.

A prime element of ADA advertising in 1985 was a big surge for what always has been a heavily supported product, fluid milk, which got $36.5 million in the LNA seven measured media. With the theme "Milk. America's Health Kick," the ADA targeted young adults, 18 to 34, and in six 30-second tv commercials, three radio commercials and two outdoor board designs showed them enjoying active sports and good family living. Four radio spots on milk were aimed at teens. Breakdown of the milk spending was $23.3 million for network tv, $13.1 million for spot tv, 4.5 million for radio and $25,900 for outdoor.

Five new 30-second tv commercials bore the general theme "Make Your Meals Sing With Real Cheese." All were aimed at adults, 25 to 54. In this series for the first time the ADA used cable tv networks, including USA Network, CBN and Lifetime, and the WTBS superstation. Also, the cheese campaign included three spreads that ran in national women's, household, cooking and general magazines.



Total seven-media spending for the cheese promotion was nearly $34 million, including $31.1 million for network tv and $1.6 million more for spot tv.

Under the aegis of the ADA, additional 1985 measured spending for combination advertising of milk, cheese, yogurt and cottage cheese totaled about $12 million, including $8.8 million for network tv, $2.04 million for spot tv, $1.02 million for cable. Advertising by regional dairy groups in the mid-Atlantic, Midwest and Pacific coast states added another $2.4 million to the total.

Butter received heavy backing in ADA measured spending through 1985, beginning early in the year with a tv commercial, "America Loves Butter," and extending into two radio spots for local campaigns. Still later, a new butter campaign took on margarine by stressing butter's flavor and "natural origins" versus oleo's qualities.

The ADA launched the new campaign, "What butter brings to everything is gold," early in 1986 via tv and magazines.

Working with the ADA on the campaign was its newly selected butter agency, Tatham-Laird & Kudner, Chicago. In mid-1986, TLK resigned the account because of possible conflicts with work for a major client, R.J. Reynolds, whose products include Fleischmann's and Blue Bonnet margarine and Hawaiian Punch.

ADA measured spending for butter in 1985 was $5.13 million, with $2.78 million of that in spot tv, $1.3 million in network radio and $770,500 for magazines.

An additional multi-million support for dairy-product marketing also is provided through cooperative promotion tie-ins between the ADA and a host of co-partners. Co-partners, offering purchaser premiums of dairy products, were Quaker Oats Co. with Aunt Jemima pancake mixes and syrup, Cap'n Crunch cereal, Chewy granola bars and Dipps; Nabisco Oreo cookies and Nabisco Honey Maid graham crackers; Libby Lite fruits; General Foods Jell-O puddings, and Nestle Morsels.

Ralston Purina, Kellogg, Post and other cereal makers also joined with the ADA in offering rebates on milk and other dairy products on submission of proof-of-purchase seals from their cereal boxes. For every participant, Kellogg also kicked in $1 to the Statue of Liberty-Ellis Island restoration project.

Underlying all of this advertising were two themes long a part of ADA promotion—use of the "REAL" seal for all dairy products and generic or nonbrand advertising of fluid milk.

The ADA says that as of 1985 about 90% of all potential users of the REAL seal are using it.

During the year, the ADA released two new REAL commercials using spokesman Vincent Price and the message: "Welcome to the Real World of Dairy Goodness."

Even with milk volumes increasing because whole milk sales, where the money is, are declining while less profitable fat-reduced milk sales are rising. Karen Roepken, ADA senior vp, marketing and economic research, reports that in 1980, total whole milk sold in the U.S. was 31.75 million lbs.; lowfat milk, 16.2 million lbs., and skim, 2.7 million lbs. By 1985, the proportions had shifted to whole, 27.7 million lbs.; lowfat, 20.2 million lbs., and skim, 3.1 million.

By vigorously promoting the sale of all dairy products the ADA helps its dairy farmer constituents cope with this problem of a calorie-conscious, cholesterol-shunning—but now calcium-seeking—world.

In current personnel changes, Edward A. Peterson became the new UDIA chief executive officer, and Elizabeth G. Walsh was named ADA director of food publicity.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$1,259	$318
Newspaper	205	942
Newsp. supp.	140	0
Bus. pubs.	389	271
Network tv	71,089	21,786
Spot tv	22,843	24,761
Network radio	1,930	572
Spot radio	4,730	3,104
Outdoor	617	386
Network cable	1,516	0
Total measured	104,723	52,139
Unmeasured	16,277	8,104
Total	121,000	60,243

AMERICAN DAIRY ASSN.
6300 N. River Rd.
Rosemont, Ill. 60018
(312) 696-1880

Marketing Personnel

Joe Kelsch, president-sr vp-mktg, United Dairy Ind. Assn.
Stephen Dohrmann, vp-mktg planning
Grover Simpson vp-mktg services
Elizabeth Walsh, dir-food publicity
Donna Arcus, dir-adv services
Kevin Brash, acct exec-West
Tom Valdiserri, acct exec-Midwest
Bill Danhoff, acct exec-Northeast
Bruce Murdy, acct super-Wisconsin cheese
Tod Martin, acct super-Southeast
Karen Estridge, acct super-Southeast & Middle Atlantic
Lindy Williams, Midwest, Southwest

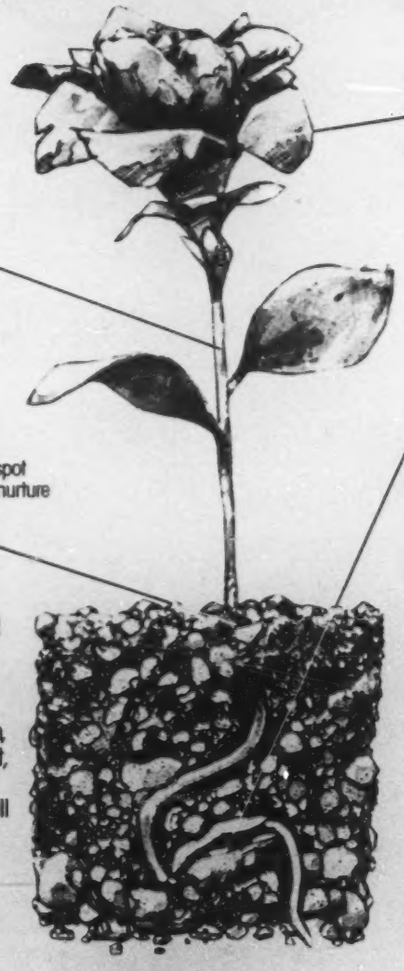
Advertising Agencies

D'Arcy Masius Benton & Bowles, Chicago—fluid milk, cheese, REAL Seal, misc prod promos—Ben Bishop, sr vp-mgmt super; Dave Urbaniak, vp-acct group super, dairy, sales promo, field acct operations; Andrea Dichter, sr acct exec, fluid milk, NDB ice cream, field promos; Tina Demetris, acct exec, "REAL" Seal, cheese; Brad English, acct exec, natl promos.

Grey Advertising, New York and Chicago—butter—Jordan Rosuck, exec vp-mgmt rep; Tony Thurston, vp-group mgmt super; George Ruthauser, vp-mgmt super; Brad Beechen, sr vp-mgmt super; Barbara Feigin, exec vp-dir of mktg & rsch.

Norton Associates, Chicago—foodservice—Tom Hamilton, sr vp-genl mgr; Sloan Donnellan, acct exec.

The Rockier The Soil, The Brighter The Bloom!


The pride and professionalism to produce programs and materials that move merchandise...beautifully.
The imagination and discipline to develop campaigns with the strength and flexibility to survive today's tough, competitive climate.
The foresight and patience to spot emerging concepts early and nurture them to maturity.
The expertise and experience to find pay-dirt amidst the marketplace's rough terrain and gritty competition.

Learn how PDC can help expand your promotion horizons...

Whether it's a Sales Promotion Campaign, Retail Merchandising Program, Sales Force Presentation, or Collateral Material Development, PDC can bring you through the rough seasons so your product will be a stand-out in its field.

...and we'll send you a thriving sample of our handiwork.

To get your FREE Seedling and learn how PDC can put the bloom on your bottom line, call (203) 259-7911 or send your business card to Sam Stryker, Senior Vice President, Promotion Development Corporation, 1599 Post Road East, Westport, Connecticut 06880.

PDC

Promotion Development Corporation
1599 Post Road East
Westport, CT 06880
203-259-7911

PDC...
Promotion Campaigns that thrive in the tough turf of the retail marketplace.

American Express Co.

RANK 47

New York

($ in millions)

	1985	1984	% chg
Worldwide			
Sales	11,850	9,642	22.9
Net income	810	610	32.8
U.S.			
Sales	9,434	7,367	28.1
Operating profits	931	594	56.7
Advertising	170	173	(2.1)
Division sales			
Travel	4,228	3,620	16.7
Int'l banking	1,568	1,548	1.3
Investment svcs	3,246	2,280	42.4
IDS financial	2,201	1,576	39.7
Insurance svcs	659	740	(10.9)

American Express Co. juggled the spending weight it gives the various advertising media in 1985 as it altered its business segments by selling its cable operations and dramatically reducing its ownership in Fireman's Fund—both money losers.

Media spending by the company in 1985 involved major shifts in dollars from network tv, which dropped 27.5% to $40.4 million, and spot tv, off 13.3% to $19.8 million, largely in favor of magazines, up 62.6% to $33.5 million, according to Leading National Advertisers, which monitors seven major media.

Travel Related Services, including credit cards and travelers checks, experienced an increase of 19% in net income to $461 million on a 17% increase in sales, as the number of cards in use rose 10%, to 22.2 million. The charge volume jumped 16.7% to $55.4 billion.

Credit card service, the largest advertised item at American Express, received $56.8 million, up from $39.5 million in 1984, according to LNA, which showed across-the-board increases in magazines, network and spot tv.

This July, Travel Related Services broke a campaign supporting its new Global Assist program, a worldwide 24-hour medical and legal referral hotline with information on visas and inoculations. Services include transmission of urgent messages and interpreter services, among other things.

Media spending by 100 leading advertisers

Rank	Company	Headquarters	Total estimated gross $	'85-'84 % change	Total measured	Total LNA media	Total non-LNA media	Non-LNA measured media: Newspaper	Business pubs.	Spot radio	Farm pubs.
1	Procter & Gamble	Cincinnati	$1,600,000	9.4	$670,360	$913,448	$16,191	$7,345	$3,170	$5,677	$0
2	Philip Morris Cos.	New York	1,400,000	4.8	481,209	813,513	105,278	78,031	1,439	25,808	0
3	RJR/Nabisco	Winston-Salem, N.C.	1,093,000	(7.5)	435,625	574,284	83,091	73,321	1,835	7,935	0
4	Sears, Roebuck & Co.	Chicago	800,000	(12.4)	579,917	202,703	17,380	0	875	16,505	0
5	General Motors Corp.	Detroit	779,000	6.5	212,320	386,474	180,205	140,979	9,332	27,942	1,953
6	Beatrice Cos.	Chicago	686,000	3.3	444,452	217,199	22,350	8,773	1,379	12,198	0
7	Ford Motor Co.	Dearborn, Mich.	614,600	17.8	153,087	361,511	100,003	77,295	5,189	14,493	3,026
8	K mart Corp.	Troy, Mich.	567,000	(25.1)	305,065	55,520	6,416	0	23	6,393	0
9	McDonald's Corp.	Oak Brook, Ill.	550,600	20.3	232,277	312,353	5,419	0	7	5,412	0
10	Anheuser-Busch Cos.	St. Louis	522,900	3.0	206,889	269,963	46,047	5,611	726	39,713	0
11	American Telephone & Telegraph	New York	521,318	(8.5)	118,938	319,228	83,152	57,210	18,580	7,362	0
12	Ralston Purina Co.	St. Louis	508,365	13.9	308,139	188,910	11,316	2,345	446	6,902	1,624
13	Dart & Kraft	Northbrook, Ill.	489,349	3.1	260,000	215,440	13,909	6,433	51	7,425	0
14	General Mills	Minneapolis	484,146	7.2	200,000	278,119	6,027	1,592	607	3,829	0
15	J.C. Penney Co.	New York	478,892	4.1	406,587	72,244	61	0	0	61	0
16	PepsiCo Inc.	Purchase, N.Y.	478,372	13.5	160,643	281,542	36,188	5,926	337	29,925	0
17	Pillsbury Co.	Minneapolis	473,220	5.5	226,293	234,898	12,029	769	254	11,006	0
18	Warner-Lambert Co.	Morris Plains, N.J.	469,339	6.4	307,049	157,145	5,145	1,150	3,003	992	0
19	Unilever U.S.	New York	413,623	3.7	176,034	232,928	4,661	2,398	150	2,114	0
20	Johnson & Johnson	New Brunswick, N.J.	401,217	(4.6)	200,000	199,612	1,605	113	528	964	0
21	American Home Products Corp.	New York	399,516	(3.2)	172,078	225,527	1,911	89	539	1,283	0
22	Chrysler Corp.	Highland Park, Mich.	393,400	14.3	78,495	247,513	67,392	42,000	1,105	23,549	738
23	Coca-Cola Co.	Atlanta	390,000	(4.6)	157,522	209,970	22,508	6,941	835	14,732	0
24	GE/RCA	New York	373,336	(16.4)	201,265	126,888	45,184	29,870	12,539	2,775	0
25	Kellogg Co.	Battle Creek, Mich.	364,299	20.6	150,000	212,520	1,779	460	641	678	0
26	Bristol-Myers Co.	New York	344,293	(1.0)	162,127	178,645	3,522	1,995	213	905	409
27	International Business Machines Corp.	Armonk, N.Y.	327,834	(15.7)	156,407	123,391	48,036	30,610	14,976	2,450	0
28	Nestle SA	White Plains, N.Y.	319,254	11.3	150,000	161,111	8,144	1,250	2,976	3,615	303
29	Sara Lee Corp.	Chicago	285,956	14.7	149,059	123,400	13,497	3,350	0	10,147	0
30	Mars Inc.	McLean, Va.	275,504	26.9	123,218	149,283	3,003	377	2,091	535	0
31	American Cyanamid Co.	Wayne, N.J.	266,189	(6.5)	200,776	56,730	8,684	59	1,439	2,169	5,017
32	H.J. Heinz Co.	Pittsburgh	261,541	14.5	157,161	100,501	3,879	1,145	1,727	1,007	0
33	U.S. Government	Washington	259,050	(10.0)	115,663	122,884	20,503	10,149	1,121	9,233	0
34	Colgate-Palmolive Co.	New York	253,495	(2.2)	158,375	92,009	3,112	1,504	221	1,387	0
35	Eastman Kodak Co.	Rochester, N.Y.	247,300	(24.8)	165,284	70,815	11,201	3,635	6,043	1,321	202
36	Quaker Oats Co.	Chicago	245,997	5.1	130,000	105,489	10,507	1,972	1,956	6,580	0
37	Sterling Drug	New York	224,940	1.7	106,867	113,213	2,860	701	179	1,980	0
38	Campbell Soup Co.	Camden, N.J.	215,059	2.2	85,000	124,313	5,747	2,817	347	2,582	0
39	CBS Inc.	New York	208,000	3.5	73,054	111,285	23,661	20,936	1,993	732	0
40	Mobil Corp.	New York	195,262	11.0	133,726	45,437	16,100	7,668	2,625	5,320	487
41	Tandy Corp.	Fort Worth, Tex.	186,861	(3.6)	140,345	43,332	3,184	0	950	2,234	0
42	Beecham Group plc	Middlesex, U.K.	186,322	4.4	80,000	104,755	1,567	0	546	132	889
43	Grand Metropolitan plc	London, U.K.	176,749	1.3	85,000	83,445	8,304	7,101	0	1,203	0
44	Batus Inc.	Louisville, Ky.	175,420	0.1	77,000	67,989	30,431	28,425	0	2,007	0
45	Toyota Motor Corp.	Torrence, Cal.	172,035	24.3	22,343	122,760	26,932	20,761	770	5,210	192
46	IC Industries	Chicago	171,000	24.5	100,710	58,758	11,532	1,765	0	9,767	0
47	American Express Co.	New York	169,868	(2.1)	49,657	98,686	21,526	14,864	1,087	5,575	0
48	Schering-Plough Corp.	Madison, N.J.	169,383	16.1	87,131	74,229	8,023	200	1,392	5,871	560
49	Nissan Motor Co.	Carson, Cal.	162,566	(1.6)	34,379	99,398	28,790	16,504	623	11,663	0
50	Gillette Co.	Boston	161,000	(2.9)	74,826	85,016	1,158	488	315	355	0
51	American Brands	New York	160,000	2.7	96,798	59,152	4,050	4,050	0	0	0
52	Chesebrough-Pond's	Greenwich, Conn.	159,792	6.9	77,068	77,860	4,864	670	172	947	3,075
53	Pfizer Inc.	New York	158,463	2.9	95,000	58,663	4,800	720	3,166	0	914
54	Loews Corp.	New York	156,918	(17.1)	75,000	67,139	14,778	13,815	27	937	0
55	Honda Motor Co.	Gardena, Cal.	156,475	15.0	42,556	86,929	16,991	10,331	264	5,881	514
56	Time Inc.	New York	156,205	14.0	30,462	106,239	19,505	13,592	5,529	383	0
57	GTE Corp.	Stamford, Conn.	153,606	52.9	44,344	83,230	26,032	13,665	4,402	7,965	0
58	Goodyear Tire & Rubber Co.	Akron, O.	149,305	(5.8)	102,952	43,329	3,025	32	1,884	469	640
59	ITT Corp.	New York	149,000	8.3	99,599	36,603	12,798	2,465	5,668	4,665	0
60	Revlon Group	Pompano Beach, Fla.	147,215	(25.6)	88,973	57,443	799	0	0	799	0
61	S.C. Johnson & Sons	Racine, Wis.	146,146	48.2	64,838	78,328	2,980	667	0	2,313	0
62	UAL Inc.	Elk Grove Township, Ill.	145,000	25.8	49,193	62,284	33,523	19,987	150	13,386	0
63	Walt Disney Co.	Burbank, Cal.	140,400	101.4	95,980	39,872	4,149	2,240	283	1,626	0
64	Xerox Corp.	Stamford, Conn.	128,898	(0.7)	68,551	42,824	17,523	11,351	5,085	1,087	0
65	American Motors Corp.	Southfield, Mich.	126,000	(1.0)	31,727	82,498	11,776	9,902	384	1,489	0
66	Warner Communications	New York	124,165	(25.0)	75,039	46,671	2,455	1,910	40	505	0
67	Volkswagen of America	Troy, Mich.	123,100	23.5	21,395	88,511	13,193	10,966	270	1,957	0
68	Cosmair Inc.	New York	122,149	1.4	41,396	79,835	918	905	13	0	0
69	American Dairy Assn.	Rosemont, Ill.	121,000	100.9	16,277	99,399	5,324	205	389	4,730	0
70	CPC International	Englewood Cliffs, N.J.	120,000	(4.8)	75,504	40,247	4,249	1,388	1,483	1,378	0
71	Hershey Foods Corp.	Hershey, Pa.	118,990	13.9	50,000	67,354	1,636	513	231	892	0
72	Wendy's International	Dublin, O.	115,000	15.5	26,850	87,685	465	0	0	465	0
73	Hasbro Inc.	Pawtucket, R.I.	114,849	35.3	15,000	98,967	882	63	224	595	0
74	Stroh Brewery Co.	Detroit	113,000	(17.9)	49,520	54,544	8,937	704	135	8,098	0
75	E.I. du Pont de Nemours & Co.	Wilmington, Del.	112,184	5.8	35,778	56,122	20,284	973	11,179	1,895	6,236
76	Joe E. Seagram Co.	New York	110,163	(5.0)	27,543	73,441	9,199	7,054	1,053	1,092	0
77	Union Carbide Corp.	Danbury, Conn.	110,000	12.9	41,433	61,809	6,759	714	2,851	966	2,228
78	Bayer AG	Leverkusen, W. Germany	108,000	2.3	42,559	57,648	7,793	0	2,044	1,076	4,673
79	Clorox Co.	Oakland, Cal.	107,105	(2.8)	27,169	78,272	1,664	929	668	67	0
80	Noxell Corp.	Baltimore	106,128	(4.8)	45,000	61,128	0	0	0	0	0
81	AMR Corp.	Dallas	105,412	11.0	28,202	42,736	34,474	19,534	723	14,217	0
82	Dow Chemical Co.	Midland, Mich.	105,000	14.5	25,728	72,893	6,379	670	3,501	364	1,844
83	Adolph Coors Co.	Golden, Colo.	104,981	19.7	35,000	58,356	11,626	2,055	34	9,537	0
84	Greyhound Corp.	Phoenix	102,604	15.5	46,772	45,460	10,372	3,971	357	6,044	0
85	Mazda Motors of America	Rancho Dominguez, Cal.	101,743	41.5	28,241	68,367	5,136	5,029	74	33	0
86	MCA Inc.	Universal City, Cal.	98,360	20.1	40,915	49,605	7,840	1,421	0	6,419	0
87	Brown-Forman Co.	Louisville, Ky.	94,260	39.1	34,208	51,317	8,735	8,187	7	542	0
88	Delta Air Lines	Atlanta	94,020	0.5	30,000	26,464	37,536	17,116	518	19,903	0
89	Van Munching & Co.	New York	93,388	12.8	36,960	24,173	32,255	375	160	31,720	0
90	Monsanto Co.	St. Louis	92,885	4.4	29,265	52,942	10,678	203	2,012	1,230	7,234
91	Eastern Air Lines	Miami	89,700	14.7	28,000	21,673	40,026	24,838	245	14,944	0
92	Matsushita Electric Industrial Co.	Secaucus, N.J.	86,000	(8.4)	43,174	33,123	9,703	4,046	4,268	1,389	0
93	Mattel Inc.	Hawthorne, Cal.	85,092	12.0	20,000	64,167	925	524	401	0	0
94	Apple Computer	Cupertino, Cal.	83,859	(37.3)	30,000	38,993	14,866	8,139	1,557	5,170	0
95	Gulf & Western	New York	82,101	(13.8)	30,584	47,941	3,576	2,250	177	1,149	0
96	Wm. Wrigley Jr. Co.	Chicago	81,536	15.7	6,828	74,492	216	0	161	55	0
97	Canon Inc.	Lake Success, N.Y.	81,201	(20.9)	20,409	53,687	7,105	3,279	3,143	684	0
98	Capital Cities/ABC	New York	72,247	6.2	8,888	41,713	21,646	18,168	216	3,263	0
99	Cotter & Co.	Chicago	71,670	6.2	25,000	45,121	1,550	0	59	1,491	0
100	George A. Hormel & Co.	Austin, Minn.	70,702	53.0	25,951	31,258	13,493	1,779	1,444	10,269	0

NOTES: Dollars in thousands. Sources: Newspaper from Media Records, business publications from Roma Reports, spot radio from Radio Advertising Bureau and farm publications from Agricultural Marketing Information Services (AGRICOM); except U.S. Government ad spending, from agencies of the federal government. See Page 14 for breakout of media monitored by Leading National Advertisers. For further explanation, see *Where An Ass got its data*, Page 16.

LNA-media spending by 100 leading advertisers

Rank	Company	Headquarters	Total estimated spending	Total LNA	Magazine	Newsp. supplement	Network tv	Spot tv	Network radio	Outdoor	Network cable
			LNA measured media								
1	Procter & Gamble	Cincinnati	$1,600,000	$913,448	$93,144	$2,107	$488,756	$285,118	$12,770	$150	$31,404
2	Philip Morris Cos.	New York	1,400,000	813,513	215,036	20,895	348,281	138,970	2,076	66,991	21,261
3	RJR/Nabisco	Winston-Salem, N.C.	1,093,000	574,284	164,137	35,898	179,254	81,686	9,334	95,239	8,736
4	Sears, Roebuck & Co.	Chicago	800,000	202,703	19,190	862	122,657	34,421	20,803	430	4,340
5	General Motors Corp.	Detroit	779,000	386,474	107,524	2,594	209,898	49,067	9,034	3,633	4,724
6	Beatrice Cos.	Chicago	[illegible]	[illegible]	43,115	889	111,640	35,361	3,456	440	2,290
7	Ford Motor Co.	Dearborn, Mich.	614,600	361,511	114,739	1,397	191,373	37,087	7,625	3,222	6,068
8	K mart Corp.	Troy, Mich.	527,000	88,320	10,724	0	16,222	23,257	4,435	369	513
9	McDonald's Corp.	Oak Brook, Ill.	506,000	317,333	892	0	184,882	118,046	195	6,914	1,425
10	Anheuser-Busch Cos.	St. Louis	502,000	269,969	13,986	827	184,503	20,707	8,929	5,105	16,398
11	American Telephone & Telegraph	New York	521,318	319,228	88,137	4,990	167,728	29,700	24,853	126	3,696
12	Ralston Purina Co.	St. Louis	508,365	188,910	21,719	1,099	102,617	58,471	1,408	1,047	2,550
13	Dart & Kraft	Northbrook, Ill.	489,349	213,440	35,723	2,245	111,182	64,033	652	21	1,584
14	General Mills	Minneapolis	484,145	278,119	24,804	1,089	114,372	122,674	2,030	358	12,792
15	J.C. Penney Co.	New York	478,892	72,244	9,280	54	44,552	17,640	0	360	358
16	PepsiCo Inc.	Purchase, N.Y.	470,392	281,542	2,668	0	82,456	183,220	1,296	3,387	4,315
17	Pillsbury Co.	Minneapolis	473,220	234,898	4,675	0	115,861	112,374	0	1,261	728
18	Warner-Lambert Co.	Morris Plains, N.J.	469,339	187,145	13,585	1,175	83,352	39,281	16,288	9	3,474
19	Unilever U.S.	New York	413,623	232,928	18,252	870	153,754	56,413	1,255	19	2,363
20	Johnson & Johnson	New Brunswick, N.J.	401,219	199,612	39,419	193	134,944	10,618	790	219	3,411
21	American Home Products Corp.	New York	399,516	225,527	16,235	18	183,394	20,233	925	3	4,720
22	Chrysler Corp.	Highland Park, Mich.	393,400	247,513	73,579	2,185	96,194	63,133	4,269	3,027	5,126
23	Coca-Cola Co.	Atlanta	390,000	209,970	9,059	997	114,708	76,188	791	3,852	4,375
24	GE/RCA	New York	373,336	126,888	55,288	5,032	49,173	11,953	1,668	1,253	2,520
25	Kellogg Co.	Battle Creek, Mich.	364,299	212,520	300	0	156,431	51,050	0	15	4,725
26	Bristol-Myers Co.	New York	344,293	178,643	28,433	727	127,642	17,092	291	1	4,456
27	International Business Machines Corp.	Armonk, N.Y.	327,834	123,391	52,535	2,015	62,749	2,227	3,014	18	832
28	Nestle SA	White Plains, N.Y.	319,254	161,111	21,777	771	76,754	54,327	4,004	78	3,400
29	Sara Lee Corp.	Chicago	285,956	123,400	27,940	830	64,129	26,196	2,313	18	1,974
30	Mars Inc.	McLean, Va.	273,304	149,283	5,830	347	87,216	40,309	3,991	0	11,605
31	American Cyanamid Co.	Wayne, N.J.	266,189	56,730	10,149	1,326	28,371	13,833	626	194	2,231
32	H.J. Heinz Co.	Pittsburgh	261,541	100,501	8,128	32	56,462	34,550	0	37	1,293
33	U.S. Government	Washington	259,050	122,884	37,651	0	54,647	17,976	6,226	4,906	1,478
34	Colgate-Palmolive Co.	New York	253,495	92,009	6,774	1,269	64,956	16,751	446	0	1,814
35	Eastman Kodak Co.	Rochester, N.Y.	247,300	70,815	14,797	692	44,303	7,895	806	630	1,692
36	Quaker Oats Co.	Chicago	240,997	185,489	11,439	1,295	67,048	23,596	928	18	1,177
37	Sterling Drug	New York	224,940	113,213	11,386	364	80,980	14,752	3,749	0	1,981
38	Campbell Soup Co.	Camden, N.J.	215,039	124,313	16,924	1,014	68,497	29,757	4,655	2	3,464
39	CBS Inc.	New York	208,000	111,285	60,405	23,720	17,526	14,253	1,042	729	3,612
40	Mobil Corp.	New York	199,202	48,437	7,395	362	12,865	22,839	60	347	1,574
41	Tandy Corp.	Fort Worth, Tex.	186,861	43,332	5,546	0	29,328	3,665	3,768	0	1,025
42	Beecham Group plc	Middlesex, U.K.	186,322	104,755	3,739	31	83,108	15,939	1,069	43	826
43	Grand Metropolitan plc	London, U.K.	176,749	83,445	30,052	4,250	23,787	16,531	0	7,203	1,622
44	Batus Inc.	Louisville, Ky.	175,420	67,989	23,342	11,705	0	10,383	0	22,560	0
45	Toyota Motor Corp.	Torrence, Cal.	172,035	122,760	16,412	31	27,793	71,014	989	2,173	4,349
46	IC Industries	Chicago	171,088	98,738	2,436	0	22,769	32,319	1,101	134	0
47	American Express Co.	New York	169,865	98,686	33,467	1,083	40,448	19,806	2,980	83	819
48	Schering-Plough Corp.	Madison, N.J.	169,383	74,229	24,288	129	39,308	3,359	4,003	1,081	2,062
49	Nissan Motor Co.	Carson, Cal.	162,546	99,398	17,199	0	34,860	44,974	0	1,385	980
50	Gillette Co.	Boston	161,008	85,016	12,097	124	53,635	16,119	1,093	0	1,988
51	American Brands	New York	160,000	59,152	35,025	364	8,839	6,912	204	7,709	100
52	Chesebrough-Pond's	Greenwich, Conn.	159,792	77,860	20,397	123	42,151	5,771	7,969	26	1,424
53	Pfizer Inc.	New York	158,463	58,663	16,729	72	38,552	2,653	28	99	531
54	Loews Corp.	New York	156,918	67,139	36,007	4,024	0	1,865	0	25,171	72
55	Honda Motor Co.	Gardena, Cal.	156,475	96,929	23,940	438	55,109	9,820	3,323	90	4,210
56	Time Inc.	New York	156,288	106,299	43,460	1,697	2,903	45,345	0	9	12,885
57	GTE Corp.	Stamford, Conn.	153,686	83,230	10,892	0	14,654	57,214	0	297	172
58	Goodyear Tire & Rubber Co.	Akron, O.	149,305	43,329	11,807	0	17,781	7,781	5,363	102	495
59	ITT Corp.	New York	149,000	36,603	15,426	349	12,764	5,393	530	1,199	942
60	Revlon Group	Pompano Beach, Fla.	147,215	87,443	23,089	1,207	24,191	6,597	1,579	3	777
61	S.C. Johnson & Sons	Racine, Wis.	146,146	78,328	18,531	1,666	44,979	8,114	4,191	0	847
62	UAL Inc.	Elk Grove Township, Ill.	145,000	62,284	9,969	174	29,940	18,577	1,447	786	1,390
63	Walt Disney Co.	Burbank, Cal.	140,000	39,872	7,431	720	2,713	28,213	0	166	630
64	Xerox Corp.	Stamford, Conn.	128,698	42,824	17,413	0	24,755	144	0	5	507
65	American Motors Corp.	Southfield, Mich.	126,000	82,498	23,888	294	52,690	3,701	0	217	1,708
66	Warner Communications	New York	124,168	46,871	1,807	32	22,144	17,795	185	152	4,537
67	Volkswagen of America	Troy, Mich.	123,100	88,511	35,920	608	34,897	15,678	0	297	1,116
68	Cos.nair Inc.	New York	122,149	79,835	25,633	1,109	42,108	10,273	0	7	682
69	American Dairy Assn.	Rosemont, Ill.	121,000	99,399	1,259	140	71,189	22,848	1,930	617	1,516
70	CPC International	Englewood Cliffs, N.J.	120,000	60,329	10,749	884	17,481	11,768	0	25	49
71	Hershey Foods Corp.	Hershey, Pa.	118,990	67,354	12,424	170	32,554	17,234	3,261	4	1,707
72	Wendy's International	Dublin, O.	115,000	87,685	762	0	44,274	40,442	0	1,798	408
73	Hasbro Inc.	Pawtucket, R.I.	114,849	98,967	5,818	61	28,706	63,068	0	0	1,314
74	Stroh Brewery Co.	Detroit	113,000	54,544	1,674	77	38,110	9,629	0	1,762	3,292
75	E.I. du Pont de Nemours & Co.	Wilmington, Del.	112,184	56,122	32,061	3,238	16,892	3,307	0	9	616
76	Jos E. Seagram & Sons	New York	110,183	75,441	29,685	1,931	15,630	9,382	521	15,834	769
77	Union Carbide Corp.	Danbury, Conn.	110,000	61,809	1,746	105	46,460	9,936	2,091	1	1,469
78	Bayer AG	Leverkusen, W. Germany	108,000	57,648	1,419	0	46,368	3,926	5,572	111	253
79	Clorox Co.	Oakland, Cal.	107,105	78,272	11,934	1,812	45,122	13,588	1,671	2	4,144
80	Mazell Corp.	Baltimore	106,128	64,128	17,390	126	38,740	3,013	502	10	1,348
81	AMR Corp.	Dallas	105,412	42,736	2,717	0	23,008	16,281	461	80	190
82	Dow Chemical Co.	Midland, Mich.	105,000	72,893	10,739	139	48,616	10,712	1,677	70	941
83	Adolph Coors Co.	Golden, Colo.	104,981	58,356	2,309	0	18,076	34,776	0	1,565	1,630
84	Greyhound Corp.	Phoenix	102,604	45,460	5,915	37	20,086	3,862	14,250	9	1,301
85	Mazda Motors of America	Rancho Dominguez, Cal.	101,743	68,367	22,296	0	38,776	5,381	0	8	1,905
86	MCA Inc.	Universal City, Cal.	99,360	49,605	808	543	35,852	7,769	543	487	3,579
87	Brown-Forman Co.	Louisville, Ky.	94,260	51,317	21,882	5,339	8,159	9,799	259	5,162	738
88	Delta Air Lines	Atlanta	94,025	26,484	986	0	6,142	13,356	0	1,844	4,715
89	Van Munching & Co.	New York	93,368	24,173	7,842	378	6,503	9,166	284	0	0
90	Monsanto Co.	St. Louis	92,288	52,945	4,925	84	37,995	6,024	5,548	30	336
91	Eastern Air Lines	Miami	89,700	21,673	4,399	31	350	15,420	0	1,325	148
92	Matsushita Electric Industrial Co.	Secaucus, N.J.	86,000	33,123	23,120	26	985	6,940	431	432	1,188
93	Mattel Inc.	Hawthorne, Cal.	85,092	64,169	3,751	0	37,166	20,805	0	195	2,252
94	Apple Computer	Cupertino, Cal.	83,859	38,993	11,916	246	25,863	356	254	69	289
95	Gulf & Western	New York	82,101	47,941	5,227	192	18,622	18,077	3,077	198	2,548
96	Wm. Wrigley Jr. Co.	Chicago	81,508	70,492	2,370	0	47,914	19,308	1,294	0	5,628
97	Canon Inc.	Lake Success, N.Y.	81,201	53,249	23,295	56	21,400	5,502	1,042	426	1,967
98	Capital Cities/ABC	New York	79,567	41,715	34,898	407	0	4,563	42	1,117	686
99	Cohler & Co.	Chicago	71,170	48,121	6,752	0	14,656	13,126	9,049	46	1,492
100	George A. Hormel & Co.	Austin, Minn.	70,702	31,250	4,012	98	6,325	12,200	7,829	513	282

NOTES: Dollars in thousands. Sources: Magazine and newspaper supplements as reported by Publishers Information Bureau; network tv, spot tv, network radio and network cable as reported by Broadcast Advertisers Reports; outdoor as reported by Institute of Outdoor Advertising and Outdoor Advertising Assn. of America; except U.S. Government all spending, from agencies of the federal government. See Page 12 for breakout of media not monitored by Leading National Advertisers. For further explanation, see *Where Ad Age got its data*, Page 16.

While spending on credit card advertising increased, results were static or lower in other categories. LNA figures for travelers checks showed a decline of 38% to $10.9 million, virtually all reduced spending occuring in network tv, down from $12.2 million to $6.6 million. The checks are still being promoted with Karl Malden's grim warnings about potential vacation chaos using the theme, "It could happen to you."

Shearson Lehman Brothers, marking the first full year of operations following the merger with Lehman Brothers Kuhn Loeb, moved ahead sharply, with net income up 95%, to $201 million, on an increase of 42% in sales.

Shearson Lehman over-all media spending dropped from $16.9 million to $7 million in 1985, the biggest media reduction coming in spot tv, from $8.1 million in 1984 to $58,300 in 1985.

The company explains the drop as a sort of down time between shifting the marketing focus from individual to institutional investors. The 3-year-old ad campaign, themed "Minds Over Money," continues to run as does the "Weekly Newsletter" ad, appearing in the *Wall Street Journal* Monday edition. Ad creative and production is via Ira Madris, Bruce Nelson & Colleagues, a subsidiary of McCann-Erickson.

IDS Financial Services' reported net income of $76 million, up 23% on a growth of 40% in revenues. IDS advertising fell 45.5% to $7.2 million in 1985, most of that coming from network tv, which dropped from $11.4 million to $1.1 million in spending. Reed Saunders, senior vp-marketing for IDS, says the company is continuing an umbrella awareness campaign using actor Jason Robards, with tax reform and planning strategies a key theme.

The campaign has been using more print to cover the complex topics in more detail.

In February and March, 1986, IDS ran booklet inserts in news and financial magazines, pulling 75,000 inquiries. Another insert appears in September. Ogilvy & Mather handles. Mr. Saunders places current spending at $7 million.

Besides marking the integration of 1984 acquisitions, Lehman Brothers and IDS Financial Services, into American Express, 1985 saw the company moving away from other businesses. In August, it sold its half interest in Warner Amex Cable Communications to partner Warner Communications for $450 million and assumption of $550 million in debt. The company acknowledged it was a mistake to invest in cable systems. Cable's potential as a distribution channel for financial and travel services never panned out, the company says.

American Express continued to extricate itself from Fireman's Fund Corp. In an initial public stock offering in October, it pared its interest to 41%, and by May had reduced that to 29%. The initial sale brought American Express about $910 million. American Express retained Fireman's Fund American Life Insurance Co., a life and accident-health insurance company, as a part of Travel Related Services.

Renamed AMEX Life Assurance Co., this service has signed on Hal Riney & Partners, San Francisco, as its agency.

Changes in the executive suite included the resignation of Sanford I. Weill as president and his replacement by Louis V. Gerstner Jr. Mr. Gerstner remains chairman and ceo of Travel Related Services.

Aldo Papone, formerly vice-chairman there, moved to president-chief operating officer of Travel Related Services.

On the magazine front, American Express Publishing Co. and Newsweek Inc. entered a joint venture to publish *Travel & Leisure Asia*. Jay Harris became publisher, leaving a position with Newsweek International. In March, Marianne Howatson, previously with the Magazine Publishers Assn., became publisher of *Travel & Leisure*, while James Berrien became publisher of *Food & Wine*, up from associate publisher.

So far in 1986 "the company has clearly stabilized," says Nancy Young, financial services analyst for Cyrus J. Lawrence Inc., New York, who does not expect any more surprises. She cites the Fireman's Fund divestiture as a surprise.

Ms. Young, however, questions American Express' ability to retain its position in credit cards, because of increased competition from bank cards and other credit cards. Travel and entertainment cards are reaching out to consumer markets as shopping cards, while more mass cards are reaching up for travel business. "The distinctions are diminishing," Ms. Young says, adding American Express has adjusted its advertising to portray its cards in shopping situations.

American Express could lose the higher fees individuals pay on green cards as it continues its push to get corporations to issue corporate cards to employes, says Ms. Young, who questions the company's logic that customers will continue to carry both.

Looking ahead to 1986-87 media planning, marketing execs say American Express might make some changes in the mix, reflecting the "buyer's market" in tv and magazine rates.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$33,467	$20,604
Newspaper	14,864	11,481
Newsp. supp.	1,083	905
Bus. pubs.	1,087	419
Network tv	40,448	55,727
Spot tv	19,806	24,033
Network radio	2,980	2,513
Spot radio	5,575	6,133
Outdoor	83	231
Network cable	819	683
Total measured	120,211	122,728
Unmeasured	49,657	50,696
Total	169,868	173,424

AMERICAN EXPRESS CO.
American Express Tower
World Financial Center
New York, N.Y. 10285
(212) 640-2000
TRAVEL RELATED SERVICES
New York
Marketing Personnel

Jerry C. Welsh, exec vp-worldwide mktg & communications
Roger C. Ballou, exec vp-travel mgmt services
Thomas A. Cash, sr vp-FSI mktg/sales
Steven P. Goldstein, sr vp-service establishment mktg/sales
Linda Fayne Levinson, sr vp-vacation, leisure travel-US
Diane Shaib, sr vp-consumer card mktg-US

Advertising Agencies

McCann-Erickson—gold card—Ed Comiskey, exec vp-group dir; Ian Hooper, sr vp-mgmt super. Travel—Linda Boothby, vp-acct super.

Ogilvy & Mather, New York—Brendan Ryan, exec vp-worldwide mgmt super; Shelly Lazarus, sr vp-group dir. Card—Scott Marshall, sr vp-mgmt super. Travelers cheques—Steve Gardner, vp-mgmt super. Corporate card—Patricia Deneroff, vp-mgmt super. Travel related services—Keith Bainbridge, vp-mgmt super.

SHEARSON LEHMAN BROTHERS
New York
Marketing Personnel

Joseph Plumeri, sr exec vp-dir mktg & sales
Cathleen B. Stewart, sr vp-dir consumer mktg & adv
Robert Leo, exec vp-dir natl sales

Corporate Media Buying

Media Placement Services, New York—placement—June Spirer, president.

Advertising Agency

Madris, Nelson & Colleagues, New York—creative and production—Ira Madris, Bruce Nelson, principals.

American Home Products Corp.
RANK 21
New York

($ in millions)

	1985	1984	% chg
Worldwide			
Sales	4,685	4,485	4.4
Net income	717	682	5.1
U.S.			
Sales	3,637	3,436	5.8
Operating profits	1,002	932	7.5
Advertising	400	413	(3.2)
Division sales			
Prescription drugs	2,524	2,417	4.4
Packaged meds	642	599	7.2
Food, household	1,519	1,470	3.3

Sales at American Home Products Corp., which produces and markets brands ranging from Advil, Anacin and Inderal to Brach's and Chef Boy-Ar-Dee, are expected to improve from an over-all 4.4% growth in 1985 as new prescription drugs and brand extensions reach the market this year.

Improvement started in the first quarter of 1986 when sales hit $1.27 billion, up 4.8% from the prior year period and higher than any quarter in 1985.

AHP, showing marginal growth increases throughout its product segments domestically but flat sales abroad in 1985, had the greatest sales growth from its most heavily advertised segment, packaged medicines, which grew 7.2% worldwide and 9% domestically.

In that group, over-the-counter analgesics gained 18% in sales, led by the ibuprofen-based Advil, which completed its first full year on the market. AHP holds an estimated 6% share of the huge $8.1 billion U.S. nonprescription drug market. Advil, Anacin and Dristan—all from AHP's Whitehall Laboratories division—accounted for $97 million in measured media.

Close to $42 million was spent on the Anacin line, which includes both aspirin-based and acetaminophen-based adult and children's products. Despite the spending on the aspirin-based line of Anacin, which continues

Where Ad Age got its data for this 31st annual report

ADVERTISING AGE's 31st annual ranking of 100 leading national advertisers includes 100 profiles and 16 charts. Profiles list marketing executives, current agencies and account personnel, as well as advertising expenditures, sales and earnings figures, market shares and other data.

Advertising expenditures are for U.S. only and reflect calendar 1985 and 1984. Total estimates include measured and unmeasured spending.

Leading National Advertisers supplies measured expenditures in the following seven media: **Magazine** and **newspaper supplements** as supplied by Publishers Information Bureau; **network tv, spot tv, network radio** and **network cable,** as supplied by Broadcast Advertisers Reports, and **outdoor** as supplied by the Institute of Outdoor Advertising and the Outdoor Advertising Assn. of America.

Other media expenditures listed include **newspaper** as supplied by Media Records, **business publications** as supplied by Rome Reports, **farm publications** as supplied by Agricultural Marketing Information Services (AGRICOM) and **spot radio** as supplied by Radio Advertising Bureau.

PIB monitors 141 consumer magazines and *New York Times Magazine, Parade* and *USA Weekend*. BAR monitors ABC, NBC and CBS tv networks; 319 tv stations in 75 top markets with continuous monitoring in New York, Chicago and Los Angeles; CBN, CNN, ESPN, USA, MTV: Music Television and WTBS cable networks, and 15 radio networks. IOA and OAAA measure gross sales from more than 200 national poster and paint advertising plants in markets of over 100,000 population. Rome Reports monitors about 600 trade and professional publications. Media Records monitors 202 daily and Sunday newspapers.

Measured media expenditures for 1985 and 1984 are restated to reflect corporate structure as of Dec. 31, 1985. Companies acquired prior to that date are included in parent company ad spending for full calendar 1985 and 1984 totals. Likewise, units spun off before the end of calendar 1985 are subtracted.

One exception occurs: General Electric and RCA Corp. are treated as one company because any other editorial treatment ignores the advertising clout of the company as it exists at press time. Also, U.S. Government ad spending figures are supplied by agencies of the federal government rather than measured-media sources.

Unmeasured advertising figures are estimates and include direct mail, promotion, co-op and couponing. AD AGE beat reporters and corporate sources assisted in providing the unmeasured advertising.

Sales and earnings figures are taken from public documents. Where private companies will not divulge this information, an estimate or an "N/A" is used.

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Crain's International Newspaper of Marketing

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to lead that segment of the analgesics category with a 10-plus share of the market, it suffered a 2 percentage point drop in share. Anacin sales were bolstered by the introduction of coated caplets.

The company spent $35 million in measured media to back Advil, which debuted in 1984, much of that going for a Young & Rubicam campaign. The pills met company expectations for a newly launched consumer product, gaining close to a 5% share of the analgesic market, according to Smith-Barney analyst Adele Haley. Among ibuprofen products, it holds the lead against Bristol-Myer's Nuprin, which Ms. Haley says holds about a 2.5% share.

Billed as the "Advanced medicine for pain," Advil also competes against established analgesics like Johnson & Johnson's acetaminophen-based Tylenol, which dominates the market with its close to 30% share. With the expiration of the ibuprofen patent this fall, competitors like Johnson & Johnson and Sterling Drug are expected to crowd the category with their own ibuprofen clones.

Trendar, a newly formulated version of an ibuprofen-based product for the alleviation of menstrual cramps, was launched nationally in June. Kornhauser & Calene, New York, handles.

Dristan, fighting off a slowly eroding share of market now pegged at 7%, continued to outspend its growing list of competitors in the $800 million cold-remedy market, with close to $20 million in measured media support. In the 1970s, Dristan held a 22% share in the then-as-yet uncrowded category. The segment now is led by Richardson-Vicks' (P&G) Nyquil, with a 12% share, followed by Burroughs Wellcome's Actifed and Sudafed, which together hold a formidable 19% share. Dristan is estimated to remain the No. 1 multi-symptom tablet in the category for year-round use.

Category leaders Preparation H, a hemorrhoidal product, and Primatene, for bronchial asthma, received $11.4 million and $7.3 million in ad support, respectively.

Whitehall Laboratories revamped its marketing strategy for struggling Youth Garde moisturizer in an attempt to gain a foothold on the mass-oriented moisturizer market. Spokeswoman Catherine Deneuve was out at yearend in favor of a health-oriented anti-skin-cancer campaign. Media support totaled $2.7 million, a drop of 37% from the year earlier.

Food & household products, the second biggest ad-supported segment, consists of American Home Foods and Brach candies on the food side—units recording a modest 3% increase in sales—and household products, up 4%.

The bulk of the measured ad spending at American Home Foods went to the Chef Boy-Ar-Dee line of canned pastas. Spending of $18.5 million helped it keep its comfortable lead in its $430 million market, where it has an estimated 50% market share. But canned pasta is a relatively low margin, slow growth product segment. Two line extensions, a Smurf line that complements Chef Boy-Ar-Dee's successful Pac-Man line, debuted in four varieties, while part of the traditional pasta line appeared in a convenient 26-oz. size targeted to "today's smaller families."

The division also targeted the adult market, with its national introduction of the Mamma Leone line of six styles of pasta products in resealable jars. Mamma Leone's estimated $8 million to $10 million campaign was assigned to Young & Rubicam, New York, the agency of record for the Chef Boy-Ar-Dee line.

American Home Foods' entry in the $1 billion popcorn industry, Jiffy Pop popcorn, holds a 16% share of U.S. supermarket sales, along with the American Pop Corn Co.'s Jolly Time popcorn product. Beatrice Foods' Orville Redenbacher popcorn dominates the category with more than 30% of supermarket sales. Jiffy Pop's campaign, measured at $549,000, is directed at the children's market.

American Home Products' second food group, the E.J. Brach & Sons confectionery company, benefited modestly from line extensions, new products, acquisitions and a $6.4 million measured media ad budget.

Pick-A-Mix, Brach's primary merchandising vehicle and the largest such bulk candy, self-service program in the candy industry, introduced Rainbow Bears to capitalize on the popular jelly candy market.

In the packaged chocolate sector, Brach's rolled out Peanut Butter Putters nationally. Last year, Brach's acquired the Gardner Candy Co. of Tyrone, Pa., manufacturer of Peanut Butter Meltaway bar, which Brach's launched last year under the Brach's-Gardner name. A new product development laboratory was completed early this year in Chicago and is now operational.

The household products segment's Boyle-Midway division grew by 4% last year, aided by new products and line extensions, under the leadership of Theodore J. Host, who became the president of Boyle-Midway last year, after serving as vp-marketing at American Home Foods.

A new Woolite cold water wash ad campaign helped push advertising close to $12 million in measured media. Woolite gained in sales and remained the dominant brand in the fine fabric category.

Butter-flavor PAM cooking spray became one of Boyle-Midway's most successful new product launches after a full year on store shelves. The PAM line received nearly $11 million in measured media.

Dry Breezes air and fabric deodorizer also completed its first full year on the market and increased sales, backed by $2.5 million in advertising.

But the biggest new product news occurred in the Black Flag insecticide line. Black Flag holds 20% of the $637 million household insecticide market, a category dominated by S.C. Johnson & Son's Raid line of products, with close to a 50% share.

In May, 1986, Roach Ender was introduced with $15 million in backing and containing the patented chemical, Gencor, which claims to stop roaches from breeding by sterilizing their young and preventing births for four months. The Kornhauser & Calene-inspired print and tv campaign bills Roach Ender as "birth control for roaches."

Black Flag hopes to make inroads into the flea control area, the second largest insect control category, with its newly licensed line of indoor foggers bearing the Holiday name, which the company licensed from the Hills Chemical subsidiary of Colgate-Palmolive.

A pine-scented version of Black Flag ant and roach killer was added. Media spending totaled $4.8 million in 1985 for the Black Flag line.

Easy-Off oven cleaner kept its lead in the oven cleaning category with $4.3 million in measured spending. Sani-Flush holds a 10% share of the $240 million toilet bowl cleaner category, which is dominated by Bristol-Myers' Drackett Co.'s Vanish Bowl Brite, with a 30% share. Sani-Flush was supported by $3.7 million in measured media spending.

AHP's prescription drugs and medical supplies segment, its largest, had a 4.4% sales growth worldwide, although 7% domestically. Two major brands, Wyeth Laboratories' Ativan, a tranquilizer, and Inderal, a cardiovascular product, faced stiff competition from generic substitutes. Sales of the latter were hurt by generic competition in its $3.6 billion cardiovascular market.

Among consumer products in the group, Ayerst Laboratories entered the growing over-the-counter calcium supplement market (in 1985 the market expanded by 50%) with the national debut of Posture, supported by $3 million in spending. Ayerst's Riopan line of antacids was joined by an extra-strength version. The entry was supported by an $8 million media effort.

Wyeth Laboratories' sales were augmented by increased sales of its Ativan tranquilizer product, oral contraceptives, including the new Triphasil, which has the lowest total hormone content of any combination birth control pill currently available, and infant nourishment items.

On Jan. 1, 1986, AHP's Ives Laboratories was merged into Wyeth Laboratories. The merger created the second largest sales force in the industry. Ives markets Sectral, a once-a-day, cardioselective beta blocker for the treatment of hypertension and arrhythmia. A new drug application for additional use of Sectral in the treatment of angina is expected to be filed soon. In January, 1986, Wyeth received FDA approval for the nonsteroidal, anti-inflammatory drug Orudis, which entered the market in February. Cordarone, an anti-arrhythmic drug, also received FDA approval and was introduced in March.

AHP also entered the U.S. generic drug market by acquiring an 80% controlling interest in Quantum Pharmics Ltd., a private generic drug marketer.

William F. Emswiler was elected corporate vp and treasurer to replace Joseph J. Carr, who was named senior vp of Wyeth Laboratories. John R. Considine became comptroller.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$16,235	$17,862
Newspaper	89	460
Newsp. supp.	18	670
Bus. pubs.	539	338
Network tv	183,394	179,024
Spot tv	20,233	29,274
Network radio	925	2,336
Spot radio	1,283	1,590
Outdoor	3	0
Network cable	4,720	3,352
Total measured	227,438	234,905
Unmeasured	172,078	177,728
Total	399,516	412,633

AMERICAN HOME PRODUCTS CORP.
685 Third Ave.
New York, N.Y. 10017
(212) 878-5000
Corporate Media Buying

John F. Murray Advertising Agency (in-house)—John A. Conti, president; Judith A. Bloedorn, vp/dir-local broadcast, syndication and computer operations; Katie Coke, vp/dir-radio broadcast; Thomas Del Priore, vp/dir-new technology and print; Marianne McArdle, vp/dir-network tv.

AYERST LABORATORIES
New York
Corporate Personnel

Judson St. John, president

Marketing Personnel

Arnold Somin, exec vp-operations
Howard Mosesson, vp-mktg and sales
John Schmitt Jr., asst vp, dir-mktg
Joel W. Last, vp-mktg and sales, consumer prods

Advertising Agencies

Klemtner Advertising, New York—Riopan (ethical), Dermoplast, Premarin, Premarin vaginal cream, Mysoline, Atromid—S, Posture (ethical), Aygestin, Factrel—Gavin A. Scotti, exec vp.

Lally, McFarland & Pantello, New York—Inderal tablets, Inderal LA, Inderide tablets and Inderide LA—Ron Pantello, president.

William Douglas McAdams, New York—Alredase, Ultradol, Antabuse—William F. Wolf, exec vp.

Saatchi & Saatchi Compton, New York—Posture (consumer), Riopan (consumer)—David Basch, exec vp.

BOYLE-MIDWAY
New York
Corporate Personnel

T.J. Host, president

Marketing Personnel

Mark Rothman, sr vp-mktg
Rick Donnelly, vp-category director
Ellen Schapps, vp-services
Ken Lagana, adv dir

Advertising Agencies

Cunningham & Walsh, New York—Antrol, Snarol, Easy-Off mildew stain remover, Easy-Off glass cleaner, Woolite (various prods)—Jim Polizzi, sr vp-mgmt rep; Craig Barnes, vp-acct super.

Kornhauser & Calene, New York—Griffin shoe polish, Black Flag, Depend-O, Old English, Easy-On starch, Zud—Bob Ballerini, exec vp; Chris McClean, vp-acct super.

McCann-Erickson, New York—Sani-Flush (various prods), Woolite Gentle Cycle, Easy-Off oven cleaner, Noxon—Linda Luca, acct super.

Young & Rubicam, New York—Holiday, Pam, Wizard air freshener, Dry Breezes, Gulf Charcoal Lighter—Jordan Stanley, vp-mgmt super.

E.J. BRACH & SONS
Chicago
Corporate Personnel

Ned E. Mitchell, president

Marketing Personnel

Robert D. Hecklau, sr vp-mktg
D. Grady Zehr, asst vp-chocolate prod mktg
Tom Pendergast, asst vp-nonchocolate prod mktg
S.R. Thompson, vp-natl sales
K.G. Hird, vp-special sales
E. Bud Randolph, dir-trade relations
Robert J. Urban, asst vp-mktg

Advertising Agencies

BBDO, Chicago—Harry Ellsworth, vp-mgmt super; Robin Cohen, sr acct exec.

Cunningham & Walsh/BBDM, Chicago—Jim Davidson, vp.

WHITEHALL LABORATORIES
New York
Corporate Personnel

L. Randall Yates, president

Marketing Personnel

Andrew Davis, vp-mktg
Peter Mayer, vp-mktg
G. Prince-vp mktg
Richard Feldheim, adv dir

Advertising Agencies

William Esty Co., New York—Anacin, Maximum Strength Anacin, Compound W, Dristan tablets and capsules, Heet, Momentum, Oxipor, Preparation H, Quiet World, Viro-Med—George Biava, sr vp-mgmt super; Peter Baliant, Tom Perotta, Ed Bauccio, vp-mgmt supers; Deborah Dick-Rath, vp-acct super; Carol DiSanto, acct super.

Kornhauser & Calene, New York—Anacin 3, Children's Anacin 3, Dry and Clear, Denorex Medicated shampoo, Freezone, Outgro, Primatene, Trendar, Youth Garde—Alan Yarnoff, exec vp; Jim Harrigan, Dick Geyer, Martin Bowen, vp-mgmt supers.

McCann-Erickson, New York—Dristan Sprays—Tom Beach, sr vp-group managing dir; Gunnar Wilmot, sr vp-mgmt rep; M. Baxter, acct super.

Young & Rubicam, New York—Advil, Anbesol, Arthritis Pain Formula, Bronitin, Neet, Semicid, Sleep-Eze—Tim Fitzgerald, svp-mgmt super; Jeff Frankum, vp-acct super; Fred Langbecker, vp-acct super.

WYETH LABORATORIES
Radnor, Pa.
Corporate Personnel

Bernard Canavan, M.D., president

Marketing Personnel

Thomas G. Cavanagh, sr vp-mktg and sales
Charles H. Brantley, vp-sales
John T. Spitznagel, vp-mktg
Edward F. Marcoon, dir mktg-natology group
Martin M. Meaney, dir mktg-therapeutics group

Advertising Agencies

F. Scott Kimmich & Co., South Norwalk, Conn.—Wytensin, Sectral, Cordarone, Ativan Injection, Cerubidine—Kevin McIntosh, vp-mgmt super; Ken Begasse, Michael Fiorillo, acct supers; Mary Ellen Elias, acct coordinator.

Klemtner Advertising, New York—Orudis, Synalgos, Ativan Oral, Surmontil—Sander Flaum, sr vp-acct group dir; Greg Gull, vp-acct mgmt; Tony Correia, acct super.

Roberts & Raymond, Philadelphia—Collyrium, Phenergan—Gary See, Michelle Hollenbach, acct supers.

William Douglas McAdams Inc., New York—Tubex, Antacids, Deponit, Isordil, Triphasil, Ovral, Lo/Ovral, Nordette, SMA, Nursoy—Jay Carter, Eileen Giordono, John LaMare, acct execs; Anthony D'Onofrio, exec vp; Paul Nalbandiam, Pat Plonski, acct supers.

FORT DODGE LABORATORIES
Fort Dodge, Ia.
Corporate Personnel

E.T. Corcoran, president

Marketing Personnel

J. Bixler, vp-sales and mktg
W.E. Ryan, dir-adv

Advertising Agency

Miller-Meister, Minneapolis—Ted

Priebe, exec vp.

AMERICAN HOME FOODS
New York
Corporate Personnel
D.P. Jaicks, president
Marketing Personnel
Charles LaRosa, sr vp-mktg
K.H. Becker, vp-mktg services
J. Hittson, vp-prod mgmt
J. Neuberger, adv dir
A.J. Soricelli, vp-devel
Advertising Agencies
Cunningham & Walsh, New York—Chef Boy-Ar-Dee pizza mix & sauce, dinners; Crunch 'n Munch, Gulden's mustard, Jiffy Pop popcorn, Luck's beans, Ranch Style beans, new prods—James Polizzi, mgmt rep; Ann Look, Pat Kidd, vp acct supers.

Kornhauser & Calene, New York—Dennison's chili, new prods—S. Turk, exec vp; Glen Greenberg, acct super.

Young & Rubicam, New York—Chef Boy-Ar-Dee canned pastas, Mamma Leone pasta in jars, new prods—Art Klein, exec vp AHPC acct; Jane Brite, mgmt super; Maria Kovachec, acct super.

SHERWOOD MEDICAL CO.
St. Louis
Corporate Personnel
David A. Low, president
Marketing Personnel
Terry Broers, sr vp-genl mgr, intl
Thomas Cekoric, vp-genl mgr, API
Advertising Agency
Frank Block Associates, St. Louis—Sherwood—Robert Brace, acct exec.

American Telephone & Telegraph
New York
RANK **11**

($ in millions)

Worldwide	1985	1984	% chg
Sales	34,910	33,187	5.2
Net income	1,557	1,370	13.6
U.S. advertising	521	570	(8.5)

Profitability was short-lived for American Motors Corp., which in 1985 posted a loss for the fifth time in six years, with the modest full-year profit in 1984 marking the only exception to the trend.

AMC made deep cuts in its white-collar work force during 1985 and was able to extract concessions from unionized employes to reduce over-all costs. In an attempt to gain ad efficiencies, the company consolidated advertising at one agency, Saatchi & Saatchi Compton, which had been doing only Jeep advertising, and dropped Grey Advertising, which had handled Renault.

But AMC made no over-all cuts in its marketing spending and also held fast to its five-year, $2 billion new products development program begun in late 1982 that is intended to move the company into new, more profitable market segments.

AMC's share of the 11 million U.S. passenger car market was 1.2% in 1985, down from 2% in 1984 and 2.5% in 1983. Long the No. 4 domestic producer of automobiles, AMC in 1985 fell to No. 5, as American Honda Motor Co., Gardena, Cal., sold 145,976 U.S.-built cars, compared with AMC car sales of 123,449, a 35% decrease from 1984 car sales of 190,255.

AMC subsidiary Jeep Corp. fared better, as U.S. sales increased by 18% to 181,389. Jeep's share of the 1.3 million unit four-wheel-drive utility and recreational vehicle market was 12.9% in 1985, compared with 13.5% in 1984 and 9.9% in 1983. Introduction of Jeep's first two-wheel-drive model in September, 1985, the Comanche compact pickup, resulted in Jeep gaining 0.4% of the two-wheel-drive pickup market for the year.

Worldwide, AMC sold 151,481 automobiles, a 39% decrease from the year earlier. The company sold 240,288 Jeep vehicles, a gain of 24%. Total vehicle sales of 391,769 were down 12%. Sales outside North America accounted for 5% of total dollar sales for the third consecutive year.

AMC's problems on the passenger car side were related to its reliance on the small car segment, which over-all has been shrinking even as it has become more competitive. Small cars made up 22% of the auto market when the Renault Alliance was introduced in the 1983 model year (the Renault Encore was introduced a year later). By the 1986 model year, small cars made up only 17% of the industry.

AMC matched GM, Chrysler and Ford in offering buyer incentives, mostly discount-rate financing, begun by GM in August, 1985, to clear out inventories. Incentives, which have run almost continuously since then, cut into profit margins for all the auto makers, but were especially costly to AMC, which has higher borrowing costs.

During the first quarter of 1986, AMC lost $18.9 million, compared with a loss of $29 million in the same quarter the previous year. Higher sales in the Jeep line combined with the company's cost-cutting program accounted for the narrowing of the loss. North American car sales fell 46.8% during the quarter, to 17,011, while Jeep sales were up 11%, to 53,162.

A search for advertising economies resulted in the September, 1985, selection of Saatchi to handle the full AMC account, not just the estimated $50 million the agency had handled for Jeep. Grey's Renault billings were estimated at $60 million. AMC officials acknowledged that the growing importance of Jeep, at least for the short term, influenced the decision, and they indicated Saatchi would become involved in long-term strategy and promotional work.

Earlier in the year, Saatchi had turned its Southfield office into a full-service agency, while Grey had continued to handle creative in New York. Saatchi doubled the size of its Southfield office to nearly 90 by the end of 1985. David Welch, deputy chairman of London-based Saatchi, was appointed president of the Southfield office effective June, 1986.

Saatchi handled the campaign for the fall, 1985, introduction of the Jeep Comanche, Jeep's first entry in the 2 million unit compact pickup market. With Comanche available in either two or four-wheel-drive, it expanded Jeep's coverage of the light-truck segment to 50%, from 16%.

Comanche was pitched at young males as a macho alternative to buying a small car. AMC spent more than $11.5 million in measured media during the last four months of 1985 to introduce Comanche. That included about $6.4 million in network tv and $4.2 million in magazines.

In January, 1986, the last Jeep CJ—the "Civilian Jeep" descended from the World War II workhorse vehicle—rolled off the line at the Jeep assembly plant in Ohio. It was replaced in May with the new Jeep Wrangler (YJ in Canada), which resembled the CJ in silhouette but actually shared more parts with Jeep's sport utility truck, Cherokee.

AMC spent $6 million in a three-month introductory media blitz for the new Wrangler, featured the vehicle on at least 12 prime-time tv shows and ran sweepstakes tie-ins with Coty-Stetson fragrances, Pennzoil, S&H and Hardee's.

AMC tried to attract attention to its sagging Renault car lines by signing in April, 1986, actor George C. Scott to a 14-month, $1 million contract as spokesman for Encore and Alliance.

During the fall of 1985 and early 1986, AMC was a major sponsor of National Basketball Assn. telecasts on cable superstation WTBS and bought time on CBS' NBA broadcasts. Jeep and Renault were the designated official vehicles of the NBA. AMC will spend more than $6 million during the 1986 season on ABC's "Monday Night Football," getting auto exclusivity for a quarter of playing time for each of 12 telecasts.

Another attempt to gain consideration for Renault will be the introduction in the fall of 1986 of the "pocket rocket" Renault GTA model, with a peppier engine and sports-car-like handling. Volkswagen, with its Golf GTI, and Ford, with its Escort GT, are other marketers that try to boost the image of their small cars with a performance version.

AMC, which does not expect to turn a profit in 1986, will try to finally drive into higher-margin territory with a number of new entries beginning in 1987, starting with the Medallion compact in January, followed three months later by the two-seater Alpine, which will compete against cars such as the Porsche 944. Both will be imported from AMC's French partner, Renault.

In the fall of 1987, AMC will introduce the Renault Premier, a midsize sedan designed for the North American market by Italian stylist Giorgio Giugiaro. It will be followed a year later by a coupe version of the car, with both to be built in AMC's new $675 million plant in Bramalea, Ont.

Closer to home, AMC announced in July, 1986, an agreement with Chrysler Corp., the No. 3 U.S. auto maker, in which AMC will assemble large, rear-wheel-drive cars for Chrysler at its Kenosha, Wis., assembly plant beginning in February, 1987.

Regie Nationale des Usines Renault of France owns 46.1% of AMC. With Renault losing $1.5 billion in 1985, the company continued to be under pressure from French union leaders and others to sever its connection with AMC. Those ties seemed to be reaffirmed, however, by personnel moves made by Renault.

In December, 1985, Renault's No. 2 man, Pierre Semerena, was named AMC chairman, succeeding Paul Tippett, who had left the post to become president of Springs Industries, Fort Mill, S.C. Further bonding occurred in January, 1986, when AMC president-ceo Jose Dedeurwaerder was named Renault exec vp in charge of both worldwide sales and marketing and also manufacturing operations outside of France and Belgium. That left Joseph Cappy, who had been promoted in December from exec vp to chief operating officer, in charge of AMC's day-to-day operations.

In March, 1986, Mr. Dedeurwaerder became vice-chairman of AMC, and Mr. Cappy moved to president-ceo.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$ 23,888	$21,880
Newspaper	9,902	7,572
Newsp. supp.	294	0
Bus. pubs.	384	590
Network tv	52,690	56,622
Spot tv	3,701	6,074
Spot radio	1,489	1,206
Outdoor	217	746
Network cable	1,708	573
Total measured	94,274	95,262
Unmeasured	31,727	32,059
Total	126,000	127,321

AMERICAN MOTORS CORP.
27777 Franklin Rd.
Southfield, Mich. 48034
(313) 827-1000
Marketing Personnel
Peter G. Guptill, group vp, North American sales & mktg
David L. Kerr, dir-adv
Robert F. Donovan, dir-mktg services & merch
James L. Cherfoli, mgr-mktg services
Thomas L. Draur, mgr-Jeep adv
Marvin H. Klein, mgr-Renault adv
Robert G. Wildberger, mgr-media budgets
James D. Rader, mgr-dealer adv
Advertising Agency
Saatchi & Saatchi Compton, Southfield, Mich.—David Welch, president; David J. Van Peursem, sr vp-mgmt dir; Michael Vogel, sr vp-mgmt dir-Renault;Kenneth Campbell, vp-mgmt super; Mark Liska, Walter Dunne, vp-acct supers.

American Motors Corp.
Southfield, Mich.
RANK **65**

($ in millions)

Worldwide	1985	1984	% chg
Sales	4,040	4,215	(4.2)
Net income	(123)	15	(936.1)
U.S. advertising	126	127	(1.0)

American Telephone & Telegraph Co. set out to prove it was "The Right Choice" in 1985, its second full year of operations after divestiture.

AT&T puts its advertising costs at $695.9 million worldwide in 1985, down 9%. The reported figure includes all spending for media, research, agency work and salaries. The Ad Age estimate of $521.3 million in the U.S., is down 8.5% frm spending in 1984.

The single largest measured spending cutback was in corporate advertising, falling 42% to $40.9 million in 1985, with network tv, now 55% of the expenditure, dropping off $29 million from 1984 levels. Magazines, representing 24% of the 1985 total, fell by $4.6 million.

AT&T shifted away from corporate identity themes in 1985 after intensive spending in 1984 to establish the AT&T brand name following the breakup of the Bell system Jan. 1, 1984, analysts say. But AT&T's corporate campaign continued 1984 themes, stressing AT&T's commitment to quality, reliability and service in telephones, information and network systems, long-distance service and computers. The ads conclude with the corporate ad theme adopted in April, 1985, "AT&T: The Right Choice."

AT&T's biggest push in 1985 was to persuade residential and business customers to choose AT&T as their primary carrier in the $50 billion long-distance services market, which accounted for 46% of AT&T's 1985 revenues, up 1%. The three-year process of converting local telephone company connections to equal access for all long-distance carriers ends this September. However, nearly 30% of all local connections remain to be converted either because of old equipment or because AT&T does not own a majority share of the local company.

AT&T boosted measured spending for AT&T Communications long-distance service 12.7% to $191.1 million in 1985, using ads featuring actor Cliff Robertson, judged Advertising Age's star presenter for the year. This category alone accounted for nearly 50% of AT&T's total measured media.

Heading the category was $118.7 million in measured media promoting consumer long-distance, accounting for 31% of AT&T's total measured media in 1985 and representing a 5% spending level increase from 1984. Spending was divided 67% network tv, 18% magazine and 8% network radio, 4% spot tv, and 3% other media.

Business long-distance service was targeted with $47 million, up 74% from 1984. Some 62% was in network tv. International long-distance spending grew 126% to $24.9 million, divided into 60% spot tv and 40% magazine.

The advantage AT&T had in gaining equal access connections by default was struck down in June, 1985, by an FCC ruling that customers who fail to select a long-distance carrier would have one assigned for them at random. Previously, those failing to indicate a choice automatically were assigned to AT&T.

Predictably, AT&T's market share in long-distance service fell to 83% in 1985 on approximate revenues of $37.7 billion, from an 85% share in 1984 on revenues of $35 billion, according to the U.S. Telecommunications Market Report, issued by New York-based Northern Business Information. Moving up were the combined operations of Washington-based MCI Communications and Satellite Business Systems, which MCI bought in June, 1985, from IBM.

Market share for the combo increased to 6.6% in 1985, from a share of 5.5% in 1984, on revenues of $3 billion, up 33%.

Kansas City, Mo.-based U.S. Sprint gained slightly to 3% of the market in 1985, up from 2.9% in 1984, on revenues of $1.36 billion, up 13%. However, U.S. Sprint may account for up to 4% of long-distance business, following the July 1, 1986, merger between GTE/Sprint, owned by Stamford, Conn.-based GTE Corp., and U.S. Telecom, owned by United Telecommunications, Kansas City, the No. 3 and No. 5 carriers, respectively. Combined revenues for U.S. Sprint are $1.8 billion. All other long-distance carriers combined represent 4% to 7% of the market, says William Rich, analyst with Northern.

As equal access selection draws to a close, AT&T is changing its advertising focus to stimulating the use of long-distance lines, says Kim Armstrong, ad director for AT&T Communications in Basking Ridge, N.J. In May, 1986, AT&T began airing "Reach out and touch" tv commercials, a campaign that had been shelved two years ago.

AT&T also took aim at lower-priced competitors with $2 billion in rate cuts effective June 1, 1986. If the full reductions are approved by the FCC, prices for direct dialed calls will be 21% lower than on Jan. 1, 1984, when the company shed the seven regional Bell operating companies.

There is no denying that AT&T has been effective in keeping the lion's share of long-distance service, says Glenn Pafumi, first vp-research, Dean Witter Reynolds, New York. "In fact, AT&T may be doing too well and is squeezing out some of the smaller competitors," he says.

Since the early 1980s, long-distance carriers have offered rates 15% to 20% below AT&T's because AT&T was paying higher access charges for better quality connections with regional Bell operating companies (RBOCs), says Gerald Mayfield, president, DMW Group. These access charges can represent up to 20 cents for a minute of long-distance time that costs the consumer 30 cents, Mr. Mayfield says. Although the fees differ with each RBOC, "you're talking about a big savings in gross margins for AT&T's competitors," Mr. Mayfield says.

As the competitors gain better connections through equal access, their costs rise dramatically, Mr. Mayfield says. "Now they'll have better quality service, but their margins are gone." As a consequence, the market is becoming tight.

AT&T in May named James E. Olson to succeed the retiring Charles L. Brown as chairman-ceo and elected Robert E. Allen to replace Mr. Olson as president.

Three new vice-chairmen also were appointed, effective Sept. 1. Randall L. Tobias was named vice-chairman for the newly combined AT&T Information Systems and AT&T Communications long-distance unit. Also named vice-chairmen were Charles Marshall, in charge of external affairs, and Morris Tanenbaum, who oversees financial and strategic planning.

The Sept. 1 combination of Information Systems with AT&T Communications—permitted in a September, 1985, FCC ruling—is designed to help AT&T develop a cohesive strategy in marketing products and services, including long-distance telephone services and computers as part of data networks, rather than as stand-alone machines. Under the new structure, the 92,000 Information Systems employes will be combined with 118,000 AT&T Communications employes in a new organization with four group presidents.

The four presidents and their groups: Sam Willcoxon, Business Markets Group, which will have more than 33,000 employes and account for 50% of AT&T's total revenues and profits; Victor A. Pelson, General Markets Group, with nearly 72,000 employes selling long-distance services and equipment to small businesses and consumers, and servicing equipment for all customers; and W. Frank Blount, who already is in charge of AT&T's long-distance telephone network; and a president yet to-be-named for the Special Markets group, with about 200 employes involved in planning, joint ventures and joint marketing projects.

Analysts are positive about the restructure, given AT&T's success in its core long-distance business, and the prospect that AT&T can improve sales in its troubled Information Systems division.

AT&T still has some soft spots. Sales of personal computers, for example, fell flat in 1985, despite the October, 1985, introduction of its first IBM-compatible, the PC 6300 Plus. JoeAnn Stahel, analyst with Store-Board Inc., Dallas, says AT&T's mar-

ket share in revenues of the $6.5 billion personal computer market increased to 3.7% in the first six months of 1986 from 2.5% in 1985, but unit sales and revenues crashed in April, 1986. AT&T's share of unit sales for the month dropped to 2.1% and revenues to 1.8% from a steady 5.1% for both in the first quarter, she says.

Convergent Technologies, the San Jose, Cal.-based supplier for AT&T's Information Systems division, reported in May, 1986, that computer shipments to AT&T declined 30% in the second quarter and will fall even more through yearend. Analysts say it is further evidence that AT&T's non-IBM compatible UNIX computer has flopped in the marketplace.

"AT&T isn't doing well in computers, but who is?" says Dean Witter's Mr. Pafumi, who faults AT&T for not acquiring small computer makers to buy market share. "The problem with AT&T is their own pigheadedness that they can do it better by themselves," he says.

Measured media for AT&T computer systems totaled $14.9 million, 92% of which was for network tv, 8% magazine. Introduction of the PC 6300 accounted for an additional $1.6 million in measured media in 1985. Measured spending on computers dropped 24% from 1984.

DMW's Mr. Close says AT&T is making a resurgence in business and consumer products for information movement and management, and it will come on strong in late 1986 and early 1987. Although AT&T was late to market with its central office switch, losing millions in sales to Northern Telecom, the U.S.-based subsidiary of the Canadian telecommunications equipment manufacturer, and AT&T took a beating in the early 1980s on PBX systems, AT&T's new switching systems are selling so well the company recently had backlogs on spare parts.

But even in the market for large switching systems, AT&T is increasingly being challenged. Martin Marietta Corp. in late July formed a coalition with Northern Telecom and the seven RBOCs in a bid to win the $4.5 billion, 10-year Federal Telecommunications System 2000 contract from the federal government. AT&T holds the current contract. The General Services Administration announced in February, 1985, that it was looking for a new system, which provides telecommunications service to 1.3 million federal telephone users in 50 states.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$88,137	$79,830
Newspaper	57,210	58,200
Newsp. supp.	4,990	2,874
Bus. pubs.	18,580	3,119
Network tv	167,728	253,117
Spot tv	29,700	17,236
Network radio	24,853	16,344
Spot radio	7,362	5,681
Outdoor	126	44
Network cable	3,696	3,457
Total measured	402,380	439,901
Unmeasured	118,938	130,028
Total	521,318	569,930

AMERICAN TELEPHONE & TELEGRAPH CO.
195 Broadway
New York, N.Y. 10007
(212) 644-1000
Corporate Personnel

J.R. Byrne, dist mgr
J.D. Speros, dist mgr
L.B. Urben, dist mgr
A.M. Winters, dist mgr
J.L. Brunson, corp vp

Marketing Personnel

R.W. Watson, corp media dir
R.J. Martin, corp adv mgr
R.Z. Manna, corp adv mgr

Advertising Agencies

N W Ayer, New York—Tom Maxey, exec vp; Hap Stoner, sr vp; Jack Quigley, vp-acct super; Ted Kolota, Austin Patrick, sr acct execs; Peggy Gordon, acct super; Nancy Ryan, acct exec.

UniWorld Group, New York—corp adv directed to minorities—Linda Dukette, vp-acct super; Herman Morales, sr vp-genl mgr.

AT&T COMMUNICATIONS

Marketing Personnel

Kim Armstrong, adv dir

Advertising Agencies

N W Ayer, New York—residence, AT&T long distance, certificates, residential calling —Fred McClafferty, sr vp.

McCann-Erickson, New York—business services—Tom Driscoll, sr vp.

Young & Rubicam, New York—intl business & residence, public sector card caller & calling card—Mort Lowenstein, sr vp.

AT&T TECHNOLOGIES

Marketing Personnel

Mike Neavill, adv mgr

Advertising Agency

Foote, Cone & Belding, New York—network systems, electronic components, federal assistance—Abe Jones, president-ceo; Jim Bernegger, vp-mgmt dir; Gary Bahl, vp; Fidel Plantilla, vp-acct dir; Pat Prugno, acct exec.

AT&T INFORMATION SYSTEMS

Marketing Personnel

Richard Draper, adv dir

Advertising Agency

Ogilvy & Mather, New York—Kelly O'Dea, sr vp; Cynthia Round, Gary Gigot, vps-mgmt supers; Mary Gael Senko, Doreen Yat, McKelden Smith, vps-acct supers; Martha Gibson, acct super.

AT&T CONSUMER PRODUCTS

Marketing Personnel

Lee Blitch, adv mgr

Advertising Agency

N W Ayer, New York—Ruth Salevouris, sr vp; Lee Rubin, Dick May, vps-mgmt supers; Jack Rahyer, Linda Stack, Alison Danis, acct supers-sales & lease of prods to consumers, PhoneCenter Stores.

RANK **81**

AMR Corp.

Dallas

($ in millions)

Worldwide	1985	1984	% chg
Sales	6,131	5,354	14.5
Net income	348	234	47.8
U.S. advertising	105	95	11.0
Division sales	**1985**	**1984**	**% chg**
Passenger	4,986	4,336	15.0
Other	1,145	1,018	12.5

AMR Corp. maintained the same advertising spending levels in 1985 as the previous years while recording substantial improvement in virtually all financial returns, especially from its principal subsidiary, American Airlines.

American Airlines reported revenue passenger miles of 44.1 billion, up 20.3% from the previous year, and a passenger load factor of 64.6%, up 2.0% from 1984. At the same time, American was able to reduce its operating expenses per available seat mile to 7.83 cents from 8.09 cents.

American remained the nation's second largest airline, behind only United Airlines. American's market share hovered around 11.6%, compared with United's 13.6%.

However if Texas Air (No. 7 with about 3.5%) acquires Eastern Air Lines (No. 3 with about 11%) it would drop the parent companies of United and American to No. 2 and No. 3 among airline companies. Texas Air is currently comprised of Continental Airlines and New York Air.

AMR chairman and president Robert L. Crandall attributed 1985's performance to continued efforts to lower the company's costs while maximizing productivity of all AMR units. Figures for 1985 also were affected positively by the swell of traffic that came to American Airlines during a second-quarter strike against United. An indication of that crossover effect was the financial performance of the airline during the second quarter ended June 30, 1986. AMR reported net earnings of $128.2 million on total operating revenues of $1.5 billion for the period, a drop of 26.3% in earnings on revenues that fell 10.1%, compared with the previous year's second quarter.

First-half net earnings were $132.4 million, down 43.5% from the first half of 1985. Total operating revenues in the first half were $2.9 billion, down 3.5% from the comparable 1985 period. Over-all operating income for the first half, though, fell 62.3% to $138.5 million, reflecting continued competitive pressures in the industry.

During the first half, American's available seat miles grew 10.5% over the year-earlier period, but the load factor dropped 1.1 percentage points to 66.1%. Thomas G. Plaskett, American's senior vp-marketing, attributed the decline in traffic to year-to-year comparisons artificially exaggerated by the impact of the strike against United.

According to First Boston Corp., American Airlines was one of only two airlines to make a net income gain the first quarter of 1986 (Continental was the other), and American and Western Airlines were the only two carriers reporting a first-quarter operating profit.

AMR Corp., in January, 1986, sold its Flagship International Inc. subsidiary, which operates the Sky Chefs foodservice unit, to Onex Capital Corp., Toronto. Terms were not disclosed. Also, the company, in June, 1986, sold its AMR Energy Corp. subsidiary to a wholly owned subsidiary of Total Petroleum Ltd. Terms of that transaction were not disclosed.

On Jan. 1, 1986, AMR formed American Airlines Direct Marketing Corp. as a subsidiary of the airline. The new unit was projected to have 1986 revenues of about $50 million derived from the company's telemarketing and direct mail operations. Divisions within the subsidiary include American Airlines Telemarketing Services and American Traveler Merchandising. The latter publishes American's inflight catalog and is developing other direct mail programs.

AMR formed AMR Information Services Corp. in April, 1986, to oversee the company's expansion and acquisitions in the information processing field. The heart of the new subsidiary is the company's SABRE computer system. The new subsidiary signed a five-year contract in July, 1986, to provide a computerized reservations system for Dallas-based Southwest Airlines and its subsidiary, TranStar Airlines, beginning in the fall.

AA Magazine Publications, a newly organized unit of American Airlines, shifted responsibility for ad sales of *American Way* inflight magazine to a new in-house sales organization (as of Sept. 21, 1986). Previously, ad sales were handled by Communications International. The new publishing division in March began publication of Private Clubs, a 200,000-circulation magazine for members of the nearly 200 private clubs operated by Club Corporation of America.

During 1985, American Airlines introduced an ad campaign targeted to business travelers whose business comprises the bulk of American's revenues. Creative was by Bozell, Jacobs, Kenyon & Eckhardt/Southwest, Dallas.

After the campaign broke in the fall of 1985, 15.4% of consumers, when asked to name the first airline advertising to come to mind from the previous month, named American's ads. The campaign led Advertising Age's monthly adWatch survey in October, 1985.

American added new print ads and tv spots in July, 1986, extending the emotionally oriented business campaign.

American, in October, 1985, named Doyle Dane Bernbach, New York, to handle its estimated $2 million-plus international account previously at TBWA, New York, and Woodyer, Hudson & Chapman, London.

The airline in early 1985 extended membership in its AAdvantage frequent-flier program to senior citizens through the Senior Savers Club. Membership offers a 10% discount on any American fare, plus additional benefits.

Direct marketing for AAdvantage, formerly handled in-house, was assigned to Young & Rubicam's Wunderman, Ricotta & Kline subsidiary, New York.

While AMR was diversifying to boost productivity and profits in 1985 and 1986, the company announced three new hubs—Nashville, Raleigh/Durham and San Juan—to add more than 20 cities to American's route system and as many as 346 daily departures. American continued its expansion at Dallas-Fort Worth Airport and at Chicago's O'Hare. The Nashville hub opened in 1986; the Raleigh/Durham and San Juan hubs are set to open in 1987.

American Eagle, the franchise arrangement between American and certain commuter airlines, completed its first year during 1985 with five carriers operating 482 daily departures to more than 53 destinations. Three additional carriers were set to join the American Eagle network by mid-1986.

American's SABRE computerized reservations system assumed a new role with introduction of a program for linking the system to home computers. Telemarketing activities, stemming from the availability of SABRE computer time, contributed $29 million in revenues in 1985, $4.7 million more than in the previous year.

To sustain the announced route expansion, American purchased 23 McDonnell Douglas Super 80s in 1985. Subsequently, American exercised options on 20 more of the aircraft. The airline took delivery of five new Boeing 767s and refurbished 120 existing aircraft.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$2,717	$4,077
Newspaper	19,534	13,496
Bus. pubs.	723	696
Network tv	23,008	22,273
Spot tv	16,281	16,632
Network radio	461	0
Spot radio	14,217	11,994
Outdoor	80	341
Network cable	190	20
Total measured	77,210	69,529
Unmeasured	28,202	25,396
Total	105,412	94,925

AMR CORP.
P.O. Box 61616
Dallas-Fort Worth Airport,
Tex. 75261
(817) 355-1234
Marketing Personnel

Thomas G. Plaskett, sr vp-mktg
Michael W. Gunn, sr vp-passenger mktg
Ann W. Smits, asst vp-adv

Advertising Agencies

Bozell, Jacobs, Kenyon & Eckhardt/Southwest, Dallas—domestic passenger & freight—Paul Gold, exec vp-dir client services; Thomas Hooke, sr vp-group acct dir; George E. Landis, vp-acct super.

Bozell, Jacobs, Kenyon & Eckhardt—Canadian adv—Charles M. King, exec vp-sr acct super.

Doyle Dane Bernbach (Omnicom), New York—European adv—Dennis P. Byrnes, sr vp; Tony Hagar, vp.

Premier Maldonado & Associates—Caribbean & domestic Hispanic adv—Franco Sotomayor Jr., president; Jaime Ramirez, acct exec.

RANK **10**

Anheuser-Busch Cos.

St. Louis

($ in millions)

Worldwide	1985	1984	% chg
Sales	7,683	7,158	7.3
Net income	444	392	13.3
U.S. advertising	523	507	3.0
Division sales	**1985**	**1984**	**% chg**
Beer, beer-related	5,413	5,002	8.2
Food products	1,416	1,344	5.4
Divers. operations	190	170	11.8

Anheuser-Busch Cos. refused to rest on its laurels in 1985. Despite a comfortable—and growing—lead over its competitors, A-B made a number of significant moves, adding new beer brands, expanding into new beverage categories and changing advertising

Perspectives from an ANA director

A speakers bureau could be beneficial

Kim McIver Armstrong, director of Long Distance and International Advertising for AT&T Communications, says she has observed more emphasis by the Assn. of National Advertisers on business-to-business advertising. She also believes the association has a more active voice in general on advertising issues. She recommends that an ANA speakers bureau be formed.

Ms. Armstrong, who is a member of the ANA executive committee and the advertising management standing committee, says, "Traditionally, ANA had the reputation of a consumer organization. In recent years, an effort has been made to put greater emphasis on business-to-business advertising. I think we have made wonderful progress and will continue to.

"One important goal of the group is to be an active voice on behalf of the advertiser point of view. We act as a source, a network on evolving issues .... With the pressures advertisers are feeling today, we must draw on every source we have. We are concerned with maintaining the quality of seminars and workshops. We are very interested in taking an active role in matters of legislation on behalf of client-advertisers."

On the issue of more companies bringing media-buying in-house, Ms. Armstrong says, "While we don't contemplate such a move here at AT&T, from the ANA standpoint, I think it [ANA] can act as a catalyst to introspection and can assemble case histories and offer information on the pitfalls and benefits [for those contemplating such a move]."

She says that while the ANA plays an important educational and informational role, "One thing we have not done that might be helpful is to have a speakers bureau. Around the country, people with experience could be made available."

Kim McIver Armstrong
AT&T Communications

In terms of the increased diversion of traditional media dollars into nonmedia promotions, co-ops and trade deals, the Michigan State University graduate says, "I think the pressures on advertising as a result of changing business conditions are causing us to take different kinds of risks. The days are long over that threw advertising dollars at a problem to solve it. There are lots of implications. I think advertisers are looking for ways to do things more efficiently and effectively. We're all scrambling."

She says she has noted the increased segmentation of marketing and regional targeting.

"It's certainly true in my field. Overall, we are not doing things the same way we once did. We are using nontraditional approaches. In earlier times, pressures were not as severe on profits. There was more time to experiment. Now the pressures on businesses are causing a shorter rollout time."

Ms. Armstrong is volunteer coordinator of the Advertising Council campaign on Understanding Mental Illness and serves on the Board of Directors of the Ad Council and the International Advertising Assn. Also, she is a member of the advisory board for the Children's Express, the national children's news organization.

strategies and agency assignments for several existing products.

Beer and beer-related products continue to account for more than two-thirds of A-B's sales, reporting net sales of $5.412 billion in 1985, or 77% of consolidated net sales of $7 billion. A-B barrelage sales increased 6.3% to 68 million bbls. in 1985 from 64 million the previous year, while the domestic brewing industry as a whole was up less than 1%.

With beer consumption flat, A-B's barrelage growth has come primarily at the expense of competitors. The company estimates it accounted for 36.6% of domestic beer sales in 1985, a gain of two percentage points over its 1984 share, and has set a corporate goal of attaining a 40% share by the end of the decade. No one in the brewing industry is inclined to bet against its achieving that mark. A-B's closest rival, Milwaukee-based Miller Brewing Co. unit of Philip Morris, reported sales of 37 million bbls., down from 37.5 million in 1984. Miller's second-ranking market share remained at about 20%.

New-product introductions and expansion into nonbeer categories helped buoy A-B's over-all sales, but the company also worked to ensure that its core brands maintained or improved their sales levels.

Few single products are as important to any multibrand giant as Budweiser is to A-B. More than 45 million bbls. of Budweiser were sold in 1985, making it more than just the largest-selling U.S. beer. Bud accounted for two-thirds of A-B's beer production and about one-fourth of the domestic beer market. Bud's sales are almost equal to the barrelage sales of No. 2 brand Miller Lite, No. 3 Miller High Life, No. 4 Coors and No. 8 Coors Light.

A-B has been unwilling to tinker too dramatically with its marketing strategy for Budweiser, but has fine tuned a positioning that has worked well. In a reworking of its advertising's tradition of "saluting" the nation's work force, Budweiser's ad theme was changed to "You make America work, and this Bud's for you" from "For all you do, this Bud's for you." That may seem a minor change, but for a brand as successful as Budweiser, any changes become significant.

Measured-media advertising and promotional spending for Budweiser topped $80 million in 1985, maintaining the brand's distinction as the most heavily advertised beer in the U.S. Bud also accounted for 25% of total A-B measured advertising of $315.3 million.

The bulk of Budweiser tv advertising time continues to be bought during sporting events. To that end, the brewer in 1985 signed a new five-year sponsorship agreement with sports cable network ESPN. A-B spent $16.4 million on cable tv advertising in 1985, much of it on ESPN.

One of A-B's more innovative buys came during the 1986 World Cup soccer championship that NBC broadcast live from Mexico. Recognizing that play rarely is stopped during a soccer match, A-B arranged for the Budweiser logo and label to frame the tv picture for 30-second periods rather than break away from the action. A-B reportedly is seeking similar sponsorships during other sports broadcasts.

Bud Light, introduced as Budweiser Light in 1981, continued to show strong sales growth, increasing to an estimated 5 million bbls. in 1985 from 4.2 million the previous year. That increase came despite a nearly 15% reduction in measured ad spending for the brand from $56 million in 1984 to $47.7 million.

Bud Light has been helped by the over-all growth of the light-beer segment and by the popularity of the "Gimme a light . . . No, Bud Light" campaign from Needham Harper Worldwide, Chicago. Initially planned as a short-term campaign to boost on-premise bar calls for the brand, the campaign now has become the brand's signature.

Michelob, A-B's second-best seller, did not fare as well as Bud in 1985, and the brewer has made more substantial marketing changes. Michelob barrelage dropped nearly 5% to an estimated 6 million bbls. from 6.3 million in 1984. That sales slide has continued since the brand peaked at 7.5 million bbls. in 1981, and it mirrors the declining share of the U.S. beer market held by superpremium (priced above premiums such as Budweiser) brands. Sales of Michelob and other superpremiums have been hurt by the rising popularity of imported beers. Michelob Light, however, has managed to keep its sales steady at about 2.5 million bbls. for the past few years.

In July, 1984, A-B had split the Michelob/Michelob Light advertising assignment, previously consolidated at D'Arcy Masius Benton & Bowles, St. Louis. Michelob and Michelob Classic Dark (put into national distribution in 1985) were given to Ted Bates Advertising/New York; Michelob Light went to Needham, Chicago. Bates' campaign, themed "Where you're going it's Michelob" and unabashedly targeting young, upwardly mobile men and women, immediately was assailed by many in the ad community as the "ultimate yuppie appeal." Worse, it failed to slow erosion of Michelob's sales.

In November, 1985, A-B once again began reviewing the account. All three parts of the account were reunited at a single agency—Needham—in June, 1986. Needham's initial creative, which it presented during the review, uses the theme "The night belongs to Michelob" and the music and voice of British singer Phil Collins.

Measured-media spending for the superpremium line was $38 million for Michelob (up slightly from $35.5 million in 1984); $25 million for Michelob Light, and $3.9 million for Michelob Dark (compared with only $325,000 the previous year).

A-B's popular-price brands, Busch and Natural Light, continued to provide strong backup support for Budweiser and Bud Light and continued to grow. Busch especially strengthened its position, with sales rising 15% to an estimated 5.3 million bbls. from 4.6 million in 1984, putting it among the top 10 domestic brands.

While A-B has worked hard to promote Bud Light as an on-premise brand, Natural Light continues to be positioned as the choice for at-home consumption. Natural Light barrelage was about 1.7 million bbls. in 1985, up slightly from 1984's estimated 1.6 million.

Low-alcohol beers continue to draw limited interest from the beer-drinking public, but A-B has not given up on its entry, L.A. A-B shocked the brewing industry by spending $23.7 million on introductory advertising for the brand in 1984. Last year that budget was reduced to $17.2 million, still a high figure for a brand with sales analysts' estimate at only 400,000 bbls. The apparent strategy is to ensure that L.A. maintains its status as the leading domestic low-alcohol brand should that category ever catch on.

To oversee purchase of national broadcast media time for all Anheuser-Busch brands, the company in November, 1985, formed a new subsidiary, the Busch Media Group. It handles network tv and network radio buying, an assignment previously handled by national agency of record DMB&B, which retains responsibility for buying all local radio, local broadcast sports sponsorships, corporate print, stadium signage and outdoor advertising.

That subsidiary's role will gain in importance as A-B expands nationally with the various new products in its brand stable. In addition to Michelob Classic Dark beer, the brewer in 1985 also moved its King Cobra malt liquor into national distribution.

King Cobra represents A-B's return to the malt liquor category, which it left in the late 1970s after the failure of Budweiser Malt Liquor. Advertising for King Cobra is handled by the J.P. Martin agency, a black-owned shop in New York. Measured-media spending in 1985 was about $1 million.

Two other areas—snack foods and wine—in which A-B has maintained a low-profile interest for several years moved more outfront in 1985. The Eagle Snacks line, begun as a tavern complement to A-B beers, began to move into national distribution. Eagle honey roasted nuts became the first to receive network tv support. In total, A-B spent $3.9 million in measured-media advertising for the line and has begun test-marketing the snacks in Canada and Japan.

Over the past two years, A-B has been expanding distribution of its Master Cellar wines, which it sells only in taverns. By mid-1986, the line was available in 38 states in all areas of the country.

A-B also has become a serious player in the wine cooler market. Its first entry was Baybry's champagne cooler, a champagne-based beverage introduced into West Coast test markets in November, 1985.

The product's sales have been disappointing, and it has not been expanded to additional markets. Company officials admit that Baybry's higher price —about $5.50 for a four-bottle pack— has hindered trial.

A second entry may meet with more success. Dewey Stevens Premium Light, introduced in June, 1986, is wine based like most other coolers and carries a competitive price.

As a point of difference, Dewey Stevens is being promoted as having one-third fewer calories than other major brands (it also has less alcohol, although that difference is not being highlighted). A-B expected to have the product in all major markets by summer's end.

Responsibility for wines and wine coolers has been given to a new operating unit, Anheuser-Busch Beverage Group, which now directs marketing for all beverages other than beers.

That also includes bottled water, a market in which A-B is determined to become a major factor. In November, 1985, the brewer acquired Saratoga Springs, N.Y.-based Saratoga Springs Co., which sells bottled mineral water on the East Coast. Four months later, A-B moved to the other coast, buying Santa Rosa, Cal.-based Sanie Mineral Waters. Ad responsibility for both brands was given to Bloom Agency, Dallas, which also handles both cooler products.

A-B also hired San Francisco-based agency Hal Riney & Partners away from G. Heileman Brewing Co. to handle new products and corporate advertising.

Being the nation's largest beer producer is not enough. A-B also wants to become a major beer importer. Its first import deal, signed in late 1985, brought it U.S. rights for Danish Carlsberg beer and Elephant malt liquor, and the company is believed to be seeking additional import agreements.

A-B also has focused corporate attention on rejuvenating Campbell Taggart, the Dallas-based diversified food-products company it acquired in 1982. Net sales for the company's food-products division, of which CT is the largest part, were $1.416 billion in 1985, up 5.4% from 1984.

New products were added in CT's bakery division, which accounted for 72% of the subsidiary's sales. These included the Family Recipes bread line, the Sandwich Croissant line (under the regional Rainbo, Colonial and Kilpatrick's labels), Brown and Serve French bread (under the International Hearth and Earth Grains labels) and Roman Meal Light breads.

CT last year reintroduced a reformulated line of frozen Mexican foods under its El Charrito brand, comprising 25 different items.

Measured-media spending for brands in the food-products division was $1.3 million for the Earth Grains line, $1.7 million for El Charrito, $750,000 for Rainbo bakery items and $224,000 for the Grant's Farm line.

A new element in the diversified-operations division was Seattle-based Exploration Cruise Lines, acquired by Busch Entertainment Corp. in 1985.

BEC's theme parks reported increased revenues for 1985. Attendance at Busch Gardens (The Old Country) in Williamsburg, Va., was up 4.5% to 2.05 million. The number of visitors to Busch Gardens (The Dark Continent) in Tampa, Fla., was up slightly at 2.9 million. At the Sesame Place children's park outside Philadelphia, attendance rose 2.1%.

An attendance record of 2.6 million (300,000 above the previous high) was set by A-B-owned St. Louis Cardinals National Baseball Club, which represented the National League in the 1985 World Series. It was defeated four games to three by cross-state rival Kansas City Royals.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$13,956	$7,536
Newspaper	5,611	6,868
Newsp. supp.	327	0
Bus. pubs.	724	287
Network tv	154,503	166,416
Spot tv	70,747	60,070
Network radio	8,929	6,231
Spot radio	39,713	38,288
Outdoor	5,105	5,514
Network cable	16,395	15,478
Total measured	316,011	306,605
Unmeasured	206,889	200,786
Total	$522,900	507,474

ANHEUSER-BUSCH COS.
One Memorial Dr.
St. Louis, Mo. 63102
(314) 577-2000
Corporate Personnel
Michael Roarty, exec vp
Marketing Personnel
Jack McDonough, vp-brand mgmt
Charles Fruit, vp-coo, Busch Media Group
Jerry Solomon, vp-genl mgr, Busch Media Group
T. Michael Carpenter, group vp, A—B Beverage Group
Michael LaMonica, vp-mktg staff
Brian Smith, vp-mktg, Busch Entertainment Corp
Thomas Sharbaugh, group mktg mgr, Budweiser, Bud Light, LA, Carlsberg, Elephant
David Drew, group mktg mgr, Michelob, Michelob Light, Michelob Classic Dark
David Morris, group mktg mgr, Busch, Natural Light
Robert Merz, sr prod mgr, Budweiser
Bob Goughenour, sr prod mgr, Bud Light
Joseph Corcoran, sr prod mgr, Busch
Robert Gunthner, sr prod mgr, LA, Natural Light
Albert Cummings, sr prod mgr, King Cobra
Tom Barton, mgr-sports production
Joseph Castellano, sr mgr-sports mktg
Advertising Agencies
Bloom Agency, Dallas—Dewey Stevens, Baybry's, Saratoga, Sante, Campbell Taggart —Alan Armstrong, vp-mgmt super-Dewey Stevens, Baybry's; Beth Mack, vp-Saratoga, Sante waters; Malcolm Dykes, vp-mgmt super, Campbell Taggart.
Castor Spanish International, New York —Hispanic mktg—Castor A. Fernandez, president-creative dir.
D'Arcy Masius Benton & Bowles, St. Louis—Budweiser beer, LA beer, Natural Light beer, corp adv—Jack Bruemmer, exec vp-mgmt super; Todd S. Abrams, sr vp-acct group dir; James Mayfield, sr vp-dir regional mktg.
J.P. Martin Associates, New York—King Cobra malt liquor—Joel P. Martin, president-creative dir.
Needham Harper Worldwide, Chicago—Bud Light beer, Busch beer, Michelob/Michelob Light/Michelob Classic Dark beers, Busch Entertainment Corp., new prods—Don Richards, mgmt rep, A—B; Ronald Bess, group acct dir; Mike Kearns, acct super-Bud Light; Robert Lachky, acct super-Busch; Peter Kuntz, acct dir-Michelob; Ralph Kurek, acct super-A-B field mktg; Brian Goodall, mgmt rep, Busch Entertainment.
Hal Riney & Partners, San Francisco and Chicago—new prods, corp adv—Hal Riney, president.
TBWA, New York—Eagle snacks, Carlsberg, Elephant beer—John Doman, exec vp-mgmt super.

A-B defends advertising

A ban on broadcast advertising of beer and wine proposed by some groups before Congress drew this response from Anheuser-Busch: A ban stigmatizes the product, implying even responsible use is somehow wrong; no scientific evidence links advertising with abuse; ad bans in others countries have not discouraged abuse; the brewing industry has seen per capita consumption actually decrease since 1981 despite increased ad outlays.

Top 25 magazine advertisers

Rank	Advertiser	Magazine pub. ad expenditures 1985	1984	% chng	as % of co.'s 1985 ad total
1	Philip Morris Cos.	$215,038	$188,619	14.0	15.4
2	RJR/Nabisco	164,137	204,885	(19.9)	15.0
3	Ford Motor Co.	114,739	97,101	18.2	18.7
4	General Motors Corp.	107,524	98,486	9.2	13.8
5	Procter & Gamble	93,144	65,319	42.6	5.8
6	American Telephone & Telegraph Co.	88,137	79,830	10.4	16.9
7	Chrysler Corp.	73,579	62,681	17.4	18.7
8	CBS Inc.	60,405	47,378	27.5	29.0
9	GE/RCA	55,288	52,865	4.6	14.8
10	International Business Machines Corp.	52,535	63,098	(16.7)	16.0
11	Time Inc.	43,460	39,599	9.7	27.8
12	Beatrice Cos.	43,113	42,389	1.7	6.3
13	U.S. Government	37,651	40,043	(6.0)	14.5
14	Loews Corp.	36,007	49,255	(26.9)	22.9
15	Volkswagen of America	35,920	31,252	14.9	29.2
16	Dart & Kraft	35,723	33,627	6.2	7.3
17	American Brands	35,025	32,683	7.2	21.9
18	Capital Cities/ABC	34,898	34,092	2.4	48.3
19	American Express Co.	33,467	20,604	62.4	19.7
20	E.I. du Pont de Nemours & Co.	32,061	27,430	16.9	28.6
21	Grand Metropolitan plc	30,052	28,752	4.5	17.0
22	Jos. E. Seagram & Sons	29,685	36,109	(17.8)	26.9
23	Johnson & Johnson	29,419	31,424	(6.4)	7.3
24	Bristol-Myers Co.	28,435	32,624	(12.8)	8.3
25	Sara Lee Corp.	27,960	20,368	37.2	9.8

Source: Publishers Information Bureau as reported by Leading National Advertisers.

RANK **94**

Apple Computer

Cupertino, Cal.

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,918	1,516	26.5
Net income	61	64	(4.7)
U.S.	**1985**	**1984**	**% chg**
Sales	1,420	1,109	28.0
Operating profits	66	42	57.7
Advertising	84	134	(37.3)

Apple Computer, which experienced its most difficult year in 1985, has shifted its focus from high-profile marketing programs to internal reorganization, but while Apple cut back its advertising expenditures for the year, management is expected to step up the marketing effort in the second half of 1986.

Turmoil within the company began during the summer as it reorganized in an effort to offset the first loss in its corporate history. A power struggle evolved between co-founder and chairman Steven P. Jobs and president-ceo John Sculley, ending with Mr. Jobs leaving to found a new company, while Apple followed him with a lawsuit. Under Mr. Sculley, Apple cut some 1,500 people from its payroll and closed three manufacturing plants.

After the dust settled, Apple entered the current fiscal year with its most profitable quarter ever. Sales, however, slipped as the company searched for a new comprehensive marketing strategy for its Macintosh computer system.

Analysts see Apple maturing as it enters its second decade. Those associated with the "old Apple" sometimes refer to the current management as caretakers; Wall Street sees the once high-flying company as more responsible.

On the marketing front, the biggest change occurred last May, when, after a four-month review, Apple fired Chiat/Day, Los Angeles, and awarded its $50 million domestic account to BBDO, San Francisco/New York.

The move caught few people by surprise, and certainly not many within Chiat. Mr. Sculley's ties to the international powerhouse, now part of Omnicom, date to his tenure as president of Pepsi-Cola USA. BBDO successfully won almost all of Apple's international accounts, with the exception of Canada (handled by Scali, McCabe, Sloves) and Australia (Crystal Palace).

However, the account won by BBDO is just a shadow of the business Chiat once held. Apple hit its advertising peak in 1984. Beginning with its hit "1984" commercial on Super Bowl XVIII, Apple went on to spend an estimated $100 million advertising that year. With management concentrating on its profit margins, total ad spending dropped to about $65 million. For Apple's current fiscal year, the ad budget stands at just $38 million.

Apple's 1985 annual report included a series of fictitious interoffice memos, many dealing with Mr. Sculley's cost-cutting objectives. One memo addressed Apple's new-found ad objectives: "Reduce expensive network television advertising; increase less expensive and more targeted advertising, such as radio and local newspaper; support dealer advertising aimed at increasing store traffic."

Beginning the fourth quarter of last year, Apple shifted its advertising approach dramatically, moving from image-oriented programs to more direct campaigns designed to help sales on the retail level. For example, Apple marketing execs cited the company's high level of consumer awareness in its decision to pass up ad time during Super Bowl XX.

The effect of Mr. Sculley's belt-tightening measures became apparent in the beginning of its current fiscal year. For the first two quarters of fiscal 1986, Apple's sales fell 17% to $942.8 million from $1.13 billion in the comparable period a year earlier. Gross profit margins, however, improved from 40% to 53%, with net income of $88.7 million for the first six months of fiscal 1986 exceeding total profits in fiscal 1985.

Apple's improved margins, which should remain stable, now are taking a back seat to the company's efforts to perk up sales in a crowded industry. Unlike the marketers competing in the IBM arena, Apple has been able to protect itself from the "clones" by guarding its proprietary operating system. On the other hand, market leader International Business Machines is suffering from competition both from name brands, such as Compaq and Leading Edge, as well as from the so-called no-names, imported from the Far East and priced as low as $695.

Mr. Sculley addressed Apple's slipping sales last April in his quarterly meeting with Wall Street financial analysts. At that time, he said the company would increase its spending in marketing, sales and product development, but these efforts wouldn't begin to pay off until 1987.

Apple's ad spending should increase in the second half of the calendar year. The company has said it will introduce more new products in 1986 than in any other year in Apple's history. And new introductions are expensive. Apple's big ad spending jump in 1984, for example, was tied to the rollout of two machines: Macintosh and Apple IIc.

Apple is keeping tight security on its new product developments, even to the point of hiring a private investigation company to plug leaks from outside developers. Apple often shares its products under development with these independent companies to ensure that various hardware add-on products and software will be available soon after it introduces a new product. Despite strongly worded nondisclosure agreements between Apple and these third parties, word of impending new introductions is rarely withheld from the trade and general press.

Products expected to be introduced in the remainder of this year include a new machine in the Apple II family and a new Macintosh. The new Apple II unit is reportedly code-named SG, for sound and graphics, two capabilities both Atari and Commodore push heavily.

Within the Macintosh line, Apple has promised to release an "open" Mac, or a machine that a user can customize. IBM embraced the open system concept from its start in the personal computer business, but Apple resisted the move. Mr. Jobs is credited with the desire to keep customers out of the Mac's insides, preferring to offer more of an appliance that comes complete in the box.

Apple reached another milestone in 1986 when, for the first time, the Mac outsold the Apple II line. Long Apple's cash cow, the II line now is viewed as nearing obsolescence, although the huge library of software available for the machine continues to spur sales. The Apple II, offered as both the IIe and the newer IIc, remains strong in the home and education markets.

Growth in the computer industry, however, centers in the business arena and most major contenders are vying for a piece of that pie. Apple is no exception. Apple, though, no longer competes head-to-head against IBM by offering "the computer for the rest of us." Instead, it promotes the power of the machine as well as the ease with which novices can become proficient on the Mac.

But the Macintosh suffered from the lack of a cohesive marketing strategy for almost six months. Following the January, 1985, introduction of the Mac, Apple began a campaign using the theme "The Macintosh Office" to promote its strongest contender in the business marketplace. The concept failed, and Apple pulled the campaign just as it began its retrenchment. "The concept was fine," says advertising and sales promotion manager Bruce Mowery, "but there was a fundamental flaw: We didn't have the products in place to support the selling proposition."

The hottest new segment of the business market is personal computer-based publishing, called desktop publishing. Apple pioneered this concept of producing typeset quality documents with its Mac when it introduced the LaserWriter Plus and the Macintosh Plus in January, 1986. The LaserWriter, which in itself is the most powerful computer Apple markets, connected to the Mac potentially can save a company many times its price by eliminating outside printing costs.

Industry analysts are almost unanimously bullish about the future of desktop publishing, with some predicting that segment growing to $3.5 billion by 1990.

Also in an effort to limit some of the debilitating discounting of its computers, Apple cut 600 stores from its 2,600 outlet roster. Included in the cuts were 103 Sears Business Systems outlets. Apple said the stores it eliminated as authorized dealers contributed 10% of sales.

Apple also got backing from the 9th Circuit Court of Appeals in San Francisco for a clause in its dealer contracts that prohibits the dealer from selling by mail order. The intent of the clause was to promote only one-on-one selling and the service that implied. Several dealers had sued Apple in 1981 over the clause. The ruling underscored Apple's contention that a manufacturer has control over the distribution of its products. Any further appeals on the case would have to be heard by the U.S. Supreme Court.

Apple's direct support to its dealers reached a new high in its current fiscal year, mostly in the area of direct response advertising. Observers estimate Apple doubled its budget for direct response advertising to $10 million in the current fiscal year.

Its first major foray into direct mail occurred in late 1984 when it shipped 7.5 million pieces to potential Apple II customers, offering an instant credit line of $2,500. For the following year, Apple doubled the number to 15 million pieces.

In the educational segment, Apple mailed a promotion to 1.8 million teachers and professors last March. While in the business market, Apple is sending out an elaborate promotion (estimated to cost more than $1 per piece) to more than a million businesses. For the first half of 1986, Apple has launched at least 15 programs.

Krupp-Taylor, Marina del Rey, Cal., handles Apple's direct response advertising. Introduced to Apple by Chiat/Day in 1982, Krupp retained the account even after Apple shifted its domestic account to BBDO. Krupp recognizes the possible threat from BBDO, with its subsidiary BBDO/Direct, which is sure to attempt to woo that part of the business.

In measured media advertising, which dropped 38% to $52.3 million, the biggest dollar cut appeared in tv advertising, with network buys totalling $25.9 million compared with the 1984 total of $42.8 million. Apple's magazine ad expenditures suffered the biggest percentage drop, down 44% to $11.9 million from $21.5 million in 1984, when it was the sole sponsor of *Newsweek*'s election-week special edition in the first week of November, 1984.

By product line, Apple's emphasis shifted away from the Macintosh, with the majority of spending centering on the Apple II line. Measured expenditures for the II totaled $24.5 million, down 16% from 1984, while spending on the Mac registered $11.2 million, down 69% from $35.9 million the previous year, according to LNA.

Of the money spent to promote the Mac, Apple devoted almost 80%, or $8.9 million, to network tv, while magazine expenditures totaled $2.3 million. In the same two categories a year earlier, Apple spent $22.7 million and $10.9 million, respectively.

For the total 1985 U.S. microcomputer market, valued at $13.32 billion, Apple ranks second with 10.7%, down from 13.8% a year earlier, according to International Data Corp., Framingham, Mass. At the same time, market leader IBM expanded its share to 34.3%, compared with 28% in 1984. Other major players in the market, and their shares, include: Compaq, 5.9%; Hewlett-Packard, 4.7%; AT&T, 4%; Commodore, 3.2%; Tandy, 2.5%; Zenith, 2.3%; Wang, 2.3%, and Atari, 2.1%. All other competitors have less than a 2% share.

Apple lost share again in the much-coveted business segment of the market, valued at $8.79 billion in 1985, up 5.6% from the previous year. Apple now ranks fourth with a 4.4% share, down from 9% in 1984 and 19% in 1983.

Leader IBM maintained its 40% share in 1985, despite strong competition from the "clone" marketers. Also ahead of Apple in the business arena are Compaq with 8.4% of the market, and AT&T with 5.5%. The other major players, and their shares, are: Hewlett-Packard, 3.5%; Wang, 3.2%; Zenith, 2.8%, and Convergent Technologies, 2.0%.

Apple continues to dominate the educational market where it holds a commanding 54% share, well ahead of second-ranked Tandy's 23% share and IBM's 12%. In the home and hobbyist market, Apple ranks second with 21.4% of the market, behind market leader Commodore, which holds a 37.3% share.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$11,916	$21,468
Newspaper	8,139	8,027
Newsp. supp.	246	113
Bus. pubs.	1,557	1,353
Network tv	25,863	42,753
Spot tv	356	2,798
Network radio	254	0
Spot radio	5,170	8,382
Outdoor	69	17
Network cable	289	1,051
Total measured	53,859	85,962
Unmeasured	30,000	47,882
Total	83,859	133,844

APPLE COMPUTER
20525 Mariani Ave.
Cupertino, Cal. 95014
(408) 996-1010

Corporate Personnel

John Sculley, chmn of the board-president-ceo

Marketing Personnel

William V. Campbell, exec vp-sales & mktg
Bruce S. Mowery, adv & sales promo mgr
John Zeisler, business mktg mgr
Dave Cote, consumer mtkg mgr
Betsy Pace, K-12 education mktg mgr
Bud Colligan, university mktg mgr

Advertising Agencies

BBDO, San Francisco and New York—personal computers & peripherals—Peter Gilson, sr vp-group mgmt super; Martha Pease, vp-mgmt super; Lisa Schwimmer, Michael Baldwin, acct supers.

Krupp-Taylor, Marina del Rey, Cal.—direct response—Murray Bowes, exec vp.

RANK **44**

Batus Industries

Louisville, Ky.

($ in millions)

Worldwide	1985	1984	% chg
Sales	5,087	4,876	4.3
Net income	184	314	(47.8)
U.S. advertising	175	175	0.1
Division sales	**1985**	**1984**	**% chg**
Tobacco	2,273	2,264	0.4
Retail	2,178	3,374	(35.5)
Paper	638	572	11.7

Batus Inc. announced in January that it would sell six of its retailing businesses, including New York-based Gimbels Department Stores, or 40% of its U.S. retail business. By mid-July, agreements had been reached on the sale of 77 of 93 stores.

The divestiture is a result of low profits and incremental growth in recent years. Operating income from retailing rose only 2% in 1985 over the previous year, and only 0.9% in 1984 over 1983. As a result of the discontinued retail operations, Batus, the U.S. subsidiary of London-based B.A.T Industries plc, took a $150 million loss while recording $164 million in net income in 1985, a 47.8% decrease from 1984.

Batus decreased the amount it spent on magazine advertising in 1985 by about $13 million. However, it increased its spending on outdoor advertising by about $10 million, and slightly increased spending on newspaper and spot radio, to bring its total measured advertising outlays in line with 1984.

The largest share of Batus' advertising budget is allocated to its tobacco group, Brown & Williamson Tobacco Corp., which received $52.8 million in measured advertising for its tobacco products last year, down 10%, according to Leading National Advertisers. The expenditure counted for 54% of total measured ad spending at Batus.

B&W's share of the total domestic cigaret market increased in 1985 from 11.3% to 11.8%, due mostly to its 26.4% share of the popular price-value market. B&W is in second place in this segment of the market, behind leader GrandMet's Liggett & Myers Tobacco Co., Louisville, and slightly ahead of RJR/Nabisco.

With the introduction in 1985 of its Richland brand, B&W entered the value-for-money segment of the tobacco industry. Richland was B&W's first new product introduction since 1981. Richland offers smokers 25 cigarets for the same price as regular 20 packs. B&W spent more than $12.5 million on measured advertising for Richland in 1985, second only to its flagship brand, Kool.

The company scored a marketing coup in 1985 when it reached an agreement with Generic Products Co., Fort Worth, Tex., to make its GPC-approved cigarets. Richland and the generic labels were the major factors contributing to B&W's over-all share increase.

Although B&W's share of the total market increased in 1985—one of only three companies to post gains—the increase was not aided by the performance of B&W's full-priced brands. B&W's flagship, Kool, the fourth largest selling cigaret brand in the U.S., achieved a 6.7% market share last year, compared with a 7% share in 1984. The company increased measured spending 11.5% to $29 million to advertise the Kool line, mostly in magazines and outdoor advertising. Kool King Size 25s and Kool Milds 25s also were introduced in selected markets during 1985.

B&W's ultra-low tar cigaret, Barclay, which has less than 1% of the market, continued its market decline in 1985. As a result, B&W began testing a reformulated Barclay. Although the company says it hopes the new Barclay will be a success, it cut ad spending for the cigaret in half last year, to only $4.4 million.

The tobacco company overhauled its advertising agency lineup early this year, much as it did in 1984. B&W dropped Doyle Dane Bernbach as its agency for Kool and assigned creative responsibilities to Ogilvy & Mather, Chicago, which already handled media buying and planning for all B&W brands, including Kool.

In restructuring its retail operations, Batus hoped to concentrate on stores it believed had the greatest potential for growth and profitability. Saks Fifth Avenue, which B.A.T bought from the Gimbel family in 1973, saw increased operating income last year of 7% on sales that increased 6%.

Analysts say Saks has rebounded from a period when it failed to keep up with its major competitors in pricing and fashion. Saks opened a new store in San Antonio, Tex., in 1985 and opened replacement stores in Southampton, N.Y., and Palm Springs, Cal. The store also is renovating and modernizing its facilities. Batus spent nearly $1.5 million on measured advertising for Saks in 1985, down 35% from 1984.

Batus' Marshall Field's stores saw an improvement in sales of 8% and in operating profits of 6%. Measured ad spending remained relatively unchanged at $2.3 million. Marshall Field's is the major retailer in the Chicago area, where most of its 21 stores are located. Analysts say that until Batus bought Field's in 1982, the store had failed to compete with specialty

stores that had entered the Chicago market.

Batus set out to modernize its facilities and seek professional management, tasks that analysts say have been completed and are the key to the store's new success.

Batus is also retaining its Ivey's stores, in the Carolinas and Florida; its Breuners stores in Arizona, California and Nevada, and its Thimbles stores in the Midwest and the Northeast.

Batus' three Crescent stores, all in Spokane, Wash., and its 15 Frederick & Nelson stores, in Washington and Oregon, have been sold to a group of investors in Seattle. They will continue to operate as retail stores under their present names. Additionally, Batus' 39 Kohl's stores, all in the Midwest, have been sold and will continue to be operated as they are.

Of Gimbels' nine Midwest stores, five have been transfered to Marshall Field's. Batus is discussing the sale of the other four with possible buyers, according to a Batus spokesman. In Pittsburgh, four have been sold to May Department Stores and negotiations with buyers are under way for three units. Ten Gimbels stores in the East have been sold to Allied Stores Corp. and one to Associated Dry Goods. Eight others, including Gimbels' New York flagship, still are being negotiated.

Also as a part of Batus' retail restructuring, it announced that its chairman and chief executive, Arnold Aronson, would resign after a transition period. Also leaving would be M. Ronald Ruskin, Batus retail president.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$23,342	$36,216
Newspaper	28,425	25,317
Newsp. supp.	11,709	13,103
Spot tv	10,383	11,480
Spot radio	2,087	0
Outdoor	22,560	12,089
Network cable	0	91
Total measured	98,430	98,296
Unmeasured	77,000	76,903
Total	175,430	175,199

BATUS INC.
2000 Kleens Plaza
Louisville, Ky. 40202
(502) 581-8000
APPLETON PAPERS INC.
Appleton, Wis.
Corporate Personnel
John W. Turner, chmn-ceo
Dale H. Schumacker, president-coo
A. Sherman Frinak, exec admin asst to chmn
Marketing Personnel
Daniel W. McIntosh, vp-mktg & sales
Robert D. Seuss, dir-pr & corp communications
R.P. Sherrer, dir-mktg
Advertising Agencies
William Eisner & Associates, Hales Corner, Wis.—Tom Sarnaky, acct exec.
Yelton Design Co., Appleton, Wis.—Jeff Yelton, acct exec.

JOHN BREUNER CO.
San Ramon, Cal.
Corporate Personnel
Arnold Zetcher, chmn-ceo
Marketing Personnel
Jeannine Vaughan, dir-mktg
Georgene McDaniel, media dir
Advertising Agency
(In-house) Jeanine Vaughan, dir-adv.

BROWN & WILLIAMSON TOBACCO CO.
Louisville, Ky.
Marketing Personnel
Thomas E. Whitehair Jr., vp-corp mktg
Lincoln R. Lewis Jr., dir-established brands
Robert J. Miller, group prod dir
James L. Hendricks, group prod dir
Kenneth M. Burk, sr brand mgr
Carol L. Lomicka, brand mgr
Susan H. Trebilcock, brand mgr
Jane G. Curtis, brand assoc
Diane E. Seagle,brand assoc
M. Carrie Canavan, brand assoc
Lee D. Johnson, brand assoc
Gail Lyttle-Green, brand assoc
Frank L. Criss, merch materials mgr
Fran Canary, mgr-media services
Nancy S. Spriggs, mgr-promo services
Cathy L. Barlow, special promos mgr
Linda L. Greenwell, promo couponing super
Donna G. Fryman, coupon misredemption super
I. David MacDonald, dir-intl brands
John B. Judd, group prod dir
Nancy G. Naughton, brand mgr
Jan K. Tharaldson, brand mgr
Glenn D. Raphael, dir-mkt rsch
Jim F. Wilhelm, group rsch mgr
Larry E. Gravely, group rsch mgr
Robert J. Kopp, group forecasting mgr
Hal T. Hughes, mgr-industry analysis
Denise J. Anderson, brand assoc
Nick J. Wilkerson, brand assoc
Alice L. Kirby, sr analyst-forecasting
Bruce R. Pellett, sr mktg rsch analyst
Fran L. Wilke, mkt rsch analyst
Debbie A. Beatty, mkt rsch analyst
Carolyn B. Pugh, mkt rsch analyst
Bonnie L. McCafferty, dir-new prods
R. Dean Sharp, group prod dir
Paul S. Wessel, group prod dir
Nora E. Steinschulte, sr brand mgr
Suzanne D. Zolper, brand mgr
Karen J. Breitge, brand assoc
Rob D. Stowe, brand assoc
Robert M. Grimes, brand assoc
Lanny W. Butler, vp-sales
Charlie C. Middleton, dir-sales devel & admin
Glenn A. Korfhage, dir-trade devel
Advertising Agencies
Geer, DuBois, New York—Richland cigarets—Brian Sherwood, exec vp-acct mgr; Mike Garcia, vp-acct super; Sergie Kubarsky, acct exec.
Ogilvy & Mather, Chicago—Barclay, Kool (US and intl); Kim (US only); Kent, Lucky Strike (intl only); media planning and buying for all brands—Rod Parker, sr vp-mgmt super; Margo Conant, acct super.

IVEY'S CAROLINA
Charlotte, N.C.
Corporate Personnel
James H. Shaw, president-ceo
Marketing Personnel
Richard L. Schwab, sr vp-sales promo
Advertising Agency
(In-house)—Richard L. Schwab, sr vp-sales promo.

IVEY'S FLORIDA
Orlando, Fla.
Marketing Personnel
Mason Allen, sr vp-merch
Raymond Cole, sr vp-dir adv
Advertising Agency
(In-house)—Raymond Cole, sr vp-dir adv.

MARSHALL FIELD'S
Chicago, Ill.
Corporate Personnel
Philip B. Miller, ceo
Burnett Donoho, president
Marketing Personnel
Katharine Davis, vp-mktg
Christina Johnson, vp-direct response
Rick Wanetik, sales promo
Advertising Agency
(In-house) Creative Field's.

SAKS FIFTH AVENUE
New York, N.Y.
Marketing Personnel
Paul Le Blang, sr vp-dir mktg
Helen O'Hagan, vp-pr
William Berta, sr vp-sales promo & adv
Becky Wong, creative dir
Linda Gaunt, dir fashion publicity & pr mgr
Advertising Agency
(In-house)—Ross Bonanno, production mgr.

THIMBLES
New York
Corporate Personnel
Jay H. Baker, president-ceo
Marketing Personnel
Milton Beaver, vp-mktg & adv
Greg Costello, creative dir, visual adv
John Russoas, creative dir, copy
Joseph Kassa, media dir
Advertising Agency
(In-house).

Bayer AG

RANK **78**

Leverkusen, W. Germany

($ in millions)

Worldwide	1985	1984	% chg
Sales	15,782	14,788	6.7
Net income	432	480	(6.1)
U.S.	**1985**	**1984**	**% chg**
Sales	4,177	3,900	7.1
Operating profits	246	238	3.4
Advertising	108	106	2.3
Division sales	**1985**	**1984**	**% chg**
Polymers	2,798	2,598	7.7
Organic chemicals	2,269	2,100	8.0
Inorganic chems	3,030	2,887	4.8
Healthcare	2,294	2,154	6.5
Agrochemicals	2,371	2,252	5.3
Agfa-Gevaert	2,588	2,403	8.1

Bayer AG continued to fuel U.S. subsidiary, Miles Laboratories, with ad spending in support of Miles' leading brand Alka-Seltzer, which moved into the cardiovascular market after the Food & Drug Administration ruled that aspirin, a major ingredient in Alka-Seltzer, was a preventative for heart attacks.

Bayer also obtained limited use of its name as a brand name stateside following an agreement reached with Sterling Drug Co. allowing it to buy back partial rights to the Bayer trademark for $25 million. Sterling, New York, has held the rights to the Bayer name since World War I.

Although Sterling will continue to market its aspirin product under the Bayer name and symbol in North America, Bayer gained the right to use the name on industrial products and chemicals, as well as to bestow the name on its newly formed holding company in the U.S.

The holding company, Bayer USA, formed July 1, 1986, and based in Pittsburgh, encompasses Bayer's U.S. subsidiaries: Miles Laboratories, Mobay Corp., Agfa-Gevaert Inc. (which includes Compugraphic Corp.), Helena Chemical Co. and Haarman & Reimer Corp., and Deerfield Urethane. Konrad M. Weis is the president-ceo of Bayer USA. He previously served as chairman, ceo and president of Mobay.

Bayer's U.S. division contributed 23% of total sales of Bayer AG, or $4 billion, in accounting for the single largest regional contribution to corporate totals. Mobay contributed the most with sales of $1.6 billion, followed by Miles and its subsidiaries—$1.18 billion in sales, one-third of them from outside the U.S. Dollar conversions in this profile were made at the rate of $1=DM2.91 for 1985 and $1=DM2.79 for 1984.

Miles Laboratories, the Elkhart, Ind., subsidiary, is made up of six operating groups: Pharmaceutical, diagnostic products, hospital products, biotechnology products, consumer healthcare and household products. The latter two categories accounted for the major portion of Miles' ad expenditures.

The consumer healthcare sector is home to Miles' largest selling single product, Alka-Seltzer, which received nearly $20 million in measured media support, the highest of any consumer product line. On the market since 1931, Alka-Seltzer received professional labeling from the FDA decision made in October. The next month, Miles began promoting Alka-Seltzer to physicians for the new indication.

A new consumer campaign by McCann-Erickson, New York, bearing the theme line "Alka-Seltzer to the rescue" was introduced in November.

Alka-Seltzer Original was joined in November by a lemon-lime Flavored Alka-Seltzer line extension. Promoted as "A better tasting way to help you feel better," the Flavored Alka-Seltzer alternative seeks younger users and those who dislike the taste of the original product.

Bypassing the test market stage, Flavored Alka-Seltzer began national distribution after extensive consumer-panel testing. A four-tablet direct mail sampling program supplemented the advertising effort. After less than two months on the market, the flavored version of Alka-Seltzer recorded a 0.2% share of the antacid market in drugstores, according to Joseph Candrevo, special projects coordinator for Pipeline Research, which measures sales by manufacturers to drugstores. In addition to drugstores, Alka-Seltzer is heavily marketed in grocery and discount stores.

Two other Miles products appear in the $700-$800 million antacid category—Alka-Mints and Alka-Seltzer Gold, a nonaspirin product. Alka-Mints, which replaced the discontinued Alka-2, received $6 million in measured spending. With five products in the same category, Miles' presence accounts for a 7% over-all share of the antacid market, where over-all sales are considered to be flat.

The Alka-Seltzer franchise extends beyond antacids into the $1.1 billion cold-cough remedy segment, with its Alka-Seltzer Plus cold product. Alka-Seltzer Plus, the fastest-growing Miles product for the second year in a row, garnered a 6% share of the highly competitive category, backed by $12 million in ad spending. The category is led by Burroughs Wellcome's Actifed and Sudafed, whose combined share is 27.5%, and Richardson-Vicks' (Procter & Gamble) Nyquil, which holds a 10.9% share. The total Alka-Seltzer inventory of products received $37.4 million in advertising allotment.

Miles introduced in the second quarter of 1985 a multivitamin called Within, a reformulation of One-A-Day with Iron, to which calcium and extra iron have been added. Miles backed the introduction with nearly $5 million in ad spending. Within garnered a 3.2% share of sales to drugstores.

A sugar-free version of Bugs Bunny vitamins generated a 23% sales increase in its first full year on the market. A sugar-free version of Flintstones vitamins was introduced in the fourth quarter. The Miles children's vitamin duo leads the $80 million children's vitamin category. Both products received $7 million in advertising.

Biocal, Miles' entry in the calcium supplement market, recorded a 3.7% share, in a category dominated by Marion Laboratories' Os-Cal, which holds a 61.2% share to Biocal's 3.7% share, according to Mr. Candrevo. Biocal did not receive any measurable advertising support.

In Miles' household products segment, Glass Works was introduced in the $175 million U.S. glass cleaner market currently dominated by Drackett Co.'s Windex, which, after about 40 years on the market, holds a 58% share, and Texize's Glass-Plus product, which debuted in 1975. Glass Works, unlike its competitors, contains a vinegar-based formula, compared with the ammonia formulation of other brands. Doyle Dane Bernbach, New York, introduced the product in a comparative ad campaign in April, 1986.

Capitalizing on consumer familiarity with another Miles product, S.O.S cleaning pads, the S.O.S name has been flagged on Glass Works' packaging. Bypassing test-marketing, Glass Works went into national distribution after consumer-test panel reviews. Cents-off coupons in free-standing newspaper inserts and on S.O.S cleaning pads packaging supported the introduction of the product.

S.O.S cleaning pads, which dominate the scouring pad market in the U.S. and Canada, continued to increase market share in 1985, aided by a 30-pad box introduction for heavy consumption buyers. S.O.S oven cleaning pads maintained a market share of 7% to 8% in the $60 million oven-cleaning category. However, Miles strategy in the division focuses on new product development because scouring is on the decline as convenience items like microwave ovens and ceramic cookware proliferate.

Perspectives from an ANA director

Activity in Washington is a great asset

As chairman of the board of directors of the Assn. of National Advertisers, Herbert M. Baum, president of the U.S. division of Campbell Soup Co., says he has five major concerns:

- Development of a pro-active stance in Washington
- Resolution of membership eligibility and dues structure
- Improvement in advertising education programs
- Active involvement in the international advertising arena
- An increase in membership.

Mr. Baum, who is chair of the ANA membership committee and the executive committee and a member of the finance committee, says the Washington office of the ANA has become more important in recent times.

"We have become a more valuable asset because of our efforts on behalf of the First Amendment. We rallied to what the Washington office has been doing and we mobilized Washington representatives and major advertisers to work hard on every issue [that affects us], like the tax reform and disallowance proposals."

Mr. Baum lauds the work of the ANA committee that reworked the dues structure "to make us more effective." Also, he says he wants the association to continue to be an educational resource for members.

On the international scene, Mr. Baum notes that the entire ANA board attended the World Federation of Advertising meeting this year and new members may come from a global outreach.

Regarding other advertising trends, including the effect of agency megamergers and the potential for account conflicts, Mr. Baum says, "I'm kind of outspoken on this. I think what agencies do is their own business as long as it doesn't affect our business where there is a specific conflict. The individual parties have to work it out."

He gives the example of what happened at Campbell when Doyle Dane Bernbach and Needham Harper merged.

"One had Weight Watchers and the other Mrs. Paul's, considered to be competitors. Someone came to me and said we had to change agencies because of the conflict, and I said, 'Let Heinz change agencies.' It turns out those accounts weren't so competitive, after all. I take a liberal point of view, but other members of the ANA are vehemently opposed to [agency] linkups even if they're only across town."

Herbert M. Baum
Campbell Soup Co.

On the issue of the increased diversion of traditional media dollars into nonmedia promotions, for instance, Mr. Baum calls it the "beginning of the end for brand marketing."

"Promotion to me means incentives, coupons, lower costs. Media advertising is meant to build brands, meant to sell product attributes."

On the issue of shorter rollouts in new product development tests, Mr. Baum says, "There are two choices: To turn out very small laboratory-type tests so that the competition doesn't find out or to just go national. We do a lot with BehaviorScan, and we find that the competition rather than consumers ends up buying most of our test products."

Mr. Baum joined Campbell in 1978 as associate director of new products in the canned food division. After five months, he was promoted to director of marketing services and was subsequently elected corporate vp-marketing. Before joining Campbell, he was vp-account supervisor at Needham Harper & Steers and previously worked for Doyle Dane Bernbach and Stern, Walters & Simmons agencies.

Miles' pharmaceuticals division outpaced all other product groups, aided by a new product introduction in the first quarter of 1985. Mycelex G-500 mg, a single-dose prescription vaginal tablet to treat candidiasis, or yeast infection, encourages greater patient compliance than traditional three, seven or 14-day treatments.

Late in 1985, Miles received FDA approval to market its first cardiovascular product, Adalat (nifedipine). Adalat, used in the treatment of angina pectoris, is Miles' first compound in a new class of calcium antagonists, which were discovered by parent company Bayer AG. Until the end of 1985, nifedipine had been marketed under an exclusive license to Pfizer Inc., New York, in the U.S., whose brand name for the product is Procardia. It has been Pfizer's second largest selling prescription drug, with $219 million in sales in the U.S. last year. But when Pfizer's license expired at the end of last year, the way was paved for Miles to enter the category in January.

Adalat is the first of several cardiovascular products Miles hopes to market. The rest are either in the clinical stage or under review by the FDA.

Among restructuring moves, Miles Scientific has merged with the Ames Division to form the Diagnostics Group. More recently, Hospital Products was merged with Miles Pharmaceuticals into a unit that is called the Biological Division. The Bayvet animal healthcare division was transfered to another Bayer subsidiary, Mobay Corp., at the end of the year.

The Biotechnology Group acquired Biolac Inc., of Logan, Utah, for its Marschall Products division. Biolac manufactures and markets a pH control system, cultures and culture media for cheese makers. Agfa-Gevaert, Teterboro, N.J., another Bayer subsidiary that markets photographic films, magnetic tapes and tapes and videocassettes, had measured advertising totaling $314,300 last year.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$1,419	$2,144
Newspaper	0	105
Newsp. supp.	0	73
Bus. pubs.	2,044	2,906
Network tv	46,368	47,855
Spot tv	3,926	5,586
Network radio	5,572	874
Spot radio	1,076	361
Outdoor	111	103
Network cable	253	914
Farm pubs.	4,673	3,099
Total measured	65,441	63,989
Unmeasured	42,559	41,615
Total	108,000	105,604

Which advertisers are fueling the boom in outdoor advertising?

Turn to LNA for answers.
See page 93

MILES LABORATORIES
P.O. Box 40
Elkhart, Ind. 46515
(219) 264-8111

CONSUMER HEALTHCARE DIVISION
Marketing Personnel
R.G. Stoll, corp exec, vp & div president
W.T. Gildea, vp-mktg, new prods
M.B. Streicker, dir-media operations
J.W. Howell, vp-sales
Corporate Media Buying
Clifford A. Botway Inc., New York—network tv & radio buying—Clifford A. Botway, chmn; Edward Kohza, president.
Advertising Agencies
Boger, Martin, Fairchild & Co., Elkhart, Ind.—Miles overseas military, Miles trade adv—Robert B. Boger, president.
Conill Advertising Associates, New York—Hispanic adv—Fernando Garcia, acct super.
Kallir, Philips, Ross, New York—medical/professional adv—Bill Cronin, acct super; Lola Fiur, asst acct exec.
McCann-Erickson, New York—Alka-Seltzer, Alka-Mints, Flavored Alka-Seltzer—Michael Sennott, sr vp-mgmt rep.
Sieber & McIntyre, Chicago—medical/professional adv—Lee Heiman, group acct super.
Tatham-Laird & Kudner, Chicago—One-A-Day vitamins, Bactine antiseptic, Bugs Bunny & Flintstones vitamins—Bill Youngclaus, ceo.
Wells, Rich, Greene, New York—Alka-Seltzer Plus Cold Medicine—Kenneth Olshan, chmn, WRG Worldwide; Larry Polare, acct super; Marjorie Miller, asst acct exec.

HOUSEHOLD PRODUCTS DIVISION
Marketing Personnel
S.M. Reim, div president
H.G. Fitts, vp-mktg
M.N. Redlin, dir-new prods
R.R. Rowe, dir-U.S. sales
Advertising Agencies
Doyle Dane Bernbach, New York—S.O.S & S.O. Ezy soap pads, S.O.S oven cleaning pad, Glass Works—Rein Luik, exec vp; Lucille Cotugno, vp-mgmt super; Ira Grindlinger, acct super.
Tatham, Laird & Kudner, Chicago—Cutter insect repellent—Kirk R. Borland, sr partner; Ilene Block, acct super.

BIOTECHNOLOGY GROUP
Karl H. Voepel, corp exec vp

BIOTECH PRODUCTS DIVISION
Marketing Personnel
R.J. McGrath, president
H.C. Stalter, vp-mktg
E.L. Frey, dir-intl
J.C. Bakos, dir-intl mktg (citric/citrates)
N.D. Hupp, dir-intl mktg (enzymes)
F.W. Coglianese, dir-sales
Advertising Agency
Ash Advertising, Elkhart, Ind.—citric/industrial—J.B. Ash, president.

MARSHALL PRODUCTS DIVISION
Madison, Wis.
Marketing Personnel
V.W. Christensen, div president
K.J. Woldt, sales mgr, food & dairy prods
R.A. West, dir-mktg
D.G. Whitehead, sales mgr-agricultural prods
N.J. Wood, mktg mgr
F.N. Robison, dir-intl operations
Advertising Agency
Stephan & Brady, Madison, Wis.—Hugh Brady, ceo; Jack Ragel, president; George Whitely, vp; Matt Joyce, pr acct exec.

DIAGNOSTICS GROUP
Marketing Personnel
W. Wenninger, corp exec vp
A.D. Fiorillo, exec vp-mktg & sales
T.C. Christensen, vp-intl mktg & sales
A. DeBruin, vp-U.S. mktg & sales
J.J. Lavery, dir-U.S. sales
W.C. Rieger, dir-U.S. mktg
K.M. Murphy, mgr-mktg communications
Advertising Agency
Abelson-Taylor, Chicago—clinical/hospital prods—Dale Taylor, exec vp; Nick Kaufman, acct super.

PHARMACEUTICALS GROUP
Marketing Personnel
H.K.D. Wallrabe, corp exec vp

PHARMACEUTICAL DIVISION
M. Coffee, vp-mktg & sales
J. Patchen, group prod mgr, anti-infectives
V. English, group prod mgr, cerebro/cardiovasculars
Advertising Agencies
Carrafiello & Diehl Associates, Tarrytown, N.Y.—dermatologicals and cardiovasculars—C. Pattrick Mandarano, acct super.
Medicus-Intercon, New York—John Ibelli, vp.
Thomas Ferguson Associates, Parsippany, N.J.—Thomas Ferguson, president.

HOLLISTER/STIER DIVISION
Marketing Personnel
R.M. Galustian, group exec vp-head, allergy business unit
R. Yvars, dir-mktg & sales
E.T. Hamilton, natl sales mgr
C. Gursky, natl mktg mgr
Advertising Agency
Medicus-Intercon, New York—John Ibelli, vp; Karen Nelson, acct exec.

BIOLOGICAL DIVISION
Marketing Personnel
R.M. Galustian, group exec vp-head, biological div
V.H.J. Shalson, vp
W.G. Johnson, vp-sales
Advertising Agencies
Rainoldi/Kerzner & Radcliffe, San Francisco—blood bag line & professional services dept—Jay Kerzner, vp-acct services.
Rolf Werner Rosenthal Inc., New York—Cutter's new exclusive intravenous immune & coagulation prod globulin preparation, immune serum globulin prod—Pearl Weinstock, acct group super.

MOBAY CORPORATION
Pittsburgh, Pa.
Marketing Personnel
Dick Donati, mgr-industrial adv
Richard L. White, exec vp-mktg
Advertising Agency
Valentine-Radford, Inc., Kansas City, Mo.—Phil Schroeder, acct exec.

ANIMAL HEALTH DIVISION
Corporate Personnel
J.C. DeCesare, vp
Marketing Personnel
F. Koering, dir-mktg
J.C. Clark, mgr-sales services
S.F. Swindler, genl sales mgr
L.S. Beatty, adv mgr
Advertising Agency
Richardson, Myers & Donofrio, Baltimore—small animal prods—Sarah Adams, acct exec.

HELENA CHEMICAL CO.
Memphis, Tenn.
Marketing Personnel
Bobby Pace, sales mgr
Milton Allen, mid-south div mgr
Advertising Agency
Cochran, Sandford, Jones, Memphis—Buz Price, sr vp; Carla Beasley, acct exec.

HAARMANN & REIMER CORP.
Springfield, N.J.
Marketing Personnel
James Reynolds, dir mktg, flavor group
Thomas K. Yamashita, vp-genl mgr, aroma/chemical group
Bob Higgins, dir-sales & mktg, fragrance group
Jerry Murnane, genl sales mgr, flavor group
Advertising Agency
Peabody Corners, Hillsdale, N.Y.—Helga Buettner, acct exec.

AGFA-GEVAERT
Teterboro, N.J.
Marketing Personnel
Rose Marie Monaco, sales promo mgr-consumer and professional div
Diane J. Cielo, adv mgr & sales promo mgr-graphic systems div
Hans Kuhlmann, vp & genl mgr, consumer and professional div
Advertising Agencies
Wegman Associates, Wayne, N.J.—corp—John Gallagher, acct exec.
Kalmar Advertising, Fort Lee, N.J.—consumer prods—Frank Yodice, acct exec.

COMPUGRAPHICS CORP.
Wilmington, Mass.
Marketing Personnel
Celina DiRago, adv coord
Ken Newton, dir mktg
Advertising Agency
(In-house) CG Graphics, Wilmington, Mass—Celina DiRago.

RANK **6**

Beatrice Cos.

Chicago

($ in millions)

Worldwide	1986	1985	% chg
Sales	11,396	11,858	(3.9)
Net income	232	479	(51.6)
U.S.	**1986**	**1985**	**% chg**
Sales	8,682	9,262	(6.5)
Operating profits	704	644	9.5
Advertising	684	662	3.3
Division sales	**1986**	**1985**	**% chg**
U.S. foods	7,040	6,289	11.9
Consumer prods.	2,337	1,795	30.2
Int'l foods	1,919	1,852	3.6
Avis & other	N/A	821	N/A

Beatrice Cos. has come full circle since 1984 when then-chairman James Dutt bought Esmark Inc. after a battle of wills with Esmark chairman Don Kelly. Last year marked the return of Don Kelly and the dismantling of Mr. Dutt's plan to make Beatrice the "premier worldwide marketer of food and consumer products."

In November, Mr. Kelly, backed by New York investment house Kohlberg, Kravis, Roberts & Co. (under the name BCI Holdings Corp.), led a leveraged buyout of Beatrice. The sale of Beatrice units to reduce corporate debt, begun under Mr. Dutt's reign, continues under Mr. Kelly, the latest being the $1 billion sale of Beatrice's personal products division. The division, including Playtex products, Jhirmack haircare and Almay cosmetics, was sold in early August, 1986, to a group of investors including Joel E. Smilow, chairman and president of International Playtex.

The sale of the personal products division will go a long way in reducing the $6.4 billion debt incurred by BCI Holdings in its takeover of Beatrice last year.

For fiscal 1986 ended Feb. 28, 1986,

WHY BE A LITTLE FISH IN A BIG POND?

TUSCALOOSA, ALABAMA

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KYEL-TV, NBC, Yuma, AZ – El Centro, CA
WPBN-TV/WTOM-TV, NBC, Traverse City – Cadillac – Cheboygan, MI

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Source: 1985 Survey of Buying Power

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Beatrice earned $232 million from continuing operations, down 51.6%, on sales of $11.4 billion, down 3.9%. For first-quarter 1987, the company reported $2.3 billion in sales, up 4.5% from the same period in 1986. Operating earnings fell 12% to $116 million, mostly because of divested businesses.

Before the second takeover in late 1985, Mr. Dutt continued his attempts to reduce the company's debt from the Esmark acquisition by selling its bakery operations, a home respiratory therapy company, and its foodservice equipment, agri-products and leather operations for a total of about $300 million.

International Playtex sold its Orlane cosmetics unit and Beatrice's STP automotive products company went to Union Carbide, Danbury, Conn., for another $87 million.

After Mr. Dutt's resignation on Aug. 3, 1985, new chairman William Granger stepped up divestiture plans to reduce the overwhelming interest payments on Beatrice's $3 billion debt at the time. No longer did the company target units that didn't fit into the strict definition of "food and consumer products."

Placed on the auction block in late 1985 were the Avis rental car unit, Danskin fashions, Pennaco hosiery and International Jensen car stereo. If those units could be sold, Beatrice's debt-to-capital ratio would be 45%, down from 70% right after the Esmark acquisition. (Eventually, Avis, Danskin and Pennaco were sold but only after KKR took over Beatrice.)

The debt reduction plan, however, placed Beatrice in the path of another peril: The company became a prime takeover target. Enter Don Kelly and KKR, who closed their $6.2 billion buyout of Beatrice on April 17, 1986. Reductionism was prime on their minds as well.

Under Mr. Kelly's tutelage, Beatrice has dumped its Coca-Cola Bottling operations for $1 billion; sold its International Playtex unit for another $1 billion, and begun considering a plan to offer a public stock offering of its International Foods operation.

Falling interest rates also have been a boon to Mr. Kelly's goal of paying the bankers that helped finance his Beatrice buyout and getting the company's operations back in gear after Mr. Dutt's erratic reign.

At the end of Mr. Dutt's tenure as head of Beatrice, 39 of the company's 59 top executives had either been fired or forced to resign, leaving the company without any clear line of management succession and without seasoned marketers at the helm. The last executive to walk away from Beatrice just before Mr. Dutt's firing was William Reidy, senior vp-director of corporate strategy, chief architect of the company's plan to become a worldwide marketing powerhouse. (Mr. Reidy rejoined Beatrice in his former post once Mr. Dutt had left.)

Not surprisingly though, one of Mr. Kelly's major priorities is house cleaning. To date, several key executives have left and have been replaced by people loyal to Mr. Kelly. He also promises a 10% reduction in Beatrice's total work force by yearend 1986, including 300 of the 500 people employed in the corporate offices and at U.S. Foods.

One of Mr. Kelly's biggest reductions came in April when he eliminated the entire corporate and U.S. Foods marketing staff, estimated at 100 people, and the corporate communications staff, estimated at 26 people.

Among top management, the first to leave were David Lipson, cfo; Frank Grzelecki, president-consumer products, and Anthony Luiso, president of U.S. Foods. Mr. Lipson was replaced by Roger Briggs, Mr. Kelly's partner at Esmark, while Mr. Luiso was replaced by Frederick Rentschler, who headed Esmark's Swift/Hunt-Wesson grocery group. Mr. Grzelecki was replaced by Mr. Smilow who became president of Playtex in 1969 and chairman when Beatrice bought out Playtex parent, Esmark, in 1984. He was made head of the consumer products division by Beatrice, but resigned and became part of an investor group that took Beatrice private.

Joining Beatrice from the outside were Edward Gustafson and John Grant, two Miles Laboratories execs who will act as middlemen between Mr. Rentschler and the food unit's day-to-day operations.

As for Beatrice's over-all corporate marketing vehicles, Mr. Kelly has scrapped the company's $30 million "We're Beatrice" corporate name awareness campaign via HCM, Chicago. He also has halted Mr. Dutt's $70 million investment in Formula I and Indy automobile racing. With the same brush stroke, Mr. Kelly eliminated Beatrice's Special Events divisions, but the company will remain a sponsor of America's Marathon/Chicago. Beatrice management also reduced agency commissions for media buying and other agency services to 8% from 12.5%, agency sources say.

The Esmark acquisition brought Beatrice the Hunt-Wesson nationwide distribution system—the perfect channel to move its various regional brands into national distribution. While many of the nongrocery lines are strong financial performers, as a group they have proved too unwieldy to run profitably.

Mr. Dutt's plans left Beatrice with one strong unit—U.S. Foods.

Each segment of the grocery unit—dairy, grocery and meats—has a strong, national distribution system which is one of the keys to success in the food business.

Last year, Beatrice began moving its County Line cheese out of its midwestern markets and into major cities like Boston, Los Angeles, New York and San Francisco. Measured ad spending jumped 127% to $5 million to back the effort.

La Choy canned Chinese food products had its ad spending boosted 508% to $8 million last year in an effort to gain additional distribution.

Swift Meats' advertising grew by 27% to $15 million last year on the strength of two new Butterball products. Beatrice has been trying to expand the brand name out of its niche as a whole turkey producer and into turkey parts and lunch meats.

Last year, Butterball added Breast of Turkey in barbecue and hickory smoked varieties. The company also began testing in Florida a 21-item line of turkey-based cold cuts. The product was so successful in test, Beatrice wanted to roll it into national distribution, but was held back by product difficulties, a Beatrice spokesman says. Grey Advertising, New York, handles.

Other Beatrice food products which received added advertising support in 1985 were Orville Redenbacher popcorn, up 16% to $11.8 million; Fisher Nut, up 20% to $6.5 million, and Wesson oil products, up 89% to $19 million.

Those food products whose measured ad spending dropped include Swiss Miss, down 54% to $5.3 million; Eckrich meats, down 54% to $4.5 million; Tropicana juice products, down 27% to $9 million; Hunt's tomato products, down 8.5% to $16.2 million, and Martha White bake mixes, down 13% to $800,800.

The sale of the personal products division also is expected to loosen several products from the new owners to lessen their debt.

In fact, it was reported at the time of the sale of the division that Revlon Group was buying Max Factor, Almay and Halston cosmetics for a reported $375 million.

During the year, International Playtex added a new tampon to its line, Playtex Plus Deodorant Tampons, and boosted its measured ad budget 95% to $8.2 million. The brand holds a 33% share of the $1 billion category.

Ad spending for the Almay line of cosmetics more than doubled to $17.3 million to back its new skincare line. Jhirmack added 40% to its ad budget, bringing it to $12.3 million to back two new shampoo and conditioner varieties. Samsonite's ad budget grew 18% to $3.2 million behind a new tv campaign touting the product's durability.

Spending for Culligan drinking water remained flat at slightly more than $4 million, but should increase in 1986 behind the test of home bottled water in central Florida, which began in May.

Playtex intimate wear spending also was unchanged at $15 million despite the introduction of Right for Me bras for smaller breasted women. International Playtex ad spending fell for several products, including Danskin (down 68% to $258,500). Avis spending was down 7% to $11.2 million.

Measured ad spending also fell for Max Factor, down 7% to $9 million; Halston perfumes, down 92% to $2.3 million and Halston sportswear, down 35% to $55,800.

Most of the shifts in Beatrice ad spending can be attributed to the sale of some of its subsidiaries, calling for a different media mix among the remaining brands. The most dramatic shifts: Newspapers fell 93% to $8.8 million; network cable spending was down 55% to $2.3 million; spot radio spending zoomed up 308% to $12.2 million, and network radio rose 63% to $5.5 million. Network tv spending was flat at $111.6 million.

Major agency changes at Beatrice include:

- Fisher Nut (an account worth $4 million) to J. Walter Thompson USA, Chicago, from Leo Burnett Co., Chicago.
- Swiss Miss cocoa and puddings ($3 million) to JWT from Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis.
- County Line cheese ($5 million) to BJKE from D'Arcy Masius Benton & Bowles, Chicago.
- Tropicana orange juice ($15 million) to Burnett from DMB&B, New York.
- Burrell Advertising, Chicago, appointed its first agency for black-oriented advertising.
- International Playtex consolidated its international advertising efforts at Grey Advertising, New York, previously split between Grey and Saatchi & Saatchi Compton Worldwide.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$43,113	$42,395
Newspaper	8,773	12,340
Newsp. supp.	889	657
Bus. pubs.	1,379	719
Network tv	111,640	108,312
Spot tv	53,381	55,758
Network radio	5,456	3,345
Spot radio	12,198	2,986
Outdoor	480	255
Network cable	2,260	5,085
Total measured	239,568	231,845
Unmeasured	444,432	430,160
Total	684,000	662,006

BCI HOLDINGS CORP.
2 N. LaSalle St.
Chicago, Ill. 60602
(312) 793-3620
Corporate Personnel
Donald P. Kelly, chmn
Roger T. Briggs, vice chmn-cfo

U.S. FOODS
Corporate Personnel
Frederick B. Rentschler, president

PLAYTEX/CONSUMER GOODS
Corporate Personnel
Joel E. Smilow, president

INTERNATIONAL FOODS
Corporate Personnel
William Mowry, president
Advertising Agencies
D'Arcy Masius Benton & Bowles, New York—U.S. food segment, new prods—T.S. Burnett Jr., sr vp. Reddi Wip whip cream—Jeff Guerrant, acct super.

Bozell, Jacobs, Kenyon & Eckhardt, Minneapolis—Bonkers, Martha White flour & mixes, County Line cheeses—Steve Chase, sr vp, Bonkers; Ron Harvieux, acct super, Martha White flour; Steve Gumingo, acct exec.

Leo Burnett USA, Chicago—Berliner & Marx veal, Eckrich processed meats, E.W. Kneip corned beef, Plume de Veau veal, Lowry's snack foods, Samsonite prods, Tropicana prods—Marv Polack, acct super; Rick Brenner, acct super, Berliner & Marx veal, Eckrich processed meats, E.W. Kneip corned beef, Plume de Veau veal; Catherine Galuzza, acct exec, Lowrey's snack foods; Ray Pokurny, acct exec, Samsonite prods; Ted Jordan, acct exec, Tropicana prods.

Burrell Advertising, Chicago—black adv—Charles L. Wembley, sr vp-dir client services; Eugene Morris, sr vp-mgmt super; W. Potter, acct super.

Dailey & Associates, Los Angeles—Hunt's All Natural barbecue sauce, Sunlite oil, Peter Pan peanut butter—Steve Chabre, exec super, Hunt's All Natural barbecue sauce; Brian Morris, exec vp-mgmt super, Peter Pan peanut butter.

Dawson, Johns & Black, Chicago—Rusty Jones rust preventative—Larry Ateiff, acct super; Bob Kumaki, acct exec.

Grey Advertising, New York—Danskin garments, Swift Brown 'N Serve sausage, Butterball turkey, Sizzlean sausage, ham, bacon; Playtex bras, nurser, tampons; Van Vagenen & Schickbaus franks—Jeff Stein, sr vp-mgmt super; David Rosenberg, vp-mgmt super; Simon Abrahams, acct super.

HBM/Creamer-Albert J. Rosenthal, Chicago—Intl Jensen Discwasher—Paul Spector, acct super; Jim Campbell, vp.

HCM, Chicago—Meadow Gold dairy prod, Viva milk & cottage cheese, Louis Sherry ice cream, Culligan water treatment, Stiffel lamps, Del Mar & Louver Drape window coverings.

Ketchum Advertising, San Francisco—Hunt's catsup, Manwich & tomato prods, Orville Redenbacher popping corn & oil, Soup Starter, Stew Starter, Wesson oil—Jeff Manning, Diane Snedaker, Lynne Upshaw, sr vps-group dirs.

Korey, Kay & Partners, New York—Halston fragrances, Almay—Jennifer Johnson, acct exec.

Mandabach & Simms, Chicago—Beatrice cheese foodservice, Beatrice warehouses—Lee Lipman, exec vp.

Rosenfeld, Sirowitz & Lawson (RTC), New York—Jhirmack haircare prods—Jane Hottenson, acct super; Fay Cohen, acct exec.

Stern Walters/Earle Ludgin, Chicago—International Entrees—Charlie Featherstone, acct super; Scott Shiav, sr vp-mgmt rep.

J. Walter Thompson USA, Chicago—Aunt Nellie's canned vegetables, Beatrice International food segment, La Choy canned, frozen entrees & soy sauce, Rosarita canned & frozen foods, Swiss Miss pudding bars & cocoa, Fisher nuts—Dick McCullough, sr vp. Los Angeles—Arrowhead, Great Bear & Ozarka bottled water—Mark Lehman, acct super.

Wells, Rich, Greene, New York—Max Factor cosmetics—Bill McGivney, acct super; Linda Baron, acct exec.

Beecham Group plc

RANK **42**

Brentford, Middlesex, U.K.

($ in millions)

Worldwide	1986	1985	% chg
Sales	3,292	2,895	13.7
Net income	424	407	4.3
U.S.	**1986**	**1985**	**% chg**
Sales	1,008	1,044	(3.5)
Operating profits	104	129	(19.1)
Advertising	186	178	4.4
Division sales	**1986**	**1985**	**% chg**
Pharmaceuticals	895	817	9.5
Consumer prods	1,351	2,022	(33.2)
Cosmetics	672	N/A	N/A
Home improve.	107	N/A	N/A

Beecham Group plc, seeking more dynamism in the front office and its product lines, took remedial steps during fiscal 1986 by replacing its chairman and chief executive and purchasing Norcliff Thayer, U.S. marketer of Tums, Oxy, Avail and No Salt.

Lord Keith of Castleacre, an outside director and vice-chairman, was moved into the top spot in November, 1985, replacing Sir Ronald Halstead, who had held the post since 1984. The move was cited by analysts as an attempt to bring dynamism to the company from the top down. Beecham, although showing relatively good sales and earnings performances per annum (it ended 1986 with sales up 13.7% and profit up 4.3% in pound sterling), has been slow to both react to and introduce new products within its product categories.

Then in January, 1986, Beecham continued its method of U.S. growth through acquisition. It purchased Norcliff Thayer, Tarrytown, N.Y., from Pantry Pride's Revlon Inc. for $395 million.

Industry analysts estimate Norcliff Thayer's annual sales at about $165 million.

The company joined Beecham's stable of independent U.S. operating companies that includes Beecham Consumer Products, Pittsburgh; Beecham Cosmetics, Chicago; Germaine Monteil Cosmetiques, New York; Beecham Home Improvement Products, Dayton, O., and Beecham Laboratories, Bristol, Tenn.

Sales from these units along with operations in Canada, Mexico and South America contribute $1 billion, or 38.7% of Beecham's worldwide sales total in 1986. Operating profits in the Americas declined by 19.4% to $104.3 million during the fiscal year, partially because of the effects of the strong dollar.

Beecham financial figures for the Americas were translated into U.S. dollars at the rate of $1.2648=£1 for both 1985 and 1986 fiscal years.

Beecham Consumer Products division was busy defending its Aqua-Fresh toothpaste in the $1 billion market segment, in which most of the players lost market share to Procter & Gamble's Crest because of P&G's highly successful introduction of tartar-control Crest formula.

Aqua-Fresh has seen its share gradually erode from 12% in 1984 to 11.5% in early 1986. Aqua-Fresh made apparent moves to reposition itself by extending its line to include a two-color Aqua-Fresh for children flavor. Through 1985, measured advertising for the toothpaste increased by 12.3%, to $25.8 million, according to Leading National Advertisers.

In comparison, Crest showed an estimated $90 million in total market spending for its line.

Spending increased 47% on Massengil products, a line the company says holds a 50% share of its feminine hygiene segment. Spending increased for Sominex 2 sleeping aid, which drew $5.1 million in measured spending, up 23%, and Vivarin stimulant tablets, which got $2.5 million, up 48%.

Beecham also heavily promoted its cough and cold remedies. Through calendar 1985, measured spending increased for N'Ice sugarless lozenges, up 34% to $2.3 million and Children's Sucrets, up to $1.4 million from only $680,000 in 1984. Adult Sucrets drew $4.2 million, virtually even with the previous year.

Other big spenders in the Beecham Consumer line include Cling Free fabric softener, down 23% to $5.2 million; Geritol, down 6.7% to $8.5 million; Aqua Velva aftershave, down 11% to $4.2 million, and Calgon bath products, down 63% to $2.9 million.

Beecham Consumer Products had several new rollouts in 1985. A mousse formula of Brylcreem was supported with a network tv spot reviving the "A little dab'll do ya" slogan. The company also introduced Delicare, a fine-fabric liquid laundry detergent, with tv spots positioning it directly against Boyle-Midway's Woolite.

Spending for Beecham Cosmetic's Jovan line of fragrances for men and women increased by 28.4% over 1984 to $4.8 million. Jovan musk oil for men drew the largest individual total of $1.4 million. The Yardley line declined to $47,600 from more than $295,000 in measured advertising in 1984. Vitabath products drew $233,100 in spending during 1985.

Beecham plans to introduce a number of new products by fall, 1986. These include an Adidas fragrance and self-care products for men, Vitabath Plus body care products, Jovan shower and bath cleansing gel, and Gambler cologne musk. The Tuvache product line, transferred from Monteil to Beecham, was relaunched in 1986.

A $1.1 million spending push was given to the Titiana fragrance under the Diane Von Furstenberg line of Germaine Monteil. The Lancaster treatment line, also carried by Monteil, drew measured spending of only $95,900.

"It hasn't been a very good year for Jovan. The entire middle range [of fragrance] had it tough with sagging consumer support," says Allan Mottus, a health and beauty products industry consultant and publisher of "The Informationalist" newsletter. He says the Vitabath line has done well, however. Mr. Mottus estimates Beecham pulls about 3% of the $7.7 billion women's cosmetic, fragrance and treatment market.

"The U.S. operation of Germaine Monteil is not doing very well, and Beecham has let the trade know it would like to sell it. I think Beecham would like to get out of the department stores altogether, and the sale of Monteil would tie into that," Mr. Mottus

says.

His assessment of the most recent Beecham acquisition, Norcliff Thayer, is more favorable: "Even though it was an expensive purchase, it has turned out to be a good one." Operations of Norcliff Thayer were included under Beecham Group beginning Jan. 1, 1986. Its line of health aids and over-the-counter products includes Tums antacid, Oxy acne medications, Avail multivitamins for women and No Salt.

Spending on Tums, the antacid market leader, was measured at $9.4 million in 1985, up 28.8%. A Tums campaign, positioning it as an economical source of calcium for women, also won it a share of the calcium supplement market, a company spokesman says. Oxy products were supported with about $1.1 million in 1985 measured spending, down from about $4.2 million; Avail drew $1 million (no expenditures were recorded for Avail in 1984 by LNA), and No Salt, $1.3 million, up from $601,000.

Beecham Home Improvement Products, a marketer of caulks, sealants, preservatives and adhesives, budgeted an estimated $2 million in advertising for calendar 1985. It utilized some of its budget through the sponsorship of "Do-It-Yourself Moments," a syndicated package of one-minute tv featurettes on home improvements that feature DAP and Weldwood products. DAP previously had underwritten the "Do-It-Yourself Show," a weekly half-hour series on the Public Broadcasting Service.

B-M underwrites tv programs

Bristol-Myers is entering the tv sitcom business for the 1987-88 season, paying $10 million in production costs to Group W Tv Station Group for a half-hour sitcom and several one-hour public service health specials to run on Group W stations. B-M, forking out $250,000 per health special and $9 million for the sitcom, is seeking similar arrangements with other producers.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$3,739	$4,240
Newspaper	0	203
Newsp. supp.	31	0
Bus. pubs.	546	565
Network tv	83,108	84,034
Spot tv	15,939	10,751
Network radio	1,069	894
Spot radio	132	4
Outdoor	43	0
Network cable	826	38
Farm pubs.	889	1,096
Total measured	106,322	101,824
Unmeasured	80,000	76,616
Total	186,322	178,440

BEECHAM PRODUCTS DIVISION
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Pittsburgh, Pa. 15230
(412) 928-1000
Marketing Personnel
Mark D. Lees, vp-mktg
Richard F. Creighton, vp-mktg services
R.M. Lancaster, vp-sales
Advertising Agencies
Avrett, Free & Ginsberg, New York—Brylcreem, Lectric Shave, Calgon water softener, Delicare, new prods—Jack Avrett, chmn; Frank Ginsberg, president; E. Bingo Wyer, sr vp-mgmt super; Lawrence Reigel, sr vp.

Cunningham & Walsh, New York—Cling Free, Fruit-Fresh, N'Ice, Sominex 2, Sominex 2 Pain Relief Formula—Roger D. Groves, sr vp; Maureen Mara, vp-mgmt super; Debbie Ludgate, vp-acct super.

Grey Advertising, New York—Aqua-Fresh, Aqua Velva aftershave, Calgon bath prods, Geritol, Massengil, Sucrets, Vivarin, new prods—Robert Burruss, sr vp.

BEECHAM COSMETICS USA
Chicago
Corporate Personnel
Barry E. Shipp, president
Joseph Aramana, exec vp
Marketing Personnel
Peggy Sommerfield, vp-adv & dir-creative services
Greta Debofsky, vp-pr

JOVAN INC.
Corporate Personnel
Albert Bistany, sr vp-coo
Don Deegan, sr vp
Marketing Personnel
Susan Harris, dir-mktg
Carol Brennan, dir-mktg
Sean Greene, sr vp-sales

YARDLEY OF LONDON
Corporate Personnel
John Small, sr vp-coo
Marketing Personnel
John Southern, vp-sales
Chris Broxon, dir-mktg
Valerie Marron, dir-mktg

VITABATH
Corporate Personnel
Alex Kessler, vp-genl mgr
Marketing Personnel
Jan Mangos, prod mgr
Peter Whitaker, mktg dir
Bob Gould, vp-sales
Advertising Agency
Wagner & Associates, Chicago—Jovan cosmetics & perfumes, Yardley of London, Lentheric, Tuvache, Vitabath—Gayle Matthies, acct mgr; Mary Koelle, team dir.

GERMAINE MONTEIL COSMETIQUES
New York
Corporate Personnel
Steve Rohr, president
Marketing Personnel
Sandi Burrows, vp-mktg & adv
Candace Corlett, mktg dir-treatment
Shelley Weinstock, mktg dir-fragrances
Brook Betts, creative dir, Beebe & Sons
Advertising Agency
(In-house) Beebe & Sons, New York—Brook Betts, creative dir.

NORCLIFF THAYER
Tarrytown, N.Y.
Corporate Personnel
Theodore Williams, sr vp
Marketing Personnel
Paul Fraioli, group mktg dir, dir-media services
Eileen Fischer, group mktg dir, dir, new prods
Wayne Whitney, sr prod mgr, No Salt, Orafix, Esoterica, Liquiprin, A-200
Paul Madzik, brand mgr, Tums
Teri Rohn, brand mgr, Oxy5, Oxy10
Maria Mirto, brand mgr, new prods
Karen Ahern, brand mgr, Avail, new prods
Advertising Agencies
Jordon, Manning, Case, Taylor & McGrath, New York—Tums, Oxy, Avail—Robert Patton, sr vp-mgmt super; James Eich, acct super, Oxy; Michelle Weidner, acct super, Tums, Avail; Lisa Bell, Francesca Morselli, acct execs.

Carrafiello Diehl & Associates, Irvington, N.Y.—No Salt, Esoterica, Liquiprin, A-200—Bob Brandt, acct super; John Muhlfeld.

BEECHAM HOME IMPROVEMENT PRODUCTS
Dayton, O.
Marketing Personnel
Gary Cannella, dir-mktg
Advertising Agency
Cunningham & Walsh, New York—DAP caulk & seal, Weldwood adhesives, Derusto coatings, Woodlife wood treatments, Permabond super glue—Nathaniel Allan, managing dir; Thomas Kirmayer, mgmt super; Jim Kruse, vp-assoc creative dir.

BEECHAM LABORATORIES DIVISION
Bristol, Tenn.
Corporate Personnel
R. Paul Tatman, president
T.G. Wood, exec vp
Marketing Personnel
Edward Ruane, vp-sales
Robert L. Widerkeher, vp-animal health div
Jack Johnson, mktg dir
John Battel, natl sales mgr
Advertising Agencies
Frank J. Corbett, Chicago—Timentin, Augmentin, Amoxil, Nucofed, Ticar, oral antistaphs, injectable antibiotics—Jim Miller, exec vp; Bill Marotti, vp; Ken Stevens, acct super.

Charles Tombras Advertising, Knoxville, Tenn.—veterinary pharmaceuticals—John Welsh, Guy Seymour, acct execs.

Trunk/Shea & McCaffrey, Clifton, N.J.—Tigan, Anexsia-D, Fastin—dePaul R. Trunk, president; Thomas G. Shea, vp.

Bristol-Myers Co.
RANK **26**
New York

($ in millions)			
Worldwide	**1985**	**1984**	**% chg**
Sales	4,444	4,198	5.8
Net income	531	472	12.5
U.S.	**1985**	**1984**	**% chg**
Sales	3,380	3,149	7.3
Operating profits	684	593	15.3
Advertising	344	348	(1.0)
Division sales	**1985**	**1984**	**% chg**
Pharmaceuticals	1,753	1,587	10.5
Nonprescription	1,231	1,156	6.5
Toiletries	1,020	1,021	(0.1)
Household prods	439	426	3.1

Bristol-Myers kept advertising expenditures in 1985 slightly ahead of 1984 levels as it experienced low sales in its consumer groups. Now, sales are on the upswing, despite a setback in mid-June, 1986, when the company withdrew all Extra-Strength Excedrin capsules from the market after tampering incident that led to two deaths.

Over-all, corporate advertising and promotional expenses rose to $775.8 million worldwide in 1985, up 4.3%, an increase that represents less than half the compound annual rate from 1981 to 1984, according to Salomon Brothers, New York. Of the total, promotional dollars rose substantially by 6.8% to $519.5 million in 1985, while total ad expenditures declined 0.4% to $256.3 million.

Salomon Brothers analyst Patricia Lea attributes the over-all contraction in spending to low consumer sales growth last year. But consumer sales are reviving in 1986, and ad spending is expected to grow, Ms. Lea says. B-M's consumer product sales should grow 3.4% this year compared with 1.5% last year, she predicts.

Bristol-Myers faced a major scare in mid-June when two deaths were reported in the Seattle area caused by cyanide poisoning traced to Extra-Strength Excedrin capsules. B-M ordered a nationwide withdrawal of Excedrin capsules. Later the same week it halted the sale of capsule forms of its Datril and Bufferin pain relievers and Comtrex cold products and moved to end its capsule lines at a cost of $38 million.

As a result of product tampering and measures taken by B-M, its second-quarter net income dropped 4% from the previous year to $119.3 million because of a $19 million (after-tax) charge. Sales were up 8.5% to $1.17 billion over the year-earlier period. Earnings advanced 7% to $263.9 million for the first six months of its current fiscal year on sales of $2.36 billion, up 9%.

In its pharmaceutical division, B-M last October bought Genetics Systems Corp., a biotechnology company based in Seattle. It paid about $300 million in stock. B-M also launched BuSpar, a major new anti-anxiety drug, overseas in preparation for entry into the U.S. this year. Both could contribute as much as $600 million in additional revenue by the end of the decade, representing the company's fastest propects for growth. Genetic Systems should bolster B-M's already dominant position in chemotherapy and other anti-cancer drugs.

Advertising and promotion was heavily weighted toward B-M's consumer products group last year, especially in support of Clairol, Nuprin, Excedrin, Bufferin and Ban.

Clairol launched Ultress hair coloring gel with $6.4 million in tv and magazine backing, according to Leading National Advertisers, which covers seven media. Despite the new product introduction, Clairol products posted an 8.4% decline in measured media spending to $41 million as the group recorded an over-all flat sales performance in 1985. But it maintained its dominance in the domestic hair coloring market, with a 65% share, down slightly from 67% in 1984. Clairol advertising continued to decrease (from nearly 40% of total company ad expenditures in 1981 to about 30% in 1985) and apparently influenced an agency consolidation; longtime agency Foote, Cone & Belding was dropped while key assignments were moved to three other top Clairol agencies, Doyle Dane Bernbach; Laurence, Charles, Free & Lawson, and Grey Advertising.

Despite Clairol's dominance, the division has felt pressure as L'Oreal continues to grow. Cosmair's line of L'Oreal products has grown to a 27% market share with Preference and Avantage. Vidal Sasson is also a growing competitor.

According to Salomon Brothers' estimates, Nice 'N Easy has experienced a declining market share, from 31% in 1981 to 25% in 1985. Loving Care, Clairol's second most important brand, also has slipped slightly to a 12% share of market last year.

Ultress gave Clairol a boost as the new product grabbed about 5% of the total Clairol hair coloring sales in 1985. Ultress' total share of market, according to Salomon Brothers, grew from 1.2% in 1984 to 12.5% last year. Hair coloring products account for one-half of Clairol's revenues.

Ban Solid deodorant and antiperspirant bowed with about $10 million in measured media weight to bring total spending for the Ban line to $15 million, up 49%. The company's total deodorant sales rose 11% last year, much of this growth attributable to Ban Solid. Other contributors are Ban (regular) and Tickle. Total share of the deodorant market has declined from a high of 12.7% in 1981 to 9.3% in 1985, according to Salomon Brothers. The division also was outspent by Gillette (Dry Idea, Right Guard), Mennen (Speed Stick) and Procter & Gamble

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Greenwood Custom Corvette provided by Dave Heinz Quality Motor Sports of Tampa. Umbrella provided by The Storehouse

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Sleep and Secret). Mennen dominates this $1 billion category.

Westwood Pharmaceuticals, the Buffalo-based Bristol-Myers subsidiary, continued its successful assault on the consumer market with Keri Lotion, a skin cream introduced to the professional market in 1983. Keri sales grew 9% to $32 million, or about one-third of Westwood's total revenues. Keri ranks second in the market with an 8% share to Chesebrough-Pond's Vaseline Intensive Care's 20% share.

The Drackett Co., another B-M subsidiary, introduced Lemon Windex in 1985, but its Endust and Behold furniture cleaners and waxes ran up against a stronger S.C. Johnson & Sons, which introduced Duster Plus to the furniture dusting market. Drackett, with a 20% share of the $250 million-plus furniture polish and wax category, already trailed market leader S.C. Johnson, maker of top-selling Pledge, by a margin of nearly 20 percentage points.

B-M and American Home Products continued to battle for market share in the analgesic market in the shadow of dominant Johnson & Johnson, maker of Tylenol. B-M's acetaminophen-based product, Datril, continued to lag AHP's Anacin-3 into the first quarter of 1986. According to Salomon figures, Anacin had a 4% market share while Datril trailed with 1.2%. The product has declined slightly in share since 1984. J&J leads with a 34% share of market. Datril also trails Sterling Drug's Panadol, which had a 3.1% share during the same period.

By the end of 1985, B-M still led AHP by a slight margin in the over-all analgesic market with a 16.5% share. However, in the first quarter, AHP bounded ahead to a 19% share (B-M declined to 16.4%) mainly on the growing popularity of Advil, its ibuprofen entry. B-M's ibuprofen Nuprin had only a 2% share by the end of 1985 to Advil's 5%.

Nuprin's lag came despite a substantial increase in media weight in 1985 to $28.4 million, up 20%. Advil had $35 million in backing, up 43%. Analysts expect both products to undergo substantial marketing changes this fall. Johnson & Johnson, Upjohn and AHP each will introduce more ibuprofen products. Nevertheless, analysts expect the growing popularity of ibuprofen-based products in general to benefit Nuprin. "[Nuprin revenues [should] rebound to around $40 million in 1986, reflecting increased advertising spending and a more competitive voice share," according to Salomon's Ms. Lau. Over-all, B-M's analgesic group is expected to better 1985's sales growth of 2% to 3%.

Bristol-Myers's Excedrin ad spending dropped 4% to $14.5 million, according to LNA, while Bufferin advertising grew 17.7% to $11.4 million. B-M's aspirin product, Excedrin, while briefly hurt by the June recall, had been undergoing a market-share erosion. The family of products had an 8.1% share in 1985 to Anacin's 8% (Excedrin also leads B-M's Bufferin and Sterling's Bayer.) However, the product has suffered a decline since 1982.

B-M expected to halt its four-year market plummet in cold remedies with the introduction this year of Comtrex allergy product. Comtrex cold remedy, B-M's only significant product in the over-the-counter cold remedy market, had a 5% share last year. Measured ad spending of $9.8 million was up 10.1%.

B-M plans the stateside introduction of Buspar at the end of the year following a poor showing for the nonaddictive, nonsedating, anti-anxiety drug in West Germany, its sole market to date. Buspar, to be produced by B-M pharmaceutical subsidiary, Mead Johnson, will take on the dominant drug of the benzodiazepine family, Valium.

Some analysts originally expected Buspar to generate as much as $300 million in 1990, but a poor reception in West Germany—only $3 million in sales in 1985—has led Salomon Brothers and others to cut back revenue estimates to $150 million by the end of the decade. The drug lacks the quick action that Valium and other antidepressants offer, according to Salomon.

The purchase of Genetic Systems Corp. last October should give B-M a strong boost in expertise in monoclonal antibodies, which identify and battle cancerous cells. B-M is the leading producer of cancer chemotherapeutics in the U.S. with about $175 million in sales, but the company faces strong competition from "generic" producers of such drugs. Also, the company's brands lose their proprietary protection in 1988.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$28,435	$32,624
Newspaper	1,995	999
Newsp. supp	727	613
Bus. pubs.	213	285
Network tv	127,642	122,552
Spot tv	17,082	16,996
Network radio	291	1,520
Spot radio	905	1,809
Outdoor	1	7
Network cable	4,656	6,342
Farm pubs.	459	290
Total measured	182,166	183,934
Unmeasured	162,127	163,700
Total	344,293	347,634

BRISTOL-MYERS CO.
345 Park Ave.
New York, N.Y. 10154
(212) 546-4000

Marketing Personnel

Marvin Koslow, sr vp-mktg services
Harry Levine, vp-corp communications
Peter J. Spangler, vp-adv services

CONSUMER PRODUCTS GROUP

Corporate Personnel

Nicholas Evans, president

BRISTOL-MYERS PRODUCTS DIVISION

Corporate Personnel

Ronald Alvarez, president

Marketing Personnel

Stephen Brar, sr vp-mktg & sales

Advertising Agencies

Ally & Gargano, New York—Datril—Jason Flowers, sr mgmt supvr; Frank D'Angelo, acct supvr; Maureen Morgasen, acct exec.

Doyle Dane Bernbach—Excedrin—Russ Lusk, exec vp; Lucille Cosgano, sr vp-mgmt supvr; James Barickman, vp-acct supvr; Lorraine Anido, acct exec.

Grey Advertising, New York—Four-Way, Nuprin, Vitalis, Ban Roll-On—Clark Montgomery, exec vp; Herbert Leibenstein, sr vp.

Laurence, Charles, Free & Lawson, New York—Bufferin, Congaprin—Susan Holson, mgmt acct supvr; Rose Napolitano, acct exec. Colontrex—Robin Covel, mgmt acct supvr; Brian Newberry, asst acct exec.

BRACKETT CO.
Cincinnati, O.

Corporate Personnel

William Finley, president

Marketing Personnel

John Hissen, vp-mktg

Advertising Agencies

Fahlgren & Swink, Cincinnati—Twinkle, O'Cedar—Tim Seifert, president, Cincinnati div; Vincent Buckley, vp chmn-mgmt supvr; Marty Schwalbe, acct exec.

Grey Advertising, New York—Behold, Drano Crystals, Drano Line, Windex—Harvey Robinson, mgmt supvr.

Laurence, Charles, Free & Lawson, New York—Automatic Vanish, Prepared Vanish, Bowl Brite, Endust, Natrament, Renuzit Roomsaver, Renuzit Adjustable, Fresh 'n Dry—Richard Goldschmidt, supvr, Vanish, Endust; Margo Jackson, asst acct exec, Vanish, Endust; Tom Weiss, supvr, Renuzit, Brian Meltzner, asst acct exec, Renuzit.

CLAIROL

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F. Peter Cuneo, president, personal care div

Marketing Personnel

Nancy Flinn, vp-mktg, professional prods div
John Lowine, vp-creative services, consumer prods div
Michael Powell, vp-mktg, personal care div
William Lynch, vp-sales, consumer prods div
William Rooney, vp-sales, professional prods div

Advertising Agencies

Cales, Hirsch & Spector, New York—Clairol appliances, Klorane—Terri Gibraltar, mgmt supvr; Nancy Zide, acct exec.

Doyle Dane Bernbach, New York—Final Net, Loving Care, Nice 'N Easy, Sea Breeze line, Highlighters—Rein Lusk, exec vp; Miles Harkrader, group sr vp; Marianne Moore, vp-acct supvr; Lisa Baker, Karen Matthews, acct execs; Kim Kremer, asst acct exec.

Grey Advertising—Clairesse, Miss Clairol, Ultress.

Gleckler & Spagat—Pazazz Clariol PPD (salon), divisional trade adv—Gayle Gleckler, chmn-creative dir; Joel R. Spagat, president; Michael Levine, dir-acct services; Susan

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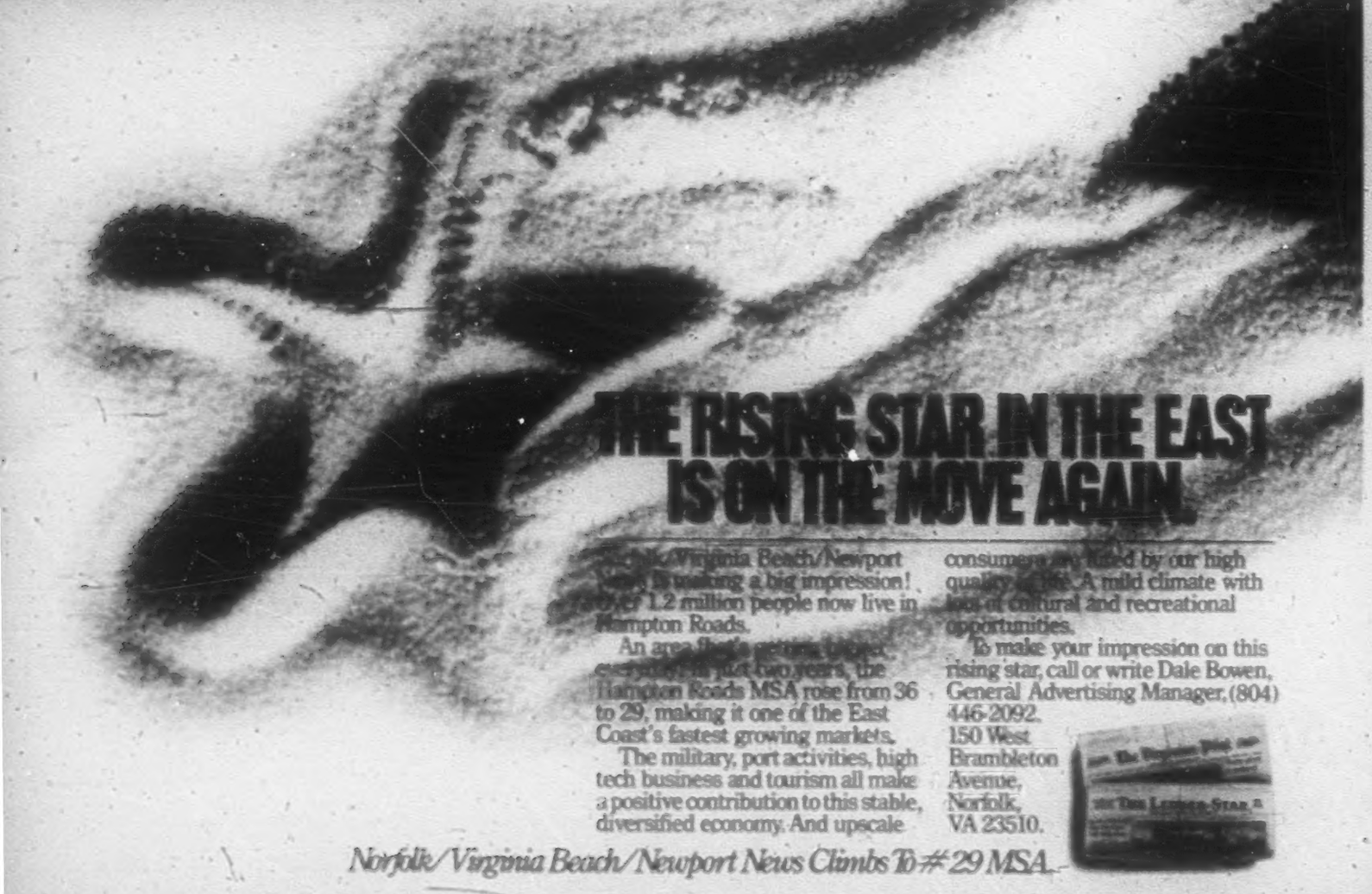

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John Bullock, vp-genl mgr, Mead Johnson Laboratories div
Frederick Brubaker, vp-genl mgr, Mead Johnson Pharmaceutical div

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Marketing Personnel
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Advertising Agency
F.J. Corbett, Chicago—Naturacil—Jim Miller, exec vp-super; Ken Stevens, acct exec.

WESTWOOD PHARMACEUTICALS
Buffalo, N.Y.
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Marketing Personnel
Barry Burnside, vp-mktg
Jon McGarity, vp-sales
Advertising Agencies
Laurence, Charles, Free & Lawson, New York—Keri lotion, Presun, Fossex—Linda Tilton, mgmt super; Mary Ann Somers, asst acct exec. F.J. Corbett—Alphi Keri, Keri lotion (medical edv), Pre Sun, Staticin/T-Stat, Westcort, Sebulex/Sebucan, Moisturel, corporate adv—John P. Burns, sr vp-acct exec.

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Julius Pericola, exec vp
Kenneth Weg, president, Europe, Middle East and Africa div
Richard Malyan, president, Latin America and Canada div
Mitchell Cybulski, president, Japan div

Brown-Forman Co. RANK **87**
Louisville, Ky.

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,299	1,208	7.0
Net income	86	82	6.0
U.S. advertising	94	68	39.1

Division sales	1985	1984	% chg
Wine, spirits	972	905	7.4
Home furnishings	174	156	11.5
Personal products	143	147	(2.7)

Brown-Forman Inc. is hoping its foray into wine coolers through its purchase of Stockton, Cal.-based California Cooler Inc. will heat up sales that are sagging because of a continued drop in consumption of its alcoholic beverage products.

Brown-Forman, which gets 75% of its revenue from wine and spirits, continues to suffer declines in case depletions of its Canadian whiskys and bourbon, and in 1985, it experienced a drop in sales of its Bolla and Cella Italian wines. The primary reasons for the increased sales and earnings during the fiscal year are higher prices and the surging wine cooler business.

California Cooler wine and fruit drink accounted for $11.7 million of the company's seven-media measured spending in 1985, representing 23% of total outlays. Spending was divided 48% network tv, 46% spot tv, 3% cable and 3% other media. Advertising carried the theme "The Real Stuff," emphasizing it was the original cooler and is made with real fruit.

B-F paid $98 million in cash upfront for California Cooler and over the next two years will make payments contingent on case sales volume. Based on current projections, the net cost of these payments could total $44 million, the company says.

California Cooler pioneered the wine cooler category in 1981 and dominated it early on. But the brand steadily has lost market share even as its case sales exploded from a mere 700 in 1981 to about 12 million in 1985. In that period, the retail market for coolers of all types blossomed to about $850 million in 1985 and is projected to approach $1.4 billion in 1986, according to *Impact*, a wine and spirits industry newsletter.

But even as California Cooler's fortunes soared, the brand lost its leading market share early this year to Bartles & Jaymes, a brand introduced early in 1985 by E&J Gallo Winery, the world's largest wine maker. Gallo supported the Bartles & Jaymes brand heavily, spending a measured $17.2 million in 1985, some 75% on network tv and the remainder on spot tv.

There still is room for growth in the wine cooler market, according to *Impact*, which estimates volume will grow to 72.4 million 9-liter cases in 1986, up from 42.9 million cases in 1985. These estimates include Bartles & Jaymes capturing 22%, or 16 million cases, in 1986, up from 7.5 million in 1985. *Impact* projects California Cooler will rank No. 2 with an 18% share in 1986 on sales of 13 million cases, up from 11.5 million cases in 1985. Canandaigua Wine Co.'s Sun Country brand is projected to rank No. 3 with a 13% share on 1986 sales of 9.5 million cases, up from 5 million cases in 1984. Next is Stroh Brewery's White Mountain with projected sales of 9 million cases in 1986, up from 3.2 million in 1985. There are more than 100 cooler-type products.

It will be another year before the California Cooler acquisition will have an effect on B-F income, according to W.L. Lyons Brown Jr., chairman-ceo, pointing out that fiscal 1987 will be the first year of ownership during the all-important spring and summer months.

But where wine coolers have the potential to add revenue, they also are expected to take some away, Brown-Forman says. Research indicates wine coolers tend to attract consumers who would otherwise drink beer or soft drinks, but they also draw against consumption of table wines.

Case depletions for Bolla and Cella, Brown-Forman's leading table wines, were down for the fiscal year ended April 30, 1986. Bolla fell to 1.47 million 9-liter cases in fiscal 1985, down 13%. Cella fell to 2.36 million cases for the year, down 14%. The company attributes part of the declines to an April, 1986, report that Italian bulk table wines were tainted with methyl alcohol, although no contaminated wine reached the U.S.

Brown-Forman spent $5 million in calendar 1985 on measured media for Bolla, unchanged from 1984, divided 48% network tv, 42% spot tv and 10% magazine. Cella received $1.9 million in measured spot tv, down 23% from 1984.

Sales of Korbel champagne jumped 13% in fiscal 1985 to 1 million cases. Korbel spending jumped 24% in 1985 to $1.9 million, almost entirely in magazines.

Brown-Forman's revenues for the fiscal year were $1.3 billion, up 7% from 1984. Net income was $86.4 million, up 6%. First-quarter net income for the period ended June 30, 1986, was $18 million, down 2%, on revenues of $333 million, up 19%.

Revenues from wine and spirits for fiscal 1986 rose 7%, generating operating income of $168.1 million, up 0.8%. Total operating income at B-F was $190.1 million, up 1%. The category increase was mainly because of the California Cooler acquisition and to higher prices primed by a 19% federal excise tax increase taking effect Oct. 1, 1985. The excise tax caused retail prices on spirits to rise 10% on average however, consumers bought heavily before the effective date for the tax. Sales tapered off after Oct. 1.

Brown-Forman, which markets Canadian Mist, the nation's No. 1 Canadian whisky, and Jack Daniel's whisky, the No. 2 bourbon, increased measured spending for both products in calendar 1985.

Canadian Mist received $5 million in measured media, up 3% from 1984 and divided 61% magazine and 39% out-of-home media. The brand leads

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he declining Canadian whisky category with 1985 sales of 3.6 million ases, down 5.5%, according to Steve . Barsby Associates. National Distillrs' Windsor Supreme brand ranks No. 2 with 3.2 million cases sold in 985, down 1.6%, and Seagram's V.O. anks No. 3 with 1985 sales of 3 milon cases, down 5.5%.

For the first time in several years, Canadian whisky's share of sales for he total distilled spirits industry fell, ropping to 13.2% in 1985 from 13.6% 1984, according to *Jobson's Liquor Handbook 1986*. Canadian whisky ver-all volume dropped 4.5% in 1985 n sales of 20.2 million cases.

Jack Daniel's whisky received $6.1 illion in measured media in 1985, up %, retaining its title as the biggest ender among bourbons. Media was ivided 75% magazine and 25% out-home. Jack Daniel's is the No. 2 ourbon with sales of 3.1 million cases 1985, down 9.5%, according to *Jobon's*. No. 1 is James B. Beam's Jim eam brand with 1985 sales of 3.6 milon cases, down 2%.

Whisky/bourbon consumption has een on a downward spiral for more an a decade, falling from 23.6 milon cases in 1976 to 19.2 million in 984. Sales fell another 8% in 1985 to 7.6 million cases, and the category's are of total distilled spirits sales ipped to 11.5% in 1985 from 12.3% 1984.

Despite declining sales for the catery, Jack Daniel's, Jim Beam and eagram's 7-Crown consistently reain among *Jobson's* top six best-sellg brands for all distilled spirits. What is says, according to the magazine, is at the public is not for or against the tegory, it is for or against specific rands. *Jobson's* says the category is pe for new approaches to brand marting. One bright spot was international sales of Jack Daniel's and Southern Comfort, another Brown-Forman brand, which neared sales of 1 million cases in fiscal 1986, up about 20% for each brand.

Brown-Forman's other product offerings include Lenox china and crystal products, a company acquired in 1983 and supported with $9.9 million in measured media in calendar 1985, up 66% from 1984. The Lenox division spending was divided 55% newspaper supplement and 45% magazine.

Operating income from these and other home furnishings increased 21.2% in fiscal 1986 to $20.6 million. Operating income from personal use products, such as diamond jewelry and Hartmann luggage, was down 8.8% to $13.2 million in fiscal 1986.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$21,862	$19,415
Newspaper	8,187	4,791
Newsp. supp.	5,339	2,997
Bus. pubs.	7	0
Network tv	8,159	3,210
Spot tv	9,799	6,472
Network radio	259	0
Spot radio	542	0
Outdoor	5,162	6,287
Network cable	738	0
Total measured	60,052	43,172
Unmeasured	34,208	24,592
Total	94,260	67,765

BROWN-FORMAN DISTILLERS CORP.
850 Dixie Highway
Louisville, Ky. 40210
(502) 585-1100
B-F SPIRITS LTD.
Louisville, Ky.

Marketing Personnel

John V.O. Kennard, sr vp-group dir brand mgmt
Edward Parrack, sr vp-group dir brand mgmt

Advertising Agencies

Burrell Advertising, Chicago—black consumer—Canadian Mist—Eugene Morris, sr vp-mgmt super.

MCA Advertising, New York—Canadian Mist, Southern Comfort, Early Times—Bob Lepre, exec vp; Warren Wiegand, vp-acct mgmt; Hal Tovin, acct super.

CALIFORNIA COOLER CO.
Stockton, Cal.

Corporate Personnel

R. Stuart Bewley, president

Marketing Personnel

Jon Shastid, vp-sales mktg
Jon Garner, dir-mktg

Advertising Agency

Chiat/Day, San Francisco—California Cooler prods—Bill Fanning, mgmt super; Mike Murphy, acct super; Kelly Nice, acct exec.

JACK DANIEL DISTILLERY
Lynchburg, Tenn.

Corporate Personnel

David J. Mahanes, president
Arthur S. Hancock, exec vp-dir mktg

Advertising Agencies

Advanswers, St. Louis—media planning for Jack Daniel's, Korbel California champagne & brandy, Bols liqueurs & flavored brandies—Gordon Hendry, vp-special projects; Lee Zobrist, project assoc.

Burrell Advertising, Chicago—black consumer for Jack Daniel's—Eugene Morris, sr vp-mgmt super; Julius Jones, vp-acct super.

BFV&L, St. Louis—creative for Jack Daniel's, Korbel, Bols—J. Mark Lashly, president; Carla Manning, acct exec; Tom Fraser, art dir.

Simmons, Durham & Assoc., St. Louis—Jack Daniel's—Les Diveley, acct exec-super; Mindy Keyser, prod mgr; Ted Simmons, creative dir.

JOS. GARNEAU CO.
Louisville, Ky.

Corporate Personnel

Stephen B. Kauffman, president

Marketing Personnel

Raymond E. Dryden, exec vp, exec dir-new supplier devel
William E. Juckett, sr vp-brand dir
Ronald N. Tommasini, sr vp-brand dir

Advertising Agencies

Burrell Advertising, Chicago—black consumer adv, Cella, Martell—Eugene Morris, sr vp-mgmt super; Robert Hinton, vp-acct dir; Alisa King, acct exec.

LENOX INC.
Lawrenceville, N.J.

Corporate Personnel

Frank Dallahan, president, ArtCarved/Keepsake Group
Roy Haberstock, president, ArtCarved class rings
Thomas K. Kreilick, president, Lenox candles
William C. Cook, president-ceo, Hartmann Luggage
Walter Flossbach, president, Lenox de Centro America

Marketing Personnel

Park H. Davis, vp-mktg, ArtCarved class rings
Ron S. Cameron, vp-mktg, ArtCarved/Keepsake
Alvin C. Leonard, vp-sales mktg, Lenox candles

Advertising Agency

Leber Katz Partners, New York—Sam Eisnitz, exec vp-acct mgmt; Patricia Price, vp-acct group super; Marni La Rose, acct exec; Alex Mohtares, exec creative dir.

Campbell Soup Co.
Camden, N.J.

RANK **38**

($ in millions)

	1985	1984	% chg
Worldwide			
Sales	3,980	3,657	9.1
Net income	198	191	3.5
U.S.			
Sales	3,345	3,121	7.2
Operating profits	354	339	4.4
Advertising	215	210	2.2
Division sales			
Campbell U.S.	2,500	2,282	9.6
Pepperidge Farm	426	435	(2.1)
Vlasic Foods	199	193	3.1
Mrs. Paul's	138	126	9.5
Other U.S.	81	84	(3.6)

Answering its president's call to make 1986 the "Year of Soup," Campbell Soup Co., since August, 1985, has been involved in an aggressive program of new product rollouts aimed at boosting its 65% market share of the estimated $2 billion prepared soup market.

Campbell, which increased its measured media spending by 2.2% from calendar year 1984 in part to back the soups, through the first nine months of its current fiscal year recorded a 6% increase in unit volume for soups over the corresponding period the prior year. Strong contributors were its new entries—Campbell's Dry Soup Quality and Recipe Mix, Creamy Natural soups, Home Cookin' soups and the new Nacho Cheese Soup/Dip. Soups also shared in a greater marketing largess for the nine months: Over-all marketing and sales expenses increased 10%.

Soups, which traditionally account for one-fourth of Campbell's sales, helped generate for the nine months net earnings of $262.4 million, up 10%, on net sales of $2.09 billion, up 6%. This follows a fiscal 1985 performance in which soup unit volume was up only 1%. Campbell's final quarter and year-end results from the fiscal year ended Aug. 3, have not come in, however, company president, ceo R. Gordon McGovern, has reported net earnings for the company will be about $220 million, up 11%.

Campbell holds an estimated 85% of the canned soup market, which has not experienced as much growth as the dry soup category in recent years. It has been competitors like Progresso chipping away at the Campbell share that has launched Campbell into its soup offensive.

Campbell has created new lines of canned soups and offered line extensions to provide more "premium" items. Golden Label Creamy Natural Soups were rolled out nationally in July, 1985. Six varieties of Campbell's Home Cookin' soup marked a new Campbell entry into the $490 million ready-to-serve soup category.

A new ingredient soup, Nacho Cheese Soup/Dip, was introduced as an addition to the company's cheddar cheese soup and cream of mushroom soup. Prompted by the success of its Chunky New England clam chowder, the company extended its Chunky line with two new varieties.

Ad spending for Campbell canned soup topped $41 million for calendar 1985, as measured by Leading National Advertisers. The largest spending line, next to Campbell's red-label stalwart, was Chunky soup with $7.6 million, up 42.5% from 1984. New products also were supported with direct mail coupon campaigns.

In September, 1985, Campbell launched its first major entries into the dry soup category, a $430 million category dominated by Thomas J. Lipton Inc., with 28% of total dollar sales. The rollout of Campbell's Quality Soup and Recipe Mixes, offered in six varieties, was supported with $4.2 million in measured spending divided between magazines and tv.

Campbell also is testing other soup formulations to cater to contemporary tastes and life styles. Soup du Jour, a line of frozen, premium soups in microwavable-only bowls, is being tested in the Northwest. The six "restaurant-inspired" soups ranging from cream of asparagus to seafood supreme costs between $1.19 and $2.19, depending on the exotic quality.

Another microwavable line, Cookbook Classics, is being tested in Philadelphia.

The company also is experimenting with the popularity of alternatives to expensive metal cans. In December, it began testing Campbell's Homestyle cream of tomato soup in a paperboard, foil and polyethylene carton. The ready-to-serve soup in single serving carton is carried on the grocery shelf.

V-8, Campbell's tomato-based juice, was offered in a 64-oz. refrigerated carton in 1985. Measured ad spending on V-8 declined by 57% for 1985 to slightly more than $3 million.

A line of refrigerated salads was introduced in the Philadelphia area and Southwest states under the Fresh Chef label. Designed to tap into the growth of refrigerated foods, the test products range from tropical fruit salad, chicken salad and pasta salads to cole slaw and range in price from $1.19 to $2.59.

Four refrigerated pasta sauces, packed in clear glass jars, also were introduced. Fresh Chef Classic soups, a six-item line of refrigerated soups, was introduced in Rochester, N.Y., in February, 1986. Spending in support of Fresh Chef sauces and salads totaled nearly $1 million in measured media.

In March, 1986, Campbell acquired Mrs. Giles Kitchens, Lynchburg, Va., a privately held company with 1985 sales of $18 million generated from 35 varieties of salads, in addition to packing Fresh Chef salads.

Campbell also made a move to heighten its presence in the produce aisle, with the test of two varieties of exotic mushrooms in the eastern U.S. and Chicago. It also tested Campbell's Fresh brand asparagus in markets throughout the country.

Supported by $11.7 million in measured spending, Prego spaghetti sauce pulled up to a 30.1% market share of the estimated $847 million sauce market. In 1984 Prego held an estimated 25% share. Its major competitor, Chesebrough-Pond's Ragu, slipped to a 1985 share of 49.4% from 1984's 50%. Prince Co.'s Aunt Millie's and Prince brands hold a combined 6% share.

Two new Prego products were introduced in 1986: Prego al Fresco, a lighter textured sauce, rolled nation-

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lly in July. Four varieties of Prego ozen dinners were introduced in late ugust. Franco-American canned eals received $3.1 million in mea-ured spending, up 59.7% from 1984 vels.

Reformulations and new products troductions have led to increases in dvertising of Campbell's frozen din-er lines—Swanson dinners and Le lenu—which in the first nine months f the new year were hampered by the eneral softness in that category. Total easured spending on the lines was 26.3 million in 1985, up 21.7%. pending was paced by $13.4 million r Le Menu, up 47%, and $9.6 million r Swanson frozen dinners (breakfast so), down 23.8%. Plump & Juicy fro-en prepared chicken was introduced ith a $2.1 million tv campaign.

During 1985, the aluminum tv din-er tray was phased out in favor of lastic (Goodyear is a supplier) or aper trays suitable for both micro-ve and conventional ovens. An $8 illion effort to reformulate Swanson inners has resulted in more than 100 hanges in 44 varieties of the line, such lighter sauces, less salt, more inter-ting vegetables and new desserts.

Sales of Le Menu gourmet frozen eals remained strong through fiscal 985. Le Menu holds about 14% of the pscale frozen market to Armour Din-er Classics' 18%. Latest additions to e Le Menu line include L'Orient, six arieties of Oriental dinners complete ith chopsticks and a tea bag.

Great Starts, a line of frozen break-st entrees, was rolled out nationally May, 1986. The four-variety line of uffins and biscuits is similar to those opular in fast food restaurants and an be heated in microwave or con-entional ovens.

Pepperidge Farm, Campbell's sec-nd largest operating unit, spent about 4.3 million in measured media in 985, up from only $6.4 million in 984. Spending for Pepperidge Farm ookies soared to $3.4 million from nly $79,000 in 1984. Pepperidge arm crackers also increased in spend-g with $1.5 million in 1985, up 8.7% om 1984. Spending was cut back on rozen Vegetables in Pastry, from $3.3 illion in 1984 to $1.3 million in 985, while a reformulation program ntinues. Norwalk, Conn.-based Pep-ridge Farm also tested several new roducts including frozen English uffins, bagels, muffins and ice eam.

Vlasic Foods launched an $11 mil-on campaign in November to intro-uce Zesty dill pickles, as well as to miliarize consumers with redesigned bels for the entire Vlasic line. hrough calendar 1985, $5.2 million spending was measured in seven edia for Vlasic, down 28%. Zesty has cked up a 3% share of the total pickle arket, according to Selling Areas arketing Inc. Vlasic, based in West loomfield, Mich., is the market ader in the retail pickle category with 31% unit share.

Total measured spending was up 9% for Philadelphia-based Mrs. uls' frozen seafood, to $7.1 million, ith the largest expenditure, $5.9 mil-on, going in support of Mrs. Pauls' rozen Light seafood entrees, up from out $3 million in 1984. The com-ny is one of the top three in the fro-n seafood market, behind General ills' Gorton and Pillsbury's Van de amp's. Counting on consumer pref-ence for fresh fish, Mrs. Pauls' re-ntly introduced Au Naturel fish filets 15 test markets.

During 1985 Campbell purchased a ntrolling interest in Continental oods Company S.A. of Purrs, Bel-um. The company, which had been ivately held, manufactures several nes of sauces, spices preserves, pates, reads and confectionaries.

oups on mom!

A study of 200 middle class kids, es 8 to 12, found that 95% of them ok meals or snacks and they *like* eir kitchen roles. More than 70% op-ate a microwave oven, too, says

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$16,924	$14,487
Newspaper	2,817	5,401
Newsp. supp.	1,014	3,102
Bus. pubs.	347	604
Network tv	68,497	68,624
Spot tv	29,757	27,333
Network radio	4,655	4,371
Spot radio	2,582	1,450
Outdoor	2	62
Network cable	3,464	1,789
Total measured	130,059	127,222
Unmeasured	85,000	83,146
Total	215,059	210,368

CAMPBELL SOUP CO.
Campbell Place
Camden, N.J. 08101
(609) 342-4800

Corporate Personnel

H.M. Baum, president, Campbell USA

Marketing Personnel

C.V. Stinnett, vp-sales & mktg
P.N. Mulcahy, president, CSC Advertising
S. Whittier, dir-consumer services
A.J. Adams, dir-mktg rsch
Z. Coulson, vp-consumer issues
A.J. Dale, exec vp-Campbell Sales Co
D.F. Macaulay, dir-design
G.D. Mahrlig, dir-media services
H.P. Pelouze, dir-promo
W.C. Culp II, dir-special projects
M.P. Garrison, mgr-special projects

SOUP GROUP

Marketing Personnel

D.L. Santangelo, vp-group genl mgr, soups
D.E.Goerke, mktg dir-ready-to-serve soups
L.A. Carpenter, sr mktg mgr, condensed soups
D.E. Bair, mgr, adv production
R.L. Steenrod, mktg mgr
E.A. Lynn, mktg mgr
T.L. Cruikshank, mktg mgr
P. Senecal, mktg mgr
J.N. Haring, sr mktg mgr
S. Reed, asst mktg mgr
D. Farallo, asst mktg mgr
R. Lucker, asst mktg mgr
B. Cronin, dir-special assignment to SBU

Advertising Agencies

BBDO, New York—Chunky soup, Home Cookin—Alex Carlin, mgmt super; Robert McGreevy, acct super.

Backer & Spielvogel, New York—red & white label condensed soups—Robert Holmen, exec vp-ceo; Joseph Prior, sr vp-mgmt super; Alan Stone, vp-acct dir; Will Eddy, acct super.

Conill Advertising, New York—Hispanic adv—Rafael Conill, chmn; Alicia Conill, president.

DRY FOODS

Marketing Personnel

P.P. Massarocchio, genl mgr
P.W. Comisky, mktg dir
K. Smith, mktg mgr
S. Reed, asst mktg mgr

Advertising Agency

Backer & Spielvogel, New York.

GROCERY

Marketing Personnel

J. Horn, genl mgr
J. Dorsch, mktg dir
K. MacDonnell, sr mktg mgr
L. Senior, sr mktg mgr
D. Hillyard, mktg mgr
W. McLaughlin, assoc mktg mgr
M. Alfano, assoc mktg mgr
P. Cook, assoc mktg mgr
J. Wall, asst mktg mgr
J. Abraham, mktg asst

Advertising Agencies

Needham Harper Worldwide, New York—Campbell's bean prods—Richard Murray, sr vp-mgmt rep; Jim Schank, acct super.

Needham Harper Worldwide, New York—Franco-American pasta—Jim Schank, acct super.

Conill Advertising, New York—Hispanic adv-Rafael Conill, chmn; Alicia Conill, president.

FCB/Leber Katz partners, New York—Prego, Prego Plus, Prego Frozen, new prods—Chip Evans, sr vp-mgmt rep; Maureen Sage, vp-acct super; Elizabeth Hood, acct super.

BEVERAGES

Corporate Personnel

Gary L. Hess, group genl mgr
Terry W. Wimmers, president, Juice Bowl

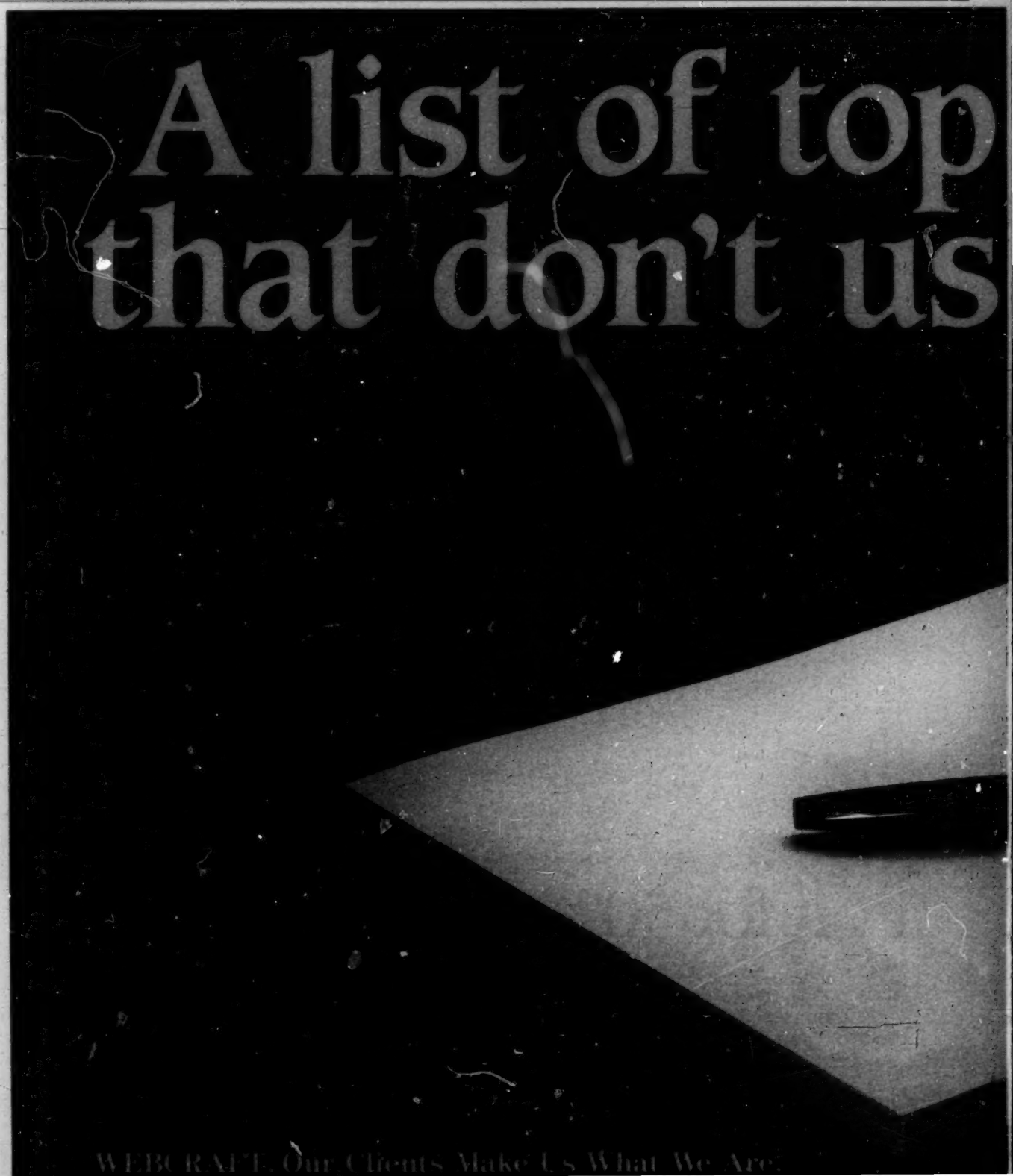
Marketing Personnel

A. Yuni, sr mktg mgr
J. Slocum, mktg mgr
V. Smith, assoc mktg mgr
T. Chandler, asst mktg mgr
P. Giannone, mktg coord
Roy Smith, vp-sales mktg, Juice Bowl

Advertising Agencies

Backer & Spielvogel, New York—"V-8", new prods—Robert Holmen, exec vp-ceo; James Keller, vp-mgmt super; Jeff Andrews, acct super.

FCB/Leber Katz Partners—Juice Bowl, new prods—Laurel Cutler, exec vp; Carol Haas, acct super; Holly Weinhouse, mktg planning acct exec. JuiceWorks—Chip Evans, sr vp-mgmt rep; Maureen Sage, vp-



acct group super; Ellen McDonald, acct exec.

FROZEN FOODS

Corporate Personnel

S.A. McNeil, group genl mgr

Marketing Personnel

T. Noto, mktg dir, Le Menu
R.F. Bernstock, dir-mktg
D.E. Lynn, mktg dir, Swanson
R.M. Revelle, mktg mgr
G.S. Loesch, mktg mgr
S. Trainor-Smith, mktg mgr
J.L. Skaler, mktg mgr
P.F. Goodman, mktg mgr
A.D. Van Beuren, mktg mgr
B. Baldwin, assoc mktg mgr
G.C. Smith, assoc mktg mgr

Advertising Agencies

Ogilvy & Mather, New York—Swanson, Le Menu, Le Menu Light Style, L'Orient, Great Starts Breakfasts, new prods—Graham Phillips, exec vp-super; Cliff Angers, sr vp-acct group dir; Stephanie Backer, vp-mgmt super; Sally Luce, acct super; Jackie Cohen, Kathleen Frick, acct execs.

Hal Riney & Partners, San Francisco—Swanson regular & Hungry-Man dinners and entrees, Swanson meat pies—Donal D. Ashley, sr vp-genl mgr; Patricia S. Hader, vp-mgmt super; Margaret M. Lane, acct super; Patricia I. Brierton, acct exec.

FRESH FOODS

Corporate Personnel

K.W. Leighton, group genl mgr

Advertising Agency

Marti, Flores, Prieto & Wachtel, Puerto Rico—Roman Flores, genl mgr; Roberto Alonso, acct super; Steve Wachtel, creative dir.

REFRIGERATED FOODS

Corporate Personnel

M.B. Buchalski, genl mgr

Marketing Personnel

B.E. Horlbeck, dir-mktg
D.M. Stalker, mktg mgr
L. Li, asst mktg mgr

Advertising Agency

Needham Harper Worldwide, New York—Richard Murray, sr vp-mgmt rep; Susan Spohn, vp-acct super; Barrie Dolnick, acct exec; Cheryl Callan, asst acct exec-Fresh Chef sauces, salads, soups.

FRESH PRODUCE

Marketing Personnel

D.E. Herr, genl mgr
F.A. Dudowicz, mktg dir
S. Stiles, mktg mgr

Advertising Agency

(In-house), CSC Advertising—Paul N. Mulcahy, president.

FOOD SERVICE

Corporate Personnel

A.N. Calabrese, genl mgr

Marketing Personnel

G.W. Thompson, dir-mktg
W.W. Gabrys, mktg mgr
J.J. Kelly, dir-mktg
L. Stefler, dir-mktg
W.C. Lehseis, mktg mgr

Advertising Agency

Lewis, Gilman & Kynett, Philadelphia—R.C. Wilder, president; T.P. Ferguson, L. Stoelker, vps-acct supers.

CONVENIENCE STORES

Corporate Personnel

C.R. Marshall, genl mgr

Marketing Personnel

J.A. Blood, sr mktg mgr

PET FOODS

Corporate Personnel

S.M. Regan, genl mgr

Marketing Personnel

J. Blauner, mktg dir
Janet Dagross, assoc mktg mgr

Advertising Agency

(In-house), CSC Advertising—P.N. Mulcahy, president.

POULTRY

Corporate Personnel

J.W. Dodd, genl mgr

Marketing Personnel

J.F. VanStone, mktg dir
C.G. Magre, mktg mgr

Advertising Agencies

Ogilvy & Mather, New York—Plump & Juicy chicken—Cliff Angers, sr vp-group acct dir; Dave Mechlin, mgmt super; Harry Towers, acct super.

Needham Harper Worldwide, New York—canned poultry products.

PEPPERIDGE FARM
Norwalk, Conn.

Corporate Personnel

R.A. Shea, president
T.H. Fry, president, Godiva

Marketing Personnel

W.R. Encherman, mktg dir, biscuit
C.V. McCarthy, vp & genl mgr, bakery
P.J. Callaghan, mktg dir, bakery
C.W. Rydin, genl mgr, frozen
E.A. Anderson, mktg dir, frozen
B.L. Gueraitis, genl mgr, foodservice
K. Rudolph, mktg dir, foodservice
R.L. Schmalz, genl mgr, mail order
J.E. Tierney, vp-corp relations

Advertising Agencies

Ogilvy & Mather, New York—Pepperidge Farm—N. Berry, president; S. McGavin, vp-sr mgmt super.

Margeotes, Fertitta & Weiss—Godiva—G. Fertitta, president; J. Weiss, creative dir.

VLASIC
Bloomfield, Mich.

Corporate Personnel

J.R. Scales, president

Marketing Personnel

T.I. Bitterman, sr vp-sales, mktg
E. Tazzia, vp-genl mgr, Hispanic Business Unit U.S.
W. Shaw Sr., vp-mktg

Advertising Agency

W.B. Doner & Co., Southfield, Mich—William Case, sr vp-group mgmt super; Richard Friday, vp-mgmt super; Trish Doyle, acct super.

MRS. PAUL'S KITCHENS
Philadelphia, Pa.

Corporate Personnel

W.J. Dowd, president

Marketing Personnel

G.W. Piszek, sr vp-sales & mktg
T.F. Cohen, dir-mktg
R.J. Johnson, mktg mgr
P.A. Hughes, mktg mgr
J.M. Clemons, mktg mgr
W.J. Tullis, mktg mgr
L.M. Martineau, vp-consumer affairs
J. McMahon, vp-sales

Advertising Agency

Needham Harper Worldwide, New York—Leo J. Mamorsky, acct super; Lisa Weatherford, acct exec.

TRIANGLE MFG. CORP.
Merrisville, N.C.

Corporate Personnel

P. Fenu, president

Marketing Personnel

E. Nesterick, mktg dir
R. Carlson, adv & promo dir

Advertising Agency

(In-house), CSC Advertising—Paul N. Mulcahy president.

DOMSEA
Bremerton, Wash

Corporate Personnel

R.A. Earle, genl mgr

Marketing Personnel

C.M. Monaghan, mktg dir

Advertising Agency

(In-house), CSC Advertising—P.N. Mulcahy, president.

MRS. GILES KITCHENS
Lynchburg, Va.

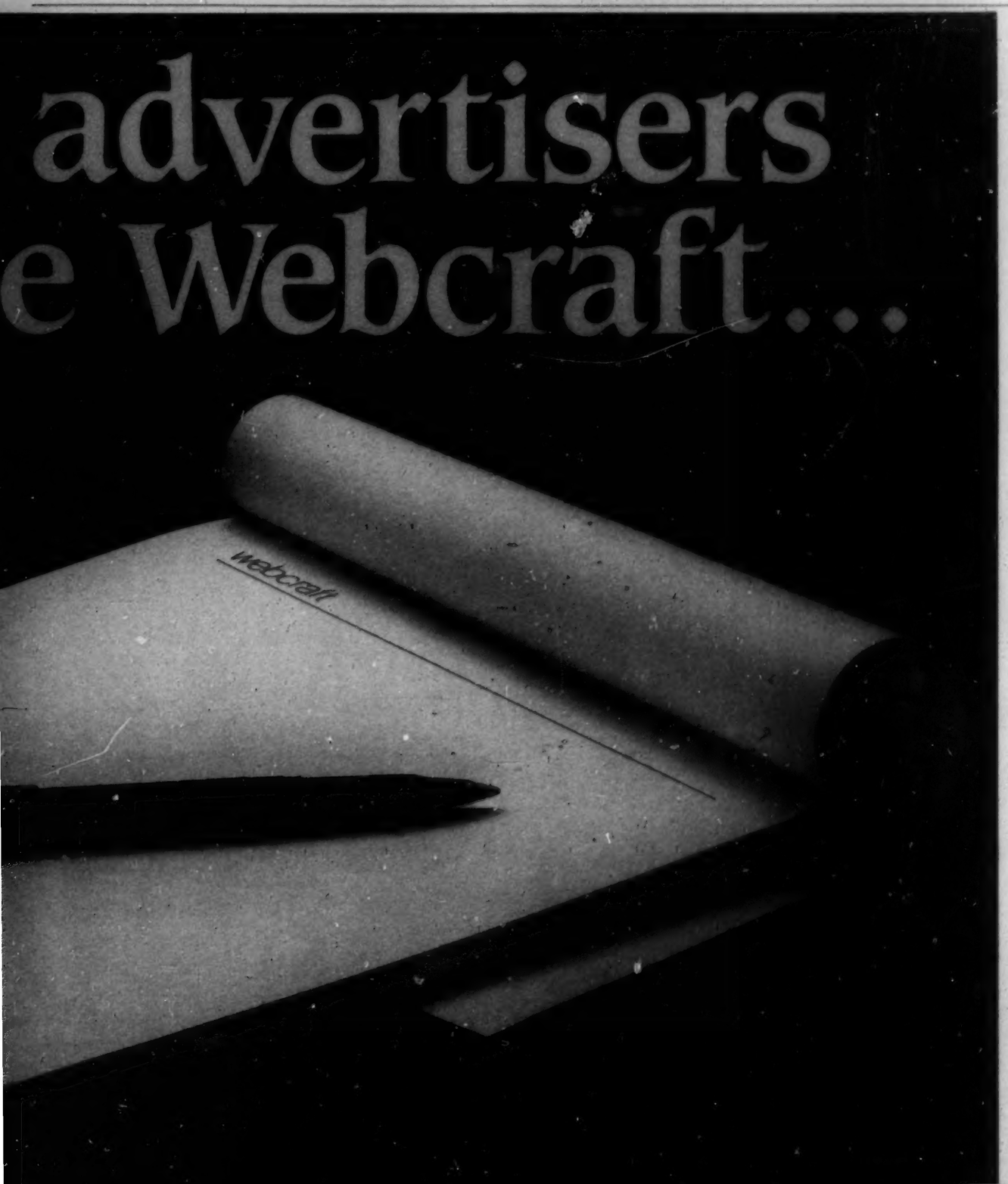
Corporate Personnel

Carl W. Calandra, president

Marketing Personnel

Thomas Canard, vp-sales & mktg

advertisers e Webcraft...



RANK **97**

Canon Inc.

Lake Success, N.Y.

($ in millions)

Worldwide	1985	1984	% chg
Sales	4,779	3,308	44.5
Net income	186	140	32.1
U.S.	**1985**	**1984**	**% chg**
Sales	1,501	1,260	19.1
Operating profits	N/A	N/A	N/A
Advertising	81	103	(20.9)
Division sales	**1985**	**1984**	**% chg**
Bus. machines	3,400	2,660	28.3
Cameras	949	1,120	(15.3)
Optical, other	431	387	11.4

Canon USA, a division of Tokyo-based Canon Inc., hampered by a slowdown in the U.S. economy and stagnation in the camera market, implemented a widespread cost-cutting program that slashed its measured media spending by 26.5%.

Spending reductions cut across the media board, the largest declines coming in network radio, down 49.2%; network tv, down 35.6%; spot tv, off 33%, and newspapers, down 15.7%.

Worldwide, sales in the business machines segment recorded a gain of 28.3% to $3.4 billion, including $2.1 billion for copiers, up 17.4%. Business machines accounted for 71% of the company's worldwide sales, a marked increase from the 63.8% level of 1984. Camera sales plummeted 15.3%, to $949 million, while optical and other products' sales rose 11.4% to $430.5 million.

To help boost flagging sales of

ally advanced single-lens-reflex cameras. The company, which popularized the 35mm format a decade ago with the aid of its "so advanced, it's simple" ad pitch, was victimized by a severe slowdown during the year in the $1.4 billion market. Canon tv spots for the F series featured sportscaster John Madden. Grey Advertising handled.

Canon also encountered new competition in the segment from Eastman Kodak Co., which re-entered the 35mm field after a 16-year absence.

Canon unveiled the non-SLR 35mm models for the fashion-conscious market under Canon's Snappy line, with offerings in red, blue and yellow. One new entry was the Aqua Snappy, a weather-proof version. Now No. 1 in the non-SLR market, Canon also brought out new models in its Sprint line.

Leading National Advertisers, which monitors advertising in six media, reports Canon spent about $5.5 million in measured spending in 1985 to advertise its camera lenses and accessories, down substantially from spending of $25.5 million in 1984.

In home video, Canon in 1985 introduced the Canovision 8, an 8mm camcorder. The company also sought to maintain its presence in the competing vhs format with a new vhs-hifi home deck.

The company early in 1986 introduced a film-less video camera that records still images on a miniature floppy disk. The images then can be viewed immediately on a tv screen with a special attachment or sent to a printer to create color snapshots. Photo images also can be transmitted over telephone lines.

Other strong product lines for Canon in 1985 included electronic typewriters and facsimile machines.

Canon copier sales remained strong in 1985, although the company's measured ad spending in this category declined to $23.6 million, down from more than $26 million in 1984, according to LNA. Copiers accounted for, by far, the company's largest outlay for networktv, at $15.3 million.

Canon maintained its leadership of the plain paper copier field via the 1985 introductions of the faster-speed NP-7550 and NP-8570. Print ads for the 8570, which turns out 70 copies per minute, use the theme line "Speed exceeded only by performance. The choice is Canon."

Canon announced in late 1985 that it would spend about $10 million to build a U.S. manufacturing plant in Newport News, Va. The plant, Canon's second in the U.S., will turn out copiers and is expected to start production by spring.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$23,295	$23,978
Newspaper	3,279	3,891
Newsp. supp.	36	0
Bus. pubs.	3,143	2,721
Network tv	21,400	35,217
Spot tv	5,502	6,212
Network radio	1,042	2,020
Spot radio	684	526
Outdoor	425	380
Network cable	1,867	1,948
Total measured	60,792	76,923
Unmeasured	20,409	25,818
Total	81,201	102,721

CANON U.S.A.
1 Canon Plaza
Lake Success, N.Y. 11042
(516) 488-6700
Marketing Personnel

T. Hirasawa, adv-sales promo mgr, cameras
E. Yoshinari, adv-sales promo mgr, cameras
H. Hirai, adv-sales promo dir, copiers
T. Kikuchi, adv-sales promo mgr, copiers
H. Iwanami, adv-sales promo mgr, calculators

Advertising Agencies

DYR Worldwide, New York—print/sales promo, tv, for cameras, calculators, copiers, medical prods, micrographics, facsimile machines, tv lenses, semiconductor mfg equipment—H. Kamiyama, sr vp-creative; Frank Savarese, vp-mgmt supvr; Bill Barrett, vp-media dir.

Grey Advertising, New York—typewriters, personal computers, video equipment, tv ads for cameras—William Overend, exec vp-mgmt rep; Hank Greer, vp-sr mgmt supvr; Larry Geiger, Ray Hakowski, George Miller, vps-mgmt supvrs.

Capital Cities/ABC

RANK **98**

New York

($ in millions)

	1985	1984	% chg
Sales	4,020	4,625	(13.1)
Net income	141	221	(57.4)
U.S. advertising	72	98	6.3

The fortunes of Capital Cities/ABC Inc., the resulting merger of American Broadcasting Cos. and Capital Cities Communications, are tied closely to the strength of national television advertising. And in 1985 and the first half of 1986, that medium is anything but rosy.

ABC tv network, which contributes two-thirds of total sales to the newly merged company, suffered a decline in income in the first quarter. But a slight income gain in the second quarter at ABC network, cost-cutting measures that are trimming 1,400 from the payroll and a gradual reduction of its compensation payments to affiliates in exchange for freeing up more local advertising time may help spur a turnaround.

During 1985, broadcast revenues at ABC dropped 14% to $2.84 billion while operating income in the division dropped 20% to $340.8 million. These decreases were influenced by record returns in the prior year's related to the financial success of the Olympic games.

The drop would have been greater had 1985 not been a record year in local sales for ABC's owned and operated tv stations. Broadcast also includes cable and radio.

The performance of ABC broadcasting reflected an industrywide slump. Influenced by the economy's slowdown, the three networks declined in revenue nearly 3% to $8.31 billion, the only single-year drop since cigarette were taken off the air in 1971. In the process, ABC dropped to a prime-time September to April average of 14.8 rating, behind NBC's season leading 17.6, and CBS's 16.7. One ratings share translates into an estimated $50 million over the course of a year.

A historical reading of Cap Cities/ABC's financial returns for 1985 (the $5.2 billion purchase by Cap Cities took effect Jan. 1, 1986) showed a combined net income $301 million, down 9%, on revenues of $4.32 billion, down 5.6%.

Separately, American Broadcasting Co.'s contribution (including all divisions) was $158.4 million in net income, down 19%, on revenues of $3.3 billion, down 10%; Cap Cities, largely a newspaper and trade publisher and broadcast company at the time of the purchased, had net income of $142.2 million, up 5% on revenues of $1.02 billion.

The merger left considerable room for streamlining and consolidation of operations into three divisions: ABC Network (Entertainment, Sports, News), broadcast stations (radio, tv, video entertainment, ABC spot sales), and publishing.

The company, in order to effect the merger, had to comply with Federal Communications Commission media crossownership rules preventing multiple ownership of media in the same market. Cap Cities/ABC sold off its cable unit to the Washington Post Co. for $350 million, and four tv and eight radio stations and a daily newspaper.

Proceeds from these dispositions will yield approximately $920 million after related taxes are paid in 1986. The remainder of the purchase price was financed by a combination of $250 million in available cash, $1.375 billion in long-term debt at an average interest rate of 10.2%, the sale of three million shares of common stock, the issuance of $100 million in warrants (to acquire up to 2.9 million shares of the company's common stock) and the balance through the sale of commercial paper.

Cap Cities, lean in management and accustomed to strong profits, found itself facing a poor financial picture in 1986 and a merged partner characterized by a huge payroll and management bureaucracy, moved quickly.

It moved quickly to effect change. New managers at ABC replaced some of the best known names in broadcasting and some of the company's best known broadcast properties were sold. Fred Pierce, the president, resigned in January, a week after the companies completed their merger.

Other top ABC brass departed before and after the merger began, including Tony Thomopoulos, president of ABC Broadcast Group, Everett Erlick, general counsel, and Ben Hoberman, president of radio.

Cap Cities immediately began shrinking the payroll. By this summer, more than 1,000 positions were eliminated, and an additional 400 more jobs, primarily in technical areas, are currently being cut. A number of new executives were added to the corporate roster. John Sias, formerly president of Cap Cities' Fairchild Publications was named president of ABC division of Capital Cities/ABC. Michael Mallardi, formerly chief financial officer for ABC, was named president of the company's broadcasting division.

The owned and operated tv station group, the largest group in the country, was split into eastern and western groups. Named to the presidency of the western region was Kenneth Johnson, formerly president-gm of Cap Cities' KTRK-TV, Houston. Lawrence Pollock, formerly president-gm of WPVI-TV, Philadelphia, was named president of the eastern stations. ABC also discontinued its movie division unit of ABC Motion Pictures in 1985. The movie unit, which produced only six films in four years, among them "The Flamingo Kid," "Prizzi's Honor," "Silkwood," had been a money loser. ABC Motion Pictures continues to produce tv series, however.

Cap Cities/ABC is seeking to build back its audience shares for the ABC Television Network, which have eroded from the No. 1 prime-time network three years ago to No. 3. The other two networks actually cannibalized ABC in 1985-86 as NBC rose dramatically from a 16.2 to 17.6 rating and CBS rose from a 16.7 to 16.9 rating as ABC dropped from 15.5 to 14.8. ABC's strongest suit was daytime. Its 6.3 share in 1985-86 tied CBS for the lead, up from 6.1 share in 1984-85 when it ranked No. 2 to CBS with a 6.7 share.

ABC programs have slid in the ratings as well. "Dynasty" in the September-April season, 1985-86, dropped to No. 6 with a 21.9 rating, compared to its No. 1 position with a 25 rating in 1984-85. "Hotel" fell to No. 22 during the period with an 18.5 rating, compared with its 10th ranking 20 rating the prior year. "Who's the Boss?" rose to No. 11 with a 21.1 rating, compared with its 37th spot and 15.8 rating, and "Monday Night Football" rose to No. 16 with a 19.8 rating from 28th and a 17 rating.

ABC, a master of the extravaganza, pulled off a strong performance with its Liberty Weekend coverage, July 3-6. The network grabbed a 15.9 prime-time rating for the weekend, reduced to 13.9 prime-time for the week, compared with NBC's weekly 11.9 and CBS's 9.5.

ABC reportedly took in about $30 million revenue from the four-day weekend. It paid out $10 million for "exclusive" coverage, but its rival networks, complaining the event was a news happening and therefore nonexclusive, got extra minutes in covering the opening ceremonies when they threatened legal action.

The company "expects that its recovery will take several years and will be both difficult and expensive," according to a company spokesman.

One controversial means of restoring the network's profitability is the withdrawal of compensation payments to affiliates. Compensation payments, which run into the millions, are incentives for affiliates to run with network programing.

All three networks are looking at the system, and CBS has withdrawn such incentives on popular programs in the past, but ABC is venturing further than any network.

Before the affiliates meeting in late spring, 1986, the network backed off of withdrawing all compensation payments, however, it withdrew payments for some sports programs.

For "Monday Night Football," which saw ratings improve in 1985, the network will give affiliates a three-minute window for local advertising in the program in exchange for cash payments. A two-minute network block in daytime baseball playoffs will be turned over for local advertising, while in prime time and weekend playoff games, affiliates will get an extra minute of local time in exchange for compensation payments.

Cap Cities/ABC also has kept measured advertising spending promoting its network, various stations and services at mainteinance-level. Measured advertising slipped 4% to $41.7 million, according to Leading National Advertisers.

Despite the minor drop, the media mix shifted to favor magazines even more—$34.9 million of the total in 1985 vs. $34.1 million in 1984. Spot tv dropped to $4.6 million from $7.4 million in 1984. The lion's share of measured media backed ABC Television Network, $29.8 million in 1985, up from $29.6 million.

Cap Cities/ABC owns and operates eight ABC affiliates capable of reaching just under 25% of U.S. tv homes. At the present time, all of these stations are rated either first or second in their markets in local news and from sign-on to sign-off.

The company owns nine am and eight fm stations serving nine markets, including seven of the top 10 radio markets, and seven radio networks, with over 1,900 affiliated radio stations. Radio operations of the two companies generated more earnings than any other radio group in the U.S. in 1985.

Cap Cities/ABC owns 80% of ESPN, 38% of Arts & Entertainment, and 33% of Lifetime, enabling the company to take advantage of viewer and advertiser growth in these services.

The company's broad assortment of daily and weekly newspapers, weekly and monthy consumer and business publications, special purpose newsletters and book publishing activities represents a strong and growing segment of the company.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$34,898	$34,092
Newspaper	18,168	16,159
Newsp. supp.	407	0
Bus. pubs.	216	51
Spot tv	4,563	7,374
Network tv/pbs	42	10
Spot radio	3,263	765
Outdoor	1,117	1,212
Network cable	686	8
Total measured	63,359	59,676
Unmeasured	8,888	8,348
Total	72,247	68,024

CAPITAL CITIES/ABC
1330 Avenue of the Americas
New York, N.Y. 10019
(212) 887-7777
Corporate Personnel

Thomas S. Murphy, chmn of the board & ceo
Daniel B. Burke, president & coo
Joseph P. Dougherty, exec vp
John B. Fairchild, exec vp, chmn & ceo, Fairchild Publications
John B. Sias, exec vp, president, ABC Network Div
Ronald J. Doerfler, sr vp & cfo
Michael P. Mallardi, sr vp, president, Broadcasting Div
Phillip J. Meek, sr vp, president, Publishing Div
Stephen A. Weissmann, srvp & gen counsel
Allan J. Edelson, vp & controller
Andrew E. Jackson, vp
Gerald Dickler, secty
David J. Vondrak, treas
David S. Haworth, asst controller & asst secty

Top 25 newspaper advertisers

Rank	Advertiser	Newspaper ad expenditures 1985	1984	% chng	as % of co.'s 1985 ad total
1	General Motors Corp.	$140,979	$109,399	28.9	18.1
2	Philip Morris Cos.	78,051	73,041	6.8	5.6
3	Ford Motor Co.	77,299	62,063	24.5	12.6
4	K/B/Nabisco	73,321	107,456	(31.8)	6.7
5	American Telephone & Telegraph Co.	57,210	58,200	(1.7)	11.0
6	Chrysler Corp.	42,000	34,962	20.1	10.7
7	International Business Machines Corp.	30,610	36,036	(15.1)	9.3
8	GE/RCA	29,870	51,947	(42.5)	8.0
9	People Express Airlines	29,212	8,953	226.3	N/A
10	Sears Inc.	28,425	25,317	12.3	16.2
11	Eastern Air Lines	24,830	18,654	33.1	27.7
12	Pan American World Airways	21,218	11,395	86.2	N/A
13	CBS Inc.	20,936	21,519	(2.7)	10.1
14	Trans World Airlines	20,870	21,436	(2.6)	N/A
15	Toyota Motor Corp.	17,231	14,913	98.2	12.1
16	UAL Inc.	19,987	6,112	227.0	13.8
17	AMR Corp.	19,534	13,496	44.7	18.5
18	Capital Cities/ABC	18,168	16,155	12.5	25.1
19	Daimler-Benz	15,009	6,545	175.1	N/A
20	Delta Air Lines	17,116	26,332	(35.0)	18.2
21	Northwest Orient Airlines	16,850	10,265	64.2	N/A
22	Nissan Motor Co.	16,504	13,170	25.3	10.2
23	TWA/TWA Corp.	15,153	11,781	28.5	N/A
24	Texas Air Corp.	15,075	17,636	(14.5)	N/A
25	American Express Co.	14,864	11,481	29.5	6.8

NOTE: Dollars in thousands. Source: Media Records

ABC NETWORK DIVISION
Corporate Personnel
hn B. Sias, president
ark H. Cohen, exec vp
arren D. Schaub, sr vp
andon Stoddard, president, ABC Entertainment
one Arledge, grp president, ABC News & Sports; president, ABC News
chard C. Wald, sr vp, ABC News
avid W. Burke, vp, ABC News
nnis Swanson, president, ABC Sports
hnis Lewin, sr vp, ABC Sports
phen J. Solomon, sr vp, ABC Sports
ark Mandala, president, ABC Television Network
orge H. Newi, sr vp, ABC Television Network
mes E. Duffy, president, ABC Communications

BROADCASTING DIVISION
Corporate Personnel
chael P. Mallardi, president
wrence J. Pollock, president, Television Stations—East
bert C. Niles, vp, Television Stations—East
nneth M. Johnson, president, Television Stations—West
mes E. Masucci, vp, Television Stations West
rbert A. Granath, president, Video Enterprises
William Grimes, president, ESPN
ius Barnathan, president, Broadcast Operations & Engineering

Advertising Agencies
Fattal & Collins, Santa Monica, Cal.—C Entertainment—Babe Fattal, partner; ssell Collins, partner; Phyllies Wreagh, acct services.
Grey Entertainment, New York—ABC ertainment—Al Lieberman, president.

PUBLISHING DIVISION
Corporate Personnel
llip J. Meek, president
n B. Fairchild, chmn & ceo, Fairchild Publications
niel Newman, president & coo, specialzed publications
bert G. Burton, president, ABC Publishing

RANK **39**

CBS Inc.
New York

($ in millions)

	1985	1984	% chg
Sales	4,756	4,640	2.5
Net income	27	212	(87.3)
B.	**1985**	**1984**	**% chg**
Sales	4,201	4,054	3.6
Operating profits	408	548	(25.5)
Advertising	208	201	3.5
vision sales	**1985**	**1984**	**% chg**
Broadcast group	2,786	2,721	2.4
Record group	1,230	1,265	(2.8)
Publishing	711	619	14.8
Other	33	38	(13.2)

CBS Inc. was confronted with dratic problems on three fronts in 5: The company had to fend off a mber of suitors in the merger/take-r mania rampant in the broadcast ustry; CBS encountered softness in advertising sales marketplace and behind rival NBC into second ce in the prestigious prime-time rats race; it also experienced losses m a costly recapitalization program included divestitures of nonessen- business and the discontinuance of toys, theatrical films and home nputer software operations.

The company's losses from discon-ued operations in 1985 totaled .5 million, and CBS incurred losses $120.8 million in the process of dising of these operations—losses that ect directly on CBS' radical reduc- in worldwide net income.

ncluding these losses, CBS' 1985 income of $27 million decreased from 1984's worldwide net inne of $212 million. Net income uld have been $204.3 million, down y 4%, without these one-time rges.

CBS spent enormous amounts of e, energy and expense fending off ecover moves from Jesse Helms'-led rness in Media movement, Ivan sky and Ted Turner. In the process xchanging debt for equity, CBS rechased 21% of its outstanding com- stock for $954.8 million in cash notes effective Aug. 1, 1985. The npany's over-all recapitalization gram is designed to maintain its ndence and enhance the prospects of CBS' three core businesses—broadcasting, recorded music and publishing.

The company is on schedule with its program to raise $300 million in post-tax proceeds from the sale of assets. CBS has generated $200 million so far, most of it applied to debt reduction, and the company has reduced its long-term debt by $232 million. CBS also expects to reach its goal of reducing overhead by $20 million in 1986, well before its yearend 1987 target.

Operating profits declined sharply in CBS' three core businesses in 1985. Operating profits declined 12% to $360.6 million in 1985 at CBS/Broadcast Group because of lower profits at the CBS Television Network, caused by weaknesses in the national tv advertising marketplace, particularly in ad sales for sports programing. The Television Stations and Radio Division reported higher revenues and profits in 1985.

Operating profits for CBS/Records Group declined 29% in 1985 to $87.2 million, as revenues fell 3% as the company was beset by a soft domestic market, a shortage of bona fide hit albums and delayed albums from major artists—conditions opposite to those that produced record profits in 1984. CBS/Records managed to maintain its leading U.S. market position in 1985, with its Columbia label ranked No. 1 in the pop music category for the third consecutive year.

The group's direct marketing operation, Columbia House Division, continued its record-breaking growth. In June, 1985, CBS/Records Group acquired a 50% interest in privately held Winterland Productions, San Francisco. Winterland is engaged in the design, printing and marketing of merchandise for the music and entertainment industries. Its acquisition signals the group's aim of sharing in as many of the revenue streams of its artists as possible.

In 1985, CBS/Publishing Group underwent dramatic changes and experienced a 30% decline in operating profit to $41.1 million on a 14.8% growth in revenues. In the largest acquisition in its history, CBS purchased the 12-title consumer magazine business of Ziff-Davis Publishing Co. in February, 1985, for $362.5 million. Amortization charges related to the Ziff-Davis acquisition contributed to the group's reduced operating profit. The Ziff-Davis acquisition solidified the group's position as the leader in the attractive special interest magazine field.

The segment sold *Family Weekly* to Gannett in early 1985 for $42.5 million because the publication did not fit the long-term plans for CBS Magazines. The Holt General Book Unit and Praeger, which published specialized academic monographs, also were sold in 1985. Winston-Seabury, a religious publisher, was sold early in 1986. These three small businesses did not fit CBS/Publishing Group's Educational and Professional Publishing division's (CEPP) strategic focus.

CBS experienced a decline in net income for the first quarter of 1986, but generated revenues above the prior-year period. Thomas J. Wyman, chairman and ceo, commented, "While the first quarter's results reflected the impact of a weak national advertising environment and increased program development costs on the television network's performance, and the effect of our higher debt level, CBS benefited particularly from the sharply improved results for the CBS/Records Group and to a lesser degree from the effect of the companywide overhead reduction efforts and a one-time gain from the sale of notes receivable."

Also for the quarter, CBS/Broadcast Group revenues rose 6% on a 66% decline in profits. Improved results for the CBS Television Stations Division and higher profits for the CBS Radio Division (including the five stations purchased from Taft Broadcasting in July, 1985) were negated by the sharp

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Commercial Graphics Division/3M

decline in profits from the CBS Television Network. The Taft acquisition raises the number of CBS' am stations to seven and increases its fm stations to 11. CBS/Records Group revenues increased 21% and profits grew 109% from the prior-year period, indicating the impact of U.S. and worldwide sales of recent recorded music releases.

CBS/Publishing Group revenues in the quarter declined 5%, while the group's seasonal operating loss was reduced by 19%. The group's revenue decline and profit improvement were because of the absence of operations divested in 1985.

In November, 1985, Laurence A. Tisch, chairman and ceo of Loews Corp., was elected to the board of directors of CBS Inc. His election raised the number of board members from 13 to 14. Recent reports indicate Loews has purchased close to the 25% of the outstanding CBS common stock the Loews Corp. announced it intended to buy last October.

In February, 1986, CBS Inc. purchased a half interest in Mainstream Communications Corp. Mason Best Co., a Texas-based merchant banking company, owns the other half of the joint venture. The company's current strategy is to spread entrepreneurial risks in communications-related new businesses through joint ventures. In May, 1986, the sale to Viacom International of CBS' KMOX-TV, St. Louis, was completed for a cash purchase price of $122.5 million.

CBS still is engaged in a lawsuit with Ziff-Davis brought by CBS alleging that Ziff-Davis misrepresented the profits of the 12 consumer magazines it put up for sale in late 1984. A New York state supreme court judge dismissed some of the claims (fraud and misrepresentation) against Ziff Corp. in late 1985. CBS contends the judge's decision on these claims is erroneous and intends to appeal. The court, however, let stand CBS' claims for breach of contract and breach of warranty and leaves CBS free to proceed with its claims in those areas.

Past experience alone qualifies CBS Inc. to deal with broadcasting's innate vagaries. Faced with extraordinary financial pressure and uncertainty, interest on debts accumulated in the process of maintaining corporate independence and downbeat revenue projections for many of its broadcast segments, 1986's uncertain atmosphere presents the toughest test its corporate mettle has faced.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$ 60,405	$47,378
Newspaper	20,936	21,519
Newsp. supp.	13,720	12,310
Bus. pubs.	1,993	947
Network tv	17,526	25,325
Spot tv	14,253	20,136
Network radio	1,042	189
Spot radio	732	1,035
Outdoor	729	868
Network cable	3,612	662
Total measured	134,946	130,369
Unmeasured	73,054	70,576
Total	208,000	200,945

ADVERTISING EXPENDITURES

(CBS-supplied)	1985	1984
Newspaper	$37,275	$35,709
Magazine	44,675	35,875
Bus. pubs.	4,433	6,084
Spot tv	19,336	28,509
Network tv	5,069	6,204
Spot radio	7,261	11,329
Network radio	1,657	1,742
Point-of-purchase	10,809	10,491
Direct mail	25,106	24,978
Outdoor transit	3,412	2,656
Other	88	649
Production	49,029	38,505
Total	208,150	202,731

CBS INC
51 West 52nd St.
New York, N.Y. 10019
(212) 975-4321
Marketing Personnel

Louis Dorfsman, vp-creative dir, adv & design
Warren W. Spellman, vp-media services
Ted Andresakes, sr art dir
Ira Teichberg, dir-design services
Naomi Andrews, copy chief
Maureen A. O'Donnell, dir-media services
Dominick F. DiCerto, dir-computer graphics & adv operations

Advertising Agencies

Deutsch, Shea & Evans, New York—CBS recruitment adv—Kay Winterhalter, acct exec.

Doyle Dane Bernbach, New York—CBS corporate media services—Lawrence J. Iannuzzelli, exec vp; Jack Cohen, vp-dir of print/outdoor media buying; Anne Oliver, vp-acct super.

Equity Advertising, New York—CBS recruitment adv—Julia Jacobs, vp.

CBS/BROADCAST GROUP
Marketing Personnel

David F. Poltrack, vp-rsch
George F. Schweitzer, vp-communications & info
Marilyn Bellock, dir-CBG cable services

CBS BROADCAST INTERNATIONAL
(Unit of CBG)
Corporate Personnel

Donald D. Wear Jr., sr vp-genl mgr
John M. Eger, sr vp
Ronald W. Chaimowitz, vp-mktg devel
Arthur F. Kane, vp-managing dir
Marketing Personnel
Rainer Siek, vp-intl sales & admin
Charles E. Walsh, vp-worldwide adv sales
Joseph J. DiCerto, dir-adv & promo

CBS TELEVISION NETWORK
Marketing Personnel

William G. Cecil, vp-sales planning, CBS-TV network sales
Jerome H. Dominus, vp-sales
Richard A.R. Pinkham Jr., vp-mktg services, CBS-TV network sales
Heather B. Regan, vp-mktg, affiliate relations
Donald W. Evers Jr., dir-communications

CBS ENTERTAINMENT
Marketing Personnel

Herman Aronson, vp-operations & creative services
Ann Kalman, vp-media services (West Coast)
Morton J. Pollock, vp-adv & promo (West Coast)
Daniel Stern, vp-promo, East Coast, adv & promo
Bruce Weiner, vp-affiliate adv & promo
Kathie Culleton, dir, admin (West Coast)
Tetsuya Matsuura, creative art dir

CBS SPORTS
Marketing Personnel

Richard C. Goldstein, vp-mktg
Robert V. Tassie, vp-communications
Keith Johnson, mgr-adv & media services

CBS NEWS
Marketing Personnel

Douglas C. Clemensen, vp-adv
B. Vincent Loncto, vp-admin
Joseph R. Passarella, dir-adv & promo

CBS TELEVISION STATIONS
Marketing Personnel

Douglas C. Clemensen, vp-adv
Eglon Simons, vp-sales
Bruce Thomas, dir-mktg
Fran S. Kaufman, mktg services mgr
David LaFountaine, dir-communications, WCBS-TV, New York
Ivan Ladizinsky, dir-communications, WCAU-TV, Philadelphia
Lilly Eide, dir-communications, WBBM-TV, Chicago
Michael G. Mischler, dir-communications, KCBS-TV, Los Angeles

CBS RADIO
Marketing Personnel

Michael R. Ewing, vp-genl mgr, CBS radio network
Robert Hyland III, vp, CBS owned fm stations
Edward C. Kiernan, vp-genl mgr, CBS radio spot sales
Robert P. Kipperman, vp-genl mgr, RADIORADIO
Nancy C. Widmann, vp, CBS owned am stations
Stephen J. Youlios, vp-sales, CBS radio networks
Norman S. Ginsburg, dir-mktg & promo, RADIORADIO
Suzanne M. Sack-Dowden, dir-mktg & promo, CBS radio network
Kathleen T. Seipp, dir-mktg, CBS owned fm stations
Louise Stakelin, dir-sales promo & devel, CBS radio reps
Susan Garone, mgr-research/mktg, CBS radio reps

Advertising Agencies

Batz-Hodgson-Neuwohener, St. Louis—KHTR—Clay Hyland, acct exec.

Bower, Dorsey & O'Neil, Houston—KLTR-FM—Bill Penzack, acct exec.

Charisma Communications, New York—CBS Byline Magazine—Lorraine Hartigan, exec vp.

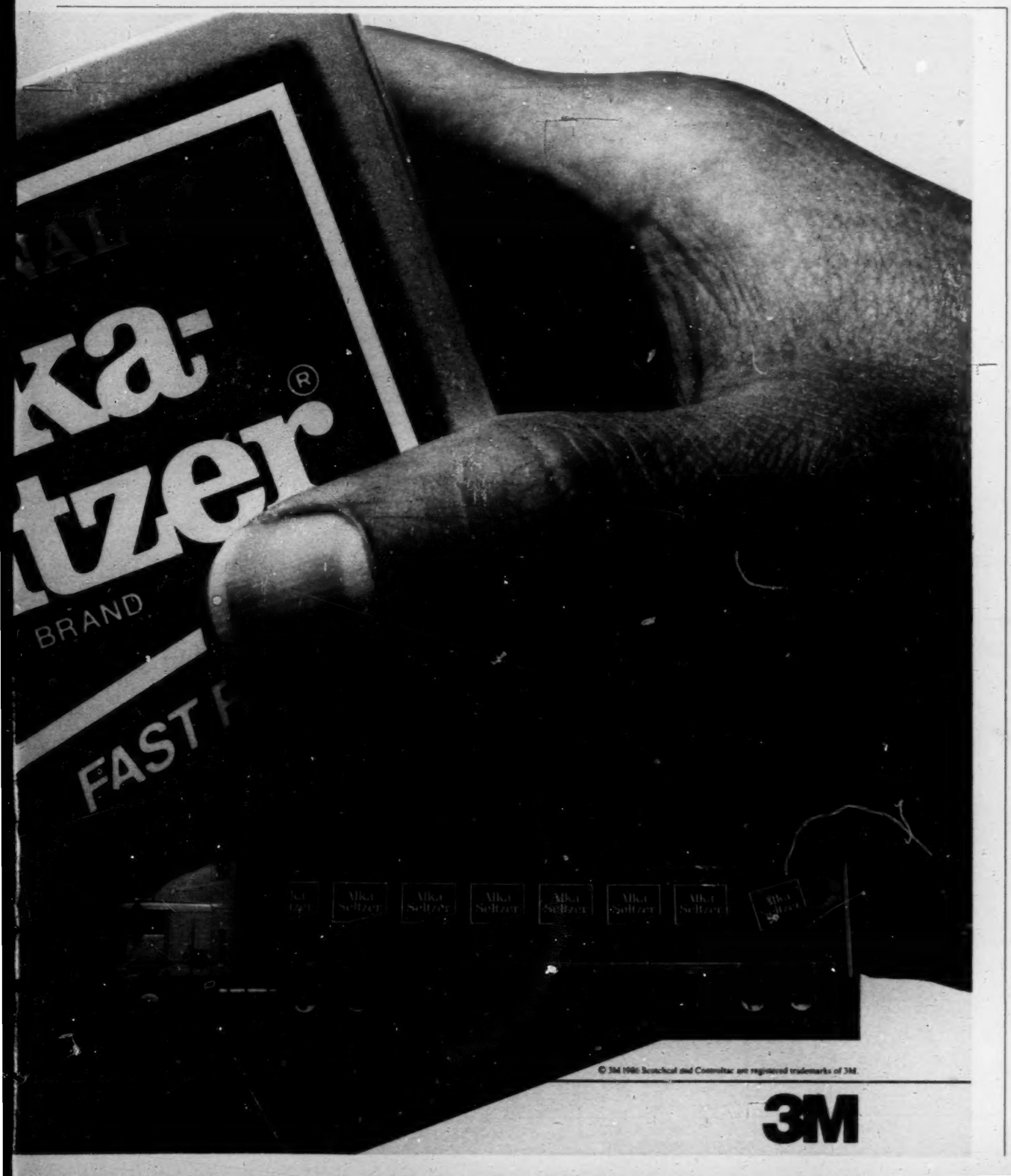
Ted Chin & Co., New York—WCBS—Ted Chin, president.

Cramer-Krasselt, Chicago—WBBM—Art Barnes, acct exec.

D'Arcy, Masius, Benton & Bowles, Chicago—WBBM-TV—Anne Rossen, acct exec.

Della Femina, Travisano & Partners, New York—WCBS-TV—Meredith Uhlmann, acct exec.

Doyle Dane Bernbach, New York—CBS/Broadcast Group, CBS Broadcast International, CBS Sports Division, CBS Television Stations Division, CBS Radio Network Division, CBS Radio Representatives,



RADIORADIO Network, WCBS-FM—Lawrence J. Iannuzzelli, exec vp; Jack Cohen, vp-dir of print, outdoor media buying; Anne Oliver, vp-acct super.

English & English, St. Louis—KMOX—Alice English, president.

(In-house) Gulf Advertising, Rockville, Md.—WLTT-FM—James Keating, vp-genl mgr.

Jacobs & Gerber, Los Angeles—CBS News Division—WCAU-TV, KCBS-TV—Alison Harris, prod mgr.

McAdams & Ong, Philadelphia—WCAU—Brian Adams, president.

(In-house) Media II, Los Angeles—KCBS-TV—Michael G. Mischler, dir-communications.

Montgomery, Zuckerman & Davis, Chicago—WBBM-FM—John Doi, vp.

Ogilvy & Mather, Los Angeles—CBS Entertainment Division—Marilyn Fidler, vp-mgmt super.

Poindexter/Osaki/Nissman, Los Angeles—KNX-FM—Larry Poindexter, president.

Saunders, Lubinski & White, Dallas—KTXQ-FM—Bob Cook, acct exec.

Serali Advertising, Los Angeles—KNX—Jack Seery, president.

Taylor, Spencer, Granville, San Francisco—KCBS—John Leonard, creative dir.

Xeno, Chicago—CBS CableConnect—Michael Neu, president.

CBS/ RECORDS GROUP
Marketing Personnel

Cornelius F. Keating, sr vp-direct mktg
Robert Altshuler, vp-press & public affairs
Gerard Durkin, vp, CBS Music Video Enterprises and a&r admin
Roger M. Holdredge, vp-mktg, CBS Masterworks
Calvin Roberts, vp-operations mktg (US)
Anne M. McLaughlin, mgr-order services, Columbia Magnetics

CBS RECORDS
Marketing Personnel

Ray Anderson, sr vp-mktg, Epic/Portrait/Associated Labels
Robert M. Sherwood, sr vp-mktg, Columbia Records
Paul R. Smith, sr vp-genl mgr-mktg
John Berg, vp, packaging art & design
Roselind D. Blanch, vp-mktg services
Larry Douglas, vp-mktg, West Coast, Epic/Portrait/Associated Labels
John A. Kotecki, vp-sales
Michael B. Martinovich, vp-merch
Ronald K. McCarrell, vp-mktg, Epic/Portrait/Associated Labels
Thomas A. McGuiness, vp-mktg, branch distribution
Carolee Shepard, vp-adv & design
Jerry Shulman, vp-mktg devel
Robert Willcox, vp-mktg, West Coast, Columbia Records
Roy Wunsch, vp-mktg, Nashville
Thomas S. Asalone, dir-creative services, CBS Special Prods
Yvonne Ericson, dir-media, print & tv

CBS RECORDS INTERNATIONAL
Marketing Personnel

Robert J. Campbell, vp-mktg
Bernice A. Freidus, vp-creative operations
Mauri Lathowers, vp-creative operations (West Coast)
Frank O. Hendricks, dir-mktg admin

COLUMBIA HOUSE
Marketing Personnel

Richard Archer, vp-creative services
Sharon Kuroki, vp-music club mktg
Brian Wood, vp-video club
Marshall Wilcoxen, dir-music mktg

CBS SONGS
Marketing Personnel

Harvey J. Shapiro, exec vp
Deirdre O'Hara, dir-creative operations (East Coast)

Advertising Agencies

(In-house) CRU Advertising, New York—Columbia/Epic, Columbia Magnetics, Columbia Special Prods, CBS Music Video Enterprises, CBS Records International (domestic adv), CBS Songs Division—Yvonne Ericson, dir-media, print & tv.

Wunderman, Ricotta & Kline, New York—CBS Video Club/CBS Video Library—Richard Stollenwerck, sr vp, Columbia/Epic—Morris Baumstein (broadcast advertising), Columbia Record & Tape Club—Peter Rabar, sr-vp.

CBS/PUBLISHING GROUP
CBS EDUCATIONAL & PROFESSIONAL PUBLISHING
Marketing Personnel

David Dusthimer, vp-sales, college
Barbara J. Kimball, vp-mktg, college
Susan Faber, mgr-adv & prod info, college
Joseph M. Krassner, vp-mktg & sales, school
Robert B. McGuire, vp-sales, adoption states, school
Doug Nash, dir-mktg, school
Sally R. Owen, mgr-adv, school
William L. Gibson, vp-sales & mktg, W.B. Saunders
Joan R. Spaulder, dir-adv, W.B. Saunders
Lee Ekelof, media mgr, W.B. Saunders
Scott C. Marden, president, International Publishing
George Rohr, president, TransMedica
Gordon Price vp-mktg & business devel, TransMedica

CBS MAGAZINES
Marketing Personnel

Robert Alexander, sr vp-circulation, CBS magazine mktg
Carl Kopf, vp-president, CBS magazine mktg
Phyllis G. Crawley, vp-communications
Bernard B. Lacy, vp-subscription circulation
Leonard Seminara, vp-dir, CBS travel mktg
Marian White, vp-rsch
Robert I. Chechanoyer, creative dir

Woman's Day
Corporate Personnel

Anne Sutherland Fuchs, vp & publisher
Gordon R. Burkhard, vp-special prods & publisher, special interest magazines

Marketing Personnel

Robert Mate, vp-adv dir
Meg Cadlaci, promo dir
Bonnie Geller, dir-mktg services

MONTHLY MAGAZINES
Corporate Personnel

John Miller III, vp & publisher, *American Photographer*
Stephen L. Goldberg, publisher, *Audio*
Michael A. Hurley, vp & publisher, *Backpacker*
J. Samuel Huey, vp & publisher, Boating
Donald M. Hufford, vp & publisher, *Car and Driver*
James A. Frahm, vp & publisher, *Cycle*
James Hansen, vp & publisher, *Cycle World*
Eugene Bay Jr., vp & publisher, *Field & Stream*
Jay Durfee, vp & publisher, *Flying*
Marlene Jensen, vp & publisher, *Home Mechanix*
George F. Morrissey, vp & publisher, *Modern Bride*
Neil Butwin, vp & publisher, *Popular Photography*
Richard A. Bartkus, vp & publisher, *Road & Track*
George A. Hirsch, publisher, *The Runner*
Henry A. Kaiser, vp & publisher, *Skiing*
Roman Beyer, vp & publisher, *Stereo Review*
Oliver S. Moore III, vp & publisher, *Yachting*
Carol L. Klapper, vp & publisher, *Popular Puzzle* Magazines
Peter Veronis, vp & president, CBS magazine network

Marketing Personnel

Anthony F. Incalcaterra Jr., assoc publisher, adv dir, *American Photographer*
Stephen Witthoft, adv dir, *Audio*
George L. Degener, adv dir, *Backpacker*
Robert E. Berg, adv dir, *Boating*
Donald R. Cooke, adv dir, *Car and Driver*
Brian J. Murphy, adv dir, *Cycle*
Larry M. Little, adv dir, *Cycle World*
John H. Grant Jr., vp-adv dir, *Field & Stream*
Dick Koenig, assoc publisher, *Flying*
John Young, adv dir, *Home Mechanix*
Howard S. Plissner, genl adv dir, *Modern Bride*
Julian Weiss, adv dir, *Popular Photography*
H. Clifford Parris, vp-adv dir, *Road & Track*
Belle Jauchen, adv dir, *The Runner*
James R. Flynn, adv dir, *Skiing*
Winston A. Johnson, assoc publisher, adv dir, *Stereo Review*
Alexander Armentrout, assoc publisher, adv dir, *Yachting*
Cheryl Regis, promo mgr, *Audio*
Zvia Herrmann, mktg mgr, *Car and Driver*
Arnold Gluskin, mktg dir, *Cycle World, Road & Track*
Richard L. Walter, mktg mgr, *Field & Stream*
Beverly Hood, mktg dir, *Home Mechanix*
Nancy Youngbeck, promo mgr, *Modern Bride*
Molly Garone, promo coord, *The Runner*
Tamra Fischer, promo coord, *Skiing*
Nancy V. Stevens, promo coord, *Yachting*
Charles Alexander, adv dir, CBS magazine network
Sofia Baron, adv services dir, CBS magazine network
Hank Snee, creative services dir, CBS magazine network
Richard Rabinowitz, sales devel mgr, *Popular Photography*

Advertising Agencies

Atlantis, Inc., Hazlet, NJ—Holt, Rinehart & Winston School Unit—Bob Mallm, president.

(In-house) CMZ Advertising, New York—*Backpacker, Boating, Car and Driver, Cycle, Flying, Modern Bride, Popular Photography, The Runner, Skiing, Stereo Review, Yachting*, CMZ subscription circulation—Hank Snee, creative services dir.

David Deutsch Associates, New York—*American Photographer*—Kevin Buckley, media planner.

Flamm Advertising, New York—Holt, Rinehart & Winston, College/Dryden/Saunders unit—Joe Flamm, president.

Leber Katz Partners, New York—CBS magazine mktg, CBS magazine network, *Woman's Day*—Howard Berg, sr vp.

Levy, Flaxman & Associates, New York—*Home Mechanix*—Yvonne Miller, acct exec.

J. R. Navarro, Los Angeles—*Road & Track*—Mike Navarro, president.

Nyerges & Paine Advertising, Beverly Hills—*Cycle World*—Mike Nyerges, president.

Warren/Kremer, New York—*Field & Stream*—Peter Warren, partner.

CBS/FOX
Marketing Personnel

David B. Brown, vp-mktg
Dick Davi, dir-adv & creative services
Gina Vitkansas, cost control coord

Advertising Agency

Doyle Dane Bernbach, New York—CBS/Fox—Bob Stern, acct super.

Where can you get media data for the computer industry on-line?

Turn to I N A for answers.
See page 129

Chesebrough-Pond's

RANK 52

Greenwich, Conn.

($ in millions)

Worldwide	1985	1984	% chg
Sales	2,699	1,522	77.3
Net income	82	120	(31.3)
U.S.	**1985**	**1984**	**% chg**
Sales	2,085	1,144	82.2
Operating profits	167	136	22.8
Advertising	160	149	6.9
Division sales	**1985**	**1984**	**% chg**
Packaged goods	350	348	0.6
Health, beauty	332	304	9.2
Bass	170	172	(1.2)
Prince Matchabelli	138	140	(1.4)
Hospital products	84	75	12.0
Prince	62	65	(4.6)
Polymer	109	52	109.6
International	374	366	2.2

Chesebrough-Pond's purchase of Westport, Conn.-based Stauffer Chemical Co. in 1985 opens a new era for the newly consolidated company, but it also brings uncertainty. C-P spent most of 1985 looking inward as a result of the acquisition, a corporate restructuring and several divestitures.

C-P's marketing and applied research strengths could merge well with Stauffer's foundation in new product and process development, while offering new product lines in categories where C-P is not active, such as household cleaners, pesticides, polishes and waxes for homes and cars.

Chesebrough-Pond's fiscal performance for 1985—net sales up 77.3% and net income down 31% and which included Stauffer Co. results beginning March 15, 1985—became stronger in the first six months of fiscal 1986, ended June 30, 1986. Net income of $99.3 million rose from $44.1 million on sales of $1.6 billion, up 37%.

Chesebrough-Pond's did not introduce new brand categories in 1985, but it was active in brand extensions. It was most aggressive in the health and beauty products category with introduction of Rave Hair Masque deep conditioner in early 1985. The product received $7.8 million in measured media, boosting measured spending for the Rave line of permanents and conditioners to $10.5 million, up 92% from 1984. Major spending for Rave products was divided 43% network tv (all for Rave Hair Masque) and 50% magazine.

The health and beauty products division sales in 1985, which climbed 9.4% from 1984, reflected higher sales of Pond's Cream, Vaseline Intensive Care lotions, Cutex nail polish remover and Vaseline petroleum jelly. One of the biggest increases in measured spending was for Q-tips cosmetic applicators, increasing 209% to $1.8 million in 1985. Measured spending for Q-tips cotton swabs held steady at $6.2 million.

Chesebrough-Pond's continued to dominate the $500 million hand-and-body lotion category with its Vaseline Intensive Care lotion, receiving $9.5 million in measured media, down 21% in 1985. Spending was divided 88% network tv, 12% spot tv. Vaseline Intensive Care has nearly 20% of the category's market share, compared with 11% for American Brands' Jergens and 8.4% for Westwood Pharmaceuticals' Keri lotion. S.C. Johnson & Son came out battling in 1985 with about $8 million in network tv, print and coupon spending to expand its 5% market share with the introduction of Soft Sense with Vitamin E.

Chesebrough-Pond's spending in the hand-and-body lotion category also shifted with the addition in early 1985 of Vaseline Lip Therapy petroleum jelly, which received $1.4 million in measured media. Vaseline petroleum jelly received $2.7 million, up from $99,000.

The company also boosted measured spending significantly for Pond's cold cream, increasing outlays by 329% to $6.4 million in 1985. Spending was divided 91% network tv, 5% spot tv and 4% magazine. "We wanted to put some advertising muscle behind Pond's," which has been neglected in

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recent years, a spokesman says. "We find that whenever we do that we get wonderful results."

The Prince Matchabelli division's sales of health and beauty products increased only 0.5% to $130.5 million in 1985, primarily because of costs associated with new product introductions and softness in the $2.5 billion fragrance category. The division introduced Verve Body Scenting Mist in early 1985, and the Aziza Polishing Pen automatic nail color in late 1984, complementing the growing Aziza cosmetics line, which had estimated 1985 retail sales of about $100 million.

Measured spending for the Aziza line jumped 85% to $5.4 million, largely in magazines (51%) and network tv (37%). Other additions to the Prince Matchabelli line were Decadence, offered by a new marketing branch called Parfums International. Fragrances in general did poorly in 1985, however, with significant declines in the Cachet Noir and Beret women's fragrance lines.

Chesebrough-Pond's package foods division was up 0.7% in 1985 to $346.4 million. The company increased sales of Ragu spaghetti sauce in 1985, a product that already dominates the $840 million category with an estimated 50% share, compared with Campbell Soup Co.'s Prego brand with about a 25% share. The company introduced two new Ragu flavors, in addition to the November, 1985, national launch of Ragu Pasta Meals, a product combining pasta and sauce in a jar that competes with American Home Products' Chef Boy-ar-dee and Campbell Soup Co.'s Franco American canned pastas.

The higher priced Ragu product garnered 15% unit and 18% dollar shares in test markets. A $24 million national print and tv campaign from Waring & LaRosa for Ragu Pasta Meals broke in April, 1986, emphasizing "fresh taste you don't get from a can." The campaign has come under attack from the Can Manufacturers Institute, which has petitioned the Federal Trade Commission, saying the ads falsely infer that glass jars are superior.

The Ragu line received $19.4 million in measured media in 1985, down 18.6%. Ragu spaghetti sauce received $15.7 million of the category's measured spending, divided 66% network tv, 27% network radio and 7% spot tv.

Chesebrough-Pond's troubled Bass Shoe division suffered an operating loss of $14.6 million in 1985 on sales of $170.5 million, reflecting, in part, a soft wholesale market. Sales are expected to improve in 1986 with introduction of Bass Secrets, a line for career women, Bass Air, a line of athletic footwear and the launch of its first national mail order catalog.

Likewise, sales for the Prince division, maker of quality tennis rackets, fell 5.4% in 1985 to $61.9 million, while operating profit fell 7.1%. Measured media for rackets fell 14% in 1985 to $1.9 million. The Prince brand was extended in 1985 to include tennis shoes and apparel. A new line of training clothing was introduced in 1986.

Analysts are impressed with Chesebrough-Pond's ability to pay off its heavy debt from the $1.25 billion Stauffer acquisition. The debt was paid off by March, 1986.

The company is breaking up its Polymer Corp., maker of plastics for appliances and automobiles, which it inherited (for $95 million) in July, 1984, when it bought back about 5% of its shares from New York investor Carl Icahn. Some analysts speculate the Stauffer acquisition was a defensive measure to hold off Mr. Icahn.

Reading, Pa.-based Polymer, once controlled by Mr. Icahn, is being broken up and sold for about $110 million, with its coatings and powders division having gone in July, to Morton Thiokol, Chicago, for an undisclosed sum. Polymer's management is leveraging a buyout of the remaining assets in a transaction expected to be completed by Oct. 1, a spokesman says.

C-P also sold off its Health-Tex division for $270 million in September, 1985, in a management leveraged buyout, and it raised cash through a stock offering in February, 1986, through the termination of an overfunded pension plan at Stauffer, by repatriating much of Stauffer's overseas assets and by entering several sale lease-back transactions on plants and property.

The company netted another $50.2 million from the sale in 1985 of three Stauffer subsidiaries it picked up in the acquisition. Chesebrough-Pond's also has its hospital products division on the block, saying it does not meet with the company's long-term objectives. The Greenwich, Conn.-based division had 1985 pretax earnings of $10 million on sales of $84.4 million.

"You have to give them credit in reducing the debt level. But I still don't think Stauffer was a good fit," says Diane Mustain, analyst with Duff & Phelps in Chicago.

"We still haven't seen any new consumer products coming out of this [Stauffer purchase], or if they will bring some new products to market in the household products and pesticides areas," says Diana Temple, of Salomon Brothers, New York.

In other developments, Chesebrough-Pond's chairman-ceo Ralph E. Ward named Robert M. Phillips president-chief operating officer, effective March 1, 1986. Mr. Phillips becomes a leading contender to succeed Mr. Ward, 65, who retires in two years. Mr. Phillips rejoined Chesebrough-Pond's in May, 1985, as exec vp, reporting directly to Mr. Ward. He was assigned to develop strategies for the Stauffer Chemical division as it prepared to enter the household chemical products business, and to oversee operation of Polymer Co.

In a corporate restructuring, Chesebrough-Pond's simplified its makeup into a consumer products group, made up mainly of package foods, health and beauty offerings and other name brand products, and a chemical products group, which oversees agricultural products, basic chemicals and specialty food products.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$20,397	$15,787
Newspaper	670	1,628
Newsp. supp.	123	545
Bus. pubs.	172	101
Network tv	42,151	47,029
Spot tv	5,771	6,324
Network radio	7,969	1,546
Spot radio	947	0
Outdoor	26	53
Network cable	1,424	116
Farm pubs.	3,075	4,242
Total measured	82,724	77,372
Unmeasured	77,068	72,082
Total	159,792	149,454

CHESEBROUGH POND'S CO.
Westport, Conn. 06881-0681
(203) 222-3000
Marketing Personnel

George F. Goebeler, vice chmn-president-coo, consumer prods group
Roy Sambrook, vice chmn-president-coo, chemical prods group
Kenneth R. Lightcap, vp-investor relations & public affairs
Douglas Hopkins, dir-adv & mktg services
Dennis McCarthy, dir-corp communications
John A. Russo, creative services dir
Joseph E. Campion, media dir-consumer prods group

CONSUMER PRODUCTS GROUP
INTERNATIONAL DIVISION
Marketing Personnel

Anthony Butterworth, president, consumer prods

SPECIAL PRODUCTS DIVISION
Marketing Personnel

Carl D. Ward, genl mgr
Kevin O'Connor, special mktg mgr
Roger Foger, special mktg mgr
Jack Finneran, special mktg mgr

HEALTH & BEAUTY PRODUCTS DIVISION
Marketing Personnel

Gary Malloch, president
William Barker, vp-mktg

Advertising Agencies

William Esty Co., New York—Vaseline brand prods, Pond's prods—Mark Miller, sr vp-mgmt supr; Rosalia Barnes, super; Sue Redding, acct exec, Pond's; Sharon Moss, acct exec, Vaseline.
Lowe Marschalk, New York—Q-tips—Barry Linsky, exec vp-dir mktg services. New prods—Tom Kuhn, sr vp.
Waring & LaRosa, New York—Cutex—Larry Weisberg, acct dir; Gloria Appal, vp-mgmt super; Michelle Guss, acct exec.

HOSPITAL PRODUCTS DIVISION
Marketing Personnel

Thorvald R. Larsen Jr., president
Paul Dewy vp-mktg

Advertising Agency

Klemtner Advertising, New York—hospital prod div—Gavin Scotti, mgmt super; Greg Gull, acct super.

PACKAGED FOODS DIVISION
Marketing Personnel

Charles B. Strauss, president-genl mgr
John W. Rice, vp-mktg
David M. Cooper, group prod mgr, Ragu Spaghetti Sauces
Frederic J. Huser, group prod mgr, Ragu Pizza Quick/Ragu Pasta, Meals/Adolph's

Advertising Agency

Waring & LaRosa, New York—Ragu, Adolph's, Pizza Quik Sauce—Irwin Levy, sr vp-acct super; Clark Oliver, vp-mgmt super; Ron James, acct exec; Ellen Dracos, asst acct exec; Ellie Schwartz, acct exec, Pizza Quick Sauce.

PRINCE MATCHABELLI DIVISION
Marketing Personnel

Edward I. Rabin, president
Terry Augenbraun, vp-mktg, cosmetics
Michael Horowitz, vp-genl mgr, Erno Lazlo
Sherr Baker, vp-mktg, Erno Lazlo

Advertising Agencies

William Esty Co., New York—Aviance, Wind Song, Cachet, Chimere, Matchabelli for Men—Tom Hayes, sr vp-acct super; Elizabeth Kimball, vp-mgmt super; Susan Quinn, acct super; Steve Santangelo, acct exec.
Waring & LaRosa, New York—Aziza—Gloria Appel, vp-mgmt super; Ida Dorman, acct exec; Lourdes Fernandez, asst acct exec.

G.H. BASS DIVISION
Wilton, Me.
Marketing Personnel

Richard Bourret, president
Cheryl Driesen, vp-mktg services

Advertising Agency

Geers Gross, New York—Susan Gross, acct super; Noreen DeBonna, acct exec.

PRINCE DIVISION
Lawrenceville, N.J.
Marketing Personnel

John Sullivan, president
Ed Volkwein, vp-mktg
Robert Long, prod mgr, tennis rackets
Tom Ellis, prod mgr, shoes
Pat Taylor, prod mgr, clothes

Advertising Agency

Waring & LaRosa, New York—Gen Shore, vp-mgmt super; Michelle Guss, acct exec; Hamilton Gregg, asst acct exec.

CHEMICAL PRODUCTS GROUP
STAUFFER CHEMICAL CO.
Westport, Conn.
Marketing Personnel

Joseph Monpeleone, president, Intl div
Robert E. Crow, president, Basic Chemicals div
Milan Turk, president, Agricultural Prods div
Conrad S. Keat, president, Specialty & Foods Prods div

Advertising Agency

DFS Wegener Agricultural Group, New York—Intl div, Basic Chemicals div, Agricultural Prods div—Chuck Elkins, vp-group super; Steve Kant, John Martin, acct execs.

Chrysler Corp.

RANK **22**

Highland Park, Mich.

($ in millions)

	1985	1984	% chg
Worldwide			
Sales	21,256	19,573	8.6
Net income	1,635	2,380	(31.3)
U.S.			
Sales	18,787	17,240	8.9
Advertising	393	344	14.3
Division sales			
Automotive	21,039	N/A	N/A
Aerospace	217	N/A	N/A

Chrysler Corp. advanced a full percentage point in market share to 11.4% in the U.S. car market in 1985, reflecting growth in its sports car and mid-sized offerings.

The company also continued to diversify, buying a high-tech company and three companies to shore up its lending and credit operations. Chrysler also increased its holdings in Mitsubishi, with which it signed an agreement to build a U.S. auto plant, and began restructuring its marketing division to present more distinctive images from its Chrysler, Plymouth and Dodge lineup.

The market share advance, the industry's largest such gain in U.S. retail car sales, also was matched by a 12.8% share in the U.S. retail truck market, up 0.2% from 1984. But the gain was not matched on the earnings side. Earnings dropped 31.3% because of lump sum bonus payments to employes and retirees and the expense of sales and marketing programs in 1985.

The company's U.S. car sales totaled 1,245,149 units in 1985, a 15.4% increase over 1984. Total truck sales rose 15.3% to a record 606,388 units. Chrysler's top-selling car nameplate for 1985 was Plymouth Reliant, with sales of 138,833 units, up slightly from 1984, followed by its Dodge counterpart, the Aries, with sales of 116,284, up 3.8%.

Strong sales of its sports cars, the Chrysler Laser and Dodge Daytona, pushed the company's share of the small specialty market segment to a record 16.4% with respective sales of 50,957 units, down 4.1%, and 49,533 units, up 10.8%. The new-for-1985 Chrysler LeBaron GTS and Dodge Lancer models increased Chrysler's share of the basic middle segment to 11.7%, the highest since 1978.

Over-all, Dodge division reported 1985 unit sales of 434,325, up 17.6% from the previous year; Plymouth unit sales of 329,731 reflected a 14% increase and Chrysler division unit sales of 375,880 were up 14.4%.

Chrysler Corp. continued in 1985 a two-phase strategy: To keep its auto business healthy and thriving, and to diversify. In June, 1985, Chrysler bought 20% of Gulfstream Aerospace Corp., Savannah, Ga., for $127 million to get more technology in aerodynamics and instrumentation. The company made strides in the financial business, forming a joint venture with General Electric Credit Corp., Stamford, Conn., as a commercial lender.

In July, 1985, the company purchased E.F. Hutton Credit Corp., New York, for $125 million and renamed it Chrysler Capital Corp. In November, it acquired FinanceAmerica, Allentown, Pa., renaming it Chrysler First Inc.

In August, Chrysler signed a joint venture agreement with Mitsubishi Motors Corp. to prpduce a new line of cars in the U.S. starting in 1988. The new company, Diamond-Star Motors Corp., is headquartered in Bloomington-Normal, Ill. The plant will have a capacity of 240,000 cars a year, with Chrysler and Mitsubishi splitting output equally.

August also brought the domestic auto industry more finance incentive battles. GM offered 7.7% consumer loan rates on some 1985 model closeouts because of a Teamsters strike that delayed shipment of vehicles. Other domestic auto companies responded, including Chrysler with 8.8% financing or a $500 rebate on Dodge Lancer and Chrysler LeBaron GTS, and 8.8% or $400 rebate on K-cars. Undercutting continued into 1986 when in July the company set new sales incentives of 5.5% financing or

Because of a late cancellation of an advertising insert, there are no pages numbered 57 to 62 in this issue.

Perspectives from an ANA director

Planning for future should be a priority

Spencer C. Boise, vp-corporate affairs, Mattel Inc. and immediate past chairman of the board of Assn. of National Advertisers—the first chair from a West Coast-based member company—says he is concerned with future planning that is being built into the ANA as a committee.

"We haven't had a formal, high-visibility committee, but future planning will become a standing committee. I think it is a great opportunity for smaller advertisers who want to take part in ongoing work of the organization."

Mr. Boise, who is a member of the ANA executive committee and chairs the nominations committee, headed a task force that examined the eligibility of new members and the ANA dues structure.

"We are taking a new look at national and regional advertisers and reaffirming our basic purpose and objectives," he explains. "We've had to accommodate and adjust for increased mergers. We have addressed this, we believe, with a new, streamlined organization and increased service to members. What this means long term is to gain considerable representation in Washington and expand opportunities for professional seminars and workshops for what amounts to postgraduate advertising courses."

Mr. Boise joined Mattel in 1971 and served in a number of positions related to marketing, advertising, public relations and consumer affairs before undertaking his current responsibilities including corporate and marketing public relations, investor and shareholder relations and consumer affairs.

He has several observations on the trend to agency megamergers and potential for account conflicts.

"The immediate reaction was that [megamergers] disturbed many of the larger advertisers. It may mean that agency consolidations have the potential for unrest, and we may see some fallout . . . some creative people leaving to start smaller shops," he says.

Spencer C. Boise
Mattel Inc.

But, Mr. Boise says, such a move may not be all bad, and he cites the recent example of advertising executive Sandy (Sanford) Buschbaum, who left Revlon to form his own agency.

"In this climate, we have to seize the opportunities as they come," he says.

Mr. Boise, who is a member of the company's advertising review committee and a director of Mattel Foundation, previously worked in brand management and marketing public relation posts at Procter & Gamble.

On the issue of shorter rollout time for new products, Mr. Boise says he has two distinct points of view.

"The P&G perspective was one where we had traditionally a long industry-wide rollout time to test products. At Mattel—with toys, a very creative area—and leisure-time interest on the part of parents and children as to what's new, there is constant pressure to be creative. The toy industry moves rapidly. Because of competition, I believe the trend to shorter rollout time will continue. The problems can come with shorter rollouts, though, such as more failures and less profit and more shareholder pressure."

Previously, Mr. Boise was senior vp-general manager of the Los Angeles office of Harshe-Rotman & Druck. In addition to his ANA work, Mr. Boise has been director of the Council of Better Business Bureaus and previous national president, director and foundation trustee for the Society of Consumer Affairs Professionals.

up to $1,500 rebates on most models through Sept. 6, matching GM and Ford extensions. Chrysler backed its program with major-market newspaper ads.

In the fall of 1985, Chrysler continued the theme, "All the Japanese you need to know" for 1986 vehicles built by Mitsubishi Motors Corp. for Chrysler. The company's goal was to set its captive imports apart from its domestically built cars by positioning them as Japanese. The company increased its holdings in Mitsubishi Motors from 15% to 24%. With the easing of import quotas, Chrysler projected selling 225,000 Japanese-built models in the 1986 model year, a 43% increase over the 1985 model year, to protect itself from the import surge.

Colt four-door sedans and a new four-wheel-drive Colt Vista, a "tall" station wagon, got extra ad support in both tv and print that were aimed predominantly at women.

Chrysler's September-breaking ads for 1986 models were patriotic and comparative. The positioning reflected thinking that Chrysler faces a long-term competitive disadvantage against imports. It also masked a strong boost in ad spending, a shift to its Plymouth brand and changes in media selection. Chrysler used more daytime and prime time tv, radio and cable tv in 1986.

In ads, Chrysler's corporate aim was to "be the best." Plymouth was "Born in America," and Dodge again was "An American Revolution." Chrysler-brand ads said: "Chrysler technology makes 'Made in America' mean something again." Plymouth was no longer the low brand of Chrysler-Plymouth, getting a three-fifths share of C-P spending in the introductory quarter rather than the usual two-fifths.

Dodge car ads were not comparative, but trucks were. In one spot touting Chrysler's five-year/50,000-mile warranty, a new Dodge truck falls from the sky, but Chevy and Ford warranties "fall short," and those trucks dance off the ground. BBDO, Southfield, Mich., handles Dodge.

In November, 1985, Chrysler reorganized into four operating groups to set the stage for more acquisition and diversification. The groups are Chrysler Motors, which includes all U.S. and foreign automotive operations; Chrysler Financial Corp.; Gulfstream Aerospace Corp., and Chrysler Technologies, designed to become the engine for future Chrysler expansion and diversification.

With the reorganization, Bennett Lidwell, exec vp-sales and marketing, moved to vice-chairman of Chrysler Corp., handling corporate planning and over-all marketing strategies. E. Thomas Pappert was promoted to group vp-sales, from vp-sales. He and Joseph Campana, vp-marketing, now report to Harold Sperlich, who became president of Chrysler Motors from president of Chrysler Corp. Chairman Lee Iacocca's office of the chairman was renamed the corporate executive committee and expanded to include Robert Miller Jr. as a new vice-chairman of Chrysler Corp., as well as that of Chrysler Financial.

In April, 1986, Chrysler decided to live for market share by passing up the chance to match $400 average price increases by GM and importers. It capitalized on competitors' price hikes via ads in newsweeklies that again featured Mr. Iacocca.

In July, Chrysler reached an agreement with AMC for AMC to build as many as 150,000 M-body cars, including the Chrysler Fifth Avenue, at AMC's underutilized Kenosha, Wis., plant. AMC will be paid per car. The deal solves a production capacity problem for Chrysler.

Also that month, Chrysler reviewed Dodge division's $125 million relationship with BBDO after that agency merged with Doyle Dane Bernbach, which handles Volkswagen, and Needham Harper Worldwide, which has

creatives within the agency before agreeing to keep Dodge at BBDO.

In June, 1986, Dodge introduced its new '87 midsized pickup truck, the Dodge Dakota. The Dakota is targeted to open a new market segment between compact and full-size pickups.

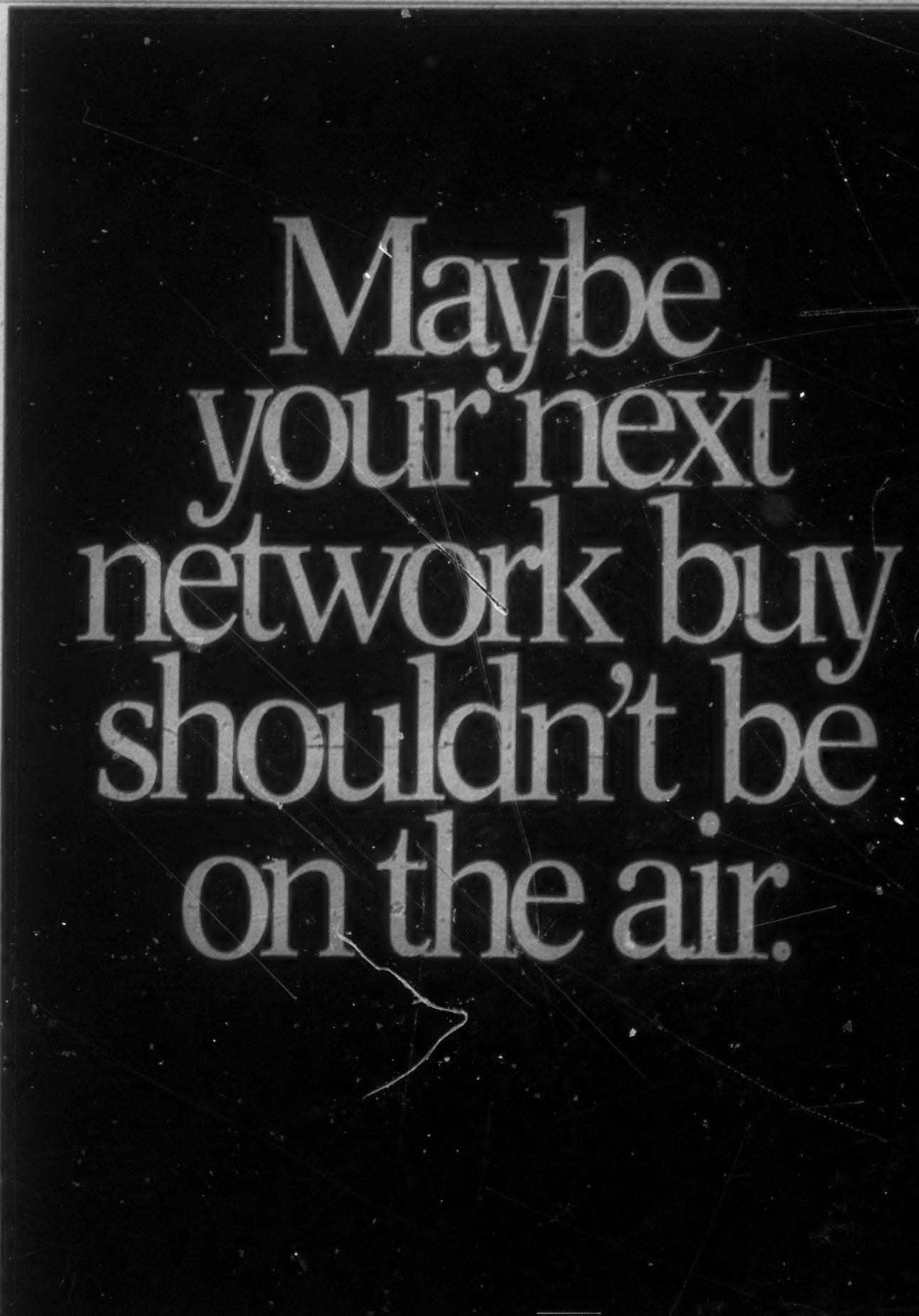
Also in June, Mr. Iacocca challenged Ford's ad claim of having America's best-built cars and trucks, conducting its own survey among 1986 domestic vehicle buyers that put it ahead of GM and Ford. Ads jabbed at Ford, saying Chrysler is today's best producer of vehicles, implying that Ford may have been yesterday's best.

Two weeks later it broke a network tv spot on the same day Ford broke print ads asserting its claim. Chrysler demanded Ford withdraw its ad, threatening to sue. So far the case has not been resolved.

The company spent between $40 million and $50 million for a late-summer introduction of the Dodge Shadow and Plymouth Sundance. The kickoff of its 1987-88 new product drive included: A new Dodge theme; Chrysler's first use of 15-second tv spots; U.S. Olympic team sponsor-

ship, and heavier targeting of women. The campaign also was the first step in a sweeping restructuring of Chrysler marketing divisions.

Chrysler, Plymouth and Dodge got more distinctive images and marketing tasks. Plymouth, traditionally Chrysler's plain-Jane price leader, became the more upscale import-fighter pitted against Pontiac and the Ja



new. Sundance costs $100 more than Shadow, a reversal of the old pricing structure. Chrysler emphasizes luxury and competes against Ford's Lincoln-Mercury and GM's Buick, Oldsmobile and Cadillac. Dodge remains Chrysler's power and performance division, aimed at big-volume Ford and Chevrolet with positioning to appeal to young and blue-collar buyers.

To sharpen images over-all, Chrysler turned to more division-exclusive models in 1987.

The performance-oriented Laser was dropped from luxury division Chrysler, leaving Dodge with an exclusive Daytona. Dodge got an exclusive performance version of Shadow; Chrysler got an exclusive on the all-new '87 LeBaron.

"Setting new standards of performance" replaced "An American revolution" as Dodge's ad theme. The campaign kicks off Sept. 14 with sponsorship of the CBS-TV movie "The Last Days of Patton," starring George C. Scott, who became AMC ad spokesman after Chrysler agreed to sponsor the show.

Both Plymouth and Dodge started prelaunch name-awareness campaigns for Sundance and Shadow in late August with 15-second TV spots. After a 90-day introductory phase of 80% TV, the media mix will drop to half broadcast and half print. Ads for the sporty ES version of Shadow said, "Dodge is casting its Shadow across America," and for the four-door for families, "The Shadow knows how to treat your family."

In late 1989, Chrysler plans to introduce a new LeBaron midsized specialty coupe and convertible models. It will be followed by a luxury, two-seat sport convertible Chrysler is developing jointly with Maserati. For 1993 the company will launch an all-new, compact, four-door sedan to replace the venerable K-cars, Aries and Reliant.

Other new products will range from a youthful new subcompact from Diamond-Star Motors to a new entry in the large luxury car segment.

ADVERTISING EXPENDITURES

($ in thousands)	1987	1986
Magazine	$73,579	$62,681
Newspaper	42,080	34,963
Newsp. supp.	2,185	1,971
Bus. pubs.	1,109	776
Network TV	98,196	58,637
Spot TV	63,133	53,482
Network radio	4,269	4,141
Spot radio	23,549	18,777
Outdoor	3,027	2,138
Network cable	2,136	2,327
Farm pubs.	738	366
Total measured	314,903	275,693
Unmeasured	78,497	68,643
Total	393,400	344,117

CHRYSLER CORP.
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Detroit, Mich. 48288
(313) 956-5252

U.S. AUTOMOTIVE SALES GROUP
Marketing Personnel

Joseph A. Campana, vp-mktg
A.C. Liebler, genl mktg mgr, Chrysler
Joseph N. Caddell, genl mktg mgr, Plymouth
J.B. Damoose, genl mktg mgr-Dodge
Patrick R. Simons, genl mktg mgr, Truck

Advertising Agencies

Bozell, Jacobs, Kenyon & Eckhardt, Birmingham, Mich.—George F. Beech, exec vp-genl mgr; Bruce P. Andrews, assoc genl mgr; Lyse H. Vernon, mgmt super, Chrysler; Brian E. Palmer, mgmt super, Plymouth. Chrysler-Plymouth Dealer Assn.—John P. Hickey, sr vp-mgmt super; Douglas Symons, vp-acct super, Plymouth; William J. Shea, sr vp-mgmt super, corp; Robert S. Lytle, acct super, corp; Philip Matz, sr vp-media dir; Elton Kruger, sr vp-dir, media planning; Larry Sexton, sr vp-creative dir; Phil Rosachle, forward planning.

Bozell, Jacobs, Kenyon & Eckhardt, New York—Ken Duskin, exec vp-creative dir; Bruce Montgomery, sr vp-assoc creative dir; Arnold Kunnetz, sr vp-rsch dir.

Bozell, Jacobs, Kenyon & Eckhardt, Los Angeles—John Adams, president; Mark Curran, sr vp-mgmt super, Chrysler Imports; Hy Yablonka, exec vp-creative dir; Nelda Chambers, sr vp-media dir; Renee Fraser, sr vp-dir, rsch & strategic planning. Southern California Chrysler-Plymouth Dealer Assn—Steve Brodhead, acct super; Susan Burt, acct exec.

BBDO, Southfield, Mich.—William Kelly, exec vp-genl mgr; Ray Schneider, sr vp-finance & admin; Peter Swiecicki, vp-finance; Dennis Goschka, vp-legal counsel; Bill Oswald, sr vp-group mgmt super, Dodge car & truck. Dodge car—Harry Grusche, sr vp-mgmt super, Dodge car; Bob Williams, Gordon Berg, vps-acct supers, car; Dick Williams, vp-acct super, forward planning, Dodge truck—Michael Graham, vp-mgmt super, truck; Calvin E. Moore, acct super, truck. Research—Tom Neman, sr vp-dir, rsch & planning; Tom Townsend, vp-assoc rsch dir. California Marketing/Direct Connection—Marc Caposella, acct super. Media—Gene McCarthy, sr vp-exec media dir; Ted Zabrfield, vp-media dir, car; Joseph Caponigro, vp-media dir, truck; Sue Stoll, vp-broadcast media dir. Creative—Peter M. DeLorenzo, sr vp-exec creative dir; Richard Howting, creative dir, car; Jerry Hunnicutt, assoc creative dir, truck. Dodge Dealer Assn—A. David Jones, sr vp-mgmt super. Dodge Dealer Adv Assn.—Denise Robinson, asst super; Todd Bendler, vp-creative dir.

BBDO, New York—John Smart, mgmt super; Harold Kobbkows, acct exec.

BBDO, Los Angeles—Glenn Campbell, vp-pr.

Ross Roy Inc., Detroit-corp merchandising, corp adv for Chrysler Marine, Chrysler service & parts operations, Chrysler Fleet operations, Chrysler Institute, Chrysler diversified operations—Glen W. Fortinberry, chmn-ceo; Richard Ward, exec vp-dir merchandising; James Vebles, sr vp-group acct super; John Oliver, sr vp-genl mgr; Ross Roy Productions; Donald Baldwin, Thomas Kemper, James Sanfilippo, Don Schlich, Rex Smith, vps-group acct supers; Robert West, vp-acct super; Michael Webster, acct super; George Abdullah, Clark Reid, acct execs; Gerald N. Moody, sr vp-mktg services; Robert Steiger, exec vp-creative dir

Introducing the Harte-Hanks Direct Network.

Now you can make direct marketing a part of your media mix as easily, and as efficiently, as a network broadcast buy.

With the first network that specializes in all aspects of direct marketing. Our network. The Harte-Hanks Direct Network.

Why Direct Deserves More Of Your Ad Dollars.

The reasons are all around you. They're the 240 million plus *individuals* that make up the U.S. market. And their extremely diverse lifestyles.

Targeting is no longer a media technique. It's a survival technique. And nobody does that better than we do.

Why Us Versus The Other Direct Marketers?

It's not because we've been doing it longer. Or because we're bigger than most of the others. It's because *we can deliver a greater return on your direct marketing dollar.* And that's not a function of size. It's a function of scope.

First We'll Help You Find Your Customer.

We can do that in a number of ways. Our Marketing Services Group can conduct qualitative or quantitative studies to profile the people with the highest potential for you.

Or, using your existing customer files or profiles, we'll put the power of computerized databases to work. Databases that encompass approximately 98% of the U.S. households.

Databases with the names and addresses of almost every individual in the U.S. But more importantly, databases with the most complete and comprehensive customer profiling capabilities you've ever experienced.

The result—the most accurate list of prime potential customers you've ever encountered.

Once We've Found Them, We'll Show You How To Move Them.

Creating a direct mail piece your customers can't refuse to open is something the people at Harte-Hanks Direct Marketing excel in. And their collective creativity and savvy is yours when you buy into the Harte-Hanks Direct Network.

We Have 27 Production Plants Standing By.

Last year, the Harte-Hanks Network handled over five billion direct mail pieces. And many times within deadlines that are hard to imagine.

And our printing capacity covers everything from self-mailers to full color catalogs.

Nobody Moves It Through The Mail Like We Do.

Because nobody knows the U.S. Postal Service like we do. But that only makes sense, since we're one of their largest customers.

That helps you a number of ways. The first is in that most precious of commodities—time. We've developed a number of systems to insure your mailing moves through the postal system quickly and efficiently.

The second is one of economics. We can put your direct mail program in the mail at the absolute *most cost effective rate* available. Even if it means using our own trucking firm to deliver your materials to various postal zones. (A technique that recently saved one of our customers $85,000 on one mailing alone.)

All women 24 to 49 aren't alike. The Harte-Hanks Direct Network delivers only the ones with the highest potential for you.

Some Typical Successful Network Buys.

- By more accurately isolating potential customers with the highest likelihood of purchase, Harte-Hanks Network *lowered the overall mailing list by 30%, dramatically reduced mailing costs, yet maintained sales levels for a major national retail chain.*
- A 65-unit furniture store chain improved sales during a historically slow sales period *by 20%* as a result of their network buy.

We Never Let Your Hot Prospects Cool Off.

Our Telemarketing Group can handle all customer responses via our 800 number system.

Our Fulfillment Group can respond quickly to every type of promotion or customer inquiry.

We can even provide complete response analysis. To determine what aspects of the program worked best, and thus make every subsequent mailing work even better.

Just Call Us. Direct.

It's easy to reach the network at Harte-Hanks. Just pick up the phone and call 1-800-526-5368. Or write Harte-Hanks Direct Marketing, National Marketing Headquarters, 1329 Arlington Street, Cincinnati, Ohio 45225-1380.

So call or write today. Because whether you use the services of the entire network, or only select a few, the sooner you call, the sooner you'll see how effective a network buy can be for you. With Harte-Hanks.

Harte-Hanks Direct Marketing

"Your Direct Network."

Harte-Hanks direct marketing

RANK **79**

Clorox Co.

Oakland, Cal.

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,090	1,055	3.3
Net income	96	86	11.0
U.S. advertising	107	110	(2.8)

Clorox Co., which continues its drive to lessen its dependence upon its once sole product, liquid chlorine bleach, is expanding its ad budget to boost new products ranging from household cleansers and laundry detergents to mesquite charcoal and salad dressings.

Clorox's drive to diversify through an aggressive program of new product development seems to be paying off. While only four years ago, bleach sales accounted for about 50% of its total earnings, today they make up 30%. Sales of liquid and dry bleach account for 40% of Clorox's profits, however.

Clorox continues to support Clorox liquid chlorine bleach substantially, spending $9.3 million in 1985, down only 1% from 1984.

With an eye to boost its 57.2% of the sluggish U.S. bleach market, estimated at $600 million by Clorox, the company began shipping its premium-priced Fresh Scent Clorox liquid bleach in January, 1986. Analysts are optimistic about the long-range prospects for Fresh Scent, predicting it may increase its sluggish bleach business by as much as 5% in coming years.

Clorox promotes the bleach-that-doesn't-smell-like-a-bleach with tv commercials promising, "Fresh Scent Clorox delivers the same cleaning and Clorox quality in a new fresh scent." Fresh Scent's packaging resembles that of Clorox's traditional liquid bleach, but its cap and diamond insignia are different colors.

The company hopes to brighten its prospects in the $452 million household cleaner market by introducing Tackle, a disinfectant containing bleach. Clorox supported the rollout of the herbal-scented cleaner, touted for use in cleaning bathrooms, kitchens and floors, with tv and print advertising, accompanied by coupons and retail trade events to encourage trial. Media spending for Tackle, which so far has captured 3% of the all-purpose pine oil liquid cleaners market, totaled $9 million. The company didn't market test the herbal-scented cleaner, which shipped nationally in February.

Unlike Tackle, Clorox chose to test Fresh Scent, the herbal scented version of its liquid chlorine bleach, for nearly three years. It had been tested in Dallas, Memphis, Wichita, Kansas City and Oklahoma City.

At present, Clorox has two new products in test markets. In August, 1985, the company entered the $2.6 billion laundry detergent market, introducing Act, a concentrated laundry detergent in an unusual premeasured "action pak," in Bakersfield, Cal. The company since has taken Act out of Bakersfield, but expanded the test into Dallas, Atlanta and Oklahoma City.

Marketing powerhouse Procter & Gamble, Clorox's former parent, quickly reacted to Act's introduction, coming out with a similar new product called Cheer Power Pouches. The Cheer pouches since have been removed from test market, and the product's fate is uncertain.

In September, Clorox began testing a new heavy-duty abrasive liquid cleanser called Strike. It is currently available in Massachusetts, Pennsylvania, Georgia and Texas. At the same time, P&G began testing a soft abrasive cleanser under its Mr. Clean brand in Dallas-Fort Worth.

In 1984, Clorox gave up on another test product, Wave, a heavy-duty dry bleach, after it failed to perform well in two attempts at test marketing. Wave competed against Vibrant, a P&G brand in test since 1981.

Other products in Clorox's brand line receiving sizable media backing were Tilex tile cleaner and Clorox 2 bleach. Tilex mildew stain remover remains the leader in its category, with media spending remaining stable at $2.2 million. Clorox 2, with a 60% share of the all fabric bleach segment, received media support of $10 million, up 2.5% from 1984.

Spending for Liquid-Plumr declined 20%, to $3.8 million, while Clorox boosted spending for its Soft Scrub cleanser 20%, to $7.1 million.

The company continued to build on the success of its bottled Hidden Valley Ranch salad dressing line, adding a Thousand Island flavor to its Original, Country Recipe and Garden Herb varieties in 1985. In April, 1986, the company also added an Original Ranch with Bacon flavor. Clorox introduced the bottled line, a variation on its successful dry mix, in 1984.

In February, 1985, Clorox introduced a reduced calorie version of its Hidden Valley Ranch original flavor dry mix salad dressing.

Though the company's architectural coatings business (paints and stains) contributed 10% of total sales, analysts call the division a disaster. Basically four years in the making, beginning with Clorox's purchase in 1981 of Olympic and Carver Tripp paints and stains from Comerco Inc. and followed by the 1983 acquisition of marketing rights to Lucite from Du Pont, the business continues to flounder.

To date, Clorox has invested $180 million in the Lucite and Olympic brands, only to see the products' market share erode. Spending for Lucite dropped 17% to $3.6 million. Olympic paints and stains declined 18% to $4 million.

Clorox increased its presence in the $260 million cat box filler market in 1984 when it added Fresh Step, an odor-controlling cat litter, to its first entry, Litter Green.

Alfalfa-based Litter Green, introduced in 1971, has continued to lose share, while clay-based Fresh Step, which features a microencapsulated fragrance released whenever a cat steps on or scratches the litter, has boosted its share to 15%.

Fresh Step drew $2.4 million in 1985 in measured spending, down 64% from 1984's $6.6 million. Clorox discontinued advertising for Litter Green in 1985.

In July, 1985, Clorox split advertising responsibilities into product categories among its three largest agencies, reassigning some brands among Needham Harper Worldwide, Chicago, and Young & Rubicam and Foote, Cone & Belding, both San Francisco. Needham, responsible for Clorox's charcoal and cleanser categories, added Match Light instant lighting charcoal briquets and Soft Scrub mild abrasive liquid cleanser, both from FCB. Y&R, which handles the salad dressing, architectural coatings and cat litter categories, picked up Lucite interior and exterior paints from Needham.

FCB, the client's agency for bleach and hard-surface cleaners, won two unidentified new product assignments.

Clorox continues to update existing products to keep abreast of changing consumer preferences. In April, 1985, it came out with Kingsford charcoal with mesquite.

A year later, Clorox introduced a new formula for its Match Light instant lighting charcoal briquets that can be lit without lighter fluid.

Clorox updated its Twice As Fresh air freshener line in April, 1986, adding a Honeysuckle Morning fragrance to the now seven-fragrance line.

In December, 1985, Clorox assumed a leadership role, asking the tv networks to begin accepting stand-alone 20-second commercials, a move that would further erode the 30-second spot as the tv standard.

So far, only CBS has accepted the independent 20s, providing Clorox find its own partners in the 60-second commercial pod. At present, Clorox doesn't have any 20-second commercials on the air.

Clorox has announced its intention to divest the company's Emil Villa's Hick'ry Pit restaurant division, deciding that the chain doesn't fit into its long-term strategy.

In October, president Charles R. Weaver was elected ceo. John W. Collins, exec vp, succeeded Mr. Weaver as chief operating officer. Former chair-

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$11,934	$13,553
Newspaper	929	367
Newsp. supp.	1,812	27
Bus. pubs.	668	528
Network tv	45,122	51,499
Spot tv	13,588	12,755
Network radio	1,671	243
Spot radio	67	426
Outdoor	2	1
Network cable	4,144	2,813
Total measured	79,936	82,213
Unmeasured	27,169	27,943
Total	107,105	110,156

CLOROX CO.
1221 Broadway
P.O. Box 24305
Oakland, Cal. 94623
(415) 271-7000

Corporate Personnel

John W. Collins, president-coo
R.C. Richter, vp-Olympic Home Care prods
W.E. Lynn, vp-Kingsford prods
G.C. Sullivan, vp-household prods
A.W. Biebl, vp-foodservice prods

Marketing Personnel

David L. Goodman, vp-public affairs & mktg services
R.P. Johnson, adv mgr-household prods
M.A. Perry, adv mgr-Kingsford prod
K.S. Koelman, dir-mktg, Clorox foodservice prods
D. Rice, mktg mgr-Olympic Home Care prods
R.H. Bolte, dir-media operations

Advertising Agencies

Anderson/Rothstein, San Francisco—Hidden Valley Ranch, Donnani Italian food prods, Pitch 'R Pak—Kim Rothstein, acct super.

Foote, Cone & Belding, San Francisco—Clorox bleach, Clorox Fresh Scent, Clorox 2, Formula 409, Tackle, Twice As Fresh, Tilex, new prods—John Loden, mgmt super.

Needham Harper Worldwide, Chicago—Act, Clorox Pre-Wash, Liquid-Plumr, Match Light, Soft Scrub, Kingsford charcoal, Strike—Stewart Sharpe, mgmt super.

Scott Inc., Milwaukee—Moore's frozen foods, Clorox liquid bleach, Formula 409 for Clorox food service customers—Charles E. Reynolds, mgmt super.

Young & Rubicam, San Francisco—Matchlight, Kitchen Bouquet, Fresh Step, Hidden Valley Ranch dry salad dressing, bottled Hidden Valley Ranch, Litter Green, Olympic paints & stains, Carver Tripp interior stains and finishes, Litter Green, Lucite interior and exterior paints, new prods—Craig Branigan, mgmt super.

RANK **23**

Coca-Cola Co.

Atlanta

($ in millions)

Worldwide	1985	1984	% chg
Sales	7,903	7,364	7.3
Net income	722	629	14.8
U.S.	**1985**	**1984**	**% chg**
Sales	4,909	4,566	7.5
Operating profits	548	560	(0.3)
Advertising	390	409	(4.6)
Division sales	**1985**	**1984**	**% chg**
Soft drinks	5,510	5,015	9.9
Foods	1,321	1,465	(9.8)
Entertainment	1,072	885	21.1

The year has seen some bubbles pierced in Coca-Cola Co.'s considerable array of carbonation. In particular, Coca-Cola gave up its bid to buy Dallas-based Dr Pepper Co. for $470 million in the face of an antitrust challenge from the Federal Trade Commission. The merger would have boosted Coca-Cola's share of the soft drink market from 38.6% to 45.7%.

After voting that the acquisition would reduce competition in the industry, the FTC went to court to argue the deal would increase beverage prices and damage smaller competitors. A federal judge ordered a temporary injunction pending FTC administrative hearings. With that, Coca-Cola said it had called off the merger plans.

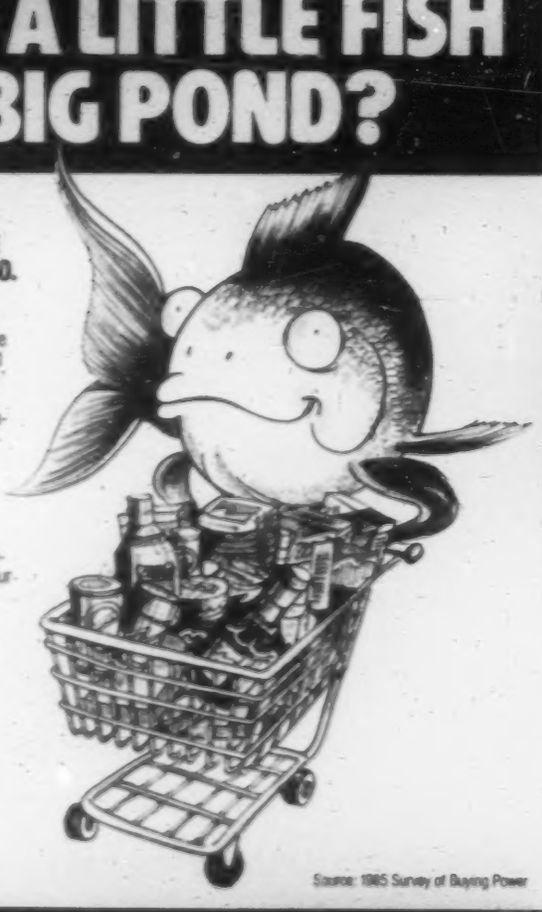
One of those small competitors, Royal Crown Cola Co., then dropped its antitrust challenge in federal court in Georgia. But the end of the deal hardly meant the demise of Coca-Cola. One analyst suggests the company still will garner the 45.7% share of the market, only it will take longer.

Coca-Cola's nearly $8 billion in net operating revenues in 1985 maintained its position as the largest manu-

Where does your publication stand compared to the competition in advertising revenues earned this year to date?

Turn to I N A for answers.
See page 93

WHY BE A LITTLE FISH IN A BIG POND?



WHY BE A LITTLE FISH IN A BIG POND? FOOD SALES ARE COOKING IN YUMA-EL CENTRO.

Yuma-El Centro has a big appetite. In just five years, food sales per household increased 45.2%, outperforming the state by 21%, region by 20% and entire United States by 28%. Effective Buying Income increased 42.6% and is expected to increase 61.3% by 1989. So if you're hungry for greater sales, KYEL-TV in Yuma-El Centro has the appetite to satisfy your craving.

KYEL-TV DOMINATES THE MARKET.

We've got the facts, figures and programming, including the #1 News, to help your sales do some cooking of their own.

BE A BIG FISH

BEAM COMMUNICATIONS

KYEL-TV, NBC, Yuma, AZ - El Centro, CA
WDAM-TV, NBC, Laurel-Hattiesburg, MS
WPBN-TV/WTOM-TV, NBC, Traverse City - Cadillac - Cheboygan, MI
WCFT-TV, CBS, Tuscaloosa, AL

Represented by Katz Continental

YUMA, ARIZONA
EL CENTRO, CALIFORNIA

Source: 1985 Survey of Buying Power

KYEL-TV NBC
YUMA, ARIZONA-EL CENTRO, CALIFORNIA

Coca-Cola has further shored up its position with the announcement it will make the largest acquisition in the company's history—the $1.4 billion buyout of Coca-Cola bottling properties owned by the Chattanooga, Tenn.-based JTL Corp. Two weeks before that announcement, Coca-Cola agreed to pay $1 billion to buy all the Coke bottling operations of Chicago-based Beatrice Cos.

Together with what the company already owned, the acquisitions will give Coca-Cola control of about 31% of its domestic volume. Coca-Cola president-ceo Donald Keough says the company may now create a new "free-standing" bottling company that might make a public offering of stock.

Coca-Cola also added to its interests in the entertainment sector with the purchase last year of two tv production companies, Embassy Communications and Tandem Productions. In August, 1985, it sold the Embassy Home Entertainment subsidiary to a Canadian company, Nelson Holdings International Ltd. of Vancouver, for $85 million.

Coca-Cola already had paid an estimated $200 million for Merv Griffin Enterprises in 1985 and, with it, rode the wave of two of the hottest shows in syndication, the cerebral "Jeopardy" and the heart-thumping "Wheel of Fortune."

Coca-Cola's Columbia Pictures is scoring success this summer with "Karate Kid, Part II," which through mid-August had tallied more than $85 million in gross theater receipts, and its Tri-Star Pictures' "About Last Night," grossing over $45 million through mid-August. Coca-Cola owns 42% of Tri-Star, which had the No. 2 box office hit of 1985 in "Rambo: First Blood-Part II," grossing $135 million. Columbia released the big hit in 1984, "Ghostbusters."

To further shore up its entertainment business, the company this year also made Walter Reade Organization, operator of 12 motion picture screens in New York City, a wholly owned subsidiary.

The company in 1985 bought Nutri-Foods International, a maker of fruit juice dessert products, and sold Presto Products, a supplier of plastic packaging, and Winkler/Flexible Products, a supplier of plastic cutlery and straws.

To support it all, Coca-Cola spends heavily on advertising. It reported to the Securities & Exchange Commission total worldwide media advertising costs of $629.9 million in 1985, a hike of nearly 18% from the year earlier.

Beverage Industry, a trade journal, reports Coca-Cola spent $130.4 million to advertise its major brands—Coca-Cola Classic, Coke, diet Coke, cherry Coke, diet Sprite and Tab—on tv last year. *BI* reports Pepsi-Cola spent $107.6 million for tv advertising on seven major brands.

Coca-Cola measured spending in 11 media monitored in this report was $231.6 million in 1985. The Leading National Advertisers seven-media total was $210 million, down 4.4%. New Coke, the slightly sweeter drink introduced amid consumer resistance last year, accounted for about $52 million of this and diet Coke, $32.2 million.

Coca-Cola, with its various brands, leads archrival Pepsi-Cola with a 38.6% share of market, compared with Pepsi's 27.4%. Dr Pepper trails with 7.1% and Seven-Up Co., 6.3%. However, brand Pepsi leads the individual entries with a 17.4% share, down from 17.6% in 1984, according to John C Maxwell, analyst with Furman Selz Mager Dietz & Birney, New York.

Brand Pepsi moved into the No. 1 spot by default because of the splitting of former No. 1 Coke into Classic and regular Coke, a multibrand strategy, planned or not, that gave Coca-Cola a higher corporate share.

Coca-Cola's Coca-Cola Classic is the No. 2 individual leader with a 14.2% share, with regular Coke No. 3 at 7.0% and diet Coke No. 4 at 6.7%, up from 5.2%. Comparative figures for regular Coke and Classic in 1985 are not applicable because of the lack of a full-year's performance for either.

The company's Sprite ranked No. 7 among all soft drinks with a 3.7% market share, up from 3.4%, and one notch behind No. 6, Seven-Up, with a 4.7% share.

Dr Pepper would have provided Coca-Cola with the No. 5-ranked brand at 5.6%, up from 5.2%. Over-all Dr Pepper Co.'s share in the soft drink market is 7.1%, up from 7% in 1984.

Coca-Cola is even a bigger winner in the rapidly growing diet side of the soft drink market with a 44.1% market share in 1985, up from 43.5%. PepsiCo grew to a 24.9% share, up from 21.5%. Dr Pepper was the big loser, dropping to 4.8% from 6%.

In the sluggish caffeine-free sector, Coca-Cola moved against PepsiCo. Its 3 .5% share of market in 1985 rose from 31.5% in 1984 as PepsiCo's 43.8% slipped from 44.7% in 1984, according to Mr. Maxwell.

Coca-Cola helped unfold a new category in 1985 with the introduction of Cherry Coke, No. 11 in the over-all soft drink market. The product finished the year with a 1.6% share of market with case sales of 110 million. It achieved the highest sales of a new entry in its first year on the market by Mr. Maxwell. Other cherry colas soon hit the market, including Cherry Royal Crown, with a 0.2% share, and cherry cola Slice.

With it's "Catch the wave" and "Just for the thrill of it" campaigns, Coca-Cola is, according to analyst Martin Romm of First Boston Corp., trying to "associate Coca-Cola with everything that's good about America."

And the campaign for Coca-Cola Classic, the company's leading soft drink, "reflects the image of the modern American spirit," according to Ira C. Herbert, exec vp and corporate marketing director of Coca-Cola Co. He adds the "Red, white and you" campaign reflects the "mood, the tempo, the confidence and optimism of living in the U.S.A. in the 1980s."

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$9,059	$10,794
Newspaper	6,941	6,747
Newsp. supp.	997	166
Bus. pubs.	835	647
Network tv	114,708	140,104
Spot tv	76,188	64,865
Network radio	791	0
Spot radio	14,732	13,932
Outdoor	3,852	3,620
Network cable	4,375	2,756
Total measured	232,478	243,632
Unmeasured	157,522	165,080
Total	390,000	408,711

COCA-COLA CO.
P.O. Drawer 1734
Atlanta, Ga. 30301
(404) 676-2121
Coca-Cola USA

Corporate Personnel

Brian G. Dyson, exec vp, Coca-Cola Co., president, North American Soft Drink Business Sector

Marketing Personnel

John C. Redi, sr vp, mktg, Coca-Cola USA
Deborah Gunnells, mgr, graphics and design services, Coca-Cola USA
Jacquie Turner, dir-adv & production services
William L. Schermerhorn, dir-mktg, Cola brand
C. Patrick Garner, group brand dir-citrus brands
Mike Beindorff, group brand dir-diet brands
Kenneth F. Craft, dir-promo services

COCA-COLA FOODS

Corporate Personnel

E.V. Amoroso, sr vp, president-foods business sector
Grady Tiller, president, coffee unit
H.S. Robinson III, president-ceo, Coca-Cola Foods Canada

Marketing Personnel

Scott A. Wallace, exec vp-mktg, foods business sector
Anthony J. Rebello, sr vp, food service
T.J. Waas, sr vp-mktg, foods business sector
D.W. Valentine, dir-mktg rsch, foods business sector

Advertising Agencies

Burrell Advertising, Chicago—black consumer adv—Tom Burrell, president; Sarah Burrough, sr vp-genl mgr; Bill Sharp, sr vp-genl mgr, Atlanta; Chuck Wimbley, sr vp-acct services; Neva Richardson, acct super.

Castor Spanish International, New York—Hispanic adv—Castor Fernandez, president; Carlos Delgado, media dir; Susan Nassberg, assoc media dir; George Raynardus, genl mgr; Renee Glicklish, prod mgr; Roberto Manzano, creative dir.

Lowe Marschalk, New York—Sprite, Diet Sprite, Mr. PiBB, sugar-free Mr. PiBB, Minute Maid orange soda, Fresca, Mello Yello—Richard Villante, genl mgr; Eric Einhorn, exec vp, Sprite; Dan Cohen, exec vp; Joseph DePreta, Peg Jump, mgmt supers; Lil Panettiere, mgr.

McCann-Erickson, New York—Coca-Cola, caffeine-free Coca-Cola, Fanta—Edward Comiskey, sr vp-group dir; Marsha Badanes, sr vp-mgmt rep; Melvin Philpott, vp-gmt rep; Lawrence Glucs, vp-acct exec; Nancy Bamberger, Susan Kveton, Robert Montagnese, acct execs.

SSC&B:Lintas, New York—Coca-Cola Classic—Stone Roberts, exec vp-chmn, strategy review board; Rudy Bechtel, exec vp; Becky Broers, vp-acct super; David Alport, Ned Russell, acct execs. Diet Coke, caffeine-free diet Coke—Terry Rosenquist, exec vp; Don Lenehan, sr vp; Michael Skoletsky, vp-acct super; Lisa O'Connell, Sheila Dailey, acct execs.

ENTERTAINMENT SECTOR

New York

Corporate Personnel

Francis T. Vincent, Jr. exec vp, Coca-Cola Co., president-entertainment business sector
James R. Spitz, president, Columbia Pictures domestic distribution

Marketing Personnel

D. Frank Jones, sr vp-mkt rsch
Steven Kasloff, sr vp-creative dir, adv
Shelly Hocron, mktg consultant
Diane Charbanic, sr dir-media, adv
Charles Bigbee, dir-print production
John C. Flinn, dir-industry relations
Jack Friend, dir-co-op adv
Patrick D. Walters, dir-adv admin

COLUMBIA PICTURES
Burbank, Cal.
TELEVISION GROUP

Corporate Personnel

Herman Rush, president
Barbara Corday, president-Columbia Pictures Television

Marketing Personnel

Kay Dangaard, vp-adv, publicity, promo
Steve Astor, vp-adv, publicity, promo
David Mumford, vp-rsch

COLUMBIA PICTURES MERCHANDISING

Marketing Personnel

Lester J. Borden, genl sales mgr

COLUMBIA PICTURES PUBLICATIONS

Corporate Personnel

Frank J. Hackinson, president

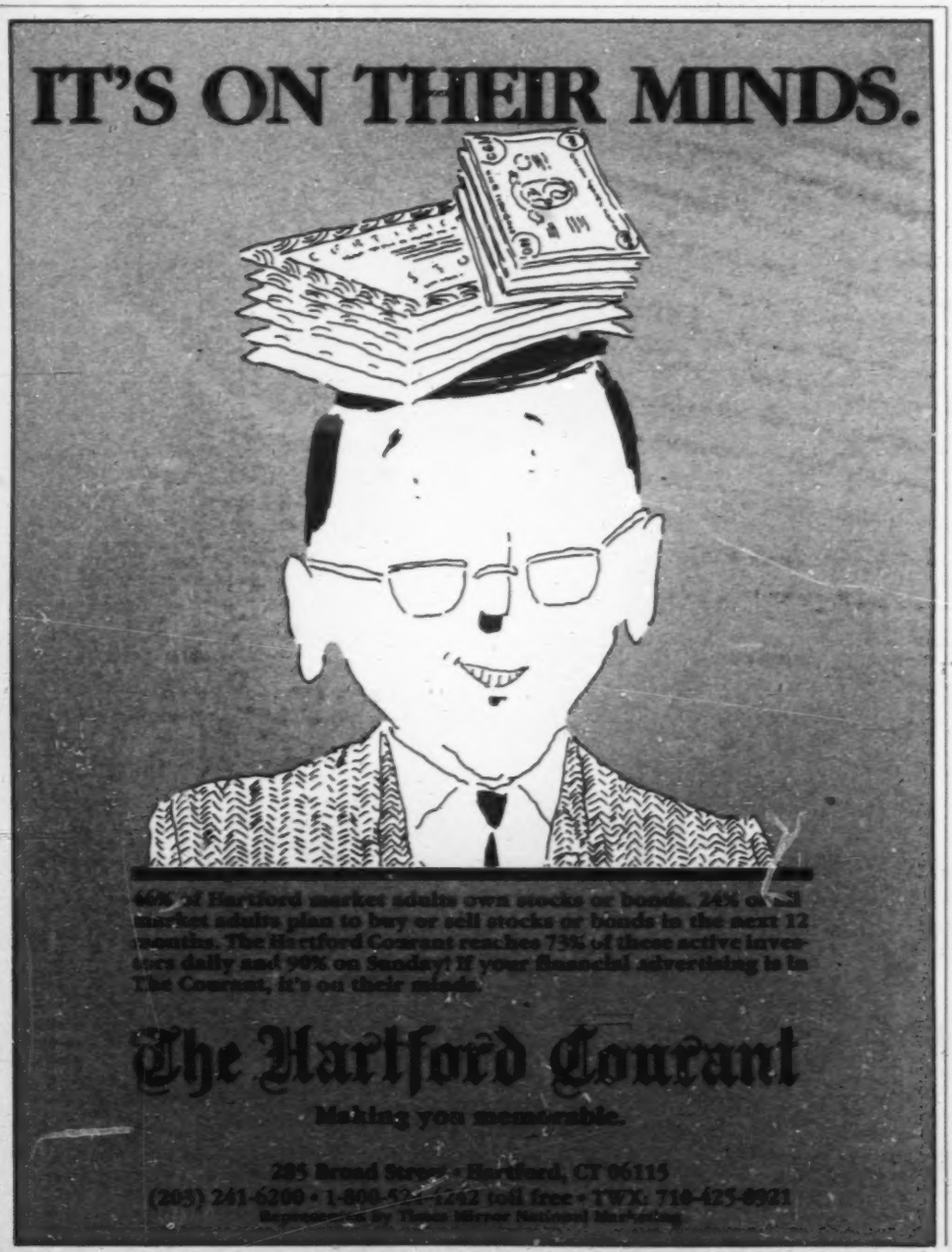
Marketing Personnel

John Kelleter, exec vp-mktg & sales

Advertising Agencies

Ogilvy & Mather, Los Angeles—Elizabeth Oldknow, mgmt super; Gary Elliott, sr vp-exec group dir.

Scali, McCabe, Sloves, New York—Richard Ginsberg, acct super; Terry Powers, acct exec.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Colgate-Palmolive Co.

RANK **34**

New York

($ in millions)

Worldwide	1985	1984	% chg
Sales	4,524	4,369	3.5
Net income	106	72	53.0
U.S.	**1985**	**1984**	**% chg**
Sales	2,170	2,025	7.1
Operating profits	196	171	14.8
Advertising	253	259	(2.2)
Division sales	**1985**	**1984**	**% chg**
Household	3,427	3,369	1.7
Healthcare	813	757	7.4
Specialty mktg.	284	244	16.4

Colgate-Palmolive Co. increased product introductions and focused on its core businesses of personal and healthcare products in 1985. It also pulled $100 million in advertising from Ted Bates Worldwide, its agency for 46 years, after that agency agreed to merge with Saatchi & Saatchi plc, London, one of the agencies serving archrival Procter & Gamble.

The company accelerated product introductions last year to 227, backed with a record $82 million in product research and development, while it revamped advertising strategies, packaging and product formulations for nearly all its major brands.

Revamped or reformulated products included lemon-lime Palmolive dishwashing liquid, Ajax multisurface cleaner, Dynamo 2 and Liquid Fab laundry detergent with fabric softener. New products include Cleopatra luxury beauty bar, Colgate Plus toothbrushes, and Dentagard toothpaste.

Colgate's new alignment of its global agency business emphasized its commitment to regional rather than global marketing.

In December, it realigned $40 million worth of global ad business among its then three agencies, Bates, Foote, Cone & Belding and Young & Rubicam, leaving Bates at the time in charge of only one European account, in Spain, but the dominant agency in the Asia-Pacific area. After the megamerger fallout in March, 1986, FCB, strong in Colgate's Latin American business, picked up the Colgate assignments in the Asia-Pacific area as well, from Bates to join from Y&R in the region.

Y&R, Colgate's dominant agency in Europe, is now Colgate's top world-

wide agency with billings of about $150 million. FCB has worldwide Colgate billings of about $125 million.

Major brand reassignments in the wake of the Bates-Saatchi marriage include Colgate regular and gel toothpastes, with $31 million in measured media last year, Colgate toothbrushes and Palmolive Rapid Shave going to Y&R. That agency already handled Colgate's Fresh Start laundry detergent and Irish Spring soap. Dentagard toothpaste, introduced last year with $13.4 million in measured spending, was reassigned to FCB from Y&R.

From Bates, FCB got Palmolive dishwashing liquid, with $7 million in 1985 measured media. FCB already handles Fab, Ultrabrite, Palmolive soap and Curad bandages.

Measured advertising spending for all of Colgate's brands was down 2% over-all, largely reflecting a 5% decline in network tv and a 27% decline in spot tv spending. Despite the decline in U.S. measured ad spending, Colgate's worldwide marketing and promotional spending increased 3.5% over-all, partially as a result of C-P's reentry into the Middle East after the Arab boycott in 1976. Reported media advertising costs, however, declined 12.5%, to $270 million in 1985 from $304 million in 1984.

Colgate continued its divestiture of businesses unrelated to household, personal care, healthcare and specialty consumer marketing—all attracting minimal ad spending. In February, 1986, the company sold its Riviana Foods subsidiary, a rice processor, and Etonic Inc., the Brockton, Mass., maker of athletic shoes and clothing, for $100 million. Its Knoxville, Tenn.-based Bike Athletic subsidiary is still searching for a buyer. Colgate in 1985 acquired a 50% interest in Institutional Financing Services, a company that assists schools in fund-raising efforts through direct marketing of consumer products.

Modest growth in the household & personal care division, in which worldwide sales increased 2% last year, came largely from increased toothpaste sales. Laundry and dishwashing detergents accounted for 32% of these sales, down 1 percentage point from 1984, and oral products accounted for a steady 17%.

Colgate's continued rise in toothpaste sales was backed by only slight increases in measured ad spending last year, up 4% to $29 million. Two-thirds of that total went into network tv spending for the "WMFP-radioland" new wave spots, via Ted Bates.

Colgate spent heavily in the early 1980s trying to catch rival Procter & Gamble's Crest brands, and early last year came close to bumping Crest out of the top spot in the $1 billion dentifrice category. P&G backed its Crest brands with $50 million last year, just as Colgate was slowing its early-1980s ad spending surge behind Colgate brand toothpaste. Measured ad spending for Colgate declined 22.5% in 1984, from a 1983 high of $34 million.

P&G rebuilt its share lead from a low of 30.5% in 1984 to 37% to 39% by the end of 1985, while Colgate dipped from 28% to 22% in the same period. At the end of 1985, Beecham Products' Aqua-Fresh brands was third in retail market share with 12%; Lever Bros.' Aim toothpaste fell to 7%.

An estimated $40 million ($13.4 million measured) in ad spending backed the national rollout of Dentagard plaque-fighting toothpaste last year. Aimed at adults concerned about healthy gums rather than cavities, Dentagard's $40 million introduction tried to blunt P&G's $37 million introduction of Crest tartar-control formula toothpaste.

Further line extensions include Dentagard tartar-control formula, which went into test this February in Denver, and Dentagard toothbrushes and dental floss, introduced in mid-1985, with print support in dental journals via Wilk & Brichta, Chicago. Dentagard also rolled into Australia last September, the first Colgate toothpaste introduction there since the 1960s, and the Colgate tartar control formula was introduced in the U.K. in late April, with a $4.5 million campaign from Y&R.

Colgate Plus toothbrushes, introduced last summer, became the market sales volume leader in pushing past Johnson & Johnson's Reach and Gillette's Oral-B to take the lead in the toothbrush market. The diamond-shaped toothbrushes rolled out nationally in mid-1985 with $3 million in measured ad support, equally divided between magazines and spot tv.

Colgate is aiming for dominance in the $550 million automatic-dishwasher-detergent category, where liquids are the hot new segment. Analysts expect this new category to begin to cut deeply into the powder market, perhaps as much as 50% within several years. Liquid detergents now hold 30% share of the $3.5 billion heavy-duty detergent market.

Colgate was the first major soap company to introduce an automatic dishwasher liquid last year when it began testing Bright Side, formerly the name of its failed shampoo entry, in the third quarter of 1985. A Bright Side campaign was expected to break in March of this year, but national rollout was delayed because of problems with the detergent separating in the bottle.

In July, Y&R broke a $30 million campaign for the product, renamed Palmolive Automatic to capitalize on the Palmolive liquid dishwashing detergent name. Current spending on Palmolive Automatic is nearly twice the amount spent last year on any single brand in the automatic-dishwasher detergent category.

Colgate is being challenged by Electrasol liquid, placed in national distribution earlier this year, from Economics Laboratories, St. Paul, Minn. Another potential competitor, Lever Bros.' liquid Sunlight brand, is being tested in Minneapolis. Lever holds a 23% share of the powdered dishwasher detergent market with its All and Sunlight brands, compared with an estimated 50% for P&G's Cascade. Electrasol has an estimated 10%.

P&G began testing Cascade liquid automatic dishwasher detergent in June in Orlando, Phoenix and Milwaukee, hoping to capitalize on the popularity of its Cascade powder dishwasher detergent.

Measured media support for Palmolive dishwashing liquid fell 31% in 1985 to $6.8 million, as Colgate readied the introduction of lemon-lime Palmolive Liquid. Last year Palmolive Liquid overtook P&G's Dawn, the previous market leader.

Ajax liquid cleaner was backed by only $348,800 in measured spending last year, a sharp 90% drop from 1984's measured $3.6 million. Ajax multisurface cleanser was reformulated, repackaged and reintroduced nationally in November with an estimated $11 million campaign from Y&R.

Fresh Start concentrated laundry detergent had measured spending in 1985 of $8.8 million, up from $8.3 million in 1984. Fresh Start detergent with "SRP," a new cleaning ingredient, was in test in California as of May, 1986. Comparative tv spots end with the tag, "Be a Tide [P&G] dropout—make a Fresh Start."

New liquid Fab laundry detergent with fabric softener rolled out nationally last November with $11 million in measured media spending from FCB/New York. Measured support for powdered Fab laundry detergent, Colgate's leading brand, decreased dramatically to only $449,300 from $13.4 million in 1984. The decline made way for the new product introduction.

Reformulated Dynamo 2 liquid detergent also rolled out in November with $366,300 in measured media spending via FCB/New York. Dynamo Action Plus liquid laundry detergent, introduced in 1984, continued to receive heavy ad support, with $5.2 million last year, down 47% from 1984.

Irish Spring deodorant soap, reformulated with conditioners, went national in March of this year after being tested for more than a year in Denver and several other markets. Measured media spending for the brand fell 17%, however, from $5.8 million in 1984 to $4.8 million in 1985. Y&R supports with a multi-million-dollar, three-spot tv campaign. Cleopatra soap, a luxury beauty bar, is being tested in Eau Claire, Wis. and Visalia, Cal. via FCB/New York, and nationally in France, via Publicis, Paris. Test marketing could take up to a year, Colgate officials say.

In the healthcare and industrial division, Boston-based Kendall Co. was restructured last year toward becoming a major hospital supply company, with last November's $117 million acquisition of the McGaw division, maker of intravenous solutions, from American Hospital Supply Corp. and the purchase of the Boundary line of disposable hospital linens from P&G.

Kendall's consumer home healthcare business expanded with Curity skincare lotion, incontinency products and the adaptation of the Curity line of surgical dressing for consumers. Curad bandages last year received measured spending of $2.7 million.

In March, 1986, American Fiber & Finishing, Boston, purchased the industrial fabrics division of Kendall for more than $20 million. Kendall also sold its Curity Baby Products division to Gerber Products, Fremont, Mich., for an estimated $50 million. Curity infant apparel accounted for $85 million in sales last year.

In April, 1986, it sold MedSonics, a medical equipment unit, maker of ultrasonic blood-flow monitors, to Japanese-based Settsu Paperboard Manufacturing Co. for an undisclosed price.

Growth in sales at Colgate's specialty marketing division came largely from a 27% gain in pet food sales in the Hill's Pet Products division, which Colgate is retaining from its former Riviana rice business.

Hill's markets special pet foods and supplement products through veterinarians, breeders and pet stores, and last year it introduced the Science Diet growth line for kittens and relaunched a maintenance diet for adult cats.

Princess House Crystal Collection introduced 16 new products last year, chiefly through its party-plan, direct sales approach.

Sales increased 11% last year, with measured media spending of only $379,800, 90% of that in network tv. This May, Colgate expanded its direct-marketing gift business with the purchase of Hexham, U.K.-based Fiesta, a party-plan company also marketing crystal, china and giftware.

The new CPL Industries unit, part of the specialty marketing division, is a combination of Colgate's existing Sterno Products division with last year's acquisition of the St. Laurent Cos. CPL markets a complete line of cleaning products, canned cooking fuel and equipment, and nonwoven industrial wipes to the hotel, restaurant and institutional markets.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$6,774	4,194
Newspaper	1,504	1,194
Newsp. supp.	1,269	291
Bus. pubs.	221	194
Network tv	64,956	68,570
Spot tv	16,751	21,354
Network radio	446	0
Spot radio	1,387	263
Outdoor	0	10
Network cable	1,814	1,198
Total measured	95,120	97,267
Unmeasured	158,375	161,949
Total	253,495	259,217

COLGATE-PALMOLIVE CO.
300 Park Ave.
New York, N.Y. 10022
(212) 310-2000

Corporate Personnel

Reuben Mark, chmn, president-ceo
William S. Shanahan, sr exec vp-coo/Colgate
J. Dale Sherratt, sr exec vp-coo/Kendall
Roderick L. Turner, sr exec vp-coo/specialty mktg
John M. Watkins, sr exec vp-chief strategic & business devel officer
Clay S. Timon, vp, worldwide adv

COLGATE U.S.

Corporate Personnel

A. Courtenay Shepard, vp-genl mgr

Marketing Personnel

Ariel A. Allen, vp-creative services
Robert E. Blanchard, vp-mktg
John P. Benfield, category mgr, HDD
Paul Brindak, group prod mgr
Joseph A. Uzzolina, category mgr, LDL/hard surface cleaners
James Leach, group prod mgr, HDD
Elaine D. Dohn, group prod mgr, toiletries

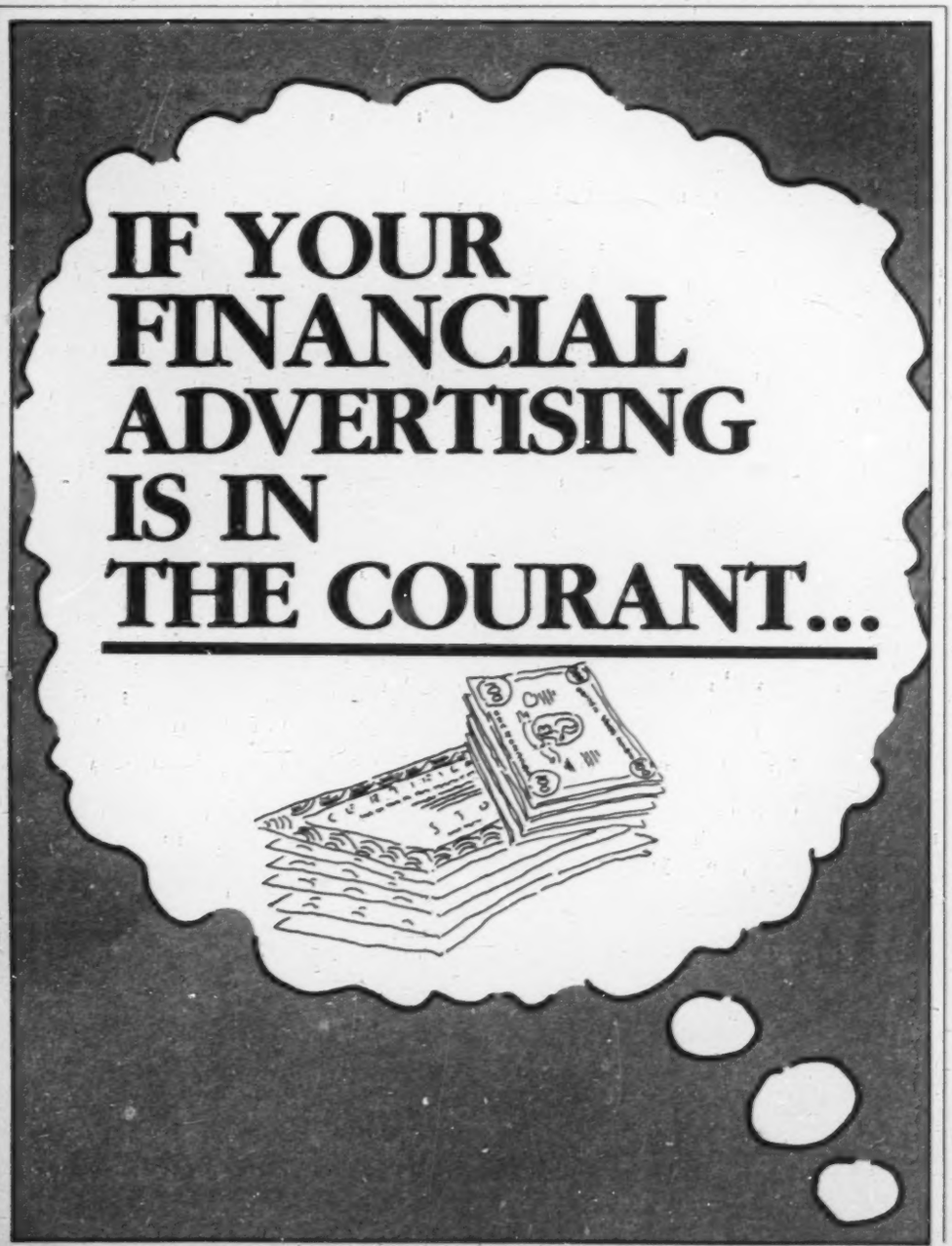
U.S. ORAL CARE GROUP
New York

Corporate Personnel

D. Meyer, genl mgr
Jack Haber, mktg mgr
Doug Presley, financial mgr
M. Libertore, sales mgr

Advertising Agencies

Foote, Cone & Belding, New York—Palmolive dishwashing liquid, Palmolive automatic dishwashing detergent, Dynamo detergent, Fab detergent, Ajax all-purpose cleaner, Palmolive soap, Dentagard, Curad bandages, Ultra Brite toothpaste, Fluorigard dental rinse, Axion Paste—Charles Taney, exec vp-worldwide acct dir; Lou Rubin,



Charles Ballard, vp-acct dirs; John Seidl, intl acct exec; Richard Hall, Cynthia Beeger, Patricia Albanese, acct execs.

Young & Rubicam, New York—Colgate Dental Cream, Fresh Start detergent, Irish Spring soap, Colgate toothbrushes, Shave Preps—Tim Pollak, exec vp-world acct dir; Bob Fane, Phil Asche, sr vps-mgmt supers; John Leonard, Mary Ellen Kenny, Harry Mosher, Susan Vary, acct supers; Cindy Bedrosian, Chad Chambers, Leslie McKay, acct execs.

KENDALL CO.
Boston
Corporate Personnel
J. D. Sherratt, president-ceo
Michael S. Roskothen-exec vp
T.E. Tierney, exec vp, hospital div
M.B. Cogbill, vp-genl mgr, hospital div
F.J. Zeitvogel, exec vp, industrial div
D. Arena, vp, industrial div
R.C. Gockelman, dir-Special Ventures Group, industrial div
C.P. Bruen, vp, intl div
Marketing Personnel
K. Wester, sr adv mgr, hospital div
J. Dawson, adv mgr, hospital div
D. Battelle, sr adv mgr, industrial div
P. Corkum, adv mgr, industrial div
Advertising Agency
Casey Media—Robert W. Casey, president.

CPL INDUSTRIES
Tenafly, N.J.
Corporate Personnel
Kenneth E. Snyder, president
Bernard J. Rafferty, genl mgr
Marketing Personnel
Al P. Chadourne, dir-mktg
Advertising Agency
Stern Walters/Earle Ludgin, Chicago—M.B. Friend, acct exec.

PRINCESS HOUSE
North Dighton, Mass.
Corporate Personnel
Robert J. Haig, president
Steven Zrike, vp-mftg & new business devel
Marketing Personnel
John Galazin, vp-sales & field operations
Betty Bowes, dir-field operations
Advertising Agency
Leonard Monahan & Saabye, Providence, R.I.—Cathy Ottaviano, acct super.

HILL'S PET PRODUCTS
Topeka, Kan.
Corporate Personnel
Robert C. Wherler, president
Gary Harrison, vp-intl
Tim Phillips, technical rsch mgr—prescription diets
Marketing Personnel
David Geier, vp-mktg
J. Richard Woodall, vp-sales.
Jim Glassford, prod mgr, science diets
Advertising Agency
Harmon Smith Advertising, Kansas City, Mo.—Marc Ford, acct exec.

INSTITUTIONAL FINANCING SERVICES
Benicia, Cal.
Corporate Personnel
Michael J. Rippey, president
Marketing Personnel
Dennis F. Snyder, vp-sales
David V. Rudd, exec dir-mktg

RANK **83**

Adolph Coors Co.

Golden, Colo.

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,281	1,263	1.4
Net income	53	45	18.7
U.S. advertising	104	88	19.7
Division sales	**1985**	**1984**	**% chg**
Beer	1,078	938	14.9
Other	203	195	4.1

Adolph Coors Co. continued expansion into new territory in 1985 and the first part of 1986—eight states and Canada—enabled the brewer to increase sales during a sluggish time for the beer industry.

During the first half of 1985, Coors entered Connecticut, Illinois, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont, and it added Michigan in the first quarter of 1986. Only five states—New York, New Jersey, Pennsylvania, Indiana and Delaware—remain to be penetrated. In October, Coors began distributing Coors and Coors Light in Canada through a licensing agreement with Molson Breweries Ltd.

Such geographic expansion enabled Coors to boost its barrelage by 11.8%, while total domestic-beer shipments in 1985 increased less than 1%, and barrelage was down for four of the top-six breweries. The only other major beer marketer to increase shipments was market leader Anheuser-Busch.

An estimated 1 million barrels of Coors' 1.55 million-barrel increase went into New England and Illinois, new territory during 1985, according to John Collopy, beer business analyst and first vp of Robert W. Baird & Co., a Milwaukee brokerage company. "I don't think their sales will go up by 12% in 1986 like they did in 1985. Without geographic expansion, they'd have to gain it in market share."

"Considering that they were only in 17 states a decade ago, of course they've gained as they've expanded. But there's nowhere else to go," says Donald Rice, vp and senior investment analyst at Blunt, Ellis & Loewi, a Milwaukee brokerage company. "Now we'll all wait and see."

Coors found its most fertile new territory in New England. It has captured 20% of the market in Massachusetts and New Hampshire, according to *Beer Marketer's Insights*. By March, 1986, the average market share in Coors' six New England states had settled at 12.3%, according to Coors' figures; considerably higher than the brewery's national average market share of 7.9%.

Coors takes as a positive sign, however, that sales also appear to have improved in established markets. In Texas and California, for example, slippage had been partly attributed to a six-year boycott by the Hispanic community. Coors ended that boycott when it signed a Hispanic trade covenant on Oct. 29, 1984, and 1985 was the first year the results of that pact were apparent in the marketplace. Frank Solis, manager of the national Hispanic program for Coors, says that in 1984 Hispanics counted for only 4% of Coors' business. Under the trade covenant, Mr. Solis says that in 1985 business with the Hispanic community jumped to 9% of Coors' total sales.

"Sales were up in California last year for the first time in a number of years," says Rob Klugman, vp-marketing for Coors. "We consider that significant in turning around a trend in our base market of the western states. The trend during 1985 was still down in Texas, although during the first quarter of 1986 it was up for the year to date. Clearly, we're getting Hispanic business in California. That's not as clear in Texas."

Earlier in 1984, Coors also signed a trade covenant with the black community in an effort to head off a black boycott threat. During 1985 Coors ran a series of radio minidocumentaries on black history in the Southeast. Dayn-Mark, Atlanta, created the spots as a one-time project. In December, 1985, Coors assigned its black consumer advertising account, estimated at $6 million to $8 million annually, to Uni-World Group, New York.

Earlier boycotts were recalled when Coors moved into Michigan, its only new territory so far in 1986. The national AFL-CIO never dropped a boycott it began in 1977, and when Coors entered the state, the labor group opened a state boycott.

"We're well ahead of our plan in Michigan," Mr. Klugman says, "but the opposition hasn't helped us." He says the boycott has disrupted Coors' distribution in the highly unionized state.

Mr. Rice doubts Coors ever will perform well in the upper Midwest. His figures show Coors with only a 1.4% market share in Wisconsin in March, 1986. He attributes the low share not only to what he called Coors' "anti-labor image" but also to the heavy concentration of breweries based in the area, which fosters brand loyalty and makes it harder for an outsider.

At the brewery, optimism is running high that sales will continue to climb.

Mr. Klugman says the brewery expects another record year in 1986, notes that sales during the first quarter of 1986 are up by 11.3% for the year to date. That optimism was reflected in the groundbreaking Nov. 16, 1985, for a second brewery near Elkton, Va. The plant initially will serve as a packaging facility when its first phase of construction is completed in spring 1987. Eventual capacity of the $500 million plant is 10 million bbls. a year.

Heady optimism is not the rule everywhere. Mr. Collopy, for example, points out that Coors' 1985 gains followed down years in 1981 and 1984. He notes that for the past five years Coors' compound average gain is about 1%—only slightly better than growth for the entire industry during that time.

However, Joseph Frazzano, brewing industry analyst for Oppenheimer in New York, sees the company at the beginning of a genuine upswing, noting particularly the success of recent marketing efforts and continued strength of Coors Light.

"Coors Light is going well, and Coors is continuing a policy of spending more per barrel on promotion than any other brewer—about $10 a barrel compared with Anheuser-Busch, which spends about $5 or $6," Mr. Frazzano says. "It's a policy that works for them, and when something works in this industry, it usually works for five or 10 years."

The "Silver Bullet" continues to move up the market-share charts, going from the No. 10 position among all national brews in 1984 to No. 7 (with a 3.2% share) in 1985. Mr. Klugman predicts Coors Light "could win up in fifth or sixth position" in 1986.

In September, 1985, Coors broke the "Silver Bullet Bar" campaign for Coors Light, created by Foote, Cone & Belding, Chicago. The commercials are Coors' second "serial" type spot. Sensing a winner, Coors boosted measured advertising for Coors Light by more 70% during 1985, to $19.1 million.

In July, 1986, Coors began running a test "Silver Bullet Bar" commercial on the networks in which the bartender takes the car keys from an inebriated consumer. It is the first "don't drink and drive" spot aired by a brewer.

Coors, the flagship brand at Adolph Coors, dropped slightly in market share during 1985, going from 5% in 1984 to 4.7% in 1985. The brand remained in fourth place nationally, behind Budweiser, Lite beer from Miller and Miller High Life. Coors broke its highly touted "Coors is the One" campaign, a low-key pitch by actor Mariette Hartley in February, 1985. The new campaign, which, like the "Silver Bullet Bar," uses a "to be continued" theme, was supported by Coors' first national print buy. Measured spending for Coors also was heavily boosted, rising by 59.6%, to $33.2 million in 1985.

Measured spending on combined advertising for Coors and Coors Light dropped by 9%, to $3.5 million in 1985.

Market expansion efforts also include new brands. The company toyed briefly with Colorado Chiller, a malt-based beverage that entered test market July 1, 1985, in San Diego; Orlando, Fla.; Charlotte, N.C.; Dayton, O.; Lubbock, Tex., and Spokane, Wash. The product was withdrawn from the market Oct. 22, although the brewery says it remains "committed to having a competitive product in the segment."

In August, 1985, Coors formed a joint venture with Molson Breweries of Canada and Kaltenberg Castle Brewery of West Germany to form Masters Brewing Co. to launch Masters III beer. After a four-city test, the joint venture closed down July 31, 1986.

Although Masters III is the product of a company independent of Coors, as a superpremium it is positioned directly against Coors' Herman Joseph's, which remained in limited distribution during 1985. Perhaps by coincidence, in 1985 Coors did virtually nothing to promote Herman Joseph's. Measured advertising dropped off the charts, $1.2 million had been

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spent promoting the brand in 1984. The brewer eliminated the Herman Joseph's brand manager position, consolidating it with the George Killian's Irish Red Ale brand manager's job.

Coors demonstrated continued support for two other brand extensions, George Killian's Irish Red Ale and Coors Extra Gold. During 1985 and early 1986, Coors extended the markets for Killian's into New England, Florida and Virginia. Measured spending for the "Killian's Red, loosened" campaign, which was created by FCB, rose only slightly, to $396,600 in 1985.

Coors first unveiled Coors Extra Gold in April, 1985, as a heavier brew positioned against Budweiser. Test markets at that time were in selected cities in California, Colorado, Idaho, Nevada and New Mexico. During 1986, Coors expanded the Extra Gold test into Idaho Falls, Pocatello and Soda Springs, Ida. Measured spending on Extra Gold during 1985 came to $632,500.

During 1985, the advertising account for Cocomo, a nonchocolate candy bar that was being test-marketed in Kansas, disappeared off the Evans/Bartholomew roster. Cocomo is a product of Coors Food Products, one of the brewery's 22 subsidiary companies. Ketchum Advertising, San Francisco, handled a confidential project for Coors Food Products during 1985. Any current Food Products advertising is being handled in-house.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazines	$2,809	$380
Newspaper	2,091	760
Bus. pubs.	34	4
Network tv	18,078	11,218
Spot tv	34,776	25,957
Spot radio	9,537	18,927
Outdoor	1,363	522
Network cable	1,430	751
Total measured	69,981	58,464
Unmeasured	35,000	29,240
Total	104,981	87,705

ADOLPH COORS CO.
Golden, Colo. 80401
(303) 279-6565
Marketing Personnel

Bob Kuchinski, exec vp-sales & mktg
Robert Klugman, vp-mktg
Gary Truitt, vp-mktg devel
Gary T. Nerlich, Coors brand dir
Robert Fox, Coors Light brand dir
June Smith, Coors Light brand mgr
Gary Skowsted, Coors Extra Gold brand mgr
Jon Ratge, George Killian's and Herman Joseph's brand mgr
Robert McBride, Coors brand mgr
Mike Marmanino, dir-sales & mktg operations
Terry Nassiar, dir-mkt expansion & intl mktg
Mark Reiss, dir-corp media
Cully Marshall, mgr-field mktg

Advertising Agencies

Evans/Bartholomew Pollock Norman, Denver—corp and community relations, food prods—Charles Bartholomew, president-exec super; Susie Davis, acct exec.

Foote, Cone & Belding, Chicago—Coors, Coors Light, George Killian's, Herman Joseph's and expansion—Bill Meltzer, sr vp-group exec dir; Dale Smith, vp-exec dir, Coors; Jim Griggs, vp-exec dir, Coors Light; Randy Wiederhold, vp-acct dir, expansion; Kent Visintin, vp-assoc media dir; Mike Rogers, sr vp-exec creative dir; Dave Moeller, sr vp-creative dir, Coors; Nina Feinberg, sr vp-creative dir, Coors Light.

GSD&M, Austin, Tex.—Hispanic mktg—Roy Spence, president; Ken Gaynor, exec vp; Chuck Grady, sr vp-acct exec; Cindy Rachel Rodriguez, dir-Hispanic services; Gary Brahl, creative dir; Hank Olguin, public affairs dir.

Ketchum Advertising, San Francisco—Coors food prods—assignment ended in 1985.

Tatham-Laird & Kudner, Chicago—Coors Extra Gold—Bob Hellecher, sr partner-group acct dir; Bob Janssen, mgmt supervisor; Steve Hanika, acct super.

UniWorld Group, New York—Black mkts—Fred Jackson, acct super; Bill Allen, sr vp-creative services; Valerie Graves, Phil Costa, Aaron Dell, vp-assoc creative dirs.

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EXECUTIVE SEARCH

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Cosmair Inc.

PAGE **68**

New York

($ in millions)

Worldwide	1985	1984	% chg
Sales	730	695	5.0
Net income	80.6	84.9	(5.0)
U.S. advertising	130	120	8.4

Cosmair Inc. kept up a robust spending pattern in advertising in 1985 to keep its brands competitive in three major areas: Hair color, department store cosmetics and mass marketed beauty products.

Privately held Cosmair is the U.S. licensee for L'Oreal and Lancome. Swiss conglomerate Nestle SA owns 62% of Cosmair, with the remainder divided among L'Oreal interests. Although earnings are closely guarded, analysts believe profits are hindered by heavy spending needed to keep brands flourishing in the brutally competitive beauty industry.

Based on North American sales figures, Cosmair is the third largest beauty company in the $10 billion cosmetics arena. It trails Avon, which has $1.61 billion in sales, and Revlon (owned by Pantry Pride) with $[illegible] million, reports Nancy Hall, equity research analyst at Prudential-Bache. Estee Lauder is a close fourth with estimated sales of $500 million in North America.

Cosmair outspends many of its foes, Avon, for example, spent about $25 million in measured media while Estee Lauder's measured spending came in at $46.8 million, according to Leading National Advertisers. In the beauty business, where promotional activities such as gift-with-purchase and demonstrations are crucial, spending is heavy in unmeasured media.

Print advertising gained favor last year with Cosmair's newspaper and magazine spending rising 12.5% to $27 mills. There was also an increased interest toward network cable instead of network and spot tv. This was fueled by the launch of Studio Line, a styling mousse, gel and directional spray targeted at the music video generation and advertised on MTV Music Television. Cosmair spent $682,000 on network cable compared with only $56,000 in 1984, according to LNA.

Cosmair consists of seven major divisions: L'Oreal retail hair care; L'Oreal retail cosmetics; retail fragrances; Lancome; Biotherm; designer fragrances, and L'Oreal salon division.

The single greatest spending on one line in 1985 was the $12 million in measured spending behind the relaunch of L'Oreal Preference hair color. The company sought to put a charge in the stagnant $400 million hair color business by repackaging Preference. For the retailers, L'Oreal devised a fixture that allowed a lock of hair to be clipped to the shelf so customers could see the color. The trade estimated sales rose as much as 30%.

But Bristol Myers' Clairol, which controls 60% of the business, was prepared to do battle. Clairol rolled out nationwide Ultrasse, a gel-based permanent hair color promoted by actress Linda Evans. In the midst of this, L'Oreal also introduced Avantage, a semipermanent hair coloring targeted at the same customers using Clairol's Loving Care. L'Oreal spent $5.3 million in measured media dollars behind Avantage; but the total costs of spreading the word inched closer to $6 million. The launch included 2 million $2 cash refunds and more than 70 million free offers.

Retailers say Avantage has not put a dent in Clairol's Loving Care's 12% share of market. In total, L'Oreal's three hair colors—Preference, Avantage and Excellence—control about 27% of hair color dollar sales. The picture does not look brighter for 1986 because hair color unit growth is hovering at only 2%, according to industry consultant Allan G. Mottus.

Many marketers are using temporary colored mousses as a ploy to introduce younger users to color. Although L'Oreal pioneered the mousse explosion in the U.S., it has held back on a color mousse. In 1986, it will introduce a slightly different product line, Zazu hair cosmetics. McCann-Erickson will handle the estimated $10 million launch.

L'Oreal remains the leader in the $175 million mousse market, although its one-time 30% share has dipped to 18.5%, according to Ms. Hall of Prudential-Bache. The company sought to counter the plethora of new mousse products eroding its share by debuting the Studio Line mousse and gel with a $9 million ad budget. Market leaders currently are L'Oreal's Free Hold with 18.5% and Albegto Culver with 15.5%, and Helene Curtis' Suave with 12%. Between Free Hold and Studio Line, L'Oreal hopes to gain 40% of the business.

Last year was also the year L'Oreal made its brassiest move yet in the $1.4 billion mass market decorative cosmetics business. After successfully repackaging its eye shadows, lipsticks and nail enamels, L'Oreal charged ahead with Visuelle makeup. Backed with more than $10 million in advertising support, Visuelle had a slow start, but is now a significant brand with about a 3% share of market.

In all mass market color cosmetics, L'Oreal continues to battle leader Revlon. L'Oreal now has 11% of the market. Revlon used to outsell L'Oreal 5 to 1, now the ratio is 3 to 1.

L'Oreal spent nearly $19 million in measured media backing all its cosmetics, and $5.3 million was spent on nail enamel alone. This year, L'Oreal is sinking money into its new L'Oreal Single eye shadows. L'Oreal singles' launch should enable Cosmair eye shadow to become more competitive with Revlon's 25% share and Maybelline's 18% share. L'Oreal currently has a 10% share.

Cosmair has adopted a sampling technique using the concept of microencapsulation, which was the catalyst behind the success of scents such as Giorgio. The process allows the color to be transfered to paper, such as an ad insert. The consumer can scratch the paper and get a sample of the color.

L'Oreal also recently announced plans to use Andie MacDowell as a spokeswoman for L'Oreal cosmetics.

As L'Oreal continues to make a bigger splash in mass markets, sister company Lancome enjoys its strong franchise with department store shoppers. Lancome, with estimated sales of $200 million, has an 8.7% share of the [illegible], behind Estee Lauder's 21.3%, Clinique's 15.2%. Lancome gained more than a share point in 6 thanks in great part, according to Mottus, to the guidance of Joe Ar[illegible] exec vp, president of Cosmair. Sp[illegible]ing behind Lancome is consid[illegible] rather modest for its industry—$ million. This suggests Lancome [illegible] become so popular that it wills [illegible] self.

Grabbing the promotional ball[illegible] as Cosmair is Biotherm, a 25-year[illegible] purchased by Cosmair in 1969. [illegible] than $13 million was pumped be[illegible] Biotherm, according to LNA.

In department stores, all Cos[illegible] firms generate about 15% of total [illegible] metics dollar business. However, [illegible] mair announced in 1985 that it [illegible] drop its Ralph Lauren cosmetics [illegible] in order to concentrate on other [illegible] sesses. Cosmair acquired Laure[illegible] part of its $146 million purchase [illegible] 1984 of Warner Cosmetics, which [illegible] produces Vanderbilt perfume.

Vanderbilt continues to be the [illegible] of Cosmair's fragrance stable. The [illegible] million brand was the fastest [illegible] fragrance in drugstores for the [illegible] year is a row. Vanderbilt cost [illegible] roughly 4% of the drug store mass [illegible] fragrance business. The total Van[illegible]bilt line was supported with about [illegible] million in measured spending.

Recently, Cosmair sought to pr[illegible]ns turf with Vanderbilt via a [illegible] charging trademark infringement [illegible] unfair competition against S.C. J[illegible]son & Son. S.C. Johnson was pr[illegible]ing a $12 million rollout of L'Eve[illegible] line of shampoos and conditio[illegible] with scents emulating prestige [illegible] grances, including Vanderbilt. [illegible] mair claimed the shampoo and co[illegible] tioner would deliberately trade on [illegible] $45 million the company has spen[illegible] Vanderbilt since its inception in [illegible] The resolution was that S.C. John[illegible] had to add new labeling and an ad[illegible] tising disclaimer to the L'Eevie [illegible] Even so, trade sources believe Van[illegible]bilt's life span has already been ca[illegible] other knockoffs, particularly the [illegible] selling Giorgio smell-alike, Primo!

Polo and Chaps—two Cosmair [illegible] grances—continue to control a h[illegible] share of the men's market. Spen[illegible] was about even for each brand in [illegible] vs. 1984—$3.5 million and $2.3 [illegible] lion, respectively.

Sources say Cosmair will debut [illegible] fragrances in 1987, including No[illegible] ous, which will be backed with a $ $20 million ad budget. Cosm[illegible] dropped plans for a Norma Ka[illegible] line.

Although Cosmair has enabled itself as a major contender in all [illegible] retailing sectors, it has undergone [illegible] eral shakeups. A departure in 1985 [illegible] George Friedman, a founder [illegible] Warner Cosmetics, who served [illegible] president of Warner and exec vp [illegible] Cosmair. A former Lauder emplo[illegible] Mr. Friedman was a force behind [illegible] proving Cosmair's somewhat w[illegible] fragrance business. Just recently, [illegible] successor, Bob Rattenberg, also [illegible] signed and was replaced by Jo[illegible] Wendt. Mr. Wendt was formerly [illegible] nior vp and general manager [illegible] L'Oreal cosmetics. Replacing [illegible] Wendt is Beatrice Dautresme, for[illegible] vp of marketing for L'Oreal makeup.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazines	$25,633	$2[illegible]
Newspaper	921	
Network radio	1,109	
Bus. pubs.	12	
Network tv	42,175	4[illegible]
Spot tv	45,275	4[illegible]
Spot radio	0	
Outdoor	7	
Network cable	682	
Total measured	85,733	7[illegible]
Unmeasured	41,396	4[illegible]
Total	127,149	1[illegible]

COSMAIR INC.
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New York, N.Y. 10017
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Corporate title assignments

Jacques Corman, chmn
Jean Lanz, president
Michel Szwimmer, exec vp & cfo
James Nixon, exec vp
Joseph August, exec vp

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RETAIL DIVISION
Roy Benjamin, president

L'ORÉAL HAIR CARE DIVISION
Marketing Personnel
Arnold Zimmerman, sr vp-genl mgr
Jack Palmi, vp-sales
Joe Campbell, vp-mktg & adv

L'ORÉAL COSMETIC DIVISION
Marketing Personnel
Beatrice Dautresme, vp-genl mgr
Joe Lanza, vp-sales
Amy Fromel, asst vp-mktg

RETAIL FRAGRANCE DIVISION
Marketing Personnel
Dave Schafer, vp-genl mgr
Tom Kennedy, vp-sales
Michael Eger, vp-mktg & adv

LANCOME DIVISION
Marketing Personnel
Simon Critchell, sr vp-genl mgr
Richard Rudnicki, vp-sales
Tony Michaels, vp-mktg & adv

SOUTHERN DIVISION
Marketing Personnel
Trim Day, vp-sales
Pam Fields, vp-mktg & adv

DESIGNER FRAGRANCE DIVISION
Marketing Personnel
John Wendt, president
Stan Garland, vp-sales, men's designer fragrances
Jane Tarker, vp-mktg & adv, men's fragrances
Joe Schriver, vp-sales, women's designer fragrances
Barbara Gyde, vp-mktg & adv, women's fragrances

L'ORÉAL PROFESSIONAL DIVISION
Marketing Personnel
Ron Pears, sr vp-genl mgr
Raymond Magri, deputy genl mgr
Claire Bruno, vp-mktg & adv

Corporate Media Buying
Geers Gross, New York—Russell Gilchrist, media dir-exec vp; Peggy Ianacone, vp-assoc media dir; Brian Shelley, asst media dirs; Julie Pridmore, Arnaxi Planer, Stephen Sonnenfeld, Biodiversi Planner, Jeanne Cleaver, asst; Cecilia Pikiruka, Average planner; Mark Edelman, planner.

Advertising Agencies
Interpace, New York—Lancome—Frederick Rhinos, president; Nick LaMiceli, creative dir; Alice Brand, acct exec.

McCann-Erickson, New York—Dave Weiss, sr vp-group dir; Jean-Marc Sevaro, vp-mgmt sup; Betsy Fifield, acct dir; Johnny Davidson, acct super; Lisa Roberts, sr acct exec. Preference—Toni Sennott, sr vp; Catherine Bacquelin, acct exec; Nancy Erisoff, asst acct exec.

RANK **99**

Cotter & Co.
Chicago

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,700	1,650	3.0
Net income	87	78	11.5
U.S. advertising	75	67	6.2

Cotter & Co., an 8,000 member-owned cooperative and the largest hardware wholesaler (True Value Hardware) in the U.S., maintained its slow growth pattern in 1985 as many areas of the hardware and do-it-yourself businesses came under financial pressure.

Moving into 1986, Cotter reported first-quarter sales, ended March 31, were up 0.7% to $407.6 million over the corresponding period in 1985. Earnings were down 11%, to $9.95 million, although the drop was "not unusual for the first quarter," according to Edward Lanctot, Cotter's secretary, treasurer, advertising and merchandising manager.

With annual U.S. hardware store sales pegged at $10.2 billion and growing—in August, 1986, sales were $853 million, up 4% from the prior year—Cotter's $1.7 billion sales total in 1985 gave it a 16.6% share of market in dollars. The biggest Cotter rival is Ace Hardware Corp., Oakbrook, Ill., with a 10.2% market share. Ace, with 6,000 dealers, had sales that topped $1 billion in calendar 1985, for the first time in its 61-year history. No. 3 is Fort Wayne, Ind.-based Hardware Wholesaler Inc., or HWI, with a 5% share. Founded in 1945, HWI has more than 2,600 members, operates in 35 states and had estimated sales of about $600 million in 1985.

Terrence Gallagher, editor of *Hardware Age*, says Cotter's competitors are closing the gap. As Ace hardware reached the $1 billion sales mark last December, Ace president Lawrence R. Gavin predicted the company would "hit our second billion just eight years from now."

In the five-year period including 1985, Cotter's total sales have climbed steadily, while net earnings have been more uneven, reaching $65 million in 1981 but then falling in an up-down cycle until 1985, when earnings climbed to $66.6 million.

As shown by Cotter and its two major competitors, hardware selling, both wholesale and retail, contradicts a half century of marketing trends toward failure of the independent store confronted by the big chains. Even with the heavy hard-line marketing efforts by Sears, Roebuck & Co.; Montgomery Ward & Co.; J C Penney Co.; K mart Corp. and others, local hardware stores continue to survive, apparently because of their heavy emphasis on individual service.

The business has not been without its volatility. The biggest U.S. independent hardware distributor, Belknap Inc., a Humana Corp. subsidiary based in Louisville, declared bankruptcy in January and shut down. Service Merchandise's Mr. HOW chain has put a hold on the planned opening of new stores after poor economic conditions forced it to sell five existing ones. W.R. Grace Co. is selling its retail business, including 317 home centers and hardware stores such as Handy City, Orchard Supply Hardware and House Works.

There is considerable industry consolidation. Handy Andy and K mart's Builders Square are expanding through acquisition, and in recent months, a number of top producers among hard lines have fended off takeovers from companies like Black & Decker Corp., Toro Co. and Champion Spark Plug Co.

The Cotter & Co. co-op consists of more than 8,000 True Value hardware stores, including 840 combination True Value Hardwares and Cotter's sister store line, V&S (for "value and service") Variety Stores, and an additional 920 V&S stores. V&S outlets supply lower-priced personal and home goods.

The company's biggest concentrations are in Illinois and California, each with 7% of the total stores; Texas, with 6%; Pennsylvania and New York, each 5%, and Wisconsin, Michigan and Ohio, with about 4% each.

Of Cotter's full merchandise line in 1985, hardware made up 39.5% of the total supplied to members; home and maintenance supplies were 31.8%; variety goods, 19.5%, and appliances, 9.2%. In addition to buying from many suppliers, Cotter manufactures many owners, who do not give Cotter exclusivity, a system also adhered to by member-owners of Ace and HWI. On average, 50% of member-owners' purchases are from co-op headquarters.

In advertising, the national media support—all for True Value hardware—is funded by manufacturers' payments to Cotter, proportional to the wholesaler's purchases. Tv ad presenters include sports announcer Pat Summerall and commentator Paul Harvey. Harry Caray, announcer for the Chicago Cubs games on independent station WGN-TV, also speaks for Cotter, and Chicago Bear Mike Singletary will be joining the group. Network tv commercials for True Value are scheduled for National Football League games, pro bowling and NBC's "Today."

Cotter spends most of its measured advertising on True Value Stores—$43.8 million in 1985, up 7% from 1984, according to Leading National Advertisers. Network tv, spot tv and network radio are the big media ticket items, and cable entered for the first time in 1985 with $1.5 million in measured spending.

Cotter provides local dealer-members ad support based on orders with Cotter. Cotter also pays back to members yearend patronage dividends, 20% to 30% in cash and the rest in interest paid on subordinated notes. In 1985, such dividends totaled $90.5 million, including about $67.5 million for merchandise shipments, direct mail advertising and insurance and $23 million for interest and other payments.

Cotter also is moving to advance its variety line, V&S Variety Stores, by involving V&S in national advertising once V&S member-owners' volume buys from Cotter warehouses justify the expense. The company describes 1985 for V&S as "respectable but unexciting." V&S carries a lower-priced line and is big on toys, school supplies, notions and hardware and tools. "V&S gives us a chance to serve some rural areas where we'll have a combination hardware and variety store," Mr. Lanctot says.

Cotter produced about 200 million direct mail catalogs a year, ranging in size from 12 to 64 pages and produced 12 times a year for True Value Hardware and about four times for V&S Variety. Dealers are free to pick the size (number of pages) of each flier, then imprint their name on a blank cover panel and mail or hand-deliver them within a five- to 10-mile radius of their store. Home Products Marketing, Cotter's in-house shop, handles design, copy, photography and artwork.

Cotter operates out of 15 regional office and warehouse-distribution centers. Another warehouse is in planning stages for the Ocala, Fla., area.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazines	$ 6,752	$5,678
Bus. pubs.	77	66
Network tv	14,856	13,843
Spot tv	13,126	14,040
Network radio	9,049	10,301
Spot radio	1,481	986
Outdoor	46	33
Network cable	1,452	686
Total measured	46,870	43,936
Unmeasured*	25,000	23,534
Total	71,870	67,468

COTTER & CO.
2740 N. Clybourn Ave.
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(312) 975-2700

Corporate Personnel
John M. Cotter, chmn
Daniel A. Cotter, president-ceo

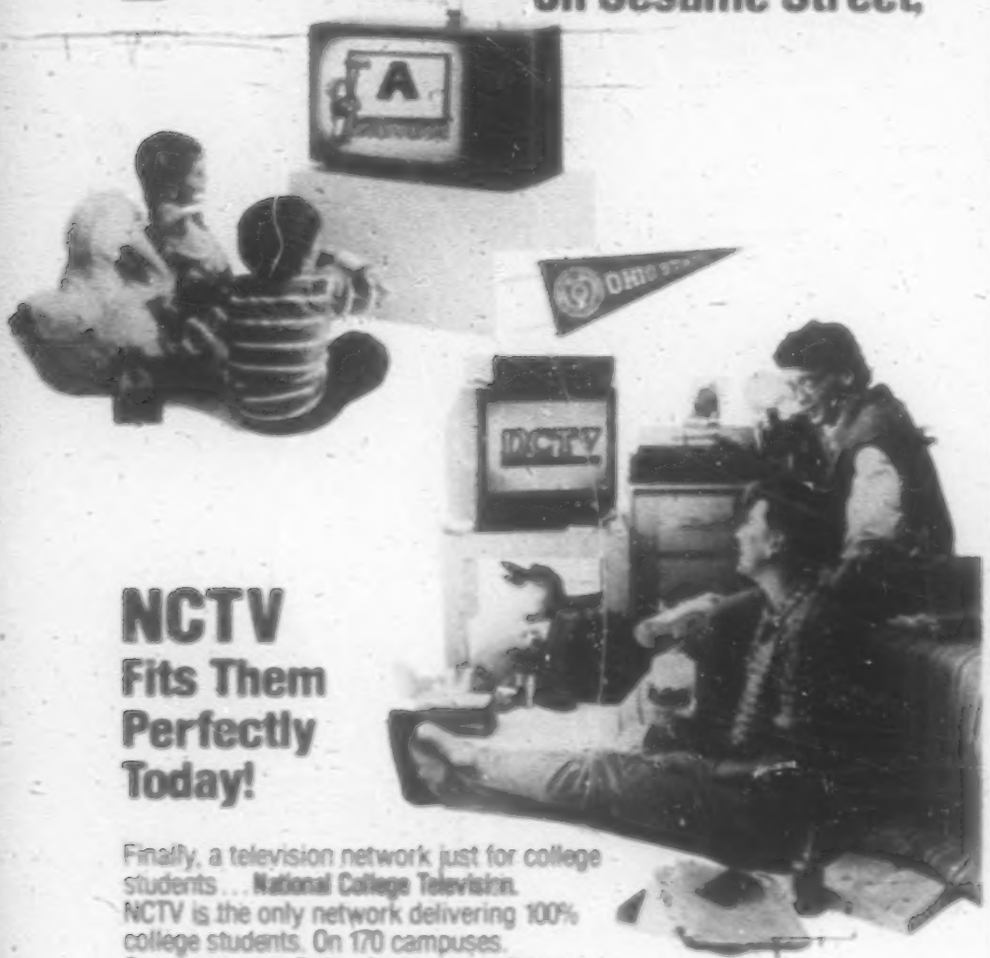
Marketing Personnel
Edward E. Lanctot, secretary, treasurer adv & merch mgr
Gary Coppinger, retail adv mgr

Advertising Agency
Christensen, Barclay & Shaw, Chicago—print, Yellow Page adv—Jerry Christensen, president; Mary Kane, Pam Hall, acct services.

True Value's origins

True Value hardware began as V&S in 1948 under co-founders John Cotter and Edward Lanctot, who gained the True Value label when they bought the

Because They Took Their First Steps On Sesame Street,



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RANK **70**

CPC International

Englewood Cliffs, N.J.

($ in millions)

Worldwide	1985	1984	% chg
Sales	4,899	4,973	(1.5)
Net income	142	189	(24.4)
U.S.	**1985**	**1984**	**% chg**
Sales	1,788	1,815	(2.5)
Operating profits	171	180	(4.9)
Advertising	130	136	(4.3)
Division sales	**1985**	**1984**	**% chg**
Grocery products	0.569	2.555	(1.3)
Corn wet milling	1.521	1.660	(8.4)
Other	188	158	5.1

CPC International, hurt in recent years by the appreciation of the dollar in foreign markets that generate 58% of total sales, is beginning to place more emphasis on product development stateside as a hedge against its heavy reliance on international markets.

And while 1986 results to date do not reflect this increased activity, returns for the first two quarters show marked increases in sales and earnings traced largely to a downward swing in the dollar.

Worldwide grocery products sales at CPC suffered a 1.3% decline in sales although operating income increased 5.2% to $322 million. CPC's total operating income was $358.5 million, down 6.6%, with the grocery products accounting for 60% of total sales and 90% of operating income. The food division accounted for virtually all CPC's ad expenditures.

The Best Foods division is responsible for grocery product sales in North America, and markets Hellmann's and Best Foods mayonnaise, Knorr soup mix, Mazola oils and margarine, Mueller pasta, Skippy peanut butter, Thomas' English muffins and Karo Syrup, among its leading products.

CPC also operates a corn wet-milling operation, which manufactures corn sweeteners, starches and other corn derivatives. The segment recorded an 8% drop in sales and a decline of 49.7% in operating income to $41.2 million.

A small diversified segment, which produced chemicals, resins and foundry materials, showed an operating income decline of 2.7% to $7.1 million, on sales that grew 5.3% to $166.1 million.

Worldwide, CPC spent $200 million in advertising and promotion in 1985, up 5.3% from 1984. CPC derived 58% of its sales and 52% of its operating income from abroad. The relative strength of the dollar against major currencies has hurt sales and earnings. Major foreign markets are Germany, the U.K., France, Brazil, Italy and Canada.

For the second quarter of 1986, the company reported net income of $48.8 million, up 15%, on sales of $1.13 billion, up 6%. Similar improvements were reported in the first quarter.

James Eiszner, CPC president-ceo, noted at the stockholders meeting this spring that the quarterly increase after three years of indifferent performances, were mainly because of the stronger foreign currencies. CPC's grocery products business, for example, posted a 6% increase in North America in 1985, 39% increase in Latin America and 4% in Europe. But operations in Asia and Africa declined 32%, primarily because of weak currency values.

CPC has begun to stress building market share in the U.S., given its sensitivities to the decline and fall of the dollar. In 1986, two new products were introduced in test markets, a light mayonnaise under the Hellmann's and Best Food labels (Best Foods is marketed in western states) and Pasta Cuisine packaged dinners, under CPC's Mueller's Pasta Products label. Initial sales of the two products are positive, says Robert T. Viscardi, CPC advertising director.

Marketing of CPC's popular Thomas' English muffins, was expanded to 73% of the nation in 1985. CPC also introduced a tamper-evident shrink-wrap band for Skippy peanut butter and Hellmann's and Best Foods mayonnaise, in response to expressions of increasing consumer interests.

For individual food products, Hellmann's and Best Foods mayonnaise sales increased 8% in the U.S. during 1985, with combined market share increasing from 43% to 44%. Mazola corn oil gained 13% in U.S. sales during the year despite the nationwide marketing of Beatrice's Hunt-Wesson Foods' Wesson corn oil. Mr. Viscardi says the company's corn oil share increased in 1985 from 15.4% to 16.8%.

Domestic sales of Knorr soups, sauces, bouillons, seasons and mixes increased substantially, but sales are still relatively small in the U.S. compared with Europe and Latin America. Worldwide, Knorr products showed $620 million in sales.

Bread spreads and cheese accounted for $290 million sales worldwide. Skippy peanut butter showed a small increase in domestic sales, as did Mazola corn oil margarine, while the lower-priced Nucoa margarine declined in sales in the U.S.

CPC's pasta and bakery products—a $250 million business worldwide—include Mueller's pasta products and Thomas' English muffins and other Thomas products in the U.S.

The latter showed a 3% increase in 1985 sales, while Mueller's spaghetti, macaroni and other pasta products increased sales 5%. Both Thomas' and Mueller's lead in U.S. market shares.

Among other grocery products, Argo and Kingsford's starches, Karo syrup, and Niagara spray starch are leaders in their markets.

Measured advertising of CPC's leading food products dropped 5.4% to $33 million in 1985. Despite increased competition, Mazola corn oil advertising decreased 3% to $4.5 million.

Skippy peanut butter advertising also dropped 15.8% to $8 million.

Network and spot tv expenditures showed a dramatic drop, with network expenditures down 14% to $5.6 million, and spot tv off 40% to $1.8 million. Despite its expanded distribution in 1985, Thomas' English muffins ad expenditures dropped 17.5% to $5.2 million. Thomas' spending is virtually all in spot tv. Karo syrup advertising, all in magazines, also decreased 18.8% to $1.3 million.

Best Foods mayonnaise advertising dropped 8.3% to $1.1 million. Advertising for Hellmann's increased 12.3% to $9.1 million and amounted to a media mix shuffle. Magazine spending fell 18.8% to $1.3 million, and spot tv dropped 56.1% to $790,000 as network tv ballooned 106% to $7 million.

Knorr's soup mixes increased advertising from $421,000 in 1984 to $2 million last year, mainly in magazines, which showed an increase from $365,000 to $1.8 million. Expenditures of Mueller's pasta products—all in spot tv for both 1984 and 1985—increased 6.3% to $1.7 million.

With 1985 advertising down, in total, for these major products, the increased 1985 ad expenditures mainly came from joint product advertising, such as Hellmann's mayonnaise and Lipton soup mix or in smaller product lines such as Rit dyes.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$10,749	$8,647
Newspaper	1,388	1,736
Newsp. supp.	804	826
Bus. pubs.	483	1,124
Network tv	16,852	16,944
Spot tv	11,768	16,264
Spot radio	1,370	1,211
Outdoor	25	0
Network cable	69	0
1.Total measured	44,498	46,752
2.Unmeasured	79,331	126,083
Total	120,000	125,450

CPC INTERNATIONAL
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BEST FOODS
Richard W. Siebrasse, president
Robert J. Gillespie, exec vp

Marketing Personnel
Jan A. van Amerongen, vp-mktg services
Michael J. Bevilacqua, vp-sales
Donald C. Berman, business unit dir
Joan S. Dargery, business unit dir
William F. Masterson, business unit dir
Susan B. Huffman, dir-consumer affairs
Robert T. Viscardi, dir-adv
Aaron Strauss, dir-mktg rsch

Advertising Agencies
DFS-Dorland, New York—Mazola corn oil, Skippy peanut butter, Mazola margarine, Golden Griddle syrup, Karo syrups, Argo corn starch, Mazola No Stick—George Dean, mgmt dir; John Kaiser, mgmt super; Oliver Payne, Beth Green, David Srere, acct supers; Richard Cleveland, Paul Kramer, Marianne Bess, Cindy Kenety, acct execs.

Drossman, Lehmann, Marino, New York—new prods—Neil Drossman, Charles Lehmann, Domenick Marino, partners.

Ogilvy & Mather, New York—Hellmann's/Best Foods mayonnaise, Mueller's pasta prods, new products—Cliff Angers, acct group dir; Karen Green, mgmt super; Natasha Kavanaugh, acct super; Garrett Vreeland, Maggie McDermott, acct execs; Priscilla Chang, asst acct exec.

S.B. THOMAS INC.
Totowa, N.J.

Marketing Personnel
Nina Henderson, vp-mktg
Octavian S. Pechar, group prod dir
Bruce Firkins, sr prod dir
Robert Lapkin, sr prod dir
Robert Anderson, vp-sales

Advertising Agency
Young & Rubicam, New York—Thomas' English muffins, Toast-r-Cakes, Thomas Protogen Protein bread—Anthony Pace, acct super.

CPC FOODSERVICE
Englewood Cliffs, N.J.

Marketing Personnel
Robert J. Nemec, vp-mktg
Keith Chatting, mktg dir
Ronald Brown, natl sales mgr
Mike Taylor, sr prod mgmt
Mark Sutherland, sr prod mgmt

Advertising Agency
Devine/Tri-Com, New York—Hellmann's/Best Foods mayonnaise, Thomas' English muffins, Knorr prods, Skippy peanut butter—William Schulkin, Charles Surey, acct execs.

KNORR-SPECIAL PRODUCTS
Albert A. Witz, president

Marketing Personnel
Bruce D. Hillenbrand, mktg mgr
Craig Lesser, prod mgr

Advertising Agencies
Font & Vicamonde Associates, New York—Knorr bouillons—P. Font, president; K. Cole, acct super.

Warwick Advertising, New York—Knorr soups, sauces, bouillons, Rit dye, H-O cereal, Fanning's pickles, Rit, NuSoft, Linit laundry aids—D.K. Felt, R.D. Lamley, vps; N. Adler, acct exec.

BEST FOODS CARIBBEAN
Plinio Gonzalez, president
Jaime Pericas, exec vp-genl mgr

Marketing Personnel
J.F. Tonarely, vp-sales

CORN PRODUCTS
Fred C. Meendsen, president

Marketing Personnel
S.C. Scott, vp-sales
R.A. Burns, mgr-adv & sales promo

Advertising Agency
Gianettino & Meredith, Mountainside, N.J.—Marc Grassberg, acct exec.

RANK **13**

Dart & Kraft

Northbrook, Ill.

($ in millions)

Worldwide	1985	1984	% chg
Sales	9,942	9,759	1.9
Net income	466	456	2.2
U.S.	**1985**	**1984**	**% chg**
Sales	7,317	7,129	2.6
Operating profits	709	646	9.8
Advertising	489	475	3.1
Division sales	**1985**	**1984**	**% chg**
Food products	7,095	6,838	3.8
Direct selling	762	777	(1.9)
Consumer prods.	1,315	1,245	5.6
Commercial prods.	801	899	(10.9)

Dart & Kraft, hailed as the merger of the decade six years ago, is now being split apart basically into the businesses Dart and Kraft brought into the merger.

D&K's numerous foodservice acquisitions and small business divestitures give a good indication of where Kraft Inc. and the other, as yet unnamed, company are headed. According to a

CPC's genealogy

Through its product line, CPC International traces its roots to 1838 when C.H. Knorr (soups) was founded in Heilbronn, Germany. In 1842, Thomas Kingsford found the first practical means for separating starch from corn and set up Brown & Polson in Britain. Corn Products Refining Co. (now CPC), formed stateside in 1906 through the merger of leading corn processors, brought out Mazola corn oil in 1911, Hellmann's mayonnaise in 1912. In 1955, Rosefield Packing Co., maker of Skippy peanut butter, was acquired by CPC. Best Foods.

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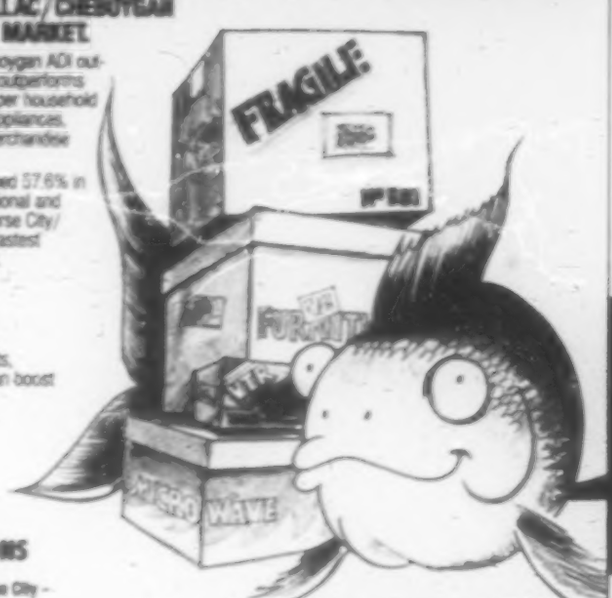

TRAVERSE CITY CADILLAC CHEBOYGAN, MICHIGAN

BE A BIG FISH

BEAM COMMUNICATIONS

WPBN-TV/WTOM-TV, NBC, Traverse City - Cadillac - Cheboygan, MI
WDAM-TV, NBC, Laurel-Hattiesburg, MS
KYEL-TV, NBC, Yuma, AZ - El Centro, CA
WCFT-TV, CBS, Tuscaloosa, AL

Represented by Katz Continental

Source: 1985 Survey of Buying Power

WPBN-TV WTOM-TV NBC
TRAVERSE CITY - CADILLAC - CHEBOYGAN, MICHIGAN

any spokesman, the separation ot affect products and marketing it becomes final sometime later ear.

wever, one product—Sealtest's B'ar squares—may not last into e-merged company. The product under question this summer a number of people became ill eating Polar B'ars. Production stopped and advertising was d. There are no immediate plans introduce the product, says a spokesman. "We are re-evaluate production technology."

the breakup, the Kraft side, headered in Glenview, Ill., will con-Kraft, Duracell batteries and Dart aft Financial, or about $8 billion les and $3.2 billion in assets. The med Dart side, based in North-k, Ill., will have Tupperware, Hoand West Bend, amounting to of about $2 billion and assets of billion.

K again was dominated by its t food products division, which unted for 70% of both over-all and operating profit at D&K. operating profit of $997.9 milrose 2.3% over 1984.

K, which collected $2.6 billion in and $288.5 million in operating ne from international business in had estimated worldwide ad exitures of $489.3 million, up 3.1% 1984. D&K had total measured ding of $229.3 million, up 3% 1984 and is estimated to spend million in unmeasured.

e direct selling division, which is erware International, declined in operating profit, to $112 milon a drop in sales of 2%, a slide as continued since the turn of the s. Tupperware accounts for 8% of D&K sales. However, sales grew e fourth quarter and continued rd into 1986. In the second quar-1986, Tupperware reported an ine of 10% to $218.6 million in sales pretax operating earnings of $34.1 on, up 13% from the year-earlier d. The company credits lower opg costs and improved European with turning the division around. sales continue to decline.

its second makeover year, Tupare initiated new incentives to esses, dealers and managers. er profits and rewards for recruitts have contributed to the one-increase in longevity of dealers. ncrease Tupperware's attractive-as a career choice, the company dded independent insurance and ancial services trust that provides p health, life and accident insurcoverage and personal investprograms.

pperware, which was a Dart busibefore the merger and will remain eported a 25% share of all nonl ovenware sales in the second of 1985. Its Ultra 21 ovenware inaugurated in a $10 million tv paign in the previous year, is the r growth factor. Five new prodtwo toys and new color lines were d during the year. The line was d out in Japan last year, and the pany plans to focus on the interonal market in 1986, introducing venware line in Europe and Aus-

&K grew in 1985 by acquisition, hasing five foodservice or foodpcts companies: Everest Group, Australian producer of pasta, ice m and frozen dinners; Westman mission Co., a Denver-based food ice company for the Rocky Moun-area; Seaboard Foods, a breadistributor based in Rocky Mount, ; LBJ Institutional Supply, a nix-based foods distributor; S.S. ce Co., a Glenview, Ill.-based lservice company. D&K also ght Dynacharge, the Canadian-d battery brand name that will be for Duracell's Canadian products, igned letters of intent to purchase ri Produce, a broad-line foodserdistributor in San Diego; and Sage h of Des Plaines, Ill., considered rgest national distributor of foodce products to the airline indus-

D&K also bought majority control in the Italian cheese company Invenizzi S.p.A and entered into an agreement with the San Francisco French Bread Co. to develop a frozen-bread product line. The company says it will continue to pursue foodservice companies in the Kansas City, Chicago, Phoenix and New York areas. The company also hopes to use its expanding foodservice outlets to broaden its distribution of Lender's bagels and Celestial Seasonings herb teas. Food service currently accounts for 13% of all D&K sales.

The company also did some housecleaning in 1985, completing its sale of KitchenAid to Whirlpool for an after-tax gain of $41 million after a year of antitrust hearings. D&K also divested itself of most of its small healthcare operations like Absorbent Cotton Co., Delta Medical, Sterile Products and Seamless Hospital Products. The company also sold its small business interests in Brazil.

D&K's heavy food-line expansion carried over into 1985. New Rocker n' Rollers macaroni and sauce mix was added to the Kraft dinners line. Pourable cheese toppings, introduced in the Denver and San Francisco areas, and VegiSnax, cell culture-grown carrot and celery snacks that are crispier than ordinary vegetables, entered the market in early 1986. Miracle Whip in a 15-oz. squeezable bottle and Real mayonnaise were introduced in northern Indiana. A six-item line of Sauceworks and Kraft Light naturals reduced-fat cheeses and Presto Italian pourable salad dressing that does not separate after shaking were rolled out nationally.

D&K discontinued its Cheese Classics frozen side-dish line after 15 months of testing in the Southwest. The 10 entrees were pulled because of poor distribution.

D&K's acquisition in July of this year of Medford, Wis.-based Tombstone Pizza Corp. ensured Kraft's presence in the freezer case. Tombstone, which has a 10% share of the national $834 frozen pizza market, plans to expand distribution of its Tombstone and Double-Top brands and introduce new products in the coming year.

Celestial Seasonings, acquired by D&K two years ago, increased its market share 10 percentage points to 50% of the $90 million herbal tea market. According to analysts, no company emerged as a clear-cut No. 2 in the market. Thomas J. Lipton Inc., whose black-tea market is growing at only a few percentage points a year, brought out its own brand of herbal tea.

Celestial Seasonings added four flavors and broadened distribution channels and marketing programs in 1985. Since its buyout, Celestial has doubled its ad budget to nearly $1.5 million. And in 1986, it plans to introduce new lines of fruit-flavored and after-dinner teas. Because of these "business-building investments" profits were off, according to the company.

D&K's other star acquisition of 1984, Lender's bagels, gave a strong performance last year. Despite the introduction of competitor Sara Lee's Bagel Time bagels, Lender's captured more than 80% of the $70 million market. The company spent nearly $6 million on advertising in 1985.

Kraft's dairy group had a substantially better year than in 1984, reporting a 10% volume gain (excluding fluid milk). Representing 9% of total Kraft sales, this group began phasing out its poorly performing fluid milk business last year.

This segment's strongest performers were its ice creams, with all brands reporting significant tonnage increases. Frusen Gladje has tripled sales since its acquisition by Kraft in early 1985, picking up more force in the superpremium category. It is the No. 2 superpremium brand with an 18% share of the relatively small market. Breyer's all-natural line did well with its expansion into nine western states. The No. 1 over-all ice cream with 8% of the total market, Breyer's has an 11% share in its distribution area.

Celebrating its 50th anniversary, Sealtest brand reported a 16% volume increase. It also introduced its Cubic Scoops flavors. The company's Polar B'ar Squares also introduced two new flavors—peanut butter crunch and heavenly hash. But the future of Polar B'ar is in question following Kraft's removal of the product from the market. Kraft shut down production when the product was found to contain harmful bacteria. A $12 million pretax charge for removal-related expenses was reported by the company for the first quarter in 1986. The company and the Food & Drug Administration continue to investigate.

Kraft spent $28.6 million on Velveeta brand products in 1985, up 33.6%, and representing the largest expenditure by Kraft on a brand in 1985. It backed Miracle Whip salad dressing with $17 million in measured media, up 44%, helping make Miracle Whip No. 1 in the viscous dressing market with a 33% share. Together with Miracle Whip mayonnaise, which has a 15% share of the mayonnaise market, the two brands almost double the share of CPC International's No. 2 ranked Hellmann's, which has a 27% market share.

The most dramatic increase in ad spending for one product in 1985 was for Kraft natural cheeses. Measured support for the product in 1984 was nearly $10 million; in 1985 that more than doubled to nearly $21 million. The company reported higher profitability in this category—mostly as a result of its "strategically focused region-by-region sales program" during the second half of the year.

The consumer products and commercial products divisions, consisting of Duracell, West Bend, Health Care and KitchenAid, accounted for 13.2% of D&K's total sales and 9.3% of operating profit.

Duracell, the leading producer of high-performance consumer batteries, continued to edge out Eveready with a 48% market share. Combined with Eveready's 42% share, the two companies combined account for 90% of the market. Both companies spent less last year on advertising for the first time in two years. Duracell spent nearly $25.4 million and Eveready about $27.6 million when it was owned by Union Carbide. It since has been sold to Ralston Purina. In 1984, Duracell outspent Eveready $28.6 million to $22 million, according to Leading National Advertisers. Despite its control of the market, Duracell's profit's declined because of investments and research. In September, Duracell introduced a new line of alkaline batteries that last 30% longer than its regular batteries.

West Bend Co. also reported profit losses in 1985 because of a soft housewares industry. West Bend did best with its Precor and Total Gym physical equipment line and Chicago-based Borg-Erickson Corp.'s bathroom scales. These products are riding the wave of what by the end of the decade will be a $2.5 billion market, according to the company. West Bend also plans to introduce a space-saving toaster/oven/broiler, Oven Up, this year.

D&K consolidated its network tv buying responsibilities totaling $100 million at Foote, Cone & Belding, Chicago. Previously, daytime buys were handled by Needham Harper Worldwide and prime-time and network specials were managed by J. Walter Thompson USA. N W Ayer, New York, continues to handle all spot tv buys. Kraft also shifted its $1 million low-calorie pourable dressing account to Needham Harper Worldwide from JWT to ease the workload.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$33,723	$33,627
Newspaper	6,432	6,930
Newsp. supp	2,245	1,657
Bus. pubs.	51	10
Network tv	111,182	121,329
Spot tv	64,033	52,859
Network radio	652	2,381
Spot radio	7,425	2,326
Outdoor	21	40
Miscellaneous	1,504	1,391
Total measured	229,349	222,539
Unmeasured	260,000	252,280
Total	489,349	474,820

DART & KRAFT
2211 Sanders Rd.
Northbrook, Ill. 60062
(312) 498-8000
DURACELL INC.
Bethel, Conn.
Marketing Personnel
Charles Kiernan, vp-mktg & devel
Kevin J. Kelley, group prod mgr
Robert C. Giacolone, sr prod mgr
Advertising Agency
Ogilvy & Mather, New York—Durabeam lighting prods; Duracell batteries—Jack Reed, sr vp-group dir; Philippe Defechereux, sr vp-mgmt super.

HOBART CORP.
Troy, O.
COMMERCIAL EQUIPMENT DIVISION
Marketing Personnel
John Kissick, vp-mktg
William F. Lohrer, mgr-adv
Advertising Agency
Willis, Case, Harwood, Dayton, O.—Lew Bonadies, acct super.

TUPPERWARE
Kissimmee, Fla.
Marketing Personnel
Don Hoffman, vp-mktg
Dan McSpadden, dir-prod mktg
Jerry Lake, vp-sales promo
Mayee Leung, dir-sales promo
Advertising Agency
Young & Rubicam, Chicago—Patti Cichon, acct super.

WEST BEND CO.
West Bend, Wis.
Marketing Personnel
G.H. Miller, vp-mktg
Debra Kumm, mgr-adv & pr
Advertising Agency
In-house.

PRECOR
Bothell, Wash.
Corporate Personnel
Bill Potts, president
Marketing Personnel
Paul Byrne, vp sales & mktg
Advertising Agency
John Brown, Seattle—Sue Ferguson, acct super.

HEALTH EXAMINETICS
San Diego, Cal.
Corporate Personnel
Robert Dempsey, president
Advertising Agency
Maher, Kaump & Clark, San Diego—Bruce Kaump, acct super.

KRAFT DAIRY GROUP
Philadelphia, Pa.
Marketing Personnel
Thomas Herskovits, group vp-mktg
Robert Creighton, vp-genl mgr, specialty prods/strategic planning
Mitch Wienick, mktg dir, cultured prods
Robert Baker, mktg dir, frozen desserts
Advertising Agencies
NW Ayer, New York—Sealtest ice cream, sherbet, Polar B'ar ice cream squares, Breyers yogurt—David Gantman, sr vp-exec acct dir; Kenneth McCarren, sr vp-mktg super; Peter Varvara, vp-acct super.
Geers, Gross, New York—Breakstone cottage cheese, sour cream, dip; Light n' Lively yogurt, cottage cheese & ice milk; Fresh Delights cottage cheese with fruit; Frusen Gladje ice cream—Larry Deitch, acct super; Dennis Fogarty, group mgmt dir.
Hispania Advertising, New York, (JWT USA subsidiary)—Hispanic & multiproduct adv—Caroline Demy, sr vp-genl mgr.
Young & Rubicam, New York—Breyers ice cream—William Green, sr vp-mgmt super.

KRAFT RETAIL FOOD GROUP
Glenview, Ill.
Marketing/Personnel
Robert S. Morrison, exec vp-genl mgr
Winthrop W. Hamilton, vp-dir mktg, refrigerator prods div
J.P. Durrett, exec vp-genl mgr, grocery prods div/exec vp mktg services
E.C. Strobel, exec vp-genl mgr, retail venture div
W.B. Whitaker, exec vp-genl mgr, sales & sales offices
Advertising Agencies
N W Ayer, Chicago—La Creme whipped topping—Leslie Carothers, sr vp-mgmt super.
N W Ayer, New York—agency of record Kraft Inc. spot tv pool—George Burrows, vp.
Leo Burnett USA—Velveeta loaf, slices—Tom Ross, exec vp-client service; Brian Williams, vp-acct dir.
Foote, Cone & Belding, Chicago—caramels, marshmallows, marshmallow creme, sauces and toppings, packaged dinners, BBQ sauce, Celestial Seasonings, youth program, agency of record for network tv, new prods—James Cerasani, group acct dir; Terri Shapiro, Pat Mayland, Joan McLaren, sr acct dirs.
Geers, Gross, New York—Lender's bagels—Kent DeFelice, exec vp-dir acct services; Dennis Fogarty, sr vp-mgmt super.
Hispania Advertising (JWT USA subsidiary), New York—Hispanic & multi-prod adv—Caroline Demy, sr vp-genl mgr.
Needham Harper Worldwide, Chicago—margarines, fruit spreads, mustard, Philadelphia Brand pourable dressings, Handi-snacks—Jack Copher, group acct dir; Kathi McKirdy, mgmt rep.
Proctor & Gardner, Chicago—Black consumer mktg, multi-prod adv—Rolfe Kaconay, vp-acct super.
J. Walter Thompson USA, Chicago—cheese, viscous & pourable dressings, food service, corp adv—Lloyd Stein, sr vp-group acct dir, Kraft, Kraft International—Richard Anderson, vp-acct dir intl; David Blanton, Tim Dorgan, Jerry Johnston, George Schott, vps-acct dirs domestic prods.

KRAFT INC.
INDUSTRIAL FOODS GROUP
Memphis, Tenn.
Marketing Personnel
Frank D. Donovan, vp-sales & mktg, private label prods
C.F. Arnoult, vp-industrial mktg, oil prods
Fred Betzel, vp-mktg & sales, industrial
William O. DeBerry, vp-sales/private label
G.E. Maynard, vp-sales/industrial
R.E. Wenzler, vp-industrial ingredients mktg
Advertising Agency
Ward Archer & Associates, Memphis—Joan White, acct exec.

Delta Air Lines
Atlanta

RANK **88**

($ in millions)

	1986	1985	% chg
Worldwide			
Sales	4,490	4,684	(4.8)
Net income	47	259	(81.7)
U.S. advertising	94	94	0.1
Division sales	**1986**	**1985**	**% chg**
Passenger	4,132	4,376	(5.6)
Cargo	240	235	2.1
Other	88	72	22.2

With a new three-year pilots' co tract that helped bring its high lab costs under control and one of t healthiest balance sheets in the indu try, Delta Air Lines is ready to take o The big question is, where is De headed?

For the 1977-85 period, the carr generated $3.5 billion in cash flo from operations, while capital expe ditures totaled $4.2 billion. Delt cash flow from operations cover 82% of its capital expenditures, a su nor cash flow-to-capital ratio. In co parison, the airline industry as a wh generated $20.5 billion in cash flo from operations over the same perio which provided 62% of the $33 billion spent on capital expenditur according to Salomon Brothers.

But Delta has been criticized f being too conservative in not using financial power to expand its ro system, says Louis Marckesano, vp-nior transportation analyst with Je ney Montgomery Scott, Philadelph There have been rumors that Delta looking for an acquisition or mer partner.

"The future of this industry is five six supercarriers who go just abo everywhere," Mr. Marckesano sa "But 95% of Delta's flights are eas the Mississippi." Delta did make $18.7 million cash tender offer in m August, 1986, for Jet America Airlin a small West Coast carrier. Howev Jet America had already agreed to buyout from Alaska Air Group In generating speculation that De might be attempting to buy Alas Air.

Delta, which increased advertisi less than 1% in 1985 from the previo year, made substantial shifts in m sured spending from newspaper to Agency BDA/BBDO, Atlanta, us variations of the "Delta gets you the tune for the spots.

Measured spot tv spending jumpe 23% in 1985 to $13.4 million to b come the second leading spending c egory. Network tv spending jumpe 40% for the year to $6.1 million, a Delta spent an additional $4.7 milli on cable tv in 1985. Newspapers co tinued to be Delta's biggest measu spending category in 1985, but fell $17.2 million for the year, down 33% from 1984. Out-of-home media spe ing increased to $1.8 million in 19 up 16%.

James N. Porter, Delta's director advertising and sales promotion, s the increase in network tv spend

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was related to the introduction of the new corporate campaign. For the remainder of 1985 and the first six months of 1986, Delta has concentrated on spot tv and cable. Cable spending, for example, increased substantially in 1985 from its level of less than $1 million in 1984, he says.

The decline in newspaper spending was related to a reevaluation of ad linage needs and competitive factors in each market, he adds. "We didn't set out to cut newspaper spending, we just wanted a better mix of media."

A key factor in reevaluating media spending was intense air fare competition in the final six months of 1985 and through the first six months of 1986, Mr. Porter says. "There were so many fare changes [by competitors] that we just stopped advertising fares, [which reduced the importance of more immediate newspaper spending and favored spot tv]. Our strategy was to keep the Delta name in front of the public and to let them know that we offer competitive fares," he says. "We try not to get into fare wars. We match fares where it makes good economic sense. Obviously, if everybody jumps, you have to, too."

Such was the case in March, 1986, when several carriers, including Delta's archrival Eastern Airlines, drastically cut fares to boost traffic. Eastern, in particular, attacked Delta with a two-week, $8 million tv blitz publicizing systemwide spring and summer discounts of up to 75% off regular coach. Miami-based Eastern parodied Delta's tv campaigns using the theme "Eastern gets you there for a whole lot less." Bookings at Eastern were up by 50% over the similar period last year, the company reports. Eastern broadened its fare attack to People Express on routes between the Northeast and Florida, using the theme "Fly smarter," a jab at People's "Fly smart" campaign.

The 1986 fare skirmishes have boosted Delta's traffic, but dampened its earnings in the fiscal year ended June 30, 1986. Delta's total revenues for this period fell 4.7% to $4.46 billion. Intense fare competition caused net income to fall 82% to $47.3 million in fiscal 1986, from $259.5 million in 1985.

Analysts predict airline fares gradually will increase through the end of 1986, however. Although fares fell by 11.3% in June, 1986, several major carriers increased fares by $5 to $10 in more than a third of their markets, according to Salomon Brothers. But while fares increase, major carriers also are taking deliveries on new aircraft and refusing to retire old ones as a result of falling fuel costs.

Although lower fares boosted domestic traffic in June, 1986, by 13.4%, capacity additions for the month grew by 26.3%—almost twice as fast—which caused load factors to fall 7.3% to 63.5%. Delta's traffic for the second calendar quarter of 1986 fell 4.7%, while its capacity increased 1%, giving Delta a load factor of 58.6%, down 3.5% from the same period a year earlier.

Analysts say Delta's position is strengthened through 1986 because Eastern is embroiled in financial and labor problems and involved in a takeover by Houston-based Texas Air Corp. By mid-1986, Eastern began cutting back in markets also served by Delta. Eastern is eliminating 12 of 53 daily flights at its Charlotte, N.C., hub, beginning Oct. 1, and plans to sell some aircraft freed by the cuts.

Eastern also dropped Miami-to-London service in July, 1986, at the same time that Delta was expanding flights from Atlanta to Europe. In May, 1986, Delta inaugurated four weekly nonstop flights between Atlanta and Shannon, Ireland, and two weekly one-stops operating between Atlanta and London. In April, 1986, Delta began daily service to Munich and three weekly flights to Stuttgart, via Munich. Delta also offered a variety of vacation packages.

Michael Derchin, airline analyst for New York-based First Boston Corp., says Eastern's retrenchment strategy could strengthen Delta's hand in the Southeast. In addition, the Texas Air takeover will improve Eastern's ability to compete without resorting to drastic fare cuts.

"A healthy Eastern is good for Delta because Eastern would be less likely to engage in kamikaze fare tactics," Mr. Derchin says. "Eastern was one of the industry's big fare cutters this year."

Delta suffers heavily from Eastern's tactics because both carriers are concentrated in southeastern markets. Delta's proportion of air traffic obtained from routes also served by Eastern was 58.5% of total traffic, according to 1984 data by the Civil Aeronautics Board. Delta's next biggest competitor is American Airlines, which overlaps 22.6% of Delta's routes.

But Delta is making moves to expand beyond its eastern base. In March, 1986, Delta reached agreement with Japan Air Lines and Western Airlines to coordinate flight schedules and to offer additional services, such as baggage check-through on overseas and domestic flights. Japan Air is looking for partners that would help it to compete with UAL's United Airlines unit, which acquired Pan Am's Pacific routes in 1985 for $750 million. On May 1, 1986, Hertz Corp., another UAL unit, became the newest participant in Delta's frequent flier program.

In February, Delta expanded its frequent flier program to include Air New Zealand, which makes members eligible for free and reduced-rate travel awards to New Zealand, Australia and the South Pacific. Delta also began offering "Around the World" air fares in March, 1986, in cooperation with Qantas Airways, Singapore Airlines and Thai Airways International.

Domestically, Delta strengthened its Delta Connection feeder network in May, 1986, by purchasing a $16.9 million, 20% stake in Comair Inc., which flies into its Cincinnati hub. Atlantic Southeast Airlines, Ransome Airlines and Rio Airways are the other members of the Delta Connection.

Analysts says Delta is a powerhouse no matter what the competitive factors. Delta ranks as one of the five strongest carriers in the industry, according to an analysis by Salomon Brothers, New York. Delta's average return on equity is among the highest of any domestic carrier. And Delta has conducted one of the industry's most aggressive fleet modernization programs while maintaining low long-term debt.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$426	$340
Newspaper	17,116	26,332
Bus. pubs.	518	580
Network tv	6,142	4,396
Spot tv	13,356	10,823
Spot radio	19,903	19,321
Outdoor	1,844	1,591
Network cable	4,715	296
Total measured	64,020	63,679
Unmeasured	30,000	29,840
Total	94,020	93,519

DELTA AIR LINES
Hartsfield Atlanta International Airport
Atlanta, Ga. 30320
(404) 765-2600
Marketing Personnel

W. Whitley Hawkins, sr vp-mktg
R.W. (Bob) Coggin, asst vp-mktg devel
Al H. Kolakowski, asst vp-sales
Matt Guilfoyle, dir-field mktg
Harry Dunham, dir-mktg programs
James N. Porter, dir-adv & sales promo
Fred Hopmeier, dir-intl mktg
John Such, dir-mktg automation
Marcey McCann, dir-reservation sales

Advertising Agency

BDA/BBDO, Atlanta—Glenn Verrill, president-mgmt super; Jack Walz, exec vp-acct super; Al Boam, vp-acct exec; Gail Waldrop, vp-acct exec; Bill Cromartie, vp-broadcast production.

Franglais spoken here!

Mickey Mouse as a promoter of cultural imperialism! Maybe the French have a point, but the Mitterrand government, ogling the 30,000 new jobs that would be created by the planned $1.2 billion Enchanted Kingdom Disney theme park planned outside Paris, put the issue aside in late August, 1986, and reached agreements on substantive matters like tax rates. Full approval is expected in September. Mickey Mouse and other Disney characters, without a doubt have been leading embassadors of American culture worldwide. Mickey, now 58, aside from his films, was seen on Paris streets in 1933 cavorting behind the hands of a wristwatch.

Walt Disney Co.

Burbank, Cal.

($ in millions)

Worldwide	1985	1984	%
Sales	2,015	1,656	
Net income	173	98	
U.S. advertising	140	80	
Division sales	**1985**	**1984**	**%**
Entertainment	1,298	1,098	
Films	320	245	
Community devel.	315	204	
Consumer prods	123	110	

Walt Disney Co. is a hot prope Wall Street given its sales and ea performance in 1985 and evident two outside efforts to take ov company in 1984.

Disney's mercurial rise is large dited to a new management headed by former Paramount dent Michael D. Eisner, picked Disney board of directors in Se ber, 1984, after a successful six- fight against two hostile takeov tempts.

Disney, which only began su ing its theme parks with nation vertising in 1984, tripled that spe in 1985 to $19.8 million. This diture accounted for most of D 101% increase in measured spe over 1984.

The recreation division—D land, Walt Disney World, Epco ter and Tokyo Disneyland—company's corporate locomotiv counting for 65% of sales. Di total theme park attendance U.S. increased 8% in 1985; 19% neyland, which celebrated its 30 niversary, and 3% at Disney Wo

Of the advertising largess in vision, Disney World and Epco ter in Orlando got $14.2 millio Disneyland in Anaheim, $5.7 m Spot tv got $12.7 million of the World expenditure, primarily two-month campaign begun in ary that reached 51 Midwes Northeast U.S. markets. $858,000 went into network t $4,000 into outdoor ads. Disn advertising in 1985 included $1. lion in magazines, $60,000 in n per supplements, and $4 milli spot tv.

Higher ticket prices, new attra and increased attendance, as w some cost-cutting, led to operati come of $266.4 million at the pany's theme parks, which is 63 total operating income of $418. lion. The threat of terrorism a and the decline of the dollar a major foreign currencies is lik stimulate domestic travel in 198 proving those numbers.

Disney also is expanding its ation division with a fourth park, in France, to open in the 1990s. It is expected to draw so million visitors annually. The pany also is merging interests filmed entertainment division w recreation division through the struction of a $300 million film adjacent to Disney World and Center. The Disney-MGM Stud charge separate admission and operated both as a theme park a production site for Disney films.

Filmed entertainment, its largest division, grew in operati come from $2.2 million in 19 $33.6 million in 1985 as sa creased 30.8%. The 1984 figu clude one-time writedowns fourth quarter. The division in the Walt Disney Studios in Calif a motion picture distribution ar work tv productions, tv syndic the Disney Channel (cable) video division.

Disney plans to become fledged motion picture producer ing out 12 to 15 films a year by Among the films released in 19 their box office gross if they ma *Variety* charts: "Baby—Secret Lost Legend" ($6.8 million), "W ence Project," "Return to Oz" a animated feature, "The Black dron" ($9 million) fared unspe

How much did your competitor spend on full-color magazine ads this quarter, last quarter, last year?

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See page 129

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larly. Rereleases of "Pinocchio" and "Fantasia" were money makers, with "Pinocchio" grossing more than $24 million in its showing in the 1984 Christmas season. A 1986-release "Down and Out in Beverly Hills," produced by Disney's Touchstone Films, besides breaking out of the Disney G and GP-mold, grossed $6.6 million in its first five months on the charts.

"Ruthless People," starring Danny DeVito and Bette Midler, has tallied more than $60 million in only two months into its run. "The Great Mouse Detective" had a respectable $22 million in little over a month this summer, and "Flight of the Navigator" released in early August, had $15 million by mid-August. "The Color of Money," starring Paul Newman, will be released later in the year.

Disney returned to network tv in 1985 after a two-year hiatus with a hit situation comedy, "The Golden Girls" on NBC; two Saturday morning animated series, "The Adventures of the Gummi Bears" on NBC and "The Wuzzles" on CBS; "The Disney Sunday Movie" on ABC, and the planned production of 23 one and two-hour original tv movies.

Only 20 months after it began operation, the Disney Channel became profitable in January, 1985, and ended the year with 2.3 million subscribers on more than 2,500 cable systems. The company expects subscriber totals to grow to 2.5 million by the end of 1986. Disney Channel is adding original productions to its 19-hour-a-day schedule.

Another major Disney move in 1985 was the syndication of Disney properties, including 29 years' worth of "The Wonderful World of Disney" and some 500 cartoons, a decision one critic compared to selling the crown jewels, but nevertheless raised more than $40 million in syndication fees in the first month alone.

Buena Vista, Disney's motion picture distribution arm, sold more than 100 titles to tv in Australia and European countries in 1985. And Disney created a new video division to market Disney properties in the burgeoning home video and pay tv markets.

Measured advertising for Disney's Filmed Entertainment Division in 1985 totaled $14.1 million, up from $11 million in 1984. As in 1984, the 1985 advertising was spread nearly equally among magazines, newspapers, and network and spot tv.

Disney's consumer products division showed 1985 operating income up 5% to $56.3 million on a 1% growth in sales. The division introduced Gummi Bears and Wuzzles characters in addition to toys and clothing featuring the traditional Disney characters. Advertising is done essentially by companies licensed to sell some 8,000 products.

Disney's other division, Arvida Disney Corp., had measured advertising of $2.4 million, up from $1.4 million, primarily to promote Disney-owned hotels and resorts in magazines. The division also handles property development for Disney's theme parks and its industrial, commercial and housing developments.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$7,431	$3,543
Newspaper	2,343	860
Newsp. supp.	728	430
Bus. pubs.	283	276
Network tv	2,713	3,687
Spot tv	28,213	12,096
Spot radio	1,626	471
Outdoor	166	87
Network cable	630	362
Total measured	44,021	21,852
Unmeasured	95,980	47,645
Total	140,000	69,497

WALT DISNEY CO.
500 S. Buena Vista St.
Burbank, Cal. 91521
(213) 845-5000
Marketing Personnel

Barton K. Boyd, exec vp-consumer prod & merch
Richard A. Nunes, exec vp-Walt Disney World & Disneyland
Luther R. Marr, vp corp & stockholder affairs
Peter F. Nolan, vp-rights & business affairs, consumer prods
Erwin D. Okun, vp-corp communications

Advertising Agency

Young & Rubicam, New York—Gordon Weaver, president, Y&R Entertainment; Steve Rose, exec vp, Y&R Entertainment.

WALT DISNEY WORLD CO.
Lake Buena Vista, Fla.
Marketing Personnel

Tom Elrod, vp-mktg
Tom Garrison, mktg dir
Mike McPhillips, mgr adv

Advertising Agencies

(In-house) Vista Advertising, Orlando, Fla.—Jane Williams, media buyer.
Young & Rubicam, New York—Gordon Weaver, president, Y&R Entertainment; Steve Rose, Y&R Entertainment.

CHARACTER MERCHANDISING DIV.
New York
Marketing Personnel

Joe Pellegrino, dir-U.S. licensing
Tom Hess, mktg mgr
Kim Meth, adv & pr super

Advertising Agency

Young & Rubicam, New York—Gordon Weaver, president, Y&R Entertainment; Steve Rose, exec vp, Y&R Entertainment.

WALT DISNEY PRODUCTIONS
Marketing Personnel

Bob Levin, sr vp
Robert Jahn, vp-creative services
Gary Kalkin, vp-publicity
John Winder, vp-promos

Advertising Agency

Young & Rubicam, New York—Gordon Weaver, president, Y&R Entertainment; Steve Rose, exec vp, Y&R Entertainment.

ARVIDA DISNEY CORP.
Corporate Personnel

Charles E. Cobb Jr., chmn-ceo

RANK **82**

Dow Chemical Co.

Midland, Mich.

($ in millions)

Worldwide	**1985**	**1984**	**% chg**
Sales	11,537	11,416	1.0
Net income	58	560	(89.5)
U.S.	**1985**	**1984**	**% chg**
Sales	5,211	5,200	(1.5)
Operating profits	255	383	(33.4)
Advertising	105	92	14.5
Division sales	**1985**	**1984**	**% chg**
Basic chemicals	5,237	5,377	(2.6)
Basic plastics	1,508	1,671	(9.8)
Indust. specialties	2,765	2,583	7.0
Cons. specialties	2,029	1,675	21.1

Dow Chemical Co. began to receive benefits in 1985 from the restructuring it began eight years ago to augment the cyclical bulk chemical business with specialty chemicals and services and consumer goods.

Dow gave a further boost to its consumer business in January, 1985, by purchasing the Texize cleaner-product business of Morton Thiokol, doubling the size of its consumer business. The acquisition led to formation of the company's new subsidiary, Dow Consumer Products, based in Indianapolis.

The company also says 1985 was the year its consumer specialties business first began living up to its promise of producing growth, high returns and becoming more recession resistant.

For the quarter ended June 30, 1986, Dow had the best second-quarter net income in its history, at $222 million, 43% higher than the second quarter in 1985. Sales for the quarter were $2.9 billion, down 3% from $3 billion for the same period in 1985.

In the past two years the company has commercialized more products than in any similar period. More can be expected, according to James Wilbur, specialist in analysis of chemicals securities, Smith, Barney, New York: "Dow is an example of preferential allocation of resources as it places emphasis on Texize, the pharmaceuticals and other areas of specialization. Capital should shift toward new areas in the company . . . to pull chemical output into consumer products."

A clear example of this process is the latest major Dow consumer product introduction, Citrucel. Dow's entry of May, 1986, in the $500 million bulk laxative market. Taking on G.D. Searle & Co.'s (now Monsanto Co.'s) long-established Metamucil, orange-flavored Citrucel results from cross-breeding a Dow chemical technology product, methyl cellulose, with the company's newly added pharmaceuticals marketing know-how, supplied by Lakeside Pharmaceuticals Division, Merrell Dow Pharmaceuticals Inc., Cincinnati.

In its broad ad campaign, Lakeside aims attention at the difference in texture between Citrucel's "smooth" methyl cellulose texture and what it calls the "gritty" texture of Metamucil.

Marketing promotion is moving under the banner "Great Taste. No Grit" and includes network and spot tv, coupons, free-standing inserts and sampling. Shaller, Rubin & Winer, New York, agency for Merrell Dow's over-the-counter line, handled the campaign. Citrucel is one of many ex

amples of "vertical integration" Dow, which is the main producer most of the chemical materials it u to manufacture its more than 1,8 products.

Dow Chemical's worldwide sales $11.54 billion place it second amo chemical companies in the U.S. af Du Pont, which had sales of $2 billion in 1985. It ranks sixth in world. Some 55% of its sales and 4 of plant investment are outside U.S.

While 1985 was a big year for adv tising and acquisitions, it was not bright year for sales and income. Sa were up about 1%, while incon plunged 90%, to $58 million, prim pally because of an average loss of 5 pound on five basic chemical comm dities that total about 10 billion lbs. Dow production annually, and a s cial charge of $592 million to compe sate for slow business in some areas rts basic chemicals and plastics bu nesses.

Included were writeoffs and wri downs of $471 million for plant fac ties, plus staff cuts of 2,700 employ (mostly through voluntary retiremen worth $121 million in wages and oth costs.

When Dow began its restructuri push in 1978, about 15% of its to profits came from consumer and i dustrial specialty products; in 1985 the share is 50%.

The move to specialties shows Dow Chemical's measured media penditures, moving up 103% in 19 Unmeasured advertising spending heavy couponing, samples, direct m and other forms is estimated at $ million for 1985.

Dow Chemical Co. consists of fi main product segments, basic chem cals, basic plastics, industrial speci ties and consumer specialties. In cent years, sales and profits in basic product businesses have been and down; sales and profits of the cialties are generally higher and steeply in the most consumer-focu areas.

Yet Dow says these successes w not divert it from the company's ba foundations in basic chemicals a plastics because Dow's technologi leadership depends on those bu nesses.

What it does mean is that fut growth of the basics will depend reading market demands, not estim ing those future demands.

In 1985, operating profits of basic chemicals segment fell 34% $165 million on a 2% drop in sales. products were caustic soda, wh sales and profits both were down, chlorine compounds, where perf mance was flat. Dow says this segm was hurt by excess world suppli poor prices and foreign imports to U.S.

Basic plastics segment operating come dropped 64.5% to $60 million a sales decline of 10%. A big reason the falloff was a drop in pricing in 1984 caused by the marketplace av ability of big new sources of natu gas, a major ingredient in plastics p duction.

Of the five major items on its pl tics menu, Dow itself produces th itself—styrene, ethylene and benz —and goes outside to buy acrylonit and octene.

A 7% sales growth for the indust specialties segment accompanie 41% decline in operating income $186 million for that segment. Beh the profit decline were a drop in epoxy resin business, because of s ing international electronics prod tion, and cuts in latex demand by coated-paper and carpet industry But the urethane (foam plastics) was strong and given a boost by ac sition of Upjohn's urethane busines

Dow makes most of the basic mat als Upjohn uses in the specialties ment.

All of the charts in the consu specialties product segment point ward; 1985 set records for sales profits: Sales, up 21%, generated o ating income of $226 million, up Within this segment, the human he

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WCFT-TV, CBS, Tuscaloosa, AL

Represented by Katz Continental

Source: 1985 Survey of Buying Power

WDAM-TV NBC
LAUREL-HATTIESBURG, MISSISSIPPI

division (Merrell Dow and other pharmaceuticals) had a 7% increase in sales, to $758 million, and household products (including Texize and Dow Chemical lines) jumped 88% to $593 million because of Texize's inclusion in only 1985 totals. Agricultural chemicals sales in 1985 were up 5%, to $678 million. Here, too, Dow manufactures much of the basic ingredient line needed for these products but does get from outside suppliers such materials as sugar, alcohol, quinine and organophosphate derivatives.

Dow's acquisitions in 1985 were topped by Texize, the Morton Thiokol division purchase for about $300 million in cash and stock. While doubling the size of Dow's consumer business, the Texize addition led to formation of the company's newest unit, Dow Consumer Products. Dow's pharmaceutical properties shifted to Merrell Dow headquarters in Cincinnati.

Included in Dow Consumer Products are the food care products division in Indianapolis—with the Saran Wrap and Handi-Wrap plastic films and Ziploc plastic bags—and the cleaning products division, based at Texize's Greenville, S.C., headquarters. Also a unit of Dow Consumer Products at Indianapolis is the new ventures division, assigned to develop new business areas other than cleaning and food care.

The company created its healthcare products subsidiary, Merrell Dow Pharmaceuticals, when it bought Richardson Merrell in 1981 and merged it with the existing Dow pharmaceutical business. Important products from this division are the new nonsedating antihistamine, Terfenadine (sold as Seldane in the U.S.), the world's largest selling branded antihistamine, Nicorette smoking-cessation gum and the new Citracel.

In another move related to healthcare products, Dow in 1985 purchased 20% of the stock of Funai Pharmaceuticals, Osaka, Japan, giving it a marketing foothold in the world's second largest pharmaceutical market.

Dow Chemical also purchased the worldwide polymer business for $232 million from Upjohn Co. Before the acquisition, Dow had two-thirds of the formula to make urethanes, high-quality spongy foam plastics used in furniture padding, insulation and automobile interiors. Upjohn had the other third. A smaller but promising addition to Dow Chemical in 1985 was its acquiring of FilmTec Corp., Minneapolis, for $75 million. FilmTec makes membrane separation devices for purifying liquids, useful in treating brackish water.

Dow Chemical's big escalation in advertising spending is because of the addition of nearly $25 million for Texize brands and increased spending for Merrell Dow, for the plastic wraps and bags, Dow Cleaners and the $6.2 million multimedia, corporate-identity campaign bearing the theme: "Dow lets you do great things."

In measured media spending monitored by Leading National Advertisers, outlays for agricultural products increased 92% to $871,000, primarily for Lorsban insecticides and herbicides, N-Serve soil conditioner and the general Dow agri-chemical line. Agricom-monitored spending, which covers only agricultural-oriented advertising, dropped by 18%, to $1.8 million.

Total ad support for Dow household brands was $33.5 million in 1985 and for Texize, $24.5 million. Support for the Merrell Dow pharmaceutical line in 1985 increased fivefold, to nearly $7 million. Cepacol mouthwash spending in 1985 quadrupled to $1.34 million.

Dow bullish from within

Dow Chemical, despite its worldwide sales (50% of the total) that match its global vision, has grown from the inside out since it set up shop 89 years ago at the brine pits near Midland, Mich. Officers of Dow have been with the company an average of more than 34 years, investing a large portion of their assets in the company's common stock. All Dow senior execs have been selected from within.

Cepacol lozenges expanded by nearly seven times to $706,400. Ziploc bags had 31% more backing, rising to $17.9 million. Saran Wrap's 1985 spending rose 19%, to $2.3 million, but Handi-Wrap plastic wrap spending fell 31%, to $3.7 million.

Dow's use of media in 1985 varied by brands and product type. The greatly expanded Cepacol promotion was almost entirely on spot tv; the agri-chemicals were on outdoor boards. For Dow brands, network tv spending was 67% of the total—$22.5 million—while Texize network tv spending was 85% of its total, or $20.8 million. Dow brand spot tv spending was 16% of its total, or $5.35 million; Texize was 9%, or $2.3 million.

For the company as a whole, the big dollar volume increases came in spot tv, up 272%, to $10.7 million; in network tv, up 144%, to $48.6 million, and magazine spending, up 78% to $10.7 million.

During 1985, Dow entered a joint venture in the biological sciences with a Korean company, but bowed out of a joint venture with Martin-Marietta Corp., Bethesda, Md., to market oil additives, fire-control materials and other products.

The company has been involved in litigation, including the Agent Orange class-action suit; suits alleging that Bendectin antinauseant causes birth defects, and allegations that DBCP, a pesticide ingredient, causes a variety of ailments. No judgments have been brought against Dow in these cases.

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ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$10,739	$7,891
Newspaper	670	2,058
Newsp. supp.	139	1,230
Bus. pubs.	3,503	3,514
Network tv	48,616	45,216
Spot tv	10,712	5,867
Network radio	1,677	104
Spot radio	364	891
Outdoor	70	12
Network cable	941	177
Florist subs.	1,844	2,237
(Continued)	1985	1984
Total measured	70,272	69,217
Unmeasured	25,728	22,465
Total	105,000	91,682

THE DOW CHEMICAL COMPANY
2030 Willard H. Dow Center
Midland, Mich 48674
(517) 639-1000
Corporate Personnel
Paul F. Oreffice president-ceo
Keith R. McKennon, group vp
Thomas K. Smits, vp-govt & public affairs
Robert C. Spears, mgr-communications & mktg communications
Richard K. Long, mgr-corporate communications

Advertising Agency
D'Arcy MacManus Benton & Bowles, Bloomfield Hills, Mich.—Corporate Program—Mike Hogan, acct super.

DOW CHEMICAL USA
Corporate Personnel
Hunter W. Henry, president
William S. Stavropoulos, commercial vp-Basics
Enrique J. Sosa, commercial vp-Industrial Specialties & Services

AGRICULTURAL PRODUCTS
Marketing Personnel
Gary G. Jones, mgr, mktg resources
Jan R. Larson, mgr, mktg communications
Advertising Agencies
Bader Rutter, Milwaukee, Wisconsin—Miller Hogan, acct super.
Criswell, Munsell, Fultz & Zirbel, Cedar Rapids, Iowa—F.C. Baker, vp acct super.
Vitt Media, New York, New York—F. Richard Olsen, vice chmn.

BASIC CHEMICALS & METALS
Marketing Personnel
Brian H. McIntosh, mgr, mktg communications
Advertising Agency
Sefton Associates, Grand Rapids, Michigan—Gary Petertyl, sr vp.

CONSUMER PRODUCTS INC.
Indianapolis
Marketing Personnel
Edward H. Kiernan, dir-mktg services
Debbie Burns, mgr-adv services
Advertising Agencies
Della Femina, Travisano & Partners, New York—Ed Teclenchi, group dir; David Sparks, Phil Juliano, mgmt supers.
Henderson Advertising, Greenville, S.C. —Jim Bradhorst, vp, acct super.

INDUSTRIAL SPECIALTIES
Marketing Personnel
Advertising Agencies
Alexander Marketing Services, Grand Rapids, Mich.—Richard Hill, vp acct super; Robert Milroy, vp acct group super; Christopher Beaudoin, acct mgr.
AMPM Inc., Midland Mich., Support Agency—Ralph Sitter, acct exec.
Jayme Organization, Cleveland—Lawrence Kavanaugh, exec vp; Mike Romana, vp, acct mgr.
Misamore Advertising, Grand Rapids, Mich.—Robert Cook, vp.
Rives, Smith, Baldwin, Carlberg & Y&R, Houston, Tex.—Leo Sullivan, sr vp.
Scott & Miller, Saginaw, Mich., Support Agency—Tom Leinberger, president.
Sefton Associates, Grand Rapids, Mich. —Gary Petertyl, sr vp.

MERRELL DOW PHARMACEUTICALS U.S.
Cincinnati
Marketing Personnel
John D. Dishaw, vp-mktg
Advertising Agencies
Healthmark Communications, New York —Michael Nassoff, acct exec.
Medicus Intercon (Division of Benton & Bowles), New York—Jennifer Greenblatt, acct super.
Shaller, Rubin & Wiser Inc., New York—Mel Rubin, president; Ben Garrett, acct exec.

PLASTICS GROUP SERVICES
Marketing Personnel
Michael G. Caparon, mgr, mktg communications, plastics group
Richard J. Proskow, prod communications mgr, engineering thermoplastics
Wanda J. Herndon, prod communications mgr, specialty plastics
Advertising Agency
HCM Special Markets Group, Chicago—Marcia Waite, Daniel Leski, acct supers; Robert Volkman, Robert Reilley, acct execs.

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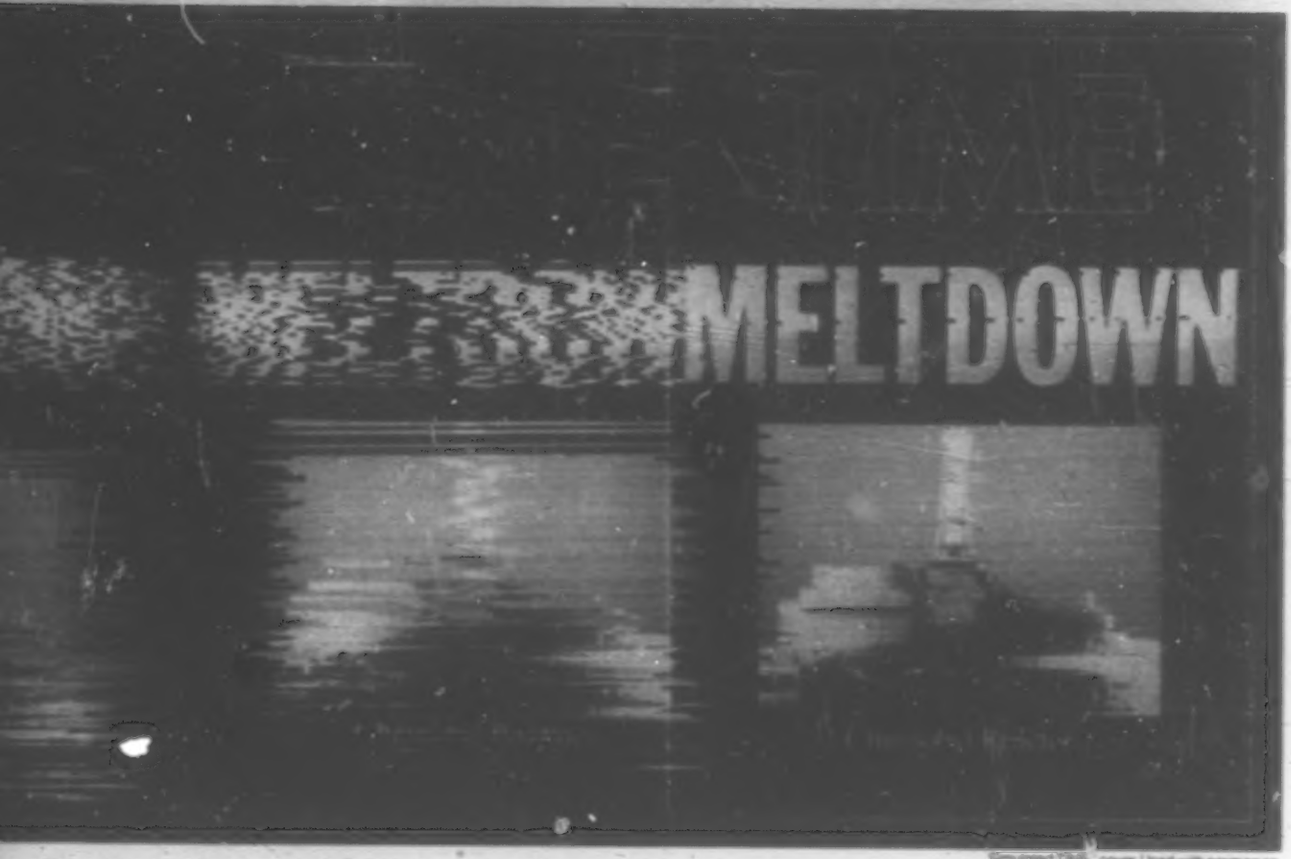

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E.I. Du Pont de Nemours & Co. RANK 75

Wilmington, Del.

($ in millions)

Worldwide	1985	1984	% chg
Sales	29,483	30,559	(3.5)
Net income	1,118	1,431	(21.9)
U.S.	**1985**	**1984**	**% chg**
Sales	20,301	21,395	(5.1)
Operating profits	3,959	4,366	(9.3)
Advertising	112	106	5.6
Division sales	**1985**	**1984**	**% chg**
Biomedical prods	1,016	1,025	(0.9)
Industrial prods	2,780	2,831	(1.8)
Fibers	4,463	4,600	(3.0)
Polymer products	3,373	3,641	(7.2)
Agri. and chems	3,388	3,704	(8.5)
Petro: explor	3,499	3,946	(12.3)
Petro: refining	9,461	9,180	3.1
Coal	1,517	1,572	(3.5)

Du Pont, seeking to outgrow its traditional definition as a chemical company, capitalized on its strengths in chemical sciences and engineering to generate new business in 1985. At the same time, it took measures to improve productivity, while withdrawing from some of its marginal energy-related businesses.

With 1985 sales and earnings declining, Du Pont increased measured advertising only 5.8%—the major beneficiary being magazine advertising, which increased 17% to $32.1 million.

In 1985, only one of Du Pont's eight operating segments—Petroleum Refining, Marketing and Transportation—had increases in both sales and after-tax operating income. Sales rose 3% to $9.5 billion, and after-tax operating income hit $262 million, up from $78 million in 1984. The only other

division showing growth in operating income was Biomedical Products, up 1.5% to $69 million. Petroleum Exploration showed the biggest sales decline, down 12.3% to $3.4 billion. Its after-tax operating income fared even worse, down 18.4% to $310 million.

In reaching out for new opportunities, Du Pont entered into a second joint venture with N.V. Philips of the Netherlands to merge optical disc operations to compete in the worldwide audio disc, video and data storage markets. Du Pont reports a sales objective of $1 billion by the early 1990s in these markets.

Du Pont also purchased a substantial minority position in Heamonetics, a leading supplier of automatic blood processing machines and consumables, and in July, 1986, reached an agreement to purchase for $425 million the American Critical Care unit of Baxter Travenol Laboratories, a manufacturer and distributor of critical care and cardiovascular drugs for use in hospital emergency and surgery departments. Du Pont, as a result of the purchase, enters the top 15 pharmaceutical companies selling to hospitals in the U.S.

Du Pont established a Corporate Automotive Development Center near Detroit to allow it to work more closely with its Motor City customers on evolving technology. In addition, the company used radio and tv time to tout the merits of its thermoplastic auto-body parts over traditional steel parts. Du Pont executives expect the automotive plastics industry to grow to $10 billion in sales by the end of the century.

In the current year, Du Pont has acquired Shell Oil Co.'s U.S. agricultural chemical business, which should bring sales of Du Pont's crop protection line to an estimated $700 million.

Du Pont's fibers once again accounted for the largest part of its $56.1 million in 1985 ad spending as measured by Leading National Advertisers. Spending on Antron carpet fibers declined by 62.3% to $1.2 million, while Antron fibers for wearing apparel drew $5.9 million, up 16.8%.

Spending on Du Pont apparel fibers increased 68.9% to $3.4 million. These fibers are used in clothing, bathing suits and pantyhose bearing names like Albert Nipon, Jantzen, Ocean Pacific and No Nonsense. Spending on Du Pont Dacron declined by 39% to about $2 million, all in magazines and newspaper supplements. Lycra fibers had $3.2 million in measured advertising, off 6.9%, while nylon fibers advertising increased by 60% to $3.7 million.

Of the $6.9 million of measured spending promoting products made with Silverstone coatings—down 20.5% from 1984 levels—$4.5 million was spent on network tv, and spending on Teflon coatings remained relatively stable at $4.6 million, off only 0.8% from 1984. Advertising also declined for Zepel stain repellent by 42% to $685,300.

Du Pont continued its strong corporate advertising effort, with $8.2 million divided among magazines, tv, cable and outdoor. This total represents a 10.9% decline from 1984 levels. Some of Du Pont's $247,900 measured advertising on cable was devoted to its partial underwriting of coverage of the House of Representatives on C-SPAN (Cable Satellite Public Affairs Network).

Du Pont also negotiated an agreement with Seagram Co. Ltd. this March to limit Seagram ownership of Du Pont to 25% to the end of the century, and allowing Seagram to hold a quartet of the seats on the board of directors. Seagram became a part owner of Du Pont when it sought to buy Conoco Inc. in 1981. Du Pont was the eventual winner, but Seagram's $3 billion stake in Conoco became 22.5% ownership of Du Pont when converted.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$32,061	$27,430
Newspaper	973	752
Newsp. supp.	3,238	3,179
Bus. pubs.	11,179	11,890
Network tv	16,892	17,105
Spot tv	3,307	5,065
Network radio	0	818
Spot radio	1,895	1,301
Outdoor	9	8
Network cable	614	152
Farm pubs.	6,236	4,052
Total measured	76,408	77,238
Unmeasured	35,778	33,827
Total	112,184	106,065

E.I. du PONT DE NEMOURS & CO.
1107 Market St.
Wilmington, Del. 19898
(302) 774-0434

Corporate Personnel

J.R. Malloy, sr vp-external affairs
R.E. Williams, managing dir, external affairs
C.L. Perry, managing dir, external affairs
H.E. Davis, communications dir-auto prod, polymer prod, chemicals & pigments, petrochemicals
J.M. Murray II, communications dir-biomedical prod, photosystems, electronic prod
R.W. Nightingale Jr., communications dir-textile fibers, intl
L.C. Tashjian Jr., communications dir-agricultural prod, fabricated prod

Advertising Agencies

N W Ayer, New York—fabricated prod, polymer prod, photosystems & electronic prod, chemicals & pigments, petrochemicals, textile fibers' industrial & spunbonded prod—George H. Eversman, exec acct dir.

Barnum Communications, New York—pharmaceutical prod, diagnostic & bioresearch, medical X-ray prod—Ella Shapiro, vp-acct super.

BBDO, New York—textile fibers' apparel, carpet fibers, home furnishings, fiberfill prod, corp ad programs—Bernard Gross, sr vp-mgmt super; Joseph Crowley, sr vp-mgmt super; Bill Reinhard, Margaret Evans, vp-acct supers.

Ketchum Communications, Philadelphia—connector systems & electronic specialties, biomedical prod—Scott Franks, sr vp.

Reese, Tomases & Ellick, Wilmington, Del.—staff depts, special projects, Hotel du Pont, employe relations—Alan B. Poland, sr vp.

Rumrill-Hoyt, Rochester, N.Y.—agricultural chemicals, Remington arms, chemicals & pigments, petrochemicals, fabrics & finishes—Keith Kuehn, vp-group mgmt; Gale Johnson, vp-pr dir; Nick Orloff, sr vp-creative dir.

Eastern Air Lines

Miami

RANK **91**

($ in millions)

Worldwide	1985	1984	% chg
Sales	4,815	4,364	10.3
Net income	6	(28)	(116.6)
U.S. advertising	80	70	14.7
Division sales	**1985**	**1984**	**% chg**
Passenger	4,304	3,875	11.0
Cargo	291	209	39.2
Other	220	166	32.5

The troubles at Eastern Air Lines will not vanish overnight when it is acquired in the last quarter of 1986 for $600 million by Texas Air Corp. But analysts say if any company is capable of turning Eastern around, it is Houston-based Texas Air.

Eastern reported $106.5 million labeled advertising and promotion expenses in its budget, up 18.2% from 1984. That figure is pared down to $89.7 million, down 14.7% in actual media and advertising and promotion expenditures free of overhead charges against advertising.

The increase was primarily because of additional price-oriented advertising in cutthroat fare wars through the final six months of 1985. Another factor was increased spending from initiation of a Miami-to-London route in July, 1985, which Eastern dropped as a cost-cutting move one year later.

Newspaper spending was Eastern's largest measured expense, accounting for $24.8 million in 1985, up 33%. Eastern also spent a measured $21.6 million on passenger advertising, divided 71% network tv, 20% magazine, 6% out-of-home and 3% other media.

The U.S. Department of Transportation set an Aug. 31 deadline for approval of Texas Air's Feb. 24 bid to acquire Eastern. President Reagan has 60 days to approve or reject the action. However, final approval is expected by early October, according to Joseph Leonard, who was appointed Eastern's president-chief operating officer Sept. 24, 1985.

Texas Air removed a stumbling block to the Eastern takeover in May, 1986, by selling landing slots and gates that would allow New York-based Pan American World Airways to begin providing air shuttle service Oct. 1 between New York-Boston and New York-Washington. New York Air, a unit of Texas Air, and Eastern currently are sole competitors in these markets, but New York Air will phase out operations 18 months after Pan Am starts, a Texas Air spokesman says. Pan Am says it paid $65 million for 46 landing slots in New York and 18 in Washington and for two airport gates in New York and one in Boston.

The U.S. Department of Justice in May dropped antitrust objections to Texas Air's bid for Eastern, clearing the way for final review by the DOT.

The Texas Air acquisition would be good for Eastern, says Candace Browning, airlines analyst with Oppenheimer & Co., New York. Eastern, which would become a wholly owned subsidiary, has had difficulty in recent years gaining long-term reductions in labor costs from its 41,000 employes, 23,000 of whom are unionized. Eastern's labor costs are among the highest in the industry.

Frank Borman, Eastern's former chairman who resigned effective June 30, 1986, to become vice-chairman and a director of Texas Air, has said Eastern's failure to reach a two-tiered wage agreement with its 12,000-member machinists union was the reason Eastern's board accepted Texas Air's acquisition offer. In May, 1986, Eastern sued the machinists union in an effort to reopen contract negotiations. Mr. Borman said Eastern had gained meaningful labor cost reductions in early 1986 with its 4,300-member pilots association and 7,000-member transport workers union.

Eastern also is saddled with a debt of $2.5 billion, mostly the result of an aggressive fleet modernization program in the early 1980s. The debt costs Eastern about $250 million in interest payments each year and has pushed the carrier repeatedly to the brink of default.

"Texas Air has a very strong-willed management. I think they can turn Eastern around. They sure did the job with Continental," Ms. Browning says. If Texas Air has difficulty gaining labor concessions, it can always transfer Eastern's assets to New York Air or Continental, both of which already are low-cost carriers, she says.

But Texas Air will have its work cut out for it, predicts Louis Marckesano, senior vp-transportation analyst at Janney Montgomery Scott, Philadelphia. "There will be an internal battle with [Texas Air chairman Frank] Lorenzo flexing his muscles in one direction and the machinists union flexing theirs in the other," he says. "For a while there will be a lot of posturing."

Labor concessions would help Eastern's bottom line. The carrier reported a $154.7 million net loss for the first six months of 1986, compared with net income of $49.8 million for the same period in 1985. Revenues slipped to $2.25 billion for the period in 1986 from $2.5 billion in 1985.

In June, Eastern disclosed to the Securities & Exchange Commission that it expects a loss in 1986 of about $57.6 million on revenues of about $4.88

How much did the nation's biggest advertiser spend on each of its brands?

Turn to LNA for answers
See page 129

Pursuing Excellence.

Special effort, extra service, nothing less than excellence. At the Times Publishing Company, we insist on dedication that guarantees the needs of readers and advertisers will be met. And while there's much left to be done, we've made some impressive strides:

- In 1984, the *St. Petersburg Times* was cited as one of America's top ten newspapers by *Time* magazine and was judged to have the world's best color reproduction by Kodak. Members of our staff have garnered three Pulitzer Prizes: one for public service and two for investigative reporting.
- Winner of more than 600 state, regional and national awards, the *Evening Independent* is proud of circulation gains that reflect how their new look and personal approach to news has captivated readers who enjoy an afternoon paper.
- Award-winning business publication *Florida Trend*, and newly successful *Georgia Trend* will welcome yet another magazine this fall. *Arizona Trend* will begin publication in Septmeber, 1986.
- Modern Graphic Arts produced more than 190 million pieces of quality printing and opened new offices in Atlanta and Charlotte.
- We publish the weekly report of *Congressional Quarterly* in Washington D.C.—a report that remains the nation's foremost journal on Congress and Political action.

Most importantly, we're proud of all that these awards, our newspapers and our affiliates represent. Creativity. Professionalism. Excellence. Not just occasionally, but consistently.

Our goal is excellence and service for our readers and advertisers. Every award is another challenge to make Florida's best even better.

Times Publishing Company

and its wholly-owned affiliates

St. Petersburg Times • Evening Independent • Modern Graphic Arts • Florida Trend • Georgia Trend • Arizona Trend • Congressional Quarterly

billion, which indicates it will have an overall profit for the remainder of the year.

Eastern also is cutting back on service and redeploying its resources to improve profitability, says Richard Blake, vp-marketing, planning and research. In addition to dropping Miami-London service, Eastern is eliminating 12 of 53 daily flights at its Charlotte, N.C., hub, beginning Oct. 1, and plans to sell some aircraft freed by the cuts. The airline also boosted nonstop service between New York and Greenville and Charleston, S.C., and Savannah and Atlanta, Ga.

Mr. Blake says, in some cases, the moves are continuations of marketing programs begun in recent years, such as Eastern's ambitious expansion of its Kansas City, Mo., hub. Since startup of hub operations in December, 1983, Kansas City has grown to be the third largest in the airline's system, generating important east-west traffic, which balances the carrier's traditional north-south route system, he says.

In 1985, Eastern increased to 53 the number of daily flights to Kansas City, adding service to Chicago and Tulsa, Okla. In November, 1985, Air Midwest began feeding into Eastern's Kansas City route system, adding three Midwest cities with the projected addition of 18 cities in 1986. Eastern also established feeder relationships with BarHarbor and Precision Airlines in the northeast U.S., feeding New York and Boston airports. Eastern Express service was introduced in San Juan, P.R., interconnecting islands from Eastern's Caribbean hub.

Eastern lured vacation travelers in the winter of 1985 with five all-inclusive packages to Florida and 17 packages to Caribbean destinations. Included in the airline's packages were airfare, hotel, rental cars and other features.

Mr. Blake also points to Eastern's successful Moonlight Special flights, a nighttime freight-hauling service that also offers low-cost passenger fares at almost 100% profit. The service, a joint venture with CF Airfreight, a Palo Alto, Cal.-based subsidiary of Consolidated Freightways, was inaugurated April 1, 1985, and expanded to 17 cities by yearend. The service helped Eastern boost cargo revenues in 1985 to $291 million, up 39%.

Eastern also is making a push to sell its System One Direct Access travel agency automation program. SODA was launched in 1981 with three participating airlines.

By 1985, it offered 21 direct access participants, serving nearly 5,000 travel agencies and commercial accounts. SODA is critically important to Eastern. Some 67% of the airline's 1985 business was booked by travel agents, the company reports.

Perhaps the most unhappy consequence of the Eastern acquisition is that the carrier no longer will be an independent force in the industry, says Mr. Marchisano of Janney Montgomery. "I would expect eventually for Eastern to lose its identity."

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazines	$4,399	$3,955
Newspaper	24,078	18,654
Newsp. supp.	34	50
Bus. pubs.	245	232
Network tv	350	2,800
Spot tv	13,420	15,879
Spot radio	14,944	5,708
Outdoor	1,521	2,071
Network radio	147	2,395
Total measured	61,700	51,810
Unmeasured	28,000	24,420
Total	89,700	76,230

EASTERN AIR LINES
Miami International Airport
Miami, Fla. 33148
(305) 873-2211
Marketing Personnel

John Nelson, sr vp-mktg
G.J. Brennan, vp-passenger sales
Paul C. Auger, vp-mktg programs
W.H. Bowie, vp-adv
R.F. Blake, vp-mktg, planning & rsch
Herbert C. Ross, mgr-vacation adv
R.A. deCespedes, mgr-intl adv
Jennifer D. Montague, mgr-business adv
R.A. Wulf, mgr-adv services
Robert J. Bauer, mgr-sales promo

Advertising Agency

Campbell-Ewald, Warren, Mich.—Joseph V. Carle Jr., group sr vp-mgmt supvr; Robert F. Henry, Michael Rogers, sr vps-assoc mgmt supvrs; Dale McAfee, Teri Siepiel, Mark Solomon, vps-acct supvrs; John Brinck, acct supvr.

Campbell-Ewald, Miami-Latin America—Gunther Saupe, sr vp-mgmt supvr; James Power, vp-acct supvr; Maruja Rogers, vp-acct supvr.

Eastman Kodak Co. — rank 35

Rochester, N.Y.

($ in millions)

Worldwide	1985	1984	% chg
Sales	10,631	10,631	0.0
Net income	332	971	(65.8)
U.S.	**1985**	**1984**	**% chg**
Sales	7,102	7,414	(4.2)
Operating profits	501	1,547	(67.7)
Advertising	1,247	1,593	(21.8)
Division sales	**1985**	**1984**	**% chg**
Imaging	8,531	8,405	1.5
Chemicals	2,248	2,464	(8.8)

Eastman Kodak Co. fell prey to judicial rulings, pricing pressures and a strong U.S. dollar among a list of adversities in 1985, and 1986 is not much better.

The company is responding by paring its work force and advertising budget and launching a number of new products, including a 35mm camera that brings Kodak back to that market after a 16-year hiatus.

At least on the financial ledgers, the climate has not changed. Kodak in the first half of 1986 reports earnings of $36.4 million, down from $279.5 million in the year-earlier period, on sales of $5.04 billion, up 10%. The earnings reduction, Kodak says, was because of special charges related to work force reductions, inventory writedowns and writeoffs, and the purchase and redemption of bond issues.

Earnings in 1985 particularly were hurt by a court ruling that barred Kodak from manufacturing and selling instant photographic equipment. The ruling culminated a nine-year patent suit filed against Kodak by Polaroid Corp. Kodak had sold more than 16 million such cameras. Kodak was ordered to pay $494 million in damages.

In February, 1986, Kodak began massive layoffs aimed at reducing its work force by 12,900 by the end of the year. A few days later Kodak dropped McCann-Erickson Worldwide from its agency roster, consolidating the work with J. Walter Thompson USA and Young & Rubicam.

The company also reordered its corporate structure this June with the creation of an office of the chief executive, consisting of Colby H. Chandler, chairman and ceo; Kay R. Whitmore, president and now also executive officer, and J. Phillip Samper, vice-chairman and now executive officer. The three share responsibility for Kodak's five principal business groups and their support units.

Mr. Whitmore will oversee three business groups: Diversified Technologies; Eastman Chemicals Division and Life Sciences Division. Mr. Samper's portfolio includes two business groups: Commercial and Information Systems and Photographic Products, previously the Photographic and Information Management Division.

Kodak, despite adverse economic and marketing conditions, is keeping up a steady march of new products to market. Charles Ryan, vp, fundamental research/consumer durables at Merrill Lynch & Co., counted 50 new products from Kodak in the past year, adding that Kodak can reverse Japanese gains in film and electronics as the dollar weakens against the yen. "Currency is most important since it opens the door for competition in cameras," he says. Kodak recorded 36% of its sales outside the U.S. in 1985.

The bulk of Kodak's sales for the year—$8.5 billion, up 2% for the year—came from the Photographic and Information Management Division. Only weeks after being knocked out of the instant camera market, Kodak introduced the VR-35 line of 35mm cameras. The company planned to sell a million of them in the first year. Chinon Industries of Japan manufacturers the units.

Advertising, begun during the Academy Awards program, bearing an "Aim and shoot it" jingle, was directed at a younger audience than the traditional Kodak target. The line consists of five cameras, with the top one, the Medalist, sold only in camera stores. Others are the K10, K12, K40 and K60 models.

The division also rolled out three new films, the VR-G 100, VR-G 200 and VR-G 400. They were shipped this April. Advertising via JWT touted sharper, brighter, "heavily saturated" color.

The VR-G offerings should stimulate ad support for film in 1986. Measured spending on film in 1985 dropped to $27.1 million from $31.7 million, although spending for film processing rose from only $191,000 to $7.1 million, according to Leading National Advertisers, which reports seven media figures. Kodak holds about 80% of the U.S. film market, while Fuji Photo Film USA has a 10% to 12% share, according to Eugene Glazer, analyst with Dean Witter Reynolds, New York. Agfa-Gevaert, 3M and Konishi Roku are other competitors.

The division also bolstered its disc camera line, which has sold 20 million units, with two new models—the Kodak sele disc, which has a telephoto lens, and the disc 3600, a more economical point-and-shoot model. Telly Savalas pushed the entries in print ads designed by JWT. Ad spending on disc cameras declined from $25 million to $13.9 million. Mr. Ryan of Merrill Lynch says competitive pricing on 35mm cameras erodes the growth of the disc market.

The year marked the first full year of sales of half-inch videotape and 8mm video equipment, the latter being part of the Modular Video System, which includes cameras, 8mm cassette tapes, two 8mm recorders and two tuner/timers. Videocassette tape spending slipped from $7.5 million to $2.9 million.

Known for its small, light format, 8mm is facing stiff competition from JVC Corp.'s vhs format camcorder, which like 8mm weighs in at 2.5 lbs. To 8mm "Kodak will be one of three or four big names," Mr. Ryan predicts.

For commercial and information systems, Kodak introduced its Kodak Ektaprint electronic publishing system (KEEPS) and the Kodak image management system (KIMS) for document storage and distribution. Spending for copiers slipped from $3.4 million to $2.6 million.

In dry-silver technologies, Kodak brought out a new family of disks and disc drives from Verbatim, acquired in May, 1985, for $75 million. First-year ad support for Verbatim flexible discs was $935,000.

This May, Kodak introduced a line of batteries, including the traditional alkaline batteries and a nine-volt lithium cell unit that is said to last twice as long as conventional alkaline ones. Mr. Glazer called this introduction "the major event related to marketing."

Brand recognition from the Kodak logo on the batteries will keep down rollout costs, Mr. Glazer says. He estimates the size of the U.S. battery market at $2.5 billion, led by Ralston Purina's Eveready and Dart & Kraft's Duracell.

Kodak's aim could be for a 15% to 20% market share, he adds. Duracell was backed by $23.8 million in measured spending in 1985, and Eveready (then part of Union Carbide) received $27.6 million, according to LNA measured spending.

Mr. Forte indicated that Kodak would mount a major ad push via JWT for the batteries in the fourth quarter, as well as a Christmas campaign for cameras from J.&B.

ADVERTISING EXPENDITURES

EASTMAN KODAK CO.
343 State St.
Rochester, N.Y. 14650
(716) 724-4000
Corporate Personnel

Colby H. Chandler, chmn-ceo
Kay R. Whitmore, pres-exec officer
J. Phillip Samper, vice chmn-exec officer

MANUFACTURING
Corporate Personnel

William J. Fowler, sr vp-prod mgr, worldwide mfg
Frank D. Zaffino, vp-prod mgr, Kodak Apparatus div
Ronald L. Hindle, vp-prod dpt, Rochester Specialized Prods Mfg
Gordon C. Bitzer, vp-prod mgr, Specialized Components Mfg
R. Frederick Porter, vp-prod dpt, Mfg Research div
Vernon A. Dyke, mgr, Kodak Colorado div

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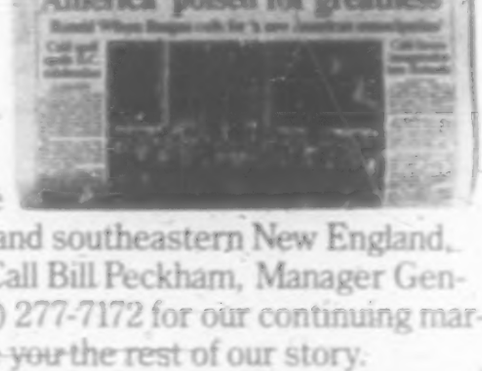
One issue of our Providence Sunday Journal and Providence Journal-Bulletin reaches more than 82% of all the adults in our market. That's more people at one time than any other medium can reach. So, if you want to talk to the people in Rhode Island and southeastern New England, you want to talk to us. Call Bill Peckham, Manager General Advertising at (401) 277-7172 for our continuing market study. And he'll give you the rest of our story.



Providence Journal-Bulletin

Represented Nationally By Cresmer, Woodward, O'Mara & Ormsbee.
Source: Providence Area Continuing Market Study – 1985.

COMMERCIAL AND INFORMATION SYSTEMS
Corporate Personnel
Lawrence J. Matteson, group vp-genl mgr
Edgar J. Greco, vp-genl mgr, business imaging systems div
Charles L. Trowbridge, vp-genl mgr, copy prods div
John R. Robertson, vp-genl mgr, government systems div
C. Harold Gaffin, vp-genl mgr, graphics imaging systems div
William E. Sherman, vp-genl mgr, mktg, graphics imaging systems div

DIVERSIFIED TECHNOLOGIES
Corporate Personnel
Frank P. Strong Jr., group vp-genl mgr
Robert T. Hamilton, vp-genl mgr, clinical prods div & health sciences div
John R. Zeman, vp-genl mgr, mktg, health sciences div
Peter Giles, vp, genl mgr, mass memory div

PHOTOGRAPHIC PRODUCTS
Corporate Personnel
Wilbur Prezzano, group vp-genl mgr
Peter Palermo, vp-genl mgr, consumer prods div
John J. Powers, vp-genl mgr, mktg, consumer prods div
William F. McCarrick, vp-genl mgr, Kodak Processing Labs
William A. Koch, vp-genl mgr, motion picture & av products div
Robert L. Smith, vp-genl mgr, photofinishing systems div
Raymond H. DeMoulin, vp-genl mgr, professional photography div
Robert C. Sharp, vp-genl mgr, U.S. sales div
Thomas E. McGrath Jr., genl mgr-vp, sales
James P. Mosley, president, Ultra Technologies

CUSTOMER & MARKETING SUPPORT OPERATIONS
Corporate Personnel
Cornelius Murphy, sr vp-genl mgr
Robert G. VanDuyne, vp-dir, mktg services
Edward V. Isaac, vp-genl mgr, consumer equipment services
Robert H. Grasloch, vp-genl mgr, distribution

MARKETING COMMUNICATIONS
Marketing Personnel
Michael J. Forte, vp-dir

INTERNATIONAL
Corporate Personnel
John E. Riggs, vp-genl mgr, Asian, African, Australasian region
W. Richard Haines, vp-genl mgr, European region
Albert L. Sieg, vp-genl mgr, Japanese region
Noelle L. Rautenstrauch, vp-genl mgr, Latin American region

Advertising Agencies
Rumrill-Hoyt, Rochester, N.Y.—print trade, audiovisuals, some business, scientific & industrial—Hal Valerio, president-ceo; Richard Thomson, president-coo; Donald Weber, dir-client services; D. Fisher, sr vp-group mgr; Vicki Lewis, vp-assoc group mgr; Robert Davison, vp-acct super; Ralph Somolo, vp-acct super; Mark Redfield, Cheryl Schifino, MacSow-Morgan, acct execs.

J. Walter Thompson USA, New York—amateur film, some business, industrial & technical, photofinishing; Ultrasonic business—Jarrold Goerlich, sr vp-worldwide client service dir; Bonnie Webster, sr vp-acct dir, consumer photo prods; Mitchell Brooks, vp-sr acct super, film, photofinishing; Howard Hegler, vp-sr acct super, C&I; Renata Emerling, vp-intl client service dir; Susan Mintzis, sr acct sup, dsl; Warren Mirsch, vp-acct super, film; Richard O'Leary, acct super, photofinishing; Cynthia Kitsmiss, acct super, Health Sciences; Sandy Meyers, acct sup, photofinishing; Jacqueline Orellac, acct sup, film; Anna Sacco, staff dir, Consumer Systems; sr vp-mgmt dir, Ultrasonic; Marcia Kole, sr vp-acct dir, Ultrasonic; Ivy Rodgers, acct super, Ultrasonic; David Ramos, acct sup, Ultrasonic.

Young & Rubicam, New York—dsm, 35 mm cameras, consumer electronics—Michael Kane, worldwide acct dir; Sandi Kordis, dir-mktg group; Mark Levine, assoc mdse dir, mktg group; Marcia Wasser, acct supvr, cameras & consumer electronics; Claudia Eisen, acct exec, camcrdr; Terrence O'Connor, mgmt super, consumer electronics; James Bogle, acct super, consumer electronics; David May, acct exec, consumer electronics.

Young & Rubicam, Toronto—Canadian photographic & electronics leads—Peter Finlayson, group acct dir; Richard Adams, acct dir; Jonathan Cronin, Stuart Baker, acct execs; Bruce Grondin, media mgr; Garth Hardie, group media dir.

EASTMAN CHEMICAL PRODUCTS
Corporate Personnel
R.W. Bourne Jr., president
Marketing Personnel
G.O. Trotter, sr vp-mktg, Eastman chemical prods
W.L. Torrill, sr vp-mktg, Eastman chemical prods
J.L. Davison, mktg dir, textile fibers
J.C. VanAudenhove, mktg dir-fiber prods
C.B. Fox, mktg dir-new prods div
B.E. Moore, mktg dir, intl
W.T. Ambrogi Jr., dir-chemicals field mktg
F.F. Schrum Jr., dir-plastics field mktg div
A. LaMasna, dir adv
J.F. Horne, mgr-promo
K.P. Lawless, mgr-fibers adv
V.V. Resig, mgr-chemicals adv
J.W. Jones, mgr-plastics adv
H.E. Kerbst, mgr-adv services
Advertising Agency
Leben Reiss Edwards, New York—all prod [illegible], sr exec vp; Sam [illegible], sr exec vp, Randie Goldstein, asst exec.

Kodak and its android machine

Kodak is banking on its just released Ektaprint 300 duplicator and Ektaprint 235 copier-duplicator to build its share in the high-volume end of the $25 billion copier business. The 235 can make 50 copies of 10 pages, shift margin on three pages, erase holes in the margin, copy on both sides and bind the pages in less than two minutes, without any human supervision —more versatile, but not as fast as Xerox. Price is $75,000.

Ford Motor Co. RANK 7
Dearborn, Mich.

($ in millions)

Worldwide	1985	1984	% chg
Sales	52,774	52,366	0.8
Net income	2,515	2,907	(13.5)
U.S.	**1985**	**1984**	**% chg**
Sales	43,526	36,798	18.3
Operating profits	3,830	4,283	(10.4)
Advertising	615	522	17.8

Ford Motor Co., the No. 2 domestic auto maker behind General Motors Corp., continued to diversify, reaching into the financial services, farm machinery and artificial intelligence markets for acquisitions. It also backed the launch of its Ford Taurus and Mercury Sable with its biggest introductory ad budget.

Ford closed the year with an 18.9% share of the total U.S. car market, down slightly from 19.2% in 1984. That was mainly because of production losses from new product changeovers and increased availability of Japanese products. Ford's 12.1% market share in Europe also was down slightly from 13% in 1984 because of increased competitive pressures.

Ford U.S. car sales were up 4.6% in 1985 to 2.07 million units. Ford's highest level in six years. The company's U.S. truck sales were up 9%, reaching 1.27 million units. That represents the highest sales level in seven years and the second-highest volume year in Ford history. The truck share was 26.8%, down from 28% in 1984 because of the delayed introduction of the Aerostar minivan. Fourth-quarter shares rose to 27.5%, when Aerostar was launched.

The new-for-1986 Ford Taurus and Mercury Sable, introduced Dec. 26, 1985, had unit sales of 4,056 and 2,430, respectively, for the last six days of the year and boomed in early For the fourth consecutive year, was the industry's highest-v small car with sales of 420,6 18.9% from 1984. The larges sales increase came from the L Town Car, up 29.4% to 117,60 sold in 1985. But sales of the Ma suffered, dropping 32.7% to units.

Over-all, Ford division repo unit sales increase of 6.6% to 1,3 units. Mercury division sales down 1.6% to 519,059; Lincol were up 9.02% to 165,138 units.

Ford, which increased its me media advertising 17.4% to million, signed a multiyear d April, 1985, with ABC sports for sorship of "Monday Night Fo breaking the domestic-auto-exc hold that GM's Chevrolet divis held for years. Under the Chevrolet remained a sponso Ford and import Nissan spo games on alternate Mondays

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also signed as a major sponsor of Major League Baseball coverage on NBC-TV.

Network tv rose 16.5% to $191.4 million, although spot tv dropped 6% to $37.1 million, according to Leading National Advertisers. Magazine spending came in at $114.7 million, up 18.1%.

Ford continued the diversification strategy begun in 1984, although it lost to GM a bid for Hughes Aircraft Co., El Segundo, Cal. In August, Ford spent $493 million to acquire First Nationwide Financial Corp., San Francisco, the ninth largest savings & loan association in the U.S. That company, with assets of $10.7 billion, was merged with Ford Credit. In October, Ford acquired Sperry New Holland, the world's largest manufacturer of specialized farm equipment, from Sperry Corp., New York, paying $330 million and assuming $110 million in liabilities. A month later, Ford purchased a 10% interest in both Carnegie Group, Pittsburgh, and Inference Corp., Los Angeles, two specialists in artificial intelligence software.

1985 marked another year of finance incentive wars that led to some of the lowest-ever annual percentage rates in the auto industry. Spurred by a softening economy and increased competition from the imports, Ford started the fray by offering 0.6% financing on full-size pickup trucks. Ford and its competitors have countered and recountered to the point where Ford now is offering 5.5% financing.

Ads for Ford's new-for-1986 Aerostar minivan, targeted at affluent, younger families, broke in September on network tv and radio and in newsweeklies, with print drawing comparisons between Ford and Chrysler products. Ford's strategy also involved direct mail to 600,000 owners of Chrysler minivans. Ford would not disclose total ad spending for the minivan, but said it was the most ever for a truck introduction. LNA showed spending of $20.6 million during 1985 for Aerostar.

Ford spent $3 billion to develop and build Ford Taurus and Mercury Sable, its new front-wheel-drive, intermediate sedans that replaced the rear-drive LTD/Marquis series. In December, Ford broke a yearlong $100 million ad blitz for the two cars, its biggest-ever marketing launch.

The vehicles targeted separate audiences. Ford division aimed at a male middle-market group leaning toward domestic cars. Ford also contributed funds and creative help to its 67 dealer ad groups for the launch and more funds for introductory sales promotion and merchandising.

Mercury targeted "achievers," affluent, trend-conscious, well-educated buyers. With Taurus-Sable, Ford hoped to establish a larger presence in the intermediate car market before Japanese importers began to make the sort of inroads they made in the small-car segment.

In December, Ford began formulating new marketing approaches to ethnic groups and other target groups. L-M hired UniWorld Group, New York, to handle black and Hispanic campaigns previously handled by primary agency Young & Rubicam, Detroit. L-M also is looking at assigning a separate women-oriented agency.

Ford also made a major change overseas, picking Y&R to replace J. Walter Thompson Co. for its $50 million account in Germany where its market share has slipped from more than 15% in the 1970s to 10.7% by the end of 1985.

Soon afterward, Kenneth Whipple was named chairman at Ford of Europe, replacing Robert Lutz, who was appointed exec vp-truck operations. Mr. Lutz resigned that post in June, moving to Chrysler Motors as exec vp overseeing international, truck and component business operations.

Philip Benton Jr. was moved to exec vp of Ford International Automotive Operations, from vp-diversified products. Mr. Benton was succeeded by Edwin Williams, from vp-truck operations. Separately, B.J. Coughlan was named vp-sales for Ford of Europe, from executive director-marketing staff for Ford in the U.S., succeeding Gordon MacKenzie, who retired Aug. 1. Succeeding Mr. Coughlan was James O'Connor, from vp-sales and marketing for Ford of Canada. L-M also named to ad manager, Sheldon Wardwell, formerly district sales manager of L-M's Memphis, Tenn., district, replacing Tom Ryan, who left the company.

In July, 1986, Ford and Kia Motors Corp., one of Korea's three largest auto manufacturers, signed an agreement for Ford to acquire 10% of the company for $30 million. Ford will market a Kia-built minicar in the U.S. next spring, keeping Ford in the "captive import" business like GM and Chrysler. Ford also imports the Merkur XR4Ti.

Ford division in late 1985 started a regional marketing strategy, opening new marketing offices on the Pacific coast, in the Southwest and Northeast to work with dealers in developing special products for their area.

Ford expanded its California marketing program to include five states (California, Oregon, Washington, Arizona and Nevada) and reassigned L-M marketing plans manager Ben Lever III to marketing manager of the Pacific coast branch in San Jose.

The Southwest office in Dallas is headed by Steve Lyons, former truck marketing plans manager for Ford truck division.

Gerry Frick, former assistant district sales manager in Memphis, became Northeast marketing manager in Teterboro, N.J.

Ford division's 1986 media spending is putting more emphasis on magazines, both general circulation and women's books, to reach more women. Aside from Taurus, its creative broke little new ground, continuing old themes.

L-M, Ford's upscale division, split 1986 advertising by brand. While most dealers offer all three—Lincoln, Mercury and imported Merkur—L-M separated them with umbrella campaigns for each brand starting in the fall.

The Merkur XR4Ti model was stressed as sporty to distinguish Merkur as a brand name before L-M brings over the $20,000-to-$25,000 Scorpio from Europe in spring of 1987 as the second Merkur.

L-M is considering a regional launch of Scorpio when it arrives, partly because of adjustments made in XR4Ti merchandising after the car had gone on sale nationally in January, 1985. That model was relaunched in September partly because dealers didn't have enough stock when L-M spent all its ad money early in the year. Also, the initial launch went much slower than anticipated.

L-M continued a thrust begun in 1985 to have a more distinct identity from its sister division. It emphasized more regional efforts, using dealer associations, and stepped up efforts to reach women, blacks and young persons.

Part of the strategy was to use popular recording artists in commercials to push the youthful image. Ford ran into hot water, however, with Bette Midler, whose sound-alike sang her hit tune, "Do You Wanna Dance?" for L-M's Sable.

Ms. Midler filed a $10 million lawsuit against Ford Motor Co. and L-M agency Y&R, contending that the Sable ad violates a California law barring unauthorized use of a celebrity's name, voice, autograph or likeness. The case is pending.

As part of a sweeping approach to reaching women car buyers, L-M made yearlong contractual buys in April, 1986, issues of *Ms.*, *Savvy* and *Working Woman*. The division's new plan included increased emphasis on sensitizing dealers to women buyers through training films and seminars at the national dealer show in August; a preapproved credit program via direct mail; a safe-car travel test program for infants, and efforts to provide women and other buyers with more information.

L-M presented this plan to 20 women's magazines in April, 1986, headed by Edsel Ford II, general marketing manager, who caused a stir the previous summer when he said he wasn't sure if he believed women's magazines effectively delivered women's car buyers or not.

The resulting complaints from women's magazines partly accounted for L-M reevaluating magazine buys.

In July, 1986, Ford introduced a souped-up version of its Ranger truck, dubbed the GT, in a limited production run for California. The introductory campaign focused on the small truck's high performance, describing it as "the first sports car that comes with a bed."

The Ranger GT, priced at less than $10,000, is aimed at young people who can't afford the sticker price or hefty insurance premiums associated with high-performance cars. If the vehicle sells well in California, Ford may market it nationally.

Future products in the works include: A Mazda-designed Mexican-built subcompact called Tracer at the rate of 100,000 annually, starting in 1987 and Mazda-designed sporty compact cars at Mazda's Flat Rock, Mich., assembly plant beginning in 1988.

Ford also is considering an inexpensive, two-seat sports car to compete with the Pontiac Fiero in the late 1980s. Also under consideration are a front-wheel-drive small passenger van by 1989 and several four-wheel-drive options for cars and light trucks.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$114,726	$97,103
Newspaper	77,295	62,063
Network radio	1,307	310
Spot radio	5,189	3,930
Network tv	191,372	164,253
Spot tv	37,087	39,300
Network radio	7,625	1,525
Spot radio	14,893	10,787
Outdoor	3,222	2,174
Network cable	6,068	6,850
Farm pubs.	3,026	3,113
Total measured	461,513	391,403
Unmeasured	153,087	130,953
Total	614,600	521,356

FORD MOTOR CO.
The American Road
Dearborn, Mich. 48121
(313) 323-2000

Corporate Marketing Personnel

J.G. O'Connor, exec dir-mktg
D.T. McOsh, adv and mktg svcs dir
R.O. Reynolds, mgr-corp adv
F.R. Wallner, mgr-adv communications

Advertising Agency

Wells, Rich, Greene, New York—James B. Lawrence, sr vp-managing dir, Detroit.

FORD DIVISION

Corporate Personnel

R.L. Rewey, vp-genl mgr

Marketing Personnel

P.M. Novell, genl sales mgr
B.A. Koehler, exec asst-dealer affairs
R.H. Roberts, genl mktg mgr
R.C. Olsen, truck sales promo mgr
J.B. Vandersee, adv mgr
R.J. Gilhooly, car adv mgr
D.S. Cook, Jr., merch mgr
D.M. Pohlod, car sales promo mgr
J.D. Oldfield, training communications m
J.H. Merrifield, heavy truck sales mgr; tr operations
D.D. Litchfield, heavy truck adv-mer mgr, truck operations

Advertising Agency

J. Walter Thompson USA, Detroit—Pe Schweitzer, exec vp, Detroit office mgr; T Cronin, sr vp-exec creative dir; Bill W liams, sr vp-Ford acct dir; Larry Mastro, truck mgmt super; Hugh Trenkamp, sr group mgmt dir; D. Sinclair, sr vp-mg super, cars; Tom Healy, sr vp-media dir.

LINCOLN-MERCURY DIVISION

Corporate Personnel

Thomas J. Wagner, vp-genl mgr

Marketing Personnel

T.D. Miguenetti, genl sales mgr
E.B. Ford II, genl mktg mgr
Sheldon E. Wardwell, adv mgr
Carl Bergman, merch mgr
Chuck Schneider, major mkt. dealer e mgr

Advertising Agencies

Young & Rubicam, Detroit—Ruby H rington, exec vp; Glenn Y&R USA, Natio group—William A. Power, exec vp-g mgr; Charles Riley, sr vp-group dir, L- division; Ken Ford, sr vp-dir of media, tions & planning; George Bek, vp-mg ager, Merkur; Timothy J. Cooney, mgmt super, Lincoln luxury; Timothy Hart, vp-mgmt super, Mercury; Kathlee Fieger, sr acct exec; Sandra A. Rowla Colleen K. Cleary, David A. Hudson, acct execs.

UniWorld Group, New York—Ferm Pierrot, vp-dir mktg.

FORD PARTS & SERVICE DIVISIO

Corporate Personnel

J.A. Kordick, genl mgr
L.R. Misiakowski, natl service devel

Marketing Personnel

K.W. Myers, prod & mktg mgr
L.K. Dwiggins, mktg mgr
R.J. Leuchs, adv & sales promo

Advertising Agency

Young & Rubicam, Detroit—Robert S ing, vp-mgmt super; Carol Cannestraro, super-parts & service; Steve Hamilton, J Scales, asst execs.

NORTH AMERICAN SALES OPERATIONS
FORD TRACTOR OPERATIONS

Marketing Personnel

R.F. Moglia, vp-genl mgr
G.A. Cowl, asst genl mgr-sales & mktg
R.J. Nicolazzi, genl operations mgr
E.S. Hauri, genl sales mgr
J.A. Fuker, mktg mgr
A.H. Pridgeon, adv & sales promo mgr

Advertising Agency

Meldrum & Fewsmith, Southfield, M —Jack Bryan, exec vp; Rol Krause, sr exec; Robert Drake, asst exec.

FORD MOTOR CREDIT CO.

Corporate Personnel

R.L. Feesemacher, exec vp-North Am can automotive financing operations
C.B. Rosenberg, business devel mgr-dive field operations

Marketing Personnel

R.E. Mazur, vp-mktg
M.I. Auld, mktg & business devel mgr
W.E. Bechard, mktg & operations consumer loan operations

Advertising Agency

Wells, Rich, Greene, New York—J McKay, exec vp-mgmt group head.

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General Mills 14

Minneapolis

($ in millions)

Worldwide	1985	1984	% ch
Sales	4,587	4,480	2
Net income	160.5	142	13
U.S. advertising	484	452	7
Division sales	**1985**	**1984**	**% ch**
Consumer foods	3,081	2,771	11
Restaurants	1,093	1,140	(4
Specialty retail	414	570	(27

General Mills spent much of 1 digging itself out of a financial b after a dip into the retailing and res rant businesses left it overextended. Early in 1985, it spun off its toy b new and solid chunks of its retail b and sold the unsuccessful restaur properties.

The remaining operations w

streamlined, including the restructuring in November of its consumer foods unit to become more strongly focused on major growth businesses and to capitalize on growth opportunities.

Fiscal results have proved responsive: A 7% increase in fiscal 1986 sales and a 59% improvement in net income from continuing operations.

Mark Willes, former exec vp-chief financial officer, was named president, a post that had been vacant for three years since H. Brewster Atwater was named chairman-ceo in 1982.

Mr. Willes' c/o duties were shifted to F. Caleb Blodgett, the company's vice-chairman, who also added the chief administrative officer title after Donald Swanson, also a former vice-chairman, left the company in 1983.

Additionally, General Mills split its consumer foods group, which accounts for 57% of total sales, into two segments: Grocery products and convenience/international foods. The move will bring more personalized attention to General Mills' brands, analysts say.

Arthur Schulze now is president of grocery products, including the Big G cereals, Betty Crocker dessert and baking mixes, Helper dinners and potato mixes, Gold Medal flour and other lines.

Steven Rothschild is now president of convenience and international foods, both considered major growth areas by the company. His unit includes Gorton's seafoods, Yoplait yogurt, snacks and international operations as well as new food segments.

Joe Lee remains president of the restaurant group, and David Waters still oversees specialty retailing.

In addition to those moves, General Mills made Stephen Warhover, vp-general manager of the company's "wholesome snack" business, president of Gorton. General Mills expects to see the Gorton's brand grow by 15% over the next five years.

Mr. Warhover is responsible for General Mills' commanding lead in the $195 million dried-fruit snack category, where its Fruit Corners brand holds a more than 75% share. Its Nature Valley line of granola bars holds a 23% share of the $438 million granola bar segment.

The company added Nature Valley Boppers with a $25 million tv (22-week flight); print and coupon effort in December. The product has a peanut butter center with a chocolate crunchy coating.

Fruit Corners Fruit Wrinkles, a dried fruit product shaped like a coffee bean, rolled onto grocery store shelves this summer in an effort to combat Thomas J. Lipton Inc.'s Fun Fruits dried fruit pellets. Fruit Wrinkles debuted with $24 million in coupons, print, network tv and cable tv support.

One food segment the company has focused on is the $4.7 billion ready-to-eat cereal market. General Mills, with a 24% market share, holds the No. 2 position behind Kellogg Co.'s 43% share. Big G threw more than $70 million into advertising and promotion for three new cereal products during the first three months of 1986, more new cereal products than it introduced in all of 1985.

In January, Big G launched Raisin Nut Bran, followed by Rocky Road children's cereal in February and Circus Fun, another presweetened entry, in March.

All three cereals received network tv and couponing, but General Mills tried an unusual approach to selling cereal with Rocky Road. The company bought network radio time on syndicated Top 40-type programs in an attempt to reach teen agers.

Last year, Big G added Pro-Stars cereal in Canada, leading with a $1.5 million campaign featuring Edmonton Oilers' superstar Wayne Gretzky.

Capitalizing on the calcium phenomenon, General Mills added calcium to its Gold Medal flour. Promoting the formula change was limited to the packaging.

Betty Crocker was busy in the kitchen last year, whipping up new cake varieties, box meals and popcorn. Betty also got a "face lift" early this year, her seventh since her debut in 1936. The $1 million effort gave Betty a softer hair style and dressed her in a business suit.

Pop Secret popcorn entered the $400 million popcorn category with a $15 million advertising effort. The move was part of General Mills' plan to establish beachheads in new parts of the grocery store.

Advertising for Betty Crocker's Cake Lovers' Collection features cartoon character Cathy tooting the cakes as "A new obsession." The cakes combine flour mix with dried ingredients in a resort pouch for a chunkier mix.

Also new last year was Twice Baked Potatoes, a box mix that received print and coupons from agency Campbell-Mithun, Minneapolis.

This fall, General Mills will spend $23 million on the national introduction of Betty Crocker Oriental Classics, a line of oriental boxed dinner mixes similar to its Hamburger, Chicken and Tuna Helper products. Network tv, coupons and magazines will support.

The company has aggressive expansion plans for its restaurant chains, Red Lobster, LeeAnn Chin and Olive Garden. GM added 20 Red Lobster units this year, and plans another 25 per year until 1990, when it's projected there will be 500 Red Lobster seafood units around the world.

Olive Garden, the company's Italian restaurant concept, is to grow from 14 to 115 units by 1989, General Mills says. LeeAnn Chin's, a full-service, takeout, deli, Chinese food concept, is to expand into a second major market beyond its Minneapolis/St. Paul base this fiscal year. There are three full-service units and five deli-takeouts, all in Minneapolis/St. Paul.

General Mills' divestiture plan left it with only one specialty retailing unit, Talbots, which sells high-quality, classic women's apparel. The company added petite sizes last year, helping boost sales by 44%. Talbots had 59 stores operating at yearend.

General Mills' restaurant unit shifted the $35 million Red Lobster Inns of America account to Grey Advertising, New York, from Backer & Spielvogel, New York, in November, 1985. In April, the company also gave Grey the York's Choice account, formerly with Meldrum & Fewsmith, Cleveland.

GM's U.S. Food division in July shifted the $15 million Yoplait yogurt account to Needham Harper Worldwide, Chicago, from DFS/Dorland, New York. The shift included Yoplait's new soft frozen yogurt, vetting in selected markets.

ADVERTISING EXPENDITURES

($ in thousands)	1985
Magazine	$24,804
Newspaper	1,592
Network radio	1,080
Spot radio	607
Network tv	114,372
Spot tv	122,674
Network radio	2,030
Spot radio	3,826
Outdoor	358
Network cable	12,702
Total measured	284,140
Unmeasured	200,000
Total	484,140

GENERAL MILLS
9200 Wayzata Blvd.
Minneapolis, Minn. 55440
(612) 540-2311
Corporate Personnel

H. Brewster Atwater, chmn
Mark Willes, president
F. Caleb Blodgett, vice-chmn.
Walter R. Berry, exec vp, consumer foo
Arthur Schulze, president, grocery prod
Steven M. Rothschild, president, co
nience & intl foods
David Murphy, vp-gnrl mgr, mktg services
Joe R. Lee, president-restaurant group

Why, It's Mary Richardel

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GRPS 519

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Marketing Personnel

Robert J. Blake, division services, consumer foods
Pat W. Hoch, division services, consumer foods

Advertising Agencies

Ewell & Jacobs, Minneapolis—named Anthony Miller and Mary Schoffmann vice presidents.

Campbell-Mithun, Minneapolis—Big G cereals (Cinnamon Toast Crunch, Crispy Wheat 'n Raisins, Bar-Wheats, Golden Grahams, S'mores, Raisin Bran, Nature Valley granola, Betty Crocker potatoes, Pop Secret popcorn, S'mores Crunch)—Madeleine Smith, vice president, senior broadcast supervisor, named Bruce Sutherland, vice president, senior producer; Nature Valley—Lee Weaver, account supervisor; Colleen Ryan Rosengren, regional vice president, account supervisor; Kate Richardson, account supervisor; John Poeth, account supervisor.

Dancer Fitzgerald Sample, New York—Big G cereals (Cheerios, Kidberry Nut Cheerios, Total, Kix, Trix, Lucky Charms, Cocoa Puffs, Monster Cereals, Pac-Man, Cocoa Fun, Raisin Nut Bran, new product, Gold Medal flour, Gold Medal Wheat Wheat cereal flour, Fiber One cereal—Dwight Bayus, regional director, Marlene D. Sosnowski, regional supervisor, Anne Klingler.

Dancer Fitzgerald Sample, San Francisco—Kenny Crocker, associate media director, Wheat Thins, Ice Juniel, LaPrise—Brian Burns, regional supervisor.

Gary Advertising, New York—Lorraine Ives, York's Choice.

Hill, Holliday, Connors, Cosmopulos, Boston—Talbots—Pip Cook, regional supervisor, Kathy Sharpless, account supervisor, Diane Dodder, account executive.

Laurence, Charles, Free & Lawson, New York—Cotton Club, Market Fresh—Susan Kreuter, account executive.

Needham Harper Worldwide, Chicago—Tropical yogurt brands, Betty Crocker dessert mixes, Bisquick, Post Cereals (Post Raisin Oat Bran, Post Bran Selects, Post Fruit Wrinkles, new main meals, new instant meals, Sun-Ox, Wheaties, Hawaiian gel, Chicken & Tuna Helper, Tropical yogurt, Chi-mod Classics bread dinners—Kim Bens, senior vice president, director, account management; Karen Wagenknecht, regional vice president, account supervisor.

Rod Baynes Inc./Midwest Advertising, Minneapolis, Minn.—Southwinds—Del Young, regional supervisor, Susan Vanhecke, account executive.

Westinghouse, Cleveland—Cotton's Blue Water label frozen seafood—James S. Wasserman, account executive.

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General Motors Corp. 5

Detroit

	1988	1987	% chg.
Sales	86,374	83,568	3.4
Net income	3,963	4,224	(6.2)
U.S.	1988	1987	% chg.
Sales	81,098	77,731	4.3
Operating profits	4.4	5.4	(18.5)
Advertising	776	731	6.2
Division sales	1988	1987	% chg.
Automotive	66,377	63,534	4.5
Nonautomotive	1,799	1,778	1.2
Delco	3,245	3,121	4.0
Hughes	3,475	3,181	9.2

General Motors Corp. entered a disgrace phase in 1987 after a spate of multi-billion-dollar acquisitions ending with the purchase of satellite and aerospace specialist Hughes Aircraft Co. on Dec. 31, 1985.

The harvest of El Segs' six Cal-Electro Hughes capped this multi-billion-dollar buying spree, in which GM also picks up Electronic Data Systems, Dallas, and several small machine-vision and emerging-technology companies, which will give it access to technology that might be adopted into vehicle production as well as some revenue not dependent on the cyclical auto industry.

The cyclical and competitive nature of the industry left the auto marketer with a 14.9% growth in sales but a decline of 11.5% in earnings in 1985, the latter affected by cut-rate financing incentives that sliced margins, and cost of installing new technology to enhance competitiveness.

Those factors continued to hold down financial results into the first half of 1986. Earnings for the six-month period dipped 8.3% to $2.04 billion, on revenues of $54.45 billion, up 11%.

Slimming down, restructuring and integrating acquisitions continue to be major concerns of management. One year as Chairman Roger Smith's meticulous efforts to mould the company into his vision of a "21st century corporation" filters down to middle-management level, the toughest act, and as GM at times seems to be struggling to implement an sweeping reorganization begun in early 1984.

Led by Wall Street stock analysts who once assailed GM execs for being too shortsighted, critics by the spring of 1986 began to lambast GM top brass as too preoccupied with restructuring to protect the auto maker's slipping market share.

They also were concerned that high capital spending was cutting into profitability.

General Motor's share of the car market fell to 42.19% in 1985 from 44.64% in 1984. GM's sales gained $1.193 to 4,582,507 in 1985, but failed to keep pace with a 760,000-unit rise in the total car market to 11.89 million. Pontiac was the only division to post a share gain in 1985, from 6.8% to 7.2%. Oldsmobile and Chevrolet improved unit sales slightly but lost share in the strong market, down 0.5 points to 9.8% for Oldsmobile and off 0.8% to 14.5% for Chevy.

Buick and Cadillac suffered unit sales declines, with their share dropping 0.3 points to 2.8% for Cadillac and 1.3% to 7.3% for Buick as its sales plummeted from 919,904 in 1984 to 851,231 in 1985.

GM brass countered by saying the internal makeover and heavy investment in technology and modernization is necessary if GM is to keep its No. 1 position into the next century.

But GM made several cost-cutting moves that analysts called concessions to market pressure. GM cut back capital spending, it centered on delayed some advanced product programs, such as the plastic-bodied Saturn-Fiero-Firebird replacement, nine-car A-body and mixed engine developments.

GM dropped some plans temporarily because of reduced sales volume projections on some programs, like CK900, the code name for the late-'90s midsized series to replace conventional specialty models.

Even Saturn Corp., GM's new subsidiary designed to develop new methods of designing, manufacturing and marketing a small U.S.-built car by 1990, was not immune from the belt-tightening.

Saturn planned investment was reduced, "although not enough to significantly harm the project," a spokesman says.

And president F. James McDonald said in August, 1986, that Saturn's much-ballyhooed Spring Hill, Tenn., complex of up to six separate assembly, engine and components plants would be phased in rather than to explode by the start of production in 1990.

Emerging trends in GM marketing included continuing efforts to squeeze additional efficiency and effectiveness out of GM ad-dollars, a buildup in GM's internal marketing capabilities and a swing to regional marketing. The squeeze came to GM mainstay ad agencies when the company reduced commissions paid to about 13%.

Robert T. O'Connell, vp-marketing and product planning staffs, boosted GM's internal media and research capabilities by hiring Philip Guarascio and Vincent Barabba. Mr. Guarascio, who ran the media department at Benton & Bowles, New York, was hired Oct. 1, 1985, as exec director of ad planning services. Mr. Barabba, a two-time head of the U.S. Census and Eastman Kodak's director of marketing intelligence, came aboard simultaneously as executive director of research services.

Together, they were charged with developing "GM's vision of the future" in marketing. Mr. Guarascio's office took over coordinating GM divisional advertising and media negotiations, although each division's agencies continued to make the actual media purchases, a tactic aimed at improving GM's bargaining clout without damaging its agencies. Mr. Guarascio denied considerable speculation that GM would eventually take media buying in-house.

GM intensified pressure on all media for lower rates and other concessions, including a concerted push on magazines starting in the fall of 1985.

Results were mixed. GM often won its multiyear, rate-guarantee contracts but less frequently on rates based on model years than calendar years and other demands.

General Motors' "factory" contributions to dealer ad associations (groups of same-brand dealers in individual markets) rose slightly to an estimated $307 million in 1985. The total, significantly smaller than the dealer's individual kick-ins to the association funds, is included in the charts as measured media spending.

The brightest spot among GM's car divisions in 1985 and early 1986 was Pontiac, with a host of better things to come for Chevrolet, the other small-car specialist in GM's brand family.

Chevrolet, with a goal of regaining a 20% share of the U.S. passenger car market, entered the 1986 model year with a big-car, small-car strategy. Robert Burger, vp-general manager, told Chevy needed to sell 1 million larger cars led by "new" versions Celebrity and Cavalier and another million units of small cars. Chevrolet's 1986 small car stable encompassed the U.S.-built Cavalier and the aging Chevette and Opel Japanese vehicles: tiny Sprint imported from Suzuki Motor Co., Spectrum from Isuzu Ltd. and Nova, a rebadged Toyota Corolla assembled in California from New United Motors Manufacturing, the GM-Toyota joint venture.

The latter three, previously sold only regionally because of import quota or supply restrictions, were debuted in October, 1985, with an "international auto show" ad campaign, continued in the import-dominated West and expanded from the division's "Today's Chevrolet" theme. The campaign was designed to inform youthful prospects that Chevy had imports and to shed a large-car image among the young.

Sales, especially of Nova, lagged and the campaign was dropped in early 1986.

Two other major marketing programs unveiled for Chevy in the 1986 model-year. One was a huge effort to target women buyers, with Chevy becoming a leader in this emerging national trend among auto marketers. Chevy agency Campbell-Ewald, Warren, Mich., aimed few commercials only at women in terms of creative content. A 1984 Chevy "point track" magazine ad and research showed women married being screened from the mainstream that way.

But Chevy restructured its media buying for 1986, deemphasizing to sports in favor of more prime-time and news daytime and buying more "active women's" magazine space. Chevy beat Ford Motor Co., Chrysler Corp. and other GM divisions to the punch by being the first to offer preapproved credit through GM's financing arm via a mail-in coupon that was part of a campaign in Cosmopolitan.

Another major effort was into regionalized advertising, which Chevrolet has been experimenting with since 1984 when it assigned part of its national budget to Ally-Gleason & Putnam, Los Angeles, for a California effort.

By the spring of 1986, Chevrolet and Campbell-Ewald had reorganized their regional offices and had regional campaigns in place for Texas and the Northwest. Chevy's regional efforts were budgeted to receive up to $250 million in calendar 1986, not including the normal factory contributions to dealer ad associations.

Pontiac, with 27-story Missouri Benton & Bowles' "We build excitement" theme well established and more product to match the youthful, sporty imagery, has gone from corporate goat in 1982 to corporate hero. Pontiac has GM's youngest and best-educated median buyer and is challenging Buick for third place in unit sales within GM.

For the second season, Pontiac concentrated nearly all its advertising on the division's image cars. They were broadened beyond Fiero, Sunbird, Firebird and 6000 by the arrival of midsized specialty Grand Am, which quickly exceeded sales expectations at Pontiac.

While sister cars Oldsmobile Calais and Buick Somerset lagged, Grand Am has gone from an initial 20% of the N-car production to half.

Pontiac marketing efforts reflect its image. In January, 1986, the division launched a $4.5 million California regional campaign, its third annual and largest yet. It was coordinated by D'ARCY-MASIUS with dealer group agencies Sawdon & Bess, Los Angeles, for Southern California and Craig & Hasbrouck, Sacramento, for the north. The campaign was heavy on outdoor boards done in hot pastels, spot tv, radio and 130,000 California direct mailings.

A separate $4 million spring campaign aimed at 18 to 24-year-olds broke in March, 1986. The campaign was concentrated on 300 college campuses. Tv, radio and print were bolstered by concert tie-ins and a tie-in with a General Motors Acceptance Corp. mailing to 800,000 graduating college seniors.

Advertising gains in the '80s Buick division faltered in 1985. Executives placed some blame on lack of product because of slow startups on all-new versions of the LeSabre and Riviera, but by the summer of 1986 were enthusiastic the emphasis put on youthful, sporty cars like the performance T-type versions of more models that seemed to be confusing traditional luxury-minded buyers.

Buick continued experimenting with a variety of unconventional marketing tools, usually coordinated through its Marketing Through Technology de-

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[illegible] Telemarketing, product information computer displays in airports and shopping malls, and electronic lookups between headquarters and dealers are already in place. Meanwhile, Buick explores ways to influence consumers at the stage when a new car is being weighed against vacations, appliances and electronic entertainment devices.

Oldsmobile division widened the gap between its sales and Buicks with another million-unit year in 1985, good enough for third among all brands in the U.S. behind Chevrolet and Ford division.

Oldsmobile continued its consistent mainstream advertising that has created one of the strongest marketing images in GM's stable. Under the 1986 reorganization concept, Oldsmobile's assigned place is guarding the upscale, conservative sector. Even with orders for all divisions to seek more distinct marketing images, Olds has been able to do so by not moving with the market as it swings to more expressive, sportier styling.

Cadillac division, which like Buick has had to move its image further, enjoyed a successful 1985 model year but was down in the '86 model year despite continued improvement in the luxury segment. Cadillac still dominates the 1.1 million unit top of the market with a nearly one-third share.

But European and for the first time Japanese imports continue to target luxury and near-luxury buyers in the U.S. New additions like the Acura Legend hunting, due in early 1987, keep coming. And Ford's Lincoln gained strength, in part because of more distinctive styling.

A September, 1985, commercial from Lincoln-Mercury agency Young & Rubicam was effective in playing on Cadillac's perceived styling sameness. It portrayed country club patrons and parking valets being unable to tell the difference between black Cadillacs, Buicks and Oldsmobiles. Cadillac fought back on two fronts, while mentally, Cadillac designers reworked future products to provide more distinctiveness.

Seeing traditional buyer portions of the population start to turn to imports for a taste of the exotic, Cadillac planners sought a new class of hunting traditionalists. Hispanics are a rapidly growing group with increasing wealth and a pro-family orientation that shows preference toward larger cars. Cadillac is trying to tap that market, especially with Spanish-speaking immigrants who might choose a Cadillac as a symbol of American success.

Cadillac launched a special effort in Florida in November, 1985, with its all-new Eldorado and Seville models, aimed at Hispanics. A separate, but related campaign tied pitch, an upscale sports targeted by the division since 1985, as the U.S. was paid by Britain's polo-playing Prince Charles.

Cadillac's other major effort is paving the way for the late 1986 arrival of the Allante, its first "import," first two-seater, first sports car and, at an expected $50,000, most expensive model ever. The Allante was designed by Italian coach maker Industrie Pininfarina, based on a U.S. chassis and power train. The bodies will be built in Italy and airfreighted to Detroit for final assembly.

While the Allante's projected volume is only about 4,000 a year, Cadillac is counting on Allante to cement the divisional marketing image more firmly upscale and position Cadillac as a more serious competitor against Mercedes-Benz, BMW and Jaguar in the super-luxury end of the market.

ADVERTISING EXPENDITURES

[illegible]	[illegible]	[illegible]
Magazine	$107,220	$96,666
Newspaper	68,970	69,259
Network spot	22,964	900
Spot radio	9,832	11,155
Network tv	209,896	233,446
Spot tv	49,067	50,223
Network radio	9,034	6,760
Total radio	27,942	33,826
Outdoor	3,653	3,176
Network cable	4,729	3,107
Spot cable	1,993	1,912
Total measured	346,668	422,887
Unmeasured	212,330	189,559
Total	559,000	611,446

CADILLAC MOTOR DIVISION
Marketing Personnel

R.T. O'Connell, vp
Philip Guarascio, exec dir-adv services
J.W. McNulty, vp-pr
A.E. Smith, dir-corp communications
W.G. Quigley, genl dir-media & community relations
C.D. Werrott, dir-media relations
J.W. Cetin, dir-U.S. regional operations
R.L. Thies, dir-intl

Advertising Agency

W.W. Ayer, Detroit—Robert Kingsbury, sr vp-managing dir; Richard N. Primo, sr vp-mgmt supvr; Stephen Stepanek, vp-acct supvr; Zachary Worrell, vp-acct supvr; Thomas Vetter, vp-creative dir; Randal D. Schroeder, vp-media dir

CHEVROLET MOTOR DIVISION
Marketing Personnel

R.D. Burger, vp-genl mgr
E.W. Barr, genl sales & service mgr
T.A. Knuth, genl mktg mgr
W.H. Erdman, asst genl sales mgr
J.W. Kelley, mktg mgr-trucks
D.K. Colliver, mgr-passenger car adv
R.J. Cramer, dir-pr

Advertising Agencies

Campbell-Ewald Co., Warren, Mich.—Robert "Bud" Schirmer, exec vp-agency dir of client services; William J. Tausch, exec vp-acct dir; John Barczyk, group sr vp-group mgmt supvr, truck adv & merch; Thomas R. Boyd, John B. Hammond, sr vp-mgmt supvrs, truck adv & merch; Donald D. Williams, group sr vp-group mgmt supvr, passenger car adv; Richard A. Easterman, James E. Fite, Milton J. Sandling, sr vp-mgmt supvrs, passenger car adv

Wm. Olesen & Partners, Inc. Advertising, L.A.—adv for Cal., Wash., Oregon, Nev.—Wm. Olesen, partner; Eric Davison, partner; Irwin Davis, partner; Bill Donaldson, partner

PONTIAC MOTOR DIVISION
Pontiac, Mich.
Marketing Personnel

J. Michael Losh, genl mgr
E.W. Schlesinger, genl sales mgr
H.S. Christie, asst genl sales mgr-field
R.J. Sherman, asst genl sales mgr-service
R.E. Benson, div-mkt planning
C.A. Carey, adv mgr
E.H. Smith, merch mgr
W.J. O'Neill, dir-pr
J.H. Cranson, div-productions & communications

Advertising Agency

D'Arcy, Winston, Bertram & Bowles, Bloomfield Hills, Mich.—Robin Smith, deputy managing dir; D. Mark Gawle, sr vp-mgmt supvr; Stephen Kosciu, exec vp-exec creative dir; Mike Valiante, vp-acct supvr; Art Bean, acct supvr; Dan Halliday, sr acct exec; Bob Nichols, Terry Reed, Steve Brown, Jon Holman, acct execs

BUICK MOTOR DIVISION
Marketing Personnel

E.A. Wertz, vp & genl mgr
W.J. Gilmore, genl sales mgr
D.E. Clark, asst genl sales mgr-admin
F.H. Dargin, asst genl sales mgr-northeast
R.D. Adams, asst genl sales mgr-central
J.J. Fuerher, asst genl sales mgr-southeast
F.H. Dargin, asst genl sales mgr-midwest
W.K. Ramsey, asst genl sales mgr-west
R.E. Guerra, asst genl sales mgr-fleet/assistance center
L.D. Rollins, asst genl sales mgr-service
H.E. Savage, Jr., div-adv
T.W. Edwards, adv mgr-special projects
L.A. Nale, asst adv mgr
T.L. Post, dir-pr

Advertising Agency

McCann-Erickson, Troy, Mich.—Gerald C. Atkin, exec vp-genl mgr; Jan D. Barr, sr vp-mgmt supvr; James L. Ramsey, sr vp-exec creative dir; W. Jens Schweikart, exec vp-dir, media services; Richard A. Hill, vp-mgmt group acct supvr; Harriet W. Randall, vp-acct supvr-collateral; Jan L. Wozniak, sr vp-dir, strategy devel & mrkt; Barbara J. Gaston, vp-pr coord; James Moore, acct supvr-mktg group; Keith Wandish, acct supvr-mktg devel group; Helen Seligman, assoc media dir; Patrick Simmons, sr acct exec-local group; Toni Ralph, sr acct exec-local; Robert Cleary, acct exec-tactical group; Cathy Thompson, acct exec-collateral group; Gary Kapolka, regional mktg exec-Detroit; Brent McCutcheon, regional mktg exec-Chicago; Bill Wardlaw, regional mktg exec-Atlanta; Mike Wiechert, regional mktg exec-New York; Ron Blanquera, regional mktg exec-Dallas; Tom Wartmann, regional mktg exec-Los Angeles.

CHEVROLET DIVISION
Marketing Personnel

W.W. Lane, genl mgr
C.W. Moore, genl sales mgr
D.L. Wrench, asst genl sales mgr-admin
F.D. Axtell, asst genl sales mgr; R.E. Jarboe, mktg dir
R.J. Billings, adv mgr
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Advertising Agency

Lee Burnett Co. of Michigan, Southfield, Mich.—John C. Ryan, exec vp-gen'l mgr; Roger K. Bailey, vp-asst super; Michael O'Neal, vp-asst super; Joseph P. Henry, vp-media dir; William Swint Jr., vp-mktg & merch super; Roger Bunn, vp-creative dir; Edwin Scully, vp-office mgr; secty-treasurer; Lawrence Davie, Randall Lewis, asst execs.

CADILLAC MOTOR CAR DIVISION
Marketing Personnel

J.O. Crettenberger, gen'l mgr
P.R. Cerrone, gen'l sales mgr
W.R. Lewellen, asst gen'l sales mgr-service
E.R. Torre, asst gen'l sales mgr-mktg
J.H. Kitzmiller, asst gen'l sales mgr-fleet personnel
P.J. Lewin, dir-merch
S.J. Perelli, dir-p
R.L. Furbush, asst gen'l sales mgr-admin

Advertising Agency

D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.—Robin Smith, deputy managing dir; Alex Worton, sr vp-mgmt super; Stephen Lapchia, exec vp-exec creative dir; Neil Sale, vp-group exec super; John Johnson, vp-exec super; Tim Cranca, asst exec; Keith Ulrich, asst exec; Dan Brennan, asst exec; Lori Wackerman, asst mgr.

THE BUICK & OLDS DIVISION (GMC Truck)
Marketing Personnel

Charles Gallo, GM vp-mark & bus group exec
Alexander A. Cunningham, GM exec vp
John D. Rock, mgr-GMC truck operation
Duncan A. Brodie, gen'l dir-GMC truck sales
Richard Weston, mktg dir
James E. Wenzel, merch mgr
Donald C. Pass, dir-p
Candace W. Robbins, mgr-adv

Advertising Agency

WunCum-Erickson, Troy, Mich.—Gerald C. Wunderlich, exec vp-gen'l mgr; James L. Ramsey, sr vp-exec creative dir; Ronald F. Causa, sr vp-mgmt super; Steve Olson, vp-asst super-tactical group; Warren W. Schemm, asst super-brand level group; W. Brian Schweitzer, sr vp-dir, media services; Jan L. Wozniak, sr vp-dir strategy devel & tech; Barbara J. Gaston, vp-sr coord; Gary Wichon, vp-grp creative dir; Edward A. Berg, vp-assoc media dir; Michael Fearons, sr copywriter; Wayne Graydon, sr art dir; Eli Greenbaum, Keith Dickinson, copywriters; Patti Aberlich, media planner; Chuck Sidler, assoc dir-research.

CHEVROLET MOTOR DIVISION
Detroit, Mich.
Marketing Personnel

W.R. Peters, gen'l dir
J.T. O'Connor, sales mgr-west
R.D. Segalini, sales mgr-east
C.S. Wagner II, sales mgr-central
E.W. Green, sales mgr-admin
E.J. Carey, sales mgr-fleet, devel & services
D.E. Poole, dir-p

Advertising Agency

D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.—Theodore Degarmo, exec vp-mgmt super; W. Harrington, vp-sr vp communications; Karen Ayala, Cathy Worgan, Scott Hayes, asst execs.

CHEVROLET MOTOR DIVISION ACCESSORIES CORP.
Marketing Personnel

K.F. Murphy, chmn
D.G. Penner, group vp-mktg
C.A. Braun Jr., vp-public affairs & adv

Advertising Agency

Campbell-Ewald, Warren, Mich.—Richard O'Connor, chmn-exec P.A. Daw, president.

CHRYSLER CORP.
Troy, Mich.
Marketing Personnel

R.G. LaFleur, president
M.G. Middlebrook, vp-mktg
Judith Werriott, dir-communications

GE/RCA reunite

RCA Corp.'s link to GE runs back to 1919, when RCA was formed at the urging of the U.S. Navy, which wanted independence in U.S. communications. GE, which held patents to long-distance transmission equipment, was RCA's first major shareholder, partlaying that into an ownership position. The RCA Radiotron II crystal set introduced in 1922 was manufactured by GE. In 1932, RCA became independent when the government forced the separation of RCA and GE. The GE memory lingered on, however, in the NBC chimes—G.E.C.

Future
24
GE/RCA
New York
(Dollars in millions)
Worldwide 1985 1986 % chg
Sales: 37,2577 38,018 11.7
Net income: 3,7081 3,921 13.2
U.S. 1985 1986 % chg
Sales: 35,1060 20,869 13.3
Operating profits: 3,5586 3,350 7.16
Advertising: 1772 446 (10.4)
Division sales 1985 1986 % chg
Electronics: 4,851 4,942 11.9
Entertainment: 3,405 3,593 13.8
Communications: 425 417 11.9
Transportation: N/A 1,440 N/A
Other: 291 318 (8.5)
GE aero. prods: 5,467 5,272 3.5
GE major appl.: 3,917 3,660 (0.9)
GE ind. systems: 4,004 3,955 1.8
GE power sys.: 3,370 3,707 (7.3)
GE aircraft sys.: 4,925 5,731 24.0
GE materials: 2,567 2,117 10.9

General Electric Co., concentrating its efforts on major services and technology business lines, enhanced that corporate strategy in June, 1986, with the $6.28 billion buyout of RCA Corp., owner of NBC Television Network.

Under the merged company, NBC becomes a separate GE subsidiary, as does RCA. John F. Welch Jr., chairman-ceo of GE, will be chairman-ceo of the combined company, which will have its headquarters in Fairfield, Conn. Robert R. Frederick will remain president-ceo of RCA. Richard W. Miller, formerly an RCA exec vp, was named senior vp-consumer electronics, reporting to Mr. Welch. He was regarded by many as the successor to Mr. Frederick prior to the merger.

GE was expected to announce in late August that Thomas Tisch, chairman-ceo of NBC, would be replaced by Robert C. Wright, 42, previously president-ceo of GE Financial Services Inc., and GE Credit Corp. Mr. Tisch has led NBC the past five years in its surge past CBS and ABC in the prime-time ratings charts, and has been planning to leave at the conclusion in July of his five-year contract.

As a result of the Justice Department's review of the proposed acquisition, GE will sell, by Nov. 30, 1986, its videocassette business. FCC crossownership rules against multiple ownership in the same market also requires GE to sell five NBC radio stations in New York City, Chicago and Washington D.C. where NBC has tv stations.

A grandfather clause had permitted RCA and other media companies with multiple ownership in the same market to retain their properties when regulations were passed against crossownership. The sale of such a "grandfathered" media company voids that clause for the new owner.

GE had 1985 earnings of $2.34 billion, up 2% from 1984, on sales of $28.28 billion, up 1%. RCA had 1985 earnings of $369.1 million, up 4.2% on sales of $8.97 billion, up 3.5%. Earnings for NBC Tv Network rose 54% in 1985 on a 12% gain in sales.

Advertising for the two companies in 1985 was a composite $378.3 million, down 16.4% from a composite 1984, according to the 11 measured media monitored for this issue. According to the seven media indices of Leading National Advertisers, RCA spent $63.9 million in 1985, and GE spent $63 million in measured media.

However, the RCA expenditure was a drop of 27.9% largely because of its sale in 1985 of Hertz to UAL. Hertz in 1984 was supported with $42.9 million, which has grown to $43 million under UAL. RCA products moving at support in 1985 included RCA color tv sets, down 16% to $5.8 million, RCA convertible videocassette recorders down 21.3% to $8.7 million. The company virtually stopped spending on its video camera & vcr, its Selectavision videomonitor, the video remote control and video sound camera. NBC Tv Network ad support grew 12.3% to $225.8 million, and continued to be the big ad line item at RCA.

Among the media mix, network tv dropped the most—from $76.2 million in 1984 to $8 million, a good portion of that credited to the exiting of Hertz from the RCA media charts.

GE's total L.P.A. expenditure grew 4.2%, mostly in magazine support which was up 55.3% to $43.2 million. The big jump in ad expenditures was credited to home light bulbs, backed with $43.1 million, up 772.3%. Support for microwave ovens jumped 156% to $4.1 million. GE general promotion (not product-specific) grew 52% to $9.9 million in 1985.

The biggest drop in ad spending for a major product was for home telephones, which received $1.2 million, down from $23.8 million in 1984.

Mr. Welch says the "merger further accelerates a process that has seen GE grow into a major services and technology business. In the last five years services and technology businesses moved from about 31% to about 71% of the company's earnings." GE has been selling off units that don't fit its strategy. Such transactions generated approximately $700 million in 1985, bringing the company's five-year total divestiture count to $5.6 billion. It has been buying units that fit, too. GE is paying an estimated $680 million to purchase 80% of Kidder Peabody & Co., a Wall Street securities firm whose capital-raising acumen could help build GE Financial Services into one of the leading players in the investment banking business. Kidder's capital in April, 1986, when the agreement was struck was $464 million, about a fifth of that of market leader Merrill Lynch & Co.

GE's central long-term strategy is intended to make the company either number one or two in market share in 15 businesses, which it has grouped into three segments. Core manufacturing, technology and services.

In core manufacturing, GE has six large businesses—lighting, major appliance, motor, turbine, transportation, construction equipment—that have a commanding or leading market position. In the past five years, GE has invested more than $2 billion in these businesses. Despite heavy investment costs and unfavorable economic conditions, the earnings of these businesses as a group have increased at an average annual clip of 7%.

GE's large technology businesses—medical systems, aircraft engines, aerospace, materials, factory automation—are positioned to improve their competitiveness through acquisition and r&d investment. R&D expenses in these businesses was $7.8 billion over the past five years, with $3.6 billion also spent on plant and equipment. During the 1981-85 period, earnings in these technology businesses as a group grew at an average annual rate of 19%.

In GE's services businesses—construction and engineering, and financial, nuclear and information services—its strategy is to grow by adding entrepreneurs and by making related acquisitions. The five-year average annual earnings growth for the group, led by financial services, is 16%.

GE expects to generate 40% of its post-merger earnings from technology and services, while it continues to maximize the competitive strength of its growing manufacturing segment. GE reports that "RCA's services and technology businesses—the NBC network, broadcast stations, aerospace and defense businesses, communications and RCA Service Co.—will complement its businesses and help improve global competitiveness."

General Electric's economic outlook for 1986 is mixed. Although a few positives have emerged, the company is concerned about inflation-adjusted "real" interest rates, lower wage costs created for Japanese and Korean competitors with currently favorable foreign rates, and U.S. tax reform. Against this backdrop, GE's projections forecast a relatively low-growth scenario with modest earnings growth. Should the economy be more in line with the consensus forecast of close to 4% real GNP growth, it is well-positioned for good earnings growth.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1986
Magazine:	39,288	43,268
Newspaper:	29,870	31,947
Network radio:	1,032	1,190
Spot radio:	12,539	12,648
Network tv:	49,173	41,096
Spot tv:	11,853	10,253
Network radio:	1,666	787
Spot radio:	2,774	2,228
Outdoor:	1,293	838
Network cable:	2,520	1,334
Total measured:	172,073	210,756
Unmeasured:	201,268	240,022
Total:	373,336	46,778

GE/RCA CORP.
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New York, N.Y. 10020
(212) 621-6161
Marketing Personnel

Leonard Vickers, vp-corp mktg
Richard A. Costello, mgr-corp brand communications
Carl L. Goss, mgr-corp adv
Robert C. Pilarski, mgr-business communications
Barbara J. Parsky, mgr-corp mktg, tv
Amy Heckerling, mgr-media services
A. Gary Walker, coord-media
Victor H. Alcott, mgr-major appliance adv
Raphael Eschmann, mgr-consumer electronics adv
R.D. LaFond, mgr-lighting business adv
Baron D. Ladd, vp-GE credit corp adv

Advertising Agencies

BBDO, New York—brand image, corp adv, major appliances, consumer electronics, lighting—Frank Perkins, exec vp.

Jim Johnstone Inc., New York—business-to-business—Jim Johnstone, president.

Dorian, Wanning, Case, Taylor & McGrath, New York—GE Credit Corp.—Jack Taylor, exec vp.

Lawler Ballard Advertising, Norfolk, Va.—consumer electronic trade adv—John Carr, asst exec.

NBC ENTERTAINMENT
Marketing Personnel

Warta Goodman, dir of media planning—adv & promo.

Advertising Agency

Dancer/Fitzgerald/Sample, Los Angeles.

NBC AMERICAN COMMUNICATIONS
Corporate Personnel

Tom Williamson, dir

Advertising Agency

Hammond Farrell, New York—Jeffrey Gaumeyer, asst super—vp Bonnie Bonacci, asst exec; Soren Lindberg, pr—asst super.

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Advertising Agency

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NBC/AMERICA
Marketing Personnel

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Gillette Co., which sought growth in 1983 through its existing business segments and product extensions, got slight gains in its main product lines and modest over-all sales and earnings growth.

Brian McFarland, vp-advertising services, calls Gillette a mature company that continued to give brands their traditional levels of supports, with normal cyclical ups and downs.

Measured media advertising continued to slip, to $86.2 million in 1983 from $88.7 million in 1982 and $93.1 million in 1981.

Magazine spending increased 12%, to $12.1 million, and sweet-all or spending declined as network dipped 11.8% to $55.6 million, and spot tv rose 36.4% to $16.1 million.

Gillette posted operating profit of $380 million, up 8% from 1982. There were slight gains in operating profit in blades and razors, up 2% to $266 million on a sales increase of 4%, and toiletries and cosmetics, up 5% to $59 million on a 3% growth in sales. Writing instruments and office products declined 12% in operating profit to $10 million on sales that dropped 2%.

The financial plus at Gillette was in its Braun products segment, in which operating profit grew 12% to $30 million, on a 2% increase in sales.

Most of the year-to-year improvement came from international sales, as Gillette reported virtually unchanged domestic sales figures. Gillette reported a gain of $68 million in foreign currency translation in 1983, compared with a loss of $89 million in 1982. Foreign activities the past two years have represented 57% of total sales and operating profits.

The year marked the formation of Braun Inc. to market the products in the U.S. In March, Lowe Marschalk got the nod as Braun's first domestic agency with a $10 million to $15 million budget.

Blades and razors continues to be Gillette's most important operation. Gillette introduced the Atra Plus twin blade shaving system with a lubricated strip for shaving sensitive skin on a $16 million campaign.

Micro Trac, a twin-blade disposable, was introduced in January with "the essence of shaving" theme. Mr. McFarland says Gillette made "significant marketing progress under the 'essence of shaving' campaign, now in its second year, having begun with the original Atra."

Gillette continues to have more than 50% of the market in unit and dollar sales in the shaving area, with Schick second in dollar sales and Bic second in unit sales.

Over-all, Atra advertising rose slightly, according to LNA, from $9.7 million in 1982 to $9.76 million in 1983. Spending for Good News! disposable razors was $5.82 million, up slightly from $5.72 million.

In toiletries and cosmetics, Gillette introduced solid and aerosol versions of its Dry Idea roll-on antiperspirant, along with higher sales of Soft & Dri products, this offset lower sales of other deodorants and antiperspirants. Lynn Elyman, analyst with Smith Barney, Harris Upham & Co., says the Dry Idea extensions added incrementally to sales and kept the whole deodorant segment up. Domestic shampoo sales rose sharply based on consumer response to the new White Rain shampoo.

Discounted by LNA in 1982, White Rain shampoo spending was $1.13 million in 1983. Gillette extended the line this April with White Rain hair-styling mousse, supported by a $2.2 million campaign from BBDO featuring singer Louise Mandrell as spokeswoman. Mr. McFarland says White Rain has expanded from distribution in the South to a national brand. Diana Temple, vp with Salmon Brothers, New York, says the introductions "allowed Gillette to hold share in that market."

Mr. Elyman calls the White Rain moves very successful at staking out a position in "the value end of the haircare market." She says Gillette also bolstered its presence at the premium end of the haircare market with Wind Difference mousse, liquid stylizer and gel shipped in July. Also, Gillette planned to introduce a styling mousse and styling gel aimed at men under the Dry Look name in September, supported by a $5.7 million advertising and promotional campaign from BBDO.

Major spending in the area included Dry Idea roll-on, up to $7.45 million from $6.48 million; Right Guard deodorant products, up sharply from $1.46 million to $7.05 million; Right Guard stick antiperspirant, down $299,000 from $3.58 million; Silkience shampoo, down to $30.5,000 from $2.95 million; Silkience shampoo and conditioner up to $5.1 million from $642,000; Soft & Dri deodorants, up to $4.24 million from $370,000; Brush Plus product up from $3.2 million to $6.3 million, and Soft & Dri spray deodorants, down to $1.5 million from $4.22 million.

In 1981, Gillette made a major creative shift in its Right Guard advertising. Mr. McFarland credits this to "failure from a change in the marketing strategy rather than any dissatisfaction with previous campaigns."

Replacing the "9 to Work Fast" approach is the amusing "Mr. Right" campaign, which first aired on the Super Bowl broadcast in January. It shows "Mr. Wrong" monsters ineffectively tangling out in what seems to be a singles bar. A bit of Right Guard and they become Mr. Rights. Mr. McFarland says, "The time was right to take the brand younger and rebuild the franchise with younger men." Young & Rubicam handles.

In writing instruments, domestic sales of ruling ball pens rose sharply, led by the Atra-Point pen and the early 1983 launch of the Rollerstick pen. Paper White ballpoint pen advertising declined from $4.5 million to $3.67 million. Another introduction was the Paper White Advancer refillable pencil and the Liquid Paper line's Just For Forms correction fluid. Liquid paper spending rose to $3.59 million from $1.35 million, according to LNA.

Mr. Elyman says Paper White's sales rose 2% in the first quarter of 1984, while domestic operating profits rose 13%. She says this resulted from capital investments finally contributing to profit levels."

She also detected "a fair amount of excitement" in the Braun segment getting wider distribution. Initially Braun products were found in specialty stores; now, however, versions of products with fewer "bells and whistles" are available through mass merchandisers like K mart and Sears. This avoids overlap with more upscale retailers.

Gillette continues a heavy involvement in 15-second commercials. The company now produces original 15-second spots besides cutting them from 30-second spots. The new approach reflects the difficulty of making an effective 15 from an old commercial. Mr. McFarland says the 15s support "all mature brands with established positioning," rather than new products. Of 8 to 20 brands being advertising at any one time, 14 to 15 typically are mature.

ADVERTISING EXPENDITURES

(Estimates)	1983	1982
Magazine:	$12,107	$10,838
Newspaper:	400	1,869
Newsp. supp.	230	1,100
Bus. pubs.	315	330
Network tv	55,650	60,000
Spot tv	16,150	11,400
Network radio	1,090	1,425
Spot radio	335	1,095
Network cable	1,900	250
Total measured	86,170	88,712
Unmeasured	74,830	77,039
Total	161,000	165,740

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Howard Fisher, dir-tv-network buying
Robert J. Evans, dir-promo services

SAFETY RAZOR DIVISION
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Joseph H. Cruz, mktg mgr-disposable razors
Robert Leger, mktg mgr-permanent refillable razors
W. Scott Roberts, vp-sales

Advertising Agencies

BBDO, New York—Atra, Good News!, Paper Mate II, Atra Plus—Ken Rodgers, exec vp-e mgmt supr; Michael Paxton, sr vp-mgmt supr; Phil Dusenberry, vice-chmn of the board, exec creative dir; Ted Sann, exec vp-creative dir; Harvey Hoffenberg, sr vp-exec creative dir; Lenny Kraus, asst mgmt supr; Helen Ito, asst exec; Connie Newel, Paper, atra.

Lowe Marschalk, New York—Daisy—Andrew Langer, president; John Lucas, exec creative group head; Jim Carr, vp-mgmt supr; Barry Linsky, exec vp; Jim Overend, asst exec.

PERSONAL CARE DIVISION
Marketing Personnel

Robert W. Forman, vp-mktg
John Darman, mktg mgr-styling aids, shaving prep
Carole Johnson, mktg mgr-deodorants, antiperspirants
W. Gage Heath, mktg mgr-new prods & skincare
Linda B. Keene, mktg mgr-shampoos & conditioners

Advertising Agencies

G. W. Ayer, New York—Atra, Body Flowers, White Rain, Wind Difference, rsrm—June Geier, sr vp-mgmt supr.

BBDO, New York—Soft & Dri, Dry Look, Dry Idea—Anthony Bruzzo, vp-mgmt supr.

Lowe Marschalk, New York—Two If and Foamy shave creams, Foamy gel, Bare Elegance moisturizing soap, Tame, Toni, Brush Plus—Al Panettiere, vp-mgmt supr.

Young & Rubicam, New York—Right Guard, 2(1)HO shampoos and rinses, Silkience shampoo and conditioner—Ed Lefler, sr vp-mgmt supr.

PAPER MATE DIVISION
Marketing Personnel

Carmen A. Comito, vp-mktg
Michelle Stacey, mktg mgr-new prod/new business
J.A. Morrison, prod mgr-roman pens & Acra-Point

Jay Colletti, prod mgr-ball Pens & Eraser white
Jean G. Searle, sr prod mgr-Micro Pens, Warriors & Rollersticks
Dick Cantwell, sr prod mgr-Liquid Paper & pencils

Advertising Agencies

Hill, Holliday, Connors, Cosmopulos, Boston—Liquid Paper, safety razor, new prods, Paper Mate trade ads—Jim Conkle, mgmt supr; John Riley, acct supr.

McCann-Erickson, New York—Paper Mate ball-point pens, Eraser Mate, Flair pen-ons prods, Acra-Point, Sharpwriter, Advancer, Rollerstick—Ian Kingser, sr vp-mgmt rep; Larry Cunningham, acct supr.

GOODYEAR TIRE & RUBBER CO.
1062 (1984)
Stockholder Mktgs. Coll.

Ronald E. Clark, president

Goodyear Tire & Rubber Co., which had tire sales in 1983 retained its place as the world's largest producer of tires and rubber products. It is also known for its blimps, which were prominent in London and Philadelphia for the Live Aid anti-famine concerts. Goodyear says the cameras gave it the "widest exposure in blimp history."

What is less known about the company is the venture into aerospace, a field which brought Goodyear a 12th straight year of growth. The company in '83 obtained two major government contracts: one, for the development of a weapons system for the Air Force's F-15E jet fighters and the other, for upgrading anti-submarine training targets. It is also engaged in R&D for unmanned aerotechnics. The aerospace sector accounted for 7% of sales last year and 11% of operating income.

But tires remains to maintain. Goodyear reports that tires and other transportation products made up about 81% of its net sales in 1983 and 72% of operating income.

This year, Goodyear introduced the Eagle GT-4, a tire it touted as having been tested on the race track and developed for it. Think of what it can do on the street—Goodyear seems to be saying, if it did so well on the track.

Harry Wellin, an analyst with McDonald & Co., Cleveland, says best estimates are that Goodyear controls about 34% of the original equipment market; that is, the tires put on new cars at the plant. In the replacement field, he says, the figure is about 18%.

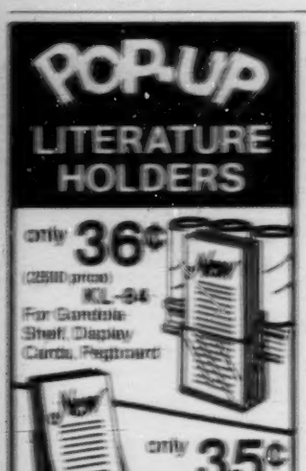
Goodyear's corporate image ads urge the public to buckle seat belts, to refrain from driving drunk and to keep vigilant about one's health.

Of Goodyear's $46.4 million in measured spending tracked by Leading National Advertisers, $30 million went in support of tires, down 17.1%; $1.7 million backed air springs, up 113.5%; $7.4 million supported service stores, up 16.2%, and $4.2 million supported corporate general promotion, up 89.5%.

Goodyear made major shifts in its media mix, increasing network radio to $5.4 million from only $1 million in 1982, and magazines rose 74.2% to $10.8 million. Network and spot tv dropped as a result—network to $17.8 million, down 34%, and spot to $7.8 million, down 29.7%.

Goodyear also last year devised an eight-minute test of long-form "infomercials," to see if they could be more effective than 30-second spots. These ads, instructions on how to buy tires, ran on cable systems.

Goodyear's net income for the first six months of this year was down a whopping 76%, largely because of a $101.8 million after-tax charge for a writedown of oil and gas reserves. It is spending about $890 million, the larg-



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est investment in its history, to build the "All American" pipeline from the California coast to the Texas Gulf Coast. The 1,738-mile project will be the first crude oil transportation pipeline to link the west and Gulf coasts.

Goodyear's Celeron Group ranks 22nd, according to the company, among the nation's independent operators in crude oil reserves. It is 44th among independent and major integrated oil companies in total reserves for '85, up from 51st the year before.

In the first six months of the new year, Goodyear Tire & Rubber had net income of $40.3 million after the writedown, declining from $172.4 million in 1985. First half sales were $4.98 billion, up 4.8%.

Goodyear recently announced it plans to double its capacity to make polyester resin, used in packaging for frozen dinners, soft drinks, tennis balls, cooking oils, toothpaste pumps, coffee creamer containers, cosmetics, pharmaceuticals and liquor.

The company will invest $30 million in a plant in Ft. Pleasant, W. Va. It thinks demand for polyester resin will more than double—to 1.5 billion pounds—by 1989. Campbell's line of Swanson Frozen Dinners was using aluminum trays, but has switched for many of its entrees to trays made of Goodyear's crystallized polyester resin. The company's vp and general manager, polyester division, says another bonus is that the resin's products are recyclable.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	311,877	366,613
Newspaper	32	71
Bus. pubs.	1,884	1,701
Network tv	17,781	20,857
Spot tv	7,781	10,657
Network radio	1,365	999
Spot radio	469	732
Outdoor	102	713
Network cable	495	599
Farm pubs.	60	331
Total measured	46,353	49,186
Unmeasured	102,892	109,238
Total	149,300	158,423

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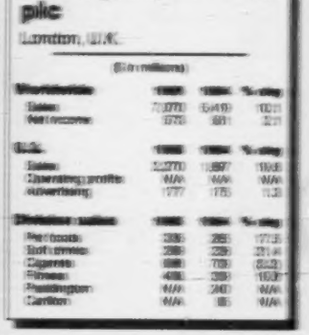
James W. Seawright, mgr-auto tires
Norbert J. Dril, mgr, mcdt & farm tires
Dawn W. Jones, mgr-retail adv
Charles P. Lehman, mgr-regular adv programs
James E. Wanning, mgr-chemicals, OEM/Specialty accounts
David G. Oby, mgr-individual prods & films
Grant R. Erikson, mgr-audio-visual center
George S. Dyer, mgr-adv operations & budget control
William L. Newirth, vp-pr
Leonard B. Sims, corp image adv mgr

Advertising Agencies

Brouillard Communications—corp adv—Doug Longmire, sr vp-group acct dir; Cal Crouch, vp-acct super; Terry Hill, sr vp-exec creative dir.

J. Walter Thompson USA, New York—U.S. prod adv—Steve Brown, mgmt dir; Peter Hanley, acct dir; Linda Tomlinson, Howard Pickett, Robert Lusi, Edward Powell, Jan Faverbach, acct supvrs.

McCann-Erickson, New York—intl adv—Peter J. Connolly, worldwide mgmt dir.



Grandwest USA, the U.S. subsidiary of Grand Metropolitan plc, London, capitalized on trends in the sagging hard liquor and tobacco markets while seeking diversification through the acquisition of several healthcare related businesses in 1985.

In support of these activities, Grandwest USA and other subsidiaries of the London-based parent increased advertising an incremental 1.2% to $176.7 million in 1985.

Subsidiary operations of Wentworth, W.I.-based Grandwest USA include Alpo Petfoods; Liggett & Myers Tobacco Products; Diversified Products Corp.; Atlantic Soft Drink Co. and Pepsi-Cola San Joaquin Bottling Co., two regional soft drink bottling operations; Children's World day care provider; Pearle Health Services, and Quality Care Inc., a home healthcare company.

The latter two companies, both acquired in 1985, further lessen Grandwest's reliance on sales of tobacco products. Pearle was acquired for an estimated $386 million in September from G.D. Searle & Co. and third-party investors. Quality Care came at a cost of $225 million.

In July, 1985, the company sold Pinkerton Tobacco Co., a manufacturer of smokeless tobacco, pipe tobacco and snuffs, to Svenska Tobaks AB for $107.8 million.

Grandwest had 1985 U.S. operating income of $80 million, down 46.7%, on sales of $1.9 billion, up 11.3%, for fiscal 1985 ended Sept. 30, 1985. These U.S. figures do not include sales and operating income generated by the wines and spirits of Paddington Corp. and Carillon Importers, subsidiaries of another operating division, International Distillers & Vintners.

IDV's U.S. sales contribution is estimated at $366 million, up 11% from the previous year, but operating income is not known.

Cigaret products, providing the largest portion of Grandwest's U.S. consumer products sales volume, showed a sales decline of about 3% to $686 million.

The biggest ad outlays go to promote Alpo, which showed more than $20 million in seven media measured by Leading National Advertisers, with dry dog food and virtually all of Alpo's snack products getting higher outlays for 1985 over 1984.

Alpo canned dog food maintained its market leadership with $205 million in sales, up 10.8% from last year, according to pet food sales figures compiled by John C. Maxwell, analyst with Furman Selz Mager Dietz & Birney, New York. Alpo beef-flavored dinner jumped from ninth to fourth place among 150 market brands on sales of $90 million, up nearly 16%. Alpo dropped its spending on canned dog food by 9.5% to $5.3 million from $10.8 million in 1984.

Part of Alpo's increase in sales and market share can be attributed to its decision to merge a West Coast dry food brand, Alpha, with the stronger Alpo brand, giving Alpo national distribution. Dry dog food, unlike its canned cousin, received measured media spending outlays of $8.5 million, up 21%.

The company also rolled out Alpo puppy food with $4.5 million in spending, mostly in magazines ($3.1 million) and spot tv ($2.7 million).

Market leader Ralston Purina Dog Chow lost ground in dollar market share as its sales declined 1% to $250 million. Ralston Purina Puppy Chow, in second place, also slipped nearly 1% to $153 million in sales, while Anderson Clayton & Co.'s Gaines Gravy Train sales slid 4% to $129 million.

Tabby, Alpo's entry in the canned cat food segment, had 1985 sales of about $4.3 million, up 31.7%. Contrary to industry rumors, Alpo has no intention of taking the Tabby brand national, says Gil Crompton, brand manager for Tabby. "We do quite well in the Northeast and Southeast where we have distribution. The cat food business is highly competitive right now. Our strength is in dog food. We won't get into a business until we know we can market it."

Also in 1985, Alpo purchased for nearly $7.75 million a pet food packaging plant in Pascagoula, Miss., from Sun Coast Foods.

Measured advertising spending on Liggett & Myers cigaret brands totaled $21 million, up 11.1%. The bulk of the division's measured advertising spending, 29.9 million, was devoted to Stride, a new off-price brand introduced in the last quarter of 1984.

Spending for Eve brands was measured at about $3.6 million, down 4.7%. Liggett also spent nearly $500,000 to revive the L&M brand, once one of the country's most popular.

About $2.6 million was spent on Red Man chewing tobacco through the first half of the year before the Pinkerton sale.

In the early 1980s, Liggett had established a profitable business in generic cigarettes. To fend off inroads made by Brown & Williamson's generic entry, in 1985 Liggett resorted to a $500,000 advertising and promotional campaign. The previous year, it sued B&W, contending that B&W's "O" on seal imitates the "Q" quality seal on the Liggett & Myers product.

Primarily because of competition in the generic market, Liggett & Myers' share of the total cigaret market fell from 5.7% to 5% in 1985, according to a market survey by Mr. Maxwell. Generics were Liggett's biggest seller with a 2.4% market share, off 16% from 1984.

L&M, despite a 14.5% decline in unit volume, held steady with a 0.5% share, which still shows considerable progress from the 0.1% share it had in 1981. Eve, which peaked at a 0.4% share in 1983, held a 0.2% share, while Lark, with a 13.9% decline in unit volume also had a 0.2% market share. Chesterfield kings rested at a 0.2% share, with Chesterfield lights at 0.1%, after a 10.7% decline in unit sales.

Liggett & Myers is sixth among major cigaret producers, far behind Philip Morris, which has a 39.9% market share. R.J. Reynolds was second with 31.6% of the market followed by Brown & Williamson, 11.9%; Lorillard, 8.1%, and American Tobacco Co., 7.5%.

Diversified Products Corp., which manufactures fitness equipment under the DP "Fit for Life" trademark, suffered a substantial decline in sales from 1984's record levels, according to Grandwest, which does not break out DP's results.

DP's measured advertising reflected this decline as it fell 16% to $6.3 million. The company continues promotional spending, such as sponsorship of touring professional golfers.

Pearle and its subsidiary operations spent $17.6 million in measured media in 1985, all of it on tv, compared with $15 million in 1984.

Grand Metropolitan's International Distillers & Vintners operates two U.S. importing and distribution businesses, Paddington and Carillon. IDV, while relying on its major brands, has made moves to acquire and develop products in line with the trend toward lighter and sweeter liquors. In particular, it has added to its line of cordials and cream liqueurs, as well as signing Cinzano vermouth via the parent company's acquisition of 25% of Cinzano International, Luxembourg.

Paddington, in addition to its two major brands, J&B Rare scotch and Baileys Irish Cream, handles Cinzano, Rumple Minze schnapps, Whitbread and Samboca Romano. Measured spending on Paddington brands totaled $10.4 million, led by $4.3 million for J&B, down 34% from 1984 levels. Spending also declined on Baileys, down 25% to $3.8 million, a steady decline from its 1982 all-support of $6.4 million.

The company created a separate operation, Morgan Furze Ltd., within Paddington to handle the marketing of Samboca Romano and James Catto's scotch brands.

J&B ranked 16th among top selling liquor brands in the U.S., according to Mr. Maxwell. J&B had ranked 14th in 1984, but depletions declined from 2.25 million cases to 2.23 million. An international survey conducted by *Impact International* ranks J&B as the eighth most popular brand, with worldwide depletions of about 5 million cases.

With 1 million cases depleted in 1985, Baileys remains the country's top selling cream liqueur, and the 38th most popular liquor brand overall, according to Mr. Maxwell.

Carillon, which handles Grand Marnier, Absolut vodka, Bombay gin, Le Grande Passion and Pur d'Or, spent $8.6 million in measured advertising, most backing Absolut ($3.6 million, up 50% from 1984) and Grand Marnier ($3.9 million, down 13%).

With Bombay gin, Carillon attempted to cash in on the popularity of premium gin products such as Tanqueray in a general market that has been declining by about 3% since the 1970s. Carillon spent $2.2 million on Bombay, up 57% from 1984 spending levels.

Carillon also has created a subsidiary, Celestic Marketing, to handle new brands. In 1986, it introduced Fernet Branca, an herbal-based alcoholic digestive, popular in Europe as a cure for the morning after a hard night. Celestic also imports Devinage, an upscale, French blanc champagne.

In addition to measured spending, Paddington and Carillon support their products through heavy promotional spending on point-of-purchase displays and event sponsorship.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$30,952	$28,752
Newspaper	7,410	12,842
News. supp.	4,250	4,499
Network tv	22,787	23,786
Spot tv	16,251	12,255
Spot radio	1,200	70
Outdoor	7,200	5,266
Network radio	1,622	1,098
Total measured	91,749	90,656
Unmeasured	85,000	82,944
Total	176,749	173,600

Greyhound Corp. 84

Phoenix

Greyhound Corp. recently boosted its advertising budget in 1985 as it continued a policy of shrinking its less-known divisions—scheduled for service—while expanding its advertising-intensive consumer products division.

The company boosted unmeasured

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advertising expenditures by nearly two-thirds in 1985 as it repositioned the Purex products bought through the acquisition in March, 1985, of Purex Industries. Reflecting the merger, Greyhound renamed the Armour-Dial division the Dial Corp.

Greyhound chairman John W. Teets announced at the time of the Purex purchase that he would boost ad spending, and he did—from $15.9 million in 1984 before the purchase to $7.1 million, primarily on Brillo soap pads, Sta-Puf fabric softener, and Purex bleach, household products and laundry detergent, according to Leading National Advertisers.

Much of the thrust in the first year of the purchase has been to combine the marketing, distribution and warehousing for Armour-Dial and Purex products, according to Katherine Stutts, vp-research for Dean Witter Reynolds in New York. The job in 1986 will be to combine manufacturing facilities, she says.

The new owners retained Purex's traditional market position as a bargain label, although packaging was redesigned "to give the products more uniform identification and to increase visibility on the market shelves," company spokesman Larry Lamb says.

Ad spending also went up for established Armour-Dial products. Measured spending for these—most going for Dial deodorant, Dial soap and Tone soap—came to $20.4 million, up 35.4%. Dial Corp.'s heaviest spending was lavished on Dial soap, which accounted for $16.4 million in measured media, up 37.4%. Dial commanded an estimated 30% share of the deodorant soap market in 1985. The division's other big performer, Tone, which had a 7% increase in sales volume in 1986, received measured media spending of $1 million, up 53.8%.

Net income for the entire consumer products group, which also includes Armour Star canned meats and other food products, rose 54%, to $40.4 million in 1985, with $11.8 million of that coming from Purex products. Without those products, net income for the former Armour-Dial division rose by 14% during the year. According to Greyhound, in 1985 Dial Corp. ranked fourth nationally in sales among laundry and household-product companies.

In 1985, the Dial division began national distribution from East Coast entry markets of Pure & Natural, a bar soap positioned against Procter & Gamble's Ivory. The company reports the soap, in its first few months of national distribution, won nearly a 4% market share. As the brand went national, measured advertising for Pure & Natural increased to $4.47 million in 1985 from $586,000 in 1984.

Imperial Leather, a premium soap that also was test marketed in 1985, did not fare as well. After disappointing results in Denver, Colo., and Grand Rapids, Mich., Imperial Leather was withdrawn from the market.

During 1986, Greyhound's consumer products division is testing several other new products, including a pump version of Dial soap and line extensions of Dutch brand items, including a detergent, bleach and fabric softener.

In late 1985, Armour Star introduced Lunch Buckets, nine entrees in plastic, microwavable packages that were test marketed in Southland Corp.'s 7-Eleven chain. The company says Lunch Buckets have performed well, and it will expand distribution during 1986. The company also is testing a new French bread pizza under the Elio's pizza label, a label that came into Greyhound's possession as part of the Purex purchase. Greyhound says it is considering extending the line into frozen Italian pasta specialties.

Greyhound's scheduled bus service remained the heart of the conglomerate. Net income for the transportation group, of which Greyhound Lines is the largest part, came to $47.2 million in 1985, compared with $46.4 million for the consumer products division.

It should be noted, however, that the $47.2 million in net income includes $19.1 million of net gains on sales of Greyhound Lines facilities. These sales were part of a continuing effort to thrust Greyhound's scheduled bus service to fit the marketplace of late 1980s. That net income compares favorably with 1984's $28.4 million, of which $4.2 million came from sales of facilities.

Such a reduction draws a positive response from analysts. "Greyhound Lines carried 30 million passengers in 1985," says Mr. Kelly, analyst with Goldman Sachs. "That number was 40 million five years ago. Even though the decline in the bus business bottom out at 20 million passengers, the company can make money serving that base if it is the appropriate size."

Greyhound Lines has been caught in severe competition on its long hauls by low airline fares. On the other hand, local bus services have cut deeply into its short-haul revenues, but it is in the short-haul business that Greyhound plans to concentrate, according to Ralph Borland, senior director, marketing. "Our natural niche is in transporting people less than 500 miles," Mr. Borland says. "All our strategies are aimed at offering the cheapest possible transportation to passengers on the shorter hauls."

Greyhound Line's most dramatic move came in May, 1986, when it split into four regional entities in an effort to compete more successfully with local carriers. The split created Eastern Greyhound Lines Co., based in New York; Central Greyhound Lines Co., Chicago; Southern Greyhound Lines Co., Atlanta, and Western Greyhound Lines Co., San Francisco.

Mr. Borland says the move will "return Greyhound Lines to its structure of the '60s, rather than the central, monolithic structure it has become. Regional carriers will bring decision-making closer to the marketplace—it can be faster and more flexible in dealing with the competition."

The newly reorganized division's first advertising campaign was launched June 22, 1986. A national "Money Saver" campaign was unveiled nationally and tied to inexpensive fares on short routes in each region. Each regional office supported the national marketing with local media buys.

A second leg of the campaign broke in July when Greyhound Lines began offering a $59 one-way Money Saver fare to anywhere in the U.S. served by the bus line. The promotion seemed as much a means to recapture business siphoned off by low airline fares as it was a reaction to a major competitor. Continental Trailways, which introduced unlimited travel on its system for $10 a day with minimum of 15 days.

Mr. Borland says Greyhound Lines advertising still is going centrally through Bozell, Jacobs, Kenyon & Eckhardt in Dallas, but each newly created regional company has its own account exec in the agency. The advertising and marketing budget have remained stable, Mr. Borland adds, noting the budget is on a scheduled reduction plan limited to planned shrinkage in the rest of the division.

Ad estimates that ad expenditures for Greyhound Lines in 1985 were down by more than 21% compared with 1984. Media advertising measured by LNA showed a reduction of only 4.2% to slightly less than $4 million.

Greyhound Lines spent those dollars on highly segmented audiences, following an established policy based on research showing that the most loyal bus riders are blacks, Hispanics, college students, the military and senior travelers. Mr. Borland says Greyhound Lines plans to reach out during 1986 to yet another demographic group, the elderly, noting that "currently only 8% of our ridership is per-

Top 25 newspaper supplement advertisers

Rank	Advertiser	Newspaper supplements ad expenditures ('$000) 1985	1984	% chng	as % of co.'s 1985 ad total
1	National Paragon Corp.	$56,719	$0	NA	NA
2	K-H, Widmers	35,100	29,300	(60.0)	3.3
3	Philip Morris Cos.	21,895	14,797	48.5	0.5
4	CBS Inc.	15,720	12,510	25.6	0.6
5	Sutton Inc.	13,705	15,105	(10.7)	6.7
6	Franklin Mint	8,477	5,195	63.7	NA
7	American Can Co.	6,955	5,275	29.5	NA
8	Nutrition Headquarters	5,901	5,126	56.9	NA
9	Brown-Forman Co.	5,259	2,997	75.2	0.7
10	GE/RCA	5,055	3,190	77.7	0.2
11	Abernathy & Claudius Ltd.	5,005	1,656	2205.0	NA
12	American Telephone & Telegraph	4,990	2,874	73.6	0.0
13	F.W. Woolworth Co.	4,650	0	NA	NA
14	Grand Metropolitan plc	4,250	4,600	(5.3)	2.6
15	Lorus Corp.	4,226	1,267	217.5	2.6
16	Fiore & Partner Co.	3,779	2,013	87.7	NA
17	E.I. du Pont de Nemours & Co.	3,728	3,179	2.0	2.9
18	Estee Lauder Inc.	3,393	2,488	19.4	NA
19	Michigan Bulb Co.	3,063	3,202	(18.9)	NA
20	Dmitrieday & Co.	3,038	3,299	(2.0)	NA
21	General Motors Corp.	2,956	599	2366.0	0.0
22	Dart & Kraft	2,865	3,257	38.5	0.3
23	Worthington Corp.	2,715	1,069	107.2	NA
24	Chrysler Corp.	2,188	1,977	11.1	0.6
25	Procter & Gamble	2,107	2,206	(6.9)	0.2

NOTE: Dollars in thousands. Source: Publishers Information Bureau as reported by Leading National Advertisers

ile other than oil."

Mr. Teets' background is in the services and food services division of Greyhound, and recent purchases seem to reflect his interest in building that division. In February, 1986, the division purchased Cassano's, a fast food pizza business based in Dayton, O. Cost was about $5 million for the $20 million-a-year business, estimates analyst Mr. Kelly.

In May, 1986, the division paid less than $10 million, Mr. Kelly says, for Aeroplex Stores from jewelry retailer Zale Corp., Dallas. Aeroplex operates 44 retail gift shops in airports and hotels throughout the country and had 1985 revenues of $61 million. Aeroplex becomes part of the Florida Export Group, which operates duty-free shops in airports and on Caribbean cruise liners. A subsidiary of the Florida Export Group, Premier Cruise Lines doubled its fleet with the launching in April, 1986, of the S/S Oceanic, which joined the S/S Royale in offering three and four-day Caribbean cruises.

ADVERTISING EXPENDITURES

(In thousands)	1985	1986
Magazine:	39,915	36,901
Newspaper:	13,971	10,857
Network radio:	37	0
Spot radio:	357	279
Network TV:	20,786	15,676
Spot TV:	1,062	1,279
Network radio:	4,250	3,775
Spot radio:	9,944	9,929
Outdoor:	0	0
Network cable:	1,201	372
Total measured:	93,833	81,119
Unmeasured:	46,772	40,678
Total:	140,606	121,797

GREYHOUND CORP.
111 W. Clarendon
Phoenix, Ariz. 85013
(602) 248-4000

GREYHOUND LINES

Marketing Personnel

Nicholas Tage, vp-mktg.
Jim Boland, dir-mktg.
Andrea Polk, mgr-int'l sales & service
Neil Purvis, dir-adv.
Jim Middleton, mktg mgr.
Shaun Crowley, mgr-prod. planning
Kent Timmerman, mktg dir-eastern Greyhound Lines.
Earl Perry, mktg dir-southern Greyhound Lines.
William Sage, mktg dir-central Greyhound Lines.
Chester Fisher, mktg dir-western Greyhound Lines.

Advertising Agency

Bozell, Jacobs, Kenyon & Eckhardt/Southwest, Dallas—Lynne Christopher, group media dir; Sherry Sandifer, asst media dir; Brian Carpenter, media exec; Rob Bowers, media planner; Kelly Clifton, asst media planner. Greyhound passenger lines—Henry Lewczyk, group acct dir; Jim Martin, vp-acct super; Greg Deane, acct super; Judy Day, Linda Edgerton, Sandra Flynn, acct execs.

DIAL CO.

Corporate Personnel

Howard J. Wahl, president-ceo

Marketing Personnel

Jan Wiatry, sr mgr-adv
Paul J. Lustig, vp-mktg, personal care & food prods
William F. Emerson, vp-mktg, industrial & laundry prods

Advertising Agencies

Conill Advertising, New York—Hispanic; Dial anti-perspirant—Rafael W. Conill, pres; Alicia W. Conill, president; Bitsumi Ota, acct exp.
Foote, Cone & Belding, San Francisco—one soap—Robert Imel, group mgmt supervisor; Jon Dale, vp-mgmt super.
Needham Harper Worldwide, Chicago—all soap—Gene Lovelich, sr vp-mgmt supervisor; Norma Winslow, vp-acct super.
Ogilvy & Mather, Chicago—Dial anti-perspirant—Wm Soutweg, sr vp-gen mgr; Jo Giroux, vp-acct super.
Ramey Communications, Los Angeles—Dial—Chen Ramey, president, creative dir; Adrienne Lowe, exec vp; Thomas Hinz, exec vp, vp-acct client service dir.

Ad compatible formats

Bilingual Canada offers Heinz a challenge to promote ketchup with a unified campaign in print, broadcast, in-store material and labeling, among others. *Ketchup aux tomates* is easily understood, as is *jus de tomates* on the labels, promoted with the slogan *une source de nature* (a song of nature, appropriate to Canadians who like to drink tomato juice and beer). The plastic bottle carries the word, *comprimable*, i.e. squeezable, something the clutch apply to the female anatomy.

GTE Corp.
Stamford, Conn.

Rank: **57**

(In millions)

Worldwide	1985	1986	% chg
Sales:	16,733	16,947	1.3
Net income:	(161)	1,125	(1,146.3)
U.S.	**1985**	**1986**	**% chg**
Sales:	15,958	16,422	2.9
Operating profit:	2,375	NA	NA
Advertising:	194	200	3.0
Division sales	**1985**	**1986**	**% chg**
Telephone op.:	9,980	9,995	0.2
Comm. services:	1,946	1,946	0.0
Comm. prods:	2,921	2,968	1.6
Electron. prods:	1,899	1,853	(2.4)

GTE Corp. last year launched an all-out marketing push to build its Sprint long-distance service. It plowed ad dollars into the service—from $100.5 million in 1984 to $135.5 million, in total advertising, including a new expenditure of $4 million for Sprint long lines for business, according to LNA measured media—and attracted 70% more customers.

User base for Sprint expanded to 2.4 million residential and business users by April, 1986. But that expansion, with its increase in marketing expenses, added to higher access charges for connections to local telephone exchanges and the depreciation of Sprint, contributing to an operating loss of $245 million for GTE's communications services group, compared with a gain of $67 million in 1984.

On the company-wide books, GTE took a $1.3 billion after-tax charge in 1985's financial results because of moves involving Sprint and a proposed joint venture with Siemens AG of West Germany.

Then in January, 1986, GTE merged Sprint and GTE Telenet with United Telecommunications Inc.'s voice and data operations to form a new company, US Sprint Communications Co., based in Westwood, Kan.

US Sprint went into operation July 1 with a 4% share of the $30 billion long-distance market, behind AT&T's 83% and MCI's 8%. While its share of market is still relatively small, the new company has a technological boost through combining both companies' experience and investment in fiber optics and digital switches. TV spots which broke in August as part of a $100 million advertising effort came from J. Walter Thompson USA, San Francisco, previously Sprint's agency.

Overall GTE went after the spot markets in 1985. Among the 10 measured media, the total of which was up 50.8%, GTE doubled its spot tv spending to $57.2 million, from $28 million, and increased its spot radio to $8 million from $4.4 million in 1984. Network tv dipped 12% to $14.7 million.

Philip C. Stevens, director of corporate advertising, says following Sprint's departure "you'll see our numbers go way down." He expected to

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Hanes

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major shifts in advertising for remaining operations. A campaign for GTE's telephone companies moved into a new phase with the theme "Quality service from quality people."

Robert Morris, analyst with Prudential Bache, San Francisco, says, "The main thrust seems to be with the phone companies. They are concentrating on where they've had their successes. Phones and telecommunications are not bad businesses to be in. GTE is really going through a transition back to what it knows best."

In fact, its strong communications products segment (digital switching, PABX systems, transmission and phone equipment), which accounted for 17% of total sales in 1985, tripled its pretax profit on a 11% sales increase in the second quarter of the current fiscal year, while communications services group (largely Sprint) had an operating loss of $50 million. Over-all GTE profit for the quarter rose 8.3% to $308.6 million, on sales of $4.2 billion, up 7.5%. For the half, profits were up 6% to $591.5 million, on sales of $8.15 billion, up 7.3%.

GTE's major advertising items after Sprint is its ongoing "Gee! (No, GTE)" corporate campaign. Measured spending in 1985 was $17.5 million, up 16.7%. Mr. Stevens says the campaign has moved into a more pragmatic, products-and-services stage beyond name recognition.

GTE boosted at spending on Wubinet, which operates cellular mobile radio telephone systems in nine metropolitan areas, from $388,000 to $1.8 million in 1985, according to LNA.

Wubinet is part of GTE's largest segment—telephone operating group. The group accounted for $22.93 billion (up 12.4% from 1984) out of total operating income of $22.98 billion in 1985, on an increase of 10.1% in sales.

Other areas showed declines in ad spending. Phone Mart retail stores declined in spending from $2.5 million to $437,000; spending on GTE telephones fell from $2.1 million to $367,000.

In the new products arena, GTE's electrical products segment made improvements in its soft-white incandescent light bulbs, raising life span 5% without decreasing light output. A major advertising campaign for the Sylvania brand name used the Mr. Light character.

Spending on Sylvania brand home light bulbs jumped to $6.5 million from $3.7 million. Using the line, "Where the best comes to light," the Mr. Light campaign will continue at the same spending level, says Joseph F. Belle Isle, vp and corporate account supervisor at the agency of record, Doyle Dane Bernbach.

In other joint ventures, GTE and Siemens AG of West Germany announced in July an unnamed new venture, with 80% Siemens ownership, that would involve GTE's transmission systems and public switching and business systems in the U.S. and abroad. GTE also has formed a joint venture with Fujitsu Ltd. of Japan to market both companies' private branch exchange equipment here and abroad. Operations will begin in January.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine:	$103,892	$80,017
Newspaper:	13,665	11,633
Business:	4,402	2,396
Network tv:	66,696	66,677
Spot tv:	57,214	28,833
Spot radio:	7,965	4,377
Outdoor:	297	185
Network cable:	172	68
Total measured:	109,262	71,456
Unmeasured:	46,344	29,000
Total:	$155,606	$100,457

GTE CORP.
One Stamford Forum
Stamford, Conn. 06904
(203) 965-2000

Corporate Personnel

Theodore F. Brophy, chmn-ceo
James L. Johnson, president-coo

Marketing Personnel

Edward C. MacEwen, vp-corp communications
Philip C. Stevens, dir-corp adv & mktg communications

GTE TELEPHONE OPERATIONS GROUP

James L. Broadhead, president
Henry W. Donaldson, vp-mktg & business planning
Richard L. Sharman, vp-mktg, GTE Wubinet

GTE SYLVANIA/GTE PRODUCTS GROUP

Corporate Personnel

Alan L. Rayfield, president-ceo
James W. Lucier, dir-mktg, consumer communications products div
Thomas Wiker, mgr-adv/merch, consumer communications products div
Geoffrey Pollard, vp-public affairs, diversified products
Stewart L. Bunge, vp-communications, communications systems
Vincent D'Alessandro, vp-public affairs, GTE electrical products

Advertising Agency

Doyle Dane Bernbach, New York—Lawrence J. Iannuzzelli, exec vp; Denis P. Crosley, group sr vp-mgmt supervisor; Joseph Wolfsfeld, vp-mgmt supervisor, telephone operations; Joseph F. Belle Isle, vp-account supervisor; Nancy Brett, vp-mgmt supervisor, diversified products & services; James G. Cole, vp-account supervisor, telephone operating group.

Gulf & Western dropped "Industries" from its corporate name this past year, it signified the completion of a far-reaching restructuring program inaugurated by G&W chairman-ceo Martin S. Davis in 1982 to focus the company's operations in financial services, publishing and information services and entertainment.

Total advertising figures for 1984 and 1985 are viewed to reflect the sale of G&W's consumer and industrial products group to Wickes Cos. in September, 1985. The sale, for $1 billion in cash and the assumption of $72 million in long-term debt, included clothing licenses under the Calvin Klein, Liz Claiborne and Jonathan Logan labels and Simmons mattresses, automotive parts distribution and manufacturing, and accounted for approximately 50% of its measured ad spending.

Gulf & Western's net earnings for fiscal 1985 totaled $2234.5 million, up compared with $1077.2 million in fiscal 1984, excluding income from the sale of securities that contributed an additional $32.7 million to 1984 earnings. Fiscal 1985 results included earnings of $129.6 million from continuing operations and $104.7 million from discontinued operations (principally the consumer and industrial products group). The prior year's net income included earnings of $128.8 million from continuing operations and $104.1 million from discontinued operation.

During 1985, G&W's financial services group reported another stellar performance. Comprised of Associates First Capital Corp., whose principal operating subsidiary is Associates Corp. of North America (The Associates), the nation's third largest independent finance company, the financial services group reported a 20% increase in operating income to $2332 million in fiscal 1985 as gross revenue (not consolidated with G&W's sales total) increased 21% to $1.4 billion. Those gains continued into the first half of 1986, with strong gains coming from the consumer lending and commercial finance activities.

G&W's purchase of Prentice-Hall, the nation's largest publisher of college textbooks and a leading publisher of business and professional materials, for about $710 million in December, 1984, and in June, 1985, purchase of Ginn & Co., a leading elementary and high school textbook publisher, for about $310 million, enabled G&W's publishing and information services group to hold leadership positions in most of the major industry segments. G&W's publishing and information services group was formed in March, 1985, and it now comprises Simon & Schuster and its family of companies.

Publishing and information services made up of six operating units—trade, reference, higher education, school, professional information and international—had operating income of $79.5 million on net sales of $663.6 million in fiscal 1985, compared with $30.6 million and $265.7 million, respectively, the prior year. Net sales in fiscal 1986 are expected to approach $1 billion, reflecting the operations for a full year of Prentice-Hall and Ginn & Co.

Simon & Schuster plans to broaden the variety of products it offers and the number of customers served through planned internal growth as well as acquisitions. In the first six months of fiscal 1986, the group generated $297.4 million in revenues, up 18% from $302 million the prior year. Operating income rose 12% to $23.8 million.

Paramount Pictures is the main attraction in G&W's entertainment group and is the one big-ticket advertiser remaining onboard after G&W's restructuring. Paramount owns one-third of the USA Network, an advertiser-supported basic cable tv service, and publishes music through its Famous Music Corp. The group's other business segment includes among others Madison Square Garden Corp., which operates Madison Square Garden Center, its professional sports teams and MSG Network, the country's oldest and largest regional cable tv sports network.

G&W's entertainment group was unable to match the group's record-breaking fiscal performance generated by four motion-picture box office hits in fiscal 1984. With only one comparable success in fiscal 1985 and because of the adverse impact of videogames operations that have been shut down, the group's operating income declined 37.7% to $68.5 million as sales dropped 16.7% to $1 billion. Aside from the rest of the group, Paramount's own operating income was $77.8 million, compared with 1984's record $110.5 million. Sales amounted to $580 million, compared with $1 billion the previous year.

Madison Square Garden provided results almost equal to last year's performance, but the videogame operations of Sega Enterprises, now closed, caused a substantial deficit.

Paramount has several major features in production and plans to release 16 to 18 films in fiscal 1986, compared with 12 in fiscal 1985.

Total measured media spending for Paramount movies in 1985 was $23 million, up 11.6% from 1984. While most releases in its 1985 repertoire received about $1.5 million in measured media backing, "Young Sherlock

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Top 25 business/industrial advertisers

Rank	Advertiser	Business pub. ad expenditures 1985	1984	% chng	as % of co.'s 1985 ad total
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
6	Hewlett-Packard Co.	$10,079	$7,706	30.8	20.8
7	Texas Instruments	6,459	N/A	N/A	N/A
8	Eastman Kodak	6,043	4,576	32.1	2.4
9	IBM Corp.	5,668	1,474	284.5	3.8
10	Time Inc.	5,559	919	504.6	3.5
[illegible]					
[illegible]					
[illegible]					
[illegible]					
[illegible]					
16	Tektronix Inc.	4,459	N/A	N/A	N/A
17	Digital Equipment Corp.	4,426	N/A	N/A	N/A
18	Matsushita Electric Industrial Co.	4,268	4,187	1.9	5.0
19	Caterpillar Tractor Co.	3,838	N/A	N/A	N/A
20	Beard Corp.	3,797	598	537.5	N/A
[illegible]					

NOTE: Dollars in thousands. Source: Rorie Reports and *Business Marketing*, a Crain Communications publication.

Entries" got $2.5 million and "Witness" received $2.1 million.

Except for "Beverly Hills Cop" and "Witness," revenues from fiscal 1985 releases were disappointing, with "King David" and "Explorers" both incurring major losses. According to *Variety*, "Beverly Hills Cop," released in December, 1984 grossed a total of $235 million at the box office, placing it ninth on the list of all-time hits. "Witness," a February, 1985, release with Harrison Ford, grossed $68 million at the domestic box office. Recent results from Paramount's tv operations were more than offset by a decline in motion picture revenues.

The group's tv operations benefited from a strong network production schedule, which included "Cheers," "Family Ties," "Webster" and "MacGyver." Syndication revenues from "Happy Days," "Boom Buddies" and "Star Trek," in addition to gains in home video, pay tv and the international tv distribution of "Raiders of the Lost Ark" also contributed to the segment's gains.

G&W's entertainment group's revenues for the first six months of fiscal 1986, which ended April 30, declined 6% to $501.8 million while operating income rose 36% to $57.3 million. The earnings reflected the favorable impact of the marketing by the motion picture division of a first-run portfolio package of 25 feature films for tv syndication, the continued growth of the home video operations which benefited from the releases of "Witness" and "Teen Wolf," among others pictures. The earnings increase also reflects the recognition of license fees for "Flashdance" and "48 Hours," the home video release of "Beverly Hills Cops" and the improvement of the Canadian theater operations because of higher concession sales and lower operating costs.

These improvements over the first six-month period more than offset the decline from the motion picture division because of the lack of a comparable blockbuster to "Beverly Hills Cop" in the prior period.

Paramount's early 1986 release of "Poetry in Pink," with box office grosses totaling over $40 million, and "Gung Ho," with box office results of $37 million, spurred the motion picture division's stronger gains. With the release of "Top Gun" in May ($119 million by mid-August) and "Ferris Bueller's Day Off" ($56 million by mid-August) *Variety*'s Art Murphy has identified Paramount the industry's leader, capturing 16.6% of the moviegoing audience. "Top Gun" may be the biggest hit of the year.

In 1986, Paramount Home Video entered the 8mm video marketplace through a nonexclusive distribution agreement with Sony Corp. of America. Paramount purchased 26 screens of the Trans-Lux theater chain for about $15 million. Paramount TV's international distribution division is exploring international rights sales of Madison Square Garden-owned tv properties. In April, 1986, G&W announced plans for the construction of a new Madison Square Garden one block south of the new Jacob Javits Convention Center. Completion date will be fall 1990.

G&W purchased Silver Burdett Co., an elementary school textbook publisher, from SFN Cos., Glenview, Ill., for about $125 million in March, 1986. In May, 1986, S&S combined Silver Burdett and Ginn & Co. into Silver, Burdett & Ginn, which will consolidate all S-A publishing operations. Simon & Schuster has acquired Van Nostrand Reinhold's general interest trade titles in nine categories. In March, 1986, G&W sold its Delair and Resource Systems International units, which provide training programs for industry, to National Education Corp., Newport Beach, Cal., for $100 million.

The Associates formed a new affiliate, Associates Real Estate Financial Services Co., to market the company's residential real estate activities. In May, AmeriTrust Corp., Cleveland, purchased the lending division of Associates Commercial Corp. Terms of the sale were not disclosed.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$6,227	$6,331
Newspaper	2,250	2,788
Newsp. supp.	192	122
Bus. pubs.	177	249
Network tv	16,622	20,773
Spot tv	18,077	22,119
Network radio	3,077	1,810
Spot radio	1,149	308
Outdoor	198	77
Network cable	2,548	1,076
Total measured	$51,517	$55,798
Unmeasured	30,586	39,501
Total	$82,103	$95,299

GULF & WESTERN
1 Gulf & Western Plaza
New York, N.Y. 10023
(212) 333-7000

Corporate Personnel

Barry Bluestone, vp-corp communications

MOTION PICTURE GROUP
Marketing Personnel

Barry Lawton, president-mktg & dir
Sidney Ganis, president-worldwide mktg
Ward Wiemz, exec vp-worldwide mktg
Martin Gainer, exec vp-intl mktg & dir
Thomas Campanella, sr vp-natl adv
Vinny Cologer, sr vp-production/mktg
Kathy Jones, sr vp-domestic publicity & promo
Susan Pike, sr vp-publicity & promo, West Coast
Robert Dorfman, sr vp, East Coast publicity & adv
Paul Crystal, vp-mktg admin
Leslie Pound, vp-intl mktg & dir

TELEVISION GROUP
Marketing Personnel

Hillard Brown, vp-adv & sales promo
Eric Doctorow, vp-sales & mktg, video dist
Steven Goldman, exec vp-sales & mktg, domestic tv and video programing
Wesley Golitz, vp-adv & promo, domestic tv & video programing

Advertising Agency

Diener/Hauser/Bates, New York—Cheryl Ludinger, sr vp-exec super; Ernie Stanton, asst vp; Norman Trell, exec vp-media.

GULF+WESTERN INDUSTRIES CORP.

Corporate Personnel

Jack Loftus, vp-corp communications

PRENTICE-HALL

Marketing Personnel

Robert Goldwater, vp-mktg

SIMON & SCHUSTER

Marketing Personnel

Linda Burns, vp-mktg

Advertising Agencies

(In-house) WSG Advertising—WSG Center.
Grey Entertainment & Media—WSG

GMAG
THE FRATERNITY MAGAZINE GROUP

New York—Al Letterman, president; Ed Rosenhoff, region super; Lee Berke, asst mgr.

PUBLISHING & INFORMATION SERVICES GROUP
SIMON & SCHUSTER
Corporate Personnel

Pepperidge Greene, dir-corp communications

Marketing Personnel

Bernette Lamont, vp-adv dir, trade publishing group
Anita Karmin, adv mgr, trade publishing group
Pat Dini, vp-adv dir, Pocket Books
John Rosen, vp-mktg, reference publishing group, Simon & Schuster software

Advertising Agencies

Jamieson Advertising, New York—Pocket Books—Elissa Cohen, asst exec. Simon Circus, adv promo mgr.
Ogilvy & Mather, New York—Simon & Schuster software—Lisa Gyllenhaal, asst exec.
Franklin Spier, New York—trade trust div—Alix Nelson, president-creative dir; David Carlton, asst exec; Karoleen Kelly, asst acct exec.
Sussman & Sugar, New York—general reference group—Lisa Gyllenhaal, asst exec; Shelley Hennessian, asst acct exec.

FINANCIAL SERVICES GROUP
ASSOCIATES CORP. OF NORTH AMERICA
Corporate Personnel

Frederick H. Stern, vp-corp communications

ASSOCIATES COMMUNITY FINANCIAL SERVICES
Marketing Personnel

James F. Wengrovitz, sr vp-corp consumer mktg
Michael J. Carney, sr vp-consumer mktg

ASSOCIATES COMMERCIAL CORP.
Marketing Personnel

Clifford B. Noble, vp-corp mktg services
David F. Edwards, sr vp-transportation mktg
Barbara C. Wisniewski, sr vp-equipment mktg
Joe Kuzma, vp-communications mktg
Stephen J. Larkin, vp-fleet leasing mktg
Lee J. Crittenden, vp-corp communications

Advertising Agencies

Grant/Barsky, Chicago—Greg Pudvan, asst exec; Philip Perri, asst super.

Hasbro Inc. — Rank: 73

Pawtucket, R.I.

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,202	710	72.2
Net income	93	52	80.3
U.S.	**1985**	**1984**	**% chg**
Sales	985	561	72.2
Operating profits	136	77	76.4
Advertising	175	93	88.2

Product diversity in 1985 allowed Hasbro Inc. to become the nation's leading toy manufacturer—inching ahead of longtime industry leader Mattel Corp. with $1.2 billion in net revenues.

Hasbro, which recorded revenues of only $105 million just five years ago, is made up of Hasbro toys, Milton Bradley games and Playskool (the latter two were acquired in 1984). It spent an estimated $113.4 million in advertising in 1985, up 33%, with $20 million attributed to international advertising.

In 1985, Hasbro merged its previously separate Hasbro and Playskool preschool lines into one comprehensive line. Products including Mr. Potato Head, Mr. Buddy and Mickey Mouse Talking Phone, which previously were part of the separate Hasbro preschool division, are now a part of Playskool. All toys in this division carried the ad theme "Feeling good about the Hasbro years."

In early 1986, Hasbro completed the purchase of certain assets of the Child Guidance preschool line from CBS Inc., New York. As a result, Hasbro was able to add crib activity toys and The Big Mouth Singers, Walt Disney and Sesame Street licenses to the Playskool name.

Another segment of the Playskool umbrella is the new Tommee Tippee Playskool line, which grew out of Hasbro's purchase of Glenoit Infant Systems in 1983. The line was backed with $5 million in advertising support and features bibs, feeding accessories, safety items and infant wear. Print advertising for the line ran in women's service magazines, and two 30-second tv spots featured *Good Morning America* co-host Joan Lunden and tv patrons Alex Karras and Susan Clark.

Hasbro introduced several new lines in its girls' division in 1985. The most successful to date is Jem—a contemporary version of Mattel's classic Barbie doll. In 1986, Hasbro promoted Jem with $7 million to $10 million in ad support and the theme "Truly Outrageous!" Jem also appeared in the form of a weekly syndicated cartoon series in 1986.

Hasbro introduced a number of accessories in 1986 to complement the Jem line. Top sellers include an fm radio/cassette player that opens up to reveal a star's dressing room, a sports car or a concert stage. Also in 1986, Milton Bradley introduced three Jem games that interweave rock music with board game play.

"Get in Shape, Girl!" a fitness program for young girls, also was introduced in 1985. The line, which consists of exercise cassette tapes, child-size exercise gear and fashionable accessories, was complemented by four new sets of gear in 1986. The line was promoted in 1985 by Olympic gymnast Mary Lou Retton.

Also in 1985, Hasbro's girls' division introduced Real Baby, a doll that has the look and feel of a "real baby," and launched line extensions for My Little Pony. My Little Pony was the No. 2 selling toy in England last year.

Hasbro's boys' division is primarily made up of two top-selling toys: G.I. Joe and Transformers.

Despite complaints from various organizations requesting that violence-themed toys be removed from the market, the G.I. Joe action figure line in 1985 represented 13% of the company's total revenues. Sales for the line were $130 million.

Though up against stiff competition from Tonka Corp.'s Gobots, Mattel's Masters of the Universe collection and Matchbox Toys (USA) Ltd.'s Voltron, Transformers remain the leader in the transformable toy market valued at $500 million. Sales from the line more than doubled in 1985—a year after the toy's introduction. Hasbro's Transformers rang up sales of about $300 million, just over 50% of the charters, according to the company. GoBots, No. 2 in sales with $130 million, gave Tonka a 26% share.

Hasbro introduced Transformers to the market with a $5 million ad campaign and a daily syndicated animated series. In 1985, Tonka spent $10 million advertising GoBots, but a series based on the toy wasn't introduced until six month after the line debuted.

Inhumanoids, a new Hasbro entry in 1986, is being supported by a $3-$5 million ad campaign, with the theme "The evil that lies within," and a weekly syndicated animated program.

Hasbro's revenues from its plush toy division was $74 million in 1985, up from $12 million in 1983 when the company acquired the Mickey Mouse, Big Bird, Miss Piggy, Kermit and Raggedy Ann properties from Knickerbocker Toy Co.

Wuzzles are plush fantasy animals that Hasbro also introduced in 1985 via a license from Walt Disney Productions. The toys combine the features of two animals and are also available in a vinyl "squeeze toy" version, board games and puzzles.

Hasbro's Milton Bradley division introduced 35 new games and puzzles in 1985, the most popular being Bed Bugs (an action game), Last Word (a word game) and A Question of Scruples (for adults).

In February, 1986, Hasbro selected Chicago-based Needham Harper Worldwide as the company's second agency of record. Needham handles $15 million in new business assignments, including Hasbro's Christmas 1986 entry, Yakity Yaks—talking bears and monkeys with 400-word vocabularies. Griffin Bacal, New York, remains Hasbro's primary agency with an estimated $100 million in billings.

ADVERTISING CONTRIBUTIONS

($ in thousands)	1985	1984
Kidgets	$53,818	$2,367
Newspaper	63	3
Network radio	61	1
Bus. pubs.	224	48
Network tv	28,726	17,223
Spot tv	53,668	42,853
Spot radio	595	1
Network radio	1,214	955
Total measured	85,367	72,751
Unmeasured	13,888	11,284
Total	141,945	84,801

HASBRO INC.
1011 Newport Ave.
Pawtucket, R.I. 02861
(401) 727-5000
Marketing Personnel

Stephen A. Schwartz, sr vp-mktg
Alfred C. Cerne, Jr., corp vp-mktg services
Deborah Reed, dir-media services
William J. Schmidt, dir-sales promo
John A. Goins, dir-licensing
Walter Barry, dir-mktg rsch

HASBRO TOY DIVISION
Corporate Personnel

Robert Pryma, vp, boys' toys
Maureen Sisson, vp, girls' toys
Neil Friedman, vp, sales

PLAYSKOOL DIVISION
Corporate Personnel

Sharon Harden, assoc vp, Playskool Preschool
Robert Sorkenas, vp, Playskool Baby

MILTON BRADLEY DIVISION
Marketing Personnel

Lawrence J. Bernstein, sr vp-mktg
George Merritt, vp-adv & pr

Advertising Agencies

BBDO/Direct, New York—all direct mktg—Marshall Barrett, sr vp-group supervisor; Leslie Kaplan, asst super; Jon LaValle, asst exec; Steve Levy, asst mgr.
Griffin Bacal, New York—Tom Griffin, president; Joe Bacal, exec vp-dir creative services; Paul Karrell, exec vp-client services; Leonard Lanham, sr vp-creative dir; Art Heller, exec vp-dir media services; Bob Warden, vp-mgmt super, Playskool Baby; Sothea Bok Horne, vp-mgmt super, boys' toys; Mary Sue Robinson, vp-mgmt super, girls' toys; Gordon Hunt, vp-mgmt super; Milton Bradley; Gary Wald, vp-mgmt super, int'l.
Needham Harper Worldwide, Chicago—Tom Hanft, group acct dir; Ellen Dreyer, mgmt sup; Tony Prinzi, asst exec.
Needham Harper Worldwide, New York—Pat Dermody, acct super; Linda LoSapio, asst exec.
Rosen Greenberg Services & Still Inc., Boston—Germany—Brenda Collins, mgmt supv.

HJ Heinz Co. — Rank: 32

Pittsburgh

($ in millions)

Worldwide	1985	1984	% chg
Sales	4,349	4,040	7.6
Net income	322	300	13.4
U.S.	**1985**	**1984**	**% chg**
Sales	2,795	2,697	3.6
Operating profits	327	337	(3.1)
Advertising	262	229	14.5

H.J. Heinz Co. continued its cost-pleasc on cost-cutting and new product development, on which it spent $50 million in 1985, while celebrating 1985 its 100th anniversary of overseas product distribution.

When it came to marketing, tradition ruled as Heinz tomato ketchup once again got the most ad support of any Heinz brand with $12.4 million in network, spot and cable tv buys, a 27% drop from 1984. Heinz ketchup now shows a 30% share of the $580 million market for the first time last year.

In 1986, the company introduced a new 64-oz. bottle, as well as Lite ketchup, a product with half the calories and one-third less salt than Heinz' reg-

INFLUENCE:

Toledo's newspaper has had a strong community influence for 150 years.

The Blade is more than a newspaper. It is a community institution . . . investing itself in the economic, cultural and political life . . . working to set priorities . . . sparking ideas . . . using its influence to help great things happen.

Linked as it is to world markets by the St. Lawrence Seaway, the Port of Toledo is Ohio's No. 1 port. It has the largest Foreign Trade Zone on the Great Lakes.

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The Blade's strong influence makes it an effective catalyst for community achievement. It's an influence we share with advertisers in our 14-county market. Sunday coverage, 82%; daily coverage, 67%.

THE BLADE

The #1 Newspaper in Toledo

541 Superior St., Toledo, OH 43660

Top 25 farm publication advertisers

Rank	Advertiser	Farm pub. ad expenditures 1985	1984	% chng	as % of co.'s 1985 ad total
6	American Cyanamid Co.	5,817	4,373	33.0	1.9
7	Bayer AG	4,673	3,287	42.1	4.3
8	J.I. Case Co.	4,137	5,354	(22.7)	N/A
9	Chesebrough-Pond's	3,973	4,242	(6.3)	1.9
10	Ford Motor Co.	3,826	3,915	(2.3)	0.5
16	Upjohn Inc.	2,971	2,850	4.3	N/A
17	Sperry Corp.	2,972	2,745	(12.3)	N/A
18	General Motors Corp.	1,953	1,863	21.2	0.3
19	Dow Chemical Co.	1,844	2,287	(18.3)	1.8
20	Ciba-Geigy USA	1,796	1,356	25.3	N/A

NOTE: Dollars in thousands. Source: Agricultural Marketing Information Services (AGRICOM)

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ESSENCE

ESSENCE. WOMEN. MEAN BUSINESS.

Leo Burnett USA, Chicago—Gretchen Gebbie, vp-mktg. svcs. & comm. info. tech.—T. Ross, asst. vp; J. Ferracone, vp-assoc. dir.

Food Group, New York—Andrew Appelbaum, vp-assoc. prods.—D. Ackerman, president.

Lintham Advertising, Pittsburgh—P. & J. Barbecue sauces, vinegar: Allen Smith—K. Donnelly, jr. vp-group director; L. Werner, asst. vp, jr.

MCA Advertising, New York—Chris Isaac, Wrigley Woolsen foods—Marianne Wachtmeister, vp-assoc. dir.

STUART-DENT FOODS
Terrytown Island, Con.
Marketing Personnel

W.H. Conant, vp-mktg, pr. foods
T.E. Sanford, genl mgr-mktg, services & new prods.
A. Ayotte, vp-sales
J.T. O'Meara, genl mgr-seafood mktg
P.L. Brown, genl mgr-ice food mktg
E.J. Staerck, genl mgr-dog food mktg
R. Worthham, genl mgr-sales devel.
D. Roberts, field sales mgr

Advertising Agency

Leo Burnett USA, Chicago—Stan-Kan tuna, Swanee ice food, Aucoin ice food, Jerky Treats dog treats, Meaty Bone dog snacks—K. Stern, jr. vp-assoc. dir.

SUNKIST FOODS
Tempe, Ariz.
Marketing Personnel

Geoffrey C. Isaacs, vp-sales and mktg.
Pamela J. Gomez, genl mgr-food services sales
David D. Bolender, genl mgr-retail mktg.
W. Vince Shaw, genl mgr-retail sales
Martin A. Thomas, genl mgr-sales & mktg. services
Stamford P. Darger, gp.v mgr-formulated prods. Frostweet Natomas, Gaylord Bros.
Douglas C. Haines, vp-sales & mktg. Food Natomas-Gaylord Bros.

Advertising Agencies

Dovle Dane Bernbach, New York—Gram Roberts, group vp

VARIETY VENDING
INTERNATIONAL
Secaucus, N.Y.
Marketing Personnel

Dr. Lois G. Pattison, vp-mktg. & devel.
Steve W. Ford, genl mgr-mktg. nct & devel.
Leonard J. Tuccio, nat mktg. mgr
Cathy Messinger, genl mgr-mktg. implementation

Corporate Media Buying

SFM Media Buying Corp, New York—print media buying—Daniel Tobin, jr. vp

Advertising Agencies

Doyle Dane Bernbach, New York—Jim Freeman, jr. vp-mgmt. supvr.

Young Fisher & Partners—Maggie Wachtmeister, print, radio—Nancy Fisher, president.

Ross & Cellini, New York—Gene Ning—Susan Singer, jr. vp

FIR, Toronto—Canadian agency of record.

Hershey Foods Corp.

RANK **71**

Hershey, Pa.

($ in millions)

Shareholder	1985	1984	% chg
Sales	$[illegible]	[illegible]	[illegible]
Net income	[illegible]	[illegible]	[illegible]
U.S. advertising	[illegible]	[illegible]	[illegible]

Division/Location	1985	1984	% chg
Confectionery	[illegible]	[illegible]	[illegible]
Restaurant	[illegible]	[illegible]	[illegible]
Other food	[illegible]	[illegible]	[illegible]

Propelled by record sales and operating income in 1985, Hershey Foods Corp. continued to build from its strengths in the confectionery, package food and restaurant business to become a major diversified food company.

Hershey acquired a chain of 12 Franklin restaurants in northeastern Pennsylvania, while divesting itself of lagging Cory Food Services and Cory Canada.

Even with the emphasis on diversification, Hershey's chocolate and confection business still accounted for 67% of total company sales, down only slightly from 68% in 1984. The group's operating income is even more dominant—71.7% of a company-wide $267.1 million in operating income (minus general corporate expenses).

In the battle for dominance in the $8 billion confectionery market, Hershey pulled almost even with its chief competitor, Mars Inc. Hershey Chocolate Co. and Mars together hold one-third of the total confectionery market, while the top nine companies account for about 50% of the business, according to Hershey figures.

The two companies split about 70% share of the candy bar market, with Hershey closing to an approximate 35.5% share, up from 32.6% five years ago. In the same period Mars has dropped to a 36% share, from an estimated 40%. Peter Paul Cadbury and Nestle each hold just under 11% of the bar market share.

Hershey continued its attack in the bar wars in July, 1986, when it announced a weight increase for a number of its standard bars, such as Kit Kat, Reese, Hershey's milk chocolate, Crackel, Skor and Mr. Goodbar, while holding the line on wholesale prices.

"Once prices have been increased, as it can be expected that other producers will follow Hershey," says market analyst Leonard Teitelbaum of Merrill Lynch, New York. "The strategy of increasing size without raising price has been used before. This time Hershey is taking the lead. They see this as a way to improve consumer perception of the price/value ratio. That's sure to be better for consumer demand," he says.

Value has a strong bearing in Hershey's push to a more mature, value-conscious market for products such as Hawaiian Punch chocolate rolls and Skor. They have been positioned as taste treats for adults. The Golden Premium candy line of premium bar and solitaire products was rolled out nationally in spring of 1985.

The bulk of Hershey's measured advertising spending was devoted to promotion of its confectionery lines. The company spent $67.4 million in measured media, according to seven media main measured by Leading National Advertisers, with $62.2 million or 92% spent on promoting confectionery products. An additional $16.5 million in unmeasured advertising was spent on coupons and promotional advertising.

Measured spending increased mainly in several individual products, including $18.3 million for Hershey's candy bars, up 14% from 1984. Hershey's miniatures, up 15.5% to $1.35 million; kiss candy, up 13% to $2.15 million, and Reese's Peanut Butter Cups, up 4.3% to $7.5 million.

On the down side, Hershey cut back in measured spending on chocolate milk $0.2 million). Production was discontinued in 1985 of Take Five, another adult-oriented bar, after a four-year regional test.

During 1985, Hershey had rough going in the estimated $4.6 billion granola bar market. Despite a 45% increase in measured spending (up to $6.3 million) and award-winning creative for its New Trail entries, Hershey's market share in the competitive category slipped from 7% in 1984 to 4%. Quaker Oats continues to lead with a 50% share in 1985, up from 45% in 1984. Other key market players include General Mills at 23% versus 28% in 1984; Ralston Purina, 7%, up from slightly more than 5%, along with Carnation and Kellogg, both holding steady at 6%.

The granola category has endured radical change in the product—from a crunchy, grain-based "health food," to a soft confection approaching a candy bar in taste and "pleasure"—and Hershey appears unscathed by the product changes and stiff competition. It introduced three new chocolate-covered New Trail flavors in early 1986.

Mr. Teitelbaum says Hershey's share has moved back up to about 9% in 1986. But other producers, including Frito-Lay and Mars, are contemplating entering the category. "It's woefully crowded already. Companies will have to examine their profit margins and decide if it's really worth it to be in the category," he says.

While attracting consumer attention, it is hoped, Ogilvy & Mather's spots showing children lip-syncing "Ba and "Ma chants in praise of New Trail have drawn scathing remarks and in Cannes, where the campaign received a 1985 Silver Lion. Another Hershey agency, Dovle Dane Bernbach, New York, removed an Effie for its work on Hershey's chocolate syrup.

Hershey made other attempts to grow in name before the panic to everything into licensing agreements with several toy and children's clothing manufacturers in 1985.

Hershey-owned Friendly Ice Cream Co. celebrated its 50th anniversary in 1985 by forging ahead in its geographic expansion campaign. In addition to the acquisition of the Franklin chain, which will continue to operate under its present name and menu, Friendly added 40 new restaurants. At yearend, it operated 752 units in 17 states. Friendly, with sales amounting for 24% of Hershey, up from 22% in 1984, accounted for 11.2% of operating income, as measured ad spending was $3.1 million, up 7%.

Though primarily concentrated in the Northeast and Midwest, Friendly, which counts on ice cream items for 47% of its sales volume, is expanding into the South. The company plans to operate 20 Friendly restaurants in the Washington, D.C., area by the end of 1986 and have another 20 in operation in central Florida by the end of 1987, a Friendly's spokesman says.

In addition to expanding the Friendly concept, an effective restaurant unit in Howard Johnson's, the company is seeking to acquire strong regional chains such as Franklin's in order to gain a broader base of customers.

Hershey Pasta Group, including American Beauty, Delmonico, Light 'n' Fluffy, P&R, San Giorgio and Skinner, are the mainstays in the "other food products" category that accounted for 9% of Hershey sales and 4.1% of operating profit.

The 1984 acquisition of American Beauty pasta from Pillsbury propelled Hershey into market leadership of the estimated $852 million dry pasta market. In 1985, Hershey maintained a 11.8% market share, down from 17.2% in 1984. Other players include CPC International (Mueller's) at 15.6%, up slightly from 15.5% in 1984; Borden (Creamette, Kraft) 14.8%, up from 11.9%, and General Foods (Ronzoni) 8.8%, up from 8.7%. Over the course of 1985, Coca-Cola Co. and McKesson pulled out of the market along with Pillsbury.

Although not advertised heavily, pasta brands measured measured spending of $1.5 million, up 51%. The pasta group unveiled several new products including Skinner's Lone Star pasta for sale in Texas. Rainbow Twirls was launched under the Light 'n' Fluffy and American Beauty brands. Hershey also tested Sun Giorgio spaghetti sauce.

In November, 1985, Hershey divested itself of money-losing Cory Food Services and Cory of Canada. The subsidiaries were sold to A.E.A. Food Services for an undisclosed price. Hershey incurred an aftertax loss of about $7 million as a result of the sale.

Hershey's cocoa connection

Cocoa beans, grown largely in West Africa, fluctuate widely in price. The International Cocoa Agreement often minimizes price fluctuations by forward purchasing and by the trading in cocoa futures contracts. Higher prices forced Hershey's in January, 1986, to raise its retail price for a standard bar from 25¢ to 40¢.

HERSHEY FOODS CORP.
100 Hershey Road East
Hershey, Pa. 17033
(717) 534-4200
HERSHEY CHOCOLATE CO.
Hershey, Pa.
Corporate Personnel

Joseph P. Viviano, president
Marketing Personnel

Jay F. Carr, vp-mktg
Anthony J. Pingitore, div-new business devel

Advertising Agencies

Dovle Dane Bernbach, New York—Kit Kat, Mr. Goodbar, Whatchamacallit, York candies, Reese's Pieces, Skor, Hershey's syrup, Hershey's chocolate milk, new prods.—Peter Tate, exec vp; Brian Duffill, jr vp-mgmt supvr; Richard Effman, Court Crandley, vp-asst supvrs.

Ogilvy & Mather, New York—Hershey's Cubes, Hershey's milk chocolate bar, Hershey's milk chocolate bar with almonds, Hershey's baking chocolate, Hershey's chocolate chips, Hershey's cocoa, Hershey's fudge topping, Golden Almond bar, Golden Almond Solitaires, Golden II, Reese's peanut butter cups, Reese's peanut butter chips, Big Block, Rolo, Hershey's miniatures, New Trail granola snack bar, Giant Kiss, Hawaiian milk chocolate rolls, new prods.—Malcolm Vaughan, jr vp-mgmt supvr; group dir; Gerry Lantz, vp-mgmt supvr; Joanne Maroney, Michael Edmeades, Holly Brookstein, vp-asst supvrs.

FRIENDLY ICE CREAM CORP.
Wilbraham, Mass.
Corporate Personnel

James D. Nagle, chmn-ceo
John F. Cauley Jr., president
Joseph A. O'Shaughnessy, jr exec vp
Marketing Personnel

Tom W. Sauve, vp-mktg
Advertising Agencies

Ingalls, Quinn & Johnson/BBDO, Boston—Don O'Dell, jr vp-mgmt supvr; Pat Cicolin, asst supvr; Mary D. Brown, Susan Z. Hiller, Dan Carlin, asst exec; Sally Bode, Richard Taylor, asst asst exec; Joanne A. Brophy, exec.

HERSHEY PASTA GROUP
Hershey, Pa.
Corporate Personnel

C. Wesley Sumner, president-ceo
Marketing Personnel

Clifford C. Larsen, vp-mktg
Advertising Agencies

Hilby/Cranmer, New York—San Giorgio, Light 'n Fluffy, P&R, Skinner, Delmonico & American Beauty brands—Albert J. Bouchard, exec vp; Gary Bernstein, Carrie Perry, asst execs.

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Honda Motor Co.

RANK **55**

Tokyo, Jpn.

($ in millions)

Shareholder	1985	1984	% chg
Sales	[illegible]	[illegible]	[illegible]
Net income	[illegible]	[illegible]	[illegible]
U.S. advertising	[illegible]	[illegible]	[illegible]

American Honda Motor Co., the third leading Japanese auto manufacturer in Japan and third largest auto importer in the U.S., increased its U.S. unit car sales by 6.8% in 1985 as it furthered its largest ad expenditures into a revamped Accord line and introduced its first luxury car, the Legend.

American Honda is a wholly owned subsidiary of Honda Motor Co., Tokyo, which posted record earnings of $[illegible] million on worldwide sales of $[illegible] billion for the 1986 fiscal year ended Feb. 28, 1986. Figures for both 1986 and 1985 fiscal years were converted from yen to dollars at the rate of $1[illegible].55=¥[illegible].50.

Worldwide unit sales of Honda autos rose 9.3% to a record 1,366,000, an increase the company attributes to new model introductions and expanded overseas production. In the U.S., sales of imported Honda cars in 1985 rose to a record 410,403—[illegible],170 of the best-selling Civics, [illegible],466 Accords, 77,930 Preludes and 52,861 Civic CRXs—an 8.4% jump over the 378,329 imported units sold in 1984.

The 145,879 U.S.-made units at Honda's Marysville, O., plant gave it a U.S. sales total of 592,309 units, up from a total of 508,420 cars sold domestically in 1984. The company is building a $240 million expansion unit in Marysville plant to double the capacity to 360,000. Accords and compact Civics by 1988, in line with stated

intentions of increasing U.S. auto sales to 11 million by 1990.

It is the U.S. production that is enabling Honda to meet its current and future sales goals in North America. Honda's auto production capacity in Japan is presently at or near capacity.

Honda is second only to Toyota in total sales (from imports and domestic production) among auto importers in the U.S. General Motors, Ford and Chrysler in that order still lead in over-all domestic car sales. (Nissan ranks Honda in over-all vehicle sales when compact pickup trucks, a category in which Honda has no competitive product, are figured into the total.)

Including its U.S.-built Accords, Honda's share of the total U.S. auto market in 1985 was 5%, up from 4.9% in 1984, third behind Toyota with 5.7% and Nissan at 5.1%. Mazda accounted for a 2.4% share.

Honda's share of the import market for 1985 stood at 19.5%, up from 19.2% in 1984 and third behind Toyota at 22.4% and Nissan at 21.3%, followed by Mazda at 8.4%. Imports accounted for 27.6% of the total U.S. market in 1985, up from 24.97% in 1984, but not quite at the all-time high of 28.57% in 1982.

Honda's big auto marketing effort focuses on the revamped Accord line unveiled in October, which accounted for more than $2b million in measured media expenditures in 1985, most of it in network tv ($15.5 million) and magazines ($8.4 million). Honda showcased the Accords—five new front-wheel-drive models—in tv spots themed "What will he" and using actor Burgess Meredith as the voiceover.

Print for the 1986 models included a two-page insert using the same theme in major newsweeklies and an array of monthly publications. National newspaper advertising was solely in U.S.A. Today.

Honda also introduced new Civic and Prelude models, of which the Civic accounted for $13.2 million in measured media, compared with a $.1 million expenditure for Prelude.

But the big news in Honda's auto marketing came in the spring of 1986 when the company entered the luxury segment of the market for the first time with two upscale products from its new Acura division. These were the Legend, positioned at $16,000 to $20,000, and the Integra, a sporty notchback at $9,500 to $12,000.

The Acura campaign, budgeted at $20 million for 1986 (40% Legend and 60% Integra, with a 50/50 split between tv and magazines), began in late March with an eight-page spread in national newsweeklies. Prime-time spots on network tv followed just before the showroom introductions in late March. The Japanese-made cars are being sold by a dealer network that operates independently of existing Honda dealerships.

Honda continued to maintain its dominant position in the world motorcycle market, holding a 46.4% share of the U.S. market in 1985, down slightly from 48.7% a year earlier. It was followed by Yamaha at 19.9% (down from 20.5% in '84), Kawasaki at 14.9% (up from 10.2%), Suzuki at 10.1% (down from 10.2%) and Harley-Davidson at 7% (up from 5.5%).

Honda also led the competition in sales of all-terrain vehicles in 1985 with a 45.5% share, down from 70.3% a year earlier. Other ATV market shares for 1985 were Yamaha, 15.8%; Suzuki, 13.4%; and Kawasaki, 6.5%. In scooters, Honda also held a commanding lead with a 41% share, up from 35.7% in 1984, followed by Yamaha at 18% and Vespa at 10.1%.

The Japanese importer owns a 15.6% unit share of the combined motorcycle, ATV and scooter markets in the U.S., all of which account for unit sales of more than 700,000 annually. Honda also is expanding its U.S. market for lawn mowers, generators, outboard motors and power products.

Power equipment advertising, mostly in magazines, exceeded $3 million in measured media in 1985, with the creative effort concentrated on aggressive support of individual products. Ads emphasized the quality of products at the upper end of the price structure. A new tv spot featuring an intimate dinner party shows that Honda's power generator can be used by consumers other than campers.

Honda introduced its 1985 Rebel motorcycle, a small entry-level 250cc street bike priced at $1,298, with a $5 million ad push in the spring of 1985. The company followed with similar backing for a 450cc Rebel model, priced at $1,498, early in 1986. The year ended with Honda spending an estimated $20 million on motorcycle advertising, most of it in network and spot tv and magazines. Combined annual budget for motorcycles, scooters and ATVs is estimated at more than $40 million.

Tv was also the main support for Honda's motorized scooters, as well as youth-oriented consumer magazines, which were portrayed as hip, trendy and fashionable in a campaign featuring singer Lou Reed. Scooter advertising, estimated at more than $8 million in 1985, went even higher this year as Honda used Chicago Bears quarterback Jim McMahon, comedian Sandra Bernhard and jazz trumpeter Miles Davis in a new $10 million tv campaign to pitch Honda Elite scooters. New print and tv ads also introduced a high-end scooter, the Helix, which lists for $2,598.

Major introduction in Honda's ATVs was a new line of four-wheeled vehicles—the Fourtrax—a category that has been growing in popularity over three-wheeled models. The $2 million-plus campaign ran primarily on tv. ATVs accounted for $7.2 million in measured media in 1985.

Honda continues to invest heavily in U.S. production. Honda is building a $42 million plant in Anna, O., that will make plastic parts. The company's new $13 million lawn mower plant in North Carolina reached its full capacity of 120,000 units in July, 1985. Honda started production in July, 1985, of motorcycles at a newly constructed $30 million plant in Anna, O. It is nearing completion of a $40 million expansion to the plant to produce Civic engines by the fall of 1986.

(In thousands)	1985	1984
Magazine	$[illegible]	$10,035
Newspaper	[illegible]	9,001
Network radio	[illegible]	969
Spot radio	[illegible]	189
Network tv	[illegible]	[illegible]
Spot tv	[illegible]	[illegible]
Network radio	[illegible]	2,967
Spot radio	[illegible]	6,736
Outdoor	[illegible]	164
Network tv	[illegible]	1,077
Farm pubs.	[illegible]	668
Total measured	[illegible]	[illegible]
Unmeasured	[illegible]	[illegible]
Total	[illegible]	[illegible]

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(213) 327-8280
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Marketing Personnel
K. Amamiya, exec. vp-sales
Cliff Schmillen, exec. vp
T. Elliott, sr. vp-operations
J. Billmyer, sr. vp-sales
K. Caldwell, vp-Acura sales
E. Taylor, Acura asst. vp
Eric Conn, auto adv. mgr
Kurt Antonius, p. mgr.
MOTORCYCLES
Corporate Personnel
John Penn, sr. vp
Marketing Personnel
Ray Blank, sr. mktg. mgr.
Neil Leventhal, motorcycle/scooter/ATV natl. adv. mgr.
Jim Row, motorcycle communications mgr.
POWER EQUIPMENT
Corporate Personnel
Sam Okamura, vp
Terry Mulligan, asst. vp
Marketing Personnel
Pat Curtis, power equipment mktg. mgr.
Advertising Agencies
Dailey & Associates, Los Angeles—power equipment, motorcycles, ATVs—Don Effler, sr. vp-mgmt. supvr; Dennis Canape, vp-asst. group supvr. Power equipment—Roger Van Remmen, mgmt. supvr; Dixon Head, asst. supvr.

Cochrum Advertising, Los Angeles—Acura autos—Craig Matheson, president; Peter Cmetown, vp-asst. supvr; Kevin Cosgrave, vp-asst. supvr; Ron Buckhammer, sr. vp-mgmt. supvr; Martin Wachtoski, sr. vp-creative dir.
Needham Harper Worldwide, Los Angeles—autos—William Engelstein, sr. vp-group asst. dir; Chuck Valentine, vp-asst. dir.
Westin & Kennedy, Los Angeles—Honda Bilitzer, asst. supvr.

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George A. Hormel & Co.

Austin, Minn.

Rated: **100**

($ in millions)

Worldwide	1985	1984	% chg
Sales:	1,502	1,455	3.3
Net income:	39	30	30.0
U.S. advertising:	77	46	65.0

George A. Hormel & Co., plagued by a union strike that drew the National Guard to its home plant in Austin, Minn., substantially hedged its advertising and continued its transformation from meat packer to food processor.

Hormel's 1985 ad expenditures, amounting to a 50% increase over the previous year, represented the acme of annual big budget increases in advertising the past five years at Hormel, starting with $17 million in 1981. Year-end 1986 ad spending should remain near $70 million, says a company spokesman, loosely tying advertising to profits, which already have been affected by startup costs associated with the end of the strike.

The only 1985 Hormel advertising shuffle occurred in September, when the $5 million Brolett & Browneit pork sausage account was switched to Bates Paragon, Minneapolis, from BBDO.

Hormel's fiscal returns—earnings that shot up 30.4% in 1985 on sales that increased 3.3%—continued strong in the first half of fiscal 1986 when Hormel net income grew 4.7% to $15.2 million on sales of $823 million, up 29.8%. However, earnings in the second quarter jumped 26% to $9.1 million from 1985, a rise Hormel attributed to startup costs at its Austin plant.

Hormel continued to concentrate on nation niches. This strategy was exemplified by the company's withdrawal from the frankfurter market, returning with specialty products like chili-stuffed Frank 'N Stuff franks and marble-ground, smoked Wranglers.

During 1985, Hormel nearly quadrupled measured network radio spending and sharply increased measured spending for network tv (up 125%), spot tv (up 122%) and outdoor advertising (up 170%). Emphasis on network broadcast, spot tv and outdoor will continue in 1986.

Although Hormel did not make any acquisitions in 1985, it contracted in July, 1985, to market meat products produced by FDL Foods, Dubuque, Ia.

The two-year pact with FDL, one of the nation's largest hog slaughterers, contains a provision allowing Hormel to buy FDL within two years. Hormel's contract with FDL was seen by most observers as ensuring hog-slaughtering capacity to replace most of its Austin plant output if 1,500 members of Local P-9 of the United Food and Commercial Workers International went on strike last August. The strategy proved correct. Union members walked out Aug. 17, 1985.

After talks stalled between Hormel and P-9 officials and the Austin plant had been closed for six months, Hormel reopened the plant in January and has hired 1,025 workers, including 500 P-9 members who crossed picket lines.

Although the P-9 strike idled Hormel's largest plant for approximately five months, the company introduced many new products in 1985-86. Hormel added Brolett & Browneit pork sausage, promoted for use in microwave ovens; Gold 'n Lite frozen breaded vegetables and cheese snacks; Chunky chili; frozen catfish fillets and bite-size Catfish Jumbers, marketed in 13 South and Midwest states; low-salt Spam; CountrySide salads, a line of four canned prepared salads; cheddar cheese, ham and pepperoni bits; canned chunk pink salmon, and Old Smokehouse Steak Sauce Plus, introduced in May, 1986, to slice into the K.R. Nabisco A1 and Heinz 57-dominated steak sauce market.

Most recently, Hormel introduced Frank 'N Stuff with a cheese core and a rolling national.

Workers at the plant may be able to vote whether they want to be represented by a union this year. Meanwhile, Hormel is negotiating with the Trustee for the UFCW international union in an effort to secure an honorable contract and put the labor dispute behind it.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine:	260,0	266,651
Newspaper:	1,779	2,778
Newsp. supp.	90	1,909
Bus. pubs.	1,464	1,509
Network tv:	6,325	2,847
Spot tv:	12,208	5,340
Network radio:	7,639	1,970
Spot radio:	10,269	4,851
Outdoor:	513	190
Network, other:	265	0
Total measured:	46,751	29,252
Unmeasured:	23,951	16,963
Total:	70,702	46,215

MEAT PRODUCTS GROUP
Corporate Personnel
R.L. Knowlton, chmn, president-ceo
Marketing Personnel
T.H. Purcell, dir. adv. & mktg. services
MEAT PRODUCTS GROUP
Corporate Personnel
James A. Silimagh, group vp
Marketing Personnel
Stanley A. Kettler, sr. vp-mktg.
James DiNicola, vp-sales
Gus Jenkins Sr., prin prod mgr, deli prods & direct mktg.
Jim Tegt, prod mgr, consumer prods deli group, Light & Lean prods, consumer pac dry sausage
Gary Ernest, group prod mgr, processed prods, Brolett & Browneit, Fast 'N Easy
Joe Swedberg, prod mgr, turn, bulk smoked meats
Gary Jones, prod mgr, prepared sausage, Frank 'N Stuff
Curt Wuebler, prod mgr, pork
Richard Johnson, prod mgr, food service
Tom Blumhardt, prod mgr, breakfast meats, Little Sizzlers pork sausage
Mike Cogan, assoc prod mgr, deli group
PREPARED FOODS GROUP
Corporate Personnel
James Hall, group vp
Robert Peterson, vp
Marketing Personnel
Larry Eigenstuen, dir-grocery prods mktg
Eric Brown, dir-grocery prod sales
Rick Bros, group prod mktg. mgr
W.E. Burgstahler, prod mktg. mgr, Dinty Moore, Great Beginnings, imported prods
Richard Crane, prod. mktg. mgr, Spam
William Fiske, mktg. mgr, grocery and refrigerated prods
Mark Johnson, prod. mktg. mgr, Wiley Chicken Ham, BBQ Sauce, Private Label
Larry Tanken, prod. mktg. mgr, chili, omelets, Deviled Ham, spreads, Vienna Sausage
Tom Weitel, prod mgr, chunk prods, sport mixes, vending, CountrySide salads
Warren Dowell, prod mktg mgr, specialty sausage, Bacon Bits, dry snacks
Robert Leavengood, natl. sales & mktg. mgr, retail frozen foods
Advertising Agencies
BBDO, Minneapolis—Wm. Wegner, exec. vp-gen'l mgr; George Simonini, sr. vp-creative dir; Gary Lawacter, vp-assoc creative dir group head; Jim Lacy, vp-assoc creative dir group head. Prepared foods: Spam, chili, Chunk canned ham, Wiley Chicken, Old Smokehouse BBQ Sauce, Bacon Bits, Gold 'n Lite, Farm Fresh catfish —Tom Keating, vp-mgmt supvr; Bill Lozzio and and Donna Wistad, acct supvrs. Meat prods: Cure/All, Ham, Light & Lean prod, Little Sizzlers pork sausage, Fast 'N Easy prods, Wranglers prods, Frank 'N Stuff franks, dry sausage/deli, food service—Jon Jackson, vp-mgmt supvr; Wes Crawford, Jake Schroepfer, acct supvrs.
Glom Productions, Glen Head, N.Y.—Italian language adv—Lena Bianchi, president.
Bates/Paragon, Minneapolis—Dinty Moore prods, Great Beginnings, Brolett & Browneit prods—Chuck Rain, chairman; Jim Jones, president; Doug Law, Jim Thacker, vp-creative dirs; George Fulton, vp-dir planning; Louise Scroggins and John Wurtzbach, group acct dirs.

IC Industries

Chicago

Rated: **46**

($ in millions)

Worldwide	1985	1984	% chg
Sales:	4,408	3,791	16.3
Net income:	453	220	105.9
U.S.	1985	1984	% chg
Sales:	3,944	3,403	15.9
Operating profits:	559	248	94.4
Advertising:	771	57	35.0
Divisions sales	1985	1984	% chg
Rail	807	1,144	(29.5)
Media	1,310	298	44.0
Food services	488	455	7.3
Pressure pipe	1,108	722	53.4
Automotive	387	466	(16.9)
Fertilizer	1,289	1,195	7.9

IC Industries moved quickly in 1985 to merge or sell portions of its far-flung railroad operations and reallocate its corporate resources into specialty foods, consumer services and commercial products.

The sale or merger of the Illinois Central Gulf Railroad has been a top priority of IC Industries for several years.

The company has announced plans for the railroad that include divesting all but a 3,000-mile core system running from Chicago to the Gulf of Mexico.

During 1985, the company generated $486 million in cash from 11 divestitures, including a dairy unit, all retail drug and food outlets, and five ICG railroad segments totaling 1,358 miles. IC has sold 28% of its total mileage since 1968. More than half of the 9,600 miles it had in 1972 have been divested.

IC, with net income up 23% on a revenue growth of 17% in 1985, continues to show gains into 1986. Third revenues for the first six months of 1986 were $2.13 billion, up 3% over the same period in 1985. Net income in the first half of 1986 was $59.4 million, up 21%.

The ICG Railroad's 1985 revenues of $1 billion were unchanged from 1984 and accounted for only 23% of IC industries consolidated sales and revenues for the year. Sales of land segments boosted the railroad's operating income by 30% to $40 million in the first half of 1986, although revenues of $380.3 million from rail operations were off 28% from the same period in 1985.

The strategic plan at IC is to concentrate resources in specialty foods through its Pet Inc. and Pepsi-Cola General Bottlers subsidiaries, franchise consumer services through Within International and commercial products through its Pneumo Abex and Sherman Corp. subsidiaries. IC was active in each of these areas in 1985.

Although Midas was IC Industries smallest group in 1985, accounting for 7% of total revenues, the unit received $37.6 million in promotion for the seven-media unit in Leading National Advertisers, up 35.3% from 1984. Midas accounted for 54% of IC's total measured spending. Media was overwhelmingly in tv—52% spot and 47% network.

Midas set records in 1985 with a 11% jump in operating income to $40.1 million and a 4% increase in revenues to $700 million. With 1,525 muffler shops in the U.S., Midas held its 25% share of the exhaust system replacement market and boosted its share of brake and suspension system services, the company says.

Toronto-based Tenneco, marketer of Walker mufflers, controls two major chains, Can-Am and Speedy Muffler King, and ranks a distant No. 2 behind Midas. Houston-based Wiemeke Muffler Co. ranks No. 3.

Midas continues to lead the way in the market's maturation beyond mufflers into brake and suspension services.

Midas advertising, which previously offered benefits such as lower-priced mufflers and guarantees, evolved in 1985 into a service theme, "Trust the Midas Touch."

Per Inc., a division of the specialty foods group, was second to Midas in measured ad spending with a $20.4 million seven-media total, up 21%. Per had operating income in 1985 of $101 million, up 11%, on sales of $886.5 million, accounting for 20% of IC's revenues in 1985.

In February, 1986, Per terminated Grey Advertising, New York, from its growing line of frozen foods account, including Downyflake breakfast foods, Old El Paso frozen Mexican entrees, Per-Rite pie crusts and Whitman's chocolates. Creative work for these accounts was transferred to Wyse Advertising West, Beverly Hills, Cal., which handles all of Per's dry grocery items.

Ogilvy Group, Minneapolis, continues to handle media buying and planning.

New product and brand activity in the dry grocery and frozen foods categories greatly boosted spending in 1985 and through the first half of 1986, a Per spokesman says. Since fall, 1985, the grocery products group has added 25 new products and the frozen foods group has added 37.

Three varieties of Accent seasoning were introduced in 1985. Measured media for Accent totaled $6.1 million, up 112%. The spending was divided 46% spot tv and 54% network tv.

Another product category receiving significant spending was the Old El Paso line of Mexican foods. While measured spending for the Old El Paso category fell 7% in 1985 to $5.9 million, spending within the category shifted, increasing 15% to $3 million for taco sauce and shells, divided 42% network tv and 57% spot tv.

The Old El Paso brand, the No. 1 line of Mexican foods the past five years with about 29% of the $567 million dry goods market, began to unravel on the frozen foods market in fall, 1985.

In the Mexican frozen prepared foods market, Per has introduced six festive dinners, four burritos and 10 entrees under the Old El Paso brand since August, 1985. Distribution is at 51% of the U.S., and the brand has achieved 12% of the $256 million Mexican frozen prepared foods market. Selections from the 100-plus Old El Paso line also was introduced in 1985 in Europe, Australia and Japan. Per has set a goal of increasing foreign sales of the total Per division to 20% of total revenues by 1990.

Per also is facing a hot fight in the $1.3 billion Italian foods market in which it began a six-month test in June, 1986, of a 30-item line under the Italian Market banner. The line in-

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ctudes 10 dry pastas, 14 canned and bottled sauces, six menu completers such as antipasto salads and two shelf-stable custard desserts.

Competition is expected to be especially keen in the $847 million sauce market, which grew 9% in 1985. Chesebrough-Pond's Ragu spaghetti sauce holds a 30% market share, Campbell Soup's Prego line 20% and Prince 6%. Chesebrough-Pond's recently introduced two new Ragu flavors, in addition to the November, 1985, national launch of Ragu Pasta Meals, a product combining pasta and sauce in a jar that competes with American Home Products' Chef Boy-ar-dee and Campbell Soup Co.'s Franco-American canned pastas.

The higher priced Ragu product garnered 15% unit and 18% dollar shares in test markets.

The $852 million dry pasta market grew only 2% in 1985 and is made up mostly of regional brands. The category is led by Hershey Foods Corp., with a 17% share of the market for six brands. The No. 2 spot is held by CPC International's Mueller brand with a 15.4% share, and No. 3 is Borden's five brands with a combined 11.9%.

IC acquired Louisiana Seafood Packers, Carencro, La., in April, 1986, in an undisclosed price. The company makes a six-item line of frozen entrees called Cajun Cookin'. By August, 1986, the company had taken its line to distribution in 17% of the nation. Also acquired in 1985 was the E.B. Evans Co., Philadelphia, maker of ice cream toppings. Per said its Stouffer's unit and its dairy operations in 1985 in undisclosed prices.

Per also entered the second phase in 1986 of its national rollout of five varieties of Whitman's cream nuts, a frozen brand introduced in October, 1985, and began testing a line of five complete frozen breakfasts in the second quarter of 1986 under the Downyflake label.

The Pepsi-Cola General Bottlers division also had record operating income of $48.4 million in 1985, up 15%, on sales of $469 million, up 17%. Pepsi General distributes Pepsi-Cola and other products in eight states in the Midwest, a market area with a population exceeding 16 million.

During 1985, the company acquired for $77.3 million the assets of Hill Foodservice and St. Louis-based Bastian-Blessing Foodservice Equipment Co.

Both companies are broad-line suppliers of equipment to commercial and institutional kitchens. The acquisition made IC's Bastian subsidiary a major player in the foodservice equipment market.

Bastian had record operating income of $27.2 million in 1985, up 12.8%, on revenues of $287 million. The subsidiary accounts for 13% of IC's total revenues.

C.L. Pemberton, the former Premium Corp. head, was named IC president-ceo in 1985 only to resign in early August, 1986, a route his predecessor, Robert F. Schmits, also took.

Boyd F. Schenk, was named to the new post of vice-chairman.

ADVERTISING EXPENDITURES

[illegible]	[illegible]	[illegible]
[illegible]	$2,467	$2,671
[illegible]	1,765	1,862
[illegible]	22,769	17,466
[illegible]	22,119	22,761
[illegible]	1,181	556
[illegible]	9,367	6,993
[illegible]	230	68
Total measured	70,298	56,445
Unmeasured	68,710	80,875
Total	71,000	137,320

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Chicago, IL 60601
(312) 565-3000

Marketing Personnel
Arnold W. Larsen, sr vp-corp. affairs
Harry A. Crowe, dir-adv

Advertising Agency
Gardner Advertising, St. Louis—Jan Barter, acct supr.

PET INC.
St. Louis, Mo.

GROCERY GROUP
Corporate Personnel
A. James Watson, group president

Marketing Personnel
John Ferguson, vp-mktg
Ivy Stevenson, mktg dir
Gerald Hayes, mktg dir
Cindy Brown, mktg dir

SPECIALTY GROUP
Corporate Personnel
John Mackey, president

FROZEN FOODS DIVISION
Corporate Personnel
Raymond N. Feirtag Jr., president

Marketing Personnel
John J. Cramer, vp-mktg
Vernon A. Bartlett, vp-sales

WHITMAN'S DIVISION
Corporate Personnel
James W. Nixon, president

Marketing Personnel
Tom McNulty, vp-mktg

BAKERY DIVISION
Marketing Personnel
Ted Geller, vp-sales & mktg

SPECIALTY PRINTING DIVISION
Corporate Personnel
Walter H. Busch, president
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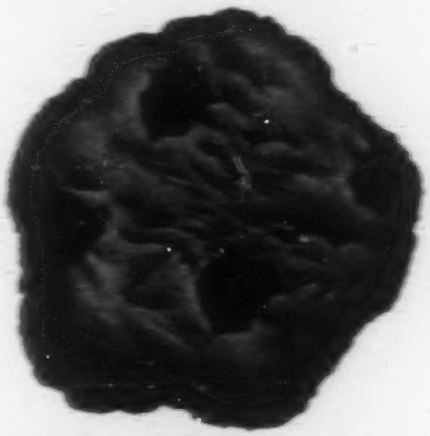
MODERN COLOR GRAPHICS
Corporate Personnel
John Brady, genl mgr

ST. LOUIS LITHOGRAPHING
Marketing Personnel
Jim Graft, vp-sales

INTERNATIONAL GROUP
Corporate Personnel
Larry D. Urmlauf, president
P. David Searles, exec vp-Europe
William Gene Swenson, exec vp, Latin America

Corporate Media Buying
Haworth Group, Minneapolis—grocery group media planning & buying—Claude W. Stevens, president.



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Advertising Agency
Wasserstein Weiss, Beverly Hills, Calif.—Old El Paso dry grocery items, Dreyerfoods frozen breakfast foods, Old El Paso frozen Mexican entrees, Pet-Ritz pie crusts, Whitman's chocolates—Elliot Weinstein, account exec.

MIRAGE INTERNATIONAL
Chicago, Ill.
Marketing Personnel
Russell E. Richards, vp-mktg. franchise operations.
John Mauro, dir. adv. & sales promo.
Ralph F. Linder, vp-mktg.
Advertising Agency
Wells, Rich, Greene, Chicago—Larry Singer, president; Phil Kaplan, sr. vp-management supervisor; Aaron Bachman, sr. vp-creative dir.; Lee Brenneman, asst. acct. exec.

PEPSI-COLA GENERAL BOTTLERS
Chicago, Ill.
Marketing Personnel
P.J. MacCarthy, dir. adv.
Advertising Agency
D'Arcy-MacManus & Masius, Chicago.

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DIRECT COLLEGE MARKETING, INC.
800-524-1084
- Custom On-Campus Promotions
- Positioning Take-Ones
- Product Sampling
(In NJ 201/687-6040)

International Business Machines Corp.

Rank: **27**

Armonk, N.Y.

($ in millions)

Worldwide	1985	1984	% chg
Sales	50,056	45,937	9.0
Net income	4,789	6,582	(27.2)
U.S.	**1985**	**1984**	**% chg**
Sales	26,311	27,251	(3.4)
Operating profits	3,402	5,901	(42.3)
Advertising	225	209	7.7
Divisional sales	**1985**	**1984**	**% chg**
Processors	12,126	11,916	1.8
Peripherals	12,675	11,652	8.8
Office systems	12,568	11,855	6.0
Program prods.	4,188	3,167	32.2
Maintenance	8,103	7,278	11.3
Other	3,214	2,229	3.0
Federal Systems	2,887	1,940	25.0
Other business	75	97	(7.4)

International Business Machines Corp. is feeling the pinch from the deepest slump in the history of the computer industry and from growing pains resulting from aggressive expansion in the early 1980s.

The slump is being played out in the advertising outlays as well: spending on measured media in 1985 declined 15.7% from the previous year to $171.4 million, a fact mostly attributed to the decision to halt production and advertising of the PCjr in March, 1985. PCjr measured spending had dropped to only $5.8 million in 1985 from $32.5 million in 1984, according to seven measured media totals from Leading National Advertisers.

However, measured spending for IBM's line of personal computers increased to $34.7 million in 1985, up 15.8% from 1984. Some 64% of that spending was in network tv and 29% in magazine. Analysts predict IBM will greatly increase spending in this category by the end of 1986 or in early 1987 as new products are released.

In April, 1986, IBM launched the PC Convertible, a $2,000 portable that was the first new addition to its PC line in two years. The PC Convertible incorporates several new innovations in microprocessor chip design, trimmer housing and 3.5-in. software disks, features that could appear in the next generation of IBM desktop units.

In other key developments, John F. Akers, IBM's president since February, 1985, was elected chairman, effective June 1, 1986, on the retirement of John R. Opel. Mr. Akers retains the titles of president-ceo. Mr. Opel becomes chairman of the executive committee of the board of directors.

Mr. Akers inherits the reins of a company whose near-term prospects are mixed. Operating revenues for the second quarter of 1986 were up 7% to $12.3 billion, but net income of $1.3 billion was 8% lower than the same period in 1985 and would have been even worse except for a weaker dollar overseas.

First-quarter results showed a rise in profits of 3% to $1.02 billion, but again, profits would have fallen without the aid of a weakening dollar and an accounting change, according to IBM. Many analysts are predicting IBM's earnings will decline for all of 1986 as they did in 1985, which would give IBM its first back-to-back annual declines in earnings since 1933.

IBM's problems can be linked to the computer industry slump, a strong U.S. dollar and self-inflicted wounds, says Brian Jeffery, research director for International Technology Group, a Los Altos, Calif.-based consulting company. "But the real problem is that IBM raised everyone's expectations. IBM overcompanded while the going was good, and all the problems hit them in one crunch beginning in late 1984," Mr. Jeffery says.

Nowhere is this more evident than in the $4.5 billion market for personal computers, which is IBM's largest category of measured spending, representing 26% of the total. IBM is at a crossroads in this market as the life cycles for stand-alone products, such as the IBM-PC and the 4-year-old PC-XT, have come to an end, says Steve Cohen, analyst with the Gartner Group, Stamford, Conn. Both products are victims of lower-priced IBM compatibles now flooding the market and soon will give way to a family of networked products, such as the top of the line IBM PC-AT.

While IBM was introducing newer, more powerful models of its AT and XT computers in April, 1986, it was cutting prices 25% on all personal computers. Dealers cut $1,000 from the price of top powerful units, sold them and moved in newer, more powerful models at the same discounted price, analysts say. By June, 1986, a standard XT sold for about $2,100, compared with a similarly equipped model by Leading Edge Hardware Products selling for $1,500. A less powerful model by Tandy Corp. was selling for less than $1,000, and IBM clones by independent producers were priced in the $500 to $600 range.

"The game is boiling down to a question of price, and IBM is being edged out," Mr. Cohen says. He and several other analysts predict IBM will introduce a lower-cost version of the AT computer in late 1986 or early 1987, taking over XT's price point.

"Clearly the main thrust at IBM is toward networked products," says Frederic G. Withington, vp-information systems at Arthur D. Little, Cambridge, Mass. "Stand-alone computers are low-priced products, and IBM has made it clear that it has no real commitment to staying in a commodity-type market."

From January to June, 1986, IBM had 42.2% of unit sales and 46.9% of revenues in the market for personal computers, says JoeAnn Stabel, analyst with StormBoard Inc., Dallas. IBM's share was down from 50.7% of units and 57.4% of revenues for the same period in 1985.

Moving up was Compaq Computer, one of the chief marketers of IBM clones, with 12.7% of unit sales and 16.7% of revenues for the first six months of 1986. Compaq had 11.5% of unit sales and 12.4% of revenues over the same period in 1985. The booming market for IBM clones also has hurt Apple Computer, which had 24.7% of unit sales and 14.7% of revenues for the first six months of 1986, compared with 29.7% of units and 18.5% of revenues for the same period in 1985.

Perhaps because of pressure in this market, IBM sold its 61 IBM Product Centers in 33 states and the District of Columbia to New York-based Nynex on June 30, 1986, for an undisclosed price. IBM continues to sell through authorized dealers, but froze its dealer network in November, 1985, at 2,500 outlets. One explanation for the sale of IBM's Product Centers was that they were taking business away from IBM's direct sales force, one analyst says. A rumor is circulating that, for the same reason, IBM would like to cut off one-third of its third-party distribution network.

Despite inroads by competitors, IBM is poised for tough competition as it continues on its course of becoming the computer industry's lowest-cost producer of all computers and peripherals. IBM spent $6.1 billion in 1985 on new plant and robotic equipment and has invested similar amounts since the early 1980s, says Mr. Withington of Arthur Little. A robotic plant in Austin, Tex., now assembles the PC Convertible. A new Raleigh, N.C., robotic plant now builds color monitors for IBM computers, which until recently IBM had been purchasing fully assembled in Japan.

IBM's investment in robotics is permitting it to assert its presence in markets long dominated by Japanese companies, such as the $2 billion market for computer printers, where the Japanese controlled 80% of the 4 million low-priced units sold in the U.S. in 1985.

In the printer market, IBM is meeting the Japanese head-on with a new Charlotte, N.C., plant turning out the IBM Proprinter, a $400 model that in mid-1985 replaced a model in IBM's product line made by Seiko Epson Corp. For the month of June, 1986, IBM controlled 18% of U.S. sales of low-cost printer units, ranking third behind Epson with 30% and Apple Computer with 23%, according to StormBoard. IBM had a 5.6% market share in June 1985, compared with Epson's 25.3% and Apple's 21.7%.

IBM's measured spending on printers jumped to $8.7 million in 1985 from less than $600,000 in 1984. Measured media was divided 63% network tv, 27% magazine and 11% network radio. Printers now are IBM's fourth largest spending category, accounting for 7% of measured spending.

Likewise, IBM spent $350 million overhauling its Lexington, Ky., typewriter plant. By Oct. 1984, the redesigned plant was making electronic Selectric Typewriter 2000 typewriters, printers, keyboards and supplies. IBM's measured spending for electronic typewriters, its third largest category, increased 8% in 1985 to $14.3 million, divided 55% network tv and 45% magazine.

But even more important than IBM's move to become the lowest cost producer is the strength of IBM's installed base, both in mainframes and minicomputers, Mr. Withington says. "Even if IBM makes a mistake or falls behind, there is time to catch up. IBM owns the high ground and can hold it."

IBM has 58.3% of the $4.89 billion market in 1985 for mainframe systems and almost 30% of the $8.32 billion market for minicomputers, according to San Jose, Calif.-based Dataquest, a division of Dun & Bradstreet Corp. Digital Equipment Corp. is the nation's second largest vendor in the U.S. computer industry with a 7% market share. Detroit-based Burroughs

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Tower Drive, Fresno, CA 93721 (209) 298-0333

Top 25 outdoor advertisers

Rank	Advertiser	Outdoor ad expenditures 1985	1984	% chng	as % of co.'s 1985 ad total
1	R.J.R. Nabisco	$95,239	$87,285	9.1	0.7
2	Philip Morris Cos.	44,991	35,576	26.5	0.3
3	Loews Corp.	28,073	28,447	(1.3)	24.0
4	Seiko Inc.	22,560	13,886	62.5	12.9
5	Jos. E. Seagram & Sons	15,556	14,122	(7.5)	34.3
6	American Brands	7,774	11,894	(35.2)	0.8
7	Grand Metropolitan plc	7,203	5,240	37.3	0.1
8	Hiram Walker Inc.	7,073	7,760	(8.9)	N/A
9	McDonald's Corp.	6,954	5,179	34.3	0.3
10	National Distillers & Chemical Corp.	5,753	5,673	(1.1)	N/A
11	Bristol-Myers Co.	5,342	4,287	(17.9)	0.5
12	Anheuser-Busch Cos.	5,278	5,554	(7.4)	0.8
13	U.S. Government	4,908	1,290	280.3	1.9
14	Rapid-American Corp.	4,228	3,774	21.9	N/A
15	Holiday Corp.	3,896	3,282	29.3	N/A
16	Coca-Cola Co.	3,852	3,620	6.4	0.6
17	Whirlpool Corp.	3,720	3,648	2.2	N/A
18	General Motors Corp.	3,630	3,179	14.4	0.5
19	PepsiCo Inc.	3,367	2,866	62.5	0.7
20	Ford Motor Co.	3,222	2,274	48.2	0.5
21	Distillers Seagram Group	3,067	2,763	11.1	N/A
22	Chrysler Corp.	3,057	2,135	43.2	0.6
23	Southland Corp.	2,908	1,813	60.4	N/A
24	Beatrice Corp.	2,842	2,710	5.9	N/A
25	Marriott Corp.	2,666	740	260.3	N/A

NOTE: Dollars in thousands. Source: Institute of Outdoor Advertising and Outdoor Advertising Assn. as reported by LNA

Corp., which agreed in May, 1986, to acquire Sperry Corp., New York, is third with 3% of the market.

But IBM has several weaknesses against these and other competitors, beginning with its fragmented product line and limited product offerings in high growth areas, such as computers designed to maximize dealing with engineering, image processing, artificial intelligence and database processing.

Compounding the problem is the threat that smaller computers will begin to absorb the functions traditionally assigned to mainframes. Although the proliferation of smaller computers increases the need for mainframes to consolidate sources of data, the users of desktop computers also need communications and networking capabilities to tap into mainframes and share resources. In this area, IBM is weak, says Mr. Jeffery of International Technology Group.

The allegation was brought about by IBM's decentralization in the 1970s. Divisions were given responsibility for their own products and launched a diverse line of products that cannot easily be interconnected. IBM is making slow progress in developing software that allows these systems to talk to one another, he says.

At the same time, some of IBM's competitors have been designing products from the ground up to be easily interconnected. An example is Digital's VAX network architecture, which permits interconnection among all of its products.

"The conventional wisdom is that IBM has some real dogs," Mr. Jeffery says. But despite criticism of machines such as the System 36, IBM has sold more than 100,000 total units, even outselling more powerful units made by IBM rivals. System 36 is reliable, user-friendly and ideal for remote locations where data processing expertise may be at a minimum, an important consideration for large corporations. The U.S. Department of Agriculture, for example, owns nearly 3,000 System 36s for its remote sites, Mr. Jeffery says.

"One company after another has come out with a better answering machine with more power. But only IBM is paying attention to what the end-user really wants," he says.

In other moves, IBM continued making inroads in the field of telecommunications through acquisition. IBM sold Satellite Business Systems (a "Wall Street-based" MCI Communications, in June, 1985, in exchange for 16.9% of MCI's stock with an option to buy up to 30%. MCI had the right to request, until 1988, up to an additional $400 million. IBM also acquired Rolm Corp. for $1.28 billion in November, 1984, later selling Rolm's Mil-Spec military computer division to Ford, 1985, to Loral Corp., New York, for $199 million.

Gerald Mayfield, president of CNFN Group, Stamford, Conn., says IBM is positioning itself to be a player in the telecommunications market, but is not overcommitting at this point.

The Rolm acquisition and partial ownership of MCI gives IBM many options.

"IBM is very serious about telecommunications, and its marketing moves clearly indicate that it wants to become a major player in this field," Mr. Mayfield says.

IBM's strategy to become a $100 billion company by the 1990s clearly indicates a pending showdown with AT&T, he says. "IBM is the ultimate strategic player."

IBM in mid-July, 1986, consolidated all its business at JWT Group agencies, involving $200 million in billings. Winners were JWT subsidiary, Lord, Geller, Federico, Einstein, the current agency for IBM corporate and personal computers and related software, and J. Walter Thompson. The agency move coincided with a shift in IBM's pc marketing strategy. Cutting prices to allow most high-volume retailers to sell IBM as cheaply and profitably as the "clones", placing the primary responsibility for selling to major corporate accounts on authorized pc dealers thereby shifting up to $1.2 billion in sales of its system.

Losers were Doyle Dane Bernbach, Lieber Katz Partners, and Geer, DuBois. DDB had been the agency of record for its buying.

JWT in mid-August ousted BBDO to get Kenneth Rogers to be exec vp-group management director of the IBM business. As an exec vp-senior management rep at BBDO, he was involved in that agency's gaining the Apple Computer account from Chiat/Day this spring.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazines	$42,139	$61,096
Newspapers	30,645	34,824
Network radio	2,810	2,335
Spot radio	4,078	6,442
Network tv	42,348	70,617
Spot tv	2,227	3,468
Network cable	1,254	3
Spot cable	1,455	4,240
Outdoor	6	10
Network cable	222	198
Total measured	171,427	221,239
Unmeasured	106,487	105,775
Total	277,914	327,014

IBM Corp.
Old Orchard Road
Armonk, N.Y. 10504
(914) 765-1900

Marketing Personnel

C.G. French, div-adv
J.F. King, div-adv operations
W.F. Barron, div-adv-programs
W.C. Curry, mgr-corp tv adv
E.W.W. Baker, mgr-corp print adv
E. Wood, mgr-corp tv promo

Advertising Agency

Lord, Geller, Federico, Einstein, New York—Bill Westphal, sr vp-mgmt supvr

INFORMATION SYSTEMS

Marketing Personnel

D.L. Case, div-adv

Advertising Agencies

J. Walter Thompson, New York—Steve Brown, prod mgr.

Geer, DuBois, New York—John Allen, exec vp-dir client services.

FEDERAL SYSTEMS

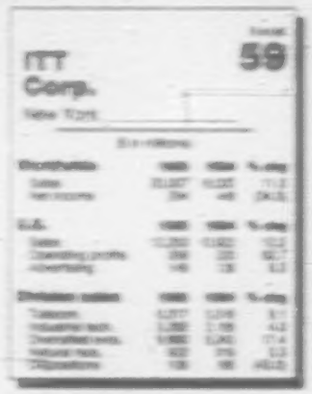
DIVISION

Marketing Personnel

K.F. Dunton, mgr-primary services & adv

Advertising Agency

HCM, New York—Jim Rosello, vp-exec supvr.



ITT Corp.'s 11.3% decrease in advertising in 1985 was largely a result of an ongoing corporate restructuring program that has included divestments of nearly half the companies it owned at the start of streamlining seven years ago. At the same time, ITT has acquired almost 40 companies.

Continental Baking Co., sold in August, 1984, to Ralston Purina Co., was responsible for much of the decrease in ad expenditures. Continental traditionally spent more than $20 million in measured media.

ITT, which does business in four primary areas, telecommunications, industrial technology, diversified services and natural resources, has shed many of the acquisitions made by Harold Geneen, current chairman-emeritus Rand Araskog's predecessor.

Much of the proceeds of these sales, which have amounted to more than $1.3 billion, have gone to reduce the company's debt.

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attempts by Irwin Jacobs are among the moves by Mr. Araskog and his new president-chief operating officer Edmund Carpenter, since July, 1985, that have received favorable reaction from the stock market, a distinct change since ITT refused to dividend by 84% in July, 1984.

ITT's advertising dropped $18 million from 1984 to 1985, largely because of the sale of Continental Baking. The various U.S. media monitoring services give ITT $48 million in measured media; however, ITT says that figure should be $96 million, noting many of its more than 100 companies are highly trade oriented, making their expenditures more difficult to track.

The company must not break out advertising by medium. Therefore, Advertising Age used a total of $96 million provided by ITT as total advertising, but also used the $48 million for measured advertising. The resulting unmeasured figure contains a good deal of media advertising of small ITT units.

ITT surprised the business community in February when it announced it was ceasing marketing its highly touted System 12 in the U.S. and instead would concentrate its efforts to sell the highly sophisticated telephone switching system in Europe.

Many believed that the move signaled the company was abandoning its traditional base of telecommunications in the U.S. In early July, the company confirmed rumors about a telecommunications deal with the French. ITT and Cie. Generale d'Electricite entered into a joint venture agreement to join their telecommunications and office automation businesses. Cie. Generale d'Electricite is owned by the French government.

ITT will have a 37% share of the joint venture and receive $1.3 billion in the deal. CGE-CIT, to be sold to private investors under France's denationalization plan, is now No. 2 in Europe with $9.3 billion in sales, AT&T is No. 1. To make the deal pay, the venture must maintain market share—40% of the telephone exchange market in West Germany, 75% in Spain, 80% in Belgium, 25% in Holland, 20% Italy, 100% Norway, among others—which is largest in improving its System 12 switching equipment.

ITT's strategy will be to build on existing businesses and make minor acquisitions in areas that fit with ITT's existing businesses, particularly in the diversified services areas: insurance (Hartford), hotels (Sheraton) and ITT financial services, including consumer and commercial finance services. The latter segment is expected to be one of the most profitable groups within the diversified services segments.

Last year, ITT diversified services contributed 48.4% of total revenues, the single largest contributor, and 30% of operating income. Telecommunications accounted for 30% of total revenues and 23% of operating income.

The two largest advertisers were the Sheraton Corp., owner or franchiser of 488 hotels in 50 countries, and Hartford Insurance Group. Sheraton increased its ad expenditures by 12% to $9.1 million in measured media spending in 1985.

Hartford Insurance spent $5.6 million in measured advertising, a 22% increase, according to Leading National Advertisers.

Scott Jown cum products were supported with $2.2 million, down 21.4%.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$19,626	$31,797
Newspaper	2,461	4,062
Newsp. sunp.	146	33
Bus. pubs.	1,668	1,347
Network t.v.	12,794	12,775
Spot t.v.	1,301	11,758
Network radio	138	97
Spot radio	4,963	1,122
Outdoor	1,199	767
Network cable	942	681
Total measured	45,401	65,438
Unmeasured	48,599	91,562
Total	94,000	157,000

ITT CORP.
320 Park Ave.
New York, N.Y. 10022
(212) 752-6000

Marketing Personnel

Jean C. Cappelli, senior vp-dir. government relations, corp. relations & adv.
J.P. Jannuzzi, dir-adv. & sales promo.
R.A. Cronenwett, dir-adv. & special projects
W.B. Clifford, mgr-sales promo services

Advertising Agencies

Beckerman & Co., New York—corp.—Barry Beckerman, chmn; John Kelly, exec vp; Michael Rowland, vp-mgmt. sup.
Frischman Associates, Ridgefield, Conn.—telephone directories— Bill Creed, mgmt. supv.

GOULD/OMRON-MICROWAVE GROUP
Hartford, Conn.
Marketing Personnel

Roger Dove, sr vp-corp. relations
Peter Egan, asst vp-dir adv
Greg Eng, asst dir. adv
Ray Winter, creative dir

Advertising Agency

McCaffrey & McCall, New York—corp. adv.—Bruce Sherman, sr vp-exec. super; Lucia Bowen, acct exec.

HARTFORD GROUP
Boston, Mass.
Marketing Personnel

Robert Collier, vp-dir mktg
Robert Quinn, vp-dir adv
Adrienne Davis, vp-assoc. dir adv

Advertising Agencies

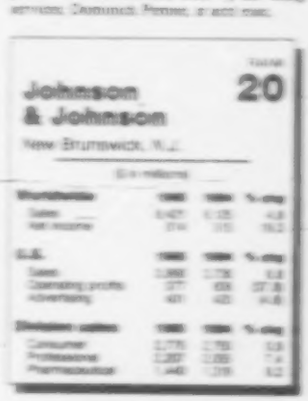
Hill/Creamer, New York—Sandra Levitz, exec vp-mgmt. supv; Steven Goldrich, sr vp-group supv; Ruth Godfrey, acct. supv; Phyllis Godbetter, Nancy Stewart, acct. execs.

G.H. SCOTT & SONS
Stoneville, S.
Marketing Personnel

Bernard Ford, dir-mktg
Schmidt Radtke, dir-consumer lawn mktg
James Feerter, sr mktg. mgr-professional prods
Allison Ritchie, sr mktg. mgr-lawn prods, North
Donna Rosenstock, mktg. mgr-professional garden mktg
Elaine Green, mktg mgr-seed and mechanicals
Robert Kneebart, sr mktg mgr-lawns
Mark Inter, dir-professional gardens mktg
James Fiore, mktg. mgr-irrigation prods
Robert Bell, dir-direct mktg, W. Allee Harper-Co.

Advertising Agencies

Fallon McElligott, Minneapolis—John Furlong, mgmt. supv; Laura Wiens, acct. supv; Brad Jones, John Schaenker, asst. supv. print/sound partners.
Ram & Collins, New York—Barbara Proto—David Scholes, exec vp-dir. mktg. services; Dominick Perone, sr acct. exec.



Johnson & Johnson showed healthy gains in its pharmaceutical and professional segments in 1985, offsetting only a modest increase in its consumer segment. The consumer segment, where ad volume declined 4.3% last year, faces an even tougher 1986 than 1985 with the withdrawal of the Tylenol capsule. The withdrawal, following the second poisoning incident in four years, will cost the company an estimated $100 million to $150 million after taxes this year.

According to Leading National Advertisers, the major stuff in the media mix was an 8% decline in network tv spending, by far the dominant medium at J&J, and a 140% gain in spot tv. Magazine advertising, the company's No. 2 medium in dollar volume, was down 4%.

Measured spending for Tylenol products, J&J's most lucrative line, increased only 1.3% to $62.9 million in 1985, after a 1983-84 increase of 1.5%. Tylenol for Tylenol's caplet form, which is replacing the capsule, reached $7 million. This figure is expected to increase this year as J&J markets the caplet as "an effective and reliable alternative" to Tylenol capsules.

The company announced in February, 1986, that it would stop making capsules after the most recent Tylenol poisoning incident—the cyanide poisoning of a Westchester County, N.Y., woman.

As of July, 1986, Tylenol had almost regained its market share of 31.7%, down slightly from the 33% it had before the poisoning. The company moved quickly to pull the capsules after the incident and began an ad campaign via Saatchi & Saatchi Compton, New York, including a coupon promotion for the caplet form. J&J says its research shows the caplet "is an acceptable alternative for the majority of our former capsule users."

With the expiration of Ibuprofen patents coming this fall, McNeil Consumer Products, the J&J unit that markets Tylenol, will introduce its entry into the market, Medipren, to compete with the big two, American Home Products' Advil and Bristol-Myers' Nuprin. Other new entries include Upjohn's Motrin and American Home Products' Trendar. Ibuprofen's 1% market share in 1984 grew to 4% last year and is expected to control close to 15% by the end of 1986.

Children's Tylenol products, with measured spending down 3.4% to $11.2 million, holds an impressive 70% of the market for children's pain relievers. McNeil's Pediacare line, introduced in 1984, added Pediacare infant decongestant oral drops in 1985. Measured spending for the line was up 25% from 1984, totaling $4.3 million.

In other areas of J&J's consumer segment, Personal Products division continues to hold the lead in the external feminine protection market with a 45% share, up from 42% last year. Its product line includes Stayfree maxi and silhouette maxi pads, Sure & Natural maxi-absorbs, Carefree panty shields, and the newly named Assure & Natural breathable panty liner (formerly called Assure). The product line received $20.3 million in measured ad spending last year, a 47% decrease from 1984. Behind J&J in that market segment is P&G's Always with 25% market share, followed by Tambrand's Wisp/Slim line at a 12% share.

Johnson & Johnson Products, center in the adhesive bandage market, had a measured spending total of $12 million for Band-Aids, up 50%. J&J's new medicated Band-Aid, introduced in 1985, is the only medicated bandage available in the U.S. This year, the company launched another new addition, Band-Aid with a clear backing to make it less noticeable. Young & Rubicam, New York handles.

Measured spending for J&J's Reach toothbrush increased 22% to $6.2 million. Its ending position was flat, however, to Colgate-Palmolive's diamond-shaped Colgate Plus toothbrush, which was introduced in mid-1985. It currently holds the No. 2 position with Gillette's Oral-B toothbrush in third place.

McNeil last year began marketing Detrovex, the only over-the-counter sunburn-remedy liquid cough medicine in the U.S. McNeil invested $3.2 million in measured spending on the introduction. The account recently moved from in-house to Saatchi & Saatchi Compton, where it is expected to get a $6 million to $7 million ad expenditure this year.

The Ortho Pharmaceutical division added Advance to its home pregnancy test line, which includes First Response 2, Advance, handled by McCann-Erickson, works by a color change system and is said to be easier to use. Measured ad spending for Advance increased considerably, from $58,000 in 1984 to $3.2 million in 1985. The addition of Advance to the product line boosted J&J's market share. It competes very closely with Warner-Lambert's e.p.t., the first brand to enter the market in 1979.

J&J continues to hold the No. 1 position in the market for baby toiletries. Analysts at Charles Kline & Co., Fairfield, N.J., estimate its share at 18% at the end of 1985. Measured spending for all baby products was up 21% to $63 million. J&J Baby Products Co. added Affinity conditioner to the existing shampoo line, identifying it as allowing dry, brittle and thin hair associated with aging. It also introduced nationally Johnson's Gentle Conditioning Formula baby shampoo and Easy Combing baby conditioner targeted to older children and adults.

The company introduced Sundown sun-screen stick and sun-block stick for spot protection of sun-sensitive skin. Sundown products, which hold the top position in the sun-screen market, got $2.4 million in measured spending.

The Advanced Care Products division of Ortho Pharmaceutical Corp. began marketing Ovutime ovulation predictor test this year. The over-the-counter use provides a test procedure that enables women to predict in advance when ovulation will occur. Kalir, Philips, Ross, New York, handles.

J&J is test marketing Prevent, an anti-cavity toothpaste. Barry Curtis Spies, New York, handles. Measured spending was $1,195,800 in spot tv and magazines in a market dominated by Procter & Gamble.

Growth in the pharmaceutical segment was largely due to gaining market shares of the oral contraceptive Ortho-Novum 7/7/7, introduced in 1984. The FDA approved two new J&J drugs, Supprelin, a moderate and menstrual pain reliever, and Retin-Deconnate, a new long-acting form of antipsychotic.

Last year J&J and its Technicare and Ultramund diagnostic imaging units in General Electric Co. The company says the units were draining the profitability of its professional segment.

ADVERTISING AND PROMOTION EXPENDITURES

($ in thousands)	1985	1984
Magazine	$28,415	$31,426
Newspaper	133	970
Newsp. sunp.	151	250
Bus. pubs.	238	270
Network t.v.	130,300	160,659
Spot t.v.	13,013	6,482
Network radio	791	1,326
Spot radio	966	1
Outdoor	217	33
Network cable	2,411	1,422
Test measured	211,217	211,342
Unmeasured	200,000	209,360
Total	411,217	420,460

JOHNSON & JOHNSON
1 Johnson & Johnson Plaza
New Brunswick, N.J. 08933
(201) 524-0400

Marketing Personnel

G.F. (Pete) Tyrrell, vp-adv. corp staff

JOHNSON & JOHNSON PRODUCTS
HEALTHCARE DIVISION
Corporate Personnel

J.W. Lanigan, vp-gen mgr

Marketing Personnel

C.W. Jelinek, dir-prof mgmt
C.P. Sullivan, nat sales mgr
W.J. Fox, dir-mktg & consumer tech

SKIN CARE HEALTHCARE DIVISION
Corporate Personnel

A.J. Prince, vp-gen mgr

Marketing Personnel

C.K. Lauck, dir-sales
C.R. Williams, dir-new business devt

PATIENT CARE DIVISION
Corporate Personnel

A.J. Viarisio, vp-gen mgr

Marketing Personnel

J.V. Nelson, dir-mktg
C.P. Gunon, dir-ethical & industrial sales

Advertising Agencies

Cadwell Davis Partners, New York—Reach toothbrushes—Elin Glazer, mgmt. supv.
Kalir, Philips, Ross, New York—professional mktg. programs—John Rauch, mgmt. supv.
WEED Communications, Woodbridge, N.J.—patient care div—Jim Weber, acct. exec.
Simons & Weaver, Mount Bruck, N.J.—orthopaedic div, patient care div—Gene Sullivan, exec vp-acct. mgmt; Eugene McLaughlin, acct. exec.
Young & Rubicam, New York—ACT fluoride rinse, dental floss, Band-Aid brand adhesive bandages—Mike Penman, mgmt. supv.

JOHNSON & JOHNSON
BABY PRODUCTS
Skillman, N.J.
Corporate Personnel

W.C. Egan, vp-gen mgr, consumer products div

Marketing Personnel

W.W. Carpenter, dir prof mgmt, consumer products div

Advertising Agencies

McCann-Erickson, New York—baby lotion—Michael Bennett, sr vp; Mel Philpott, vp-acct dir.
BBDO, New York—baby shampoo and

Conditioner, Wo Wow Tingles, Swirls, 45-Thirty Shampoo and Conditioner—Ian McGregor, exec vp; Cynthia Williams, mgmt supvr; Patrick Keough, Nancy Post, asst supvrs; Cathleen Clancy, Cindy Ritter, asst execs.

Young & Rubicam, New York—baby powder, baby cornstarch, Sundown, baby oil, baby lotion, baby cream—Gene Fullerway, group dir; Rick Cain, mgmt supvr; Patrick Conley, asst supvr; Trish Dickson, David Sabin, asst execs.

McNEIL CONSUMER PRODUCTS CO.
Fort Washington, Pa.
Marketing Personnel

C.D. Smoots, vp-mktg
R.E. Whittaker, dir-prod mgmt, adult prods
J.T. Lenehan, dir-prod mgmt, pediatric prods
J.J. Gallagher, nat'l sales mgr
W.E. Brunell, nat'l professional sales mgr
J.L. Streiter, dir-mktg rsch
E.A. Benner, dir-communications
J.R. McCann, dir-sales promo
Advertising Agencies

Caldwell Davis Partners, New York—Stephanie—F. Caldwell, president; H. Davis, vp

Gallo, Philips, Ross, New York—direct mail, professional journals—J. Rasik, exec vp-mgmt dir; E. McCarren, sr vp-mgmt supvr; C. Adams, J. Grover, vp-group acct supvrs; A. Bentley, vp-acct supvr.

Wenthen, Dillon & Associates, Newport Beach, Cal.—Richard E. Dillon, president.

Smith & Smith Compton, New York—adult Tylenol, Children's Tylenol, Co-Tylenol, Sine-Aid, Maximum Strength Tylenol Sinus Medication—T. Lee, exec vp-mgmt dir; J. Shaw, sr vp-mgmt dir; P. Furey, acct supvr.

E. Spen Creative Services, New York—Design.

McNEIL PHARMACEUTICAL
Spring House, Pa.
Marketing Personnel

J.A. Gretler Jr., vp-mktg
J.C. Vaughan, nat'l sales mgr
G.R. Rutter, exec dir-prod mgmt
R.A. Pamenbrek, dir-mktg rsch
Advertising Agencies

Botto, Roessler, Sirrine & Wessinger, New York—Pancrease (brand of pancreatin), Tylenol (acetaminophen with codeine), Tylox—R.J. Botto, president.

Gallo, Philips, Ross, New York—Ponstel, Parafon Forte—Lee Palmer, exec vp.

Sudler & Hennessey, New York—Triaminic, Isuprel—Bruce Richmond, sr vp.

PENWALT, PRODUCTS DIVISION
Williams, O.J.
Marketing Personnel

J.B. Ziegler, exec vp-gen mgr
P.S. Wichaels, dir-prod mgmt
C. Bergmann, group prod dir
Advertising Agencies

Caldwell Davis Partners, New York—O.B. Tampons—Andy Schorr, vp-acct supvr.

BBDO, New York—Carefree panty shields, Sure & Natural breathable panty liners, Sure & Natural maxipads—Bill Catlin, sr vp-mgmt supvr.

Smith & Smith Compton, New York—Sayfree silhouettes, maxipads & thin maxipads, Take Off makeup remover cloths—D. Smith, exec vp-mgmt dir.

Young & Rubicam, New York—Sayfree maxipads, minipads & thins, Shower-To-Shower body powder—Anne Lipoli, mgmt supvr.

JOHNSON & JOHNSON DENTAL PRODUCTS CO.
East Windsor, N.J.
Marketing Personnel

C.H. Preiss, dir-prod mgmt
W.E. Stein, vp-worldwide business devel
Advertising Agency

Gray & Rogers, Philadelphia—George Scott, acct supvr.

ORTHO PHARMACEUTICAL CORP.
Raritan, N.J.
Corporate Personnel

W.D. Casey, vp
Advertising Agency

Gallo, Philips, Ross, New York—L. Palmer, vp-acct supvr.

ADVANCED CARE PRODUCTS DIVISION
Marketing Personnel

D.B. Bellaire, vp-mktg
J.L. Abraham, dir-mktg info & strategic planning
Advertising Agencies

Barnum Communications, New York—R. Bond, senior vp-mktg.

WitCamm-Erickson, New York—Past Error Pregnancy Test—R.L. O'Brien, sr vp-mgmt sup.

BIOLOGICAL DIVISION
Marketing Personnel

Expands spur J&J/Europe

Johnson & Johnson, which draws 18% of sales from Europe, built much of its presence there through buyouts: Cilag in Switzerland (1959), Janssen Pharmaceutica in Belgium (1961), Dr. Carl Hahn in Germany (1973).

L.G. Pickering, vp-dem
Advertising Agency

Gallo, Philips, Ross, New York—G. Palmer, vp-acct supvr.

ORTHO DIAGNOSTIC SYSTEMS
Raritan, N.J.
Marketing Personnel

J. Neil Gann, vp-mktg
CHICOPEE
New Brunswick, N.J.
Marketing Personnel

R.L. Branson, vp-mktg, specialty prods div
J.S. Seely, vp-mktg, consumer div
R.H. Winsor, vp-mktg, affiliate div
Advertising Agencies

BBDO, New York—Bill Catlin, mgmt supvr; Christie James, acct supvr.

BBDO Associates, New Brunswick, N.J.—Stewart Rich, acct supvr.

CODMAN & SHURTLEFF
Randolph, Mass.
Marketing Personnel

R.W. Dietz, vp-mktg
Advertising Agency

Grower & Carroll, Boston—C. Stuart Grower, acct exec.

ETHICON INC.
Somerville, N.J.
Marketing Personnel

L.L. Armour, vp-sales
R.W. Jones, vp-mktg services
F.J. Ryan, vp-mktg, suture
Advertising Agency

Simms & Widmer, Inland Brook, Wisc.—P.A. Widmer, acct supvr.

PITTMAN-MOORE INC.
Washington Crossing, N.J.
Marketing Personnel

A.D. Scalli, vp-mktg & sales
D.K. Arnold, group dir
D.F. Cantwell, group dir
D.H. Ritter, group dir
Advertising Agencies

The Brady Co., Menomonee Falls, Wis.—Co-Trainer, acct exec.

The Dudnyk Co., Horsham, Penn.—Wax Tractor, acct exec.

SURGIKOS INC.
Arlington, Tex.
Marketing Personnel

J.J. Bestrel, vp-mktg
J.D. Terry, vp-sales
R.C. Nail, dir-prod mgmt
J.W. Mingler, dir-mktg rsch & new prods
Advertising Agency

Pierce Dawn, Arlington, Tex.—Bill Pierce, mgmt supvr; Caren Iperl, acct exec.

S.C. Johnson & Sons
Racine, Wis.

(Estab. 61)

($ in millions)

Worldwide	1985	1984	% chg
Sales	2,940	2,600	13
Net income	N/A	N/A	N/A
U.S. advertising	140	96	46.3

S.C. Johnson & Son, which fumbled most of its increase in over-all ad spending to introduce new haircare and skincare products, continued to feel the effects of a strong dollar overseas that kept corporate sales at the same level as in fiscal 1984 and 1985.

Johnson, whose emphasis has shifted over the years from flooring to personal care and over-the-counter drug products, boosted measured media spending by 48% over spending levels recorded in calendar 1984 to $80.3 million, the large difference being heavy spending for new product introductions in the company's personal care division.

In 1985, Johnson put the lion's share of its measured media spending, an estimated $20.6 million, in its continued forays into the personal care categories of haircare and skincare. This supplanting is line of Raid insecticides as the major ad magnet at the company.

In Johnson's personal care division, the largest single share of measured media spending is haircare, $10 million, went to Balsa, the company's third major entry into the $3 billion haircare category. The economy-priced line of Swedish botanical-formulated shampoos and conditioners comes in five formulas for five different hair colors, with an additional birch leaf formulation for regular, permed hair and dandruff introduced in early 1986. Each Balsa formulation contains natural ingredients to assure hair and

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and shine, the company says.

It will turned out to be one of the most competitive years in the haircare industry. Salsa achieved at least a 5.5% to 6.0% share of the category, although some analysts peg Salsa's share as high as 8%.

Procter & Gamble's Head & Shoulders dandruff shampoo remains category leader with an estimated 11% share.

Johnson in mid-1986 began introducing L'Ewoe by Agree Perfum shampoo and conditioner, a 16-item premium line of products that contain fragrances similar to some of the classic and most popular fragrances. Sam, similar to Charles of the Ritz Group's Opium; Lepaz, similar to Coumar's Wunderbilt; Milano, a Giorgio-like scent; Cypress, similar to Estee Lauder's White Linen, and Ember Musk, similar to traditional musk fragrances, the company says. Johnson's introduction of its fourth haircare line was delayed temporarily by a lawsuit filed by Coumar, which objected to Johnson's use of the promotional line, "inspired by Wunderbilt."

The practice of linking a new product with an established product marketed by another company has become popular in the fragrance business, where it is known as "knockoff" marketing.

Johnson claimed L'Ewoe is not a knockoff product, but Coumar charged trademark infringement and unfair competition.

In an out-of-court settlement, Johnson was allowed to link L'Ewoe Lagree to Wunderbilt, but packages must carry disclaimers disassociating the brand from any connection with existing products.

Johnson continued pushing its Agree shampoo and conditioner line to teen agers and young adults.

Agree received more than $3.8 million in measured media spending, a 31% increase. Agree's market share increased slightly to 3.5% from 3.2% in 1984.

In further attempts to reach its 12-to-25-year-old target audience, Johnson continued airing spots during NBC's "Friday Night Videos" and sponsored "Teen Age" in Atlanta with radio station WZGC.

The brand group donated at least $25,000 to area teen clubs, with the money raised through sales of the Agree line and limited edition "Agree Teen Age" t-shirts.

Curel, Johnson's therapeutic entry into the $380 million hand-and-body lotion category, was supported with more than $5 million in measured media spending, up 52% from 1985, the majority spent on network tv.

Curel's category dollar share remained in the 4.4% to 5% range, say the company.

However, the company claims that both Curel and commercially positioned Soft Sense, in terms of unit share, rank higher. Soft Sense is said to rank No. 1 and Curel has moved up to No. 2, a spot wrested from the higher-priced Keri Greenwich, Conn.-based Chesebrough-Pond's Vaseline Intensive Care, continued its status as the market leader with an estimated 19% share.

Johnson in mid-1986 moved the $4.5 million Curel account from in-house to Lintas Winard Patton Wolver, New York, the brand's first agency of record.

Soft Sense, Johnson's first hand-and-body lotion entry, has an estimated 3.8% share, an increase from 1985's 4.7% share, says a company spokesperson.

The brand received measured media spending of $1.6 million in 1985, but Johnson budgeted more than $6 million in 1986 to introduce a reformulated lotion, Soft Sense with Vitamin E. The national tv, print and coupon campaign is via J. Walter Thompson USA, Chicago. Ads are themed, "Suddenly, everything is softer."

Johnson in mid-1986 also entered its test of Skintastic, a moisturizing body gel.

Although the company had high hopes for the skincare product, it is unclear whether Johnson intends to distribute Skintastic nationally.

The company's Edge shaving gel continues to hold the No. 1 gel position in the men's shaving preparation category, despite stiff competition from Gillette Co.'s Foamy gel.

According to the company, Edge has a 23.5% share of the $250 million men's shaving category, compared with Foamy Gel's 2.8% share (Gillette's other shaving products elevates its overall share above that of S.C. Johnson).

Edge received $2.1 million in measured media spending, comparable with its 1984 level, although Johnson in mid-1985 introduced Edge fragrance-free as well as reformulating the entire line to contain "40% more lubricants." The company is said to be spending $3 million in media this year for the line.

Johnson also won a court victory over New York-based Carter-Wallace's Rise gel. The U.S. court of appeals ruled that Carter-Wallace willfully infringed on a patent held by Johnson and is barred from marketing Rise until late 1987.

Johnson boosted its 24-plus brands of Raid insecticides with a 25% spending increase, to $12.8 million, in magazine, newspaper, radio and tv support, or 16.3% of total measured media advertising of $78.3 million as monitored by Leading National Advertisers. However, a Johnson spokeswoman says Raid ad expenditures are underestimated by 1.3%, because "Raid brands use a great deal of local and regional spot tv which is almost always underassessed by monitoring services." Raid is Johnson's leading product line.

Measured media support for the Raid line reversed a two-year decline. Raid Flea Killer Plus, which treats the flea life cycle, received $2.6 million, equal to last year's expenditure for regular flea killer. Raid Intrusion Bagger got $2.5 million in support, a 4.2% increase. Raid 3 and Guard maintained its $1.2 million spending.

Although the Raid brand has come under increased competitive pressure from new product introductions by American Home Products' Bowe-Withway division and American Cyanamid Co.'s Shulton unit, analysts say Johnson successfully has maintained its 45% to 50% share of the $6.37 million household insecticide market.

OFF! personal insect repellent received a measured media spending boost of 12% to $2.1 million and continues to enjoy its position as leading repellent in the estimated $30 million category. Cutter insect repellent, from a division of Miles Laboratories, Elkhart, Ind., is the No. 2 brand.

Johnson's Ortho Laboratories subsidiary in 1985 began advertising seven bath products, a line it picked up from the 1984 acquisition of Cooper Laboratories, Palo Alto, Cal.

Aveeno received more than $3 million in measured media spending, spread between national tv and magazines.

Ortho also began marketing Dap continuate, part of its agreement with Lion Corp., one of Japan's largest consumer products companies. Dap, a smoker's toothpaste, was supported with more than $3.6 million in measured media spending, the majority in network tv.

The nursing subsidiary also continued promoting Fiberall laxative wafers, a line extension to the company's Fiberall sugar-free, high-fiber laxative powder.

Fiberall has maintained an estimated 11% share of the bulk laxative segment and about 3% of the total $380 million category, according to Deb Dezwyk, pharmaceutical analyst with Charles Kline & Co.

Metamucil, marketed by Procter & Gamble, is the leading laxative. Fiberall received more than $5.5 million in measured media spending.

In its home care group, Johnson's Pledge furniture was continued leading the division in measured media spending with $6.5 million, up 25.2% from 1984. Pledge commands a 23% dollar share of the $285 million dusting aids and wood polishes category (manufacturer's level), about the same as last year, according to Charles Kline & Co. However, Kline reports that Johnson's case share of the entire category is down three percentage points to 45% from 1984. Johnson's new Duster Plus, introduced in early 1985, is the company's first wax-free furniture polish.

The brand received $5.2 million in measured media spending and has achieved an estimated 5% share of the category.

Johnson's main competitor, Endust, from Bristol-Myer's Drackett Co., has an estimated 17% share, according to Charles Kline & Co. Favor, holding a 4% share, received $619,000 in measured media spending in 1985, up 17%.

Pledge and Johnson teamed up for a joint sweepstake promotion, "The winning shine," in mid-1985 in promoting Joy dishwashing liquid and lemon Pledge, respectively. This is one of the first promotions Johnson has held with another company.

Johnson discontinued marketing Glade Spinfresh air freshener bathroom tissue holder, turning its attention to new Glade Future Fresh dry aerosol air freshener and Glade Light. J. Walter Thompson USA, Chicago, helped introduce Glade Light in mid-1986, stressing its lower perfume levels.

Glade received more than $8.2 million in measured media spending, up 36%. Glade holds a leading 46% share in the aerosol air freshenern market worth $190 million (manufacturer's level), according to Kline.

Shout prewash laundry soil and stain remover, which continues holding a 20% share of the $139 million (manufacturer's level) category, received $3.2 million in measured media spending, up 7.2%. Shout is the No. 2 brand behind Dow Chemical's Texize division's Spray 'n Wash.

Among Johnson's fourcare products, Future liquid floor finish and Brite liquid floor finish received the most in measured media spending, about $3 million each.

Of the declining $161 million floor polishes and waxes category, Johnson continues holding a 11% share, with Johnson's Future, Clear and Glo-Coat accounting for 33% and Brite, 21% of the over-all market.

Step Saver, a one-step liquid floor wax, received only $291,700 in measured media, a 36% drop. It holds a 11% share of category.

In February, 1986, Johnson sold its Northern Laboratories subsidiary to a group of private investors headed by J.D. Cates, formerly the unit's strategic planning director. Mr. Cates is now president of Manitowoc, Wis.-based Northern.

The unit is continuing to market 3-Wax cleaning products, Capri bath and haircare products and the Continent specialty cleaning line. The estimated $3 million of assets was shifted to Keller-Crescent, Evansville, Ind., from Zorren & Wagner, Chicago.

In early January, 1986, the Johnson Wax Associates subsidiary was sold to Samuel C. Johnson, chairman and son of Johnson Wax, and to his family.

Mr. Johnson says he and his family plan to retain majority control of the acquired subsidiary, which is a holding corporation of a group of recreational and leisure time companies. It is now called Johnson Worldwide Associates.

ADVERTISING EXPENDITURES

Co. + Divisions(s)	1985	1984
Magazines	$10,453	$10,464
Newspapers	667	638
Spanish, comb.	1,866	1,774
Bus. publs.	1	40
Network tv	46,979	26,155
Spot tv	8,116	6,220
Network radio	6,191	3,922
Spot radio	2,313	3,054
Network radio	197	226
Total measured	81,308	56,893
Unmeasured	16,858	41,748
Total	98,166	98,591

S.C. JOHNSON & CO.
U.S. CONSUMER PRODUCTS
1525 Howe St.
Racine, Wis. 53403

(414) 631-2000

Corporate Personnel

C.W. Dietz, exec vp

Marketing Personnel

D.C. Henry, vp-sales
W.R. Nettleson, vp-mktg & financial services
H.A. Sass, vp-gen mgr-home care
R.W. Pritchard, vp-gen mgr-insect control
C.H. Goldthwaite Jr., vp-gen mgr-personal care
A.B. Priemer, dir-media & consumer relations
P.J. Gregor, jr mgr
R.D. Berry, new prods devel mgr
R.W. Butterly, category mgr
C.R. Smith, category mgr
R.B. Brightley, category mgr
S.E. Johnson, category mgr
C.L. Colman, category mgr
R.L. Zegerdingen, category mgr
W.C. Thomson, category mgr
J.D. Harper, category mgr

Advertising Agencies

Foote, Cone & Belding, Chicago—Raid, OFF, Future, Brite, Shout, Duster Plus—J. Vernon, sr vp-group account dir.

Lintas Winard Patton Wolver, New York—Curel—Sally Winard, asst mgmt supv and Judy Lucas.

J. Walter Thompson USA, Chicago—Soft Sense, L'Ewoe by Agree, Pledge, Favor, Step Saver, Glade, Edge, Agree—G. Furr, sr vp-group account dir.

SYNTHELABO LABORATOIRE, INC.

Racine, Wis.

Corporate Personnel

G.C. Wimmenmoo, vp-gen mgr

Marketing Personnel

R.W. Pike, mktg mgr

Advertising Agencies

Laurence, Charles, Free & Lawson, New York—Zac continuate, Fiberall laxative.

Lowe Marschalk Co., New York—Aveeno cleansing bars & bath prods, Rhuli antiseptic & anti-itch prods—Kenneth Roffe, exec vp, Peter Derek, mgmt supv-acct dir.

Marketing Personnel

Rebecca W. Pike, mktg mgr

Advertising Agencies

Laurence Charles Free & Lawson, New York—Zac continuate, Fiberall laxative.

Lowe Marschalk Co., New York—Aveeno cleansing bars & bath prods, Rhuli antiseptic & anti-itch prods—Kenneth Roffe, exec vp, Peter Derek, mgmt supv-acct dir.

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K mart Corp. 8

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Net income	221	469	(66.7)
U.S. advertising	397	737	(26.1)
General merch.	20,174	21,441	(1.3)
Specialty retail	2,309	699	226.2

K mart Corp. has turned its attention to tightening financial controls while expanding the profitable enterprises it already has in order to turn around a 66.7% decline in net income in 1985, a drop caused largely by a loss of $220 million from discontinued operations.

The nation's No. 2 retailer, which in fiscal 1986 has divested a Mexican joint venture retail operation and an insurance subsidiary, reported positive results in the first quarter, posting a 36% increase in net income over the year-earlier period, to $91.6 million, on sales of $5.20 billion, up 4.8%. The company reported sales up 7.2%, to $10.2 billion, for the first six months in 1986.

The company benefited in the first quarter from lower interest expenses stemming from a reduction of debt and a lower interest rate compared with 1985. Interest expense on debt was $39 million, compared with $46.5 million for the similar period the previous year.

K mart chairman Bernard Fauber predicts 1986 sales will be in the $26 billion range, but he says that passing No. 1 retailer Sears, Roebuck & Co., Chicago, is no longer a top priority. Nevertheless, some industry watchers predict K mart would become the nation's largest general merchandise retailer by the end of the decade.

In December, 1985, K mart's retail sales exceeded those of Sears for the first time. For the year, Sears had retail sales of $26.5.5 billion, a $4.1.3

billion edge.

K mart has been diversifying rapidly since 1984, spending $400 million to gain such specialty retailers as Waldenbooks Co., Builders Square and Pay Less Drug Stores Northwest. In addition, K mart also has home-grown Designer Depot, an off-price apparel chain begun in 1982, and two regional cafeteria chains, Furr's Cafeterias and Bishop Buffets, purchased in 1981 and 1983, respectively.

Specialty retailing provided about 11% of the company's total sales in 1985, compared with less than 5% in 1984. The specialty retailers were expected to make up 15% of the company's sales by 1990.

But K mart signaled that it would not stick with unprofitable operations when it divested itself of a Mexican joint venture and a wholly owned insurance subsidiary in January, 1986.

The Mexican venture, in which K mart had a 46% interest with Cemur S.A., a Mexican retailer, operated 11 food and general merchandise stores. K mart bought into the venture, known as Aurra, in 1981 for $30 million, and losses since then had totaled $29 million.

The other divestiture, K mart Insurance Services, had been modestly profitable over the years, except 1985. Sale of the service, which operated in 172 stores, did not affect K mart's plans to offer financial centers in at least 1,100 stores, but the company decided its relation would be as landlord.

With specialty retail stores accounting for a greater percentage of sales, they are also getting bigger shares of the capital spending and advertising budgets.

While total ad spending went up 2.3% in 1985 from the previous year, K mart owes up ad spending on the company's 2,332 general merchandise stores, including Kresge, Jupiter and K mart stores, actually declined, Mr. Feather says. 80% of K mart ad spending is handled in-house, primarily by regional newspaper media. Ross Roy Inc., Detroit, handles K mart's electronic advertising.

And while K mart plans to open 32 new general-merchandise stores during 1986, it will open 222 specialty retail operations.

Those increases include 70 units to be added to the 855-unit Waldenbooks group, 40 Pay Less Drug Stores to be added to the 183 now open, 50 stores to be added to the 30-store Builders Square chain, 10 additional units to the 160-unit Furr's and Bishop cafeteria operations, and 50 stores to the 75-unit Designer Depot operation.

Capital spending for specialty retail stores was $287 million in 1985, up from $139 million the previous year, with the increase mostly attributable to the opening of 127 units during the year.

But capital spending for K mart's general merchandise stores fell from $581 million in 1984 to $430 million in 1985. The contemporary refurbishing of 250 stores, the opening of 16 new units and the installation of a Universal Product Code system in 153 stores accounted for most of that spending. The UPC system is expected to be in all K mart general stores by 1990, at a cost of $300 million.

In its general merchandise stores, K mart continued to pursue a strategy of offering more name brands, a larger assortment of higher-price merchandise and a more contemporary presentation of its goods, aimed at attracting more upscale shoppers and at getting consumers to spend more once inside the store.

The introduction of the Jaclyn Smith fashion collection for the fall of 1985 typified K mart's direction. Ms. Smith not only was a counter to Sears' use of Cheryl Tiegs, but she also fit into the upgraded image K mart was promoting through the use of brand names and remodeling of its stores.

Launch advertising via Ross Roy was aimed at active women, with actress Smith stressing the idea that she prefers comfortable yet stylish clothing away from the set. The skirts, trousers and blouses included in the fall collection were all priced between $16.97 and $26.97.

The Smith collection originally was offered only in major markets, covering 1,400 of 2,100 stores. When K mart announced in September, 1985, that it would pump an additional $10 million into electronic media to stimulate Christmas sales, the Smith line received a significant portion of the total. The collection spurred an estimated 6% to 7% total increase in high-profit apparel sales during the first quarter of 1986.

The third line of Jaclyn Smith clothing was introduced in March, 1986, along with a new ad theme line, "K mart. Yes, K mart." Commercials via Ross Roy pictured Ms. Smith wearing the clothing in a variety of "real life styles." K mart planned to use the new theme for advertising of all fashion apparel, cosmetics and accessories, although the longtime theme line, "the saving place," was visually continued in the K mart logo. The spring line was being carried in about 1,640 stores, and all of the 2,100 stores in the string were scheduled to get the full collection.

K mart broke a new mainstream ad theme line, "America's favorite store," during ABC's 1986 Fourth of July weekend telecast of the rededication of the Statue of Liberty. Backed by a $10 million campaign, the claim was based on a survey by Simmons Market Research Bureau showing that more persons shop at K mart than at any other store.

In November, 1985, Dublin, Ohio-based Wendy's International opened one of its fast-food restaurants as a pilot in a K mart store in Canton, Mich., a Detroit suburb. Wendy's leased 1,800 sq. ft. in which it operates and staffs a restaurant that replaced a K mart-run cafeteria service. K mart and Wendy's are the demographics of their customers are nearly identical.

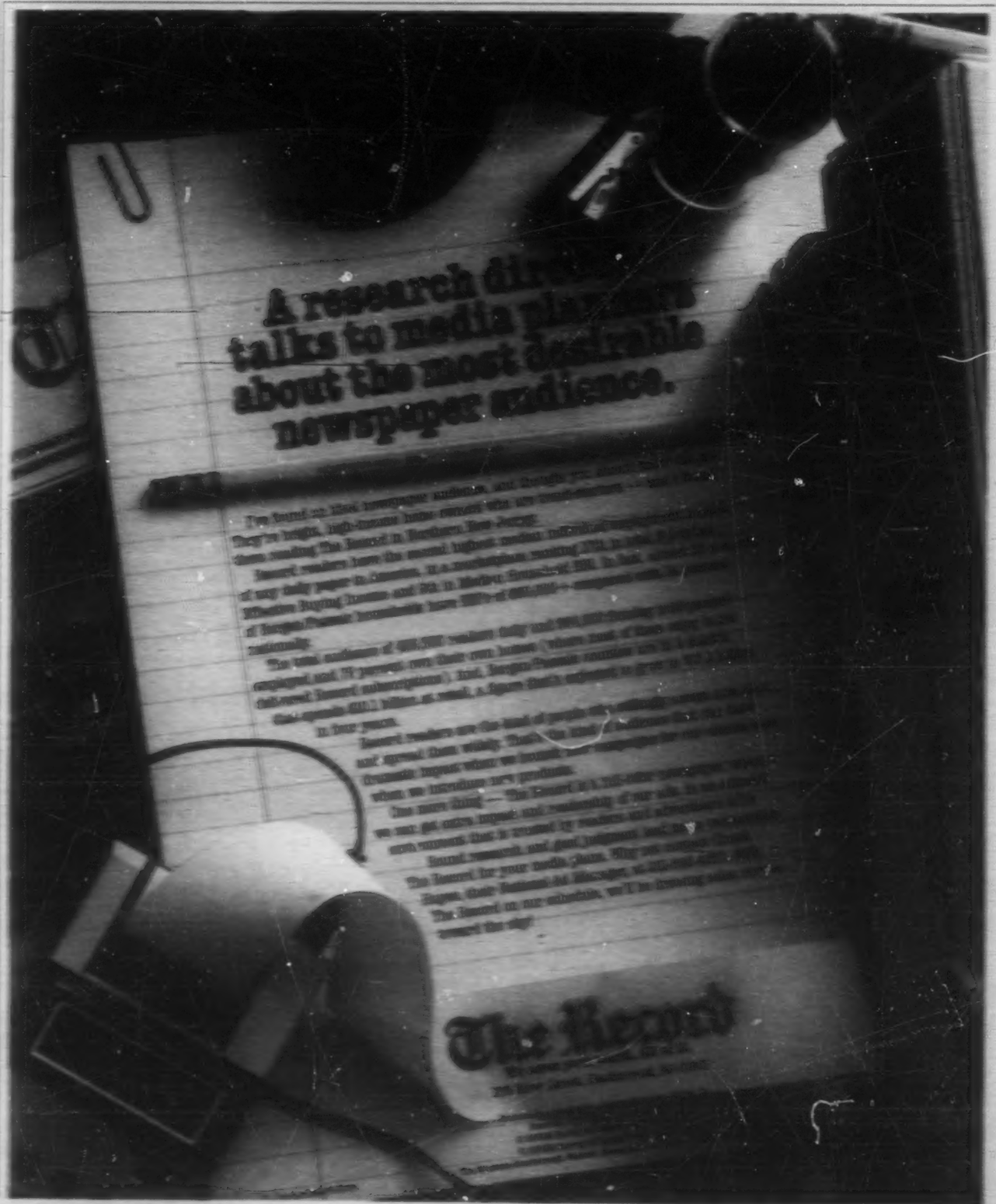
K mart began an aggressive expansion of its in-store consumer financial services in January, 1986. The first step was the addition of 36 stores and new services to a limited-banking program that it had operated since October, 1984, in 10 San Diego stores with First Nationwide Savings, San Francisco.

In the east, First Nationwide leased space from K mart and offered money-market certificates, certificates of deposit and individual retirement accounts. These 10, plus the 36 new stores, began offering those services plus checking accounts, automated teller machines and mortgage prequalification services. First Nationwide operated out of 136-sq.-ft. booths. K mart intends to expand banking services through First Nationwide, which is affiliated with 26 other savings and loan associations in 23 other states.

In addition, K mart continued nine other tests of different mixes of financial services with an eye toward expanding the ones that succeed. Other tests included real-estate services, full and limited-service banking, consumer loans, automatic teller machines and insurance services. K mart says it anticipates offering different services in different markets.

But K mart officials indicate they aren't planning to follow the lead of Sears in offering a general consumer credit card or even a store credit card. K mart accepts Visa and MasterCard, which account for only 10% to 12% of sales volume—compared with 70% for some department stores—because K mart has no existing sales and has a heavier mix of low-ticket items.

In June, 1986, K mart agreed to buy a $40 million telecommunications network to improve the efficiency of its marketing and credit-verification operations. The system would link the company's headquarters to its 2,100 stores, six regional offices and 10 distribution centers. Two GTE Corp. subsidiaries, GTE Spacenet, McLean, Va., and GTE Telenet, Reston, Va., will install the Skynet data network system.



which should be completed by 1990.

In May, 1986, K mart stockholders at their annual meeting adopted staggered terms for their directors as a takeover defense.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	310,724	41,791
Newspaper, weekly	1	21
Newspaper, daily	23	5
Network tv	16,222	43,288
Spot tv	23,257	19,554
Network radio	4,435	480
Spot radio	6,360	4,913
Outdoor	369	336
Network other	515	452
Total measured	61,935	82,710
Unmeasured	305,065	474,502
Total	367,000	557,212

K MART CORP.
3100 W. Big Beaver Road
Troy, Mich. 48084
(313) 643-1000

Marketing Personnel

J.L. Moore, vp-sales & mktg.
C.P. Ramos, div-mktg.
E.J. Krentz, div-executive sales mktg.
G.K. Hallock, div-adv.
Tom McGilligan, Designer Depot marketing & adv.

Advertising Agencies

(In-house) Media Westminster, Troy, Mich.—print adv. for K mart stores, Designer Depot—Mike McClure, dir.

Ross Roy Inc., Detroit—print adv. broadcast media for K mart U.S.A., K mart Ltd., Canada—Peter Yarrowick, exec. vp-exec. dir.; Bernie Shaffer, Roger Sherman, sr. vp-mgmt. supvrs.; Larry Haddrick, vp-mgmt. supvr.

BURLINGTON INDUSTRIES
San Antonio, Tex.

Marketing Personnel

G. Cuthbertson, div-adv.

Advertising Agency

(In-house—G. Cuthbertson, div-adv.

PAYLESS DRUG STORES
NORTHWEST
Wilsonville, Ore.

Marketing Personnel

D. Manning, vp-adv.

Advertising Agency

(In-house—D. Manning, vp-adv.

WILLSON KNIGHT CO.
Waterford, Conn.

Marketing Personnel

Bonnie Powell, vp-mktg. & adv.

Advertising Agency

MCA Advertising, Westport, Conn.—Marge Powell, acct. exec.

PURITY CUPCAKES
Lubbock, Tex.

Marketing Personnel

Dale Arens, div-mktg.

Advertising Agency

GREAMER/Houston—creative only—Ron Lansdowne, president.

QUAKER RAPIDS
Cedar Rapids, Ia.

Corporate Personnel

Edward C. Bartz, president

Advertising Agency

CMF&Z, Cedar Rapids, Ia.—Robert Hawkins, vp-acct. exec.

Kellogg Co.

Battle Creek, Mich.

25

($ in millions)

Shareholder	1985	1984	% chg.
Sales	1,932	1,822	12.8
Net income	201	212	12.8
U.S.	1985	1984	% chg.
Sales	1,070	1,770	17.2
Operating profits	322	300	14.8
Advertising	304	322	32.8

Last year, Kellogg Co. gained two share points in the over-all cold cereal market as it increased U.S. ad spending 20.8%, and the 86-year-old food company strengthened itself against unwanted takeovers through a stock buyback.

In a move applauded by analysts, Kellogg bought 15 million shares of its stock, or 20% of its outstanding shares, from the W.K. Kellogg Foundation for $578 million. Earnings per share increased 36% to $2.28 in 1984, benefiting from the Kellogg's buyback.

Kellogg does nearly 40% of its business in cold cereals, a $4.45-billion market that grew 4% in sales and 5.4% in volume over the past year. As other cereal manufacturers—competitor General Mills in particular—have divested themselves of unprofitable non-food subsidiaries, Kellogg has reaped the benefits of its conservative stick-to-basics approach to business. The company claimed the tiger's share of category growth in 1985 with a 2% increase in volume and 1.3% increase in dollars, for a 42.4% and 41.6% market share, respectively.

General Mills also increased its over-all market share last year by fractions of a point in both dollars and volume, taking 23.7% and 20.9% of the market. General Foods lost a point in each column with a 13.3% volume share and 12.4% in dollars. Quaker Oats also lost, while Ralston Purina and Nabisco barely kept pace.

Sales for Kellogg's flagship Corn Flakes declined slightly in 1985 to an estimated $200.3 million, but the company's Frosted Flakes took the top market slot for individual brands, beating General Mills' Cheerios. Frosted Flakes brought in $256.5 million, a 5.7% share.

In measured advertising, Kellogg spent $203.2 million in eight media, up 20.7% from 1984. The company put most of its marketing thrust (and ad budget) into spot and network tv and strengthened its presence on cable tv networks.

Among its major media commitments, Kellogg increased spending on network tv to $136.6 million, up 22% from 1984. Spot tv was up 25.6% to $51.6 million, and network cable was $4.7 million, up 31.8%.

Kellogg's Just Right All Grain and Just Right Almond, Raisin & Nuts were rolled out in September, 1985, in the U.S. and reached a 0.3% annual market share. The fortified bran cereal was introduced in Australia in 1984.

In November, the company unveiled All Bran with extra fiber, a reformulated version of an high-fiber cereal. The company also continued its controversial ad campaign for the product, which links a high-fiber, low-fat diet to cancer prevention. The campaign, designed by J. Walter Thompson USA, with input from the National Cancer Institute, has been credited with boosting All Bran sales at the expense of General Mills' Fiber One and General Foods' Fruit & Fiber. It has also drawn scrutiny from the FDA and applause from the FTC.

Kellogg spent $11.5 million on All Bran tv spots in 1985. Fiber One had a $11.5 million rollout, and General Foods is estimated to have spent that much promoting two Fruit & Fiber varieties.

This summer, Kellogg introduced All-Bran Fruit & Almonds, a bran cereal with raisins, apples and almonds, adding another product to the $654 million bran cereal category. The rollout was accompanied by a $7 million network tv, print and coupon campaign targeted to adults older than 35. Other cereal entries this year included Nutri-Grain Almond-Raisin, a low-cholesterol, low-fat, low-sodium cereal partly sweetened with orange juice. C2O's was supported with $4.4 million in network and spot tv, but sales have been disappointing. Kasdan says the product may be pulled if sales don't improve.

In 1985, Kellogg launched its first entry in the $438 million-a-year granola bar market—a category that grew only 3.5% last year. Nevertheless, Kellogg's Rice Krispies Bars grabbed an average 13% share in its distribution markets and a 6% share nationally. The company spent $9.3 million on advertising for the rollout.

The category is dominated by Quaker Oats with a 50% share and General Mills with 22%. In March, Kellogg introduced a new flavor to the line, Cocoa Krispies chocolate chip. It also added a peanut butter and jelly flavor to the frosted Pop Tarts line of toaster pastries.

Kellogg continued its gradual expansion of Whitney's yogurt, and by the end of 1985, the premium-priced product was available in large Midwest and West Coast markets, as well as on the East Coast where it debuted in 1982. According to the company, Whitney's sales doubled last year. Measured spending for the product was $3.97 million in print and tv, up from $1.4 million in 1984.

The company's Mrs. Smith's Frozen Foods subsidiary claimed more than 50% of the frozen pie market last year. Early this year, the division added a new variety to the Eggo waffle line, Nutri-Grain with bran and raisins. In 1986, the company expects to expand distribution of Salada brand teas, a product of its Salada Foods subsidiary.

Kellogg spent $246 million to upgrade production facilities in Australia, Canada, Great Britain, Germany and the U.S. in 1985. Capital expenditures in 1986 are expected to exceed $350 million. The company moved into a $70 million new headquarters building in Battle Creek in June of this year.

It also began work on a $300 million plant modernization project in Battle Creek. As a result of the upgrade, the company has discontinued tours of the plant for fear of attracting industrial spies. The decision has been very unpopular with Battle Creek residents, who benefit from tourists attracted to the Kellogg's tour.

Outside the U.S., Kellogg introduced Fibre Crunch in Canada and Sweden, a flaked wheat, corn and rice cereal with fruit, in Australia; Crunchie, a preswetened Chemin[illegible] product, was launched in Mexico and Brazil, a multi-grain cereal product, was introduced in Spain; in West Germany, the company introduced Kroisant Muesli, a multigrain product, and in France Kellogg's Mini Pops and Choco Pops, two preswetened cereals, were launched. Kellogg has [illegible]% of its assets in overseas operations and collects 20% of its sales outside the U.S.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	3,000	11,000
Newspaper	400	1,000
Newspaper, weekly	1	700
Newspaper, daily	600	700
Network tv	14,400	13,000
Spot tv	11,200	40,000
Spot radio	400	300
Outdoor	1	1
Network radio	4,100	3,000
Total measured	34,200	77,000
Unmeasured	10,000	34,000
Total	44,200	111,000

KELLOGG CO.
One Kellogg Square
P.O. Box 3599
Battle Creek, Mich. 49016-3599
(616) 961-2000

Marketing Personnel

W.D. Simpson, exec vp-sales & mktg.
R.T. Lambert, vp-sales
R.W. Westerhuis, vp-mktg.-cereal
K.C. Smith, div-mktg. services

Advertising Agencies

Leo Burnett USA, Chicago—cereals, cereal positive—William Lynch, vice-chmn; James Jensons, sr vp; Bill Whitman, vp-acct dir; Gary Singer, Tim O'Dea, Al Kreski, acct supvrs; Edward Prezioso, Kim Perrot, Peter Bloomfield, Jeff Thompson, Glenn Adelman, Ellie Calliaro, Elizabeth Elwell, acct execs.

Vince Cullers Advertising, Chicago—Black mktg.—Vince Cullers, president.

J. Walter Thompson USA, Chicago—cereals—Jack Tinley, sr vp-group acct dir; Paula Cohn, sr vp-acct dir; Karen Kanabrey, Susan Frenkel, Peter Seymour, Pat Muldoon, acct supvrs; Susan Della Maddalena, Eric Clark, Mitch Kline, Mark Wilmes, acct execs.

U.S. SUBSIDIARIES
Corporate Personnel

G.D. Cowles, group exec vp

GEN. MARTY'S
PROCESS FOODS CO.
Pottstown, Pa.
Corporate Personnel

C.E. Cowles, Jr.
J.J. Powers, president
J. MacDonald, eastern sales mgr.
P. Barros, western sales mgr.

KELLOGG FOODS
Little Falls, N.Y.
Corporate Personnel

R.J. Lawrence, president

Marketing Personnel

E.F. Kline, sr vp-mktg. & sales

MARTHA'S FOODS
Battle Creek, Mich.
Corporate Personnel

W.J. Wolfe, president

Advertising Agency

Leo Burnett USA, Chicago—corn, pop, waffles, yogurt—Del Collins, acct dir; Bobbi Kurtzberger, Al Chichester, John Hitchcock, acct execs.

PEANUT
INTERNATIONAL
Franklin Park, Ill.
Corporate Personnel

D.E. Thompson, president

Marketing Personnel

E.K. Jorgensen, sr vp-sales & mktg.

Advertising Agency

West, Weaver, Davis & Wooden—Rockford, Ill.—Perry J. Wooden, vp.

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Top 25 network tv advertisers

Rank	Advertiser	Network tv ad expenditures 1985	1984	% chng	as % of co.'s 1985 ad total
4	American Home Products Corp.	183,364	179,024	2.4	45.9
7	RJR/Nabisco	179,294	273,540	3.3	16.4
8	American Telephone & Telegraph Co.	167,728	260,114	(35.7)	32.2
9	Kellogg Co.	136,435	133,000	22.1	42.9
10	Johnson & Johnson	134,964	248,639	(8.1)	38.4
15	Coca-Cola Co.	124,738	140,334	(38.1)	29.4
17	General Mills	124,372	124,607	(0.2)	23.6
18	Beatrice Cos.	111,648	106,312	5.1	16.3
19	Dart & Kraft	111,345	120,329	(8.4)	23.7
20	Ralston Purina Co.	102,617	98,886	4.2	20.2

NOTE: Dollars in thousands. Source: Broadcast Advertisers Reports as reported by Leading National Advertisers

Loews Corp.

RANK 54

New York

($ in millions)	1985	1984	% chg.
Revenues	6,102	5,655	23.0
Net income	596	373	59.8
U.S. advertising	107	46	177.3
Division sales	1985	1984	% chg.
Cigarette	1,801	1,611	11.8
Hotels	738	707	4.4
Entertainment	641	570	12.5
Life insurance	1,048	1,017	3.1
Property, cas. ins.	1,732	1,554	11.5
Diversified	1,141	1,196	(4.6)

Loews Corp. said its most unprofitable business—movie theaters—and slashed spending in measured media advertising for its cigaret brands as it relied on growth and big returns to come from Lorillard, its cigaret unit, and the second most advertised division, CNA Financial Corp.

Lorillard, after dropping 4% in sales in 1984 from 1983, returned to positive growth in 1985. The cigaret division has been a steady money maker, however. Its net income increased 13.2% to $437.1 million in 1985 following a 13% increase the previous year.

Lorillard, in the seven media monitored by Leading National Advertisers, cut measured media advertising 17.8% on its cigaret brands in 1985 and saw its share of the total cigaret market decline slightly from 4.2% to 4.1%. The company credits the decline largely to the increase in sales of generic and price-value cigarets, markets in which Lorillard has no entries.

Among full-priced cigarets, Lorillard increased its market share from 4.4% to 4.8%. Lorillard contributes 22.4% of Loews' total revenue.

Newport, Lorillard's leading brand, moved into the top 10 domestic sellers of all cigarets of 1985, edging out Lorillard's former flagship brand, Kent, for the first time. Newport's market share for 1985 was 3.4%, an 11.8% increase over 1984. Newport and Philip Morris' Marlboro were the only brands to post increases among the top 10 in 1985.

Loews spent more to advertise Newport—$31.9 million for the brand line—than on any of its other brands or noncigaret products. Loews has been stressing the Newport franchise the past few years. It spent $18.9 million, for example, on the line in 1984, up 29% from 1983, according to LNA. Newport menthols were backed with about $20.7 million in measured advertising—more than half of that in outdoor advertising.

Lorillard rolled out a new brand, True Gold, in 1985, in three low-tar, nonmenthol offerings. Dancer Fitzgerald Sample, New York, agency for the other True products, is handling the new cigarets. The company spent more than $6 million to advertise the new brand out of a total expenditure of $20 million for the True line. Spending on the line has been declining steadily the past three years. True measured media in 1985 was 10% off the 1984 level, which was 13.7% less than in 1983.

Kent spending for $14.3 million in measured media, up from $14.2 million in 1984, but still far below $23.3 million in 1983. Kent added a Golden Lights 100's package in 1985. As a result of Kent's declining sales, Lorillard underwent an agency review for the Kent family in 1985, choosing BBDO, New York, to replace Foote, Cone & Belding, New York.

Loews' financial arm, [illegible] Capital Corp., which made [illegible] of Loews' revenue and 46% [illegible] income in 1985, recorded a 41.3% increase in revenue in the property-casualty division. That increase came on the heels of a 17% rise recorded in 1984. Net income in the unit soared 219% to $229.7 million. The bill marked another all-time CNA business, however. It represented a 23% decline at its income to $461.3 million.

The company attributed its growth in the insurance business to the dramatic turnaround in the property and casualty marketplace—one beset by soaring premiums because of large settlements, the increased frequency of claims and the cost of litigation. CNA received nearly $4 million in measured media advertising in 1985, about the same as in 1984.

Bulova Watch Co. posted net income of $16.7 million, up from $3.1 million in 1984 and a loss in 1983. Bulova introduced Chime, a line of 14-karat gold and full-cut diamond watches, in 1985 and expanded its collection of other diamond watches. Bulova spent $600,000 on measured advertising last year, mostly in magazines. This represents a substantial increase over the previous two years.

Loews had an aftertax gain of $40.3 million from the sale of its motion picture theater business in July, 1985. That accounted for 13.7% of total net income. The 226-screen group with operations in six states was sold to a group headed by A. Jerrold Perenchio, producer and former co-owner of Embassy Communications.

In other developments, Loews increased its holdings in CBS Inc. from 11% to 24.9%.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$24,887	$40,203
Newspaper	1,911	11,286
Network radio	429	1,287
Spot radio	27	3
Spot TV	1,801	1,447
Network TV	5,171	10,447
Outdoor	74	74
Transit radio	[illegible]	[illegible]
Total measured	[illegible]	[illegible]
Unmeasured	[illegible]	[illegible]
Total	[illegible]	[illegible]

LOEWS CORP.
666 Fifth Ave.
New York, N.Y. 10103
(212) 841-8100
LORILLARD DIV.

Corporate Personnel

J.E. Kerr, president-cor

Marketing Personnel

K.W. Orcutt, sr vp-sales

T.W. Mee, sr vp-adv & brand mgmt
S.R. Ridgway, vp-pr
J.P. Hildebrandt, vp-sales
L. Gordon, vp-trade devel
G.B. Telford, group brand dir
E.W. Klarman, group brand dir
J.E. Dagliolo, group brand dir
W. Smith, media dir
P.A. Lawless, sales promo dir
S.T. Jones, mktg rsch dir
R.D. Hammer, sr brand mgr
A. Pedalino, sr brand mgr
V.P. Currie, brand mgr
M.A. Karstens, brand mgr
K.D. Lindsley, brand mgr
C.D. Rau, brand mgr
J.A. Guardino, asst brand mgr
N. Lathem, asst brand mgr

Advertising Agencies

BBDO, New York—Kent Family (Kent, Kent III, Kent Golden Lights); new prods—Joe Barrett, vp-sr supvr mgr; Eric Vogel, sr vp-mgr supvr; William "Bud" Sawyer, vp-acct supvr.

Dancer Fitzgerald Sample/Cortland, New York—True, Triumph, Beech-Nut chewing tobacco, new prods—Tom Bolton, regnl dir; Mike Avery, regnl supvr.

MCA Advertising, New York—Newport, con prods—Warren Decker, exec vp; Ed Klotz, sr vp.

LOEWS HOTELS

Corporate Personnel

Robert Freeman, chmn-ceo
Jonathan Tisch, president
William Wallach, exec vp-domestic operations

Marketing Personnel

Philippe Bent, vp-mktg
Warren Seamon, dir-adv & sales promo
Michelle Caldas, dir-pr

Advertising Agencies

Hirsch & Sarmalle, Palo Alto, Calif.—Ad specialty partner.

Cavalari & Klein, New York—Ian Klein, acct exec.

Warren/Kinsler advertising, New York—Christine Warren, acct exec.

CNA INSURANCE COS.
Chicago, Ill.

Corporate Personnel

Edward J. Noha, chmn-ceo

Marketing Personnel

Philip L. Engel, vp-mktg
James G. Pereyra, exec vp, life/health/commercial distribution, field operations
Susan R. Riggs, sr mgr-corp communica-

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BELOW BUDGET
Jackson Heights, N.J.
Corporate Personnel
Andrew G. Tuch, president
Marketing Personnel
Robert E. Ryan, vp-mktg
Sharon Phillips, dir. of communications & sales promo
Advertising Agency
McCaffrey & Ramer, New York—David Krueger, sr vp-mktg dir.

Mars Inc.

Rank: 30

McLean, Va.

($ in millions)

Worldwide	1985	1984	% chg
Sales	N/A	N/A	N/A
Net income	N/A	N/A	N/A
U.S. advertising	370	337	20.0

Mars Inc. is battling the candy wars by throwing 27% more dollars into its ad budget and rolling out new artillery, its chocolate-coated granola bar, Kudos.

The company's tactics temporarily have staved off the threat of Hershey overtaking Mars in market share in 1985, analysts say. The two candy giants are now about equal, with Mars maintaining a slim lead with a 36-37% share of the market.

For all divisions in 1985, Mars spent an estimated $276 million, up 26.9% from 1984, when Mars increased its advertising nearly 15%. While spending for candy and pet food rose dramatically, the budgets for snacks and Uncle Ben's rice products fell.

Mars Inc., headquartered in McLean, Va., is privately held and secretive about sales and operations. In April, 1986, however, the M&M/Mars division, with great fanfare, announced its first new national confection product in a decade, Kudos, available in chocolate chip, nutty fudge and peanut butter flavors. Mars' last national confection introduction was Twix in 1976.

Kudos goes up against Quaker Oats' granola bar, which has a 50% share of the $300 million category. Kudos will be available nationally by the end of the year, says Whitney Hill, M&M/Mars director of trade relations. "We think there's a lot more growth potential in the market," he says. Because Mars has more candy experience than its granola competitors, Mr. Hill says, "We think we can produce a much better product than what's on the market."

Other changes in M&M/Mars' candy lineup include new flavors for Royals, the mint confection aimed at adults; fruit cream, cherry and almond Royals were introduced in May, 1986. Mars had distributed Royals only in Washington and Baltimore for two years, but last October made them available in Atlanta. No other markets are scheduled.

Last year Mars discontinued Summit, a chocolate wafer confection. It continues to sell a ring-sized Snickers bar and a larger size M&Ms. Larger bars are highly popular, and rival Hershey recently announced it will increase the size, but not the price, of its candies.

Measured media spending according to Leading National Advertisers for major Mars candy brands includes: 3 Musketeers, $6.3 million, up 33%; Lickets cough drops, $30,000, down 90%; Mars bar, $5.3 million, up 56%; M&Ms (plain and peanut), $22.1 million, up 77%; Milky Way, $6.3 million, up 8%; Royals mint chocolates, $300,000, up 200%; Skittles, $5.4 million, up 38%; Snickers, $25.7 million, up 41%; Starburst, $5.6 million, up 14%, and Twix, $12.1 million, up 64%.

Mars' pet food division, Kal Kan, raised measured spending 28.7% to make a dent in what has been a flat category. It introduced two new products, Pedcraft dog treats, and Pedcraft Mainstreme dog biscuits. The division also is testing new sizes and flavors for its canned dog and cat foods. To appeal to owners of small dogs, the company introduced 6-oz. cans of Kal Kan dog food, which is regularly available in 14-oz.

In selected markets, a 22.4-oz. can of Kal Kan dog food in chunky beef and liver and beef flavors is being tested. Also, gourmet cat flavors—savory white fish, tender veal and chicken liver dinner—were added to the Kal Kan cat food lineup in March, 1986. In the West, a 22-oz. size of Kal Kan cat food is being tested.

Kal Kan, with 1985 sales of $140 million, down slightly from 1984, remains the No. 2 canned dog food brand behind Alpo, according to estimates by John Maxwell, an analyst for Furman Selz Mager Dietz & Birney, New York. Mealtime dry dog food dropped slightly in sales to $67 million and fell to seventh from fifth place, according to Mr. Maxwell.

Kal Kan canned cat food also continues to hold second place in the category, with 1985 sales estimated at $120 million, behind Heinz' 9-Lives cat food. Chow dry cat food slipped from No. 4 to No. 5, with sales of $50 million.

Measured spending for the Kal Kan division as monitored by LNA includes: Kal Kan canned dog food, $9.4 million, up 1%; Mealtime dry dog food, $8.0 million, up 14.6%; Kal Kan canned cat food, $8.4 million, up 82.8%; Chow dry cat food, $7.9 million, up 55%; Pedcraft dog treats (new), $400,000; Pedcraft Mainstreme dog biscuits (new), $10,000.

Mars' Uncle Ben's division ate last year rolled out Country Inn rice mixes, available nationally in four flavors. Country Inn must compete with a host of new rice mix products recently introduced by rivals Rovania and Thomas J. Lipton Inc. Measured spending for Uncle Ben's, however, dropped 7.7% in 1985. Uncle Ben's rice was backed by $14.6 million, down 15.6%; Country Inn (new), $1.4 million, and Uncle Ben's side dishes, $20,000, up 400%.

Mars folded its Snackmaster division one day in Mars Broker division last year, and advertising support for those products fell 10%. Combos cheese-filled pretzels are still available only in 40% of the country, while Combos cheese crackers remain in 20%. Combos may expand into a few more markets before the end of the year, but no further rollouts are planned for Curmudgeon filled snacks (available in the Southwest) and Dooley's (in the Midwest).

Measured spending for snacks includes Combos, $3.6 million, down 14.3%; Curmudgeon, $1.3 million, down 35%; Dooley filled snacks (new), $161,000; Dooley potato chips (new), $700,000.

Mars in early August, 1986, purchased Dovebar International, Chicago, maker of the superpremium-priced, chocolate-covered ice cream bars and newly introduced Dove Delight, an ice cream dessert. This is the first entry by Mars in the ice cream and frozen dessert market.

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Source: Sales & Marketing Management, '86

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Advertising Agency
Leo Burnett USA, Chicago—candy, snacks, 3 Musketeers bar, Twix caramel cookie bar, Mars almond bar, new products—Dan Rust, asst dir.

D'Arcy Masius Benton & Bowles, St. Louis—pet foods, Chow dry cat food, Pedcraft canned dog food, candy, snacks, Curmudgeon filled snack, Dooley's filled potato chips, Skittles bite size candies, new products—Rich Speer, jr mgmt sup.

Dellnitz & Associates, Chicago—Dovebar—Bud Davis, jr vp; Rich Roberts, asst supr.

Matsushita Electric Industrial Co.

Rank: 92

Secaucus, N.J.

($ in millions)

Worldwide	1985	1984	% chg
Sales	26,850	30,810	-25.7
Net income	1,274	1,810	-27.4
U.S.	**1985**	**1984**	**% chg**
Sales	1,732	1,910	-9.7
Advertising	85	94	-9.4
Division sales	**1985**	**1984**	**% chg**
Video equip.	1,277	1,342	-5.1
Audio equip.	1,220	1,340	-9.0
Appliances	1,102	1,187	-7.2
Industr. equip.	1,228	1,077	12.3
Electr. compts.	1,451	1,671	-11.9
Comm. prods.	851	851	1

Matsushita Electric Industrial Co., the Osaka-based producer and marketer of National, Panasonic, Technics and Quasar consumer electronics brands, continues to draw heavily upon overseas markets for growth, supporting its sales efforts with increasing advertising outlays.

During 1985, a second-half downturn in its overseas markets left the company with a 7% sales growth. Nonetheless, overseas sales grew to 51% of total corporate sales, up from 48%—reflecting a 9% growth in overseas markets compared with a domestic Japan sales increase of only 3%.

Video equipment, the company's largest segment, representing 37% of total sales, advanced 8% for the year in sales, with growth coming particularly from strong VCR sales (Panasonic) in the U.S. and color TV sales to the People's Republic of China.

Audio equipment sales, representing 9% of total sales, however, dropped 9% from 1984 because of slow demand.

Matsushita, which already produces most of its electronic components, cellular mobile telephones and other products in North America, is studying U.S. production of VCRs and other products.

Matsushita is a big second-party producer, like many of the Japanese companies. Toshiba, for example, makes Polaroid's 8mm line of video cameras, and Matsushita makes Kodak's 8mm line. Matsushita also has a contract to make large screen TV sets for General Electric, which has now abandoned manufacturing them in the U.S. because of the expense.

Besides serving as a second-party manufacturer, Matsushita has grown rightly innovative. This year it has introduced a 3-in. color TV that doubles as a video camera monitor. Matsushita, however, has yet to join other Japanese consumer electronics giants, Sony and Canon, in the rush to offer the 8mm camcorder, which has a 5-10% share of the VCR market. A Matsushita line would probably cannibalize itself if it did market its own 8mm in addition to producing them for others. In Secaucus, N.J.-based Panasonic unit is one of the leaders in the VCR market.

Matsushita placed $223.1 million or 7.9% of its seven-media LNA measured spend in six magazines. Spending in that medium was up 23% from 1984. It spent $6.9 million on spot TV, down considerably from $13.8 million in 1984 when it spent $15.3 million for Panasonic Omnimovie component video systems. That same product in 1985 received only $1.9 million.

The new Panasonic Omnimovie video camera received $4 million, some $2.6 million in spot TV and $1.4 million in magazines. Panasonic color TV sets received $2.5 million, largely in spot TV, up from $2 million in 1984.

Panasonic brand spending totaled $24.7 million. Spending was actually down 7.5% from 1984.

Quasar spending totaled $15.7 million, up 28.7%. Quasar products include color TV sets, VCRs, compact disc players and microwave ovens. The other main brand in Matsushita, Technics, drew $2 million in support, largely magazines, down 26%.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$223,120	$310,690
Newspaper	4,366	1,817
Newsp. sup.	26	1
Bus. pub.	4,268	4,187
Network tv	900	1,800
Spot tv	6,940	13,817
Network radio	431	286
Spot radio	1,389	1,202
Outdoor	422	240
Network cable	1,130	667
Total measured	42,826	46,759
Unmeasured	43,174	47,148
Total	86,000	93,899

MATSUSHITA ELECTRIC CORP. OF AMERICA
One Panasonic Way
Secaucus, N.J. 07094
(201) 348-7000
PANASONIC CO.
Marketing Personnel
Henry Yamamoto, ceo
Ralph Wolff, jr vp-sales & mktg
Steve Kanda, jr vp-planning & merch
Jon Greenberg, genl mgr communications
Stan Hamada, vp-group mgr, video products
Paul Adams, genl mgr-television
Dick Lavinski, vp-group genl mgr audio/home information products
Jed Kane, asst genl mgr, home information prods
Alfredo Tarimo, genl mgr, Panasonic Car Audio
Mike Gaulin, vp-group genl mgr, home/car audio
Maurice Guiheen, vp-group genl mgr, home appliance
Advertising Agencies
Ted Bates Advertising, New York—Jim Wardale, mgmt supr; Robert Miller, asst supr.
Grey Advertising, New York—Robert Herrman, exec vp-admin.

QUASAR
Marketing Personnel
Jack Pfeiffer, president-ceo
Lynn Yoshikawa, exec vp
Tom Lauterbach, genl mgr-adv & pr
Wally Priest, asst genl mgr, appliance div
Advertising Agencies
Needham Harper Worldwide, Chicago—David Finnerman, media supvr; Lynn Palmore, vp-assoc media dir; Fran Wagner, media planner; Bob Bertolotti, asst supvr; Mike Zaremba, mgmt sup.

PANASONIC INDUSTRIAL CO.
Marketing Personnel
K. Seki, president-ceo
Carl Lindquist, adv mgr
Frank Novak, gen mgr-adv div
Advertising Agencies
Ted Bates Advertising, New York—Gene Nemeth, exec vp-asst mgmt. sup
Grey Advertising, New York—Robert Herrman, exec vp-admin.
Sommer Inc., New York—Robert Shulman, asst supvr.

Mattel Inc.

Rank: 93

Hawthorne, Cal.

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,351	881	53.3
Net income	73	65	(0.7)
U.S.	**1985**	**1984**	**% chg**
Sales	795	697	5.8
Operating profit	97	109	(6.7)
Advertising	65	71	12.3

Sales at Mattel Inc. began to slide in early 1986, prompting industry observers to predict a de-escalation in ad support for the leading toy company, which spent its way out of a sales depression two years ago.

Mattel's advertising and promotion dollars spent in the U.S., which have more than doubled since 1982, equaled 12% of net sales in 1985 compared with 11% a year earlier when the company launched a year-round marketing program to promote toy sales rather than save most of its promotional muscles for the fourth quarter when most toys are sold.

But Mattel "is going sideways now in an earnings sense," says vp-entertainment industry analyst Harold Vogel, Merrill Lynch, New York. Mr. Vogel anticipates Mattel will slightly outperform a somewhat sluggish toy industry in 1986—a $12 billion market.

tion, he estimated, should grow 4% to 7%.

Both sales and advertising dipped in the first six months of 1986 compared with 1985. Worldwide sales dropped to $442.4 million, down 7% from the corresponding year-earlier period. Advertising and promotion also fell 5% for the six months, to $73.5 million. Analysts see the results as a leveling off from Mattel's rapid turnaround, and sources say ad spending will be down during 1986. "They [Mattel] aren't having the year they're hoping for, but neither are the other major toy companies," one observer says.

Worldwide, in 1985 Mattel spent $180.7 million in advertising and promotion, compared with $138.9 million in 1984. "Our ad spending abroad isn't growing as fast as our sales growth there," a company spokesman says. Mattel subsidiaries in Western Europe, Canada, Mexico and the Far East contributed $140.4 million in consolidated income from continuing operations before income taxes in 1985.

The Mattel name is synonymous with toys, its sole business after an ill-advised foray into the home video market in 1983 brought Mattel near the brink of bankruptcy as it posted a loss of $394 million that year. But the toy marketer reinvented in 1984 and sold its home video division in 1987 to Tonka, Minn.

Mattel's Masters of the Universe, Princess of Power, Barbie and Rainbow Brite continue to be its stalwarts. Masters generated an estimated $250 million in worldwide sales last year. The product currently ranks second in the U.S. toy market behind Playskool, Pawtucket, R.I.-based Hasbro's Transformers.

She-Ra continues to flex its muscles in foreign markets as well, Mattel opening new markets in Spain and Argentina. Mattel has gained strength in traditional European markets, as Masters became the No. 1 toy in Germany.

Mattel also handles foreign distribution for World of Wonder's Teddy Ruxpin and Voltron male action figures. The latter, buoyed by a successful animated series, has done extremely well in the U.S.

Mattel pressed the market with new products and line extensions in 1985, a policy it vows will continue as a record-setting pace. New products generated $125 million in worldwide sales in 1985, and company sources project more than $200 million in new product sales for 1986.

We Chid, an attempt to capitalize on the success of West Hartford, Conn.-based Coleco Industries' Cabbage Patch Kid dolls, received Mattel's most concentrated ad support in 1985 —more than $10 million in spot and network tv. Large, realistic dolls continue to enjoy double-digit growth as a category.

Mattel also brought a new twist to the transformable toy market, launching a $10 million tv campaign in early 1986 for Puppies, a plush transformable animal collection. The Puppies, animal characters with detachable parts, also tapped the push-toy market.

W.U.S.C.L.E., an acronym for Wisdom of Unusual Small Creatures Lasting Everywhere, made its debut with spot tv and print support in late 1985. The line features 220 small, collectible odd creatures.

At the age of 27, Barbie also is proving remarkably resilient, as Mattel continues to update the doll with new versions such as Working Woman accessories, Day-to-Night Barbie fashions and a business-setting playset.

The 1986 incarnations of the doll include an astronaut setting, a tropical South Seas resort, rock 'n roll and two glamour motifs. Mattel has supported the product with a 10-city promotional tour, exhibiting the doll within realistic displays of each new setting.

Licensing continues to comprise a growing portion of Mattel's income, contributing $83 million in 1985, sources estimate, from $77.2 million in 1984. Masters of the Universe is second only to Hasbro's G.I. Joe in the licensing arena, with more than 40 U.S. licensees.

Animated tv series, the lifeblood of current marketing in the industry, remains under siege by parent groups charging that Saturday morning cartoons function as thinly veiled product ads. Both houses of Congress reviewed bills aimed at limiting product-related children's programing last year. Nearly all animated shows linked to products are running on network tv or in syndication. Nine of those are for Mattel products, with "She-Ra, Princess of Power" and "He-Man" the No. 1 and No. 3 most popular cartoon shows, respectively. "The editorial product is now in the hands of the toy companies," Ms. Charren says.

In addition to animated tv shows, Cannon Films, Los Angeles, is working on a live-action "He-Man and the Masters of the Universe" movie. The projected summer, 1987, release should help Masters' sales, analysts say.

Management changes at Mattel are not expected to alter the company's course, as tv president-cm Glenn A. Hastings before his resignation and subsequent death in November, 1985. Mr. Hastings was succeeded by Thomas J. Kalinske, 42, who retains his former responsibilities as president, Mattel USA.

Mr. Kalinske rose from Mattel's marketing ranks; his background includes a stint at J. Walter Thompson USA. Reports say he is being groomed to succeed chairman Arthur S. Spear, 65, when he retires.

Observers credit Mr. Hastings with the innovation of advertising year-round to turn the toy business into a 12-month operation, a move since copied by many of Mattel's competitors. In 1985, 45% of Mattel sales occurred before September, compared with 39% in 1983.

Mattel's agency situation has been somewhat turbulent in recent months. The assignment for two new lines shifted to Foote, Cone & Belding from Dailey & Associates, both Los Angeles, in early 1986, as Mattel ended a brief 13-month association with Dailey, 4A the same time, it shifted Dailey's estimated $6 million Hot Wheels assignment to Ogilvy & Mather, Los Angeles.

Ogilvy has picked up responsibilities for Lady Lovelylocks, a new licensed product from American Greetings Corp., subsidiary. Those Characters from Cleveland Inc. Mattel will introduce the product in October, aiming toward the Christmas season. Mattel also licenses Poppies through the Cleveland-based company.

ADVERTISING EXPENDITURES

$ in thousands	1985	1984
Magazine	[illegible]	[illegible]
Newspaper	[illegible]	[illegible]
Bus. pub.	[illegible]	[illegible]
Network tv	[illegible]	[illegible]
Spot tv	[illegible]	[illegible]
Spot radio	[illegible]	[illegible]
Outdoor	[illegible]	[illegible]
Network radio	[illegible]	[illegible]
Total measured	[illegible]	[illegible]
Unmeasured	[illegible]	[illegible]
Total	[illegible]	[illegible]

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Hawthorne, Calif. [illegible]
(213) 978-5150

Marketing Personnel

Thomas Kalinske, president, office of chief exec
John Amerman, exec vp-worldwide operations/president, Mattel Int'l
Joseph Marrison Jr., exec vp-prod devel & mktg
Paul Cleveland, sr vp-mktg
Cindy Cleveland, vp-mktg
Bruce Stein, vp-mktg
Thomas Wenzel, vp-mktg

Advertising Agencies

Foote, Cone & Belding—new prod lines —Steve Hayman, sr vp-group mgmt dir; Tim Wolfsmith, vp-mgmt dir.

Ogilvy & Mather, Los Angeles—Mattel Toys—Alan Reif, mgmt supvr; Olga Gil, Cathy Gelner, acct supvrs; Amy Guzman, Russ Carnazzo, Victoria Tarrson, asst execs. Mattel games—Ginger Sherman, acct supvr. Mattel girls toys—Frederic Bar, mgmt supvr; Harriet Lipman, acct supvr; Lisa Elliott, asst exec. Mattel boys' toys—Susan Chittum,

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[illegible] Alberta St.
Montgomery, AL [illegible]
205 – [illegible]

GRIT [illegible] – [illegible]
CAPPER'S WEEKLY [illegible] – [illegible]

agency exec; Yusef Bremer, asst exec. Wattel Intl—Christian Von Glasenw, mgmt exec; Wattel Preschno—Jean Barthelmi, asst exec.

Mazda Motors of America — RANK 85

Parent: Dommguez, Cal.

($ in millions)

The Worlds	1985	1986	% chg
U. .s	7,406	6,756	-8.8
Net income	147	142	-3.4
U.S. advertising	102	7	-93.1

Mazda Motors of America set record highs in worldwide sales and earnings for fiscal 1985 largely as a result of strong sales of upscale "value-added" models.

Much of the 23.1% increase in advertising at Mazda, the fourth largest Japanese auto importer in the U.S., supported the introduction of value-added models such as the Mazda 323 (replacement for the GLC), the RX-7 sports model and the gentrified compact B2000 pickup geared to an upscale, urban clientele.

The B2000 received the largest advertising outlay at $19.2 million in measured media, followed by the popular Mazda 626 ($18.5 million) and the RX-7 ($16.2 million), according to the seven media measured by Leading National Advertisers.

Sales and earnings from the parent company, Hiroshima, Japan-based Mazda Motor Corp., appearing in the accompanying box for fiscal years ending Oct. 31, were converted from yen to dollars at a rate of ¥202=$1.

Although Mazda's worldwide factory sales were down 1.8% to 1,520,167 units, the downturn occurred only in the Japanese domestic market. Ex-

McD.'s, evolving Its Views

Entrepreneur Ray Kroc opened his first McDonald's in Des Plaines, Ill., in 1955, based on a franchise agreement with Mac and Dick McDonald, who operated a San Bernardino, Cal.-area burger stun, selling 15¢ hamburgers, 10¢ fronds and 20¢ shakes. The one bilionth burger was served in prime time television in 1963, the same year the first McDonald's national ad appeared—in the *Reader's Digest*. The first $1 million sales for a single McD.'s was in Bloomington, Minn., in 1971. On Nov. 20, 1986, the 50 billionth burger slid off the grill in Duluth, Ga., and Dick McDonald ate it.

ports, including knockdown sets, rose 1.5% to 478,2205 units and accounted for more than 70% of total factory sales.

Mazda's U.S. sales for 1985 increased 11.5% to a record 326,557 units—210,1983 cars and 115,4664 trucks. The total gave Mazda a 2.4% share of the total U.S. market (a 1.9% share just for the autos). Mazda claimed an 8.4% share of the total import market in the U.S., down slightly from 8.7% in 1984. Over-all, its share made it the fourth largest Japanese car/truck importer in the U.S., behind Toyota at 22.4%, Nissan at 21.3% and Honda at 17.3% (cars only).

In line with plans to establish a global presence and to ensure an adequate supply of cars in the U.S., despite the voluntary restraint agreement that limits Mazda to 229,722 imported cars a year, last May the company broke ground for a new $483 million plant in Flat Rock, Mich. The voluntary restraint agreement restrictions do not include domestically produced Mazda cars or foreign or domestically produced trucks. The Flat Rock auto assembly plant, operated by the new Mazda Motor Manufacturing (USA) Corp., will have an annual production capacity of 240,1000 vehicles.

The factors opening in the fall of 1987 will make Mazda the fourth Japanese auto maker to have vehicle assembly operations in the U.S. Honda, Nissan and Toyota already have plants here. Mazda also will build a $7.1 million research and development center in Ann Arbor, Mich., due to open early in 1987. It will join Nissan and Toyota as old tenants in Ann Arbor Park.

Ford Motor Co., owner of a 25% interest in Mazda, is expected to place its nameplate on as much as 50% of the output at Flat Rock. The car to be produced will be a version of Mazda's popular front-wheel-drive 626 model.

Mazda in the U.S. is a combination of Mazda Motors of America (Central), Rancho Dominguez, Cal., and Mazda Motors of America (East), Jacksonville, Fla. The California company is a joint venture of Mazda Motors Corp. (known as Toyo Kogyo Co. Ltd. until 1984) and Sumitomo Corp. and handles car and truck imports to the Great Lakes, Gulf regions and Western U.S. The Florida operation is a subsidiary of C. Itoh Co. and handles imports to an 11-state region in the East and the Southeast.

Mazda's measured advertising expenditures in 1985 were up 29.4%, with network TV spending increasing 20% to $30.7 million, magazine spending increasing 24.3% to $222.2 million, and spot TV registering a 22% gain to $5.4 million.

Network and spot TV and continued use of auto enthusiast magazines and national newsweeklies again represented the principal media used in the introduction of Mazda's 1986 model line. The company's advertising and promotion followed the successful patterns established in recent years, with a budget heavily weighted toward national campaigns and away from regional buys on spot TV. TV and print ads continued to keep up the price/value theme of previous model years and stressed the "total performance" of the full Mazda line.

Mazda advertising for the model year, however, did have a new look. Mazda marketers are saying the company's new advertising, featuring presenter James Garner in a no-nonsense approach, is helping give Mazda its best sales year yet (in 1986). The spots first appeared in October and later in December in the National Football League playoffs.

As the campaign for the 1986 models unfolded, the creative approach disclosed a definite move to market upscale products, while sticking with Mazda's traditional price/value story. One sign of the upscale shift was the demise of the sub-compact GLC, which was replaced by the 323, a model that was called "the road car of the small cars."

Like its predecessor GLC, which got only $2.5 million in ad support in 1985, the 323 is offered in both three-door hatchback and four-door sedan versions. The standard hatchback is Mazda's price leader at $5,795, while a luxury four-door sedan is priced at $8,495.

Earlier in the model year, Mazda began marketing its new line of compact pickup trucks in much the same way as it sells cars. The strategy: Reach the wealthy, urban consumers who are now the prime targets for compact trucks. Mazda's redesigned B2000 pickup were positioned as maneuverable, fun to drive and loaded with creative comforts, but without the "Sales Alive" theme of last year. Also abandoned was the low-end truck price of $5,995 in favor of upscale B2000 models ranging in price from $6,795 to $9,395 for a LE/SE Cab Plus model. About half of the 1985 ad budget was spent on trucks.

Truck ads included four-page, preprinted, full-color inserts and spreads in general interest and enthusiast magazines. The enthusiast magazines also carried a 12-page insert promoting the full passenger car line, exclusive of trucks.

Full promotions included the "weekend" use of network TV with the message aimed at men with incomes of more than $35,000. Sponsorship was heavily weighted with sports programming, highly rated weekend shows such as "60 Minutes," weekend movies and prime-time programs on Fridays. Mazda also expanded its sponsorship of NFL football, NCAA basketball and other events.

The "Mazda Sportsmost" series of sports journalism programs on cable's ESPN continued for a sixth year with Mazda sponsorship, along with the new "Monday Night Match-Up," also on ESPN, which profiles the two teams matched in the Monday night football game on ABC-TV. Mazda reportedly will not renew sponsorship of "Match-Up" again this fall.

Mazda also continued sponsorship of women's professional and senior professional golfing events.

Mazda continued its involvement in auto racing with its RX-7, high-performance rotary engine sports passenger car winning an unprecedented sixth consecutive GTU championship of the International Motor Sports Assn. Sales of the RX-7 for 1985, stimulated by $16.2 million in measured media costs, reached 53,831 units, up slightly from the previous year. The completely redesigned 1986 models are priced at $13,595 for the two-seater coupe and up to $20,295 for the turbo coupe, with 1986 sales projected at the rate of 5,500 units per month.

The 626 model, with sales of 82,936 in 1985 and up 22% from the previous year, continued to be the company's best-selling car for the third straight year. The 626 was priced between $9,480 for the two-door sedan and $13,595 for the four-door GT Turbo touring sedan.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1986
Magazine:	$22,296	$16,857
Newspaper:	5,029	3,010
Bus. pubs.	76	132
Network TV:	30,778	26,302
Spot TV:	5,381	4,107
Syndication:	23	1
Outdoor:	1	1
Network radio:	1,305	1,302
Total measured:	72,302	51,703
Unmeasured:	29,241	19,983
Total:	101,543	71,926

MAZDA MOTORS OF AMERICA (CENTRAL)
[illegible] E. Artesia Blvd.
Rancho Dominguez, Cal. 90221
(714) 537-8300

Corporate Personnel

T. Ogawa, president
Eric Hayden, sr vp-gen mgr

Marketing Personnel

Duane Bowen, vp-mktg
Esther Parker, vp-sales
William Wolf, public affairs mgr

(EAST)
Post Office Box 1[illegible]
Jacksonville, Fla. 32[illegible]
(904) 721-4[illegible]

Corporate Personnel

K. Kimura, president
James Train, sr vp-gen mgr
George McCabe, vp-regional operations

Marketing Personnel

James Vernier, vp-sales & mktg

Advertising Agencies

Foote, Cone & Belding, Los Angeles—Verlon Mansfield, sr vp-group mgmt dir; James Arnold, vp-mg dir; Brad Fugel, nat adv & acct dir-cars; Steven Wortmann, nat adv acct dir-trucks; Robert MacDonald, media dir; James Barr, exec vp-creative dir; Henry Carnell, sr vp-creative dir.

MCA Inc. — RANK 86

Universal City, Cal.

($ in millions)

Worldwide	1985	1986	% chg
Sales	3,999	4,851	27.1
Net income	150	215	43.3
U.S.	**1985**	**1986**	**% chg**
Sales	1,788	2,281	28.0
Operating profits	175	215	22.9
advertising	98	82	-16.3
Division sales	**1985**	**1986**	**% chg**
Amusement	1,188	889	-25.2
Records, music	388	256	-34.0
Retail, mail order	288	211	-26.8
Book publishing	130	117	-17.3
Toy products	77	169	119
Other operations	92	75	-18.5

Increased ad spending at MCA Inc., parent of Universal Studios, can be attributed to MCA's mid-1985 acquisition of LIN Tivo, which spent $4.1 million in measured media. Only Spencer Gifts and Yosemite Resorts spent less on measured advertising in 1985 than in 1984; most of MCA's divisions doubled or tripled measured media expenditures.

Filmed entertainment accounted for 57% of the company's total sales, up from 53.8% in 1984. The segment's operating income of $345.7 million was up from $61.3 million in 1984 and represented 67.7% of the company's total operating income of $215.1 million.

Most of the segment's improved performance is attributable to the box office success of "Back to the Future," which recorded gross revenues of $105 million in 1985, and the release of "E.T., the Extra-Terrestrial," and moderate theatrical hits such as "Fetch," "Mask" and "Brewster's Millions." As videocassettes, "Back to the Future" and "Mask" sold more than 150,000 units through mid-1986.

TV syndication sales of "Climbe A Break" and "Western Movies" generated more than $100 million in income. Only sales for the division's merchandising arm declined because few movies or TV shows produced by MCA in 1985 spawned popular retail items. Other units such as MCA Home Video, pay TV, the studio tour and amphitheater improved sales in 1985.

The company momentum also has spilled over into 1986. MCA posted record first-half revenues of $1.186 billion, up 22.8%, and net income of $59 million, up 42% over the corresponding period in 1985.

At the same time, MCA stock stabilized by the end of the year after it jumped in early 1985 amid rumors of a merger with RCA and a 3-for-2 split in August. "MCA has its speculative appeal, but I'm still favorably inclined toward the company," says Eugene Perron, director-technical research, Bateman Eichler, Los Angeles. "MCA's assets and talent suggest a strong future even though the company has lost its progressive edge. It tends to follow rather than be on the cutting edge of a trend."

Harold Vogel, vp, Merrill Lynch Capital Markets, New York, agreed. "MCA may not be as dynamic as other entertainment companies, but it will have dependable earnings the next few years on the strength of its syndication sales. It spends and generates a lot of income. MCA is the big industrial company of the entertainment business."

MCA's biggest question mark for 1986, however, is the continued lagging performance of Universal Pictures in a movie industry in which revenues on the whole declined 7% to $3.75 billion in 1985. Universal currently ranks third in 1986 box office market share behind Paramount Pictures and Warner Bros. largely because of "Out of Africa," which has grossed $86 million as of mid-1986, "Legal Eagles," which has grossed more than $46 million so far, and "Money Pit," $36 million, are other successes.

During 1985, "Back to the Future," produced by Stephen Spielberg's Amblin' Entertainment, grossed more than $150 million at the box office to help the movie division sales almost reach the revenue levels of 1983 when Universal released "E.T.," a $350 million blockbuster.

Universal Pictures released only 14 films last year compared with 18 in 1984, but earned more money and spent more money on advertising. In 1984, most new releases received $2 million to $3 million in measured backing. In 1985, most received between $2.5 million and $5 million.

The escalated spending on films primarily comes from increased cable TV and spot radio buys intended to reach the teen market.

Network TV, however, continued to be the major national media used for movie marketing. Frank Price, chairman, MCA motion pictures, and Warren Adamowsky, exec vp-advertising/publicity/promotion, have large network TV campaigns and instituted the new media policy when they joined Universal from Columbia Pictures in November, 1983. In 1984, network TV accounted for more than 40% of the division's TV advertising and declined slightly to 35% of the $40 million spent for TV in 1985. Cable and spot TV accounted for 8% and 7% of the spending, respectively.

The increased spot radio buys by the movie division also helped quadruple the company's previous spot radio spending. In 1985, MCA's spot radio expenditures totaled $1 million, 400% more than 1984's $1.5 million.

Ad spending by MCA Home Video also quadrupled in 1985 to $272,000 and is expected to reach the $1 million level this year as the $4 billion-a-year videocassette industry continues to grow. Home video has become an important revenue source for the studio. Ranked seventh among home video companies, MCA Home Video wholesale volume surpassed $130 million in 1985. For example, box office busts like "Stick," "Into The Night" and "Cocoon" each earned more in retail videocassette sales than at the box office.

While both the movie and home video divisions add to profits and record revenues, TV syndication is filmed entertainment's bread-and-butter business.

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ness. Licensing agreements signed in 1985 for tv shows to be syndicated later will yield at least $490 million in subsequent years. This fall, "Magnum P.I." will generate at least $200 million in fees while "The A-Team" and "Simon & Simon" will bring in a combined $250 million in 1987.

These figures normally would paint a bright picture for any tv division, but MCA Television's strength is one-hour dramas, which may never again command the $1.8 million per episode "Magnum, P.I." will earn in syndication. MCA Television, the same as other producers, spends more to produce a dramatic or action show than it receives from the network. One hit often pays for the deficit and any flops, but the marketplace is changing. Independent stations today are buying half-hour shows or first-run situation comedies with the one-hour series no longer commanding a high price.

MCA learned this first-hand when episodes of "Knight Rider" failed to sell as expected earlier in 1986. Now MCA is recutting the hour show into half hours to make it more attractive to stations. MCA also turned down a 14-episode commitment from NBC for "The Ultimate Adventure Company" because of the hour show's high cost and dismal syndication potential.

The tv division now is concentrating on comedy development and signed a five-year deal with Arthur Co. to create comedies; signed a distribution deal with Embassy Entertainment Group giving MCA rights to sell "Gimme a Break," "Late and Alie" and future projects, and committed to produce 74 episodes of "The New Leave it to Beaver" for Turner Broadcasting System's WTBS.

"Making television programming at the prices the networks have been paying is not as good a business as it used to be," Universal tv president Robert Harris admitted earlier this year. As a result, MCA also recently created MCA TV Enterprises Division to expand the company's first-run syndication production, a business that has made millions for New York-based King World and Culver City, Calif.-based Lorimar-Telepictures. Shelly Schwalb, exec vp-sales, marketing, barter activities, moves to the West Coast from New York in September to head the new division.

The pending $307 million purchase of WOR-TV, New York, one of the nation's four o-o-o stations, also strengthens MCA's future in tv because it guarantees an outlet for MCA Television product in New York. Many observers called MCA's bid excessive because it costs roughly 21 times the station's cash flow, but the company was willing to pay a premium to guarantee its entry in tv station ownership. Most stations sell for 10 to 17 times cash flow.

MCA continues to diversify in other areas. In January, 1986, MCA acquired 33% of Cineplex Odeon Corp., Toronto, North America's biggest theater chain with 1,017 screens in 395 locations. Then in May, MCA exercised its option to increase its stake to 50%.

Of the major studios, only MCA, 20th Century-Fox and Warner Communications signed the 1948 consent decree, which divorced distribution from exhibition and prohibited the three companies from getting back into exhibition. Paramount was not barred. Columbia, MCA, Orion and Tri-Star did not own theaters at the time of the Consent Decree and each hopes to expand in exhibition.

MCA's plan includes construction of a 12-screen, 5,600-seat complex as part of the studio's 420-acre lot in Universal City to open in June, 1987. MCA Development completed the Universal City Plaza office complex in April, 1985, with Texaco as the major tenant. Next the company plans to build a multilevel parking structure on the lot and expects to obtain governmental approval of a Universal City on/off ramp connecting to the Hollywood Freeway.

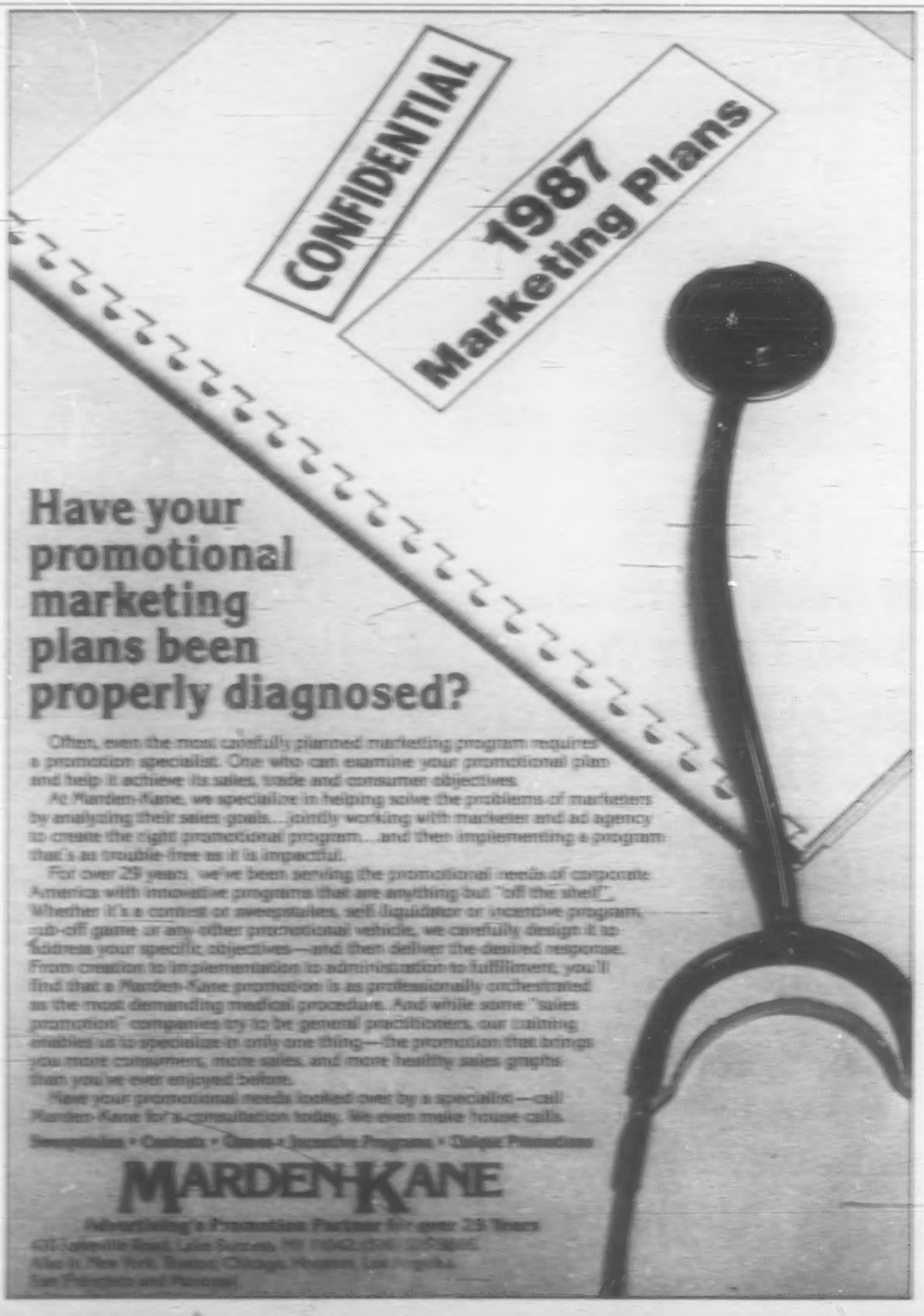
In February, 1986, the company completed an agreement with the China Film Corp. for distribution of motion pictures in China. In mid-1985, MCA also acquired LJN Toys, a fast-growing company that develops and markets licensed toy products for E.T., The Extra-Terrestrial; Dungeons & Dragons; Jennie Sheets, and Michael Jackson. In just five years, LJN has become one of the 20 largest toy companies in the country with its battery-operated vehicles, action figures and fashion dolls.

While the company started slowly in 1985, LJN produced record revenues of $77 million in 1985 because of consumer demand for its three new toy lines: Voltron, Thundercats and World Wrestling Federation characters.

In May, 1986, MCA acquired all the stock in Front Line Management, a personal management company for rock stars; Full Moon Records, and Facilities Merchandising, which produces novelty items for 22 annual tie-ins/worldwide. The purchases strengthened MCA's ties with MCA Records president Irving Azoff, who partly owned the three companies.

Under the direction of Mr. Azoff, MCA Records has made a remarkable turnaround. After losses in 1985 of $7.9 million, the division earned $6.1 million in 1986 and $25.6 million in 1985 on record revenues of $307.7 million, up 21.3%. Albums by Tom Petty and The Heartbreakers, Night Ranger, Glenn Frey and Olivia Newton-John were certified platinum in 1985 (sales in excess of 1 million units). Sound tracks for MCA films and country music continued strong performances. And in black music, long an MCA Records weakness, New Edition earned a platinum album while Patti LaBelle, Jimmy Womack, Lionel Ends, The Jets and Colonel Abrams all recorded top 10 hits.

The retail and mail order segment recorded MCA's only disappointing 1985 returns with revenues of $296 million, 5% less than 1984, and operating income of $1.02 million down from $6.6 million. Slower sales the first nine months of the year and a special provision for closing its foreign mail order operations contributed to the off year. But an improved fourth quarter is expected to lead to a profitable 1986.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Agency: Ally, NY; sr vp-mktng, MCA Home Entertainment
Alan Schwart, Chr adv
Paul Mellman, div dirmkt, mktg
Advertising Agency
Cavaliert & Kleier Advertising, New York—Jim Kleier, vice chmn-mgmt supvr; John Cavaliert, chmn-creative dir; Mark Siegfried, asst supvr.
MCA RECREATION SERVICES
Corporate Personnel
J.S. Imus, vp-MCA, Inc., president-MCA Recreation Services
Marketing Personnel
Corbin Armstrong, exec vp-mktg
Herb Steinberg, vp-corp relations
Advertising Agency
PCH/Entertainment, Los Angeles—(Universal Studios Tour, Universal Amphitheatre, Westwood Square Restaurant Bar and Grill, Yankee Park & Gypsy Co., MCA Concerts—Steve Hayman, sr vp-dir client management div; Hal Kauffman, creative dir; Denise Hitchcock, asst dir; Ellen Brown, media supvr.
CHESTER GIFTS
Atlantic City, N.J.
Corporate Personnel
J. Eugene Berg, president
John P. Fazzio, president, retail stores div
Richard Sternberg, exec vp, retail stores div
George R. Zilling, president, mail order div
S. Gary Stern, exec vp, mail order div
Advertising Agency
(In-house)—Edward Israel, adv dir.
MCA RECORDS &
MUSIC GROUP
Corporate Personnel
Irving Azoff, president
Myron Roth, exec vp
Marketing Personnel
Richard Palmese, exec vp-mktg & promo
Larry Solters, sr vp-artist dev
Glen Lapsley, exec dir-mktg
Jeff Ashcroft, dir-creative services
Advertising Agency
(In-house)-Lauderdale Advertising.
MCA DISTRIBUTING
Corporate Personnel
John Burns, sr vp

'Silkwood' grabs Oscars

MCA earned recognition for "Out of Africa," which won seven Academy Awards in 1986, including best picture and best director (Sydney Pollack).

McDonald's Corp.

CHART 9

Oak Brook, Ill.

($ in millions)

Shareholder data	1985	1984	% chg
Sales	5,757	5,415	6.3
Net income	470	389	11.3
U.S.			
Sales	3,884	3,622	7.1
Operating profits	757	661	14.4
Advertising	340	307	10.7
Division sales			
Owned markets	2,775	2,558	8.5
Franchisees	926	858	7.9
Other	56	49	14.3

Nothing seems to slow McDonald's Corp.'s growth. Despite slumping fast food industry sales, repeated attacks from competitors and pronouncements from industry watchers that the restaurant market is saturated and cannot continue to grow, McDonald's continues to grow. It remains the world's largest hamburger operation by adding stores, adding menu items and adding to its already formidable marketing war chest.

In 1985, the McDonald's system (both the company and its franchisees and joint-venture partners) spent $660 million worldwide on advertising and promotion. An estimated $550 million, or 83% of that total, was spent in the U.S.

The 1985 ad spending total of 6.2% of sales represented the first increase in advertising as a percentage of sales since 1982, when systemwide ad spending was 6.7% of sales. It dipped to 6.1% in 1983 and 6% in 1984.

Fueling that increase in the ad spending ratio was a nearly 20% jump in U.S. measured media advertising. Network tv spending increased 13.8% to $184.9 million, while spot tv spending rose nearly 29% to $117.9 million. The rise in local tv spending reflects McDonald's accelerated rate of new product testing in 1985. Both Big Mac, a sandwich of "mutilated hamburgers were added to the system on a market-by-market basis throughout the year—heavily supported by local tv advertising—before gaining national advertising.

The largest single increase last year in media spending came in network cable. In 1985, McDonald's spent $1.6 million on cable advertising, up from $82,000 the previous year.

The restaurant and fast food industry in 1985 for the first time spent more than $1 billion on tv advertising. Of the $2.38 billion total for spot and network tv, McDonald's accounted for 21%. Runnerup Burger King spent $335 million on tv advertising, or slightly better than half McDonald's bill. In fact, McDonald's 1985 tv advertising expenditures were only slightly less than the combined tv spending of No. 2 chain Burger King, No. 3 Wendy's International ($83.7 million) and No. 4 Kentucky Fried Chicken ($75.3 million). That kind of marketing dominance has helped McDonald's maintain its better than 19% share of the estimated $45 billion U.S. fast food industry.

McDonald's foreign presence also is growing. In 1985 its number of stores outside the U.S. rose nearly 13% to 1,920, compared with 1,709 at the end of 1984. The chain last year opened its first restaurants in Bermuda, Italy, Luxembourg, Mexico, Thailand and Venezuela, bringing to 40 the number of countries in which the chain is represented. The first two McDonald's in Argentina are expected to open in September, 1986.

As part of the agreement signed in 1984 with the U.S. Navy, McDonald's has begun opening restaurants on naval bases in the U.S. and overseas. The first overseas naval units to get on-base McDonald's last year were in Japan, Bermuda and Puerto Rico.

Other "nontraditional site" McDonald's continue to be opened in the U.S. in colleges, hospitals, train stations and such public areas as zoos. Such sites accounted for 9.3% of all U.S. locations by the end of 1985, up from 8.3% at the end of the previous year. "There is not a corner we will not explore," the company pledges in its 1985 annual report.

The greatest change in McDonald's marketing strategy in the past 18 months has been its new-found aggressiveness in new product introductions. During most of its 30-year history, McDonald's Corp. had been very conservative when tinkering with its menu, introducing significant new products systemwide at the rate of about one every few years. The Filet O'Fish arrived in 1965, the Big Mac in 1968, the Quarter Pounder in 1972, the Egg McMuffin in 1973, Chicken McNuggets in 1980. Some menu items rolled out to more than half the system were disappointing and pulled before they achieved systemwide introduction. Among those were the Chopped Beefhead sandwich introduced in 1978, the McChicken sandwich in 1979 and the McRib sandwich in 1981.

But since the beginning of 1985, McDonald's appears to have overcome its fear of failure and has introduced to in-store tests a record number of items. Products that received limited testing last year included the ¼-lb. Cheddar Melt hamburger sandwich; Chicken McSwirls, a cheese-topped concentration of the failed McChicken; Veggie McCrispy, deep-fried French toast sticks, and the Lite Mac, a lower-calorie version of the Big Mac. Test results for these products appear to have been unimpressive, since the trials were either terminated or not expanded.

The jury still is out on McPizza, a hand-held, single-serving pizza product initially tested in the Philadelphia region last fall.

Three items are the systemwide successes: McD.L.T. breakfast biscuits, packaged salads and Shanghai McNuggets.

Originally tested in Shreveport, La., and Cleveland under the name Lettuce & Tomato Special, the McD.L.T. is sold in a two-sided container meant, in advertising for the product concept, "to keep the hot side hot and the cold side cold." The McD.L.T. was in all U.S. units by November, 1985, and McDonald's backed its introduction with advertising spending unprecedented in the industry. Sources estimate the chain spent $100 million on advertising and promotions for the sandwich. A fried version of the sandwich—the Chicken L.T.—continues to be tested.

Finally behind breakfast biscuits were added to all stores in the spring of 1986, as McDonald's finally devoted its marketing budget to something other than McD.L.T. Addition of breakfast-in-store biscuits was significant not only because it bolstered the chain's breakfast items (which accounts for roughly 20% of per-store sales), but also because it meant the addition of ovens to McDonald's stores. These ovens, McDonald's executives privately could be used in the future to prepare other items, such as baked potatoes or Danish pastries.

While other fast food chains scurried to meet consumer demand for lighter foods by adding in-store salad bars, McDonald's resisted, saying salad bars were labor-intensive, unattractive and, worst of all, unprofitable. Competitors such as Wendy's have made salads an important part of their menus; others, like Burger King, encountered the problems McDonald's feared and de-emphasized the product.

Slowly, McDonald's has added packaged salads to its system, beginning with urban locations. The product should be in the majority of U.S. stores by the end of 1986. The advantage of selling only packaged salads, McDonald's maintains, is that they can be sold at drive-through windows where better than 40% of per-store sales are made.

Shanghai McNuggets are McDonald's nod to the rising popularity of Oriental restaurants. Tested in the spring of 1986 in the Pacific Northwest, the item couples regular Chicken McNuggets with one of four Oriental dipping sauces, chopsticks and a fortune cookie. The product was expected to be introduced systemwide by September—if McDonald's could find the 3 million drumsticks and fortune cookies it needed.

In addition to recovering its bearings from abort testing new products, McDonald's also has abandoned its past reluctance to use celebrities in its advertising. In 1985, the company signed an Olympic gymnast Mary Lou Retton, who appeared in tv commercials and a McDonald's-sponsored tv program called "Fourth" airing on Saturday mornings.

McDonald's also was the first major advertiser to use the Chicago Bears' 300-lb.-plus defensive tackle and occasional running back William "The Refrigerator" Perry. A network tv spot featuring Mr. Perry and several other members of the Bears broke in December and aired through the team's lopsided victory in the Super Bowl.

Other celebrity appearances were made by soul singers Jerry "Iceman" Butler and Aretha Franklin for the McD.L.T. (in a spot from which consumer agency Burrell Advertising's cartoon character Pepe LaPew for McD.L.T. (surely the only time a skunk has been used to sell a food product), and country singer Roger Miller, rock group Gladys Knight and the Pips and the Chicago Lyric Opera in a joint pitch for the Big Mac, Quarter Pounder and McD.L.T. Opera star Luciano Pavarotti was approached to represent the McD.L.T. but turned the offer.

In mid-1986, sports broadcaster and former NFL coach John Madden joined McDonald's increasingly star-studded ranks. He is featured in a television campaign promoting service speed and featured "You get it fast, you get it fast."

Two very special people featured in McDonald's advertising were Josh Ann Bull and Andrew Rubin. The two deaf students appear in "Silent Persuasion," believed to be the first network tv commercial in which only sign language is used. The spot broke May 15, 1986.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazines	[illegible]	[illegible]
Newspapers	[illegible]	[illegible]
Bus. pubs.	[illegible]	[illegible]
Network tv	[illegible]	[illegible]
Spot tv	[illegible]	[illegible]
Network radio	[illegible]	[illegible]
Spot radio	[illegible]	[illegible]
Outdoor	[illegible]	[illegible]
Network cable	[illegible]	[illegible]
Total measured	[illegible]	[illegible]
Unmeasured	[illegible]	[illegible]
Total	[illegible]	[illegible]

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Woman's World THE WOMAN'S WEEKLY

UNIQUE EVERY WEEK

Source: WPI Spring 1986

Perspectives from an AAA director

Education keeps organization strong

Douglas T. McClure, director of advertising and marketing strategy at Ford Motor Co., says that government watchdog activities and ongoing educational programs are his key concerns at the Assn. of National Advertisers.

"I think what the ANA is doing now is in the right direction. We have a strong staff in legislative action and regulatory action. Advertisers are interfacing with the Four A's and the AAF [American Advertising Federation] where required," says Mr. McClure, who serves on the ANA's executive committee, membership eligibility committee and the advertising management standing committee.

Mr. McClure is also chair of the bylaws committee and a director of the Ad Council. The cum laude graduate of Princeton University says that continuing education also is a strength of the ANA.

"Seminars and workshops are very important in the training of our supervisory managers and hourly[illegible]," he says.

Mr. McClure is a 28-year veteran at Ford Motor Company, where he began as a sales trainee in the Lincoln-Mercury Division.

Following several sales and administrative assignments, he was named sales manager for the former Continental Division and served as Ford Division's Dealer-Interest coordinator in the car promotion and planning department. He was appointed car sales promotion manager in 1981. Previous assignments with the Ford Division include manager of car merchandising, merchandising manager and ad manager.

Douglas T. McClure
Ford Motor Co.

Marketing Personnel

Paul D. Schrage, sr exec vp-chief mktg officer
Peter A. Nelson, sr vp-mktg
Roy T. Bergold Jr., vp-adv
Richard G. Starmann, vp-communications
Thomas A. Gruber, vp-intl mktg
Ronald W. Miessler, vp-communications services
David B. Green, vp-natl mktg
Charles Rubner, asst vp-communications
Emil Terri, asst vp-media
Laurie Grace, asst vp-dir-media
Jim Rand, asst vp-dir-mktg services
Dean Barrett, dir-natl mktg
Sandy Silver, dir-field mktg
David Dandurand, dir-sports mktg
Don Lorr, dir-mktg rsch

Advertising Agencies

Leo Burnett USA, Chicago—Jim Shymkus, exec vp-McDonald's; Barry Krause, Pam Tournier, acct supers; Tom Roth, acct super-field projects; Don Cummings, acct super-intl; Jerry Conner, acct dir-adults; Linda Wolf, acct dir-new prods.

Burrell Advertising, Chicago—Black consumer mktg—Alan Dinwiddie, vp-acct dir; Renee Neely, acct super; Greg French, Robert Jackson, acct execs.

Conill Advertising, New York—Hispanic consumer mktg—Charles McGee, acct super.

Frankel & Co., Chicago—sales promo—James Mack, vp-acct dir.

RANK **40**

Mobil Corp.

New York

($ in millions)

Worldwide	1985	1984	% chg
Sales	51,423	50,455	1.9
Net income	1,969	1,470	33.9
U.S.	**1985**	**1984**	**% chg**
Sales	16,601	16,309	1.8
Operating profits	N/A	902	N/A
Advertising	195	176	11.0
Division sales	**1985**	**1984**	**% chg**
U.S. petroleum	15,132	15,223	(0.6)
Foreign petrol.	35,177	35,041	0.4
Chemicals	2,457	2,763	(11.1)
Paperboard	1,629	1,763	(7.6)
Retail merch.	5,400	7,138	(24.3)

Despite a continuing oil glut which might tighten soon with OPEC's announcement of production quotas, and a continuing slide in the financial performance of its retail subsidiary, Montgomery Ward, Mobil Corp. managed to keep its sales on even keel in 1985, compared to 1984.

The nation's third largest corporation and second largest oil company reported net income of $1.97 billion, up 34% from $1.47 billion, although when adjusted for changes in pricing (for crude oil, products, materials, operating expenses) net income dropped to $956 million. Some analysts still regard this performance as strong, because the company kept sales steady while its gasoline prices plunged.

Mobil supported its various enterprises with an estimated $195.3 million outlay for ad costs in the U.S. this year, a jump of 11% from 1984.

Mobil spent the most advertising, according to Leading National Advertisers, to prop up its struggling Montgomery Ward retail business, a business Mobil has said it wants to sell. The corporation spent $9.3 million on Montgomery Ward, down 16.2% from a year earlier. Its other big ticket items included $7.4 million on Hefty plastic tall kitchen and trash bags, down 38%; $7.5 million on Petro gasoline, up 50%; $6.6 million on Mobil 1 motor oil, up 65%; and $2.7 million on general corporate promotion, down 13%. Advertising Age estimates Mobil spends twice its 11-media measured advertising figure of $61.5 million in unmeasured media.

Montgomery Ward's sales were down 7% in 1985 as it concentrated its effort on smaller specialty stores, ones that carry limited lines of goods in greater depth. Montgomery Ward also closed many smaller and mid-sized stores; abandoned its catalog operation after 113 years, and remodeled some of its other department stores. While Mobil says it might sell Wards, no date has been set.

Mobil recorded a drop in earnings in its retail merchandise operation (which also includes Jefferson Ward discount stores) of 21%, from $53 million to $42 million. Montgomery Ward is down to 315 stores from 366 at the end of 1984.

Montgomery Ward, however, is far from giving up the ghost. The retailer bought 52% of Clayton Bank & Trust, Clayton, Del., and plans to sell its commercial business making it a sort of nonbank. This is the same route Sears, Roebuck & Co. took to gain a base from which to issue its nationwide Discover credit and financial services card. Sear's "springboard" bank is Greenwood Trust Co., also in Delaware.

Mobil put up for sale its chain of Jefferson Ward stores, selling stores in five states and liquidating the merchandise in the remaining outlets. Mobil spent about $2 million advertising Jefferson Ward stores in 1985, up from $1.4 million in 1984. It recorded a $508 million restructuring provision (after tax, consolidated) covering the sale of those stores.

Mobil also sold Container Corp. of America, Chicago, its paperboard division, to an Irish company named Jefferson Smurfit. The price: $700 million and assumption of a $457 million debt.

In the summer, First Interstate Bank of Washington announced an agreement with Mobil for its point-of-sale network in the state to be part of an electronic banking system called Accel. Holders of bank cards in the Accel-member banks can use their cards to buy gasoline and other products at a discount.

But the summer brought little warmth to the storied relationship between Mobil and *The Wall Street Journal*. The rift between the two dates back to November, 1984, when the *Journal* reported a link between then-Mobil chairman Rawleigh Warner and a development project by a company for which his son-in-law worked. The *Journal* suggested that relatives of company executives may have been given business from Mobil because of their relationship. Mobil refuses to send press releases to the *Journal*, declines to talk with its reporters and abstains from advertising in the paper.

Anyway, it is to some extent academic. Mobil still sends its releases to the Dow Jones ticker and the *Journal* says it is able to cover the company. "Our reporters have very good contacts," says Lawrence Armour, *WSJ* corporate relations director. "We are covering Mobil in good fashion with or without their support."

Mr. Armour has suggested that companies like Mobil want the *Journal* to be "cheerleaders" for American business.

Mobil polishes its image through the sponsorship of Public Broadcasting shows, "Masterpiece Theatre" among them. Mobil's former subsidiary, Container Corp., in 1985 donated 311 pieces of commissioned artwork to the Smithsonian Institution in Washington. The collection illustrated the company's 33-year-long "Great Ideas of Western Man" advertising series, one of the longest running corporate image campaigns ever.

Among new products in 1985, Mobil introduced Delzac-1, its cleaner oil for diesel engines. It also introduced a higher viscosity Mobil 1 oil, its brand of oil that has been on the market in one form or another for 10 years. It introduced an advance formula super unleaded gasoline that it claims cleans the engine as it works, and solves the problem of fuel injector clogging in new cars.

Mobil's second quarter performance suggests more growth, and analysts suggest higher prices and thus higher profits with an OPEC quota. The company reported earnings in the second quarter of $582 million, a dramatic 42% gain.

Yet total sales are reported by Mobil to be down, from $14.3 billion in the second quarter of 1985 to $12.2 billion this year, a drop of a precipitous 15%. First half sales also are reported off by

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a fraction, to $24.8 billion from $25.4 in the corresponding period in 1985.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$7,390	$3,825
Newspaper	7,668	6,757
Newsp. supp.	362	1,128
Bus. pubs.	2,625	2,247
Network tv	12,865	11,321
Spot tv	22,839	26,377
Network radio	60	0
Spot radio	5,320	1,188
Outdoor	347	44
Network cable	1,574	1,616
Farm pubs.	487	932
Total measured	61,536	55,434
Unmeasured	133,726	120,466
Total	195,262	175,900

MOBIL CORP.
150 E. 42nd St.
New York, N.Y. 10017
(212) 883-4242
Marketing Personnel
MARKETING & REFINING DIVISION

E.B. Hinton, vp-mktg
D.R. Hayward, genl mgr-resale mktg
A.G. Spiers, mgr, adv & sales promo

Advertising Agencies

Doyle Dane Bernbach, New York—Mobil consumer & public affairs adv—Bill Mattes, vp-mgmt super; Les Allison, acct super.
HBM Creamer, New York—Fred Dixon, sr vp, John Parsegian, vp-acct super.

MOBIL CHEMICAL
Marketing Personnel
Plastics Division
Consumer Products Department

P. Luchsinger, vp-mktg & sales
M.L. Sweeney, mgr-mktg services
A. Ferrari, business mgr-bags
R. Cauffman, business mgr-disposables

Advertising Agency

Wells, Rich, Greene, New York—consumer prod, Hefty bags, Hefty disposable prod, Baggies—Ronald Sherman, president; Bob Moehl, acct group head; Joanne Davis, mgmt super; Brian Craig, acct super.

Packaging Department

R. Sax, mgr-graphics communications
L. Boudens, mkt devel mgr-industrial films
G. Auth, prod mgr-food prod
D. Galbraith, prod mgr-institutional prod

Advertising Agency

Gordon Bailey Associates, Stone Mountain, Ga.—institutional prods—Joe Skillen, acct exec. Industrial films—Ron Strauss, acct exec.

FILMS DIVISION
Design Products Department

E. Simpson, prod mgr

Advertising Agency

Conklin Labs & BeBee, Syracuse, N.Y.—films division design prod—Thomas Colligen, president.

Commercial Films Department

J. Murphy, prod mgr

Advertising Agency

Hutchins/Young & Rubicam, Rochester, N.Y.—commercial films dept—Larry Smith, acct exec.

MONTGOMERY WARD & CO.
Marketing Personnel

Jack Daynard, adv & sales promo
C.P. Brewster, media dir

Advertising Agency

Media Bureau International, Chicago—Richard Pickett, president; Norma Wren, vp.

RANK **90**

Monsanto Co.

St. Louis

($ in millions)

Worldwide	1985	1984	% chg
Sales	6,747	6,691	0.8
Net income	(98)	439	(122.3)
U.S.	**1985**	**1984**	**% chg**
Sales	4,451	4,496	(1.0)
Operating profits	222	516	(57.0)
Advertising	93	89	4.4
Division sales	**1985**	**1984**	**% chg**
Chemicals	4,051	4,360	(7.1)
Agricultural prods.	1,152	1,338	(13.9)
Electronic mail	137	220	(37.7)
Fisher controls	652	550	18.5
NutraSweet	317	N/A	N/A
Pharmaceuticals	262	15	1,646.7
Oil, gas	172	203	(15.3)
Other	4	5	(20.0)

Monsanto Co. exhibited its corporate mission in 1985 by moving boldly into the pharmaceutical field with the acquisition of G.D. Searle & Co. and escaping through divestiture dependence on the highly cyclical commodity-type chemicals, plastics and man-made fibers business.

The acquisition of Skokie, Ill.-based Searle, which was tendered July 22, 1985, and the corporate restructure, which took place in the fourth quarter, were costly, and came at a time when corporate financial returns were sagging. Monsanto's net sales for 1985 increased less than 1% and operating income fell 48% to $351 million in 1985. The costs associated with the restructure led to a net loss for the year of $92 million, compared with a profit of $439 million in 1984. Sales for the first six months of 1986 were up 11% to $3.2 billion, and net income increased 26% to $266 million, compared with the same period in 1984.

Analysts say the Searle acquisition, which cost $2.8 billion, is a good fit, complementing Monsanto's strengths in research and shoring up its weaknesses in marketing and product development. A report by Prudential-Bache speaks of Monsanto as the "high-technology chemical company of the 1990s," given its new direction.

Searle's strong presence in the pharmaceutical market will help Monsanto introduce a new drug called Cytotec to treat ulcers if approval comes from the FDA. The drug has been approved in 14 countries. Searle also is developing products to treat high blood pressure and problems associated with heart ailments, among other projects.

Despite heavy borrowing to purchase Searle, the report noted that Monsanto had liquidated assets to finance the purchase, generating about $1.6 billion, with about $1 billion from the sale of Monsanto's North Sea and Gulf Coast oil and natural gas reserves, and the sale of petrochemical plants in the U.S. and U.K.

Monsanto also finalized the sale in August, 1986, of a Texas City, Tex., plastics plant for $160 million to Sterling Chemical, Houston, and in mid-1986 put up for sale its container business group, which makes plastic bottles for shampoos, food products and cosmetics, among other items.

In November, 1985, Monsanto sold Searle's consumer products group to Procter & Gamble for $330 million. The sale eliminated Searle's line of consumer products, including Icy Hot, Dramamine motion sickness tablets and Metamucil laxatives, which combined, accounted for $6.7 million in Searle's measured spending for 1985.

On Jan. 1, 1986, Searle's NutraSweet brand was made into a free-standing subsidiary, charged with sales and marketing of NutraSweet and Equal tabletop sweetener. NutraSweet in 1985 accounted for $28.3 million in measured media spending, up 20% from 1984, and represented 45% of the combined 11-media spending total for the two companies.

Spending was divided 93% network tv, 4% magazine and 3% spot tv. Second on the spending list was Equal with $9.7 million in measured media for 1985, up 20%, and accounting for 15% of the 11-media total. Spending was divided 71% network tv, 26% network radio and 3% magazine.

Since NutraSweet's approval by the FDA in 1981, total sales of the product had grown to more than $700 million by yearend 1985, including the period before Searle's acquisition. The product has had a significant impact on category sales of artificially sweetened products.

For example, the powdered soft drinks category has grown in less than three years from $650 million in annual sales to more than $900 million in 1985, according to Searle estimates. Since the introduction of Equal in 1982, the tabletop sweetener market has grown from $100 million to more than $250 million with Equal holding more than a 50% market share.

The most dramatic growth has occurred in diet soft drinks, where sugar-free brands are growing at an 11% rate compared with a 2% growth rate for sugar-sweetened drinks. In 1985, sugar-free soft drinks accounted for about 25% of grocery store soft drink sales in the U.S. More than 45 sugar-free brands, including all major brands, are sweetened with NutraSweet.

Monsanto recorded a big drop in spending for carpet fibers in 1985, with measured media falling 60% to $1.9 million. The most significant drop was for magazine spending, which fell to less than $1 million in 1985, compared with $3.9 million in magazines the previous year.

Spot tv for Lasso herbicide received more measured spending in 1985, jumping 20% to $2.3 million. Measured spot tv for Roundup herbicide fell 33% in 1985 to $1.5 million. Monsanto once again was the nation's largest farm publication advertiser in 1985 with $7.2 million in measured media, mostly for Lasso and Roundup, down 19%. Monsanto's U.S. patents covering Lasso expire in December, 1987, while U.S. patents covering Roundup expire in 1991 and 2000.

Earle H. Harbison Jr., who headed the transition team after the Searle acquisition, was named Monsanto president-chief operating officer in May, 1986. He succeeds the late Francis J. Fitzgerald. Mr. Fitzgerald had assumed the presidency April 1, 1986. Mr. Harbison was chairman of both NutraSweet Co. and G.D. Searle & Co., posts he resigned on taking the Monsanto position. Sheldon Gilgore, president-ceo of Searle, and Robert Shapiro, president-ceo of NutraSweet, were named chairmen of their respective divisions, in addition to their other posts.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$4,925	$11,301
Newspaper	203	0
Newsp. supp.	84	159
Bus. pubs.	2,012	1,810
Network tv	37,995	30,566
Spot tv	6,024	5,510
Network radio	3,548	1,101
Spot radio	1,230	1,478
Outdoor	30	31
Network cable	336	0
Farm pubs.	7,234	8,996
Total measured	63,620	60,952
Unmeasured	29,265	29,265
Total	92,885	89,989

MONSANTO CO.
800 N. Lindbergh Blvd.
St. Louis, Mo. 63167
(314) 694-1000
Marketing Personnel

David L. Sliney, corp vp-mktg

MONSANTO AGRICULTURAL CO.
St. Louis, MO
Corporate Personnel

Nicholas L. Reding, president, exec vp
Donald H. Swan, group vp

Marketing Personnel

Jerry L. Neff, dir-prods, Lasso group
Hendrik A. Verfaillie, dir-prods, Roundup group
M. James Robertson, dir-mktg, communications-Lasso
Charles S. Crivello, dir-mktg, communications-Roundup

Advertising Agency

Muller Jordan Weiss, St. Louis—Ruth McKinney, sr vp-genl mgr; Steve Zirkle, acct exec.

MONSANTO CHEMICAL CO.
St. Louis, Mo.
Corporate Personnel

Robert G. Potter, president

Marketing Personnel

David L. Sliney, vp-mktg
C. William Taylor, dir-mktg, communications

Advertising Agency

Muller Jordan Weiss, St. Louis—Ruth McKinney, sr vp-genl mgr; Steve Zirkle, acct exec.

MONSANTO ELECTRONIC MATERIALS CO.
Marketing Personnel

Roger McDaniel, vp-intl mktg
Haskell Waddele, vp-commercial mktg
Richard C. Brown, dir-communications

Advertising Agency

In house.

FISHER CONTROLS INTERNATIONAL
Clayton, Mo.
Marketing Personnel

Claes Hultman, group vp-worldwide sales

Advertising Agency

In house.

G.D. SEARLE & CO.
Skokie, Illinois
Corporate Personnel

Sheldon G. Gilgore, president-ceo

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Top 25 spot tv advertisers

Rank	Advertiser	Spot tv ad expenditures 1985	1984	% chng	as % of co.'s 1985 ad total
1	Procter & Gamble	$285,118	$262,132	8.8	17.8
2	PepsiCo Inc.	183,220	154,042	18.9	38.3
3	Philip Morris Cos.	138,970	143,572	(3.2)	9.9
4	General Mills	122,674	108,940	12.6	25.3
5	McDonald's Corp.	118,046	91,454	29.1	21.5
6	Pillsbury Co.	112,374	108,506	3.6	23.7
7	RJR/Nabisco	81,686	82,335	(0.8)	7.5
8	Coca-Cola Co.	76,188	64,865	17.5	19.5
9	Toyota Motor Corp.	71,014	58,377	21.6	41.3
10	Anheuser-Busch Cos.	70,747	60,070	17.8	13.5
11	Dart & Kraft	64,033	52,859	21.1	13.1
12	Chrysler Corp.	63,133	53,482	18.0	16.0
13	Hasbro Inc.	63,068	42,953	46.8	54.9
14	Ralston Purina Co.	58,471	48,848	19.7	11.5
15	GTE Corp.	57,214	28,003	104.3	37.2
16	Unilever U.S.	56,415	59,600	(5.3)	13.6
17	Nestle Enterprises	54,327	48,951	11.0	17.0
18	Beatrice Cos.	53,381	55,758	(4.3)	7.8
19	Kellogg Co.	51,050	40,641	25.6	14.0
20	General Motors Corp.	49,067	38,520	27.4	6.3
21	Time Inc.	45,345	33,070	37.1	29.0
22	Nissan Motor Co.	44,974	40,919	9.9	27.7
23	Wendy's International	40,442	39,354	2.8	35.2
24	Mars Inc.	40,304	42,779	(5.8)	14.6
25	Warner-Lambert Co.	39,281	41,046	(4.3)	8.4

NOTE: Dollars in thousands. Source: Broadcast Advertisers Reports as reported by Leading National Advertisers

Marketing Personnel
William I. Greener, sr vp-public affairs
Mary Ann Leeper, vp-mktg devel
Advertising Agency
McAdams, New York-Erwin Gerson.
NUTRASWEET CO.
Skokie, Ill.
Corporate Personnel
Joseph D. Morales, exec vp-coo
Marketing Personnel
William Wolfield, vp-mktg
Advertising Agencies
Dimensional Marketing, Chicago—Equal—Lee Colpi, acct exec.
Needham Porter Novelli, Chicago—Equal—Gary Slack, sr vp; Charlene Barnard, acct exec.
Ogilvy & Mather International, New York—Barbara Elmendorf, acct super; Ian Miller, mgmt super; Ann Rother, acct exec.
Sutton Communication, New York—Steve Spittel, vp-mktg, acct super.
Tatham Laird & Kudner, Chicago—Equal tabletop sweetener—Brian Hurley, mgmt-super; Mary Baglivo, acct super; Melissa Connolly, acct exec.

RANK **28**

Nestle SA

White Plains, New York

($ in millions)

U.S.	1986	1984	% chg
Sales	N/A	N/A	N/A
U.S. advertising	319	287	11.3

Nestle Enterprises spent much of 1985 absorbing its acquisitions of the previous year, Carnation Co., Hills Bros., MJB Co. and Hills Bros.' own acquisition, Chase & Sanborn. Part of the digesting period included major cuts, some at top levels, in the corporate staff of Carnation, reportedly dictated by the parent company in Switzerland.

Nestle Enterprises' U.S. base is in Solon, O., where it runs its Stouffers Foods Corp., Stouffer Hotels and restaurants. Nestle Foods, White Plains, N.Y., is headquarters for its chocolate, coffee and tea operations. Carnation Co., Los Angeles, reports directly to parent Nestle SA in Vevey, Switzerland. Libby, McNeill & Libby operations are split between Nestle and Carnation.

Carnation reduced its over-all food products ad spending in 1985 by 20%, according to Leading National Advertisers' published measured media ad spending estimates. Spending reductions came from withdrawing support from Slender, on which it had spent $45,500 in 1984; Carnation tuna, which had been supported by $47,900; Carnation ice cream, which received $17,600 in 1984, and Carnation Health & Nutrition Centers, which the company closed in the spring of 1985 and on which it had spent $44,700 in 1984. Also, several nonrelated companies were spun off from Carnation after Nestle took over.

The winners for increased ad backing for Carnation were Bon Bons, chocolate-covered vanilla ice cream balls, introduced in parts of the country in March, 1985, which received $2.1 million in measured media, up from $476,900 in 1984.

Carnation spent $20.7 million on its pet foods in 1985, down 19% from nearly $26 million the year before. Fancy Feast canned cat food, a "gourmet" cat food, got a 58% boost to $6.9 million in LNA measured ad spending, mostly in network and spot tv. Friskies dry cat food received $5.7 million, a 20% drop from the year earlier, while Buffet canned Tidbits cat food got $1.7 million, up from $402,000 in 1984.

In the canned cat food category worth $1.05 billion, Carnation held a leading 29.1% share in 1985, up from 28.5%, according to John C. Maxwell Jr., analyst with Furman Selz Mayer Dietz & Burney, New York. Volume grew for both Friskies Buffet and Fancy Feast, but dropped on Bright Eyes and Friskies. Heinz was No. 2 in the category at 25.3%, all of which was attributed to its top-selling 9-Lives.

Mighty Dog canned dog food got a 19% boost in measured spending, receiving $5 million, the bulk of which was in network and spot tv and the rest in magazines. Mighty Dog is Carnation's lead entry in the canned dog food category in which it holds a 12.3% share of the $860 million category. Grand Met's Alpo is far ahead with a 28.5% share.

Carnation also holds a 6.4% share in the $1.76 billion dry dog food category with market shares of 4.8% for Come 'N Get It and 1.8% for Friskies Dinner & Cubes.

In the static coffee market, Nestle follows General Foods in the instant coffee sector with a 25.2% share, compared with GF's 43.4%. Procter & Gamble is third with 19.3%, according to Mr. Maxwell's estimates.

Nestle's Taster's Choice decaffeinated coffee has a 6.6% share of the instant market and Nestle's Nescafe a 2.1% share. Decaffeinated, a subsegment of the instant coffee market, represents about 25% of that market.

In over-all spending in the coffee category, General Foods far outpaces its competitors. It spent $87.8 million in 1985 versus P&G's $47.8 million and Nestle's $37.7 million.

Nestle's coffees, teas and cocoas got a marginal 5% boost in ad spending in 1985. Those measured figures include $1.9 million received by MJB coffee, acquired in April, 1985.

Nescafe instant coffee was the single most heavily supported Nestle brand in 1985, with $10.6 million in measured ad spending, mostly in network and spot tv. This was an 82% increase over the year earlier.

Taster's Choice decaffeinated coffee got an 8.2% boost in measured ad spending, to $6.8 million in 1985. Spending for Taster's Choice freeze-dried decaffeinated increased to $57,800 from $3,000 while ad spending for Taster's Choice combined regular and decaf advertising dropped to $1.1 million from $1.7 million. Measured spending for Taster's Choice instant coffee plunged to $2.9 million from $11.6 million. However, $7.5 million was spent on a new Taster's Choice brand, Taster's Choice Maragor Bold regular and decaffeinated coffee.

The Hills Bros. brand received $4.3 million, up 30.7%, and all in spot tv advertising.

The coffee industry has been in a decline since the market's 1962 peak, the only upturn occurring in 1984 when a bevy of new products were launched. Consumers are moving away from caffeinated products and hot drinks. But the decline is flattening for now, according to Mr. Maxwell. In the longer term, he believes coffee consumption will continue to decline as cold soft drinks continue to increase in popularity.

He says further segmentation will be one way to stem the decline, and that the growth of the decaffeinated segment reflects that trend.

Hills Bros. regular and sugar-free cocoa received $715,700 in measured spending while sugar-free alone received an additional $56,200.

Nestea iced tea, including instant and regular, received $5.4 million. Nestle entered the powdered drink mix category with a new sugar-free tea and fruit juice mix called Nestea Ice Teasers in April.

It was expected that the product would be backed by an $8 million introductory campaign.

Libby, McNeill & Libby spent $3.6 million on its entry, Juicy Juice, in the juice market.

That was a 74% increase over spending in 1984. Libby competes with Smucker's 100% fruit juices and its Knudsen's juice subsidiary and Campbell Soup's Juice Works, General Mills' Nature Valley Fruit Juices, Welch's and Tree Top. Libby's juices got a 58% boost to $25,000 last year.

Libby's creamed pasta products received $18,900 in measured ad spending; Libby's canned corn beef got $690,600, and canned meats, $11,800. Canned salmon, market leader in that

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category, was supported by $394,000 in measured spending.

Libby's operations, which were based in Chicago, were closed there and its product lines were divided between Nestle Foods in White Plains and Carnation in Los Angeles.

Measured ad spending on Nestle candy products increased 25% last year, aided partially by ad spending for recently acquired Goobers, which got $1.3 million, and Raisinets, which received $1.3 million.

Spending for Nestle's Morsels stayed flat at $14.1 million, but chocolate candy bars grew 47% to $10.7 million. Candy Works Melt Umms received $73,800. Beech Nut baby foods were supported by $3.5 million, a 4% boost, and Table Time meals for children got $30,300, a 91% increase.

Stouffer Foods Corp., which appointed a new president in June, raised its measured ad spending 24% in 1985 for its highly successful line of frozen entrees and products.

Frozen entrees received $9.1 million, a 2.9% boost; frozen Lean Cuisine entrees nearly $15 million, up 36%; frozen pizza, $5.3 million, up 24.3%, and frozen side dishes, $3.5 million, up 39%. Frozen meat pies, which were not measured in 1984, received $211,200 last year.

Stouffer's Hotels received $1.5 million in 1985, down from $1.9 million in 1984, and Stouffer's restaurants received $12,400, down from $18,600 the year before. Lotte Hotel, Seoul, received $148,100 in 1985, increased from $48,000 in 1984.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$21,777	$21,605
Newspaper	1,250	1,766
Newsp. supp.	771	1,388
Bus. pubs.	2,976	519
Network tv	76,754	75,939
Spot tv	54,327	48,951
Network radio	4,004	1,148
Spot radio	3,615	1,334
Outdoor	78	94
Network cable	3,400	973
Farm pubs.	303	295
Total measured	169,254	152,131
Unmeasured	150,000	134,825
Total	319,254	286,956

NESTLE ENTERPRISES
100 Bloomingdale Rd.
White Plains, N.Y. 10605
(914) 682-6000
Marketing Personnel

B.E. Gensamer, sr vp-mktg & strategic planning

Advertising Agencies

HBM/Creamer, Pittsburgh—Taster's Choice—Ira Bass, acct exec.

Jordan, Manning, Case, Taylor & McGrath, New York—Crunch bar and Crunch Bar ice cream, Bit-O-Honey, Goobers, Raisinets, $100,000 bar, Nestle hot cocoa mix—Jack Taylor, exec vp; Matthew McHenry, Steven Badenhop, mgmt supers; Tom Magnus, acct super.

McCann-Erickson, New York—Nescafe, Quik brands—John Boyd, sr vp-mgmt rep; Ted Donahue, vp-acct dir.

J. Walter Thompson USA, New York—Sunrise, Nestea, Nestle milk chocolate, Chunky, O Henry! bars, Morsels, Choco-Bake, Alpine White—Peter Schweitzer, sr vp-group acct dir; Don Challis, sr vp-acct dir; Philip Forman, vp-acct dir; Susan Allard, acct rep; Jack Morrissey, mgmt dir; Steve Dworin, acct dir; Ann Morrow, acct super; Michael White, acct exec.

BEECH-NUT NUTRITION CORP.
Fort Washington, Pa.
Marketing Personnel

Joe Gaetto, vp-mktg
Robert Bartz, dir-new business
Marian Ferreri, mgr-consumer services

Advertising Agency

Sherwood & Schneider, New York—Marv Schneider, chmn-ceo; Lew Sherwood, president.

BOREL RESTAURANT CORP.
San Mateo, Cal.
Corporate Personnel

Fredric W. Tippett, president

Marketing Personnel

Robert Puccini, dir-concept devel & mktg

Advertising Agency

Stroman Associates, Emeryville, Cal.—Linda Stroman, president; Ann Rabe, acct exec.

CARNATION CO.
Los Angeles, Cal.
Marketing Personnel

John McMennamin, vp-mktg services
A.W. Fox, dir-media
L. Dickinson, adv controller & promo materials mgr
J.R. Richards, premium mgr
J. Davidson, Q. Trujillo, art dirs, promo materials

GROCERY PRODUCT DIVISION
PET FOODS
Marketing Personnel

Al Piergallini, vp-div mgr
Miguel Osborne, mktg dir
H.R. Chamberlin, dir-new prod
John Harris, group prod mgr-dry food

INSTANT/EVAPORATED MILK
Corporate Personnel

John Darcy, vp-div mgr

CONTADINA
Marketing Personnel

Gene Boykins, group prod mgr

FOOD SERVICE
Marketing Personnel

Carl Dienst, dir
Bob Miller, assoc dir

INDUSTRIAL VENDING
Corporate Personnel

Joseph Hollingsworth, div mgr
Marketing Personnel
Duncan Shaw, prod mgr

SPECIALTY FOODS
Corporate Personnel

Glynn Morris, div mgr

LIBBY DIVISION
Corporate Personnel

Jim Dintamin, sr vp

Advertising Agencies

Bloom Cos., Dallas—canned juices & drinks, canned pumpkin, canned meats, nectar prods, produce prods, Cross & Blackwell specialty prods, new prods—Kay Fowler, Karen LeSieur, acct execs.

Dailey & Associates, Los Angeles—Evaporated Milk, promo adv—Bob Brownson, acct group dir.

Foote, Cone & Belding, Los Angeles—Fancy Feast canned cat food, Do-It-Yourself Diet, Bon Bons, new prods—Bill McCann, group mgmt dir; Frank Sajovic, mgmt dir, pet foods; Melissa Russell, acct dir; Craig Silver, acct dir, new prods & specialty foods; Bill Greig, acct exec, pet foods.

The Merchandising Factory, San Francisco—foodservice—John Weatherwax, acct super.

SSC&B, New York—dog & cat food, Coffee Mate, Instant Breakfast & Breakfast Bars, Contadina—Terry Rosenquist, exec vp, pet foods & instant foods; Russ Shaffer, sr vp; Helen Blohm, Ron Walter, supers; Anna Koules, Robin Pegue, acct execs.

HILLS BROS.
San Francisco, Cal.
Marketing Personnel

Barry Reis, vp-mktg

Advertising Agency

Cohen & Johnson, Los Angeles—Paula McSpadden, acct super.

STOUFFER FOODS CORP.
Solon, O.
Marketing Personnel

Robert L. McGuigan, president
Gerald V. DeCroce, vp-mktg
Jeff Peck, mktg mgr-entrees, side dishes
Richard B. Annett, mktg mgr-Lean Cuisine
Paul D. DeVries, mktg mgr-new ventures

Advertising Agency

HBM/Creamer, Pittsburgh—frozen foods—Richard Weber, exec vp; Howard S. Gittins, Richard Grinberg, John O'Leary, sr vps.

STOUFFER HOTEL CO.
Solon, O.
Marketing Personnel

William N. Hulett, president
Ronald A. Nykiel, sr vp-mktg
Robert Nance, dir-adv & promo

Advertising Agency

Wyse Advertising, Cleveland—George Sapin, exec vp; Jim Hunt, exec vp-group super.

STOUFFER RESTAURANT CO.
Solon, O.
Marketing Personnel

John Qualglista, president
Rick Cassara, dir-mktg

Advertising Agency

Wyse Advertising, Cleveland—Rosemary Breehl, vp-acct group super.

WINE WORLD
St. Helena, Cal.
Marketing Personnel

Mike Moone, president
J.F. Tonjum, vp-sales & mktg
E.R. Wallingford, genl mgr-C&B Vintage Cellars
Richard Carter, vp-natl sales mgr
J.E. Thompson, group prod dir

Advertising Agency

Allen & Dorward, San Francisco—John Galbraith, mgmt super; Barbara Frazier, acct super.

RANK **49**

Nissan Motor Co.

Carson, Cal.

($ in millions)

Worldwide	1985	1984	% chg
Sales	15,386	14,828	3.8
Net income	265	304	(12.8)
U.S. advertising	163	185	(1.6)

Nissan Motor Corp. in USA, a subsidiary of Nissan Motor Co. Ltd., Tokyo, which is repositioning several auto lines in 1986, is actually dropping total spending to match the virtual absence of new offerings.

However, Nissan has introduced new truck models this January and upgraded its Sentra for model year 1987 in March, the latter aimed at new and richer consumers. Nissan reportedly is spending the largest outlay in its history for the Sentra introduction. The company also has upgraded its 1987 Stanza and Maxima models. The shakedown in advertising in 1985 did not seem to hurt the momentum of the auto company, which maintained its market share while establishing record unit sales levels for Nissan in the U.S. in both autos and trucks.

The parent, Nissan Motor Co. Ltd., which does not break down sales figures for its U.S. subsidiary, reported worldwide earnings in fiscal 1986 ended March 31 of $265.4 million, down 12.8% from 1985, on sales of $15.4 billion, up 3.8%. Sales and earnings figures for both fiscal years were converted from yen to dollars at an average annual exchange rate of Y244=US$1.

Calendar year figures compiled by the Japan Automobile Manufacturers Assn. put Nissan worldwide production for 1985 at 3,627,532 units, including 1,058,248 trucks, up slightly in both car and truck categories over calendar 1984. Those figures include its U.S. plant production—43,810 units of the best-selling Sentra and 107,422 pickup trucks—turned out at the factory in Smyrna, Tenn. Combined car and truck output at Smyrna is expected to reach 240,000 a year by the spring of 1987. Nissan's U.S. presence also includes the Nissan Design International studios in San Diego, Cal., and Nissan Research & Development, Ann Arbor, Mich.

The 1985 unit sales of imported Nissan cars and trucks totaled a record 790,973 units—535,772 passenger cars and 255,601 compact trucks—up 12.8% over 1984. This gave Nissan a 6.1% share of the total U.S. market (imports and exports), up from 4.5% in 1984, but still second behind Toyota at 6.7%, and followed by Honda at 6.3% and Mazda at 2.4%. Nissan also increased its share of the total import market in 1985 to 21.3%, up from 20% a year earlier. Nissan was again second behind Toyota at 23.4%, followed by Honda at 6.3% and Mazda at 2.4%.

Nissan truck sales in the U.S., up 22.2%, represented 32.3% of all Nissan units sold in the U.S. in 1985, up from 29.5% the previous year. Truck production at Smyrna accounted for 42% of all Nissan trucks sold in this country during 1985. In early 1986, Kazutoshi Hagiwara, the new president of Nissan Motor Corp. USA, predicted a rise in the company's combined auto and truck sales to 1 million per year by 1990, more of them upscale, higher priced units.

The best-selling Sentra, priced at $5,499 for the standard five-speed, two-door sedan ($5,999 for the 1987 model), accounted for sales of 179,235 units, down 5.4% from the 189,480 units in 1984, but once again the No. 1 selling import model in the U.S.

With output of 10,000 Sentras a month at the plant in Smyrna, Nissan will be able to import additional units and more upscale models from Japan, easing the self-imposed restrictions of the voluntary restraint agreement on all Japanese cars.

Sales of other Nissan models in 1985, compared with the previous year, were Pulsar 49,816 (37,287),

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Top 25 network radio advertisers

Rank	Advertiser	Network radio ad expenditures 1985	1984	% chng	as % of co.'s 1985 ad total
1	American Telephone & Telegraph Co.	$24,853	$16,344	52.1	4.8
2	Sears, Roebuck & Co.	20,803	8,630	141.0	2.6
3	Warner-Lambert Co.	16,268	8,143	99.8	3.5
4	Greyhound Corp.	14,250	8,773	62.4	13.9
5	Procter & Gamble	12,770	5,834	118.9	0.8
6	RJR/Nabisco	9,334	4,938	89.0	0.9
7	Cotter & Co.	9,049	10,201	(11.3)	12.6
8	General Motors Corp.	9,034	6,746	33.9	1.2
9	Anheuser-Busch Cos.	8,929	6,231	43.3	1.7
10	Chesebrough-Pond's	7,969	1,546	415.4	5.0
11	George A. Hormel & Co.	7,829	1,973	296.8	11.1
12	Ford Motor Co.	7,625	1,525	400.0	1.2
13	Triangle Publications	7,523	5,228	43.9	4.0
14	Whirlpool Corp.	6,605	2,477	166.6	2.9
15	U.S. Government	6,226	8,630	(27.9)	2.4
16	Florists Transworld Delivery Assn.	5,707	2,548	124.0	6.1
17	Bayer AG	5,572	874	537.5	5.2
18	Kelly Services	5,491	2,734	100.9	3.5
19	Beatrice Cos.	5,456	3,345	63.1	0.8
20	Goodyear Tire & Rubber Co.	5,363	999	436.6	3.6
21	PepsiCo Inc.	5,296	4,746	11.6	1.1
22	Campbell Soup Co.	4,655	4,371	6.5	2.2
23	K mart Corp.	4,435	490	804.4	0.8
24	Chrysler Corp.	4,269	4,141	3.1	1.1
25	S.C. Johnson & Sons	4,191	3,025	38.5	2.9

NOTE: Dollars in thousands. Source: Broadcast Advertisers Reports as reported by Leading National Advertisers

Stanza 64,398 (44,613), Maxima 99,051 (68,209), 200SX 65,792 (63,465) and 300ZX 67,409 (73,097).

With no new models introduced last fall, the 1986 model year represented a continuation of the conversion from Datsun to Nissan as the dealer sign change program entered its final stages. Nissan advertising, under the "Name is Nissan" umbrella theme begun in May, 1985, focused on building brand awareness and positioning Nissan as an innovative leader of technologically advanced, quality-built cars and trucks. The new slogan replaced the 18-month-old "Major Motion" theme, which several critics had labeled as ineffective.

Nissan compact trucks accounted for more than $38 million in measured media spending, the most of any Nissan product, according to Leading National Advertisers. Most went into spot and network tv. Truck promotions relied heavily on an interest rate subvention program designed to overcome high interest rates on financing.

Nissan's biggest media cut was in network tv where it cut spending by 31% from 1984. It continued its high profile on network sporting events—"NFL Monday Night Football," the Super Bowl, Rose Bowl and College Football Assn. football.

Measured media spending trends for 1985 showed 35.2% of the total measured dollar going to spot tv; network tv, 27.3%; magazines, 13.4%; newspapers, 12.9%, and spot radio, 9.1%, with lesser amounts in the remaining measured media. Nissan continued to augment traditional national media with with strong support in local markets, particularly in truck markets.

The fourth quarter of 1985 saw the introduction of the Nissan van and Nissan sport/utility vehicles, which received about $10 million in ad support. Balance of the 1986 model year found Nissan cars getting about half of the company's ad budget.

The company introduced in January, 1986, a new truck with a V6, 3.0-liter engine and a base price of $6,299, developed by the Nissan Design Center in San Diego, Cal., but built in Japan. Positioned for young buyers in the compact truck market, the truck received spot and network tv, radio, print and direct marketing support.

Nissan splashed the new model via four commercials during the Jan. 26 Super Bowl telecast. Network tv spots were supported by spot buys in 90 of the top truck-buying markets. Nissan also made use of an eight-page insert in 42 sports magazines, and in newspapers and outdoor boards during the first three weeks of the campaign.

The company augmented its 1986 truck lineup with an electronically fuel-injected engine for the four-wheel-drive ST model, which was available in regular-bed, long bed and King Cab body styles. Among its truck models, Nissan offered no less than 23 two-wheel-drive and four-wheel-drive models. Suggested retail prices ranged from $5,999 for the 2wd standard regular-bed pickup to $10,595 for the 4wd King Cab ST model.

Early this year Nissan promoted a 7.7% annual percentage rate for new truck customers as a sales incentive. The financing program that currently applies to 1986 and 1987 pickup trucks and cab-and-chassis units. Nissan has spent an estimated $20 million in media during the first two months of 1986 on its line of compact pickups.

In mid-March Nissan unveiled part of its 1987 line, including upgraded versions of its Sentra, Stanza and Maxima. The redesigned Sentra was repositioned and aimed at the middle-class consumer, along with a shift in pricing structure from $5,000 to $7,000 per vehicle. It was also on the receiving end of a two-month, $15 million broadcast and print campaign, which rolled out in early April.

Tv spots debuted in late March on the CBS telecast of the NCAA basketball championship and the ABC series "Hardcastle and McCormick." The 1987 Sentra print campaign featured a four-color spread in weekly and monthly consumer magazines.

At the same time, the $15,199 Maxima luxury nameplate was introduced with a minor facelift for 1987. The Maxima was backed with advertising that positioned it as a fully equipped, technologically advanced sports sedan offering superior value for the money.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$17,199	$15,022
Newspaper	16,504	13,170
Newsp. supp.	0	169
Bus. pubs.	623	779
Network tv	34,860	50,666
Spot tv	44,974	40,919
Spot radio	11,663	7,584
Outdoor	1,385	846
Network cable	980	1,070
Total measured	128,187	130,224
Unmeasured	34,379	34,925
Total	162,566	165,149

NISSAN MOTOR CORP. in U.S.A.
P.O. Box 191
Gardena, Cal. 90247-7635
(213) 532-3111
Marketing Personnel

Robert B. Kent, vp-mktg services
Joseph M. Opre, adv dir
John Borgen, dealer support dir
Terry Foutz, natl auto adv mgr
David Hubbard, natl truck adv mgr
J.C. Fassino, natl sales promo & merch mgr
Susan Furedi, media planning mgr
Bryne Owens, natl dealer adv mgr

Advertising Agency

William Esty Co., New York and Los Angeles—all Nissan vehicles—Richard Macedo, sr vp-acct group head.

RANK **80**

Noxell Corp.
Baltimore

($ in millions)

Worldwide	**1985**	**1984**	**% chg**
Sales	382	350	9.2
Net income	32	28	15.6
U.S.	**1985**	**1984**	**% chg**
Sales	328	300	9.4
Operating profits	58	47	22.3
Advertising	106	112	(4.8)

Noxell Corp., which markets cosmetic, toiletry and household products that include Cover Girl, Noxzema and Lestoil, is stimulating flat advertising spending in 1985 with new product launches in 1986.

Leading the new entries is the launch of the 85-item Clarion line, which gives Noxell an extended pricing tier. Complementing Noxell's popular midpriced Cover Girl line, Clarion is priced at $3.55 to $4.50—some 20% to 30% higher than Cover Girl.

Clarion, to be launched this September, offers sensitivity tested and fragrance-free foundation, eye and lip products. The pink-and-blue packaged Clarion line will be backed by $15 million in marketing support in a national rollout campaign from SSC&B, New York, agency for Cover Girl. Distribution will be on Cover Girl turf—drug and food stores and mass merchandising outlets.

The impact of steeper prices, according to Lynne Hyman, analyst with Smith Barney, should be minimized by the trend toward greater discretionary income, stronger concerns about skin sensitivity and the target audience, a slightly older woman. In-store computers will help customers select shades of makeup to complement their skin tone.

The Clarion line is seen as helping drive up sales this year. Value Line analyst Marilyn M. Royce predicts Noxell's sales should reach $440 million in the current fiscal year, an increase of 15.2%, based on growth largely from existing business, which brought sales to $115.6 million in the first quarter of 1986, and the rapport Noxell has with the retail community.

In Noxell's toiletries segment, tests are under way on Perio-Gene, a remedial dental care system. Perio-Gene represents Noxell's desire to diversify beyond beauty products. The product consists of two tubes in a single package, one containing a hydrogen peroxide gel, the other a mint-flavored bak-

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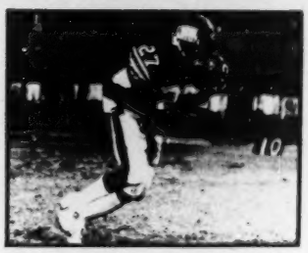
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ing soda compound. Perio-Gene is directed at those with gum disease.

Retailing at $3.09 for a 3.6-oz. tube, Perio-Gene will not storm the market as a bargain brand. What it does offer is convenience and palatability to those who have had to concoct their own mixtures to battle gum disease. William Esty Co. will handle advertising once the product moves to market.

In cosmetics, Noxell's Cover Girl line, which includes face and eye makeup, lipsticks and nail polishes, maintained a double-digit growth (11%) in sales in 1985, although the rate was slower than in previous years.

Cover Girl's sales accounted for 61% of the company's total net sales—a performance attributed by company officials to new product launches and gains from existing lines. About $43 million in measured advertising supported the Cover Girl line in 1985, slightly exceeding the budget of a close competitor, Schering-Plough's Maybelline. Noxell reportedly is allocating about $50 million to promote the Cover Girl lines in 1986.

About 30% of Cover Girl's revenues come from food stores, compared with 15% for other mass marketers of cosmetics, which prefer to concentrate on other outlets, such as drugstores. The Cover Girl lineup is promoted by Cheryl Tiegs, Christie Brinkley, Kelly Emberg, Carol Alt and newcomer Renee Simonson among others, all of whom sport "that Cover Girl look."

Face makeup—liquid, powder and blush products—is Cover Girl's oldest product area and the source of its strongest growth. Cover Girl's liquid foundations command a 35% to 37% share of the liquid makeup market, according to Ms. Hyman. A new liquid foundation targeted to older women, Cover Girl's Replenishing makeup, was marketed nationally in 1985. Moisture Wear makeup line received $2.2 million in ad support.

Cover Girl's pressed powders, which hold a 48% share of the pressed powder market, according to Ms. Hyman, received close to $19 million in measured support for its Cover Girl, Oil Control and Moisture Wear brands.

Eye makeup attained new highs for Cover Girl both in sales and share. Mascara received the largest amount of media backing, $10.7 million, to amass a 29% share of the supermarket dollars, according to Diana Temple, analyst with Salomon Brothers. Maybelline leads the mascara category with a 53.1% share, Ms. Temple says.

Noxell's mascara sales were aided by the June, 1985, introduction of Lasting Performance gel-based, waterproof mascara, and by a restaged Long 'n Lush mascara. Clean Lash, a new waterproof mascara removable with soap and water, was shipped to distributors in February of this year.

The Spunsatin eye shadow line of three and four-kit collections continued to grow and were joined by a single-kit line extension. Pro Colors singles kits were promoted as "The Shadow Spectrum for Eyes." The shadows are offered in an organizer "cabinet." Cover Girl had a 24% share of the eyeliner category last year, to Maybelline's 54.2% share.

In the eyeliner segment, Cover Girl's Pro-Lining pencils remain the No. 1 brand in its category. The pencils attained a 38.5% share of supermarket dollars, close on the heels of Maybelline's 39% share, Ms. Temple says. The eye makeup segment received close to $12.5 million in media backing.

Cover Girl's lipstick sales continued to outpace the over-all lipstick market, led by double-digit growth of the Luminesse line. At midyear, Cover Girl's Continuous Color lipstick, Noxell's regular line, was restaged with a new, longer-wearing formula, in an effort to revitalize that line. Continuous Color is supported by tv and print featuring model Cheryl Tiegs. Over-all, Cover Girl's share of the supermarket sales in lipsticks was 18% compared with Maybelline's 34.8% and Revlon's 10.6%, Ms. Temple says.

Nail polish, a highly competitive category, saw Cover Girl increase its volume.

It leads the supermarket dollar sales with a 28.6% share, followed by Cutex at 14.2%, Maybelline with 11.3% and Revlon with 9.7%, according to Ms. Temple. Cover Girl's premium line of nail polish, Opulence, showed solid sales growth in its second year on the market. Ten Terrific Nails treatment line also did well in its second year in stores.

Luminesse Satin Finish nail color was introduced in the first quarter of 1986.

Cosmetic dollar sales at Noxell totaled about $237 million. A firm believer in promotion, Noxell sent 5.4 billion Cover Girl sales messages to the women of America last year—enough to reach 97% of women 1½ times each week all year. It seems to have paid, particularly in the second half of the year, as Noxell's sales growth exceeded industry increases for several cosmetic and skincare product categories, including lipsticks, mascaras and Noxzema skin cream.

The toiletries products sector advanced its sales in both dollars and units as more women turned to Noxzema skin cream, which had an increase of 18% in sales.

Noxzema skin cream, Noxell's 71-year-old flagship product, entered the market in a pump dispenser in June, 1985.

It encouraged both use by new consumers and increased consumption over-all. Noxzema skin cream now holds between a 19% and 20% share of the market, up from 15.5% before the pump version. In supermarket sales, Noxzema skin cream amassed an 18.1% share, not too far behind leader Procter & Gamble's Oil of Olay (through P&G's acquisition of Richardson-Vick's), which held a 23.8% share over-all last year, Ms. Temple says.

Noxell's line of shave creams bearing the Noxzema brand name took an 11.2% share of supermarket dollars, aided by a new product introduction and several line extensions. Gillette Co.'s Trac II and Foamy shave cream products lead the market with a combined 25.1% share of supermarket dollars, according to Ms. Temple. Noxzema shave cream for heavy beard growth rolled nationally in January of this year. William Esty Co., New York, handled the introductory advertising. The new product may enjoy brisk sales among the market segment members it strives to reach because, as Ms. Hyman says, "Research shows 25% of those with heavy beards shave twice a day."

A musk-scented version of Noxzema shave cream bowed to the public last June to replace a less contemporary Wild Forest fragrance formula. Advertising was aimed at both the men's and women's markets, and included mail-in coupon offers and trial sizes.

One Noxzema namesake fell by the wayside as Noxell nixed a national rollout of Noxzema hand and body lotion.

Another Noxell product in the same category, little-advertised Raintree skin cream, experienced further market share slippage, from 1.1% to 0.6% within a year.

President and ceo George L. Bunting became chairman, succeeding his father, G. Lloyd Bunting, who became chairman emeritus at the age of 77. Marvin L. Hathaway, exec vp and chief operating officer-domestic, succeeds Mr. Bunting as president, while retaining his former title. Robert W. Pierce, Noxell's treasurer, was promoted to vp, finance.

Noxell's future direction includes the pursuit of acquisitions.

But, as new chairman Mr. Bunting outlined in his letter to shareholders in February, much of Wall Street zeroed in on the same target—consumer product companies—so "we were unable to find a meaningful opportunity at an appropriate price."

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$17,390	19,195
Newspaper	0	4
Newsp. supp	126	0
Network tv	38,740	40,318
Spot tv	3,013	3,045
Network radio	502	751
Outdoor	10	0
Network cable	1,348	917
Total measured	61,128	64,230
Unmeasured	45,000	47,284
Total	106,128	111,514

NOXELL CORP.
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Hunt Valley, Md. 21030-2098
(301) 628-7300

Marketing Personnel

George L. Bunting Jr., chmn-ceo
Marvin L. Hathaway, president-coo
F.J. Harrison, sr vp-mktg
Peter M. Troup, vp-mktg, Cover Girl prods
R.H. Yeager, dir-new prods
E.H. Levering, sr vp-sales
D.J. Cullen, dir-mktg rsch
C.J. Busta, mktg dir, toiletries
B.F. Nelson, exec vp-genl mgr-Caliente Chili
E.M. McNamara, mktg dir-Clarion & new prods

Advertising Agencies

William Esty Co., New York—Noxzema shave cream, Lestoil, Perio-Gene, new prods—Rand Pearsall, vp-acct super; Peyton Sise, vp-mgmt super; Thomas Hayes, sr vp-acct dir; Susan Borst, acct exec.

SSC&B, New York—Noxzema skin cream, Cover Girl prods, Clarion, new prods—Neill Myers-mgmt super; Patrick Keough, acct super-Noxema skin cream & toiletries prods; Nancy Troiano, acct exec, Noxema skin cream & toiletries prods; Sheri Colonel, sr vp-mgmt super-acct exec, nails, lips; Donna Squilla, vp-acct super, make-up & new prods; Linda Emanuel, vp-acct super, eyes, Moisture Wear; Kenneth Ramsey, vp-acct super, nail, lips; Lynn Eaton, acct exec, eyes; Marjorie Wachtler, acct exec, new prods; Stuart Sklar, acct exec, make-up; Kathleen Cusack, acct exec, eyes; Courtney Cowart, staff asst, make-up & new prods; Alma Miller, staff asst, eyes.

GSDM, Austin, Texas—Wicks Fowler's Famous Two Alarm Chili and other Caliente Chili, Inc. products.

RANK **15**

J.C. Penney Co.

New York

($ in millions)

	1985	1984	% chg
Worldwide			
Sales	13,700	13,451	1.9
Net income	397	435	(8.7)
U.S.			
Sales	13,228	12,963	2.0
Operating profits	N/A	N/A	N/A
Advertising	479	460	4.1
Division sales			
J.C. Penney	12,634	12,372	2.1
Other retail	1,113	1,079	3.2

J.C. Penney Co., the nation's third largest retailer, launched cost-saving measures including decentralized buying via satellite and eliminating unprofitable stores in nonmetropolitan areas in 1985 as it continued its shift back to the basics by moving toward more colorful, standard goods at moderate prices.

This shift to more conservative, but still fashionable, goods began in the mid-1980s, and although Penney has been upgrading its taste levels, it has found that shoppers' preferences have not changed much in some categories.

The company, with sales up only 1.9% and earnings down 8.7% in 1985, also sought to control advertising expenses, which had risen 22.3% in 1984 over 1983 as a result of communicating its repositioning to consumers.

Financial results at Penney, which began to improve in the fourth quarter of fiscal 1985, continued into the first half of 1986. Net income for the six-month period ended July 26 jumped 36.2% to $109 million on sales of $6.27 billion, up 7.7%. Solid sales gains and fewer markdowns by sales and catalogs contributed to the improved results, as did tight expense controls.

During 1985, the bulk of Penney's sales were generated by its metropolitan stores, divided into department stores with sales of $9.52 billion, up 2.5% from 1984 in comparative units, and soft-line stores with sales of $858 million, up 0.8% in comparative units.

Another $1.78 billion in sales was contributed by Penney's geographic market stores located in nonmetropolitan areas and in satellite towns within metropolitan areas. Penney reduced the number of these stores from 821 to 753 in 1985 and is continuing to close unproductive stores as it moves into new markets and to modernize existing stores. Partly as a result of this reduction in stores, sales of the geographic stores dropped from $1.82 billion in 1984. Catalog sales departments in these stores also contributed to profit.

During the year, Penney moved its catalog account in-house from D'Arcy Masius Benton & Bowles. In 1985, Penney catalog sales were $2 billion, up 3.7%. Catalog sales departments are a part of all Penney stores as well as some drugstores (Thrifty Drugs and Treasury Drug Centers) and are also run as stand-alone operations. The catalog units were a major reason for Penney's strong fourth-quarter movement. Catalog sales in the quarter increased 14.9%.

Montgomery Ward's exit from catalogs was a factor in boosting Penney's catalog sales, but Penney made significant gains in 1985 in markets where Ward was not a major factor. "Penney views the response to its catalogs as further confirmation that its merchandising shift toward more colorful, basic goods at moderate price points is being well received," according to a report by L.F. Rothschild, Unterberg, Towbin, which tracks the retail industry.

Penney had a slow start in 1983 and 1984 after setting its sights on the more upscale. In some merchandise areas Penney has decided that after moving "ahead one step, it had to move back a half step" to more conservative merchandise, says Edward F. Johnson of Wall Street's "Johnson Redbook." He believes, however, the shift will pay.

The company insists this is not a reversal and does not mean it is returning to a lower price emphasis. It means the company is seeking a balance between lower, middle and upper price tiers. The company notes that independent studies show substantial increases in Penney's share of the total soft-goods market—particularly women's, men's and children's apparel and soft home furnishings—since the repositioning started. Penney's own studies say repositioning has changed consumer perceptions about Penney's ambiance, fashion and service.

In 1985, Penney spent $15.8 million to advertise men's and women's clothes, another $6.7 million for women's apparel by itself and $5.7 million for men's. It also spent another $24.4 million on general advertising, according to Leading National Advertisers. The combined advertising spending for men's and women's was below 1984 levels of $22.9 million but still above a 1983 budget of $11.9 million.

One way Penney is more finely tailoring its merchandise mix is by decentralizing its buying programs. Instead of requiring all stores to carry merchandise that might not be suited to regional tastes or needs, Penney increasingly is using satellite tv as a platform for New York buyers to beam their message to local stores. The stores can then decide if a fashion shown on the tv monitor will play in their town. The satellite system is operated by Private Satellite Network of which Penney owns a 15% interest.

Operating since July, 1985, the system is in use in 165 locations and has saved Penney $3 million in travel and related expenses, plus the money lost when stores have to run markdowns because fashion trends popular elsewhere won't fly in a certain area.

By chance, if not by design, Penney fashion promotions also appear to have become more conservative in the past year. Penney started fashion promotions in 1984 with its Salute to Italy and followed that up in 1985 with Best of Britain, which was advertised with a $9 million print and tv campaign.

For 1986, however, Penney stayed closer to home with a celebration of American Style tied into the Statue of Liberty centennial. On May 11, the company kicked off a $24 million ad

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campaign in support of the promotion but allocated 70% of the budget to newspaper preprints instead of the glitzier tv commercials it had used in the past for fashion promotions.

Penney, as part of its fashion makeover, introduced the Halston III line in 1983 and in 1984, but has "dropped back a bit on fashion in the Halston III line," Mr. Johnson says, noting the line is doing "fairly well" but that Penney is designing "more of the line itself."

Analysts are speculating that Penney is interested in more than the 20% ownership it recently bought for $8 million in Alcott & Andrews, the regional specialty store chain.

In 1985, Penney increased its number of drugstores, operating under Thrifty Drug and Treasury Drug Center, to 374 from 369 as sales rose 8.5% to $641 million.

The company's Belgian stores, operate under the Sarma name. They sell food, apparel and general merchandise and had a sales decline of 3.3%, to $472 million in 1985—the third consecutive year of sales losses.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$9,280	16,943
Newsp. supp.	54	179
Bus. pubs.	0	39
Network tv	44,552	34,030
Spot tv	17,640	16,619
Spot radio	61	1,145
Outdoor	360	299
Network cable	358	232
Total measured	72,305	69,486
Unmeasured	406,587	390,733
Total	478,892	460,219

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Marketing Personnel

John Wells, sr vp-dir, corp mktg
William Ferguson, mgr-mktg communications
Lanni Benson, dir-visual mktg
Edward Haywood, mgr-adv
Jim Boyton, mgr-media services
Jeanne Fiscina, corp mktg personnel, admin mgr
Bob Jung, mktg publications coord
Tom Jewell, mgr-corp mktg projects
Gerry Tester, mgr, presentation
Robert Burke, controller-corp mktg
Mal Bliss, mgr, packaging & labeling
Bill Speer, mgr, store design
Sid Stein, mgr-mktg rsch & plans services

Advertising Agency

N W Ayer, New York—natl adv—Thomas Maxey, exec vp-exec acct dir; Chuck Meding, sr vp-mgmt super; Agi Clark, sr vp-group creative dir; Jeanne Chenard, sr vp-group creative dir; Meryl Nierman, vp-acct super; R.C. Morrison, vp-acct super. J.C. Penney Financial Services—Jack Rayher, vp-acct super, new business; Ruth Salevouris, sr vp-exec acct dir; H. Hartwell, vp-acct super.

RANK **16**

PepsiCo Inc.

Purchase, N.Y.

($ in millions)

Worldwide	1985	1984	% chg
Sales	8,057	7,451	8.1
Net income	544	213	155.3
U.S.	**1985**	**1984**	**% chg**
Sales	7,105	6,707	5.9
Operating profits	792	761	4.1
Advertising	479	422	13.3
Division sales	**1985**	**1984**	**% chg**
Soft drinks	3,129	2,908	7.6
Snack foods	2,847	2,709	5.1
Restaurants	2,081	1,834	13.5

PepsiCo benefited from archrival Coca-Cola Co.'s reformulation of its flagship brand as its soft drink sales grew 7.6% worldwide in 1985, while in 1986 it has added Kentucky Fried Chicken, potentially boosting restaurant group sales past those of its segment-leading soft drink business.

The Coke reformulation helped Pepsi-Cola to retain its title as the largest selling soft drink in food stores, although Coke remains the undisputed king in the fountain and vending machine segments. Yet, Pepsi's market share in March, 1986, was 18.9%, down from 19.5% in March, 1985, compared with Coke's 17.2% share for the combined Coke and Coke Classic varieties, a drop from 18.1% the prior year. Analysts attributed the Pepsi brand loss in part to the Slice introduction because Slice dilutes the cola market.

Despite its dip in market share, PepsiCo took advantage of Coca-Cola's marketing snafu by gloating in the media. Pepsi claimed a 1985 victory in the cola wars with a BBDO-designed newspaper ad, signed by Pepsi-Cola USA president Roger Enrico, stating, "After 87 years of going at it eyeball to eyeball, the other guy just blinked."

In July, Pepsi broke two spots featuring a character named Wilbur, who in his confusion over new and old Coke, decides on a Pepsi. In promotional efforts, Pepsi sniggered at Coke by dispensing free Pepsis outside the site of a Coke reformulation analyst briefing.

In an effort to further close the gap on Coke's wide international marketing lead, PepsiCo earlier this year announced plans to purchase Seven-Up Co. from Philip Morris for $380 million, but that was scotched by the Federal Trade Commission. Pepsi then agreed to purchase the international business of Seven-Up, which is outside the purview of the FTC. Coca-Cola, which at the same time announced plans to acquire Dr Pepper Co., also got nixed by the FTC and bowed out as a buyer.

Pepsi-Cola soft drink brands, helped substantially by the success of Slice, its 10% juice drink introduced in 1984, reached $12 billion in the $39 billion U.S. soft drink category. Slice's sales totaled $465 million at retail, and as of October, 1985, the brand had garnered a 2.1% market share, while still available in only 60% of the country. By year's end, Pepsi had increased Slice's distribution to 75%.

As juice-based entries have taken off, led by Slice, No. 1 in the $6 billion citrus segment, analysts warned that flavors may potentially erode the 63% share of the soft drink market colas currently hold.

Pepsi has taken advantage of its head start in the juice-added category by extending its Slice line to include mandarin orange, apple and cherry cola flavors. The cherry cola flavor will go head to head with Cherry Coke, which in the first quarter of 1986 held a 1.7% share. Advertising spending for Slice, via J. Walter Thompson USA's "We've Got the Juice" campaign, was $12.7 million, with an additional $5.1 million for Diet Slice in 1985, according to Leading National Advertisers.

Slice joined a roster of five brands raking in more than $350 million yearly in U.S. retail sales in 1985, including flagship Pepsi, Mountain Dew (which as of March, 1986, held a 2.5% national share of the soft drink market), Diet Pepsi (with a 4.3% national share), Pepsi Free and Diet Pepsi Free.

Although network tv spending decreased 10% for Pepsi-Cola in 1986, LNA put its network spending at an estimated $20 million, with an additional $64.6 million in spot tv. Pepsi has maintained high visibility through its star-studded network advertising campaigns. Encouraged by the success of the reported $5 million contract with singer Michael Jackson in 1984 as a Pepsi endorser, Pepsi reportedly doubled its offer in May, 1986, signing Mr. Jackson to a multiyear contract that includes his services as a "creative consultant" and possibly as a director for a Pepsi spot. Once again, Mr. Jackson's contract does not require him to touch a Pepsi can.

The cola wars spilled over into the entertainment sector in 1985, with Coke and Pepsi vying for big-name endorsers. Pepsi, continuing with its modern, high-tech "Choice of a New Generation" theme designed by BBDO, counted among its paid supporters New York Mets pitcher Dwight Gooden, former Oakland A's and New York Yankees pitcher Jim "Catfish" Hunter, teen music group

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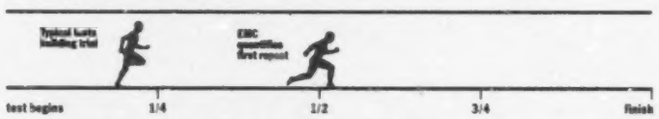

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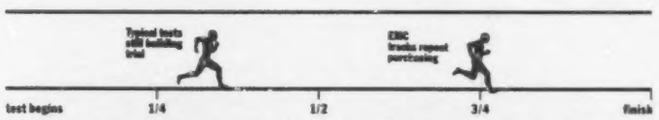

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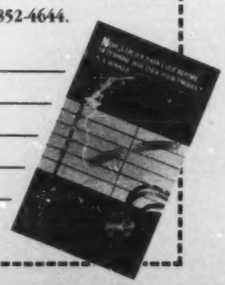

Menudo (via J. Walter Thompson USA, which handled Pepsi's Hispanic advertising and was succeeded this year by Siboney Advertising), former vice-presidential candidate Geraldine Ferraro, San Francisco 49ers quarterback Joe Montana (a two-year deal for $400,000), Miami Dolphins quarterback Dan Marino, Lionel Richie (including a tour sponsorship), gymnast Kurt Thomas (for Slice via JWT), former "Saturday Night Live" star Billy Crystal (for Diet Pepsi's reformulation), "Miami Vice" star Don Johnson and former Eagles band member Glenn Frey (in a two-minute spot directed by Ridley Scott) and "Family Ties" star Michael J. Fox.

In international markets, Pepsi Canada Ltd. signed former Monty Python troupe member John Cleese for Pepsi Free and Diet Pepsi spots and highlighted singer Tina Turner in a $20 million, Ogilvy & Mather-produced Pepsi-Cola campaign, teaming her with foreign rock stars. Pepsi also reportedly negotiated with comedian Eddie Murphy for a $3 million deal that fell through and offered to sponsor a Rolling Stones tour.

BBDO's "Archeology" spot for Pepsi received critical acclaim in 1985, including a gold One Club Award in May; the coveted Grand Prize at the Cannes International Film Festival in July, and three awards—a grand award, soft drink and copywriting award—for the best tv commercial at the International Film & TV Festival of New York in November.

BBDO also won awards at Cannes for two other Pepsi spots, a silver lion for "Robots" and a bronze lion for "Space Shuttle," and a gold award at the IFTV for its Lionel Richie "Block Party" spot for Pepsi. Another Pepsi agency, J. Walter Thompson USA, won a Clio for its "Over the top" commercial in June.

The cola battle bubbled furiously in July when Coca-Cola pulled its commercials from the ABC-TV coverage of Live Aid, protesting Pepsi's corporate sponsorship and signage at the event. In December, Pepsi became a principal sponsor of Turner Broadcasting System's Goodwill Games, broadcast from Moscow in July, 1986, for an estimated $6 million.

In addition, Pepsi put up $1 million to sponsor "Walk Through Rock," a multimedia music exhibit in Denver, and purchased four-week flights on Screenvision Cinema Network's 4,500 movie screens in March. A "Pepsi's Young Astronauts" promotion was scuttled in February after the space shuttle Challenger disaster.

In its snack food segment represented by Frito-Lay, Dallas, sales accounted for virtually half the $6 billion salty snack market. The 5% sales growth, however, was substantially lower than 1984's 11% growth over the previous year. The company says the modest rise reflected international growth, offset by slower unit growth at Frito-Lay. Operating profits for the segment increased 2% in 1985 domestically. In 1985, PepsiCo derived nearly half its operating profits from this segment, however.

Doritos was its biggest seller in 1985, with $715 million in retail sales. Lay's potato chips followed closely with $510 million in retail sales and Ruffles with $495 million. O'Grady's, launched with a $25 million campaign in February, 1984, reached $170 million in retail sales in 1985, up from $100 million the prior year. Spending for O'Grady's was $7.5 million in 1985 out of total Frito-Lay spending of $55 million, according to seven-media totals in LNA.

In 1985, Frito-Lay launched Fritos Chili Cheese corn chips, Doritos Cool Ranch tortilla chips, Lay's Jalapeno and Cheddar potato chips, and test marketed McCracken's brand apple chips.

In the sweet segment, Frito tested Rumbles, a bite-sized granola snack nugget, and Stuffers, a filled snack. PepsiCo spent $2.6 million—a drop from $5 million in 1984—backing its ailing national chewy cookie line, Grandma's. The slow growth of the soft cookie segment over-all, which garnered only about $560 million of the total $6 billion cookie market, prompted PepsiCo to introduce a smaller 4-oz. package of its Rich 'n Chewy cookies to raise its 5.8% share of the soft cookie segment. Foote, Cone & Belding, New York, is Grandma's agency.

Frito-Lay is far behind soft cookie market leaders, RJR/Nabisco (37.4% share), P&G's Duncan Hines (28.4%) and Keeblers (27.6%). The repackaging caused PepsiCo to incur a $16 million charge.

In the foodservice sector, which in 1985 included Taco Bell, La Petite Boulangerie and Pizza Hut, a 13% growth in sales accompanied a 22% growth in operating profits to $194 million. The big news in the division, however, was the announced acquisition in mid-1986 of Kentucky Fried Chicken from RJR/Nabisco for $850 million.

Restaurants, of which PepsiCo operates more than 3,500 company-managed units and franchises more than 3,700, account for about one-quarter of PepsiCo's operating profits. KFC will add 6,500 units worldwide and sales of $3.5 billion. Company-owned restaurants provided RJR with $1.1 billion in sales and operating profit of $91.5 million in 1985.

Currently, only 1,000 of the KFC restaurants sell PepsiCo soft drinks. The remainder sell Coca-Cola products. PepsiCo is out to convert these units once contracts expire. Analysts predict that if all units converted to Pepsi, it would affect Coca-Cola revenues by only 1%. KFC management is moving over from RJR. Richard P. Mayer, chairman-ceo of KFC, continues to head the fast food marketer.

In May, 1986, Steve Reinemund, previously exec vp of Pizza Hut, was named president, succeeding Arthur Gunther, who moved to president-ceo of La Petite Boulangerie.

In the $10 billion domestic pizza category, of which PepsiCo holds a 20% share, the company spent $15 million promoting Priazzo, a deep-dish pizza introduction at Wichita-based Pizza Hut. The 1985 campaign, by Chiat/Day, Los Angeles, helped Priazzo achieve a retail sales level of $85 million since its introduction in June.

Applying the big-name strategy used in its soft drink marketing, in 1985 PepsiCo continued its "Pizza Hut People" Chiat/Day campaign using celebrities Martin Mull, Rita Moreno, Susan Anton and "Marvelous" Marvin Hagler. LNA measured Pizza Hut spending at $64.4 million in 1985, up from $58.4 million in 1984.

Pizza Hut in 1985 built 63 company-operated restaurants and added 118 franchised Pizza Huts and predicted greater additions in 1986. The company also agreed to acquire A&M Food Services, its largest franchisee with 150 restaurants, in 1986. Pizza Hut began 80 home-delivery units in 12 test markets and plans to expand the home-delivery business in 1986.

Taco Bell, PepsiCo's entry in the $1.4 billion Mexican category, jazzed up its offerings with new entrees in 1985 including Pizzazz pizza, which generated $55 million in sales for its first year. Pizzazz pizza agency is Tracy/Locke, Dallas. Taco salad, introduced in 1984, generated $85 million in sales. LNA places Taco Bell spending at $39.3 million in measured media in 1985, up 10.6%.

The company attributed its growth in the Mexican segment to the redesign of Taco Bell begun in 1984, its addition of 270 company-operated and 140 franchised units in 1985 and its increased ad spending.

PepsiCo also underwent several top-level management changes in the first quarter of 1986. Donald M. Kendall, previously chairman-ceo, moved to chairman of the executive committee of the board. Succeeding him was D. Wayne Calloway, formerly president-chief operating officer. The company named Michael Jordan to succeed Mr. Calloway as president and discontinued the chief operating officer post. Mr. Jordan was exec vp-finance and administration.

Mr. Jordan was succeeded by Robert Dettmer as exec vp-chief financial officer, from president, Pepsi-Cola Bottling Group, a post taken by Craig Weatherup, formerly senior vp-sales and marketing for the group. Roger Enrico was moved up to president-ceo of Pepsi-Cola Co., from president-ceo Pepsi-Cola USA, the U.S. soft drink unit. Ronald Tidmore became president, Pepsi-Cola USA, succeeding Mr. Enrico. Mr. Tidmore was previously president of the foodservice division. Succeeding him in that post was John Cranor, previous president of the Wilson Sporting Goods division.

PepsiCo completed the sale of its Wilson Sporting Goods division in September to Wesray Capital Corp. for $121 million in cash and $42 million face amount of preferred stock. Wilson had lost $16.7 million on $248 million in sales in 1984. The sale of PepsiCo's North American Van Lines to Norfolk Southern Corp. for $376 million was completed in June. The sale of Lee Way Motor Freight, its other transportation facility, was completed in 1984 and reflected PepsiCo's concentration on its core businesses.

On the acquisition front, PepsiCo continued to pursue the purchase of bottling networks to increase its share. In May, the company purchased the Allegheny Pepsi-Cola Bottling Co. for $160 million, with the intention of refranchising it. Pepsi also agreed to purchase MEI Corp., another bottler in 19 states, for $590 million.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$2,668	$1,276
Newspaper	5,926	5,036
Newsp. supp.	0	125
Bus. pubs.	337	491
Network tv	82,456	86,220
Spot tv	183,220	154,042
Network radio	5,296	4,746
Spot radio	29,925	25,025
Outdoor	3,387	2,084
Network cable	4,515	1,323
Total measured	317,730	280,367
Unmeasured	160,643	141,752
Total	478,372	422,120

PEPSICO INC.
Anderson Hill Rd.
Purchase, N.Y. 10577
(914) 253-2000
PEPSI-COLA USA
Corporate Personnel
Roger Enrico, president-ceo, Pepsi-Cola Co.
Ron Tidmore, president, Pepsi-Cola USA
Marketing Personnel
John Costello, sr vp-sales & mktg
Michael Lorelli, vp-brand mktg
Alan Pottasch, sr vp-creative services
Henry Hayes, media dir
Advertising Agencies
BBDO, New York—Pepsi-Cola, Diet Pepsi, Pepsi Free, Mountain Dew, packaging & promo—Gary DePaolo, sr mgmt rep; William Katz, mgmt super; Andy Russem, acct super; Jeff Mordos, Wendell Crosswhite, mgmt supers.

Mingo-Jones, New York—black consumer adv—Sam Chisholm, sr vp-sr mgmt rep; Cheryl Wright, mgmt super; Evelyn Tucker, acct exec.

Siboney Advertising, New York—domestic Hispanic adv-all brands—Ruis Nasr, acct dir.

J. Walter Thompson USA, New York—Slice, Diet Slice, Teem, On Tap root beer—Jerry Gottlieb, mgmt dir; Jeremy Birkbeck, acct super.

Tracy-Locke, Dallas—Pepsi-Cola USA—Pepsi Light, new prods—Lanny Houillon, sr vp; Bruce Orr, acct exec.

PEPSI-COLA BOTTLING GROUP
Corporate Personnel
Roger Enrico, president
Marketing Personnel
Craig Weatherup, sr vp-sales
Advertising Agency
Tracy Locke, Dallas—Pepsi-Cola Bottling Group—Jim Wilson, sr vp-mgmt super.

PEPSI-COLA INTERNATIONAL
Corporate Personnel
Robert H. Beeby, president
Marketing Personnel
John Hetterick, vp-mktg
Rod B. Malcolm, dir-creative services
Mark B. Young, mgr-adv
Advertising Agencies
J. Walter Thompson USA, New York—Tony Claravall, acct dir.

Ogilvy & Mather., New York—Keith Bainbridge, vp-mgmt super; Maggie McDermott, acct exec.

PEPSICO FOODS INTERNATIONAL
Corporate Personnel
John S. Pingel, president
Marketing Personnel
Kenneth J. Constable, vp-mktg
Advertising Agencies
Foote, Cone & Belding/Leber Katz Partners, New York—William McDonough, sr vp-mgmt dir.

Tracy-Locke, Dallas—Pepsi Cola Inc. Food Services—Jim Wislon, sr vp-mgmt super; Mike Rawlings, intl coord; Shipley Munson, acct super.

FRITO-LAY
Dallas, Tex.
Corporate Personnel
Willard C. Korn, president-ceo
Marketing Personnel
Leo Kiely, sr vp-sales & mktg
Dennis Freezo, vp-sales operations & planning
Joe Pyland, vp-field sales
Laurie Beeson, vp-brand mktg
Advertising Agencies
Foote, Cone & Belding/Leber Katz Partners, New York—GrandMa's cookies, Fritos corn chips, Ta-Tos potato chips, O'Grady's potato chips—William McDonough, sr vp-group mgmt dir; Chris Novak, vp-acct dir; Mary Love-Mattox, John Roberts, Michael Colacchio, acct execs.

Needham Harper Worldwide, Chicago—Ruffles potato chips, Cheetos cheese puffs, Stuffers, Toppers, Rumbles—Stuart Sharpe-group acct dir.

Tracy-Locke, Dallas—Doritos, Tostitos, Baconettes, Funyons onion flavored rings, Lay's potato chips, Variety Pack, new prods, corporate—Mike Rawlings, sr vp-mgmt super, Terry Davenport, Cindy Hughes, vp-acct supers; Shipley Munson, acct exec.

PIZZA HUT
Wichita, Kan.
Corporate Personnel
Steven S. Reinemund, president-ceo
Michael Jenkins, mgr, corp pr
Jim Baxter, vp-restaurant franchise
Advertising Agency
Chiat/Day, Los Angeles—Lee Clow, creative dir; Guy Day, acct exec.

TACO BELL
Irvine, Cal.
Marketing Personnel
Jim Loser, vp-mktg
George Reynolds, vp-adv
Dane Waitkus, vp-field mktg
Art Redmond, dir-mkt rsch
Advertising Agency
Tracy-Locke, Los Angeles—Ted S. Burnett, president-ceo; Anne Osberg, sr vp-mgmt rep.

RANK **53**

Pfizer Inc.
New York

($ in millions)

Worldwide	**1985**	**1984**	**% chg**
Sales	4,025	3,876	3.8
Net income	580	511	13.4
U.S.	**1985**	**1984**	**% chg**
Sales	2,343	2,172	7.9
Operating profits	613	545	12.6
Advertising	158	154	2.9
Division sales	**1985**	**1984**	**% chg**
Health care	2,516	2,404	4.7
Agriculture	473	472	0.2
Specialty chem.	392	377	4.0
Materials science	301	303	(0.7)
Consumer	343	320	7.2

Pfizer Inc., which produces and markets a range of consumer products including Barbasol, Ben-Gay, Visine, Coty and Stetson fragrances, sits with $1.2 billion in cash and securities waiting for the right acquisition.

During 1985, the company failed in its efforts to grow by acquisition when it was snubbed in its attempt to buy Richardson-Vicks, which subsequently went to Procter & Gamble, and G.D. Searle & Co., which ultimately made its bed with Monsanto Co.

A marriage with G.D. Searle probably would have enhanced Pfizer's marketing efforts with a new, as-yet-unnamed, low-calorie sweetener that may prove to be a competitor to Searle's aspartame. The product, in the "late stage of testing," is claimed by Pfizer officials to have greater sweetening power than aspartame.

To add to its loss in the unsuccessful bid to acquire Searle, Pfizer lost its president of Pfizer Pharmaceuticals, Sheldon G. Gilgore, who went to Searle as its president-ceo. He was replaced by William C. Steere, who has served as corporate vp-exec vp, Pfizer Pharmaceutical Products.

Pfizer was successful in its bid to acquire American Medical Systems in May, 1985. The company markets implantable urological devices, including a prosthesis for impotent men, which helped AMS sales grow at an annual rate of 44% last year. A $5 million equity investment, representing a 10% acquisition, was made in Angiomedics, a catheter manufacturer.

In 1985, Pfizer reported a 3.8% growth in sales, topping $4 billion for the first time, and a 13% increase in net income. More than 40% of sales came from outside the U.S. Sales have been affected by largely unfavorable exchange rates and steps taken in various countries to trim healthcare costs —notable among these is Japan, Pfizer's largest overseas market where the government reduced drug prices by 9% last year.

Pfizer's consumer division, its fourth largest segment, accounting for 8% of total sales, is its most heavily advertised. Virtually all Pfizer's measured media total, with the exception of its $3.4 million in farm and professional publications, is attributed to the consumer segment, in which sales come largely from the U.S. with sizable international contributions from the U.K., Canada and Mexico.

The consumer group's Leeming/Pacquin division supported Visine eyedrops with $13 million in measured media support, the same as in 1984. The division's second largest expenditure of $8.2 million, up 3.8%, went to media support of Ben-Gay, although it

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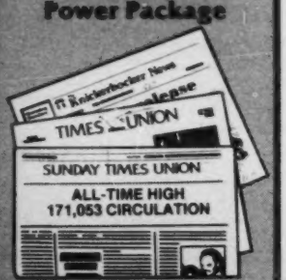

Source: 1985 Simmons-Scarborough
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TIMES UNION Knickerbocker News
Mornings & Sunday Evenings
HEARST NEWSPAPERS

failed to muster momentum as sales declined.

Sales of Barbasol shaving cream together with its companion deodorant products were up 18% as $2.6 million in measured media was spent, all on on network, spot and cable tv, up from only $2,100 in 1984. The division's Desitin baby products received only minor magazine coverage.

The Coty division witnessed significant growth in the men's fragrance line, which accounted for 31% of Coty's U.S. sales last year, led by a strong showing by Stetson cologne and aftershave for men, which grew by 21% in sales. Stetson for men was supported by nearly $6.5 million in measured media, up 20%. A $5 million Christmas campaign prepared by Warwick Advertising aired a week earlier than usual in order to protect Stetson's strong sales.

Lady Stetson for women was introduced Sept. 1 in a campaign by Hicks & Greist, New York. The new fragrance is backed by a $5 million budget for its national rollout. The line is targeted to the 18-to-34-year-old heavy fragrance user and is being marketed as an extension of the men's fragrance.

Coty's Wild Musk, with $3.3 million in measured media support, up from $890,000 in 1984, was its largest selling women's product last year, increasing sales despite a competitive market.

Coty's product line got $17.8 million in measured spending, up from $9.5 million in 1984, which helped boost sales 17%. Cosmetics account for 25% of Coty's sales. Coty introduced Color Focus kits in December. The kits combine three eye shadows with coordinating blush and lipstick in one package.

Pfizer's second most advertised segment, healthcare, accounts for 63% of worldwide sales. U.S. sales in this pharmaceutical sector increased by 9%, while international sales declined by 2%, mainly because of the strength of the dollar abroad.

Mass media advertising is limited in this segment and virtually all Pfizer business lines except consumer products. Pfizer promoted these segments in 1985 with a reported $52 million for pharmaceutical products in professional journals, $2 million in direct mail and an estimated $20 million in educational programs. An additional $40 million was spent on personal sales force selling (detailing).

However, Pfizer soon may begin targeting the consumer directly. The FDA gave drug companies the green light at the end of last year to experiment with mass media advertising. Pfizer is reported to be seeking an agency to handl an estimated $15 million campaign that would promote such drugs as Procardia, Feldene and Minipress in print, perhaps to be followed by network tv. No agency has been chosen.

Though many of Pfizer's long-established brands continue to hold strong positions in the market, several, like Diabinese and Vibramycin, have lost market share to the generic industry. Pfizer's strategy is to continue to roll out and test new products.

Currently, Pfizer is reported to have nine pharmaceutical compounds either in late stages of development or already awaiting marketing approval, according to analyst Rudolph C. Carryl of Value Line. Sorbinil, which alleviates the late complications of diabetes, and doxazosin, a once-a-day selective alpha blocker for the treatment of hypertension, are cited as particularly promising by Mr. Carryl. Pfizer already has filed for approval in several European markets for doxazosin, which will be available under the Carduran trademark.

Pfizer is seeking approval to market its sulbactam/ampicillin, an antibiotic combined with Pfizer's beta-lactamose inhibitor, which enables the antibiotic to overcome the resistance that bacteria develop to many antibiotics. New studies also show that Pfizer's leading antibiotic, Cefobid, exhibits the same characteristic.

Finding new uses for existing drugs, like Cefobid, is another way Pfizer is hoping to expand its markets at a time when a number of its products are going off-patent. Cefobid increased sales by 17% to $145 million in 1985, making it the fastest-growing injectable antibiotic in the U.S.

The company has filed for FDA approval to expand the use of its calcium channel blocker, Procardia, currently used in the treatment of angina pectoris, to include treatment of acute hypertension. Procardia also is being used to delay and even substitute for coronary bypass surgery in selected angina sufferers.

Feldene, used for menstrual cramps and over-all pain relief, topped the pharmaceutical product list in sales with $461 million, up 14%, and making the drug the largest selling anti-arthritic in the world. Procardia came in second, with $219 million in U.S. sales.

Last year, Pfizer announced plans to collaborate with Genentech Inc. of California on a simplified process to manufacture Vitamin C using a new microorganism, a genetically modified bacteria, developed by genetic engineers at Genentech.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$16,729	$13,956
Newspaper	720	704
Newsp. supp.	72	256
Bus. pubs.	3,166	3,235
Network tv	38,552	38,730
Spot tv	2,653	2,370
Network radio	28	130
Outdoor	99	93
Network cable	531	190
Farm pubs.	914	1,991
Total measured	63,463	61,655
Unmeasured	95,000	92,294
Total	158,463	153,950

PFIZER INC.
235 E. 42nd St.
New York, N.Y. 10017
(212) 573-2323
Corporate Personnel

Edmund T. Pratt Jr., chmn-ceo
Gerald D. Laubach, PhD.,president

PFIZER AGRICULTURAL PRODUCTS
Corporate Personnel

R.M. Hendrickson, president

Marketing Personnel

E.T. Hughes, vp-sales
R.N. Fountain, vp-mktg
J.F. Muren, vp-operations
R.A. Stacchini, mktg mgr, communications
R.G. Klein, mktg mgr-research
L.W. Sein, group prod mgr

Advertising Agencies

Rumrill Hoyt (a Saatchi & Saatchi agency), Rochester, N.Y.—Jim Baxter, acct super; Dave Morton, acct exec.

PFIZER CONSUMER PRODUCTS
Corporate Personnel

J.F. Harmon, president

LEEMING/PACQUIN DIVISION
Marketing Personnel

J.F. Anderson, sr vp-mktg
R.L. Unger, vp-mktg
T.F. Coughlin, vp-sales
G.H. Schulze, vp-new prod devel
H.K. Gray, vp-purchasing & packaging devel

Advertising Agencies

Avrett, Free & Ginsberg, New York—Unisom, Don Bandman, exec vp; Marlene Wheeler, acct super.

Ted Bates Advertising/New York—Visine, Visine A.C., Visalens—Lee Hines, exec vp; Vickie Mendlesohn, acct super.

McCaffrey & McCall, New York—Ben-Gay, Desitin, Pacquin, Rheaban—Burtis Flounders, mgmt super; Janet Boyle, acct super.

COTY DIVISION
Marketing Personnel

J.T. Markowski, vp-mktg
J.L. Abernathy, sr vp-sales
J. Webster, vp-sales
W.T. Doran, vp-rsch & devel

Corporate Media Buying

Adforce Inc., New York—media planning & buying activities—Robert Geller, president; John McAvity, vp-broadcast; Martin Gennusa, vp-media.

Advertising Agencies

Hicks & Greist, New York—Lady Stetson, Sophia, Overnight Success, cosmetics —Josann Avery, acct exec.

John Paul Itta Inc., New York—Nuance, Musks—Marc Engelsman, acct exec.

Warwick Advertising, New York—Emeraude, Stetson—Pam Sarnoff, acct exec.

PFIZER CHEMICAL PRODUCTS
Corporate Personnel

F. Adams Jr., president
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D.F. Farley, sr vp-operations
P.J. Regan, vp-operations
W.D. Benfer, vp-U.S. sales
F.P. Chapman, vp-field operations
Vincent DeGennaro, dir-adv & promo

Advertising Agency
D'Arcy Masius Benton & Bowles, New York—F.P. Harvey, senior vp-mgmt supvr; Charles Rose, vp-acct supvr; D.E. Bray, acct exec.

PFIZER PHARMACEUTICAL PRODUCTS

Corporate Personnel
William C. Steere, president
P.G. Tombros, exec vp

Marketing Personnel
J.T. Curti, sr vp-medical & pharmaceutical devel
J.N. Arvesen, dir-mktg rsch & planning

PFIZER LABORATORIES DIVISION

Marketing Personnel
G.N. Jortner, exec vp-dir opertions
W.J. Robison, vp-sales
W.B. Surran, dir-mktg services

Advertising Agencies
Carrafiello Diehl & Associates, Irvington, N.Y.—Sinequan—T. Bennett, vp; W. Hanley, acct exec.

Dorritie & Lyons, New York—Minipress, Minizide, Feldene, Procardia, Renese—John Dorritie, president.

Klemtner Advertising, New York—Vibramycin, Terramycin, Oral Vistaril, other ethical drugs—Morgan Cline, president.

William Douglas McAdams Inc., New York—Diabinese, Glucotrol—Stephen Haber, vp; Howard Mandlebaum, srvp.

ROERIG DIVISION

Marketing Personnel
K.L. Katen, vp-dir operations
L.L. Larkin, vp-sales

Advertising Agencies
Robert A. Becker Inc., New York—Geopen, Geocillin, Antivert, Atarax—James Stroup, acct exec.

Cline Davis & Mann, New York—Glucotrol, Spectrobid, branded ethical drugs—Jack Slonaker, vp; Jed Beitler, vp-acct exec.

Dorritie & Lyons, New York—Cefobid, Marax—John Dorritie, president.

PFIZER HOSPITAL PRODUCTS

Corporate Personnel
E.C. Bessey, president-ceo
R.B. Whitman, sr vp
D.M. Fitzgerald, sr vp-worldwide orthopedics, president-Howmedica Inc.

Advertising Agency
Techni-Graphics—Hugh Phares, president.

PFIZER MATERIALS SCIENCE PRODUCTS

Corporate Personnel
D.R. Thacker, president

MINERALS, PIGMENTS & METALS DIVISION

Corporate Personnel
D.R. Thacker, president
W. Nazarewicz, vp-minerals
P.A. Giercio, vp-metals

Marketing Personnel
W.A. Wilkinson, vp-pigments & magnetics mktg & sales

Corporate Media Buying
Adforce Inc., New York—Robert J. Geller, president; John M. McAvity, vp-broadcast; Martin J. Gennusa, vp-media.

QUIGLEY CO.

Corporate Personnel
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J.C. O'Donoghue, president
D.R. Holmes, vp-intl operations
L.J. Dreyling, vp-technical

Marketing Personnel
R.M. Galloway, vp-sales & mfg

AD FORCE INC.

Personnel
Robert J. Geller, president
John M. McAvity, vp-broadcast
Martin J. Gennusa, vp-media

RANK **2**

Philip Morris Cos.

New York

($ in millions)

Worldwide	1985	1984	% chg
Sales	15,964	13,814	15.6
Net income	1,255	889	41.2
U.S.	**1985**	**1984**	**% chg**
Sales	11,496	10,034	14.6
Operating profits	2,540	2,150	18.1
Advertising	1,400	1,335	4.8
Division sales	**1985**	**1984**	**% chg**
Tobacco	10,500	9,802	7.1
Beer	2,925	2,940	(0.5)
Other	868	1,072	(19.0)
Food	1,600	N/A	N/A

Philip Morris Cos., the nation's largest cigaret marketer, substantially increased its share of the package goods market in 1985 when it acquired General Foods Corp. PM also inherited an advertising budget of $450 million from General Foods.

Until its purchase of White Plains, N.Y.-based GF for $5.7 billion, Philip Morris was the least diversified of the nation's tobacco companies, with only about 10% of its operating income coming from nontobacco products, namely beer and soft drinks. Now, 43% of its operating income comes from nontobacco products, with revenues from such sources even higher.

In the second quarter of 1986, PM's net income was $377 million, up 17%, on revenues of $6.53 billion, up 76% from $3.72 billion in 1985. The substantial increase was due to a $2.5 billion contribution from GF, accounting for 38% of PM's over-all revenue. GF was purchased in November.

PM now rivals the restructured RJR/Nabisco in size among consumer products companies. In addition to General Foods, PM owns Miller Brewing Co., Seven-Up Co. and Mission Viejo Realty Group.

The international operation of Seven-Up was acquired by PepsiCo in July, 1986. The Federal Trade Commission opposed the sale of the domestic operations of Seven-Up to PepsiCo on the grounds that it would inhibit competition in the domestic soft drink market. The government body does not regulate international operations of domestic companies. The FTC also informed Coca-Cola Co. it would block its intended acquisition of Dr Pepper Co. Both PepsiCo and Coca-Cola withdrew their buyout bids.

Despite several possible ad agency conflicts that arose from the acquisition of GF, few PM accounts were shifted to other agencies. Leo Burnett USA, a major PM agency for more than 30 years, retained all of its PM cigaret accounts despite also handling Kellogg Co., a competitor of GF's Post unit. PM retained Young & Rubicam for many of its GF accounts, even though Y&R also handles several RJR accounts and recently picked up several more.

The only major agency shift came as a result of the merger this year between Saatchi & Saatchi and Ted Bates Worldwide. GF removed Bates from its Maxim and Mellow Roast coffee brands because Saatchi & Saatchi Compton Worldwide handles Procter & Gambles' High Point decaffeinated coffees. However, neither of the two brands had been supported recently.

Total measured advertising spending for the combined companies amounted to $917.6 million, representing a full year of GF folded into the measured media of PM. That figure is 5% above combined measured spending in 1984.

Apart from measured advertising, PM reported spending $1.05 billion on "advertising costs" worldwide to the SEC, up 17.5%. That figure, besides being for worldwide advertising, includes only the last quarter of spending for GF. Ad Age's U.S. estimate folded in a full year of General Foods advertising.

For 1985, sales grew 15.6% to $15.96 billion as net income rose to $1.26 billion, a 41.2% increase attributed in part to a write-down in 1984 of Miller's Trenton, O., brewery, which resulted in a decrease in net earnings for that year. Only the fourth quarter of GF returns are included in PM's financial results.

PM's tobacco business—divided into Philip Morris USA and Philip Morris International—remained the market leader in 1985 with a 35.7% share, up 0.4 share point over the previous year. Only Brown & Williamson Tobacco Corp., Louisville, a major manufacturer of price-value and generic cigarets, improved its market share more than PM. Among full-priced brands only, PM achieved a 38.5% market share.

Operating income for Philip Morris USA increased 17.5% in the year to $2.1 billion on sales of $6.6 billion, up 7.8%. PM USA made up 41% of PM's total sales.

The biggest contributor to PM's success in the cigaret industry continued to be Marlboro—the country's best-selling cigaret—which achieved a 22.3% market share, up 1.2 points from 1984.

PM launched Marlboro Red and Marlboro Lights in full-priced kingsize 25 packs nationally in January, 1985. It spent $87.5 million in measured advertising for the Marlboro line, according to Leading National Advertisers, nearly 11% of its total measured ad spending. LNA itemized figures do not include national newspaper spending, which can be considerable in cigaret advertising.

PM entered the price-value segment of the cigaret market in 1985 because consumer acceptance of brands in the lower priced or "value" category had reached a level it could tap. In December, PM extended its Players line when it launched nationally Players Lights 25s at the same suggested price as 20-unit cigaret packages. It was PM's first entry into the growing price-value segment.

In the beginning of this year, PM rolled national with its reformulated Cambridge cigaret line, which is cast as a branded generic. The 12mg tar cigaret is available in regular and menthol, and is PM's attempt to challenge RJR's Doral, the first branded generic.

Cambridge sells at about the same price as unbranded, no-frills and private-label generics. Advertising support is being handled by Leo Burnett USA, which has handled several other PM brands, including flagship Marlboro, for 32 years.

Virginia Slims, the best selling women's cigaret in the country with a 2.7% total market share, expanded in 1985, when PM introduced Virginia Slims Lights 120s, available in regular and menthol. Magazine, newspaper, outdoor and point-of-purchase advertising broke in October, also via Burnett. PM spent $11.8 million on the new cigaret.

Despite an ad campaign that broke in July, 1985, PM's second leading brand, Benson & Hedges, decreased its share of the domestic market last year from 4.8% to 4.7%. PM spent $37.5 million on its B&H line, handled by Wells, Rich, Greene, New York. The agency assignment was up for review among WRG, Burnett and Backer & Spielvogel with a decision due in late July.

After its merger with PM, General Foods was restructured into three operating segments: U.S. grocery products, worldwide coffee and international products, and processed meats.

During the last two months of 1985, the only period for which GF financial figures are available because of the merger with PM, General Foods had an operating income of $116 million on sales of $1.6 billion. For 1984, GF reported net income of $325 million on sales of $9.02 billion. It spent $450 million on U.S. advertising in 1984, up 13.2% from the prior year.

Crystal Light diet drink mixes, introduced in 1984, remained the leader in the NutraSweet-flavored powdered drink mix category, despite challenges from Thomas J. Lipton Inc. and Sunkist. Measured ad spending in 1985 totaled nearly $18 million. GF began testing several new products under the Crystal Light name in 1985, including three new flavors and decaffeinated fruit teas.

GF makes several other drinks including Tang, Kool-Aid and Country Time. It expanded its Kool-Aid line in the summer of 1985 with a limited rollout of Kool-Aid Koolers, GF's entry into the aseptic-packaged drink category. The company spent $22.2 million in measured advertising on its Kool-Aid products.

In April, 1985, GF rolled national with sugar-free Tang breakfast drink, spending nearly $6.5 million on tv, couponing and other promotions. Combined ad spending for all Tang products amounted to $12 million in measured media.

Late in the year, GF's Oscar Mayer unit began national distribution of Oscar Mayer Select Slices, sliced meats made from whole meat rather than mixed processed meats. GF spent $14.5 million on its entire line of Oscar Mayer products.

Other products on which GF invested heavily in measured advertising were Jell-O products ($57.4 million), Louis Rich products ($14.5 million), Stove Top stuffing ($10.9 million), Birds Eye Cool Whip ($9 million), Minute Rice ($8.2 million), Birds Eye frozen foods ($7.1 million), Shake 'n Bake ($6.8 million) and Good Seasons salad dressings ($6.2 million).

GF spent $33.8 million on measured advertising in 1985 for its Maxwell House coffee line, which remains the leading coffee brand in the country. Combined with Sanka and several other brands, GF commands a 41% market share.

GF rolled national last year with Maxwell House decaffeinated instant coffee and began testing Maxwell House Master Collection, a family of whole-bean and ground-premium coffees.

It also introduced fresh-lock packaging for the ground-roast regular and decaffeinated varieties of Maxwell House and Master Blend.

GF spent $14.6 million on its Brim coffee line, $19.2 million on Sanka and $17.3 million on General Foods International Coffees.

In a year of record volume and sales in the cold-cereal market, General Foods' Post cereals decreased in market share from 13.3% to 12.4% in sales and from 14.3% to 13.3% in volume. Analysts say GF suffers from a lack of new product introductions for cereals in addition to a share decline for its traditional brands.

GF's leading brand, renamed Post Natural Raisin Bran, barely made it into the top 10 cereals with a 2% market share in dollars and a 2.6% share in volume.

This represents a slight decrease from 1984. A new ad campaign featuring singer John Denver backs the cereal, which has had the preservatives and the sugar coating on the raisins removed. Grey Advertising, New York, handles the $15 million campaign.

GF also spent $22.1 million on Grape Nuts, which commands a 1.8% market share in sales and 2.4% in volume; $17.1 million on Fruit & Fibre, which has 1.7% and 1.6% market shares, and $5.7 million on Super Golden Crisp, with a 1.2% share in dollars and volume.

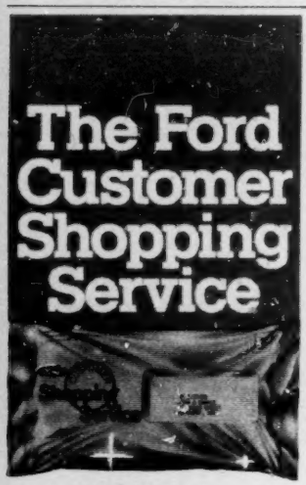
Among all PM products, its Miller beer line receives the largest amount of advertising support. PM spent $133.5 million on measured advertising in 1985, 16.4% of its total ad expenditures, on Miller advertising and promotions.

The largest share was spent on network tv spots for Miller High Life and Lite beer from Miller, the nation's leading light beer.

Miller Brewing Co. had operating income of $136 million in 1985, a 16.7% increase, on sales that declined by 0.5% to $2.9 billion. Sales for Miller High Life declined last year, leading to the over-all sales drop. Miller also introduced Miller High Life Genuine Draft in 22 states early this year.

Although operating income for PM's Seven-Up Co. increased for the year, sales declined. The lemon-lime soft drink still leads that segment of the soft drink market, but with a market share of only 53.1%, down from 64.1% in 1984, losing to Coca-Cola's Sprite and especially to PepsiCo's Slice.

Measured advertising in 1985 amounted to $15.6 million for Diet Seven-Up and $20.7 million for its regular brand. In July, 1985, the PM subsidiary shifted its Seven-Up account from N W Ayer to Leo Burnett USA, Chicago. The shift was made, according to some sources, because of a disagreement between the client and Ayer over use of the brand's "Uncola" ad theme.



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How much do domestic cosmetic companies spend to advertise in international publications?

Turn to LNA for answers.
See page 93

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$215,038	$188,619
Newspaper	78,031	73,041
Newsp. supp.	20,895	14,357
Bus. pubs.	1,439	3,401
Network tv	348,281	351,939
Spot tv	138,970	143,572
Network radio	2,076	1,704
Spot radio	25,808	29,391
Outdoor	66,991	55,576
Network cable	21,261	14,811
Total measured	918,791	876,411
Unmeasured	481,209	459,013
Total	1,400,000	1,335,424

PHILIP MORRIS CO.
120 Park Ave.
New York, N.Y. 10017
(212) 880-5000
PHILIP MORRIS USA
Marketing Personnel

William I. Campbell, exec vp-mktg
James L. Thompson, vp-media
Vincent J. Buccellato, vp-sales
John J. Gillis, vp-natl accts
Edwin J. McQuigg, dir-sales services
Jon N. Zoler, dir-mktg rsch
Claude A. Beck, dir-media
Vincent J. Weiner, dir-special media
Daniel Tso, dir-new brand devel
Robert P. Roper, group dir-brand mgmt
Ellen Merlo, group dir-brand promo
William K. Cutler, dir-merch materials
Barbara A. Reuter, group mgr-mktg promos
Cathy L. Leiber, mgr-mktg promos, Marlboro
Emmie-Sue LaBauve, mgr-mktg promos, Benson & Hedges
Diane Desfor, mgr-mktg promos, Virginia Slims Tennis
Esther L. Fortner, mgr-mktg promos, Merit & Virginia Slims
James D. Mackey, mgr-trade programs/direct mktg
Mark G. Hulit, mgr, Marlboro promos
Celestia L. Kohl, mgr, Marlboro promos
Richard L. Stirlen, dir-brand mgmt
James Spector, dir-brand mgmt
Herbert H. Foster III, brand mgr, new prods
Nancy E. Brennan, brand mgr, Marlboro
Renee V. Simons, brand mgr, Benson & Hedges
Susan H. Alter, brand mgr, Merit
Richard J. Camisa, brand mgr, Player Lights 25's
James A. Scully Jr., brand mgr, Virginia Slims

Advertising Agencies

Backer & Spielvogel, New York—Parliament—Joe Prior, sr vp-mgmt rep; Chuck Nemetz, vp-acct dir; Kathy McCarthy, acct super.

Leo Burnett USA, Chicago—Marlboro, Merit, Virginia Slims, Player Lights 25's, new prods—Jim Oates, sr vp-acct dir; Peter Volz, vp-acct dir.

Wells, Rich, Greene, New York—Benson & Hedges, Players—Arnold Weinrib, sr vp-acct mgmt; Vince Minicucci, acct controller; Harry Kannar, acct controller asst; Cindy Goodwin, acct exec, Benson & Hedges; Julie Treacy, acct super; Irene Cyprus, acct exec asst.

PHILIP MORRIS INTERNATIONAL
New York, N.Y.
Marketing Personnel

Elizabeth Butson, vp-mktg services, PMI
Franklin Caton, mgr-mktg support services, PMI
Alice Liu, mgr-mktg rsch

Advertising Agency

Leo Burnett USA, Chicago—Jim Oates, sr vp-acct dir.

MILLER BREWING CO.
Milwaukee, Wis.
Marketing Personnel

Robert A. Toledo, vp-brand mgmt
Leonard J. Goldstein, sr vp-sales
Jerome F. Schmutte, group prod dir, Miller High Life, Genuine Draft, new prods
Jay R. Neidenberg, group prod dir, Lite, Meister Brau, Lowenbrau, Milwaukee's Best, Magnum
William H. Barrett, dir-mktg services
Tamara J. Hauck, brand mgr, Lowenbrau
Michael J. Boykin, brand mgr, Meister Brau, Milwaukee's Best, Magnum
Thomas M. Gresk, new prod brand mgr

Advertising Agencies

Backer & Spielvogel, New York—Lite, Meister Brau, Milwaukee's Best, new prods—Jeffrey Palmer, sr vp-group mgmt rep; Frank Assuma, vp-mgmt super; Michael R. Russell, acct super; Roberto Calderin, super-Hispanic speaking mkt; Thomas J. Mendl, acct exec; William C. Renwick, asst acct exec; Nancy Favlik, asst acct exec.

Leo Burnett USA, Chicago—new prods—John Kovos, acct dir; Bob Heller, acct super; Mark Zimmerman, acct exec.

Mendoza, Dillon & Associados, Newport Beach, Cal.—Hispanic adv, Miller High Life, Miller Life, Lowenbrau—Eduardo Del Rivero, vp-acct services.

Mingo Jones Advertising, New York—genl & black mktg, Miller High Life, Lite beer—Sam Chisholm, sr vp-dir client services; Bill McGuginis, vp-mgmt super, Miller High Life; Darryl Pilliard, acct super, Miller High Life ; Roland Chandler, vp-mgmt super, Lite; Calvin McDowell, acct super, Lite.

J. Walter Thompson USA, Chicago—Lowenbrau—William Howard, sr vp-acct dir.

J. Walter Thompson USA, New York—Miller High Life—Steven Bowen, genl mgr, exec vp; Tim Arnold, sr vp-mgmt dir; Marty Susz, vp-acct dir; Andrew Rider, vp-acct super; Ander Wensberg, acct exec; Susan Sheldon, acct rep.

SEVEN-UP CO.
St. Louis, Mo.
Corporate Personnel

Edward W. Frantel, president-ceo
Charles W. Schmid, exec vp, soft drink group
Dick Helmey, vp-foodservice prods div

Marketing Personnel

David Haffner, vp-mktg
Ralph L. Countryman Jr., vp-media services
Brian H. Schuyler, brand mgmt

Advertising Agency

Leo Burnett USA, Chicago—7UP, Diet 7UP, Like—John Kozas, acct dir.

OREGON FREEZE DRIED FOODS
Corporate Personnel

Herbert Aschkenasy, president

Marketing Personnel

William Impey, vp-sales & mktg

Advertising Agency

Evans/Kraft, Seattle, Wash.—freeze dried foods and ingredients—Jim Clune, acct super.

MISSION VIEJO REALTY GROUP
Mission Viejo, Cal.
Corporate Personnel

Philip J. Reilly, president-ceo
James G. Gilleran, exec vp
Jack G. Raub, exec vp
James G. Toepfer, exec vp

Advertising Agency

William Green Associates, Costa Mesa, Cal.—Bill Green, president; Pauline Johnson, acct exec-office mgr; Dave Martin, creative dir.

GENERAL FOODS CORP.
250 North St.
White Plains, N.Y. 10625
(914) 335-2500
Corporate Personnel

James L. Ferguson, chmn-ceo
Philip L. Smith, president-coo
E.R. Shames, sr exec vp
J.M. Hiegel, exec vp-ceo, Oscar Mayer Foods Corp.
R.L. Seelert, sr exec vp
J.C. Tappan, group vp
R. Sansone, group vp
D.W. Johnson, vp-president, ceo Entenmann's Inc.

Marketing Personnel

L.A. Nelson, vp-sales
R. E. Haynes, creative services dir
D.K. Braun, media services dir
W. Shaw, promo services dir

BREAKFAST FOODS DIVISION
Corporate Personnel

D.F. Hurwitt, vp-genl mgr

Marketing Personnel

D.J. Gustin, mktg mgr-cereals
Gary Voorhees, devel mgr

Advertising Agencies

Ted Bates Advertising/New York—Log Cabin—Lawrence Epting, exec vp; Michael Townsend, sr vp-mgmt rep; Stuart Upson, Marci Glanz, vp-acct supers; Steve Cunetta, acct exec.

Grey Advertising, New York—Post Raisin Bran, Grape Nuts, Honeycomb, Grape Nuts Flakes, Fruit & Fibre, 40% Bran Flakes, Horizon Trail Mix—Malcolm Mace, sr vp-mgmt rep; Carolyn Carter, Peter Isaia, vps-mgmt supers, Post Bran Flakes, Fruit & Fibre; Carolyn Carter, vp-mgmt super, Grape Nuts; Carol Herman, vp-mgmt super, Honeycomb; Patti Dyson, vp-mgmt super, Raisin Bran, Horizon Trail Mix; Tina Gallagher, acct super, Raisin Bran, Honeycomb; Christy Graf, acct super, Grape Nuts; Brendan Hanrahan, acct super, Horizon Trail Mix.

Ogilvy & Mather, New York—Alpha Bits, Pebbles, Super Golden Crisp, Honey Nut Crunch, Raisin Bran, Post Tens, Smurfberry Crunch, new prods—Peter Barnet, sr vp-group dir; Cynthia Grant, vp-mgmt super; Eva Page, Bob Hay, acct supers; Susan Ehrlich, James Bell, Maureen Math, acct execs.

ENTENMANN'S INC.
Corporate Personnel

D.W. Johnson, GF vp, president-ceo

Advertising Agency

Benton & Bowles, New York—Bill Munroe, group dir; Tom Lentz, acct super; Minott Wessinger, acct exec.

MAXWELL HOUSE DIVISION
Corporate Personnel

S.B. Morris, GF vp-genl mgr

Marketing Personnel

C.R. Hummel, dir-long range planning
W. Robinson, mktg mgr

Advertising Agencies

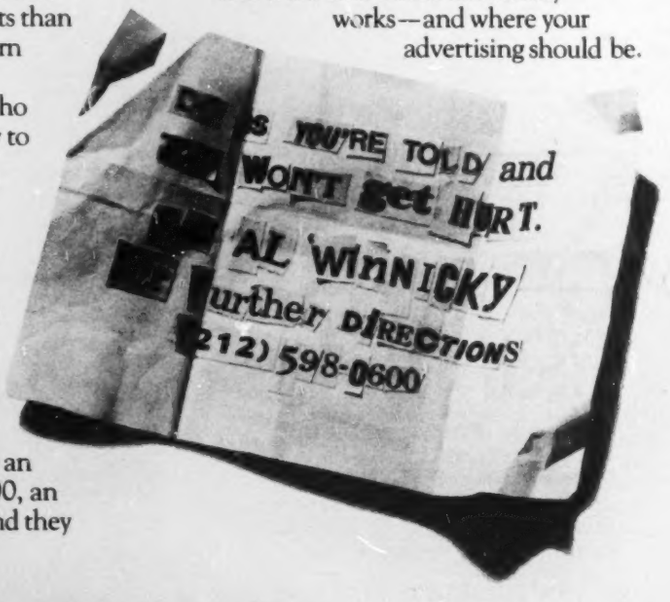
Benton & Bowles, New York—Brim, Yuban—Bill Munroe, group dir; William

When asked why he robbed banks, Willie Sutton replied: "Because that's where the money is."

Willie was no dope. He knew the secret of business success: Go where the money is. But for advertisers, going "where the money is" doesn't go far enough. They should go "where money works" because people who make money work are better prospects than people who work for money. They earn more, invest more, spend more.

These are the kinds of people who read DOWLINE. It shows them how to make the most of Dow Jones News/Retrieval® and DowPhone,® two services that bring the vast news-gathering resources of Dow Jones to subscribers electronically and by phone. DOWLINE gives influential business people and active investors practical guidance on how to use information to make the right business and investment decisions. No wonder DOWLINE readers have an average household income of $75,000, an investment portfolio of $163,000, and they trade an average of 20 times a year.

Come to think of it, if Willie Sutton had realized how successful our readers are, he might have stopped robbing banks, and started reading DOWLINE. Because DOWLINE is where the money works—and where your advertising should be.



DOWLINE
Where money works.

Badger, acct dir; Lance Smith, acct super, Brim; Andrew Salzman, acct super, Yuban; Priscilla Natkins, acct exec, Brim; Tina Schnucki, acct exec, Yuban

Ogilvy & Mather, New York—Maxwell House brands—Peter Barnet, sr vp-group dir; Mel Kiselik, vp-mgmt super; Rick Roth, Mark Greene, Jill Ghari, vps-acct supers; Melissa Bernhardt, Betsy Lembeck, Debra Kohn, Kathryn Pugh, acct execs.

Young & Rubicam, New York—Sanka, International Coffees—Larry Shapiro, group dir; Arlene Brickner, mgmt super, Senka; John Swan, mgmt super, Gevalia, international coffee, new prod devel; Kim Bealle, acct super, Sanka; James Siegel, acct super, Gevalia; Larraine Alhadeff, acct super, international coffee.

FOOD SERVICE PRODUCTS DIVISION

Corporate Personnel

A.R. Plassche, GF vp-div president

Marketing Personnel

E.S. Caso, operating & logistics dir
J.M. Harran, mktg & devel dir

BEVERAGE DIVISION

Corporate Personnel

W. Korab, GF vp-genl mgr

Marketing Personnel

Bob Tuckis, devel dir

Advertising Agencies

Benton & Bowles, New York—Crystal Light, new prods—Tom Carey, mgmt dir; Ray Marione, acct dir, Crystal Light; Mike Dabrowski, acct super, Crystal Light; Stuart Pearlman, acct exec, Crystal Light.

Grey Advertising, New York—Kool-Aid, Diet Sun—Malcolm Mace, sr vp-mgmt rep; Carol Herman, vp-mgmt super, Kool-Aid; Patti Dyson, vp-mgmt super, Diet sun; Hal Fass, acct super, Kool-Aid.

Ogilvy & Mather, New York—Country Time, sugar free Tang, Tang—Peter Barnet, sr vp-group dir; Curtis LeSage, vp-mgmt super; Eva Page, Louise Oelbaum, acct supers; Marjorie Kaplan, acct exec.

DESSERTS DIVISION

Corporate Personnel

R.G. Viault, GF vp-group exec

Marketing Personnel

D.A. Smith, mktg mgr-established brands
Rick DeSantis, mktg mgr-frozen novelties

Advertising Agencies

Benton & Bowles, New York—Cool Whip, new prods—Tom Carey, mgmt dir; William Badger, acct dir; Lance Smith, acct super; Susan Freeman, acct exec.

Grey Advertising, New York—Baker's chocolate, coconut, D-Zerta, Dream Whip, Minte Tapioca, Sure-Jell, Whip, Soft Swirl—Jack Frantz, sr vp-mgmt rep; Jerry Zaret, vp-mgmt super; Brenda Hanrahan, acct super, Soft Swirl; Peter Scott, acct super-all other prods.

Young & Rubicam, New York—Jell-O Fruit & Cream, Jell-O gelatin, Jell-O fruit bars, Jell-O Gelatin Pops, Sugar-free Jell-O, Jell-O Pudding Pops, Jell-O pudding—Larry Shapiro, group dir; Rick Bodge, mgmt super; Christopher Ponzio, Fran Gormley, acct supers.

MEALS DIVISION

Corporate Personnel

C.J. Bowen, vp-genl mgr

BIRDS EYE AGRICULTURAL UNIT

Corporate Personnel

C.A. Adamo, mgr

Advertising Agency

Young & Rubicam, New York—Birds Eye frozen vegetables, fruits—Larry Shapiro, group dir; Clark Brooks, mgmt super; James Siegel, acct super.

DRY GROCERY PRODUCT UNIT

Marketing Personnel

L.D. Juliber, mgr

Advertising Agencies

Grey Advertising, New York—Minute Rice, Minute Rice mixes, Stove Top stuffing mix, Oven Fry coating—Jack Frantz, sr vp-mgmt rep; Jerry Zaret, vp-mgmt super.

Ogilvy & Mather, New York—Shake 'n Bake, Open Pit—Dave Wardin, sr vp-group dir; Betsy Wiser, vp-mgmt super; Ken Ramonat, acct exec.

RONZONI FOODS CORP.

Corporate Personnel

R. Ronzoni, president

Marketing Personnel

R.J. Pizzuti, mktg mgr

Advertising Agency

Young & Rubicam, New York—pasta, other prods—Larry Shapiro, group dir; Clark Brooks, mgmt super; Sheldon Lipton, acct super.

OSCAR MAYER SECTOR

OSCAR MAYER FOODS

Chicago, Ill.

Corporate Personnel

J.M. Hiegel, GF exec vp-div chmn-ceo
J.W. McVey, GF vp-div president
R.L. Tolleson, GF vp-div exec vp

Advertising Agency

J. Walter Thompson USA, Chicago—Oscar Mayer brands—John Furr, sr vp-group acct dir; Jerry Johnston, vp-acct dir; Kimberly Miller, Corrine Sidler, Chris Rector, acct supers; Diane Kucera, Jennifer Lord, Pam Berland, acct reps.

LOUIS RICH

Marketing Personnel

Bryan Stockton, mktg mgr

Advertising Agency

Ted Bates Advertising/New York—Louis Rich meats—Lawrence Epting, exec vp; Michael Townsend, sr vp-mgmt rep; Stuart Upson, Lisa Brown, vps-acct supers; Nancy Katz, acct exec.

CHEESE DIVISION

Corporate Personnel

B.G. Laregh, GF vp-div president

Marketing Personnel

R.H. Ogden, mktg mgr

GF INTERNATIONAL

Advertising Agency

Ogilvy & Mather, New York—Peter Barnet, sr vp-group dir; Curtis LeSage, mgmt super; James Bell, Matt Thornhill, acct execs.

RANK **17**

Pillsbury Co.

Minneapolis

($ in millions)

Worldwide	1986	1985	% chg
Sales	5,848	4,843	20.8
Net income	208	192	8.3
U.S.	**1986**	**1985**	**% chg**
Sales	5,374	4,442	21.0
Operating profits	484	394	22.9
Advertising	473	449	5.5
Division sales	**1986**	**1985**	**% chg**
Consumer foods	3,029	2,580	17.4
Restaurants	2,663	2,053	29.7
Commodities	156	210	(25.7)

Pillsbury Co., substantially boosting its over-all advertising and promotion budget last year, was fueled by strong sales in the Minneapolis company's food and restaurant divisions.

Worldwide, Pillsbury's advertising and promotion budget, which includes some selling costs, increased 28% to $525 million reported to the SEC during fiscal 1986, which ended May 31. Ad and promotion costs in the U.S. were not disclosed, but were estimated by Advertising Age.

Fiscal 1986 was Pillsbury's 15th straight year of increased sales and earnings. Strong sales increases in the consumer foods and restaurants divisions boosted net income 8% to $208 million from $192 million in 1985, and sales were up 21% to $5.8 billion from $4.8 billion in 1985.

Consumer food sales rose 17% to $3.03 billion, and restaurant sales grew by 30% to $2.66 billion, while sales in Pillsbury's commodities division continued to fall, skidding 18% to $182 million from $223 million in 1985, reflecting a general downward trend in commodities pricing. That decrease mirrors a similar drop between 1984 and 1985.

Measured advertising rose 11.1% during calendar 1985 from $234.0 million to $246.9 million—with $172 million spent advertising Pillsbury's growing flock of restaurants, according to Leading National Advertisers. Including spending by local franchisees, advertising spending on the restaurant division hit $190 million in 1986.

Television by far dominates spending in the restaurant division with spot tv taking $96 million, up 15% from 1984, and network tv $74.8 million, up 35%. Burger King total measured advertising of $156 million was virtually all in television—$83.9 million in spot, up 7.4%, and $71.1 million in network, up 38.6%. Tv spending for Burger King does not include this year's $40 million "Herb" blitz. Godfather's Pizza was supported with $8.7 million, all in spot tv, and Steak & Ale drew $3.2 million in spot, up 33%, and $3.7 million in network, down 9%.

Acquisitions were key last year to Pillsbury's transition from a folksy seller of flour and food ingredients to slick marketer of prepared foods and consumer goods.

After months of rumors, last December Pillsbury bought Jeno's, its frozen pizza rival, based in Casselberry, Fla. The purchase, for an undisclosed sum, gave Pillsbury, already the marketer of No. 1 Totino's pizza, the nation's No. 2 pizza and a 50% slice of the $813 million frozen pizza market.

In other acquisitions, Pillsbury bought R.T. French's dehydrated and fresh potato unit and Peoria, Ill.-based Joan of Arc Co., a canned vegetable and salads business, increasing its canned product line by one-third. In addition, Diversifoods, an Itasca, Ill.-based restaurant holding company, was bought for $386.4 million, marking the largest acquisition in Pillsbury's history.

Diversifoods, bought in May, 1985, delivered to Pillsbury the largest Burger King franchisee in the nation and 1,000 other restaurants, including Godfather's Pizza, Bennigan's, Quik Wok and Steak & Ale restaurants. Two other additions to the restaurant division are Bay Street and Key West Grill, which is testing in Florida, a Pillsbury spokesman says.

Full service restaurants, such as Bennigan's and Steak & Ale, enjoyed a good year as sales climbed 13% in 1986 to $722 million.

In the seven months after the Diversifoods buy, Pillsbury showed its backing for Omaha-based Godfather's Pizza with $8.7 million in measured ad spending, virtually all of it spot tv.

Pillsbury restaurants' sales, including franchise revenue, amounted to $2.66 billion, up 29.7% with an operating profit of $304.7 million, up 38.5%.

The consumer products division includes vegetable and side dishes, prepared dough products, main meals, light meals and snacks, and bakery and sweet goods.

In addition to the acquisition of Jeno's Pizza, a barrage of new products helped Pillsbury maintain its strong market share in half of the company's domestic product categories. Green Giant Valley Combinations frozen vegetables, Haagen-Dazs ice cream bars as well as a new line of Pillsbury microwave and prepared dough products were just some of the division's new entries.

Microwave and toaster products led the meals and snacks division in new product introduction. Pillsbury expanded its microwave line with French Bread Pizza and Classic Casseroles, and toaster muffins debuted this summer in grocery freezers. In addition, Azteca, a new line of Mexican foods, is now being test marketed. Overall, the meals and snacks division, with $562 million in sales, showed a 43% gain in 1986, while the breads and bakery division showed only a slight increase of 2% with $1.21 billion in sales.

Pillsbury dough, the largest product category in the breads and bakery division, added new products to its line—Pillsbury BEST soft, spoonable cookies in four varieties, Crusty French Bread, and All Ready Pizza Crust.

Pillsbury is moving increasingly toward ready-to-eat foods, as is competitor Procter & Gambie, which is deemphasizing standard cake mixes in its Duncan Hines brand as the market demands more easier-to-prepare finger food mixes, such as muffins and brownies, where it is running headlong into the province of General Mills' Betty Crocker line.

Pillsbury announced earlier this year that traditional company products like dry mixes and refrigerated dough, which now make up 52% of annual sales, are expected to account for just 33% of sales in 1990. In other consumer food group divisions, vegetable and side dishes' sales were up 39% in 1986 to $701 million and ice cream sales saw a 14% gain to $157 million.

Two acquisitions in the vegetable and side dishes division, R.T. French's dehydrated and fresh potato unit and Joan of Arc Co., gave the company more visibility in both canned and potato product specialty lines. With these acquisitions, Green Giant increased its canned vegetable volume 13% in fiscal year 1986. New Valley Combinations frozen vegetables and a new entry in the division—Special Additions, which combines vegetables with separately packaged toppings—helped Green Giant increase its frozen volume 7%.

Pillsbury admitted that sales and profits for BK was well below expectations. Burger King, which now holds approximately 17% of the domestic hamburger market, began a new ad effort in June under the theme "This is a Burger King town." Ad spending figures for the effort are not available.

Earlier this year, after the American public digested BK's search for Herb (a mythical fellow who had never been to a Burger King), the fast food marketer introduced Chicken Tenders to the crowded chicken nugget market. But a combination of consumer demand and supply problems, traced in part to McDonald's purchase of every available chicken scrap in the U.S. while Wendy's readied its own chicken product, hampered the March 30 introduction.

Burger King restaurants across the country were running out of Chicken Tenders by late April, forcing BK to stop national advertising for the product until mid-August.

In 1986, competition pushed BK to seek out unconventional locations for its restaurants. Military bases, shopping malls and toll roads offered a new home for the Whopper, as college campuses and recreational areas saw the emergence of BK's Mobile Express. BK rolled out eight mobile fast-food units so far this year and is planning additional units in 1987.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$4,675	$2,505
Newspaper	769	1,965
Newsp. supp.	0	80
Bus. pubs.	254	349
Network tv	115,861	106,983
Spot tv	112,374	108,506
Spot radio	11,006	12,014
Outdoor	1,261	893
Network cable	728	757
Total measured	246,927	234,053
Unmeasured	226,293	214,494
Total	473,220	448,547

PILLSBURY CO.
200 S. 6th St.
Minneapolis, Minn. 55402
(612) 330-4966

U.S. FOODS

Corporate Personnel

Tom McBurney, chmn
Kent Larson, president

Marketing Personnel

Tom Gartner, vp, growth & devel
Don Osell, vp-mktg services
Ron Kos, dir-adv services

BAKERY/SWEET FOODS DIVISION

Corporate Personnel

Bob Lindsay, vp-genl mgr
Dan Locke, vp

Marketing Personnel

David Webber, dir-mktg

LIGHT MEALS & SNACKS DIVISION

Corporate Personnel

Dick Nickel, vp-genl mgr

Marketing Personnel

Dick Anderson, dir-mktg, pizza
Jeff Christensen, dir-mktg,microwave & toaster prods

VEGETABLE & SIDE DISH DIVISION

Corporate Personnel

Gary Klingl, vp-genl mgr

Marketing Personnel

Dixon Lewis, dir-mktg, canned vegetables
Rebecca Roloff, dir-mktg, frozen vegetables

PREPARED DOUGH PRODUCTS DIVISION

Corporate Personnel

Mike Paxton, vp-genl mgr

Marketing Personnel

Dudley Hauser, dir-mktg
Robbie Westmoreland, group vp-industrial foods

MAIN MEALS

Dan Barnett, vp-genl mgr

BURGER KING CORP.
Miami, Fla.

Marketing Personnel

Tom Sawyer, vp-mktg
Ray Hood-Phillips, dir-adv & promo
Tom Kettinger, dir-adv & promo
Greg Thomas, dir-adv & promo
Melanie Wisniewski, dir-adv & promo
Dick Ambrose, dir-field mktg
Denis Hitchmough, dir-media
Barry Schwartz, dir-mkt rsch

Advertising Agencies

BBDO, New York—All-ready pie crusts, Pillsbury microwave prods, artificial sweeteners, new prods—Robert Spofford, mgmt super.

Leo Burnett USA, Chicago—Green Giant prods, refrigerated foods, Hungry Jack potatoes & pancakes, Totino's pizza, Jeno's pizza—Bill Boris, exec vp; Edson Sessions, acct dir.

D'Arcy Masius Benton & Bowles, Los Angeles—Van de Kamp's frozen seafood and entrees—Andy Bielansky, vp-mgmt super.

Ketchum Advertising, San Francisco—family flour, Figurines, Milk Break milk bars, new prods—Robert Kroyer, ceo; Anne Fisher, mgmt super; Rosilyn Young, acct super; Kathleen Brunswick, acct exec.

Marketing Southwest, San Antonio, Tex.—Quik Wok restaurants—Nancy McWethy, acct super.

Pride, Barber & Pride, Minneapolis—bakery flour, mixes & equipment—William Barber, president, dir client services.

SSC&B:Lintas, New York—Steak & Ale,

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mgmt super.
J. Walter Thompson USA, New York—Burger King—Stephen G. Bowen Jr. sr vp.
UniWorld Group, New York—Burger King minority adv—Byron Lewis, chmn-ceo; Andy Bonaparte, acct exec.
Castor Spanish Int'l—Hispanic adv.

HAAGEN-DAZS ICE CREAM (including Sedutto Ice Cream)
Teaneck, N.J.
Marketing Personnel
Beth Bronner, vp-mktg
James E. Richards, vp-sales
Advertising Agency
McCann-Erickson, New York—Haagen-Dazs—John Dooner, head acct rep; Steve Hurwitz, sr vp-group dir; Dana Ferguson, vp-acct super; Kendra Haaland, acct exec.

S&A RESTAURANT CORP.
Dallas, Tex.
(Steak & Ale, Bennigan's)
Marketing Personnel
Lane Cardwell, sr vp-strategic planning
Scott Burcham, vp-mktg, Bennigan's
Norma Karter, mktg mgr, Bennigan's
Ruth Reed, dir-mktg, S&A
Rich Martino, mktg mgr, S&A
Advertising Agencies
Rosenberg & Co., Dallas, Tex.—Bennigan's—Trey Morgan, acct exec.
SSC&B/Lintas, New York—Steak & Ale—Robert D. Wadsworth, exec vp.

VAN DE KAMP'S FROZEN FOODS DIVISION
Long Beach, Cal.
Marketing Personnel
Brent Bailey, vp-mktg
Peter Nolan, vp-sales
Advertising Agency
D'Arcy Masius Benton & Bowles, Los Angeles, Cal.—Today's Catch frozen fish, battered and breaded fish, Mexican, entrees—Andy Beilaesky, mgmt super; Diane Krouse, acct exec.

AZTECA CORN PRODUCTS CORP.
Chicago, Ill.
Marketing Personnel
Thomas P. Gworek, natl retail sales mgr
Renee Togher, assoc mktg mgr
Advertising Agency
Keroff & Rosenberg Advertising, Chicago—Azteca brand tortillas—Chas Rosenberg, exec vp-creative dir.

GODFATHER'S PIZZA
Omaha, Neb.
Marketing Personnel
Charles Henderson, vp-mktg
James McBride, vp-adv & sales promo
Joann Kelly, dir-field mktg
Advertising Agency
J. Walter Thompson USA, Chicago—Mark Pearson, sr vp-group acct dir.

RANK **1**

Procter & Gamble

Cincinnati

($ in millions)

Worldwide	1986	1985	% chg
Sales	15,439	13,552	14.0
Net income	709	635	12.0
U.S.	**1986**	**1985**	**% chg**
Sales	11,210	10,243	9.4
Operating profits	634	521	22.0
Advertising	1,600	1,462	9.4
Division sales	**1986**	**1985**	**% chg**
Cleaners	5,348	4,844	10.4
Personal care	6,451	5,107	26.3
Food & bevs.	2,923	2,815	3.8
Other	1,161	1,237	(6.1)

Procter & Gamble Co. strengthened its position as the largest national advertiser in 1985 with U.S. advertising and promotion expenditures of $1.6 billion, including spending for its newly acquired Richardson-Vicks subsidiary.

P&G spent the latter part of fiscal 1986, ended June 30, integrating not only R-V, but a newly acquired G.D. Searle & Co. division into its operations. The $1.55 billion acquisition of Wilton, Conn.-based Vicks brought under the P&G umbrella such well-known brands as Oil of Olay, Clearasil and the Vicks line of cold remedies. R-V earned $72.2 million on sales of $1.2 billion in the fiscal year ended June 30, 1985. P&G got Searle over-the-counter pharmaceutical brands—Metamucil, Dramamine and Icy Hot—from Monsanto Co., St. Louis, in a sell-off following Monsanto's purchase of Searle.

Throughout the 1985-86 fiscal year, P&G's product lines increased sales and market share, but the company says a higher tax rate and interest expense stemming from the acquisitions masked a stronger year-to-year gain in operating earnings.

P&G's acquisition of Vicks enables the company to forge ahead in otc pharmaceuticals with already established brand names. In a letter to shareholders, P&G said the Vicks and Searle purchases make P&G the leading otc pharmaceutical marketer.

"The merger gives P&G exposure in businesses it's been trying to build, such as otc drugs. It gives it an entree into skincare and nutrition and adds products to categories in which Procter is already strong, like haircare," says Jay Freedman, household products analyst with Kidder, Peabody, New York.

With the Vicks acquisition, P&G also gained distribution synergies, with P&G strong in food and mass retail outlets and Vicks strong in drug outlets. "R-V and P&G's combined distribution will be helpful to both companies, particularly overseas [where Vicks is noted for its market coverage]," says Hugh Zurkuhlen, P&G analyst with Salomon Brothers, New York.

P&G alone spent more than $1.09 billion in worldwide advertising and promotion in fiscal 1985, ended June 30, says the company. Vicks in its fiscal 1985, ended June 30, reported its selling, advertising and administrative expenses as $604.2 million, down from $622 million in the prior year. Of that 1985 total, about $400 million was in actual advertising and promotion.

According to seven media measured by Leading National Advertisers, P&G (and R-V) advertising for 1985 totaled $926.5 million, up 9% from a combined $850.3 million in 1984. Both years include full-calendar-year totals for both P&G and R-V.

The P&G-Vicks merger added substantially to the combined company's ad spending and media clout. Vicks helped P&G further its claim as the world's biggest tv spender. In network tv, P&G now spends a hefty $200 million more than No. 2 American Telephone & Telegraph, nearly double AT&T's total spending.

Vicks' $70 million tv budget mainly supports its cold remedies, primarily NyQuil, DayQuil and Vicks Formula 44D. P&G handles network tv negotiations in-house.

P&G in April, 1986, began redistributing product responsibilities for Vicks and Searle brands in an effort to eliminate duplication and to take advantage of different marketing and development strengths.

Vicks continues to operate as a separate subsidiary, with its president and ceo, John S. Scott, reporting to P&G president John Pepper. P&G's beauty care division takes over Vicks' Vidal Sassoon and Pantene haircare products, and its health and personal care unit will handle the Denquel oral care line, Tempo antacid and Searle's Metamucil. Vicks assumes responsibility for Chloraseptic and Head & Chest cold remedies, Norwich aspirin, Encaprin analgesic, Wondra hand-and-body lotion and Searle's Dramamine and Icy Hot.

The merger and the subsequent brand realignment led to agency changes. The biggest move took $45 million in measured media spending for Vick's Oil of Olay and Vicks Formula 44 away from Young & Rubicam, New York. The agency change was expected. P&G has one of the strictest advertising-conflict policies. While Y&R did not hold any conflicting accounts with its Vicks products, it is a major agency for P&G's main competitor, Colgate-Palmolive, which Y&R joined several years ago after dropping its P&G business.

Oil of Olay was given to Wells, Rich, Greene, New York, which handles P&G's Prell, Sure and Spic 'n Span, among other products. D'Arcy Masius Benton & Bowles, New York, picked up Vicks Formula 44, an estimated $12 million account, but lost the $16 million Pepto-Bismol and $5 million Tempo accounts to Leo Burnett USA, Chicago. Tatham-Laird & Kudner, Chicago, was assigned Metamucil, an

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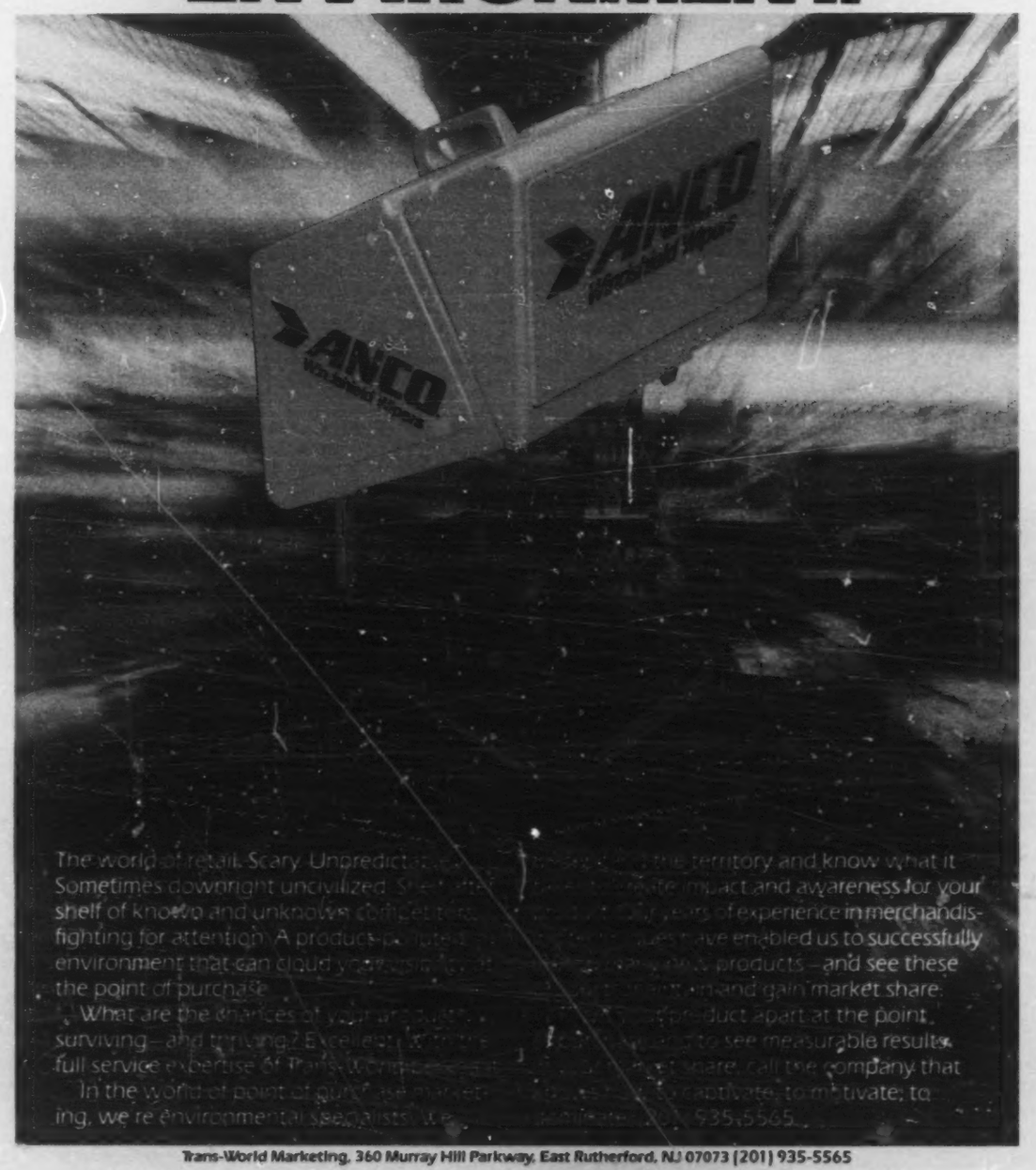

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TRANS WORLD

$8 million account handled by Needham Harper Worldwide. P&G also removed Encaprin from DFS-Dorland Worldwide and Dramamine from Needham Harper Worldwide, but has not announced new agency assignments. Encaprin has been discontinued due to a lack of sales.

Instead of introducing a slew of new products, P&G went back to marketing basics in 1985, lavishing money and attention to strengthen the market positions of its main businesses—diapers, dentifrice and detergents.

In the $2.8 billion U.S. disposable diaper category, the company began enjoying the results of its $500 million capital expenditure and advertising program to revamp aging equipment and introduce improved Pampers and Luvs disposable diapers. It is estimated that P&G spent as much as $220 million of that amount on advertising and promotion alone. P&G is spending an estimated $100 million on advertising and promotion for the thicker, "Blue Ribbon" Pampers introduced in June, 1985, and thinner Ultra Pampers, introduced early in 1986.

Coupled with an early 1986 launch of new Luvs Baby Pants, a thicker diaper with elasticized waistband and legbands, P&G's share of the category rose to 58.5% by mid-1986 from 46% last year. P&G's main competitor, Neenah, Wis.-based Kimberly-Clark's Huggies, has dropped from a high share of 32% to 25% during the same period, mainly because the company has had to limit its sales of the diaper and hold off on promotions while it changes equipment to make new versions of the Huggies diaper. Paper industry analysts believe K-C will again gain market share once the company reaches full production capabilities.

In measured media spending, P&G spent $17.4 million, down 34% from $26.4 million the previous year, with almost all that amount put into network and spot tv time. P&G also spent $20.9 million in measured media to support Luvs diapers, down 10% from the $23.2 million in measured spending last year. Kimberly-Clark spent $27 million on Huggies, a 9% increase from 1984's $24.8 million in measured spending. D'Arcy Masius Benton & Bowles, New York, handles both "Blue Ribbon" and Ultra Pampers; DFS-Dorland Worldwide, New York, is the Luvs agency.

Analysts say the company made up for the declines in measured spending by doing more promotions, including an estimated $500,000 promotion touting Ultra Pampers' acceptance by the National Assn. of Pediatric Nurse Associates & Practitioners.

P&G also pushed for further affirmation of its diaper superiority, filing a patent infringement suit against Kimberly-Clark. In the case, which has not been decided, P&G alleges K-C's Huggies use P&G's "heat recoverable article" patent. In another court case, Weyerhaeuser Co., Tacoma, Wash., was determined to have willfully infringed on P&G's Luvs diaper patent when Weyerhaeuser copied the diaper for a private-label product it sells.

The Always line of feminine protection products, P&G's first entry into the estimated $1.5 billion feminine pad category, continued its strong showing in its second year of national distribution. In early 1986, P&G introduced "Carry and Dispose Pouches" for Always maxi and thin maxi napkins with print ads themed, "Now it's easier than ever to take Always with you." D'Arcy Masius Benton & Bowles, New York, handles Always. The company also expanded the Always line with the introduction of Always Plus—thin supermaxi, supermaxi pad and regular maxi pads with "panty protectors," side panels that fold down around panty edges to protect against leakage.

P&G's estimated $100 million 1984-85 Always introduction netted the brand an initial 18% share, but the brand in mid-1986 has dipped to a 13% to 16% market share. Category leader Johnson & Johnson, New Brunswick, N.J., has an estimated 45% share for Stayfree, Sure & Natural and Assure & Natural, while Kimberly-Clark maintains a 23% to 25% share with Kotex and New Freedom. Lake Success, N.Y.-based Tambrands' Maxi-Thins has a 9% to 10% share.

Always received more than $20 million in measured media spending, up 12.3%, primarily for network tv and magazines.

The company's 1985 measured spending on its other consumer paper products dropped 14.8% to $29.1 million, partly the result of heavy spending on Bounty regular and microwave towels in 1984.

Banner paper towels, a line extension to value-priced Banner toilet tissue, are in limited distribution. Measured media spending for Banner dropped 47% to $4 million. Bounty holds an estimated 18.8% share of the $1.3 billion U.S. paper towel business, with Banner adding an additional 1.2% share. Market leader, Scott Paper Co., Philadelphia, has a 23.1% share with its four brands—Job Squad, Scot Towels, Viva and Waldorf.

P&G continued testing its lanolin-laced Special Touch by Puffs facial tissues, but apparently has not convinced consumers it has that "special touch" to relieve sore noses. Special Touch by Puffs is in test markets in Iowa, Michigan and Wisconsin, positioned as the tissue that "Helps take the 'Ow' out of blowing." The premoistened tissue competes against Kimberly-Clark Corp.'s Softique.

In the over-all $1 billion facial tissue category, P&G has pulled ahead of Scott Paper Co. for the No. 2 slot in the category, with an 18% share, according to some analysts. Kimberly-Clark is the undisputed market leader with an estimated 45% to 50% share generated by its Kleenex brands.

P&G supported its regular Puffs tissues with $6.2 million in measured media spending, up 21.8%. The company backed Special Touch with $299,800 from minimal measured spending in 1984. P&G has not said whether it will distribute the tissue nationally.

P&G is the leading marketer nationally of bathroom tissue, holding close to 30% of the $2 billion market. In addition to Charmin, which received close to $6 million in measured media spending, P&G increased its measured media spending for White Cloud by 92%, climbing to $4.8 million because of a Leo Burnett USA-created tv campaign launched July, 1985.

In the $300 million incontinence category, P&G expanded the distribution of Attends adult disposable briefs into drugstore chains nationally. The briefs previously were available only through home healthcare stores and nursing homes. P&G supported Attends with $1.05 million in measured media spending, up from minimal spending in 1984. The company also began testing new Attends undergarments for the ambulatory incontinent, while continuing to offer Trimfit Attends, a smaller version of the Attends pad, through nursing homes. The incontinence market is skewed toward nursing home usage, with P&G holding an estimated 55% share and Kimberly-Clark's Depend, 13%.

P&G also made a strong comeback in the personal care area, primarily by boosting its market share in the $1 billion dentifrice category. After holding 40% of the market during the late 1970s, Crest steadily lost share to Colgate-Palmolive Co.'s Colgate. By last spring, Crest's market share totaled 29.5% to Colgate's 28%.

P&G then rebuffed the Colgate challenge by launching Crest Tartar-Control, backing the new product with an estimated $50 million. It also spent an additional $25 million on Crest pump dispenser and $20 million to $25 million on regular Crest. Market share has returned to its 37% to 39% 1970s level.

In measured media spending, P&G spent $38.3 million for Crest, up 21%.

P&G's cosmetic Gleem toothpaste spending rose 66% to $7.4 million, mainly through spot tv buys. Measured support for Scope mouthwash rose 6.25% to $13.6 million.

In the nearly $1.3 billion (retail sales) deodorant/antiperspirant market, P&G's Secret and Sure held steady market position throughout the year. Secret holds an 11.1% share and Sure, 12.5%. Measured media spending dropped 10.4% to $28.5 million.

P&G continued its introductory cycle for the eight-item Ivory shampoo and conditioner line into the $3 billion haircare category, backed with an estimated $35 million budget, $17.3 million in measured media spending. By mid-1985, Ivory commanded an estimated 6% to 8% of the market, positioned as the line that is "Not fancy, just fabulous."

P&G's category-leading Head & Shoulders dandruff shampoo contributed 9% to the company's over-all 20% share of the category. P&G is testing via Tatham-Laird & Kudner, Chicago, two reformulated Head & Shoulders shampoos, one for normal-to-dry hair and one for normal-to-oily hair.

Measured media spending for Pert shampoo dropped 2.1% to $6.2 million, but may get a needed boost if P&G rolls out Pert Plus, a combination shampoo and conditioner testing in Seattle. Leo Burnett USA handles.

Media spending for Prell doubled to $16.9 million on the strength of the introduction of Prell protein-enriched conditioner. Christie Brinkley is the new spokeswoman for Prell shampoo and conditioner "body-building system," appearing in magazine and network tv spots.

P&G backed the Lilt home permanent, shampoo and conditioner line with $13.7 million in measured media spending, more than doubling spending the previous year. The increased magazine and tv spending backed the introduction of Lilt shampoo and conditioner for permed hair.

P&G's haircare products division in Cincinnati now has purview over Vicks' $100 million Sassoon business, the bulk of sales coming from the U.S. Sassoon increased its advertising 15% to $11.1 million as the unit introduced a men's grooming line and women's styling products.

Although Sassoon lost share when new products, like P&G's own Ivory, came on the market, the line maintains a 3.9% to 4% share of the shampoo market, according to figures compiled by Fairfield, N.J.—based Charles Kline & Co., a market consulting company. The unit produced a music video, Mr. Mister's RCA recording "Is It Love," featuring actors wearing the company's new Colorific products, unusual styling mousses and gels that temporarily dye hair in intense punkish colors.

Sassoon supported the new product introduction with a $10 million campaign via Peter Rogers Associates, New York. The line includes shampoo, conditioner, finishing rinse, hair spray and various men's grooming aids.

Pantene, a well-established trademark internationally, used department store promotions to give the upscale brand much-needed visibility. In the U.S., the brand holds an estimated 2% share of the category, according to Kline & Co. The brand received $1.2 million in measured media spending, the same as 1984, mainly in magazines and spot tv.

P&G supported Wondra hand-and-body lotion with $1.9 million in measured media spending, a 51.3% decline. Greenwich, Conn.-based Chesebrough-Pond's Vaseline Intensive Care lotion continued its supremacy in this $500 million category, with a 19% dollar share. Wondra posted a 2% dollar share.

Richardson-Vicks' Oil of Olay remains the clear leader in the $450 million facial lotion segment, with a 23% share, but its sales have slipped, as have No. 2-ranked Noxell's Noxzema, whose share has dropped to 15.6% from a 1979 high of 28%, Salomon Brothers analyst Diana Temple says.

Facial cleansing is one of two growth areas, the other being men's skincare, that Richardson-Vicks has entered in recent years. The Oil of Olay line, which includes the Olay beauty bar and the Olay beauty cleanser, received $27.9 million in measured media spending via Young & Rubicam, but the $100 million brand has since been reassigned to Wells, Rich, Greene.

Clearasil has extended its teen base to the 20-to-34-year-old market, as the teen population in the U.S. has declined. Clearasil adult care acne medicine entered the $140 million-plus, acne-remedy market in 1984 and has been edged out in the battle for market share by Revlon's Oxy 5. Market share for both companies is in the low 20% range. Noxell's Acne 12 continues to trail both Revlon and Clearasil.

Vick's Saxon men's skincare line, made up of an aftershave conditioner and Golden Musk fragrance, received $1.18 million in measured media spending, up 73.5%.

Procter & Gamble increased measured media spending 35% for its bar soaps, to $59.9 million. Ivory bar and liquid soaps dropped 40% to $18.7 million, with Camay, Coast, Lava, Safeguard and Zest reporting spending increases. Media spending for Monchel face and body bar jumped to $3.2 million from minimal media expenditures, as P&G rolled the product into limited national distribution.

Completing the triumvirate of leading P&G business, the company's detergent business came roaring back during 1985, buoyed by new product introductions and further consumer acceptance of Liquid Tide. For one A.C. Nielsen Co. reporting period, Liquid Tide held the No. 1 spot in the $1 billion liquid segment of the detergent category, beating out Lever Bros.' Wisk. However, Wisk in mid-1986 has come back stronger than before, holding a 7.6% share to Liquid Tide's 6.1%.

Although competition from Colgate-Palmolive and Lever Bros. remained high, P&G regained some lost market share, with the flagship Tide brand holding an estimated 23% to 25% share, up from 21% last year. P&G is determined to increase its over-all 50% hold on the $3 billion detergent category and is testing at least five new detergent products, most bearing the Tide name.

In various test markets are: Multi-Action Tide sheets, a detergent, whitener and fabric softener packaged in a single sheet used in both the washer and the dryer; Tide Redi-Paks, 10 single-use boxes of Tide powder packaged together; New Tide, a mixture of color-safe bleach, bleach activator and enzymes, and Liquid Cheer, a liquid version of the popular all-temperature powdered detergent.

P&G also tried Cheer Power Pouches, a premeasured, concentrated detergent packaged in dissolvable pouches. The product is very similar to Clorox Co.'s Act, also a concentrated laundry detergent in premeasured pouches. Oakland, Cal.-based Clorox is testing Act in three southern cities.

P&G also expanded nationally with Liquid Bold 3 heavy-duty laundry detergent supported with $14 million in measured media spending.

P&G spent more than $44 million in measured media on the Tide franchise and backed Era Plus with $17.3 million, up 4.8%.

Much of P&G's detergent problems stemmed from the lackluster performance of its first liquids—Era, Plus

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and Solo. The introduction of Liquid Tide and the upgrading of detergent formulations are believed to have helped P&G defend its position against aggressive promotions by Lever Bros. for Wisk and new Surf liquid and powder detergents and Colgate-Palmolive for new Liquid Fab and Dynamo 2.

P&G's Cascade automatic dishwashing detergent easily leads the estimated $500 million category with a 50% market share. However, in mid-1986, two liquid automatic dishwasher detergents—Colgate's Palmolive and Economics Laboratories' Electrasol—entered national distribution, and Lever is testing a Liquid Sunlight. P&G is believed to be readying a Liquid Cascade. P&G supported Cascade and Lemon Cascade powders with $15.9 million in measured mdia spending, virtually the same as in 1984.

P&G's Bounce sheet and Downy liquid fabric softener brands continued leading the $550 million category, although the company's combined market share is 48%, down seven percentage points from its year-earlier level. Lever Bros.' Snuggle sheet and liquid fabric softeners have picked up much of P&G's share, holding an estimated 19% of the category. P&G has introduced Triple Concentrated Downy to rebuff Lever's inroads in the fabric softener category and supported Bounce and Downy with $24.4 million in measured media on network and spot tv, down 14.7%.

In light-duty dishwashing liquids, P&G introduced Sud-Z Lemon as the spokesfruit for Joy dishwashing liquid. Joy, courtesy of Sud-Z Lemon, was restaged as "the toughest little squirt on dirt." Grey Advertising, New York, handles Joy.

With its Dawn, Ivory and Joy brands, P&G holds a 45% share in the $750 million light-duty detergent category. The company poured $35.5 million in measured media to back the category, down 14.5%.

In the general household cleaning category, P&G introduced Spic 'n Span no-rinse cleaner, backed with $4.9 million in measured media spending, with an additional $6.8 million supporting Spic 'n Span liquid pine cleaner. Comet cleanser received a 17% boost to $7.5 million, while Mr. Clean cleanser climbed 18% to $8.5 million. Spending is expected to jump sharply during P&G's 1986-87 fiscal year with the national launch of Mr. Clean soft-abrasive cleanser.

P&G's other all-purpose cleaner, Top Job, dropped 13% to $6 million in measured media support.

P&G responded to skyrocketing wholesale coffee prices in March, 1986, with the introduction of Folgers Special Roast flaked coffee. The 11.5-oz. can yields the same amount of brewed coffee as a 1-lb. can, but costs about $1 less. The Special Roast competes against market leader General Foods' Maxwell House Master's Blend in the $4.5 billion coffee market. White Plains, N.Y.-based GF has a 41% market share and Maxwell House is the largest selling brand. P&G has a 22.5% share and Folgers is the second-biggest brand. P&G spent $43.6 million in network tv, spot tv and cable tv for Folgers regular and instant coffees.

P&G in early 1986 also expanded the test of Folgers Red Brick, a ground-roast coffee sold in a brick-shaped package made of laminated plastic and foil, into the northeast from southeastern markets. Brick packs from General Foods and Chock Full O' Nuts Corp., New York, also are in the works.

Measured media spending for High Point coffee dropped 72% to $4.1 million as P&G turned its marketing attention to the better-selling Folgers brand.

P&G continues to lose money on Citrus Hill Select, backed with $15 million in measured spending. It holds an estimated 10% of the $2.4 billion ready-to-serve orange juice category. Coca-Cola Foods, marketer of Minute Maid, claims a 22% share and Beatrice Cos.' Tropicana, 11%. Both Citrus Hill Select and Duncan Hines ready-to-eat cookies continue to perform well-below original company expectations.

During the year, Duncan Hines continued battling No. 1 Nabisco Brands, Frito-Lay and Keebler for market share in the $558 million soft-cookie segment of the $3.1 billion ready-to-eat cookie category.

When the dual-texture segment was introduced three years ago, analysts predicted it would command as much as $775 million or 25% of the market. However, the segment has been flat, despite new packaging, flavors and recipe formulations by all four companies.

Nabisco (now RJR/Nabisco) remains the frontrunner with a 37% market share. P&G has 28.4% of the soft-cookie market and has made a modest formula change in its chocolate chip cookie. The new "Blue Ribbon" recipe—made to be more homemade, the company says—is for the plain chocolate chip, mint chocolate chip and butterscotch chocolate chip varieties.

Ready-to-eat cookies received $22.5 million in measured media spending, up 63%. Some of the media spending supported the launch of Duncan Hines cookies in convenience packs. Four-cookie packs now are sold through vending machines in the Southeast and Midwest.

For cake mixes, P&G holds an estimated 40% share of the more than $756 million mix category with its Duncan Hines brand. The company reportedly is deemphasizing promotions for its standard cake mixes to better concentrate on "finger foods," such as brownie and muffin mixes. P&G in December, 1985, introduced nationally a three-item line of Duncan Hines Bakery Style muffins and a three-item line of Duncan Hines flavored brownies. Measured media spending was $34.6 million for the Duncan Hines mix line, up 28%.

P&G's soft drink business, Crush International, has not progressed beyond a 2% share of the $30 billion soft drink retail market for its Crush, Hires root beer and Sun Drop brands. The company tried keeping up with the rapid-fire spending and new product introductions from PepsiCo and Coca-Cola, both of which launched 10% fruit-juice soda lines, while P&G reformulated its orange, grape and strawberry Crush sodas to also include 10% juice. Cunningham & Walsh, New York, handles P&G's $4.3 million Crush account.

The drug lines of P&G's new purchases, Richardson-Vicks and G.D. Searle & Co.'s Metamucil, Dramamine and Icy Hot, added to P&G's Norwich-Eaton division, gave the company an estimated $1 billion in otc drug sales to push P&G past market leaders Johnson & Johnson and American Home Products, according to estimates by Charles Kline & Co., marketing consultancy.

To its crowded medicine chest, P&G added Vicks' popular line of Formula 44 cold remedies, Cremacoat, Daycare, NyQuil, Sinex, Vaporub and Percogesic analgesic.

According to Hugh Zurkuhlen, analyst with Salomon Brothers, P&G stated its otc intentions with the 1982 purchase of Norwich Eaton. He says the company clearly had a strategy of "growth through acquisitions." Norwich Eaton brought Pepto-Bismol, Norwich aspirin and Chloraseptic to P&G.

In the $800 million cold-remedy market, NyQuil continued as the market leader with an estimated 12% share, followed closely by Burroughs Wellcome's Actifed and Sudafed brands, which together have nearly 20% of the market.

R-V executives attribute NyQuil's continued success to its constant selling message that it is the product for "nighttime colds relief." D'Arcy Masius Benton & Bowles, New York, handles. The company supported Ny-

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John Albers
President, Dr Pepper Company

"Recently we used a television commercial to offer viewing households nationwide a free can of Diet Dr Pepper. All consumers had to do to take advantage of the offer was call a toll-free number.

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Quil with $15 million in measured media spending in 1985.

In the $300 million cough segement, Robitussin, marketed by A.H. Robins Co., Richmond, Va., and Vicks Formula 44, remain leaders with a combined 50% market share. Formula 44, originally targeted to children, successfully changed its strategy during 1985 to attract baby-boomer adults via a new campaign and a repositioning of its line. Tv spots that aired durring the winter cough-cold season featured soap opera star Peter Bergman with the theme, "The adult formulas. From Vicks, of course."

The company supports the Vicks line with more than $14.8 million in measured media spending. Young & Rubicam was the agency. The brand has been reassigned to D'Arcy Masius Benton & Bowles, New York.

Encaprin, P&G's encapsulated aspirin, continued losing ground to the ibuprofens marketed by Bristol-Myers and American Home Products. With $6.3 million in measured media spending, down 66%, Encaprin has managed to earn less than a 1% share of the $1.2 billion U.S. pain reliever market. DFS-Dorland Worldwide, New York, was Encaprin's agency. Currently, the brand is unassigned.

Another struggling brand is P&G's Head & Chest, whose 2% share of the cold remedy category weakened even more during the 1985 cold season.

In April, 1986, John Pepper assumed the title of president, moving up from exec vp-U.S. consumer products, succeeding John Smale, who remains chief executive officer and chairman. Mr. Smale succeeds the retiring Owen Butler as chairman.

Boosted by spending for Richardson-Vicks' products, P&G's spending for eight measured media jumped 9.72% to $926.5 million. Major media spending shifts were in network cable tv, up 25%; magazines, up 43%; network radio, up 131%; newspapers, down 68%, and outdoor, down 60.7%.

In June, 1986, P&G sold Vicks' home care products division, including Formby's furniture stains, Thompson's Water Seal and Tri-Flow, to Sterling Drug Co.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$93,144	$65,319
Newspaper	7,345	6,707
Newsp. supp.	2,107	2,206
Bus. pubs.	3,170	2,469
Network tv	488,756	473,878
Spot tv	285,118	262,132
Network radio	12,770	5,834
Spot radio	5,677	5,380
Outdoor	150	380
Network cable	31,404	25,112
Total measured	929,640	849,415
Unmeasured	670,360	612,510
Total	1,600,000	1,416,925

PROCTER & GAMBLE CO.
P.O. Box 599
Cincinnati, O. 45201
(513) 562-1100
Marketing Personnel

L.A. Pritchett, vp-sales
W.P. Nock, sales mgr-beverage div
B.A. Kindem, sales mgr-beauty care div
W.A. Burns, sales mgr-bar soap & household cleaning prod div
A.H. Welch, sales mgr-packaged soap & detergent div
J.K. Goodwin, sales mgr-paper prod div
T.A. Muccio, sales mgr-food prod div
S.L. Zimbler, sales mgr-health & personal care div
H. Tecklenberg, senior vp-Norwich div
J. Forr, sales mgr-soft drink div
R.D. Haasnoot, adv mgr-foodservice & lodging
A. Harris, senior vp-genl adv & mgmt systems div
R.V. Goldstein, vp-adv
M. Upson, adv mgr-beverage div
J.N. Lilly, adv mgr-food prods div
B.J. Buchan, adv mgr-food prods div
A.G. Lafley, adv mgr-packaged soap & detergent div
R.H. Van Wagener, adv mgr-bar soap & household cleaning prods
R.M. Malcolm, adv mgr-health & personal care div
M.A. Thompson, adv mgr-beauty care div
J.T. Smith, adv mgr-paper prods div
J.D. Jones, adv mgr-paper prods div
R.E Gill, mktg mgr-soft drink div
R.J. Herbold, mgr-mkt rsch dept
V.O. Hamilton, div mgr-genl adv dept
L.R. Love, div mgr-genl adv dept
R.L. Wehling, div mgr-genl adv dept

Advertising Agencies

Leo Burnett USA, Chicago—Camay, Cheer, Chloraseptic spray and throat lozenges, Era Plus, Head & Chest cold remedy, Lava, Lilt shampoo & conditioner, Lilt home permanent, Secret, Gleem, Cinch, Pert, White Cloud, Pepto-Bismol, Tempo—Peter M. Husting, sr vp-client services dir.

Burrell Advertising, Chicago—Crest—Linda Pharr, vp-mgmt super; Alisa King, Fay Ferguson, acct execs.

Cunningham & Walsh, New York—Folgers, Crush, Hires, Special Touch by Puffs, Citrus Hill Select, Certain—W. Albright, exec vp-acct group dir; Jack Snow, vp-mgmt super.

DFS-Dorland Worldwide, New York—Bounty, Oxydol, Dreft, Luvs Baby Pants, Solo, Tender Leaf tea—J. Fuller, mgmt group dir; T. Love, R. Pounder, mgmt supers; Dick O'Brien, J. Plumez, mgmt group dirs.

D'Arcy Masius Benton & Bowles, New York—Vicks Formula 44, Complete, Clearasil, Fasteeth, Fixodent, NyQuil, Lifestage vitamins, Cremacoat cough medicines, DayCare cold medicine, Vaporub, Vicks cough drops, Sinex, Dawn, Ivory Snow, Dash, Bounce, Crest, Scope, Norwich aspirin, Ivory shampoo & conditioner, Wondra, Always, Attends, Charmin, Pampers—T. Carey, R. Hopple, sr vps-acct dirs.

Grey Advertising, New York—Downy, Joy, Bold 3, Liquid Bold 3, Jif, Puffs, Duncan Hines cookie mix and ready-to-serve cookies, Puritan oil.

Jordan Manning Case Taylor McGrath, New York—Zest—Alice Bond, vp-mgmt super.

Klemtner Advertising, New York—professional Highpoint coffee, Ivory soap—Chris Woodbury, acct super; Mark Fine, acct exec.

Lally, McFarland & Pantello, New York—ethical pharmaceutical prod, Denquel—Ron Pantello, president; Beverly Breitenback, acct exec.

Leber Katz Partners, New York—Saxon aftershave, Pantene prods—Cynthia Perry, acct group super; V. Loewenstein, acct exec.

Mandabach & Simms, Chicago—fats, oils & shortenings for foodservice—Lee Lippman, sr acct super; William Schoenwald, Andrea Mallen, acct supers; John Corbett, acct exec.

Northlich, Stolley, Cincinnati—coffees, cleaning prods, bar soaps for food service & lodging, coin-vended laundry prods—Bruce Mackey, vp-acct super.

Peter Rogers Associates, New York—Sasoon shampoos, conditioners, rinses, coordinators—P.Rogers, president; L. Favara, creative dir; G. Tabaczyk, sr vp-acct service dir.

Saatchi & Saatchi Compton, New York—Tide, Cascade, Crisco, Crisco Oil, Top Job, Comet, Comet Liquid, Ivory bar & liquid, High Point, Duncan Hines cake, frosting, brownie and muffin mixes.

Slater Hanft Martin, New York—Percogesic analgesic—Jerry Martin, chmn-mgmt. super; R. Dorin, acct super.

Tatham-Laird & Kudner, Chicago—Biz, Mr. Clean, Coast, Head & Shoulders, Metamucil.

Wells, Rich, Greene, New York—Oil of Olay, Pringle's, Safeguard, Sure, Prell, Spic 'N Span, Gain, Banner bathroom tissue and paper towels, Spic 'N Span Pine—Dick Byrne, Bruce Kelley, acct group dirs.

RANK **36**

Quaker Oats Co.

Chicago

($ in millions)

Worldwide	1986	1985	% chg
Sales	3,671	3,520	4.3
Net income	180	157	14.6
U.S. advertising	246	234	5.1
Division sales	**1986**	**1985**	**% chg**
U.S. grocery	2,135	2,068	3.2
Int'l grocery	821	706	16.3
Fisher Price	485	422	14.9
Specialty	217	172	26.2

Quaker Oats Co., which boosted its advertising budget 5.1% in 1985, is integrating past acquisitions into the product family and strengthening its leading position in the food industry with further acquisitions.

The company boosted its advertising and marketing expenditures 13% to $716.6 million worldwide in fiscal 1986 to give the Quaker stamp to this new business, and it spent $463.1 million worldwide, up 12%, on merchandising expenses. Quaker's U.S. advertising expenses increased to $246 million in 1985, according to an Advertising Age estimate.

Quaker is structured in four major segments: U.S. grocery, which produces about half of Quaker's total sales and two-thirds of its operating income; international grocery products, about one-third of sales and a fifth of operating income; Fisher-Price toy division, good for 12% of sales and 10% operating income, and specialty retailing group, about 5% each of sales and operating income.

Quaker recently announced its intention to sell off its specialty retailing unit, made up of Brookstone, a hobby tool supplier; Jos. A. Bank Clothiers, and EyeLab, a professional, one-stop eyecare facility.

Quaker continues to focus on acquisitions for its U.S. Foods operations and is particularly interested in foodservice companies, such as Liqui-Dri Foods, chairman and ceo William Smithburg says. In 1985, Quaker bought Liqui-Dri, which supplies biscuit mixes to McDonald's. At the time of the purchase, the company sold into about 45% of McDonald's outlets.

Two deals that are pending would bring San Leandro, Cal.-based Golden Grain and the Gaines Foods unit from Houston-based Anderson, Clayton & Co. into the Quaker Oats fold. The Gaines deal is pending the acquisition of Anderson, Clayton by Bear Stearns Cos. and Gruss & Co., two New York-based investment companies. Anderson, Clayton bought Gaines in 1984 from General Foods.

Golden Grain holds the No. 1 share in the $248 million prepared rice category, according to Time Inc.'s Selling Areas-Marketing Inc. That share could be strengthened further if Quaker takes its two main products, Rice-A-Roni and Noodle-Roni, national. Sources estimated Quaker will pay $250 million for the company. Golden Grain also owns Ghirardelli Chocolates and Vernell Candy Co., which analysts predict Quaker will sell.

The Gaines deal, entangled in the messy takeover battle between Anderson, Clayton and the investment firms, would make Quaker the No. 2 pet food marketer, nearly doubling Quaker's share to 14.5% of the $5.2 billion market. Quaker had been concentrating on expanding its dog food sales with new product introductions and by its entry into the dog treat category.

Last year, Quaker added Puppy Kibbles n' Bits to its dog food line. This June, the company said it will devote $30 million introducing Kibbles n' Bits n' Gravy Bits over the next year, another extension of its highly successful Kibbles n' Bits line. The gravy product is receiving network tv and coupon support via J. Walter Thompson USA, Chicago.

Quaker followed the successful introduction of Ken-L Ration Snausages dog treats with the $6 million introduction of Ken-L Ration Pupperoni's jerky treats for puppies. Quaker is ranked fifth in the $324 million dog snack market.

Ken-L Ration also received promotional support, something Quaker is noted for in the industry. In the Treasure Hunt promo, Quaker gave away $5 million in gold and silver coins inserted randomly in packages of three Ken-L-Ration products. Network tv and coupons supported the drive.

Those and several other product introductions in its U.S. Foods unit typify Quaker's growth strategy. "Brand strength by category, not the over-all size of the company, is the key to maintaining a profitable growth record in the food industry today and in the future," says Frank Morgan, Quaker president-chief operating officer.

Quaker holds the No. 1 position in seven domestic product categories, he adds. They are hot cereals, granola bars, pancake mixes, frozen breakfast products, corn goods, thirst quenchers and canned beans. As of midyear, more than 42% of Quaker food sales came from new products developed or acquired since 1980, Mr. Morgan says.

In January, 1985, Quaker introduced Oh's, a ready-to-eat cereal in crunchy nut and honey graham flavors, into half of the country. The product will move into national distribution this month.

Backed by $27 million in advertising and promotion, Oh's represents Quaker's first new entry into the cereal category since its 1984 introduction of Mr. T. Network tv, print and coupons, via Backer & Spielvogel, Chicago, are supporting Oh's.

Quaker's performance in the $4.7 billion ready-to-eat cereal market has been disappointing over the past several years. The company's share has fallen to 7% in 1986 from 8.2% in 1985. Quaker's strategy is to solidify its base products, Cap'n Crunch and Life, while introducing new products such as Oh's. The "Where's the Cap'n?" promotion for its Cap'n Crunch cereal may go down as one of the best promotions in food marketing. The $18 million promotions involved removing the likeness of Cap'n Horatio Crunch from cereal boxes, then providing clues to his whereabouts on the back of cereal boxes.

Selected consumers who found the Cap'n using the clues were awarded cash prizes. The $6 million media support included a $600,000 two-minute tv spot that aired simultaneously on all three networks one Saturday morning, revealing where the Cap'n was.

For its efforts, the Cap'n Crunch brand team was rewarded with a 50% increase in sales during the 14 weeks of the promotion. Time will tell if sales stay higher than prepromotion levels. B&S, Chicago, and Golin/Harris public relations handled the account in conjunction with Quaker's in-house promotion department.

Quaker is preparing a similar promotion for Life cereal. Beginning this summer, Quaker distributed boxes of Life cereal picturing at least two dozen pre-teens and teens. Consumers are challenged to "Find who's Mikey," the cereal's spokeschild for 15 years, who is now 18 years old. Again, selected consumers will receive cash prizes. Quaker is said to be spending up to $20 million on the promotion, or twice the cereal's 1985 ad budget. BBDO, Chicago, handles Life.

In hot cereals, Quaker last year began testing a Fruit & Cream line in Dallas. The four-item line is based in Quaker's successful peaches & cream and strawberries & cream varieties in its regular hot cereal line. The line, now including blueberries & cream and bananas & cream, is set to move into national distribution this month with $17.5 million in tv and coupon support.

Earlier in the year, Quaker introduced Apples, Raisins & Walnuts flavored instant oatmeal. Last September, the company also added the first flavored long-cooking oatmeal, which is now in national distribution. The line comes in two flavors, Apple, Raisin & Spice and Raisin & Cinnamon. That line will be the recipient of a good portion of the $22.5 million Quaker has set aside to promote its hot oat cereals this fall. Quaker holds the No. 1 spot in the $436 million hot cereal market.

Aunt Jemima introduced the market's first frozen pancakes for the microwave or toaster last year in original, blueberry and buttermilk flavors. Aunt Jemima also added a line of One-Batch baking mixes for muffins and biscuits.

Gatorade added two twists last year. The nation's No. 1 thirst quencher is now available in a four-pack of 16-oz. bottles—designed to make Gatorade more portable and bring it closer to the "point of sweat," Mr. Morgan says. The company added lemonade flavor in April.

Quaker began developing another one of its '85 acquisitions, Arden Organics, an Asheville, N.C.-based rice cakes maker. Quaker put its own name on the product and began distributing it through grocery stores from its original health food store distribution system. The company is plugging $10 million into a tv and print campaign via JWT touting the product as a light alternative to bread.

Strong gains in international sales, coupled with a more favorable mone-

Top 25 spot radio advertisers

Rank	Advertiser	Spot radio ad expenditures 1985	1984	% chng	as % of co.'s 1985 ad total
1	Anheuser-Busch Cos.	$39,713	$38,288	3.7	7.6
2	Van Munching & Co.	31,720	30,651	3.5	34.0
3	PepsiCo Inc.	29,925	25,025	19.6	6.3
4	General Motors Corp.	27,942	30,636	(9.4)	3.6
5	Philip Morris Cos.	25,806	29,391	(12.2)	1.8
6	Chrysler Corp.	23,549	18,777	25.4	6.0
7	Southland Corp.	19,926	12,479	59.7	N/A
8	Delta Air Lines	19,903	19,321	3.0	21.2
9	Shell Oil Co.	17,290	9,940	73.9	N/A
10	Sears, Roebuck & Co.	16,505	10,078	63.8	2.1
11	Eastern Air Lines	14,944	5,708	161.8	16.7
12	Coca-Cola Co.	14,732	13,932	5.7	3.8
13	Ford Motor Co.	14,493	10,787	34.4	2.4
14	AMR Corp.	14,217	11,994	18.5	13.5
15	UAL Inc.	13,386	6,802	96.8	9.2
16	Beatrice Cos.	12,198	2,986	308.5	1.8
17	Nissan Motor Co.	11,663	7,584	53.8	7.2
18	Pillsbury Co.	11,006	12,014	(8.4)	2.3
19	George A. Hormel & Co.	10,269	4,851	111.7	14.5
20	Sara Lee Corp.	10,147	2,345	332.7	3.5
21	IC Industries	9,767	9,993	(2.3)	5.7
22	Chevron Corp.	9,688	5,920	63.6	N/A
23	Adolph Coors Co.	9,537	18,927	(49.6)	9.1
24	U.S. Government	9,233	7,572	21.9	3.6
25	Stroh Brewery Co.	8,098	13,478	(39.9)	7.2

NOTE: Dollars in thousands. Source: Radio Advertising Bureau

tary exchange rate, brought Quaker's international unit out of the dumps. By midyear, the unit was 16% ahead on sales with unit volume up 5%.

Lower commodity prices and reduced operating overhead also have served to increase profit margins for Quaker's overseas unit. Especially strong were its franchises in France, Italy and the U.K.

Looking for added toy sales for this year's Christmas season, Fisher-Price held an agency review last year, shifting the $25 million account to JWT, Chicago, and Backer & Spielvogel, New York, from Waring & LaRosa, New York. B&S got the $13 million to $15 million infant and preschool portion of the account, while JWT now handles F-P's Gummi Bears and other new products, including Puffalumps and eletronic games. Earlier this year, F-P announced it is doubling its ad budget to $50 million to support new products.

Fisher-Price continued its diversification into products for older children and parents by introducing 33 toys at midyear. For parents, F-P added a car seat with safety and convenience features and the Travel Tender, a portable, foldup crib. Those join F-P's first two Parent Helpers, a buzzer that alerts parents when toddlers open a door and a musical light dimmer, for children afraid of the dark.

F-P teamed up with Walt Disney Productions in a licensing agreement that allows the company to sell plush toy characters based on Disney's Saturday morning tv program, "Gummi Bears." The line includes 28 items from bears to dragons to cubs.

The toy company also added products to its highly successful audio-visual and Construx plastic construction kit lines for older children, introduced in 1984. For infants and toddlers, F-P introduced four riding toys to counteract KDN Enterprises' Big Wheel's domination of that market. Following the success of its Bubble Mower, a toy lawn mower that blows soap bubbles, F-P added the Magic Vac, a toy vacuum cleaner with pretend dust puffs that fly around inside the carriage.

In July, Quaker restructured its U.S. Foods unit, adding two senior vps under Hedric Rhodes, president of that unit. James Tindall, who had been Fisher-Price vp-general manager, U.S., now handles Quaker's hot and ready-to-eat cereals and its corn goods. Lawrence Hathaway, vp-product management for Quaker's U.S. Foods, now oversees snacks, Aunt Jemima products and Celeste pizza.

Earlier this year, Quaker shifted prime-time network tv buying responsibilities to Backer & Spielvogel, New York, from JWT, Chicago. JWT continued to buy daytime and early morning tv.

Leading the major shifts in media spending at Quaker was network radio, up 438%, magazines, up 25%, and spot tv, up 22%. Outdoor dropped 42% and network tv spending fell 6%.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$11,439	$9,140
Newspaper	1,972	1,452
Newsp. supp.	1,295	860
Bus. pubs.	1,956	1,638
Network tv	67,045	70,993
Spot tv	23,596	19,270
Network radio	928	174
Spot radio	6,580	5,480
Outdoor	10	17
Network cable	1,177	1,338
Total measured	115,997	110,361
Unmeasured	130,000	123,684
Total	245,997	234,045

QUAKER OATS CO.
Merchandise Mart Plaza
Chicago, Ill. 60654
(312) 222-7111
Corporate Personnel
William D. Smithburg, chmn-ceo
Frank J. Morgan, president-coo
U.S. GROCERY PRODUCTS
Marketing Personnel
Charles E. Decker, vp-adv
J. Byron Felter, vp-sales
Max M. Lomont, vp-art & packaging
Katherine E. Smith, vp-consumer affairs
U.S. FOODS
Corporate Personnel
H.E. "Pete" Rhodes, exec vp
Marketing Personnel
Lawrence K. Hathaway, group vp-snacks, Aunt Jemima, Celeste
James R. Tindall, group vp-hot cereals, ready-to-eat cereals, corn goods
Barbara R. Allen, vp-prod mgmt, snacks
Peter J. Vitulli, vp-prod mgmt, ready-to-eat cereals
David L. Bere, dir-prod mgmt
Steven E. Simms, dir-prod mgmt
Byron D. Smith, dir-prod mgmt
Linda S. Tate, dir-prod mgmt
John A. Ball, dir-prod mgmt
Ronald B. Balsbaugh, dir-prod mgmt
DIVERSIFIED GROCERY PRODUCTS
Corporate Personnel
Douglas W. Mills, exec vp
GROCERY SPECIALTIES DIVISION
Corporate Personnel
Philip A. Marineau, president
Marketing Personnel
William D. Schmidt, dir-sports mktg
Serafino M. (Sandy) Posa, dir-prod mgmt
PET FOODS DIVISION
Corporate Personnel
Geroge J. Yapp, president
Marketing Personnel
Nancy S. Pitz, vp-prod mgmt
Michael Connelly, prod group mgr
Mark A. Shapiro, prod group mgr
FOOD SERVICE DIVISION
Corporate Personnel
Russell L. Jones, president
Marketing Personnel
John L. Patten, vp-genl mgr
Paul V. Baron, dir-mktg, food service
Robert D. Stoothoff, dir-natl sales, food service
WOLF BRAND PRODUCTS
Dallas, Tex.
Corporate Personnel
U.B. Shockley, president
Marketing Personnel
Kenneth R. Barrons, mktg dir
QUAKER OATS CO. OF CANADA LTD.
Corporate Personnel
Jon K. Grant, president
Marketing Personnel
David L. Morton, vp-mktg & sales
INTERNATIONAL GROCERY PRODUCTS
Corporate Personnel
Paul E. Price, exec vp
SPECIALTY RETAILING
Corporate Personnel
Paul E. Price, exec vp
BROOKSTONE CO.
Corporate Personnel
Douglas D. Anderson, president
JOS. A. BANK CLOTHIERS
Corporate Personnel
Leonard A. Ginsberg, president
EYELAB INC.
Corporate Personnel
Mark J. Schnarr, president
FISHER-PRICE TOYS
Corporate Personnel
R. Bruce Sampsell, president
Marketing Personnel
David B. Fisher, vp-sales & mktg
Advertising Agencies
Backer & Spielvogel, Chicago—Cap'n Crunch Standards Oats, Instant Oatmeal, Corn Bran, Gatorade, Chewy Granola bars, new prods—Gary Bayer, president-creative dir; Dennis Roy, dir-acct mgmt.

Backer & Spielvogel, New York—Celeste pizza, new prods—G. Robert Holmen, exec vp-coo. Fisher-Price toys—Ed Keating, acct mgmt; Deborah Pawlik, acct super; Tom Blute, asst acct exec.

BBDM Advertising, Chicago—industrial cereals, Mother's Oats—Kathleen Truty, acct super.

Berry-Brown Advertising, Dallas—Wolf Brand prods, Quaker Corn Goods & Grits, Van Camp's pork & beans & specialty prods—Robert E. Berry, chmn.

Campbell-Mithun, Chicago—food service prods—Karen Smith, acct dir.

Norton Associates, Los Angeles—food service prods—Patricia Venuso, mgmt super.

Eisner & Associates, Baltimore, Md.—Jos. A. Bank Clothiers—Tom Bodiker, sr vp-mgmt super; Sid Cohen, sr vp-sr acct super; Patrice Malloy, acct exec.

Harvey Herman & Associates, New York—Eyelab, Inc.—Steve Schwartz, dir-acct services.

J. Walter Thompson USA, Chicago—Granola Dipps, Aunt Jemima breakfast prods, mixes & syrup, Ken-L Ration dog foods, new prods—Bruce Beach, sr vp-group acct dir. Fisher-Price toys—Bruce Beach, group acct dir; Matt Kurz, acct dir; Jim Yardley, acct super; Lorraine McGill, acct rep.

RANK **12**

Ralston Purina Co.

St. Louis

($ in millions)

Worldwide	1985	1984	% chg
Sales	5,864	4,980	17.7
Net income	256	243	5.8
U.S. advertising	508	446	13.9
Division sales	**1985**	**1984**	**% chg**
Consumer prods.	3,555	1,887	88.4
Agricultural prods.	1,601	2,230	(28.2)
Restaurants	565	628	(10.0)
Diversified bus.	143	234	(38.9)

Ralston Purina Co. stepped up its a spending by 24.4% in 1985 as it move more aggressively into grocery aisl items, such as baked goods and house hold batteries, and away from highl cyclical commodities and restaurants.

Ralston, which attributed 27.1% o its total sales and 13.4% of total ope ating income in 1985 to animal feed bought Eveready Battery Co. in July 1986, from Union Carbide when Eveready contributed more than $ billion in sales and pretax profit o about $120 million.

That acquisition and the divestitur this October of Purina Mills makes th shift toward grocery store items an consumer goods more complete. Sale

PRODUCT MGRS
Discreet placement of APM's thru Sr's exp'd in the profitable movement of nationally promoted consumer pkgd gds/services. Many openings $35-$70K. Vic Kalos.
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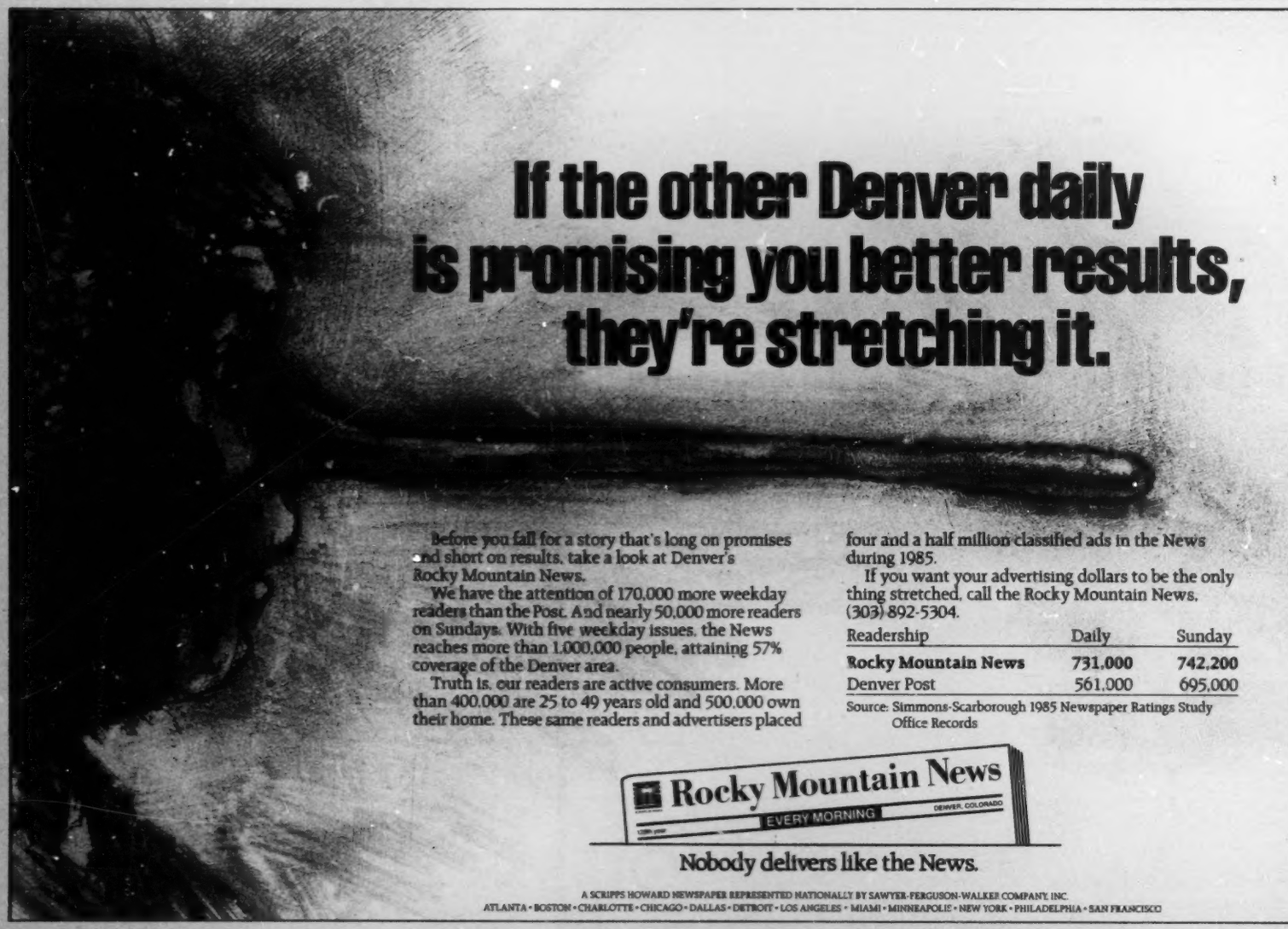
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of Purina Mills, a domestic marketer of livestock and poultry feeds, to BP Nutrition Ltd., a subsidiary of British Petroleum, will bring Ralston $500 million.

Ralston's farm animal feed business in 1985, while higher in sales than Eveready, generated 60% less pretax income, representing a 19% drop from the prior year because of the continued agricultural downturn. Eveready will provide the company with an annual volume increase of about 5%, better than its existing grocery product lines and its agricultural unit.

In 1985, Ralston sold its foodservice division and soybean processing operations. Sara Lee Corp.'s Standard Meats unit, Chicago, snapped up the foodservice division while Minneapolis-based Cargill Inc. bought Ralston's soybean operations, removing Ralston from the commodities market.

In October, 1985, the company sold its restaurant division, Foodmaker Inc., San Diego, in a management buyout. Foodmaker includes 800 Jack-in-the-Box restaurants nationwide and five Monterey Jack facilities in California.

As expected, sales through the first three quarters of fiscal 1986 tumbled 11.9% to $3.91 billion from nine-month 1985 equivalents. But three-quarter profits increased a healthy 50.9% from 1985 to $298 million, almost $32 million more than profits for all of 1985.

The $1.42 billion purchase of Eveready, marketer of Eveready and Energizer household batteries, was nearly three times the $475 million Ralston spent in late 1984 to buy Continental Bakeries from ITT Corp.

Eveready and Dart & Kraft's Duracell batteries between them represent an estimated 90% of the $2.5 billion consumer battery market. Eveready and Energizer brands give the company a 60% share of the U.S. battery market and a 30% share of the worldwide market, Ralston says. Dart & Kraft's Duracell brand holds a 35% share in the U.S. and Rayovac Corp., Madison, Wis., has virtually the remainder.

As a division of Union Carbide, Eveready consumed 44% of that company's measured advertising budget. Its ad expenditures in 1985 were $27.6 million, up 24.3% from 1984.

J. Patrick Mulcahy was named chairman and ceo of Eveready Battery Co. by Ralston, a new position. He had been Ralston's vp-administration and succeeds P.J. Kennedy, who had been president of Carbide's battery business. Mr. Kennedy stays with Eveready as a consultant.

Mr. Mulcahy was involved in the acquisition of Eveready and Continental and divestment of Foodmaker. Ralston in late August picked Needham Harper Worldwide, Chicago, for the estimated $20 million Energizer account.

Previous agency was William Esty Co., New York, which had handled batteries since 1945. Esty also is losing the Eveready line to Avrett, Free & Ginsberg, New York. Avrett and Esty are being given new products.

Ralston's purchase of Continental Bakeries from ITT in late 1984 and introduction of several breakfast cereals and pet foods powered an 88.3% increase in 1985 grocery division sales to $3.6 billion. The company will add further to that with Wayne, N.J.-based Drakes Bakeries, purchased from Borden this year. Terms were not disclosed. Drake had sales of $125 million in 1985 with such products as Drake's cakes, 10 varieties of cakes similar to Continental's Hostess snack cakes.

The near doubling of grocery division sales was needed to offset lower 1985 sales in the agricultural products, restaurants and diversified businesses divisions. A stagnant farm economy, including low commodity and high feed prices, contributed to a 28.2% skid in agricultural products division sales.

Lower sales in the diversified businesses and restaurants divisions were negated somewhat by the proportionally smaller division sales levels and Ralston's sale of Foodmaker for $450 million in a leveraged buyout.

Ralston's Continental Bakeries is the nation's largest wholesale bakery with fiscal 1985 sales of $1.6 billion. A producer of well-known products—Hostess snack cakes and pies, Wonder, Home Pride and Beefsteak breads—Continental sales elevated the consumer products portion of total Ralston sales to 61%. Consumer products sales made up 78% of Ralson's operating profits.

Best known for its pet foods and cereals, Purina churned out new products but at a scaled-down pace. Its 1984 entry in the $438 million granola bar market, S'Mores Chewy granola bars, maintained its 5% to 6% market share, according to Furman Selz Mager Dietz & Birney, New York.

In 1986, it introduced Ghostbusters cereal, a presweetened rice-and-corn-based product fashioned after the 1984 movie. MCA Advertising, New York, broke the $11 million Ghostbusters campaign in February with a 30-second tv spot featuring a jingle sung to the movie theme written by Ray Parker Jr. Another licensed character cereal, Nerds, debuted in April.

Ralston maintained its 6.3% share in the over-all cold cereal market for both 1984 and 1985, ranking it fifth behind Kellogg, General Mills, General Foods and Quaker Oats. Ralston's cereal sales shifted toward more branded products and away from generic and bulk brands, of which Ralston had been a major supplier. The company's big push in licensed cereal products has given it more branded cereal sales as well.

Introduced in 1985 were a trio of licensed character cereals—Rainbow Brite, G.I. Joe Action Stars and Cabbage Patch Kids—in addition to Almond Delight cereal and three flavors of Chex snack mix.

There was little action on the pet food circuit at Ralston, which holds a 26.8% share of the $5.4 billion market, down from 27.1% in 1984. Ralston's dog food business declined to a 22.4% share of the $3.4 billion market, compared with a 23.7% share in 1984, according to Furman Selz Mager Dietz & Birney.

Measured magazine advertising rose 38.4%, representing an increase of $6 million, with nearly $2.3 million of that backing magazine spending for Happy Cat moist cat food. Measured network tv spending increased 11.7%. Ralston lost ground in the $2 billion cat food category as its share dropped to 31.6% from 33.1%.

Chicken of the Sea brand pink salmon surfaced in five test-market cities in January, backed by a $7 million campaign created by TBWA, St. Louis. The product is billed as the first canned salmon packed without skin and bones.

Ralston spending rose in all nine measured media in 1985, including a 66% increase in spot tv. The company spent $15 million on units ultimately divested, Jack-in-the-Box and Monterey Jack's restaurants. The account, worth an estimated $23 million, was moved during the year to HCM/Chicago from WRG/West, Los Angeles.

During the year, Ralston lost one of its top executives, Bill Claggett, vp-advertising, who became a partner in a media buying/consulting business.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$21,719	$16,008
Newspaper	2,345	1,770
Newsp. supp.	1,099	447
Bus. pubs.	446	275
Network tv	102,617	94,086
Spot tv	58,471	48,848
Network radio	1,408	232
Spot radio	6,902	9,617
Outdoor	1,047	1,153
Network cable	2,550	2,131
Farm pubs.	1,624	1,282
Total measured	200,226	175,847
Unmeasured	308,139	270,621
Total	508,365	446,468

RALSTON PURINA CO.
835 S. 8th St.
St. Louis, Mo. 63164
(314) 982-1000
GROCERY PRODUCTS

Corporate Personnel
W.P. McGinnis, exec vp
P.M. Grieve, exec vp-dir, Ralston Purina grocery prods, Canada

Marketing Personnel
T.E. Touhill, vp-dir, mktg, cat food group
T.E. Block, vp-dir, mktg, dry dog food group
J.A. Nichols, vp-dir, mktg, branded cereal group

Advertising Agencies
Avrett, Free & Ginsberg, New York—Kitten Chow, Cat Chow, Sun-Maid instant hot cereal, new prods—Jack Avrett, president; Norman Sherman, sr vp, dir-client services.
Della Femina, Travisano & Partners, New York—Meow Mix cat food—Matthew Mansfield, vp-mgmt super; Ken Gilbert, acct super.
Gardner Advertising Co., St. Louis—Puppy Chow, Fit & Trim, Alley Cat—John Fox, sr vp-acct dir. Rainbow Brite—Doug Hermann, sr vp. Bonz dog snacks—Jim Lucas, vp-acct dir. Sea Dog—Nancy Winchester, acct exec.
MCA Advertising, New York—Mainstay dog food, Purina Hi-Pro dog meal, Ghostbusters cereal, S'mores Chewy granola bars, new prods—Warren Dechter, exec vp.
Tatham-Laird & Kudner, Chicago—Happy Cat cat food, Top Secret cat litter deodorizer, Sunflakes, new prods—John Wells, sr partner, group acct dir.
TBWA Advertising, New York & St. Louis—Chicken of the Sea tuna, pink salmon, Waggles dog snacks, Cracker Jack cereal, new prods—Bill Oakley, genl mgr, St. Louis. Chicken of the Sea—Art Gramer, mgmt super; Becky Burnett, acct exec. Waggles—Mark Polan, mgmt super; Maria Beltrametti, acct dir. Cracker Jack—Mark Polan, mgmt super; Jim Callahan, acct exec.
Don Tennant Co., Chicago—Praise dog food, Thrive cat foods, Cookie Crisp, new prods—Uwe Wende, mgmt super; Guy Bentivenga, mgmt super.
Wells, Rich, Greene, New York—Purina Dog Chow, Butcher's Blend, Moist & Chunky dog foods, Tender Vittles cat food, Chex cereals, new prods—Jim Weinstein, sr vp-acct group head.

PURINA MILLS CHOW

Marketing Personnel
B.M. Lutz, vp-dir, mktg & rsch

Advertising Agencies
BFV&L Advertising, St. Louis—health industries—Tom Birkenmeier, mgmt rep.
(In-house) Checkerboard Advertising Co., St. Louis—special projects—G.C. Cook, dir, Checkerboard mktg.
Fletcher/Mayo, St. Joseph, Mo.—mineral business, animal nutrition—Ed Clement, acct super.
Valentine Radford, Kansas City—dealer adv—Alan McClure, acct super.

RALSTON PURINA INTERNATIONAL

Corporate Personnel
P.H. Hatfield, president
C.E. Scott, president-ceo, Ralston Purina, Canada
D.A. Mefford, vp-managing dir, Agri-prod Europe/Asia Pacific, Andean, sales, mktg, mfg & engineering
R.N. Morrow, vp-managing dir, Mexican div
L.A. Van Houten, vp-managing dir, South & Central American div
R.M. Moeller, president, Ralston Purina International devel company, Hong Kong

Marketing Personnel
R.A. Green, vp-dir, mktg, Ralston Purina International

DIVERSIFIED BUSINESSES DIVISION

Corporate Personnel
P.H. Hatfield, president
A.C. Edwards, vp-managing dir, protein div

Marketing Personnel
J.V. Heinz, dir-sales, processed meats
R.M. Moeller, vp-dir, mkt, protein div

KEYSTONE

Corporate Personnel
F.J. Corwell, vp-dir, business devel
J.D. Jones, president, Keystone Resort
T.R. Shipman, president-Keystone Resort's mgmt
W.D. Hanisch, vp-human resources & admin

Advertising Agencies
(In-house) Checkerboard Advertising Co., St. Louis—media for Keystone.
Heckler Associates, Seattle—Keystone—Terry Heckler, president.

CONTINENTAL BAKING CO.
Rye, N.Y.

Corporate Personnel
J.W. Brown, chmn-ceo

Marketing Personnel
M.S. Herrick, corp vp-dir mktg
P.R. Norris, vp-cake mgmt

Advertising Agencies
Ted Bates Advertising/New York—Hostess Snacks, Home Pride bread, new prods—Lawrence Epting, acct group dir.
Grey Advertising, New York—Beef Steak Rye bread, Town Talk breads—Robert Schoenfein, exec vp-mgmt rep.
Tatham-Laird & Kudner, Chicago—Wonder Bread—Dawn Hudson, mgmt super.

EVEREADY BATTERY CO.
Canbury, Conn.

Marketing Personnel
G.D. Klein, mktg mgr-adv

Advertising Agency
Needham, Harper Worldwide, Chicago

RANK **60**

Revlon Group

Pompano Beach, Fla.

($ in millions)

Worldwide	**1985**	**1984**	**% chg**
Sales	2,120	N/A	N/A
Net income	N/A	N/A	N/A
U.S.	**1985**	**1984**	**% chg**
Sales	1,830	N/A	N/A
Operating profits	N/A	N/A	N/A
Advertising	147	198	(25.8)
Division sales	**1985**	**1984**	**% chg**
Beauty	1,100	N/A	N/A
Pantry Pride	770	N/A	N/A
Vision care	250	N/A	N/A

A change in ownership at Revlon and the sale of assets to pay off debt incurred by its new owner have left the once-diversified Revlon a shadow of its former self.

Now called the Revlon Group after its merger with Pantry Pride, Revlon consists of only the beauty products group and vision care segment of the former company. Gone are the ethical pharmaceutical and diagnostic health services businesses that contributed nearly 45%, or about $1.08 billion, to total sales in 1984.

The company's beauty products segment, still intact and carrying the classic Revlon line and the prestige lines, Ultima II and Princess Marcella Borghese, is expected to grow to $1.2 billion in worldwide sales in 1986, or 9% above 1984 levels, when segment sales were last reported.

That growth will come from an emphasis on new packaging and new products in the segment and perhaps from a continued presence in department stores if the decision by Revlon's new president, Sol Levine, pans out to reestablish Revlon's image by emphasizing Revlon's Institut Jeanne Gatineau treatment line.

Mr. Levine is reversing a decision made before the November, 1985, acquisition to phase out classic Revlon products from department stores.

Pantry Pride, a Fort Lauderdale, Fla.-based operator of supermarkets and retail stores, purchased Revlon for its beauty business, which in 1984 accounted for nearly half of the company's sales and one-third of its operating income. The optical portion of the business accounted for 9.4% of Revlon's sales volume.

Advertising Age estimates over-all sales of Revlon Group to be $2.12 billion, based on contributions of $770 million from Pantry Pride's stores and $1.35 billion from Revlon's beauty and vision care business. The estimate from Revlon assumes an 11% growth for vision care and no growth in beauty products.

Revlon's beauty business has been flat for the past five years, an incentive for its new owners to build the beauty business through acquisition. In early August, 1986, Revlon Group agreed to buy Max Factor, Almay and Halston for $375 million from Beatrice Cos.' International Playtex when the group separated from Beatrice in a $1 billion buyout. Max Factor, a declining brand stateside with about 3% supermarket sales, less than half its share six years ago, has good distribution abroad, which should help Revlon. International sales of the group have been sliding since the early 1980s.

During calendar 1985, Revlon supported its namesake mass-market lines with $35 million in measured media support. Top competitors Schering-Plough's Maybelline and Noxell Corp.'s Cover Girl outspent Revlon with $42 million and $43 million, respectively, in measured media allot-

Top 25 network cable advertisers

Rank	Advertiser	Network cable ad expenditures 1985	1984	% chng	as % of co.'s 1985 ad total
1	Procter & Gamble	$31,404	$25,112	25.1	2.0
2	Philip Morris Cos.	21,261	14,811	43.5	1.5
3	Anheuser-Busch Cos.	16,395	15,478	5.9	3.1
4	Time Inc.	12,825	7,192	78.3	8.2
5	General Mills	12,792	11,339	12.8	2.6
6	Mars Inc.	11,605	851	1,263.7	4.2
7	RJR/Nabisco	8,736	2,556	241.8	0.8
8	Thompson Medical Co.	6,494	4,456	45.8	N/A
9	Ford Motor Co.	6,068	6,892	(12.0)	1.0
10	Chrysler Corp.	5,126	2,327	120.3	1.3
11	Kellogg Co.	4,725	3,594	31.5	1.3
12	General Motors Corp.	4,724	3,157	49.6	0.6
13	American Home Products Corp.	4,720	3,352	40.8	1.2
14	Delta Air Lines	4,715	296	1,492.8	5.0
15	Warner Communications	4,537	1,069	324.4	3.7
16	PepsiCo Inc.	4,515	1,323	241.3	0.9
17	Bristol-Myers Co.	4,456	6,242	(28.6)	1.3
18	Levi Strauss & Co.	4,437	1,529	191.9	N/A
19	Coca-Cola Co.	4,375	2,756	58.7	1.1
20	Toyota Motor Corp.	4,349	5,391	(19.3)	2.5
21	Sears, Roebuck & Co.	4,340	3,120	39.1	0.5
22	Dow Jones & Co.	4,239	1,070	296.2	N/A
23	Honda Motor Co.	4,210	1,157	263.8	2.7
24	Clorox Co.	4,144	2,813	47.3	3.9
25	American Telephone & Telegraph Co.	3,696	3,457	6.9	0.7

NOTE: Dollars in thousands. Source: Broadcast Advertisers Reports as reported by Leading National Advertisers

ment, according to Leading National Advertisers, which monitors ad spending in seven media.

At the end of the first nine months of 1985, Revlon's share of the market amounted to 19.4% in dollars, tying with top-ranking Maybelline and followed closely by Cover Girl with a 17% dollar share. Revlon, however, was outpaced in unit sales by both Maybelline (20.9%) and Cover Girl (17.6%) during the same period, according to Robert W. Kirkpatrick, Jr., senior vp with the investment research company of Duff & Phelps, Chicago.

Revlon gave its largest product support to the eye makeup category. Revlon's mascaras, eye shadows and eyeliner products all mustered about a 4.6% to 4.7% share of supermarket dollars in 1985, according to Diana Temple, analyst with Salomon Brothers. Maybelline led all three categories with a 33.7% share of mascara sales, 39% of the eyeliner category, and 54.2% of the eye shadow segment in supermarket dollar volume. Second-ranking player was Cover Girl in all three categories, and Revlon came in a distant third.

Special Eyes mascara was introduced to the public in February 1986, targeted at the growing sensitivity-conscious women's market. Reformulation and repackaging highlighted Revlon's line of nail enamels under the Creme and Crystalline names in August, 1985. A more dramatic gold and black color scheme replaced the clear bottle with white tips. Revlon holds a 9.7% share of the supermarket sales in nail polish. Top-ranking Cover Girl, with a 28.6% share is followed by Cutex, at 14.2%, and Maybelline ranks third to Revlon's fourth, with an 11.3% share. Supermarket sales account for a much larger portion of Cover Girl's business, 30%, while other mass marketers' supermarket sales account for an average of 15% of total supermarket cosmetics sales volume.

In June, 1986, Revlon relaunched its Natural Wonder cosmetics line, with new packaging, new pricing and new formulations. Natural Wonder line was reassigned from Grey Advertising, New York, to Bozell Jacobs, Kenyon & Eckhardt, New York, which also inherited the classic Revlon line.

Intimate Musk fragrance was introduced in March, 1986, and Charlie Go Lightly, a bath and body line that will compete against the Jean Nate brand, was launched in May. Both the new fragrance and the Charlie extensions are handled by Revlon's in-house agency, the 50th Floor Workshop.

The Charlie line also extended its fragrance offerings as floral, musk and herbal versions of Charlie debuted in October, 1985, under the Charlie Naturals name. The three new fragrances were supported by print advertising from Scali, McCabe, Sloves. The Charlie line received more than $4 million in measured backing last year, with $1 million supporting the Charlie Naturals additions.

Additional fragrance activity occurred at the prestige level as Ultima II last summer unveiled its first new fragrance in seven years, Maroc. Maroc's advertising is handled by 50th Floor Workshop. Ultima II also introduced Pro-Collagen Anti-Aging Complex for face and throat and a creme companion product, Pro-Collagen Anti-Aging Complex for Eyes. Ultima II's color cosmetics scheme for the fall is called Modern Art. Classic Revlon's fall color choices are being promoted as "Wall Street Violets."

Revlon's mass market perfume entry, Scoundrel, received $1.6 million in media backing, compared with $2.5 million in 1984, despite the addition of a line extension, a musk-scented version of Scoundrel, in 1985.

A flurry of activity occurred in the shampoo products area, particularly in the Flex line, while HDR (Hair's Daily Requirement) shampoo, which had been backed by more than $10 million in advertising in 1984, received no media support in 1985. It dropped to a 0.7% market share at the start of last year.

On the other hand, Flex was supported by $5.4 million in advertising, compared with $6.8 million in 1984. Flex introduced its value-priced mousse product in the second quarter of 1985. In the fall, a second mousse product, one with dandruff-control properties, was introduced to the market with promotion targeted to both the women's and men's markets. Flex dandruff-control styling mousse appeared with a companion shampoo product, a new Flex Medicated Anti-dandruff Shampoo. Grey Advertising handles the Flex line.

A third mousse entry came onto the market through Revlon's salon-based Roux division to join a new category, mousses that provide temporary hair coloring. Roux's Fanciful color mousse joined the $150 million-plus mousse category.

Another new Flex entry, a three-product line called Flex Sun and Sport Haircare system, came on the market in March of this year. The brightly packaged Sun and Sport trio includes a shampoo, conditioner and mousse for the outdoor-oriented man or woman and was promoted via tv, print, coupons and sampling. A $5 million promotion in the fall of 1985 teamed Flex with American Motors' Renault autos for a "Flex/Renault Wind in Your Hair" sweepstakes effort from Grey Advertising.

Magazines received more than $23 million of Revlon's advertising dollars, close on the heels of network tv expenditures. Magazines are reported to become an even more significant factor in Revlon's 1986 ad budget.

Over-all, Revlon's media spending declined more than 25% compared with 1984 and is expected to drop even further as big-spending products, like Tums antacid and Oxy 10, passed to Beecham with the sale of Revlon's Norcliff-Thayer unit. In 1984, Tums received more than $7.3 million in media advertising and Oxy 10 got $4.1 million.

With such change going on at Revlon, restructuring of management and personnel cuts are a foregone conclusion. At the top, Ronald O. Perelman, 42, chairman and ceo of Pantry Pride Inc., succeeded Revlon chairman Michel C. Bergerac as chairman and ceo. Mr. Bergerac left Revlon with a so-called "golden parachute" worth a reported $35 million. The 54-year-old former Revlon exec had served as Revlon's chairman for 11 years, during which time Revlon was transformed from a beauty company to a health care concern with diversified businesses totaling $2.4 billion in sales in 1984.

Lawrence Wechsler became the president of the Revlon Beauty Group, after having served as president of Revlon's Group III (prestige products, treatment brands, fine fragrances). He replaces Paul Willard, who left the company. Roy Stephens assumed the presidency of Group III, which was vacated by Mr. Wechsler's promotion. Neil Katz became president of Revlon's Group II (haircare, antiperspirants, skin cleansers), replacing Harvey Schwartz, who retired. Group I contains popularly priced cosmetics, nail enamels and fragrances.

Pantry Pride paid an estimated $2.7 billion for Revlon, including debt interest and other expenses. It was a $750 million company before the takeover. Revlon fought the takeover and took steps to merge with a friendly suitor, Forstmann Little & Co., and sell its beauty unit for $905 million to Adler & Shaykin, a New York investment firm, until a Delaware court nullified the plan. Forstmann received a $20 million reimbursement in return for dropping its claims.

A battle continues in a Delaware court with Adler & Shaykin, which contends Revlon is obligated to honor the contract terms reached with A&S before the takeover.

Without admitting or denying any wrongdoing, Revlon in June settled

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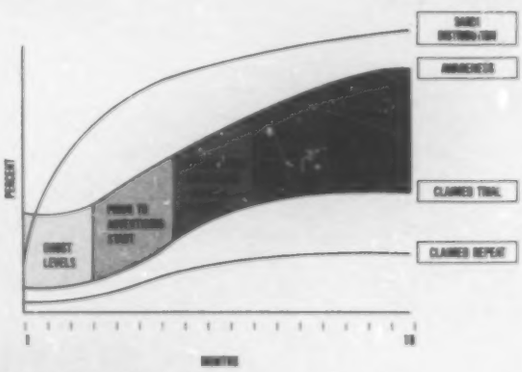

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charges filed by the SEC for its failure to disclose in a timely manner its negotiations with the "white knights" when faced with the Pantry Pride buyout.

It was the beauty business that first attracted Pantry Pride's attention and is the part of the business that the new company hopes to expand. In April, 1986, this commitment to the Revlon name was reiterated when Pantry Pride changed the name to Revlon Group. The next task facing Revlon's new owner was to recoup the debt incurred from the sale.

Divestiture marked the path. Two Revlon units—the Norcliff-Thayer division and Reheis Chemical—were sold for $395 million to Beecham Holdings, London, last December. Beecham reportedly plans to sell Reheis.

Revlon's ethical-drug businesses—USV Pharmaceutical Corp., International Pharmaceuticals, Meloy Laboratories and Armour Pharmaceutical Co., with combined sales expected to reach $1 billion in 1985—were sold to Rorer Group of Fort Washington, Pa., for $690 million.

Technicon Corp., Revlon's diagnostic equipment subsidiary, was sold in the second quarter of this year for $300 million in cash and preferred stock to Cooper Development Co., Palo Alto, Cal. Technicon's subsidiary, Technicon Data Systems Corp., was sold separately in a leveraged buyout to an investor group led by John J. Whitehead and Edwin C. Whitehead, both members of Technicon Data Systems management. The sale of the various subsidiaries has reduced Pantry Pride's debt by more than $1.3 billion.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$23,089	$19,964
Newspaper	0	653
Newsp. supp.	1,207	1,051
Bus. pubs.	0	130
Network tv	34,191	35,565
Spot tv	6,597	17,691
Network radio	1,579	1,154
Spot radio	799	1,427
Outdoor	3	117
Network cable	777	517
Total measured	58,242	78,268
Unmeasured	88,973	119,566
Total	147,215	197,834

REVLON GROUP
767 5th Ave.
New York, N.Y. 10022
(212) 572-5000
Corporate Personnel

Ronald O. Perelman, chmn & ceo
Howard Gittis, vice chmn
Sol Levine, president
Lawrence Wechsler, president, Revlon Beauty Group

Marketing Personnel

George W. Feld, vp-adv services
Richard Kressler, adv dir
Stephen Gebb, adv dir
Anthony Cozzolino, budget media dir
Benjamin Sottile, president, Group I
Paul Bloch, sr vp-mktg, Group I
Neil Katz, president, Group II
Roy Stephens, president, Group III

Advertising Agencies

(In-house) 50th Floor Workshop—Revlon lipstick, nail enamel & face makeup, Chaz, Ultima II, Ciara, Norell, Princess Marcella Borghese, Bill Blass—Martin Stevens, sr vp-creative services; George W. Feld, vp-adv services; Rita Grisman, vp-creative dir.

Bozell, Jacobs, Kenyon & Eckhardt, New York, Classic Revlon, Natural Wonder.

Grey Advertising, New York—Flex, Jontue, Scoundrel, Eterna 27, intl adv—Robert Zimmern, exec vp.

Scali, McCabe, Sloves, New York—Charlie, Mitchum—Lucy Rogenstein, acct super.

PROFESSIONAL PRODUCTS GROUP
Jacksonville, Fla.
Corporate Personnel

Irving J. Bottner, president
Robert Crane, sr vp

Marketing Personnel

Andrew Roberts, vp-creative services

Advertising Agency

Merchandising Workshop, New York—Joanie Curcio, sr vp.

BARNES-HIND/HYDROCURVE
Sunnyvale, Cal.
Corporate Personnel

Kevin J. Ryan, president
Richard Wright, exec vp

Marketing Personnel

George McCrary, vp-mktg
Robert Pace, vp-sales

Advertising Agencies

Grey Advertising, New York—extended wear contact lenses & contact lens solution prods—Mike Ouimette, William Deval, vps-acct supers.

Zechman & Associates, Chicago—specialist prods—Bud Davis, vp-acct services.

NATIONAL HEALTH LABORATORIES
San Diego, Cal.
Corporate Personnel

Robert E. Draper, president

Advertising Agency

(In-house).

RANK **3**

RJR/ Nabisco

Winston-Salem, N.C

($ in millions)

Worldwide	1985	1984	% chg
Sales	16,595	12,974	27.9
Net income	1,100	843	30.5
U.S.	**1985**	**1984**	**% chg**
Sales	12,557	10,216	22.9
Operating profits	1,848	1,444	28.0
Advertising	1,083	1,181	(7.5)
Division sales	**1985**	**1984**	**% chg**
Tobacco	8,062	7,845	2.8
Food, beverages	8,533	5,129	66.4

Last year R.J. Reynolds Industries was the first to set off a round of mega-sized package goods company mergers with the acquisition of Nabisco Brands, East Hanover, N.J., for $4.9 billion in cash, notes and stock. It was the largest non-oil-industry merger in history until General Motors bought Hughes Aircraft for $5 billion.

The merger made RJR the largest American advertiser for several weeks, with total advertising and promotional expenditures exceeding $1 billion—the first time any company had exceeded that mark. It lost its No. 1 spot several weeks later when perennial advertising leader Procter & Gamble acquired Richardson-Vicks and Philip Morris acquired General Foods.

In the meantime, RJR Nabisco has been selling properties that do not meet its growth potential. In 1986, the company sold its Canada Dry and Sunkist soft drink units to Cadbury Schweppes, Kentucky Fried Chicken to PepsiCo and the Del Monte frozen food business to ConAgra.

After the merger, the company, renamed RJR Nabisco, was restructured slightly with RJR's Del Monte Corp. subsidiary coming under Nabisco Brands' management and Nabisco's All Brand Importers falling under RJR's Heublein management.

With the acquisition of Nabisco Brands, RJR's 1985 nontobacco sales slightly exceeded its tobacco sales for the first time. However, the company's earnings from tobacco operations would make up 58% of RJR's earnings if profit figures for Nabisco Brands were included for all of 1985.

Worldwide sales increased in 1985 by 27.9%. Net income from continuing operations increased 18.7% to $1 billion, although actual earnings, also $1 billion, decreased 17.3%. The decline in earnings was traced to the sale of RJR's energy business and transportation operations in 1984.

Measured advertising expenditures for 1985 decreased by $50 million, with most of the decline in newspaper and magazine buys.

R.J. Reynolds Tobacco Co. remained the No. 2 cigaret marketer in the country with a 32% market share, behind leader Philip Morris. This represents a 0.4 share point increase over 1984. Reynolds, Philip Morris and Brown & Williamson Tobacco Co. were the only cigaret marketers to post share increases.

Reynolds' combined domestic and international tobacco earnings from continuing operations rose 14% to $1.48 billion on a modest 2.8% sales growth. Operating income from tobacco represents 66% of total earnings from continuing operations while sales from the tobacco unit represented 49% of total sales.

None of Reynolds' major brands, however, scored share increases in 1985, with flagship Winston recording the largest drop in market share of the company's best selling brands. Winston's share of the over-all market dropped from 12% to 11.5%. Reynolds spent $48.5 million in measured advertising for its Winston line, up about 50%, according to seven-media Leading National Advertisers measurements. Winston commanded 7.4% of RJR Nabisco's total ad spending.

Salem, the nation's leading menthol brand, retained an 8.1% share of the market in 1985. Ad spending for Salem was $36 million, up 16%, according to Leading National Advertisers.

Reynolds' other two brands in the nation's top 10, Camel and Vantage, saw modest share decreases to 4.3% and 3.4%, respectively. RJR spent nearly $34 million on Camel, down 8%, and $39 million on Vantage, down 10.6%.

In March, 1985, Reynolds introduced Ritz, a 100mm, low-tar regular and menthol cigaret carrying the Yves St. Laurent logo, in selected test markets around the country. Despite achieving market shares lower than many analysts believed necessary to roll national, Reynolds did so in April, 1986, billing it as the first designer cigaret.

In two of the cigaret's test markets, Reynolds tried selling it at 10¢ more a pack than other brands. However, the premium price was soon dropped.

Leber Katz Partners, New York, handles the new cigaret, which is targeted for fashion-conscious females and carries the YSL logo on packaging and on its filter barrels. RJR spent $2.6 million in measured advertising for the new cigaret.

Reynolds settled a trademark infringement suit filed by the owners of the Ritz Hotel in Paris over the use of the Ritz name before the cigaret rolled national. Terms of the settlement were not disclosed.

In the price value segment of the domestic cigaret market, RJR commands a 24.9% share. Reynold's two leading value brands are Doral and Century.

Doral, the country's first branded cigaret that sells at prices competitive with those of generic brands, attained a 1.3% share of the market in 1985, representing about $195 million in annual sales. Doral is priced about 20¢ a pack less than traditional brands.

Reynolds' other entry into the price-value segment of the domestic market, Century 25's, offers smokers 25 cigarets at the same suggested retail price as traditional 20 packs. The two price-value cigarets give RJR a 24.9% share of that market.

In November, RJR discontinued sales of its chewing tobaccos and six of its minor smoking tobacco products. The brands accounted for less than 1% of company sales.

RJR began initial production at its 2 million-sq.-ft. Tobaccoville, N.C., manufacturing complex in January, 1986. The company hopes the plant will be fully operational in late 1987.

RJR's food and beverage operating income increased 97% to $763 million on sales of $8.5 billion, up 66%. The sharp increase is a result of including Nabisco Brands sales and earnings figures from July 2. Nabisco achieved a 12% increase in earnings from continuing operations in 1985 on sales that increased 2% from 1984.

The food and beverage division has gone through considerable upheaval since the first of the year. In the food sector, the company sold Kentucky Fried Chicken to PepsiCo for $850 million and the frozen food sector of Del Monte to ConAgra. In beverages, RJR Nabisco sold Canada Dry and Sunkist to Cadbury Schweppes for $230 million, leaving the division with Nabisco Brands, much of Del Monte Corp. still intact and Heublein Inc.

As of July, the company had introduced 39 new products since January, 1985—22 in 1985 and 17 in 1986. Among these introductions were Oreo Mint Cremes, Blueberry Newtons, several styles of Almost Home cookies, Nabisco Shredded Wheat 'n Bran and Planters honey roasted nuts.

Combined advertising spending for Nabisco crackers, including Premium Saltines, Ritz and Wheat Thins, amounted to $19.2 million, even with 1984. Spending for Nabisco cookies was $32.7 million, up 17.2%.

In order to increase sales of Almost Home cookies, the leader in the soft-cookie market, Nabisco began airing 30-second network tv spots to promote the cookies, now with new ingredients. Nabisco's Almost Home enjoys about 37% of the sagging $560 million soft-cookie market and about 15% of the total cookie market, but faces stiff competition in soft cookies from Procter & Gamble's Duncan Hines (28% share) and Keebler's Soft Batch (27.6%).

Dancer Fitzgerald Sample, New York, produced the campaign, themed, "So good, you can almost taste the recipe."

In the summer of 1985, Nabisco broke a $25 million campaign to introduce nationally its new Blue Bonnet Butter Blend. The company decided to invest heavily in the new product because of favorable results in three test markets where the product was sold without advertising. Measured spending for Blue Bonnet products in 1985 was $2.1 million and for Fleischmann's products, $7.8 million. Fleischmann's North American yeast and commercial vinegar operations

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WPBN-TV/WTOM-TV, NBC, Traverse City – Cadillac – Cheboygan, MI
WCFT-TV, CBS, Tuscaloosa, AL
Represented by Katz Continental
Source: 1985 Survey of Buying Power

were sold in May, 1986, to Burns, Philp & Co. Ltd. of Sydney, Australia.

Canada Dry made an attempt earlier this year, through new products and a new ad campaign, to compete against the soft drink leaders, Coca-Cola and Pepsi-Cola. Spending for Canada Dry last year amounted to $12.3 million while spending for Sunkist was $7.2 million. Together, the two accounted for 4.6% of the total soft drink market in 1985, with Sunkist accounting for only 2% of the market's citrus-flavored sector.

Analysts say RJR sold the soft drinks in order to keep with its strategy, developed after its Nabisco acquisition, of selling companies that do not meet its growth plans.

As a result of mergers among leading ad agencies, RJR shifted several of its accounts to other agencies, in some cases dropping agencies that had been with the company for more than 30 years.

RJR pulled accounts worth $96 million from William Esty Co. after that company's parent, Ted Bates Worldwide, merged with Saatchi & Saatchi, which services many of RJR's rivals. Additionally, after the announced creation of the Omnicom Group, involving BBDO International, Doyle Dane Bernbach and Needham Harper Worldwide, RJR shifted several accounts from DDB.

RJR's Salem line, an estimated $50 million account, was moved from Esty to FCB/Leber Katz Partners, which has handled other Reynolds cigarets for some time. Esty also lost Nabisco's Milk Bone and Butcher Bones dog biscuits business to FCB/LKP, an estimated $31.8 million in Nabisco cookie business to DFS-Dorland Worldwide, and Nabisco's Premium Saltines and Ritz crackers business to McCann-Erickson.

After the Omnicom announcement, RJR shifted its estimated $22 million hot and cold cereal and dessert business to FCB/LKP from DDB. DDB also lost RJR's $10 million Blue Bonnet and Fleischmann's margarine accounts to Tatham-Laird & Kudner, Chicago. Needham Harper Worldwide, which is merging with DDB, handles Kraft's Parkay margarine, a major competitor of Blue Bonnet and Fleischmann's. Needham also handles General Mills' Wheaties cereal, which competes with Nabisco's Shredded Wheat.

Additionally, in a move unrelated to the agency mergers, RJR in January shifted an estimated $40 million in network broadcast media buying responsibilities from Young & Rubicam to Ohlmeyer Communications, later creating a new unit called RJR/Nabisco Broadcast, headed by Peter Chrisanthopolous. The shift means RJR now controls all of its $135 million in measured and unmeasured network spending since Reynolds acquired a 50% interest in Ohlmeyer when it bought Nabisco. Having already established an in-house print and outdoor buying unit, Reynolds only uses agency media capabilities for spot broadcast buying, which has remained at Lowe Marschalk.

In spring 1986, Reynolds sold its interest in Ohlmeyer Advertising to Interpublic Group of Cos.' McCann-Erickson.

F. Ross Johnson, president of RJR Nabisco, has been named chief executive succeeding J. Tylee Wilson. Mr. Wilson will continue as chairman until he takes early retirement in 1988.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$164,137	$204,885
Newspaper	73,321	107,456
Newsp. supp.	35,898	39,866
Bus. pubs.	1,835	2,566
Network tv	179,254	173,543
Spot tv	81,686	82,335
Network radio	9,334	4,938
Spot radio	7,935	5,116
Outdoor	95,239	87,085
Network cable	8,736	2,556
Total measured	657,375	710,345
Unmeasured	435,625	470,727
Total	1,093,000	1,181,072

RJR NABISCO
Winston-Salem, N.C. 27102
(919) 773-2000
R.J. REYNOLDS TOBACCO CO.

Corporate Personnel
G.H. Long, president-ceo

Marketing Personnel
M.L. Orlowsky, exec vp-sales & mktg
R.A. Kampe, sr vp-mktg
D.B. Fishel, vp-pr
Jerry McKenna, vp-mktg planning
John Winebrenner, vp-brand mgmt
Richard Sanders, mktg dir
John Herberger, mktg dir
David Iauco, mktg dir
George Baroody, group dir-mktg services
Al Barnett, dir-sales promo
Dan Pearson, dir-media
Larry Hall, vp-mktg devel

Advertising Agencies
Leber Katz Partners, New York—Salem, Vantage, Ritz—Stanley H. Katz, chmn; Robert T. Hirsch, exec vp-mgmt rep; Andrew C. Millar, Angelika Adler, Janice C. Lee, vps-mgmt supers; Alexander Mohtares, Jack Silverman, sr vps-exec creative dirs.

Long, Haymes & Carr, Winston-Salem, N.C.—Doral—Donald N. Adams, exec vp-mgmt super; Rob Austin, vp-mgmt super; Francie Thompson, acct super; Bob Graham, exec vp-creative services.

McCann-Erickson, New York—Camel, Winston—Greg Bathon, exec vp; Simon Marlow, Bob Dunn, sr vps-mgmt reps; Barry Schwieg, David Matthews, acct supers; Lonnie Soury, Dave Pastore, acct execs; Bob Hiller, acct super, promo; Tim Shortt, sr vp-assoc creative dir; Bob Summers, Mike Koulermos, vps-dirs of creative services.

Tatham-Laird & Kudner, Chicago—Century—Charlotte Beers, managing partner-ceo; William Youngclaus, managing partner-coo; Robert Hielscher, sr partner; James R. Hill, mgmt super; Richard Everett, acct super.

Young & Rubicam, New York—More, NOW—John Glorieux, exec vp-dir client services; Jane Brite, sr vp-group dir; Jordan Stanley, vp-mgmt super.

R.J. REYNOLDS TOBACCO INTERNATIONAL

Corporate Personnel
Lester W. Pullen, chmn, ceo
Dale F. Sisel, president
Rouben V. Chakalian, exec vp

Marketing Personnel
Peter J. Hoult, sr vp-mktg
G.E. Harlow, dir-mktg
Ron Field, dir-pr

Advertising Agencies
McCann-Erickson, New York and international affiliates—Camel worldwide.

Other brands handled through a variety of agency assignments country by country.

DEL MONTE USA
San Francisco, Cal.

Corporate Personnel
Fernando Gumucio, president
John Polychron, president-ceo, fresh fruit

Marketing Personnel
Ewan MacDonald, sr vp-mktg
Ben Klein, sr vp-mktg, fresh fruit
G.F. Norwood, vp-mktg, fresh fruit
Stephan Rothchild, vp-dir vegtables & tomato prods
Richard Lynch, vp-mktg, seasonal prods
Skip Ballew, dir-consumer promos
Gordon Chapple, dir-mktg fruits & pineapple
Ted Taft, dir-mktg, beverage & formulated prods
Dee Ann Campbell, dir-creative services
Kristi Outzen, mgr-adv services

Advertising Agencies
Lowe Marschalk, New York—A.1. Steak Sauce, Grey Poupon dijon mustard, Chun King—Dan Cohen, mgmt service dir; John Most, mgmt super.

McCann-Erickson, San Francisco—canned fruits & vegetables, Del Monte juices, fruit snacks, tomato prods, pickles & relishes, fresh fruit—Arkie Koehl, Walter Menzel, sr vps-mgmt supers.

HEUBLEIN INC.
Farmington, Conn.

Corporate Personnel
John A. Powers, chmn-ceo
Robert M. Furek, president-coo
Frank McCarthy, president-ceo, Palace Brands
Dennis Delaney, president, intl vintage wine
John J. Kucich, president, All Brand Importers

Marketing Personnel
John J. Manning, sr vp-mktg worldwide
George T. Eisenberg, sr vp-worldwide sales
Erik J. Pierce, vp-pr
David G. Eickholt, vp-mktg services
G. William Seawright, sr vp-intl
Leonard D. Blado, sr vp-planning & devel

Advertising Agencies
Asch Advertising, New York—(out of home agency of record)—Richard Asch, president; Gordon Asch, chmn.

Ted Bates Advertising/New York—Foster's Lager.

Castor Spanish International, New York—Hispanic adv—Smirnoff vodka, Don Q rum, Jose Cuervo tequila, Black Velvet Ca-

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nadian whisky—Robin Roberts, acct super; Castor Fernandez, creative dir.

DYR, New York—Harveys Bristol Cream, Don Q rum, Inglenook wine, Finlandia vodka, Mouton Cadet wine, TropicFreezeR, Citronet, Torresella wine, Fazi Battaglia wine, Babycham Perry wine, new prods—Robert J. Donahoe, sr vp-group dir; Steve Nastelberg, dir-media services.

FCB/Leber Katz Partners, New York—Club Cocktails, Arrow Cordials, Vikin Fjord vodka, Heublein F.S. Cocktails, new prods—Stuart Kissel, vp-acct super; David Fulton, media dir.

Lowe Marschalk, New York—Beaulieu Vineyard—Bob Glassman, acct super; Jay Cossey, media planner.

McCann-Erickson, New York—Smirnoff vodka, Black Velvet Canadian whisky, Irish Mist Liqueur, The Famous Grouse scotch whisky, Yukon Jack Canadian Liqueur, Moosehead Canadian Lager, new prods—Victor Linn, sr vp-mgmt rep; Rick Gallagher, assoc planning dir.

UniWorld Group, New York—ethnic & general adv—Smirnoff vodka, Harveys Bristol Cream, Club Cocktails, Brass Monkey, Don Q rum—Byron Lewis, ceo; Winston Cooper, acct super.

Young & Rubicam, New York—Lancers wine, Valbon wine, Jose Cuervo tequila—John Stokes, sr vp-mgmt super; Nancy Smith, sr vp-group super.

KENTUCKY FRIED CHICKEN CORP.
Louisville, Ky.
Corporate Personnel

Richard P. Mayer, chmn-ceo
Steven V. Fellingham, president, KFC International
Donald E. Doyle, president-KFC/USA.
Donald E. Parkinson, exec vp-genl mgr, Zantigo

Marketing Personnel

Robert E. McDowell, exec vp-mktg & devel
Michael J. McGraw, sr vp-worldwide services
Gregg M. Reynolds, vp-public affairs
Roger H. Kramer, vp-strategic planning

Advertising Agencies

The Bravo Group, New York—Hispanic media—Daisy Exposito, creative dir.

Mingo-Jones, New York—Kentucky Fried Chicken Corp. black media—Marla Curry, acct super.

Young & Rubicam, New York—Kentucky Fried Chicken Corp. natl co-op & company-owned outlets—Chris Becker, acct super; Monty Roberts, mgmt super.

NABISCO BRANDS
East Hanover, N.J.
Corporate Personnel

Robert M. Schaeberle, chmn
James O. Welch, Jr., president-ceo
Robert J. Carbonell, exec vp

NABISCO BRANDS USA
Parsippany, N.J.
Corporate Personnel

Charles Chapman, president
H. John Greeniaus, exec vp
Peter N. Rogers, exec vp, vp-operations
John H. Clark, exec vp-corp technology
Edward P. Redding, sr vp
Raymond Wright, sr vp-finance

Marketing Personnel

Herbert Brinkerhoff, vp-mktg services/planning
Robert Garguilo, dir rsch
Melvin Perlmutter, dir-mktg services
Robert Springer, dir-adv services
Louis J. Rubinacci, dir-natl television
Marjorie Massarsky, mgr-spot tv, mag & outdoor

BISCUIT DIVISION
Corporate Personnel

H. John Greeniaus, president

Marketing Personnel

Harold Lees, vp-mktg
Sharon Fordham, dir-mktg crackers
William Stuart, dir-mktg sweet goods
Michael Perry, dir-media

Advertising Agencies

DFS-Dorland Worldwide, New York—cookies, crackers—Joseph Mack, president; Raymond Caro, mgmt dir-biscuit div.

McCann-Erickson—New York—crackers

GROCERY DIVISION
Corporate Personnel

William McKnight, president

Marketing Personnel

Ellen R. Marram, vp-mktg
Marc Atkinson, dir-mktg hot cereals
Bruce Campbell, dir-mktg margarines
Robert Donegan, dir-mktg RTE cereals
Roger Wagner, dir-mktg dry prods
Robert Schofield, dir-mktg pet foods

Advertising Agencies

Deltakos, New York—Fleischmann's Lite-Egg Beaters—Victoria Roberts, acct super.

Foote, Cone & Belding/Leber Katz Partners—cereals, desserts, dog biscuits.

Tatham-Laird & Kudner—Ortega, Hawaiian Punch, Fleischmann's Blue Bonnet.

LIFE SAVERS/PLANTERS
Corporate Personnel

Lawrence Kleinberg, president

Marketing Personnel

Robert W. Denny, vp-mktg
Valerie Friedman, dir-mktg chocolate & new prods
Michael W. Gretz, dir-mktg hard roll candy & gum
Eric N. Shullman, dir-mktg Planters

Advertising Agencies

Bozell, Jacobs, Kenyon & Eckhardt, New York—candy, nuts, snacks—Ron Benza, sr vp-mgmt super. Baby Ruth/Butterfinger & Planters—Michele Kay, acct super, Planters prod line; Steven Centrillo, acct super, Baby Ruth/Butterfingers.

DFS-Dorland Worldwide—candy, gum—Joseph Mack, president-DFS New York; Robert M. Egan, mgmt super.

Sara Lee Corp.
Chicago
RANK **29**

($ in millions)

	1985	1984	% chg
Worldwide			
Sales	8,117	7,000	16.0
Net income	206	108	90.7
U.S.			
Sales	6,631	5,632	17.7
Operating profits	366	340	7.6
Advertising	286	249	14.7
Division sales			
Consumer foods	2,615	1,896	37.9
Food service	1,484	1,363	8.9
Beverages	1,453	1,440	0.9
Consumer prods.	1,840	1,446	13.4
Consumer sales	1,039	962	8.0

Sara Lee, which underwent a restructuring this year that reflects the loss of its beverage business and importance of international sales, for the first time in more than a decade reported a drop in revenues in fiscal 1986 although income for the period set a new high.

Cause of the corporate sales drop, were the divestiture of the Shasta Beverage and Idaho Frozen Potato operations coupled with the restructuring of the Popsicle Inc. unit.

The resulting loss in sales were felt largely by the new U.S. Consumer Foods segment (it included international foods as well in 1984) in which sales dropped 7% as operating income plunged 13.4% to $131.4 million. Otherwise, the foods group would have had increases in 1985 because the meat companies and Kitchens of Sara Lee and Chef Pierre had new-product introductions and better market penetration that led to an 8% unit volume gain for meats and 7% for frozen foods.

Combined, the Sara Lee meat companies hold about 5% of the $19 billion U.S. processed meat market. The measured ad spending level for all meat products rose 62% to $15.2 million, reflecting a bevy of new product entries from Hillshire Farms (total spending $6.2 million, up 10%) and Jimmy Dean and Kahn's (total spending $2.8 million and $2.6 million, respectively).

Kitchens of Sara Lee has a 40% share of the U.S. frozen sweet goods market. Kitchens of Sara Lee hiked its ad spending 69% to $9.4 million, primarily to support croissants with $6 million, up 91%, and the launch of Bagel Time supported with $1.03 million, all in spot tv.

The Foodservice segment was held down in performance this year because of the divestiture of 670 Lawson's convenience stores and six regional branches of the PYA/Monarch wholesale food supply company. Sales fell 19% as operating income dropped 6%, to $49.8 million.

Sales of the newly created International Consumer Foods segment rose 26%, primarily because of a weaker dollar and strong sales by Douwe Egberts, the Dutch coffee, tea and tobacco house. Operating income jumped nearly 42%, to $70.4 million.

Results at the Consumer Personal Products segment (Aris gloves, Bali and Canadelle lingerie, Hanes hosiery, L'eggs, Sirena beachwear) also were dampened by a divestiture—the sale of service merchandiser Sav-A-Stop, Jacksonville, Fla., in June, 1985. Sales drop 2%, to $1.4 billion as operating income climbed 17%, to $145 million.

In the Consumer Household Products segment, Kiwi, Electrolux and Fuller Brush helped generate a 16% growth in sales, to $943 million and operating income of $118 million, up more than 22%. Acquisitions during 1985 brought in fine leather products, foodservice operators and distributors, specialty meat producers, a seafood distributor, and a bid by Sara Lee to buy the 85% of Nicholas Kiwi Australasia it does not own.

Sara Lee made several divestitures during the year, including foodservice operations from PYA/Monarch, its sugar beet processor, Idaho Frozen Foods, Sav-A-Stop, and Lawsons Stores. In November, 1985, the company sold Shasta Beverages to National Beverage Corp., Ft. Lauderdale, Fla., for $55 million.

A wealth of new products and reformulations marked 1985 for Sara Lee. Bagel Time frozen bagels in five varieties were introduced in select markets in October and were national by year's end as Foote, Cone & Belding, Chicago, enjoined consumer to "eat 'em slow" in its radio and tv commercials. Sara Lee spent $1.03 million on its bagels in measured media, a distant second to Kraft's Lenders' $6 million spending. The frozen bagel market is estimated at $90 million, compared to $310 million for fresh bagels. Lenders has 71% of the frozen bagel market and Sara Lee has 21%.

Another new Kitchens of Sara Lee frozen convenience food, Sara Lee Hearty Fruit Muffins in four varieties, two muffins per pack, bowed in June, 1986, and is due nationally this September. Foods in the frozen breakfast category are the fastest growth group now, up 8% in tonnage and 17% in dollars for 1985 compared to 1984.

In the frozen bread and roll category, market shares have changed since 1982 when Kraft's Lenders had 28% of the market to Sara Lee's 1.7%. In 1985 Sara Lee claimed 33% to Lender's 25.8%. The biggest strength of Sara Lee in that market is croissants; its newest entry is pre-sliced versions, out in March, 1986.

Kitchens of Sara Lee moved its retail account from Foote, Cone & Belding, Chicago, to Chiat/Day, New York.

New offerings for sausages brought them to the market skinless, microwavable, country style and Southern, extra-lean, low-salt, no-sugar, mesquite smoked (regular and beef), fully cooked and in fillings inside old fashioned buttermilk biscuits—these from the host of regional and national specialty meat marketers in Sara Lee.

Popsicle, which competes in the $1.75 billion frozen treats market, rolled out its new and reformulated product line in spring, 1986, including three new flavors, strawberry, raspberry, and wild berry. Other additions are a fudgier, creamier Fudgsicle, a 3½-oz. Big Stick water ice bar, a 2½-oz. Sidewalk Sundae ice cream bar, and a cookie-size Oreo Snackwich. A single stick has replaced the historic Popsicle Twin Stick except in some stores that sell Popsicles individually.

L'eggs Products introduced in 1985 its Sheer Energy Summer Lights, a seasonal entry; Little L'eggs Tights, for girls to 11; Color L'eggs; and Gitano, fashion colored and textured hosiery. L'eggs received measured advertising of $38 million, up 9%, generally running in magazines.

Hanes Hosiery introduced Silk Reflections light support knee highs and silky designs; Isotoner Pantyhose, a full line of spandex sheer pantyhose; and two lines of textured pantyhose, Fitting Pretty and Today's Girl.

From Hanes Printables came Hanes Fleecewear Adult Sweatpants in 17 colors; Hanes Fleecewear Youth Sweatpants in 12 colors; and the Hanes 100% Cotton Pique Sportshirt. And having passed muster with Inspector 12, three new underwear entries are available from Hanes Knitwear. Hanes received $23.1 million in ad backing, down 6% from 1984.

Two new bras, coming to market in May, 1986, are the latest offerings from Bali Co. Pretty Bali is a satin and lace model, and Racerback is a shoulder-hugging bra. The new items helped push Bali spending up 14% to $2.6 million, virtually all in magazines.

Among a list of new items launched by Nicholas Kiwi Ltd's U.S. unit, Kiwi Brands, were two preparations for black consumers, Ambi Cocoa Butter Skin Cream skin softening formula and also skin protectant formula, and for Hispanics, a medicated MIA Skin Cream.

Kiwi also launched BLOO Fresh Evergreen automatic toilet bowl cleaner and Toilet Duck manual toilet bowl cleaner, Kiwi Aerosol Sneaker Shampoo, and Kiwi Classic Gift Kit, a shoe polish kit in a replica of a 1940 Kiwi Polish can. Kiwi now has 80% of the U.S. shoe care market.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$27,940	$20,368
Newspaper	3,350	4,812
Newsp. supp.	830	938
Network tv	64,129	64,076
Spot tv	26,196	23,538
Network radio	2,313	1,921
Spot radio	10,147	2,345
Outdoor	18	135
Network cable	1,974	1,262
Total measured	136,897	119,393
Unmeasured	149,059	130,000
Total	285,956	249,393

ADVERTISING EXPENDITURES

(Sara Lee supplied)	1986	1985
Newspaper	$20,832	$25,475
Magazine	23,493	22,677
Spot tv	33,120	34,968
Net tv, cable	71,462	75,237
Spot radio	2,412	3,050
Network radio	2,434	1,584
Outdoor	1,449	2,952
Total measured	155,202	165,943
Unmeasured	176,551	154,130
Total	331,753	320,073

SARA LEE CORP.
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Chicago, Ill. 60602-4260
(312) 726-2600
Marketing Personnel

Charles Ostrander, vp-mktg, Aris Isotoner
Jean Gariepy, vp-mktg, Bali Co.
Robert B. Crawford, vp-sales & mktg
Steen A. Metz, vp-business planning & devel, Booth Fisheries
John Lox, vp-mktg, Bryan Foods
Jack Thomas, sr vp-sales & mktg, Buring food group
Ray Nadeau, vp-mktg, Canadelle
R.D. Bullard Jr., vp-mktg & genl mgr, retail sales
Gary W. Ramey, mktg mgr, retail
Stephanie M. Walter, mktg mgr-foodservices, Chef Pierre
Helen Chaftkin, dir adv, Coach Leatherware Co.
William Douque, genl mktg mgr, Douwe Egberts, The Netherlands
David Belle-Isle, sr vp-mktg & planning, Electrolux Corp.
Robert McGurkin, dir-household mktg, Fuller Brush Co.
Ron Vincenzi, genl sales mgr, Galileo-Capri Salami
Charles Stacey, vp-sales, mktg, Galle Salame
Paul F. Wold, vp-mktg, Hanes Hosiery
John Wigodsky, vp-mktg
Jim Ostrowsky, vp-mktg, Hanes Knitwear
Kirk Beaudin, vp-mktg, Hanes Printables
Charles Lehman, vp-mktg, Hi-Brand Foods
Teri Burgess, prod mgr, Hi-Brand Foods
James M. Williams, vp-retail sales & mktg (heartland state region)
Kathleen Horner, natl dir-mktg, Hillshire Farm Co. (natl)
Jack Sletten, vp-mktg
J.T. McGraw, dir-mktg
Ed Jenkins, vp-mktg, Jimmy Dean Co.
Dini Hogeweg, mktg coord, Jonker Fris, The Netherlands
Steven P. Stanbrook, vp-mktg, Kiwi Brands
John Piazza, vp-mktg, L'eggs
Robert Fraser, vp-mktg, Lyon's Restaurants
Kathy Klopfenburg, dir-mktg, Emmber Brands, Peck Meat Packing Corp.
Paul J. Kadin, vp-mktg, Popsicle Industries
Ronald Elmquist, vp-sales & mktg, PYA/Monarch
Ted Kengla, vp-Poultry Specialties
Larry Wucher, vp-sales & mktg, R.B. Rice
Jerry Pattillo, dir-mktg, R.B. Rice
Greg Morre, vp-mktg, retail sales, Rudy's Farm
Glen Mazepa, dir-mktg, Rudy's Farm
Bob Roberts, retail prod mgr, Rudy's Farms
Thomas G. McCarley, vp-mktg & res/devel food service, Kitchens of Sara Lee
Robert H. Cohen, dir-mktg, Shasta
Joe Kaminsky, sr vp-sales & mktg, Sirena
Ed Breclaw, vp-mktg
Pam Johnson, vp-gourmet sales
Mary Kay Buettgen, prod mgr, coffee
Bill Mortimer, prod mgr, foods
Randall Voorn, genl mgr, Moccomat, Superior Coffee & Foods

Advertising Agencies

Ally & Gargano, New York—Bryan (processed meats including bologna, bacon, sausage, Smoky Hollow brand)— Lou Killeffer, senior vp-mgmt super; Jim Feeney, acct exec; Barry Vetere, creative dir.

Aris Isotoner Inc. (handles all advertising & media placement in-house).

Barkley & Evergreen, Kansas City, Kansas—R.B. Rice creative & pr—Connie Bookmyer, acct exec.

Basinger & Associates, Atlanta—Hi-Brand Foods—John Basinger, acct exec.

Berry-Brown, Dallas—Jimmy Dean Sausage & Biscuit Sandwiches.

Brooks-Pollard, Little Rock, Ariz.—Rudy's Farm foodservice—Doug Williford, acct exec.

Burrell Advertising, Chicago, Ill.—Black adv: L'Eggs hosiery—Linda Pharr, vp-mgmt super.

Chiat/Day, New York—Kitchens of Sara Lee—Ira Mathathia, mgmt super; Nigel Carr, acct planner; Bill Hamilton, creative planner; Megan O'Shaughnessy, acct exec; Bob Zach, media dir; Jane Newman, sr vp-dir client services.

Craemer Grasselt, Milwaukee—Peck Meats, new prods activity.

Dancer Fitzgerald Sample, New York—Hanes Brand—Lyn Salzberg, mgmt super; Preston Bealle, acct super; Catherine Streich and Mary Pat Ladner, acct execs. Bali—Tom Bohan, exec vp-acct dir; Dennis Keane, sr vp; Jacquleen Ferrell, acct exec, Bali Brand, John Grant, acct exec, Something Else; Marianne Bess, acct exec, Bali, A-OK, CeSoir; Barbara McKale, acct exec, Something Else, A-OK, CeSoir. Popsicle—Mike Jeary, vp-mgmt super; Marc Luchansky, vp-acct super; Carey Field, acct exec. L'eggs—Michael Donahue, exec vp-acct dir; Michael Leahy, sr vp-mgmt super.

DFS Dorland—Coach—David Means, acct exec.

d'Arcy Masius Benton & Bowles, Chicago—Hillshire Farm natl mktg—Clark Hine, exec vp, creative services; Carol Singer, mgmt super.

H.J. Delaney, New York—PYA/Monarch—Harry Delaney, president-acct exec; Ken Seiter, acct super. Booth Fisheries—Harry Delaney, president.

Dillard & Lavine, Dallas—Standard Meat Co.—Steve Lavine, acct exec.

W.B. Doner & Co., Baltimore—Bali corp co-op adv—David Sackey, senior vp-acct dir; Ellen Gordon, acct super; Deborah Goetz, acct services.

Doyle Dane Bernbach, New York—100% d'Lite—Michael Perkins, acct super.

Evans, Lynch, Rockey, San Francisco—Lyon's Restaurants—Greg Pabst, exec vp-acct services; Martin D. Rockey, creative dir.

FHV-BBDO, Amsterdam, The Netherlands—Douwe Egberts—Marlies Ponsioen, acct super; Digna Lievaart, Rob Troost, acct dirs.

Food Group, Los Angeles—Hi-Brand foods—Bob Hager, acct exec.

Foster & Green, Baltimore—Kiwi Brands Inc., Shoe Saver & Cavalier—Wink Foster, president.

Frankenberry, Laughlin & Constable, Milwaukee—Hillshire Farm heartland state

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How much is the liquor industry spending on a market by market basis?
Turn to LNA for answers.
See page 93

region—Dick Papke, vp-acct services; Maribeth Scaaf, acct exec.

HBM/Creamer, Pittsburgh—Chef Pierre, Lloyd J. Harriss Pies—Howard S. Gittins, exec vp; Pat Wood, acct mgr; Timothy Lazor, acct exec.

Henderson Advertising, Greenville, S.C.—Hanes Printables consumer adv—Ralph Callahan, chmn; Jim Brandhorst Sr., vp-dir client services; Hayward Whetsall, vp-mgmt super.

Holt Enterprises, Greensboro, N.C.—Hanes Printables trade adv— Jim Houghtaling, president; Elaine Pelkey, vp-media dir.

Bill Hudson, Nashville—Rudy's Farm—Ed Damica, acct exec.

Jordan, Manning, Case, Taylor & McGrath—New York—Underalls (Hanes), new prods—Don Gilbert, mgmt supe.; Anne Kirkwood, acct super; Kathie Ryan, acct exec.

LeSac, Milwaukee—Hi-Brand—Lauri Huisman, acct exec.

Lewis, Gilman & Kynett (FCB), Philadelphia—Kiwi Brands Inc. Kiwi, Bloo, Miracle White, Johnny Mop, StingKill, Wood Preen—Joseph Barone, vp-mgmt super; John Brady, Robert Hoeck, Joy Elliott Shugrue, acct exes.

Long, Haymes & Carr, Winston-Salem, N.C.—Fitting Pretty, Isotoner—Bob Ely, vp-mgmt super; Don Van Erden, acct super; Patrick O'Sullivan, acct exec. Hanes Knitwear brands of mens, boys, girls underwear—Loren Chamberlain, exec vp-acct mgr.

John Malmo, Memphis—Buring Food Group—Bob O'Connor, vp.

Mandabach & Simms, Chicago—Sara Lee foodservice—Lee Lippman, senior acct super; Jim Flurry, acct super: Joy Mizell, acct exec.

Maris West & Baker, Jackson, Miss.—Bryan canned meats—Gerrit Maris, president; Henry B. Ford, vp-mktg.

Lynn Medberry Associates, Los Angeles—Sirena swimwear line, Wear About beachwear line—Lynn Medberry, owner-acct exec; Edward Freeman, acct exec.

Media That Works, Cincinnati—Gallo—Eileen Wienert, acct mgr. Jimmy Dean—Mary Beth Price, Diane Barr, acct mgrs.

Network, The Hague, Netherlands—Jonker Fris—Van Oosteron, acct exec.

Noble & Associates, Chicago—superior coffee & foods—Raymond Jorns, vp-acct service.

Ogilvy & Mather, Montreal—Canadelle—Claude Giroux, managing dir.

Proctor & Gardner Advertising, Chicago—R.B. Rice media services—Rolfe Kolconay, acct exec.

Puskar, Gibbon, Chapin Inc., Dallas—Jimmy Dean Mesquite smoked sausage, new prods—Jim Gibbon, president; Tony Dammicci, acct mgr.

Scott Advertising, Milwaukee—Emmber Brands, Peck Meat Packing—Chuck Reynolds, Kathie Cavalli, acct execs.

Sive Associates (div of Young & Rubicam), Cincinnati—Kahn's & Co./Hillshire Farm, natl mktg, media services—Phil Mandel, vp-mktg planning; Tom Allen, acct exec.

Sullivan & Findzen, Cincinnati—Hillshire Farm natl mktg, sales promo, merch—Kirby Sullivan, president.

Don Tennant, Chicago—Superior coffee and foods, Gourmet div.

Uniworld Group, New York—Kiwi Brand, Ambi, Mia—Herman Morales, sr vp; Mariam Mulay, acct super; Maritza Roche, acct exec.

Young & Rubicam, San Francisco—Gallo Salame, Western states, Gianola Salame, Eastern states.

Schering-Plough Corp.

RANK 48

Madison, N.J.

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,927	1,874	2.8
Net income	193	177	8.7
U.S.	**1985**	**1984**	**% chg**
Sales	1,124	1,076	4.5
Operating profits	242	238	1.9
Advertising	169	146	16.1
Division sales	**1985**	**1984**	**% chg**
Pharmaceuticals	1,122	1,057	6.1
Consumer prods.	805	818	(1.6)

Schering-Plough Corp. suffered a slight drop in worldwide consumer product sales in 1985 because of a decline in analgesic and cold products sales and a low growth rate in the Maybelline cosmetics line. Consumer products, the advertising-driven segment representing 19% of total sales, off from 20% in 1984, grew 3% in U.S. sales.

Schering-Plough got strong gains from its major breadwinner, pharmaceutical products, which includes prescription drugs, over-the-counter medicines, vision care and animal health products. Pharmaceuticals accounted for 64% of operating income, up from 63% in 1984, with consumer products accounting for the remainder.

The company's flat performance — 2.8% growth in sales and 8.7% growth in net income in 1985—began to show improvement in the first half of fiscal 1986 when sales increased 14% to $1.2 billion and net income rose 26% to $143.6 million, aided by strong increases in the worldwide pharmaceuticals business and in the U.S. suncare sector.

Earnings in 1986 could advance 15% to 20%, Value Line analyst Rudolph C. Carryl says.

In the mass-market cosmetics business, Schering's lead product, Maybelline, led the category last year in unit sales, with a 20.9% share of the market, but tied with Revlon at a 19.4% share of the dollars in that segment.

Maybelline, which has the widest distribution in the U.S. mass market with more than 150,000 outlets, sold 170 million units.

At the same time, Revlon held a 16.1% share of the unit sales, and Noxell's Cover Girl line rounded out the top-selling trio with a 17% share of dollars and a 17.6% share of units sold, according to Robert W. Kirkpatrick Jr., senior vp with Duff & Phelps, Chicago, an investment research company. He bases his figures on the first nine months of 1985.

Maybelline defended its dominant market position by increasing its advertising and promotion budget, redesigning product packaging and introducing line extensions. The Maybelline line received nearly $42 million in measured media support, up 24% from 1984. Spending levels are higher in 1986.

Sales of its Expert and Long Wearing brands continued to grow. The Expert line added Expert Eyes waterproof mascaras and a line of Expert lipsticks. The Shine Free line, which is targeted to younger women with oily skin, introduced a line of mascaras in water-removable formulations.

Shine Free received only $600,500 in measured media support. Maybelline's Moisture Whip line, which addresses an aging women's market, received nearly $10.5 million in measured media backing. A new product, Blooming Colors eye coloring pencils, reached market last year. The Daydreams fragrance line, which entered the market with a bang several years ago, received only token support last year and quietly was taken off the market.

Schering-Plough's suncare lines continued to bask in the warmth of a 35%-plus share of market last year, although down from about 40% three years ago. The three suncare lines, Coppertone, Shade and Tropical Blend, meet the gamut of skin tones from deep tanners (Tropical Blend), to burners (Shade) to the in-between (repackaged and reformulated Coppertone). All are waterproof.

The sun products now are enhanced with natural moisturizers, Vitamin E and aloe. Solarcaine aloe vera gel became the No. 1 aloe remedy in the market.

Two tan accelerators also were launched under the Coppertone and Tropical Blend brand names. A new line of suntan products under the La Solaire logo also was introduced, sporting black packaging with gold embossing.

According to company officials,

Drug 'patch' technology

With its recent buyout of Key Pharmaceuticals, Schering-Plough got several new drugs that are administered by a medicated patch put on the patient's skin. Called the transdermal system, the sustained release method may be applied to other S-P products.

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- ☐ New England Business
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- ☐ Tampa Bay Business Journal
- ☐ Texas Business Magazine
- ☐ Washington Business Journal
- ☐ Washington Business Review

MIDWEST
- ☐ Business First of Columbus
- ☐ Business Journal-Milwaukee
- ☐ Business Record (Des Moines)
- ☐ Cincinnati Business Courier
- ☐ CityBusiness/Twin Cities (MN)
- ☐ Corporate Report Kansas City
- ☐ Corporate Report Minnesota
- ☐ Corporate Report Wisconsin
- ☐ Crain's Chicago Business
- ☐ Crain's Cleveland Business
- ☐ Crain's Detroit Business
- ☐ Denver Business Magazine
- ☐ Grand Rapids Business Journal (MI)
- ☐ Indiana Business
- ☐ Indianapolis Business Journal
- ☐ The Journal Record (OK)
- ☐ Kansas Business News
- ☐ Kansas City Business Journal
- ☐ Michigan Business
- ☐ Oakland Business Monthly (MI)
- ☐ Ohio Business
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- ☐ St. Louis Business Journal

WEST
- ☐ Arizona Business Gazette
- ☐ Business Journal of Portland
- ☐ The Business Journal—Sacramento
- ☐ California Business
- ☐ The Executive (CA)
- ☐ Executive News (CA)
- ☐ Hawaii Business
- ☐ Los Angeles Business Journal
- ☐ Oregon Business
- ☐ Pacific Business News (HI)
- ☐ Phoenix Business Journal
- ☐ Puget Sound Business Journal
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- ☐ San Jose Business Journal
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Coppertone advertising in 1986 will be backed by the largest advertising program for that brand to date. Last year's measured media support totaled $6 million, up 36% for the Coppertone suncare product line. A new Coppertone campaign features TANercise, a national promotion that associates aerobic exercise with Coppertone.

Two extensions to the Di-Gel antacid product line were launched in March via a $3 million network radio and print campaign from Bloom Agency, Dallas. They are low sodium Di-Gel liquid and Advanced Formula Di-Gel tablets with calcium.

Correctol introduced a natural grain and fruit fiber powder laxative formulation, which extended the brand's line from just tablet and liquid forms. The mid-November network tv and print campaign from Warwick Advertising, New York, included the printing of 96 million coupons in free-standing newspaper inserts. Correctol laxative is Schering-Plough's largest proprietary drug franchise, and fiber powder laxatives are the fastest-growing segment of the laxative market. The Correctol line received close to $6 million in measured media backing, up 15%.

In December, 1985, Schering-Plough launched Fibre Trim into the $250 million and growing U.S. diet and weight control market. Fibre Trim, an all-natural, high-fiber supplement designed to aid in weight loss, contains citrus fruit and bran fiber. Fibre Trim tablets, obtained under an exclusive license from Danish company Farma Food, achieved $18 million in sales during the first quarter of 1986, according to Mr. Kirkpatrick of Duff & Phelps. If that momentum continues, Fibre Trim sales could reach $60 million by the end of the product's first year, he adds. Fibre Trim is one of the leading weight loss products abroad.

Backed by a $25 million advertising and promotional campaign from Ogilvy & Mather, New York, Fibre Trim already commands an estimated 20%-plus share of the diet market. However, as analyst Adele Haley of Smith Barney Harris Upham & Co. says, because of its unique, all-natural formulation, Fibre Trim had no competitive barrier upon entering the category and its staying power remains to be seen. Still, Value Line analyst Mr. Carryl expects Fibre Trim to "make a modest profit contribution in its first full year on the market—an unusual feat for a consumer product."

The Dr. Scholl's line received more than $8 million in measured media support, up from $4.8 million in 1984.

Sales for the worldwide Scholl footcare line rose by 11% last year, while Dr. Scholl sales in the U.S. showed only a moderate increase. In June, 1986, Dr. Scholl introduced the Smooth Touch foot-grooming regimen. Backed by a $2.5 million network and spot tv ad campaign from Ted Bates Advertising/New York, the seven-item line includes a foot bath, conditioning lotion and pedicure kit.

Dr. Scholl's Legatrin capsules containing quinine sulfate—a muscle relaxant—entered the market in 1985 as a remedy to help relieve night leg cramps. The Dr. Scholl product received backing of $1.6 million in measured media. Schering-Plough is sponsoring national dance competitions to support the "Dr. Scholl's makes you feel like dancing" campaign theme.

The company merged its Dr. Scholl and Plough Inc. personal care units in October, 1985, to provide better customer service, the company says. Plough handled products such as Coppertone, Correctol, St. Joseph's aspirin and Paas. The merger was renamed the Personal Care Group with Michael A. Pietrangelo as president. He formerly was senior vp-consumer operations, headquarters.

In the pharmaceuticals segment, Schering-Plough worldwide sales grew 6% over 1984 as U.S. pharmaceuticals advanced 9%, led by Normodyne, an antihypertensive; Diprolene, a topical steroid; Lotrisone, an antifungal, and Proventil, an asthma product.

Schering-Plough advertises its pharmaceuticals to the U.S. trade through journal advertising, direct mail advertising and distribution of samples to physicians on request.

Schering-Plough's nonprescription drugs, which accounted for 4% of the $8.1 billion nonprescription drug business in the U.S., include such remedies as Drixoral cold tablets, Afrin nasal decongestants, Chlor-Trimeton allergy tablets and the Tinactin line of antifungal products. These otc pharmaceutical sales rose slightly, accounting for more than 35% of Schering-Plough's U.S. pharmaceuticals business.

Drixoral, a cold remedy that has been on the market since 1982, has grown from a 5% to an 8% share of the national market through coupon inserts and without benefit of consumer advertising. There are reports that Drixoral may extend its promotion to include advertising, though company officials declined to comment.

Wesley-Jessen, the Chicago-based vision care products arm, became a consumer advertiser for the first time in 1985. Wesley-Jessen, which recorded sales growth of 21% despite industrywide price reductions, spent about $3 million on spot tv, network radio and major women's magazines.

Pending Food & Drug Administration approval, Wesley-Jessen plans to launch two new products by yearend. The largest planned, the only one to be be backed by consumer advertising, is the DuraSoft Colors line of contact lenses, which involves a patented process in which an opaque color on the lens masks the actual eye color.

DuraSoft Colors was expected to reach the market with a multi-million-dollar ad and promotional budget in the fourth quarter following FDA approval. By the fourth quarter, Wesley-Jessen water-content contact lens, DuraSoft IV, which is less prone to protein buildup than typical lenses.

Schering-Plough's commitment to its pharmaceutical business was reemphasized June 26, 1986, when it bought Key Pharmaceuticals, Miami, for more than $830 million in stock. Key, with 1985 sales of $152.1 million, gives the company a larger presence in the antiasthma, allergy and cardiovascular markets. Key is known for its controlled-release dosage technology.

Key will retain its manufacturing facilities in Florida and Puerto Rico, while the marketing and sales forces will transfer to Schering-Plough's pharmaceutical headquarters in Kenilworth, N.J.

Schering-Plough's cancer-treatment drug, interferon, which has received more than $100 million in research-related funding from the company since 1980, got U.S. approval. Intron-A, its alpha-2 interferon, was approved for treatment of hairy cell leukemia. Approval for five other indications—from venereal warts to the common cold—still is pending. The company also plans to file for a chronic hepatitis B usage.

The Paas line of children's activity products, available for Easter and Halloween, was joined by Valentine gift card kits, marketed for the first time in February, 1986. The Paas line also was extended to the adult market with the launch of Showtime party makeup kits.

On Jan. 1, 1986, Richard J. Kogan became president and chief operating officer at Schering-Plough. He had been exec vp-pharmaceutical operations. Harold R. Hiser Jr., became exec vp-finance, after serving as senior vp-finance, and Donald R. Conklin, formerly president of Schering—U.S., became group vp of pharmaceutical operations. Ralph W. Golby became senior vp-investor relations after serving as vp-investor relations.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$24,288	$22,025
Newspaper	200	260
Newsp. supp.	129	0
Bus. pubs.	1,392	1,515
Network tv	39,308	33,121
Spot tv	3,359	5,388
Network radio	4,003	1,423
Spot radio	5,871	5,016
Outdoor	1,081	1,544
Network cable	2,062	41
Farm pubs.	560	495
Total measured	82,252	70,828
Unmeasured	87,131	75,029
Total	169,383	145,857

SCHERING-PLOUGH CORP.
One Giralda Farms
Madison, N.J. 07940-1026
(201) 822-7000
CONSUMER OPERATIONS
Memphis
Corporate Personnel
R. Lee Jenkins, exec vp
Corporate Media Buying
Lake-Spiro-Shurman, Memphis—media placements for U.S. Consumer Operations, including Maybelline USA and Personal Care Group—Avron Spiro Jr., president; Gene Camerik, vp-media resources; Robert Maxwell, dir-mktg services; Ron Mednick, vp-media planning; Lewis Nolan, vp-communications; Lynn Sanders, vp-natl media.
MAYBELLINE USA
Corporate Personnel
David Brittain, president
Hank Pellegrin, exec vp
Marketing Personnel
Gary Mulloy, sr-vp-mktg, adv & mktg rsch
Bob Schreiber, vp-adv
Chris Berry, vp-new ventures
Roz Daiboch, vp-prod devel
Geoff Crane, group mktg mgr-Blooming Colors, Long Wearing, special projects
Cathy Wills, group mktg mgr-Moisture Whip, Expert Eyes, face & lips prods
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Marketing Personnel
Gerry Nobrega, sr vp-mktg & adv
Russell Elliot, sr vp-mktg & adv rsch
Robert Cullen, vp-new prods
Tony Guiliano, vp-suncare prods
Jim Roudebush, vp-footcare prods
Steve Bobowski, sr business dir, proprietary drugs
Don Anderson, dir-mktg foot health prods
Tim Ballage, dir-mktg specialty footcare prods
Miller Slaughter, dir-mktg insoles, Legatrin, sports medicine prods
Advertising Agencies
Ted Bates Advertising/New York—Maybelline eye cosmetics & nail enamel, Expert Eyes, Dr. Scholl's—Lynn King, acct super; Joan Rothberg, exec vp.
Robert A. Becker Inc., New York—prescription prods—Robert A. Becker, president; Raymont Perry, sr vp-mgmt super; Doug Frank, acct exec.
Bergelt Advertising, New York—Schering veterinary ethical prods—Edward Bergelt, chmn; Robert Trybus, president; John Fraoli, vp-art dir; Jay Levy, acct exec.
Bloom Agency, Dallas—Moisture Whip, Aftate, Feen-a-mint, Solarcaine, Tropical Blend—Sherri Babcock, acct super.
Bryant, Lahey & Barnes, Overland Park, Kan.—Continental Animal Health, American Scientific Laboratories—Forrest Bryant, president; Lorraine Barnes, vp-acct super.
Della Femina, Travisano & Partners, New York—Coppertone—Michael Meyer, group dir; Barbara Carr, acct super; Karee Rubinstein, asst acct exec.
Ketchum Advertising, New York—medical, paramedical, trade & consumer promo, otc prods—Paul J. Abrams, sr vp-dir, sales promo
Lewis, Gilman & Kynett, Philadelphia—prescription prods—Charles Mathias, vp-acct super; Warren Dordine, acct exec.
William Douglas McAdams Inc., New York—prescription prods—Irwin Gerson, president; Anthony D'Onofrio, sr vp; Joseph Carobene, vp-acct super; Irving Swab, acct super.
Ogilvy & Mather, New York—Chlor-Trimetron, Fibre Trim, new prods—Doug Bruce, sr vp-mgmt super.
Rolf Werner Rosenthal, New York—prescription prods—Rolf W. Rosenthal, president-ceo; Ronald J. Souza, sr vp-dir, client services; Phil Brady, vp-acct group super; Paul Schneider, acct super.
Warwick Advertising, New York—St. Joseph's prods, Duration, Sardo, Artra, Sulfer-8 line, Black & White line, QT prods, Correctol laxatives, Mexsana medicated powder, Aspergum, Sudden Tan.
INTERNATIONAL GROUP
Corporate Personnel
Ron Mohling, president
Ricardo Borserini, dir-southern Europe
John Conte, genl mgr-Rimmel Cosmetics (U.K.)
Harold Kleber, genl mgr, Chicago Cosmetics (W. Germany)
Raul Ordonez, dir-Latin America
Michael Scholl, dir-northern Europe
Ake Tahti, dir-Scandinavia, central Europe
Ray Thomas, managing dir, Scholl, UK
Dough Witherspoon, dir-Canada, South Africa, Australia, New Zealand
Peter Wrightson, dir-Pacific Asia
Marketing Personnel
J. Richard Briscoe, sr vp, mktg & adv
Pat Trezona, vp-mktg
PHARMACEUTICAL OPERATION
Schering Laboratories
Kenilworth, N.J.
Marketing Personnel
J.P. Garnier, sr.vp-otc
Rogers Campbell, dir-new prods
Robert Nissen, dir-mktg
Kent Stephan, dir-mktg
Steve Scheider, sr vp-Rx
Edward Heimers, dir-mktg
Joshua Weinstein, dir-mktg

RANK **76**

Jos E. Seagram & Sons

New York

($ in millions)

Worldwide	1986	1985	% chg
Sales	2,971	2,821	5.3
Net income	319	384	(16.8)
U.S.	**1986**	**1985**	**% chg**
Sales	1,739	1,752	(0.7)
Operating profits	14	37	(62.2)
Advertising	110	116	(5.0)

Joseph E. Seagram & Sons muscled into the U.S. markets for wine and spirits coolers in June, 1986, hoping to bolster its sluggish domestic sales in its over-all liquor business.

Seagram & Sons is the subsidiary of Seagram Co. Ltd., Montreal, the world's largest producer and distributor of distilled spirits and wines, Seagram Ltd. reported worldwide spending for advertising and sales promotion in 1985 of $312.1 million, up 12.5%.

Seagram & Sons biggest category of spending in 1985 was for Seagram Premium Wine Coolers—a citrus-flavored product introduced in November, 1984—with $12.8 million in measured media, divided 83% network tv, 15% spot tv, and 2% cable. In June, 1986, the company launched Seagram's Golden Wine Cooler, a product targeted at the 27-49 age group with a more pronounced wine flavor, backing it with an estimated $20 million network tv campaign starring Bruce Willis, of ABC's hit show "Moonlighting." Seagram's also added in June, 1986, a new flavor to the original citrus cooler called Seagram's Natural Peach Wine Cooler. The company is budgeting a separate $10 million for the citrus and peach products, industry sources say.

Seagram's also launched a line of spirit-based coolers in June, 1986, called Seagram's Golden Spirits. The line's four flavors include Mandarin Vodka, Peach Melba Rum, Spiced Canadian (whisky), and Sunfruit Gin. Each product contains 5.1% alcohol, the same amount as is contained in wine coolers. The spirit cooler line currently has 40% U.S. distribution in 10 markets. The spirits line is being promoted as year-round drink, unlike

winecoolers, which so far tend to best during the spring and sumn "It's more masculine in appeal an little less beachy," a Seagram spo man says. "The whole notion is thi is not seasonal."

Since California Cooler pionee the wine cooler category in 1981 market for coolers has blossomed about $800 million retail in 1985 is projected to approach $1.4 billio 1986, according to *Impact*, a N York-based trade journal for the w and spirits industry. California Coo sold to Brown-Forman, is now No falling only this year to No. 1 Bartle Jaymes, an E&J Gallo Winery prod introduced in early 1985. Gallo s ports the Bartles & Jaymes bra heavily, spending a measured $1 million in measured media dur 1985, 77% of which was for netw tv. There are more than 100 cool type products currently on the mark

But there is plenty of room growth in the market for coolers of types—wine, spirit and malt. An e mated 72.4 million, 9-liter cases will sold in 1986, up from 42.9 milli cases in 1985, according to *Impact*. this, *Impact* estimates that Bartles Jaymes will capture a 22% case sh in 1986, up from 17.5%; Califor Cooler, 18%, down from 26.8%; C andaigua Wine Co.'s Sun Count 13%, up from 11.7%; and Seagra Golden, 6.9%, with 1986 sales o million cases. Seagram's Premium contribute another 4 million case s and Seagram's spirit-based drinks other 750,000 cases in 1986, giving company a combined brand estim of 13.5% share, says Frank Walte director of research at *Impact*.

A consequence of the rising popul ity of wine coolers, however, is a clining market for table wines, Walters says. Sales of Gallo, the No brand of table wine with an 11. market share, totaled 18.4 million, liter cases, a drop of 6.1% in 1985, cording to the "American Wine M ket Review and Forecast 1986," p lished by M. Shanken Communi tions, New York, also publisher of *pact*. Carlo Rossi, No. 2 with a 10. market share, fell 2.8% in cases; No Riuniti with 6.4% share, fell 8.8% cases; Almaden, No. 4 with a 5. share, fell 10.8% in cases; No. 5 Ing nook with a 5.1% share fell 2.4% cases. Seagram's Taylor Californ Cellars, No. 6 with 3.9% share, fell in cases, and Paul Masson brand, 7 at 3.8% share, fell 14.1% in cases.

As sales fell, Seagram began shift ad spending away from the two w brands. Measured media for Tay California Cellars dropped 39% to million, divided primarily betwe network tv and spot tv, and fell 59% $2.6 million for Paul Mason. "Seagr sees the shift in the market and they re-allocating advertising dollars wine coolers," Mr. Walters says.

Operating income for spirits a wine for Seagram Co. Ltd. in the y ending Jan. 31, 1986 fell 12.6% a 12.8%, respectively, to a combi $214.6 million on revenues of $2 billion, up 5%. After tax income $99.2 million, down 13%. Adding S gram Co.'s other income from 22.5% stake in E.I du Pont de N mours and Co. boosts net earnings fiscal 1986 to $319.1 million, do 17%. Contributing to Seagram's fall profits was a 19% increase in fede excise taxes (FET) for all spirits Oct. 1, 1985, that prompted consum to stock up early and slack off spe ing at the close of 1985 and at the set of 1986, Mr. Walters says.

Compounding the problem is a d ades-long shift in consumer tas away from harder spirits, such whisky and bourbon, toward ligh sweeter drinks, such as flavor Schnapps, cordials and liqueurs. D tilled spirits consumption slid fr 164.6 million cases in 1981 to 15 million in 1985, according to "J son's Liquor Handbook 1986," N York.

In addition to its new product of ings, Seagram pursued a strategy 1986 of emphasizing its array of p mium products, which a compa

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spokesman says attract today's brand-conscious, discriminating consumers. An example was $4.8 million in measured media for Chivas Regal, Seagram's premium brand of scotch whisky, up 16%. Chivas, however, with case sales of 845,000 in 1985, unchanged from 1984, is far from being the leader of its category. Schenley's Dewar's White Label brand dominates the category with 2.4 million case sales in 1985, up 7%. Scotch consumption over-all was off 5.4% in 1985, according to "Jobson's."

Spending for another premium product, Seagram's Crown Royal Canadian whisky jumped 18% to $5.8 million. Seagram also increased measured spending 12% on Seagram's V.O. Canadian whisky to $6.7 million. In the Canadian whisky category, Seagram is locked into a battle against lower-priced competitors. Brown-Forman, which markets the No. 1 brand, Canadian Mist, leads with 1985 sales of 3.6 million cases, down 5.5%, according to Steve L. Barsby Associates. National Distillers' Windsor Supreme brand ranks No. 2 with 3.2 million cases, down 1.6%, and Seagram's V.O. ranks No. 3 with sales of 3 million cases, down 5.5%. Seagram's Crown Royal is No. 7 with 1.2 million cases, down 4%.

For the first time in several years, Canadian whisky's share of sales for the total distilled spirits industry fell, dropping to 13.2% from 13.6% in 1984, according to "Jobson's." Canadian whisky volume over-all fell 4.5% on sales of 20.2 million cases.

Seagram dominates the category of blended whisky, controlling the top three brands: No. 1 Seagram's 7-Crown, with case sales down 2%; No. 2 Kessler, with cases sales down 1%, and No. 3 Calvert Extra, with case sales of 914,000, down 8%. Sales volume for blends was off 5.7% on 11.2 million cases in 1985, and blends' share all distilled spirits sales dropped to 7.3%, its lowest point in history, "Jobson's" reports. In 1970, blends accounted for 19.6% of all distilled spirits sales.

Despite trouble in the blended whisky category, Seagram 7-Crown continues to rank as one of the top selling brands of all distilled spirits. In 1985, 7-Crown was the third leading seller behind Smirnoff vodka and Bacardi rum. Measured ad spending for 7-Crown fell 19% to $5.2 million.

Seagram also initiated an innovative and controversial ad campaign in 1985 equating the alcoholic content of a 12-oz. serving of beer, a 5.-oz. glass of wine and a 1 1/4-oz. serving of an 80-proof spirit-based drink. The campaign was designed to overcome consumer misconceptions on the facts of alcohol equivalency. But the campaign also signaled Seagram's new aggressive stance in fighting for the rights of distillers to compete on an equal basis with the makers of other types of alcoholic beverages.

In other action, Seagram in October 1985 cut back to three on its former roster of seven advertising agencies. The consolidation follows a major marketing reorganization that moved various liquor brands into different marketing units. One such move had all of the brands carrying the Seagram name being put together, assigning them to Ogilvy & Mather. Billings are estimated at $40-plus million a year in addition to O&M's current Seagram's accounts.

Another unit set up in February 1985 handles the $20-plus million premium-priced goods, which were assigned to Doyle Dane Bernbach. DDB already was handling Chivas Regal. Mingo-Jones will handle all ethnic advertising.

The big lo[ss] Warwick Advertising, a Seag[ram] agency for 50 years, William Est[ill], Bozell, Jacobs, Kenyon & Eckhardt, and North Castle Partners. Seagram also formed an in-house media buying unit for magazines, newspapers and outdoor called House of Seagram Media. The unit is buying media for House of Seagram, which markets all of the company's distilled spirits brands and its more popular wine brands, and for Seagram Vintners, which markets higher quality imported and domestic wine brands.

Broadcast media are still the responsibility of the agency of record.

Supervising the internal restructure was Peter Dimsey, executive vp-marketing since April 1985, and a former general manager for the Detroit office of Kenyon & Eckhardt.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$29,685	$36,109
Newspaper	7,054	9,426
Newsp. supp.	1,931	1,781
Bus. pubs.	1,053	871
Network tv	15,630	13,415
Spot tv	9,352	8,917
Network radio	321	0
Spot radio	1,092	246
Outdoor	15,354	16,112
Network cable	760	134
Total measured	82,640	87,011
Unmeasured	27,543	29,000
Total	110,183	116,011

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New York, N.Y. 10152
(212) 872-7000
Marketing Personnel

Edgar M. Bronfman, chmn
David G. Sacks, president
Richard K. Goeltz, exec vp-finance
Stephen E. Herbits, exec vp-corp devel
Stephen E. Banner, legal counsel to corp
Charles M. Andolsek, vp
Earl Axelson, vp-Human Resources Corp
Leslie Bluhm, vp-rsch & devel
John L. Brady, vp-pr
Robert L. Cook, vp-labor relations
Wesley, A. Corner, vp-packaging
Edward Falkenberg, vp-controller
William K. Friedman, vp-corp affairs
Alain deGunzburg, vp-acquisitions & devel
Marc Henrion, president, Seagram worldwide wine operations
Hugh Kennedy, vp-corp personnel resources
Kenneth Levine, vp-government affairs
Arthur S. Margolin, vp-special asst to office of chmn & president
M. Jacqueline McCurdy, vp-state & industrial relations
Russell W. McLauchlan, vp-quality mgmt
John A. Minor, president, St. Regis Vineyards
Daniel R. Paladino, vp-genl counsel & secty
C. Richard Polzello, vp-admin
Stephen Schechtman, vp, financial planning
Abdallah H. Simon, chmn, Seagram Vintners
Hannah S. Sistare, vp-public policy
Bruce Smith, vp-purchasing
Thomas Trainer, vp-mgmt info systems
Ronald J. Watkins, vp-human resources
Lionel W. Greer, exec consultant

HOUSE OF SEAGRAM
Marketing Personnel

Edgar Bronfman Jr., president
Peter Dimsey, exec vp-mktg
Paul J. Tillotson, sr vp-dir, new prods
Joel Boyarski, vp-financial planning
Sam Elias, vp-mktg, new prods
Andrew Harman, vp-sales servies
Donald Nickless, vp-mfg
Arthur Shapiro, vp-mktg rsch
Michael R. Stagliano, vp-control states relations
Bernard Solbof, vp-media
Robert Taylor, vp-admin
Lawrence J. Weiss, vp-natl acct sales

SEAGRAM DISTILLERS CO.
Marketing Personnel

Martin H. Bart, president
Frank J. Arcella, exec vp-sales
Thomas K. McInerney, exec vp-mktg
Victor S. Samaha, vp-admin
Richard D. McCarthy, vp-group prod dir
Angelo Vassalo, vp-group prod dir
Barbara Rakov, vp-group prod dir
Donald R. Keeton, vp-training
Vincent Sanchez, vp-chain stores
James Spillane, vp-natl programing
Jules Erwin, mktg communications dir
David Grossman, dir-mktg analysis
Eileen McMahon, group sales & promo mgr
Al Daniels, group sales & promo mgr
James J. Schiro, operations mgr

375 SPIRITS COMPANY
Marketing Personnel

Seymour L. Leikind, president
Richard Basser, exec vp-sales
Richard P. Shaw, exec vp-mktg
Robert A. Watkins, vp-natl programming
Robert Vosswinkel, vp-admin
Rodger De Sarno, vp-mktg
Jonathon Giesberg, vp-mktg
Ellice Matsil, vp-mktg
Rhonda Racz, dir-pr
Robert Regulinski, dir-mktg analysis
Michael Cahill, budget mgr
Andreas Panagis, operations mgr
Robert Dow, sales promo mgr
Arthur Kayser, mktg services dir
Judith Sacks, pr mgr
Steve La Scala, mktg budget mgr

PERENNIAL SALES CO.
Marketing Personnel

Robert A. Monroe, president
James Reichardt, exec vp-sales
James L. Chadwick exec vp-mktg
Tom Collins, vp-admin
Mike Ford, vp-mktg services, natl programming
Joseph Buckhalter, natl chain mgr
Robert Zukowski, operations mgr
Al Sanchez, budget mgr
Patricia Oehler, sales promo, adv mgr

SUMMIT SALES CO.
Marketing Personnel

Sheldon Katz, president
Thomas Cekay, sales mgr
Patrick Norris, sales mgr
Lynn Snodgrass, dir-admin

SEAGRAM WINE CO.
Marketing Personnel

Jerome S. Mann, president
C. Richard Coffey, exec vp-sales
Mark Taxel, exec vp-mktg
Michael Harbison, exec vp-finance & admin
Ed Cohen, vp-finance & admin
Jason Draplkin, vp-merch dir
Louis Keyes, vp-prod group dir, California Wines, Champagnes, Partager
Henry Hawley, vp-prod group dir
Jim Erlick, vp-prod group dir
Robert Roos, vp-dir intl mktg
John Oliver, pr dir
Glenn Wilen, mktg analysis dir
Angelo Pompeo, mgmt info systems dir
Robert O'Dowd, sales services dir

SEAGRAM VINTNERS
Marketing Personnel

Abdallah H. Simon, chmn
Samuel Bronfman II, president
Charles K. Frankel, vp-finance & admin
Stephen Altman, dir-finance & admin
David Waldenberg, budget mgr

SEAGRAM CLASSICS WINE CO.

James L. Barcuther, exec vp-mktg & sales
John Esposito, vp-dir sales
John Agate, prod group dir
Kevin MacDougall, prod group dir
Mary Ellen Griffin, sr prod mgr
George Sandeman, prod mgr
Arnould Despointes, dir-import operations
Yoram Kaftafi, N. American dir-Carmel Wines
Barbara Edelman, pr dir
Nancy Rugus, sales promo mgr

SEAGRAM CHATEAU & ESTATE WINES CO.
Marketing Personnel

David S. Milligan, exec vp-sales & mktg
Maurice Lartigua, sr vp
John W. Laird, vp-mktg

Advertising Agencies

Doyle Dane Bernbach, New York—Black Tower Wine, Captain Morgan Rum, Chivas Regal, Coladina, Crown Royal, Dr. McGillicuddy's, Glen Grant, Great Western, Henri Marchant, John Jameson, Jameson 1780, Kessler, Leroux, Mumm V.S.O.P Cognac, Myers's Rum, Myers's Original Rum Cream, Partager, Paul Masson, Prego Wines, Royal Paisley, Royal Salute—Stuart Himmelfarb, Mark Abrams, Michael Perkins, vps-mgmt supers; Veronica Spencer, acct super.

Mingo-Jones, New York—ethnic adv for various brands—Samuel Chisholm, sr vp-client services; Roland Chandler, vp-mgmt super; Marla Currie, acct super; Ray Brown, media dir; Kalvin McDowell, acct dir; Chestnut Crandell, asst acct exec; Darrell Hilliard, acct super; William McGuire, mgmt super.

Ogilvy & Mather, New York—Canadian Hunter, Golden Spirits, House of Seagram Corporate, Seagram's Gin, Seagram's Imported Vodka, Seagram Wine Coolers, 7 Crown, Taylor California, Taylor New York, The Glenlivet, V.O.—Norman Berry, president-NY office, creative head-worldwide; Clifford Angers, sr vp-acct group dir;

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Levine, Huntley, Schmidt & Beaver, New York—Armagnac DeMontal, B&G, Bernuno, Brolio, Burnett's Gin, California Boutiques, California Estates, Calvert Extra, Carmel Wines, Crown Russe Vodka, Julius Kayser, Lord Calvert, Monterey Vineyard, Mumm Champagne, Nikolai Vodka, Passport Scotch, Ronrico Rum, Seagram Classics & Estates Wines, Sterling Vineyard, Tuaca Liqueur, Wolfschmidt Vodka—Mike McGoldric, acct exec; Karen Kaun, asst acct exec.

Sears, Roebuck & Co. RANK 4

Chicago

($ in millions)

Worldwide	1985	1984	% chg
Sales	48,715	38,828	4.9
Net income	1,303	1,455	(10.4)
U.S. advertising	800	914	(12.4)

Division sales	1985	1984	% chg
Sears	28,557	28,508	0.2
Allstate	10,379	8,980	15.5
Dean Witter	2,867	2,156	14.5
Coldwell Banker	349	305	14.9
Sears World	256	199	24.9
Corporate	188	170	10.6

Sears, Roebuck & Co. hopes further expansion of its financial services business, as well as upgrading of its retail stores, will improve future earnings growth as the company enters its second century of business.

So far, however, the national rollout of Chicago-based Sears' Discover credit and financial services card has dampened earnings in 1986, with a full-year Discover loss anticipated by the company.

The nation's largest retailer—and its No. 4 ad spender—decreased its U.S. ad budget in 1985, to an estimated $800 million from a revised $913.7 million in 1984. (The figure does not include the cost of producing its catalogs.)

The budget includes some $500 million spent on local run-of-press and preprint newspaper advertising.

Worldwide, Sears spent $975.3 million, up 5.4% from $925.1 million in 1984, according to the company. Sears indicated the worldwide figure excluded catalog costs, and the company broke down the figure into $500 million for the merchandise group's newspaper budget and $250 million for the merchandise group's broadcast budget. Of the remaining $225 million, Allstate accounts for $30 million; Coldwell Banker, $11 million; Dean Witter, about $8 million, and minor 1985 contributions for Discover and international.

The company would not further identify the breakout. Often overhead expenses such as salaries, office costs, rent and travel are included in such published figures.

Sears in 1985 changed its media strategy somewhat, reducing upfront network tv buys 29%, while sharply increasing magazine spending. Spot tv spending also was down 82%, to $5.9 million.

Sears continues to be among the largest network radio advertisers and has continued its historic dependence on newspaper inserts and display ads as evidenced by the $500 newspaper budget.

Sears' 1985 returns—an increase of 4.9% in revenues and a decline of 10.4% in income—are attributed to what Sears chairman Edward Brennan termed "the most competitive environment in retailing history." A weaker economy and increased competition has hurt Sears so far this year. In the half ended June 30, net income dropped 1.8%, to $480.2 million, although revenues increased 8.3%, to $20.14 billion. Net income declines also were blamed on costly startup investments in Discover, for which Sears expects to post a 1986 aftertax loss of $115 million.

Sears serves more than 40 million customers with one or more of its five operating units. The largest, Chicago-based Sears Merchandise Group, operates 799 retail stores, as well as catalog sales outlets and specialty paint/hardware, appliance and computer stores.

Other units are the Allstate Insurance Group, Northbrook, Ill., a property-casualty, life and commercial insurer; Coldwell Banker Real Estate Group, Los Angeles, a nationwide real estate company; Dean Witter Financial Services Group, New York, a stock brokerage and consumer deposit and lending operation that also administers the Discover Card, and Sears World Trade, a Chicago-based import-export consultancy.

The merchandise group's retail, credit and international operations in 1985 represented 65.2% of Sears' total revenues and 58.8% of its net income. Division revenue growth in 1985 was up only 0.16% from 1984, while net income suffered a 15.4% decline. Flat retail sales and lower gross margins were among conditions primarily in the merchandising side of the group that led to the decline in net income. The credit and international sides showed gains in net income. For the first six months of 1986, the merchandise unit reported net income of $208.3 million, a 2.8% drop, on revenues of $11.99 billion, up 1%.

The group in 1985 also accounted for most of the $219.2 million in measured media spending. Newspaper display ads and inserts are not included in that total, but the company said it spends an additional $500 million on such advertising.

The sluggish sales climate has made retailing even more competitive. Sears has been pummeled by assaults from specialty stores as well as off-price discounters. In an effort to upgrade its image, the company continues expansion of its "Stores of the Future" concept, in which units are remodeled and updated to give them a more contemporary look. Sears at yearend 1985 had 206 such remodeled stores and expects to revamp 79 more units in 1986. Analysts have said anticipated sales gains in the remodeled units have proved disappointing, although the company says it is pleased with the program.

Separately, Sears this year plans a more rapid expansion of two smaller "Stores of the Future" concepts, in which certain units in small and medium-sized markets are remodeled to handle merchandise tailored to that market's needs. It opened one store last year in Piqua, O., a 40,000-sq.-ft. prototype store for markets with populations of 75,000 to 100,000, and plans 10 more this year.

The smaller 10,000-sq.-ft. stores, serving communities of 25,000 to 50,000 with mainly hard goods, were tested in four locations last year; Sears plans 50 more conversions during 1986. A Sears spokesman says these smaller-scale conversions were "exceeding expectations."

Sears has maintained its franchise in the automotive, hardware, tools and appliance categories with proprietary brands such as DieHard, Craftsman and Kenmore, and execs there say a key strategy is to rely more heavily on branded products unavailable at other retail stores.

The apparel business, however, has been more difficult. The company suffers from its image as a blue-collar clothier. Clothing and other soft goods reportedly account for one-third of merchandise group sales—a figure Sears would not confirm.

In response, Sears has placed a greater marketing emphasis on women and has increased its inventory of both private-label, lower-priced clothing to avoid direct competition with mainline department stores. It also has split apparel buying and marketing functions into two separate areas, women's clothing/shoes and men's/children's clothing.

The company will spend more than $5 million annually promoting a new Stefanie Powers clothing line, endorsed by the actress, in ads from Needham Harper Worldwide, Chicago, agency for soft goods.

Ogilvy & Mather, Chicago, handles Sears' hard lines, as well as its Business Systems computer-store unit. Both agencies continue to use ads themed "There's more for your life at Sears" and have added a special logo commemorating the company's centennial anniversary.

Sears this year hired O&M Promotions as its first sales promotion agency of record. It continues to retain Vince Cullers Advertising, Chicago, and J. Walter Thompson Co.'s Hispania Advertising, New York, for black and Hispanic advertising, respectively.

As of December, 1985, Sears operated 390 full-line retail stores, 355 medium-sized stores and 54 outlets selling exclusively hard goods such as hardware and appliances. In addition to those locations, the company has diversified with in-store and stand-alone retail concepts.

Sears had 103 of its Business Systems computer retail centers operating in 34 states at yearend, and downturns in the "highly volatile" industry have stalled expansion plans for the chain, which originally had planned to add five units in 1986. Advertising via O&M has been restricted mainly to newspapers, with minimal outdoor support.

The company is moving more aggressively in the paint and hardware markets, long the mainstay of its regular retail stores. Sears Paint and Hardware Centers had just 11 units at yearend 1985 in California, Illinois and the New York area but plans 50 more outlets this year in six markets: Atlanta, Boston, Chicago, Denver, New Orleans and Washington. No agency has been assigned to the Paint/Hardware Center account, which uses print advertising created in-house.

In addition to 109 company-owned surplus stores, Sears also franchises in-store dental and optical departments at many locations. As of July 31, 1986, franchised dental centers operated in 65 Sears stores, with 15 to 20 more locations pending, while more than 500 optical centers are located in nearly every major market.

At each of its varied retail locations, 62% of 1985 merchandise sales on average were charged on Sears credit cards, compared with 58.9% in 1983. That increased reliance on credit may help Sears improve its ability to cross-sell financial services and investments.

Sears' marketing of its diversified army of financial services has evolved from an emphasis on convenience of locations within Sears stores to a strategy based on promoting the separate units—separately or jointly—as stand-alone entities. The Sears Financial Network, an umbrella organization for Allstate, Coldwell Banker and Dean Witter, was created to promote the units as "members of the Sears family of companies" in ads from Foote, Cone & Belding, Chicago.

The unit spent $5.5 million in measured media during 1985, way down from $15.4 million in 1984, and this year began sharing split-30 tv spots with each of its three members. The financial network in 1985 eliminated magazine advertising, measured at $2.5 million in 1984; cut network tv in half to $4.5 million, and sliced spot tv from $3.4 million to $742,500, according to Leading National Advertisers. In coming months, Sears plans to scale back its role as a marketing umbrella, giving each of its members primary responsibility for promoting the affiliation with Sears.

Separately, the company in April formed a new Sears Home Mortgage subsidiary, combining mortgage lending and insurance operations of Allstate, Coldwell Banker and Sears Savings Bank in California with mortgage investment units of Dean Witter. The new mortgage company plans no consumer advertising.

Allstate gave its own advertising a facelift in early 1986, fine-tuning its annual campaign from Leo Burnett USA, Chicago.

The 55-year-old insurer continued its "You're in good hands with Allstate" theme, used since 1950, but unified the effort with a broader range of spots highlighting its varied insurance products. "Leave it to the good hands people" also was added to copy promoting the company. Allstate ads earlier had focused on quick claims service for disaster coverage and on the convenience of locations within Sears stores. Ad spending grew 7% to an estimated $31.5 million, for 1986.

Allstate earnings have been hurt by industrywide losses from disaster claims: The unit's 1985 net income fell 8.5%, although revenues grew 15.5% to a new high. Allstate is the second largest personal property-casualty insurer, with a 10.2% market share, behind State Farm Mutual Insurance Co., Bloomington, Ill. The bulk of that business is written in auto insurance (70.8%), followed by homeowner coverage (17.9%).

A key strategy is to increase Allstate premiums by expanding its number of agents and sales offices. At yearend, Allstate had 4,760 total sales locations, including independent agents and 1,130 offices in Sears stores and Allstate sales outlets.

Coldwell Banker Real Estate Group, with 714 retail locations including 229 in Sears stores, improved both revenues and net income in 1985 because of lower interest rates and a favorable home-buying climate. The Los Angeles-based unit's revenues jumped 14.9%, while net income increased 13%. Its ad budget remained at $11 million, as BBDO/West, Los Angeles, mounted an image campaign featuring montage shots of varying homes, each with a Coldwell Banker "for sale" sign in front.

The unit's share of home resales was 7.5% in 1985, compared with 6% a year earlier, and the company forecasts a 9.8% share for 1986. The total residential resale market grew 12% in 1985, to 3.2 million units.

Commercial real estate sales will be bolstered by eight additional offices in new or existing markets opened in 1985 and another 10 planned this year.

Dean Witter Financial Services Group, New York, proved the most active of Sears Financial Network members last year, due mostly to expansion of its Discover card backed by an estimated $50 million ad budget handled by J. Walter Thompson USA, Chicago.

Discover, introduced late in 1985 to Atlanta and San Diego test markets, has mounted an extensive media and direct mail campaign to sign up new cardholders with no annual fee and to urge them to use the card.

By August, Sears had signed up 4.7 million cardholders and planned by yearend to reach 22 million prospective customers through direct mail pitches. The mailings are sent to current Sears clientele. The company by August had reached agreements with 240,000 businesses to accept the card, which also can be used to make deposits and issue cash advances.

The Discover campaign's second phase, begun in August, is themed "the smart move" and encourages use of the card while heralding its belated entry into the New York market.

In 1985, Dean Witter earned net income of $13 million, following a $33 million loss a year earlier, on revenue growth of 14.5%.

Dean Witter's stock brokerage and other services at yearend were available at 683 locations, including 308 in Sears stores. The emphasis on consumer retail sales for Dean Witter was apparently the work of Robert Gardiner, who retired Sept. 1 as chairman. Mr. Gardiner, who also presided over a wave of defections in Dean Witter's investment banking division, was replaced by Philip Purcell, president and chief operating officer.

At the corporate level, 1985 saw many top-level changes. Edward Brennan moved to chairman-ceo of parent Sears, Roebuck, from president-chief operating officer, succeeding Edward Telling, who retired. Richard Jones replaced Mr. Brennan as president, retaining his title as chief financial officer.

In the Sears Merchandise Group, Michael Bozic in March was named president and chief administrative officer, a new post, after serving as president of Sears Canada Ltd. He was succeeded by G. Joseph Paddington, formerly senior vp administration &

Perspectives from an ANA director

Taxation a major threat to advertising

John Powers, vp-general manager of marketing in the consumer products division at Eastman Kodak Co., says he sees the threat of taxing advertising and defending First Amendment rights as special priorities for the Assn. of National Advertisers.

"A lot of laws are being put in place for the taxing of advertising," says Mr. Powers, who is a member of the ANA membership eligibility committee, executive committee and the advertising management standing committee.

"Washington made no bones about needing revenue from advertising if it can't get it from other means. States are doing the same thing. To protect advertisers, we at the ANA are keeping our ears attuned as we represent member advertisers," he says.

While taxes may be the biggest threat, infringement of constitutional rights also is a concern.

"Our lobbying group is keeping us apprised on First Amendment rights, such as the ban on cigaret advertising," says Mr. Powers, who was previously senior vp and management director at Leo Burnett Co.

John Powers
Eastman Kodak Co.

Mr. Powers, who was named Communicator of the Year in 1982 by Marketing Communications Executives International, has firm opinions on other advertising issues. On the trend to more in-house media buying, the Kodak executive says, "We continue to look at that and keep up to date, but we haven't seen the need to do that [go in-house]. We are doing more in-house media planning with our recent organizational changes . . . which require more coordination."

Regarding the trend toward diversion of media budgets to nonmedia promotions, Mr. Powers says he sees changes.

"The whole industry is getting smarter about user groups and targeting them. This is due to better research and new media use. It is folly to think we have users who buy three rolls of film per year and those who buy 150 rolls and attempt to reach them with the same message," says Mr. Powers, who is a journalism graduate of the University of Iowa.

planning for Sears Merchandise Group in the U.S.

In its third year of operation, Sears World Trade posted net losses of $11 million, compared with a $25 million loss a year earlier, on revenues of $236 million, a 24.9% gain. The unit added agricultural and industrial trading capabilities to its consumer goods activities and acquired certain portions of Netherlands-based Hagemeyer N.V., a trading company formed in 1901.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$19,190	$21,919
Newsp. supp.	862	569
Bus. pubs.	875	705
Network tv	122,657	172,446
Spot tv	34,421	33,552
Network radio	20,803	8,630
Spot radio	16,505	10,078
Outdoor	430	332
Network cable	4,340	3,120
Total measured	220,083	251,350
Unmeasured	579,917	662,307
Total	800,000	913,657

SEARS, ROEBUCK & CO.
Sears Tower
Chicago, Ill., 60684
(312)875-2500
SEARS MERCHANDISE GROUP
Chicago
Marketing Personnel

William I. Bass, chmn & ceo-merch group
Michael Bozic, president, chief admin officer
Joseph Batogowski, sr exec vp-merch
Thomas E. Morris, vp-mktg
Ralph Hoch, natl retail genl merch mgr
Theodore Weldon, natl catalog genl merch mgr
William Cora, natl retail adv mgr

Advertising Agencies

Vince Cullers Advertising, Chicago—black consumer adv—Jeffrey Cullers, mgmt super.

Hispania Advertising, New York, (subsidiary of JWT USA)—Caroline Demy, sr vp-genl mgr; Marta Perez Gerdez, acct super, Chicago; Nancy Chalfin, acct rep.

Needham Harper Worldwide, Chicago—apparel, home fashion, merch group—David Snell, group acct dir; Carole Black, mgmt rep. Apparel—Tom Hayden, acct super; Catherine Herrman, acct exec, childrenswear; Stan Murton, acct exec, menswear; Ann Sundet, acct exec, womenswear. Home fashion—Nancy Bernstein, acct super; Debbie Aymar, acct exec. Merchandise Group—Mike Baker, acct super.

Nellson-Woodward, Chicago—Yellow Pages adv—Garry Woodward, acct exec.

Ogilvy & Mather, Chicago—hard lines, Sears Business Systems Centers—Bill Whitney, exec vp-managing dir; Allan Mager, sr vp-group dir. Sears Business Systems Centers—Robert Vail, vp-mgmt super; Brenda Miller, acct super. Automotive and recreation—Robert Vail, vp-mgmt super; Don Campbell, acct super; Ole Riise, acct exec. Home improvements—Dan Delaney, vp-acct super; Paula Serios, acct exec. Appliances and electronics—Randy Seffren, vp-mgmt super; Jeff Totaro, acct super; Colleen Kelly, Bill Valtos, acct execs.

Ogilvy & Mather Promotions, Chicago—sales promotion—Mike Slott, vp-managing dir; James Neidorf, dir mktg; Cathy Parks, Brett Meeker, acct execs.

Stern Walters/Earle Ludgin, Chicago—Sears catalogs and contract sales—Maryanne Friend, sr vp-mgmt rep; Tom Radloff, vp-acct super.

Stone & Adler, Chicago—direct mktg—Catherine Bartholow, vp-group acct dir.

SEARS FINANCIAL NETWORK
Chicago
Marketing Personnel

Donald Holmes, mktg mgr

Advertising Agency

Foote, Cone & Belding, Chicago—Greg Blaine, group acct dir; Lance Hecker, acct dir.

ALLSTATE INSURANCE GROUP
Northbrook, Ill.
Corporate Personnel

John K. O'Loughlin, sr exec vp

Marketing Personnel

John Flieder, asst vp-adv
Terre Tuzzolino, adv dir
Edward R. Kuby, vp-prod mktg
William Henderson, vp-mktg sales
John R. Boje, asst vp-mktg sales
J.E. Britt, asst vp-mktg sales
R.J. Young, asst vp-mktg sales

Advertising Agency

Leo Burnett USA, Chicago—Ron Sims, acct dir; Nancy Voorhees, Ashton Lee, acct supers; Jim Gregory, Kenneth Schmid, acct execs.

COLDWELL BANKER
REAL ESTATE GROUP
Los Angeles
Marketing Personnel

Fred Morasche, vp-mktg

Advertising Agency

BBDO/West, Los Angeles—Patrick Rogge, sr vp-mgmt super; Karen Sharp, vp-acct super; Madeline Greenberg, acct exec.

DEAN WITTER FINANCIAL SERVICES GROUP
New York
Marketing Personnel

Nancy S. Donovan, exec vp-mktg dir
William Walsh, vp-dir adv
Ernest Campo, dir-adv, Discover Card Service
William Salter, vp-mktg services, Discover Card Service
Richard Wright, vp-mktg, Sears Savings Bank, Glendale, Cal.

Advertising Agencies

Lord, Geller, Federico, Einstein, New York—Dean Witter corporate adv—Bruce Albert, sr vp-mgmt dir; Moira Hearne, Judith Ehrlich, mgmt supers; Edra Haynes, acct coord; Brian Magalski, acct exec.

J. Walter Thompson USA, Chicago—Discover Card Service—Bruce Beach, Bill Hooe, sr vp-acct dirs; Dinny Conyns, vp-acct dir; Nancy Limberg-Meyer, acct super, consumer; Sally Smith, acct super, trade; Tom Condon, Marcie Pollman, acct reps.

Sterling Drug
New York

RANK **37**

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,754	1,726	1.6
Net income	110	143	(23.5)
U.S.	**1985**	**1984**	**% chg**
Sales	1,144	1,086	5.3
Operating profits	190	164	15.8
Advertising	225	221	1.7
Division sales	**1985**	**1984**	**% chg**
Pharmaceuticals	269	269	0.4
Proprietary prods.	280	273	2.6
Household prods.	596	516	9.7
Sterling int'l	857	891	(4.9)

Sterling Drug's household products segment was the major bright spot in what was otherwise a lackluster performance in 1985 by the pharmaceutical company—1.6% growth in sales and a 23.5% decline in net income. Advertising and promotion spending was maintained at 1984's level.

Sales for the household and other products segment, which oversees marketing of such products as Lysol, Minwax, Mop & Glo, Perk floor care, Resolve carpet cleaner and Tussy Roll-on, rose 10% and operating profit increased 11%—spurred by a strong fourth quarter during which two new products were introduced under the Lysol banner.

The segment represented 32% of worldwide sales and 36% of over-all operating profit, up from 30% and 35%, respectively, in 1984. The segment also could boast of a total measured advertising budget slightly higher than that for proprietary products. Sterling's worldwide sales of $1.75 billion in 1985 still trails the record $1.76 billion reached in 1983. Operating income of $277.7 million in 1985, up 8.8% from 1984, continues to reach higher levels each year.

Proprietary products increased sales nearly 2.6% and operating income 50% or $40.5 million over the year-earlier period. The huge improvement in operating income came partly at the expense of reduced spending in advertising and promotion, but also from a boost in Bayer sales. A Food & Drug Administration ruling that expands the list of medical benefits for aspirin is likely to stimulate sales in 1986; however, Panadol sales have slumped.

In household products, the Lysol lineup was augmented with the intro-

duction of Lysol Laundry Sanitizer, launched in late April and backed by a $10-plus million media campaign from Lowe Marschalk, New York, and $20 million in promotional spending to play up the theme "Not only whitens clothes but kills most germs." This marked Lysol's entry into the $50 million bleach market in which Oakland, Cal.-based Clorox Co.'s Clorox and Clorox 2 brands combined hold a commanding 57.2% share of market.

The traditional Lysol disinfectant product also has gained footing in the liquid bleach market, by positioning itself as a household disinfectant for laundry use as well. But Lysol Laundry Sanitizer, which claims to reduce household germs in the wash by 99.9%, is the first Lysol product specifically designed for use in the laundry. It has already become the No. 3 product within its market segment.

Advertising launching Lysol Cling thick liquid toilet bowl cleaner began in the national media in March, 1985, with $4.3 million in measured media backing. It forms the second part of a one-two punch in the liquid toilet category, after its kin product, Lysol toilet bowl cleaner. Cling's aromatic scent helps to position it as a toilet bowl cleaner-room deodorizer, while Lysol Regular is targeted for heavy-duty cleaning use.

Lysol spray disinfectant, the flagship product in the Lysol line, experienced strong sales, bolstered by a new campaign and close to $8 million in measured spending. Lysol deodorizing cleaner, now marketed as a cleanser that also disinfects, also received a new campaign and close to $6 million in media backing. Lysol Pine Action cleanser appeared in new packaging, which features a push-pull dual action applicator built into the twist-off cap. Total measured media spending for all Lysol branded products was $33.7 million, up from $32.4 million in 1984.

Sales of Love My Carpet rug and room deodorizer declined as the Lehn & Fink division introduced a reformulated and repackaged version in an effort to boost sales in March, 1985. Media spending totaled $3.6 million, up from $513,000 in 1984. Pretty as a Picture room air freshener was taken off the market.

The d-Con Co. recorded only moderate increases in sales, which company reports blamed on a cool, dry summer season with fewer pests. Mouse Prufe II was launched nationally in the spring of 1986 with $5.4 million in media ad backing. The entire d-Con line received only $5.3 million in 1985, down 7%. The d-Con brand holds a 10% share of the $637 million insecticide market, a category dominated by S.C. Johnson's Raid, which holds a 45%-plus share, while American Home Products' Black Flag line has a 20% share.

Resolve foam carpet cleaner was introduced last June. It is a companion product to d-Con's Resolve carpet cleaner designed for high traffic areas. The Resolve line had close to $3.7 million in measured media support.

One of Sterling's moist towelette products, Chubs, is the leader in pop-up moist towelettes for the baby-care market, recording double-digit sales increases. It was helped by $2.4 million in measured media spending, about level with 1984 expenditures.

Lehn & Fink, which achieved double-digit growth in sales, supported its Ogilvie haircare line with $5.4 million in measured media, up from $4.6 million in 1984. Ogilvie products received greater distribution and stepped up in-store promotion in 1985. The division's Tussy deodorants and antiperspirants received $3 million in ad backing, down 17%. Minwax Co. sales grew as new entries—carryovers from successful launches in the U.K.—entered the market. Minwax Polyshades stain and polyurethane, a new one-step product, completed its first full year on the market, and Minwax high performance wood filler was introduced last August. The Minwax line's media expenditures totaled $4.2 million, up 13.5%.

In the proprietary products segment, where sales bounced back from a decline of 8% from 1983 to 1984, Sterling got good mileage out of Bayer but experienced a decline in sales of acetaminophen-based Panadol. Sterling's worldwide otc analgesic advertising was consolidated at SSC&B:Lintas Worldwide. The agency move is part of a corporate effort to promote Sterling's mild-to-moderate analgesic proprietary drugs.

Bayer aspirin products, which received $13 million in measured spending, up from $12 million in 1984, holds an estimated 8% to 9% share of the about $1.6 billion U.S. analgesics market. Bayer's share has climbed in recent months following FDA approval in October of Sterling's petition to advertise to and advise the health profession on the use of aspirin to prevent heart attacks in certain high-risk individuals.

The Glenbrook Laboratories arm of Sterling has distributed 2.5 million patient booklets and sent Bayer samples to physicians and expects requests to reach the 10 million mark this year. Glenbrook also launched new advertising for Bayer with the theme, "The wonder drug that works wonders." Broadcast spots are based on a survey of doctors given a choice of two Tylenol brands, Advil or Bayer, if they were suffering from headache while stranded on a desert island. As the ads sum up, "Doctors chose Bayer, the wonder drug. Shouldn't you?"

Though climbing in share, Bayer has suffered from a category crowded with analgesic entries, most notably the debut of the ibuprofen-based products such as Advil (American Home Products) and Nuprin (Bristol-Myers). It has been reported that Sterling is expected to enter the fray with its own ibuprofen-based product. Company spokespersons declined to comment.

The second big proprietary product, Panadol, received $13.5 million in measured ad support, down from $20.4 million in 1984. The children's line for Panadol solidified its No. 2 position (after Johnson & Johnson's Tylenol), with its alcohol, sugar and aspirin-free formulations. Adult Panadol also faced aggressive competition from adult Tylenol, which is said to hold a 30% share of the market. Adult Panadol holds an estimated 2% share with $30 million to $40 million in sales, according to Robert W. Kirkpatrick Jr., senior vp, Duff & Phelps, Chicago.

Glenbrook Laboratories' Midol brand of menstrual pain relievers continued to lead that category, with close to $4 million in measured media backing, nearly the same as in 1984. Two line extensions, Midol Maximum Strength for cramps and Midol PMs, both were reported to be performing well.

Last October, Glenbrook introduced a new product into the women's antacid market, Calcitrel antacid, a sodium-free product with calcium. The Cunningham & Walsh campaign focused on network tv and print.

The maximum-strength version of Stri-Dex cleansing pads completed its first full year on the market, helping to increase sales of the brand. The Stri-Dex line received $2.6 million in measured media spending, up from $1 million in 1984.

Another product that completed a full year on the market, Lax Caps laxative, also helped to boost the performance of the Phillips' line (Milk of Magnesia), with more than $3.5 million in media support.

In the Winthrop division, Neo-Synephrine nasal decongestants offered a spray that provides dosage strength for all family members with measured media support of $1.7 million; Campho-Phenique antiseptic gel was repositioned as an aid in the fight against cold sores, receiving a $2.1 million media budget. The pHisoDerm skin cleanser line added an oily skin formulation to its regular and light-scented versions. The brand was backed by $4.2 million in measured media, up from $2.9 million in 1984.

Sterling sold Bayer AG, the West German company that owns Miles Laboratories, the right to buy back partial rights to the Bayer trademark in the U.S. for $25 million. Bayer's stateside trademark rights were abrogated by World War I. Bayer now can use its name on industrial products and chemicals; Sterling will continue to market its aspirin product under the Bayer name and symbol in North America.

In the pharmaceutical specialties segment, Sterling is awaiting approval from the FDA for an intravenous form of milrinone, used for the short-term treatment of congestive heart failure. An oral form of milrinone is in the advanced stages of clinical trials, and a new drug application for the oral form is expected to be filed by the end of the year. According to Value Line Investment Survey analysts Keith A. Markey and Rudolph C. Carryl, it "could be a blockbuster . . . because it has a broader therapeutic range and less toxic side effects [than digitalis], the only other drug in its class." Milrinone would be marketed under the Corotrope brand name.

Sterling announced the sale of its Hilton-Davis chemical business in Jan. 1986. Sterling also approved the sale of the optical brighteners component of Hilton-Davis to Mobay Chemical Corporation, a subsidiary of Bayer A.G., for $7.5 million.

Sterling formed a new worldwide organization, Sterling International, comprised of four subgroups responsible for various geographic segments. Sterling International, which markets products in more than 125 countries, had international sales representing 38% of Sterling's business and 24% of its operating profits last year, after currency conversion.

In August, 1985, Sterling elected James P. Stoker to the position of corporate vp-quality. He had been the corporate director-quality. Lawrence W. Chakrin was elected corporate vp-research, after serving as president of the Sterling Research Group. Joseph Scarlata, a corporate vp, became senior vp of Sterling Pharmaceutical Group. Harry Shoff became president of the Winthrop-Breon Laboratories division. Michael R. Gallagher became senior vp of Lehn & Fink Products Group, after serving as president of the group's consumer products division. Richard Gaccione succeeded Mr. Gallagher, becoming president of the consumer products division after having served as vp-marketing.

Sterling purchased 103 acres of land in River Vale, N.J., for $8.6 million, which will be the site of a new world headquarters to be occupied in 1990.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$11,386	$9,844
Newspaper	701	1,380
Newsp. supp.	364	534
Bus. pubs.	179	56
Network tv	80,980	83,565
Spot tv	14,752	16,583
Network radio	3,749	1,189
Spot radio	1,980	817
Outdoor	0	11
Network cable	1,981	117
Total measured	116,073	114,095
Unmeasured	108,867	107,012
Total	224,940	221,107

STERLING DRUG
90 Park Ave.
New York, N.Y. 10016
(212) 907-2000

GLENBROOK LABORATORIES DIVISION
Corporate Personnel
Robin D. Mills, president
Marketing Personnel
Harvey D. Homan, group prod mgr, new prods
Albert R. Kelly, group prod mgr
Robert A. Pearlman, dir-mktg
Christina R. Hewes, group prod mgr
Advertising Agencies
Cunningham & Walsh, New York—Phillips' line, Calcitrel—James A. Friedman, vp-acct mgmt super; Roger D. Groves, vp-dir acct mgmt; Tara Hansen, Peter Hubell, acct execs.

Dugan/Farley Communications Associates, Montvale, N.J.—medical communications—John P. Dugan, president.

Font & Vaamonde (Spanish), New York—Bayer line, Phillips' line, Panadol—Pedro Font, president.

Lowe Marschalk, New York—Diaparene line—Barry R. Linsky, exec vp-dir acct mgmt; Peter A. Detels, mgmt super; Terry S. Levine, acct super; James Overand, acct exec

SSC&B, New York—Bayer line, Panadol—Alan R. Grazio, exec vp; Elliot G. Dorfman, sr vp-mgmt super; Anne Schoonover, Bruno Velcick, Stephen G. Barrett, acct supers.

Warwick Advertising, New York—Stri-Dex—Wilder D. Baker, president; Sean Driscoll, sr vp-group mgmt super; Victoria M. Amon, vp-mgmt super; Douglas E. Sweetbaum, acct super.

LEHN & FINK PRODUCTS GROUP
Montvale, N.J.

PERSONAL PRODUCTS DIVISION
Corporate Personnel
Herb Waller, president
Marketing Personnel
Peter Stearns, vp-mktg
Mort Weisburd, vp-sales

CONSUMER PRODUCTS DIV. SION
Corporate Personnel
Richard F. Gaccione, president
Marketing Personnel
Joseph Healy, category dir, disinfectant/air fresheners, bath/bowl category
Alfred J. Callegari, category dir, floor/rug, towelette category
Jim Murphy, new prod dir

INDUSTRIAL PRODUCTS DIVISION
Corporate Personnel
John J. McAllister, president
Marketing Personnel
Bruce Salerno, vp-mktg
Donald Nowlin, vp-sales

MINWAX CO.
Montvale, N.J.
Corporate Personnel
Donald H. Henderson, president
Peter Black, exec vp
Marketing Personnel
Ridgely W. Harrison III, vp-sales
Paul R. Righter, vp-construction prods div

The d-CON CO.
Montvale, N.J.
Corporate Personnel
Earle K. Borman, president
Marketing Personnel
John J. McFadden, vp-sales dir
John Harwood, new prod dir
Marvin Matises, dir-mktg
John Caputo, prod mgr, rodenticides
Thomas Murphy, group prod mgr, insecticides and Resolve
Advertising Agencies
Cunningham & Walsh, New York—Ogilvie, Tussy, Dorothy Gray—Tony Chevins, chmn, ceo; Hank Malfa, president; Rodger Groves, sr vp-dir of acct mgmt; Jim Friedman, vp-mgmt super; Carole Foxley, acct super; Leslie Delafield, Tony Cindrich, acct execs.

Gilbert, Whitney & Johns, Whippany, N.J.—Minwax consumer & industrial prods—John Mimnaugh, exec vp.

Jordon, Manning, Case, Taylor & McGrath—Wet Ones, Chubs—Judy Neidert, acct super.

Lowe Marschalk, New York—Lysol Pine Action, Lysol Laundry Sanitizer—Michael Lesser, COB, ceo; Andrew Langer, president; Marshall Kapp, exec vp, Barry Linsky, exec vp.

Ramm Advertising—Rid-X Septic Aid, Energine Spot Removers—Ed Ramm, president; Jack Hernish, vp.

SSC&B, New York—Lysol prods, Love My Carpet, Beacon Wax, Mop & Glo, Perk—Robert Watsworth, exec vp; John Barnes, vp-mgmt super; Ray Hilton, Tom Perlstein, Doug Harting, acct supers; Kevin Driscoll, David Knise, acct execs.

Warwick Advertising, New York—insecticides, rodenticides, and Resolve carpet cleaners—Peter Black, sr vp-mgmt super; Richard Lamley, vp-acct super; Joseph Kensil, Joanne Dionissiou, acct execs.

WINTHROP-BREON LABORATORIES
New York
Corporate Personnel
Harry Shoff, president
Marketing Personnel
Herbert E. Smith, vp-sales
Robert J. DeLuccia, vp-mktg
Advertising Agencies
Carrafiello-Diehl Associates, Tarrytown, N.Y.—Talacen, Talwin Nx, Talwin Injection—John S. Carlucci, vp-mgmt super; Martin S. Stevens, group acct super.

Dorritie & Lyons, New York—Tornalate—Jeff Apton, acct super.

Lavey, Wolff, Swift, New York—Neo-Gram, Danocrine, Demerol, pHisoHex, Hypaque, Telepaque, Bilopaque, Amipaque, Omnipaque—Charles Rockefeller, sr vp.

WINTHROP VETERINARY
Corporate Personnel
H. Dwight Koger, exec vp
Marketing Personnel
Michael Beaudrias, prod mgr, ethical
Bron Zienkiewicz, mktg and sales mgr, consumer
Advertising Agency
Sawyer, Riley, Compton, Gainesville, Ga.—veterinary pharmaceuticals & disinfectants, pet care prods—Louis Sawyer, vp; Jackie Thomas, acct super.

WINTHROP CONSUMER PRODUCTS DIVISION
New York
Corporate Personnel
Karl A. Brautigam vp/gen mgr
Marketing Personnel
Susan D. Molofski, dir mktg
Melanie J. Lover, sr prod mgr
James I. Steinberg, prod mgr
Barry C. Cohen, asst prod mgr
Advertising Agencies
Cunningham & Walsh, New York—Neo-Synephrine brand, pHisoDerm, pHisoPUFF—Nat Allen, vp-dir; Diane Whitehead, mgmt super.

Warwick Advertising, New York—Campho-Phenique, new prods—Kyle Felt, exec vp; Walker Berwick, mgmt super.

RANK **74**

Stroh Brewery Co.

Detroit

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,900	1,600	0.0
Net income	N/A	N/A	N/A
U.S. advertising	113	136	(17.9)

Stroh Brewery Co. began to search aggressively for new growth areas during 1985, a year in which it held onto the No. 3 spot among brewers despite a slip in market share.

Privately held Stroh, which produces 12 brands of beer and six line extensions, isn't limiting its growth to the beer industry, which has endured four straight years of flat sales. The company became a major player in the cooler segment by the end of 1985 and early in 1986 entered two other categories, nonalcoholic malt beverages and juice-added soft drinks.

Stroh's beer shipments slipped from 23.9 million bbls. in 1984 to 23.4 million bbls. in 1985, a decline of 2.1%, in an industry in which total shipments were up less than 1% for the year. Stroh's share of the domestic beer market was 13.1%, down from 13.4% the previous year. It trailed Anheuser-Busch, St. Louis, with 38.1%, and Philip Morris' Miller Brewing Co., Milwaukee, which held a 20.8% share.

Stroh positioned itself for profitability, even if beer sales remain stagnant, by closing its aging hometown brewery in 1985 to eliminate an overcapacity problem and allow it to compete in a price-cost environment that is dictated by A-B's drive for market share. Stroh also planned by the end of 1986 to retire its debts related to the 1981-acquisition of F&M Schaefer Brewing Corp., Allentown, Pa., and 1982 acquisition of the Jos. Schlitz Brewing Co., Milwaukee, moves that catapulted the family-owned regional brewer into a national force.

The national rollout of White Mountain cooler showed Stroh's strategy of putting its resources into new high-growth categories. Introduced in March, 1985, by Stroh subsidiary Colorado Cooler Co., White Mountain cooler was taken national within four months.

It was the only malt-based cooler to perform well in the segment, which is dominated by wine coolers. White Mountain took an estimated 6% market share in 1985 despite not being widely available until midyear, and Stroh claimed its second-half shipments ranked it No. 3 with a 16% share, behind No. 1 California Cooler from Brown-Forman Distillers Corp., Stockton, Cal., and E&J Gallo Winery's Barties & Jaymes, Modesto, Cal.

Stroh spent an estimated $7 million in media to establish White Mountain cooler during 1985, but by July, 1986, had increased its annual ad budget for the brand to $20 million. An orange flavor was added in March, 1986.

Stroh is putting additional marketing muscle behind another new product, Sundance, a "100% natural juice sparkler" introduced in California and other western states in March, 1986. Stroh planned to contribute $6 million into California during 1986 for the introduction of the 70% juice and 30% sparkling water beverage. Most entries in the juice-added category, led by PepsiCo's Slice, use a 10% juice base. Produced by Stroh subsidiary Pacific

Health Beverage Co., Sundance is available in four flavors and is being positioned between soda pop and bottled water. Stroh planned to take Sundance national by the end of 1987, with an estimated $70 million advertising and promotion budget by then.

Stroh launched two other new products in the spring of 1986. Barbican, a nonalcoholic malt beverage imported from England's Bass Brewery, was introduced in New York with plans for national rollout during 1986. The introductory $1.5 million campaign via MCA featured ex-football player Franco Harris. Stroh's goal is to expand the nonalcoholic malt beverage category, which accounted for less than 1 million bbls. in 1985.

Stroh launched another import, Konig, in several eastern states, with a campaign via MCA that highlighted the beer's status in the world's top beer-drinking country. "Konig is Germany's No. 1 selling beer. No ifs, ands or Beck's" was the theme line.

One of Stroh's strengths in the beer market is its broad product line, giving it the ability to capitalize on segments that exhibit the best volume trends. Stroh officials forecast that the price-beer segment (sold below the popular-price category) will grow from 14 million bbls. in 1985 to 20 million by 1990. Stroh completed its national rollout of price-beer Schaefer brand in February, 1985, and sales for the year were up nearly 10% to more than 4 million bbls.

Stroh also showed strength in the popular-price segment, where its Old Milwaukee brand led the category and was the No. 5 beer over-all. Sales of 7.5 million bbls. of Old Milwaukee (up 5.6% from 1984) and 1.6 million bbls. of Old Milwaukee Light accounted for nearly 40% of Stroh sales. The increase in sales occurred despite a 20.7% decline in measured advertising to $13 million in 1985.

The company ran into tougher going in establishing its flagship Stroh's brand, which went national in 1984. Sales in 1985 declined 5.7% to 5 million bbls., as full-year measured media spending for the brand declined 34% to $21 million in 1985.

In October, 1985, the company launched a major drive to establish the brand as a mainstream premium beer. The repositioning began with a $50 million, 12-month ad campaign via Lowe Marschalk, New York, that broke during the World Series telecast on ABC. The longtime Stroh's theme, "From one beer lover to another," was replaced with "Stroh's is spoken here." Waylon Jennings starred and sang in a country spot in the campaign.

The ailing Schlitz brand got little support for most of 1985 with the exception of a June regional campaign via Point Communications, Dallas, using actor Larry Hagman of "Dallas" fame saying, "I want all the gusto." In November, Stroh named Vic Olesen & Partners, Los Angeles, to do creative to revive Schlitz, which had declined in sales from a high of 13 million bbls. in 1978 to 1.5 million in 1985. Ex-football player Lyle Alzado signed on as Schlitz spokesman, and Stroh planned to spend $5 million in ad support for the brand during 1986.

Stroh took its superpremium Signature national in May, 1986, backed by a $10 million campaign that relied heavily on magazines, including an eight-page advertorial via MCA that profiled the exploits of Richard Konkolski, a Newport, R.I., sailor who made two solo voyages around the world.

The national rollout came despite slack sales in the superpremium category, which is dominated by A-B's Michelob. Signature was introduced to regional markets in the spring of 1982, and Stroh sold 150,000 bbls. of the brand in 1985 in seven eastern and midwestern states. Stroh marketing officials say a weakening of the U.S. dollar would make imports less competitive with domestic superpremiums on price.

Primo, a Hawaiian-based Stroh brand, was repackaged in Hawaii with a green bottle and a label that duplicated the one used for the beer at the turn of the century. Stroh began a stateside test of Primo in February, 1986, in Boston, where the brand was positioned in line with Canadian imports. Promotions such as "Hawaiian nights" were used for the introduction.

The $8 million to $10 million Schlitz malt liquor account was set adrift in August, 1985, when Benton & Bowles merged with D'Arcy MacManus Masius, which handled A-B's Budweiser. Stroh awarded the account in October, 1985, to MCA but in May, 1986, moved it to Chicago's Burrell Advertising, the nation's largest black-owned agency. A new campaign, themed "Smooth operator," was launched in July, 1986, and seeks a more upstream clientele. Schlitz malt liquor remained the segment leader with an estimated 36% market share in 1985, while No. 2 Colt 45, from G. Heileman Brewing Co., La Crosse, Wis., had 33%.

Another megamerger cost Stroh another agency in April, 1986. BBDO resigned the $20 million Old Milwaukee account and $80 million in Stroh media buying because of its planned merger with Doyle Dane Bernbach and Needham Harper Worldwide, which handled a $100 million-plus account with A-B. Stroh said it was pressure from A-B that had caused BBDO's resignation. Stroh awarded the Old Milwaukee creative to Grey Advertising, New York, and at press time was weighing the decision on media buying.

Stroh, looking for advertising and promotional activities that would create niches instead of always going head to head with A-B and Miller, in June, 1985, introduced the "Stroh's Circle of Sports" show on USA Network and a broadcast tv syndicate. The weekly two-hour sports magazine show, which ran for the summer, was produced by Ohlmeyer Communications Cos., New York.

Stroh also was involved in sponsorships of events such as auto and motorcycle racing, board sailing, hockey and jazz festivals.

Its most successful promotion in 1985, however, was its second annual Run for Liberty, held Oct. 12 in 127 cities and on 15 military bases. More than 135,000 runners took part in the world's largest single-day running event, with part of their entry fees going to Statue of Liberty-Ellis Island restoration project. The 1986 Run for Liberty was moved up to June 28 to take advantage of the hoopla surrounding the July 4 rededication of the statue.

Stroh was one of the sponsors of the ABC telecast of the rededication events and broke special creative that featured use of the John Lennon song "Imagine."

In September, 1985, acting assistant attorney general Charles Rule ordered closed the two-year investigation into Stroh's complaint about beer advertising exclusivities held by A-B and Miller on network tv sports. Stroh complained that exclusivities prevented the company from reaching its prime target, men who watch live-action sports.

Under most exclusivity arrangements, an advertiser pays a premium rate for the distinction of being the sole sponsor of its kind during a broadcast.

Since filing its complaint, Stroh has gained access to more sports, principally Major League Baseball, but Stroh officials credited that to Miller's decision to decline its previous exclusivity.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$1,674	31,98
Newspaper	704	63
Newsp. supp.	77	
Bus. pubs.	135	46
Network tv	38,110	43,10
Spot tv	9,629	12,92
Spot radio	8,098	13,47
Outdoor	1,762	3,20
Network cable	3,292	1,52
Total measured	63,480	77,32
Unmeasured	49,520	60,31
Total	113,000	137,63

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Richard Rogers, vp-brand mgmt
Christopher Lole, vp-genl mgr, Stroh International
J. Hellweg, vp-mktg services
Dave Martin, vp-corp media
Marsha Bass-Atwater, dir-new prods
Fred Rubner, dir, import beers
Ray Gross, dir, mkt rsch
Mike Jaeger, brand dir, Stroh's/Stroh Light
Charles Powell, brand dir, Old Milwaukee/Old Milwaukee Light
Mike Mitaro, brand mgr, Signature
Ed Kopecky, brand mgr, Goebel/-Schaefer/Piels
Marion Griffith, brand mgr, Schlitz/Schlitz Light
Mike Porter, brand mgr, Schlitz Malt Liquor
Advertising Agencies
Badillo/Saatchi & Saatchi Compton, San Juan, P.R.—Schaefer, Schaefer Light (Puerto Rico only)—Jose Colon, acct super.
Bermudez & Associates, Los Angeles—Hispanic advertising—Eduardo Bermudez ceo; Lloyd Lopez, acct exec.
Burrell Advertising, Chicago—Schlitz Malt Liquor—Don Coleman, acct super.
Grey Advertising, New York—Old Milwaukee, Old Milwaukee Light—Jordan Rosuck, acct super; Robert Sansone, acct exec.
MCA Advertising, New York—Signature, Schaefer, Schaefer Light, Erlanger, White Mountain Cooler, Silver Thunder, Barbican, Konig—Jim Hanzlik, Vic Sandham, Chuck Currey, acct exec.
Lowe Marschalk, New York—Stroh's, Stroh Light—Rob DeFlorio, acct exec; Kevin Compagna, asst acct exec.
Vic Olesen & Partners, Los Angeles—Schlitz, Schlitz Light—Eric Vonderlieth, genl mgr; Jeff Greenberg, mgr, Warren, Mich.
Pointe Communications, Dallas—Schlitz regional—Diane Hunsburger, acct exec.
Ross Roy Inc., Detroit—Sundance—Bruce Wagner, acct exec.
Wyse Advertising, Cleveland—Goebel, Piels—John Jefferson, acct super.

RANK **41**

Tandy Corp.

Ft. Worth, Tex.

($ in millions)

Worldwide	1986	1985	% chg
Sales	3,035	2,596	16.9
Net income	196	189	4.8
U.S. advertising	187	194	(3.6)

Tandy Corp. launched an image-changing campaign in 1985 with new, more business-oriented products, refurbished stores and a dress code for computer center personnel. It came on the heels of one of its worst fiscal years.

During fiscal 1985, Tandy suffered its first down year in earnings per share in the past 23 years and the first major inventory writedown in its history. As it began fiscal 1986, Tandy assembled an array of new products, such as a home satellite dish system and a transportable cellular telephone, to maximize growth opportunities.

Tandy Corp. in fiscal 1986, ended June 30, reported worldwide sales growth of 16.9% and a net income increase of 4.8% as estimated U.S. advertising dropped 3.6% to $187 million.

Tandy is the largest domestic retailer of consumer electronics with more than 9,000 outlets, two-thirds of which are company-owned. Tandy offers more than 2,700 products, over half of which are manufactured by the company, through its Radio Shack stores in North America and Tandy International Electronics overseas.

Radio Shack Computer Centers sell computers and peripherals to business customers. Tandy's recent acquisition of two brand-name appliance and consumer electronics chains signals a more aggressive push into the high-growth sector of the appliance and consumer electronics market.

In November, Tandy introduced the Tandy 3000, which is compatible and meant to compete with IBM's high performance AT. The Tandy 600 laptop was introduced in October, priced at $1,599. A Tandy spokesman said the 3000 has done well and the 600, which was understood to have a limited market, met expectations.

Margo McGlade, securities analyst with Paine Webber, New York, says although portable computers (the category in which laptops are included) accounted for 5% of Tandy's sales in fiscal 1985, the percentage will be smaller this year.

The Tandy 3000 took off more slowly than anticipated because of problems with the AT-compatible product, according to Ms. McGlade. Although the software that enables multiple use recently became available, the 3000 didn't have the impact it might have had the software been available sooner, she says.

In July, 1986, Tandy introduced five computers designed to give the company a line of products that competes with IBM's PC, XT and AT in home, education and business markets. The products include the Tandy 3000 personal computer (new version); the Tandy 3000 HL, said to run four times faster than IBM's PC XT; the Tandy 1000 SX and Tandy 1000 EX, both said to run 50% faster than IBM's PC; and the Tandy Color Computer 3, with twice the speed and up to eight times the memory and better graphics than the company's 64K Color Computer 2.

The new products mark a significant strategy for Tandy, which seems to be moving aggressively into the business market. Tandy now offers a bundled product of software, power and hardware for the home user at a good price, according to Paine Webber's Ms. McGlade. "From the product standpoint, Tandy has distinguished itself," she says. "It has added value to the product and made it a little better than what the business customer could buy from a pure IBM clone maker or even from IBM.

"Tandy doesn't have a corporate image of a company like Compaq, which targeted the corporate customer from the beginning. Apple is going through a transition to develop a professional image with corporations. Tandy is going through the same process. We'll see how successful it'll be in the next 12 months."

As part of that image process, and in a continuing effort to better position Radio Shack stores in the marketplace, Tandy is remodeling and refurbishing its retail stores during the next five years at a cost of $80 million.

New stores feature a high-tech look that includes charcoal, silver gray and orange colors, neon lighting and new subtle wall displays. Recently remodeled stores also display signage that says, "Radio Shack: The Technology Store."

The renovation, at the rate of three stores a day, is being done to emphasize a shift in the company's image to a chain carrying many leading products like satellite dishes and computers. Some remodeled stores are showing 25% to 30% sales gains according to Ed Juge, Tandy director of market planning.

Tandy opened 68 retail Radio Shacks and 12 Radio Shack Computer Centers in fiscal 1986. A total of 68 Computer Centers are planned for fiscal 1987, 44 of which will be converted from large computer departments into separate Computer Centers. Tandy anticipates the same rate of openings for its retail stores.

Another part of Tandy's changing image is its business products division. A dress code was recently established for 3,000 employes who work or provide support for Tandy's 489 Radio Shack Computer Centers. The code, however, is not applicable to the retail division.

The strict policy, which includes no facial hair and only dark-colored, conservative business attire, received a lot of publicity, but only a few employes complained vehemently, according to Mr. Juge. The code is part of a comprehensive upgrading plan in the business products division designed to make employes look and feel a part of the team.

In its audio business, a VHS stereo audio deck and a stereo tv were introduced. Tandy also sells an adaptor to enable any tv to receive broadcast stereo sound. Radio Shack stores sell more than one-fifth of all audio speakers sold in the U.S.

Just as Tandy hopped on the compact disc player early in 1984, the company introduced the first advanced do-it-yourself home satellite dish system in February, 1986.

The Realistic 2500 home satellite system, which retails for $1,999, has been a strong seller despite the confusion over cable scrambling.

Analysts predict the satellite dish market should come on strong by early 1987 when the scrambling issue should be clearer to the consumer.

Analysts believe consumers will realize that scrambling is a factor on only a few selected cable television channels, and the dish owner will be able to watch a tremendous variety of programing despite scrambling.

Tandy's other major product market is telephones—both regular and cellular.

While Tandy Corp. is No. 2 behind American Telephone & Telegraph in retail sales, it also commands 10% to 15% of the total U.S. cellular telephone business, according to Tandy officials.

Tandy has experienced phenomenal growth in the cellular telephone market.

Its transportable cellular telephone retails for $1,199—its closest transportable competitor costs about $3,000. Tandy's Mr. Juge says the company has trouble keeping the item in stock.

Tandy has working agreements with one of the area carriers in every area where cellular service is available. At Radio Shack, a customer can go into the store, buy a phone, fill out the necessary papers, be assigned a phone number that will be programed on the spot and walk out of the store talking on a cellular phone.

Eugene Glazer of Dean Witter, New York, says Tandy has begun to establish the infrastructure to be one of the key players in the emerging market for mobile cellular telephones. Exclusive agreements with many carriers to provide hardware, installation and service are in place.

With a high-volume manufacturing facility in the Far East, Tandy could become a low-cost producer in this market, Mr. Glazer says.

In April, 1985, Tandy entered the name-brand discount retailing business with the acquisition of Scott-McDuff, a chain of 24 audio-video-appliance stores. In early fiscal 1986, Tandy acquired 207 VideoConcepts stores. Tandy opened 21 McDuffs in fiscal 1986.

With the Radio Shack chain as the foremost private label retailer in the consumer electronics industry—Tandy has a 49% share of market in radio and tv stores, which represent 65% of its sales, and Federated Group is No. 2 with a 6.27% share.

Audio-video-appliance name brand retailing will be handled separately in 8,000-to-10,000-sq.-ft. stand-alone stores and 3,000-sq.-ft. mall stores, according to Tandy officials.

In May of this year, Tandy announced plans to open 50 new stores in six new hubs by year's end in Houston; Denver; Kansas City, Mo.; San Antonio, Tex.; Tampa, Fla., and San Jose, Cal. Currently the chain has 250 stores nationwide under the McDuff, VideoConcepts and Scott Appliance Co. names.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$5,546	$5,207
Bus. pubs.	950	1,148
Network tv	29,328	31,805
Spot tv	3,665	6,152
Network radio	3,768	420
Spot radio	2,234	3,135
Network cable	1,025	378
Total measured	46,516	48,245
Unmeasured	140,345	145,560
Total	186,861	193,805

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Marketing Personnel
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Graham Beachum, vp, computer merch
Robert Miller, vp, consumer merch
David Beckerman, vp-adv
Ed Juge, dir-mkt planning
Mike Wood, genl adv mgr
Fred Roeben, admin adv mgr
Advertising Agency
(In-house) Central Advertising Agency, Fort Worth—Gale Graham, media dir; Craig Kaso, asst media dir.

TANDY NAME BRAND RETAIL GROUP
Memphis, Tenn.
Corporate Personnel
C.C. Thomas, president
Marketing Personnel
Tommy Dyson, adv mgr
Advertising Agency
In-house, Memphis, Tenn.

RANK **56**

Time Inc.

New York

($ in millions)

Worldwide	1985	1984	% chg
Sales	3,404	3,067	11.0
Net income	200	216	(7.4)
U.S. advertising	158	137	14.0
Division sales	**1985**	**1984**	**% chg**
Magazines	1,482	1,321	12.2
Books, info.	552	491	12.4
Video	1,370	1,255	9.2

Time Inc. in 1985 increased a spending by 14% to support its large consumer franchises in books, pa cable tv and magazines, despite a lac luster year that brought a drop in ear ings of 7.4% and forced the med company to make deep cuts in its wo force.

Net income was down primarily b cause of a $13 million charge again staff reductions, a decline in intere income from lower cash balances ar the absence of a 1984 pretax gain o $37 million. Time is shoring up tho returns in 1986. In the first half, n income rose 7.7% to $112 million o revenue of $1.82 billion, up 13%.

Time Inc. is on an acquisitions hun last year purchasing Southern Progre Corp., publisher of *Southern Livin* and *Asiaweek*, an English-langua newsmagazine based in Hong Kong. also is taking a significant minority i terest in *Parenting*, a San Francisc based magazine scheduled to sta publishing at yearend.

Last year's sale of notes and th pending sale of 20% of its America Television & Communications cab tv systems company will help fun corporate acquisitions. The compan however, has not abandoned hom grown publications: It restarted *Pictu Week* in July and has a variety of i ternally developed projects in vario stages of testing.

The magazine division in 1985 su fered the company's only decline pretax operating profit of 6% to $1 million, despite revenue gains 12.2%, due to the March, 1985, acqu sition of Southern Progress Corp. F the second quarter of 1986, the com pany's magazine group recorded ope ating income of $74 million, up 8.8% Circulation revenue rose 8%. Ad pag were down 1% to 2% from last year quarter, but ad revenues were up abo 4% because of a hike in rates from 5 to 6%.

Revenue from the video operation division in 1985—representing HB Cinemax and ATC—increased 9.2 and pretax operating profit was also u 3% to $220 million.

Books and information service showed a total revenue gain of 12.4 and pretax operating income of $8 million, up 31%. The gains were pr marily because of the addition of O moor House (a division of Souther Progress) and profit increases in th book business and at Selling Area Marketing Inc., Time Inc.'s marketin information services unit. However operating profit for the division fell t $12 million, down 7.7% in the secon quarter of 1986.

The company put the majority of i ad dollars behind cable's Home Bo Office, Time-Life Books and Tim Inc.'s top three magazines—*People Sports Illustrated* and *Time*. Over-a the company shifted its marketin mix, devoting more dollars to cab networks and spot tv, at the expense radio.

Of the company's major spender only HBO had a measured ad spend ing decline, down 31% to $10.5 mi lion. This budget reflected a return t normal ad spending levels after shakeup in 1984 that saw the pay cab service revamp its schedule and chai

Perspectives from an ANA director

Organization should stress the basics

G.F. Tyrrell, vp-advertising at Johnson & Johnson, says that he favors a back-to-basics approach at the Assn. of National Advertisers.

"I think it is important to get back to the original objectives [of the ANA]. It is important to improve quality of advertising by training young people, and the ANA can provide that service to members," says Mr. Tyrrell, who is a member of the executive committee, the membership eligibility committee and chairs the television advertising standing committee.

Mr. Tyrrell is a 21-year veteran at Johnson & Johnson and was previously vp-product management for the personal products company. Before joining J&J, he worked at Benton & Bowles, BBDO and Lennen & Newell advertising agencies. In addition, he was a product manager with Standard Brands' Burlington Hosiery Co.

G.F. Tyrrell
Johnson & Johnson

Regarding the trend of many advertisers toward more spot market activity and diversification of traditional media dollars into nonmedia promotions, Mr. Tyrrell says, "I think it is potentially damaging to brands. The shift into spot tv brings up serious questions."

On the issue of shorter rollouts with new product development, he said, "I see companies going back to classic test markets.

"People who have taken the time to be careful are not overly concerned. I think the fly-by-the-seat-of-the-pants approach has not worked. While it may be expensive to test, if it is done carefully, it pays off."

Mr. Tyrrell is a director of the Ad Council and volunteer director of the council's National Red Cross campaign.

He is also a member of the National Advertising Review Board.

man-ceo Michael Fuchs come aboard.

HBO put $6.7 million in spot tv and $2.6 million in magazines to attract more viewers in a time of flat growth. No. 1-ranked HBO is settling it out with No. 2-ranked Showtime/The Movie Channel for exclusive deals with major studios for film rights. In 1985, HBO saw slight subscription gains to 14.6 million.

In the magazine group, ad pages for Time Inc.'s magazines reflected an over-all softening in the market, but, with the exception of its struggling *Discover*, the publications posted modest gains in ad revenues. The slowdown in magazine revenue, however, caused the company to institute layoffs in an effort to cut annual expenses by $75 million.

In ad spending, *People* topped the list, spending $18.3 million in measured media, up 22%. *People* devoted $14 million to spot tv and $2.8 million to network tv. The magazine in 1985 had record ad revenue of $250.7 million, up 8%. Ad pages were down 5% to 3,866.

Time followed with $15.2 million in measured media, up 38% from 1984. It spent $10 million in spot tv and $4.4 million in cable networks. The newsweekly's $347 million ad revenue total again led the magazine industry despite a 4% decline from the year earlier. *Time's* closest competitor, *Newsweek*, had ad revenues in 1985 of $247 million, down 2%.

Sports Illustrated spent $12 million in advertising, the majority of it devoted to spot tv and cable networks. Although *SI* did not have the heavy advertising it had during the 1984 Olympic year, and ad pages dropped 8%, ad revenues rose 3%, to $237.3 million.

Once again, the weakest performer in the magazine group was *Discover*, in the depressed popular science magazine category. It showed a 40% decline in ad revenue to $6.3 million and a 4% drop in ad pages to 417.

In an effort to bolster *Discover's* performance, Time Inc. in June purchased competitor *Science 86* for $5.75 million, plus $7 million in subscription liabilities. The company hopes to retain about 35% of *Science 86's* 739,301 subscribers, but observers are skeptical about whether the purchase will solve the publication's problems. *Discover* had minor ad spending in 1985, amounting to $375,000 to promote a tv program, and $16,000 in a magazine mail order promotion.

Time Inc.'s leading ad spender was Time-Life Books with a $20.8 million budget, up 14%. Time-Life Books spent $15.3 million in magazines and $3.3 million in spot tv. The books division was buoyed this year by the success of "The Library of Nations," a sociologically oriented geography series, and "Understanding Computers." A third series, "Your Home," was terminated because of poor response.

In mid-July, 1986, Time Inc. named N. J. Nicholas Jr. president and chief operating officer. He is in line to succeed J. Richard Munro, president and chief executive of Time. Mr. Nicholas was exec vp-video operations. Mr. Munro also was given the additional post of chairman, succeeding Ralph P. Davidson, who was named chairman of the executive committee of Time's board.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$43,460	$39,599
Newspaper	13,592	13,320
Newsp. supp.	1,697	2,121
Bus. pubs.	5,529	919
Network tv	2,903	12,129
Spot tv	45,345	33,070
Spot radio	383	1,885
Outdoor	9	50
Network cable	12,825	7,192
Total measured	125,743	110,284
Unmeasured	30,462	26,717
Total	156,205	137,001

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Marketing Personnel
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Steve Cohen, public affairs dir
Katherine R. Erskine, promo dir
Elizabeth P. Valk, circulation dir
Advertising Agencies
Wunderman, Ricotta & Kline, New York—circulation promo—Dave Cramoy, dir acct services, Gail Lanik, acct super; Grace Fallon, acct exec.
Young & Rubicam, New York—circulation promo—Ned Brown, mgmt super; Elizabeth Raspberry, acct exec, adv promo;Jennifer Brown, traffic.
People
Corporate Personnel
Donald M. Elliman Jr., publisher
Marketing Personnel
William S. Myers, assoc publisher-adv sales dir
Daniel B. Brewster Jr., promo-special projects dir
Diane Morgenthaler, circulation dir
Advertising Agencies
Holland & Callaway Advertising, New York—circulation promo, adv & circulation promo—Jim Calloway, president; Ron Holland, chmn of the board, copywriter; Russ Kaiser, producer.
Young & Rubicam, New York—adv promo—James Tyrell, acct super; Jennifer Brown, acct exec.
Fortune
Corporate Personnel
James G. Hoefer, publisher
E. William Kenyon, assoc publisher
Marketing Personnel
David L. Nimz, promo dir
R. Timothy Leedy, adv dir
Jeremy B. Koch, circulation dir
Advertising Agency
Needham Harper Worldwide, Washington—Carole O'Donnel, acct exec; Patricia Connoway, vp-acct super.
Discover
Corporate Personnel
James B. Hayes, publisher
Marketing Personnel
John E. Jay, adv sales dir
Harry C. Rubicam, promo dir
William J. Miller Jr., circulation dir
Advertising Agency
John Emmerling Inc., New York—adv promo—Jim Guthrie, acct super.
Money
Corporate Personnel
William M. Kelly Jr., publisher
Marketing Personnel
Charles Rubens II, adv sales dir
Michael Rich, promo dir
Diane Genck Potter, circulation dir
Advertising Agency
John Emmerling Inc.—adv promo.
Sports Illustrated
Corporate Personnel
Donald J. Barr, publisher
Marketing Personnel
Thomas J. Hickey Jr., adv sales dir
David L. Long, adv sales mgr
George P. Berger, promo planning dir
G. Lindsay Valk, circulation dir
Advertising Agencies
Ogilvy & Mather, New York—adv promo—Denise Johnson, acct exec; David Warren, acct super.
Richards Group, Dallas—circulation promo—Brad Todd, mgmt super.
Life
Corporate Personnel
Charles A. Whittingham, publisher
Marketing Personnel
Alan T. Wragg, adv sales dir
Susan L. Caughman, circulation dir
Advertising Agency
Geer, DuBois, New York—adv promo—Doria Steedman, acct super; Kathy Reps, media super. Circulation promo—John Allen, sr vp; Cindy Waxman, acct exec; Dawn Dresher, asst acct exec; Michael Garcia, acct super.
Progressive Farmer
Corporate Personnel
Gerald Jehle, publisher
Marketing Personnel
David V. Hemphill, adv sales mgr (N.Y.)
Jim Moon, adv services mgr
Bill Capps, circulation dir
Advertising Agency
Fletcher/Mayo/Associates, Atlanta—trade—Kathy Freebairn, acct exec.
Southern Living
Corporate Personnel
James E. DeVira, publisher
Marketing Personnel
H.B. Flora, adv sales mgr
Jim Hurd, adv services mgr
Bill Capps, circulation dir
Advertising Agency
Needham Harper Worldwide—trade—Betsy McGurick, acct exec.
Southern Accents
Corporate Personnel
James E. DeVira, publisher
Marketing Personnel
Sims Bray, adv sales mgr (N.Y.)
Jeanetta Keller, pr dir
Bill Capps, circulation dir
TIME-LIFE BOOKS
Corporate Personnel
Christopher T. Linen, exec vp
Advertising Agencies
A. Eicoff & Co., Chicago—Ron Bliwas, president-mgmt super; Francie Barson, vp-media dir; Rick Sangerman, acct super.
Wunderman, Ricotta & Kline, New York—Dave Cramoy, dir acct services; Judy Keane, acct mgr; Greg DiLorenzo, acct exec.
TIME-LIFE VIDEO
Marketing Personnel
Dorothy Dunbar, adv & promo dir
SELLING AREAS-MARKETING INC.
Corporate Personnel
Carlyle C. Daniel, president
Karl L. Pruess, exec vp-operations
Marketing Personnel
Alan B. Miller Jr., vp-sales services mgr
Advertising Agency
H. Richard Silver, New York—Harvey Dreyer, acct super.
AMERICAN TELEVISION & COMMUNICATIONS CORP.
Englewood Colo.
Corporate Personnel
Trygrve E. Myhren, chmn of the board-president
Marketing Personnel
Stephen St. Maire, vp-mktg, programming
Allan Eisenberg, dir-adv
Dan Smith, dir-mktg
Advertising Agency
Wells & Evans, New York—Laurie Litwin, acct super.
BOOK-OF-THE-MONTH CLUB
New York
Marketing Personnel
Lorraine Shanley, exec vp-editorial & mktg
Betsy Poris, vp-adv dir
John Hall, mktg dir
Advertising Agency
Wunderman, Ricotta & Kline, New York—Lisa Levine, mgmt super; Carole Abrams, asst acct exec.
HOME BOX OFFICE
New York
Corporate Personnel
David Pritchard, sr vp-corp affairs
Marketing Personnel
Dan Levinson, vp-adv
John K. Billock, sr vp-mktg
Janice Hoffman, dir-network planning
Advertising Agencies
Ted Bates Advertising/New York—Cinemax—Tim Corrigan, mgmt rep; Carol Bernbaum, acct mgr; Susan Johnson, assoc media super.
BBDO, New York—HBO—Ken Angel, vp-mgmt super; Russell Schare, acct exec; Guild Copeland, acct super; Elizabeth Flin, asst acct exec; Tom O'Brien, media super.
LITTLE, BROWN & CO.
Boston
Marketing Personnel
William A. Gutherie, adv mgr
David Goehring, mktg mgr-trade div
Munro Magruder, trade sales mgr
Advertising Agency
Franklin Spier Inc., New York—Rhonda Hall, acct exec.
Picture Week
Corporate Personnel
Bruce A. Barnet, publisher
Marketing Personnel
Jan H.H. Meyer, adv sales dir
Michael Owen, circulation dir
Advertising Agency
Holland & Callaway Advertising, New York—adv & circulation promo—Jim Calloway, president; Ron Holland, chmn of the board, copywriter; Russ Kaiser, producer.
Astroweek
Corporate Personnel
Robert B. Klaverkamp, publisher
Marketing Personnel
Barrie C. Goodridge, ad mgr
Ray Day, promo mgr
Ann Hext, circulation dir

Toyota Motor Corp. RANK **45**
Torrence, Cal.

($ in millions)

Worldwide	1985	1984	% chg
Sales	24,335	24,828	(2.0)
Net income	1,238	1,238	0.0
U.S. advertising	172	136	24.3

Toyota Motor Sales U.S.A., a subsidiary of Toyota Motor Corp., Japan, the leading car and truck importer in the U.S., placed renewed concentration on Toyota cars in 1986, particularly the sporty compact Celica line, which served as the centerpiece of the 1986 Toyota lineup that includes 65 new car and truck models.

Trucks, however, continued to have strong support, shifting to more of a 50-50 split between car and truck advertising at Toyota.

Toyota Motor Corp., the parent company, reported record worldwide sales of $24.3 billion, down 2% from 1984, and earnings of $1.2 billion, the same as a year earlier. Sales and earnings for both 1985 and 1984 fiscal years, ended on June 30, were converted from yen to dollars at the rate of ¥249=U.S.$1.

Toyota currently ranks third in

MARKETING EXECUTIVES...
with successful national track records ...we specialize
SFA **SMITH'S 5TH AVENUE AGENCY**
17 East 45 St., N.Y. 10017
212-682-5300

Which magazine ranked highest in advertising pages last month?
Turn to LNA for answers.
See page 93

"TV Commercial Testing Down"
83 84 85
83 84 85
ARS Testing Up
Ad Age: March 17, 1986
Unpublished Data

The Rest Of The Story

Another reason ARS Testing is up:

ARS Results
Predict Sales Response
To Incremental Media Spending

ARS data has consistently matched split cable media weight tests for established brands.

ARS
The ADVERTISING RESEARCH SYSTEM
research systems corporation 110 Walnut Street, Evansville, Indiana 47708 • 812-425-4562

100 leading advertisers by primary business

Primary business	Rank	Company	U.S. ad spending 1985	U.S. ad spending 1984	U.S. sales 1985	U.S. sales 1984	Adv. % U.S. sales 1985	Adv. % U.S. sales 1984	1985 worldwide figures Sales	1985 worldwide figures Earnings
AIRLINES	81	AMR Corp.	$105,412	$94,925	N/A	N/A	N/A	N/A	$6,131,028	$345,340
	88	Delta Air Lines	94,020	93,519	N/A	N/A	N/A	N/A	4,460,062	47,286
	91	Eastern Air Lines	89,700	78,230	N/A	N/A	N/A	N/A	4,815,070	6,310
	62	UAL Inc.	145,000	115,260	N/A	N/A	N/A	N/A	6,383,405	(48,683)
AUTOMOTIVE	65	American Motors Corp.	126,000	127,321	N/A	N/A	N/A	N/A	4,039,901	(125,263)
	22	Chrysler Corp.	393,400	344,117	$18,767,200	$17,240,000	2.1	2.0	21,255,500	1,635,200
	7	Ford Motor Co.	614,600	521,564	43,526,000	36,788,000	1.4	1.4	52,774,000	2,515,000
	5	General Motors Corp.	779,000	731,446	89,099,000	69,356,000	0.9	1.1	96,371,000	3,999,000
	55	Honda Motor Co.	156,475	136,096	N/A	N/A	N/A	N/A	16,115,060	811,421
	58	Goodyear Tire & Rubber Co.	149,305	158,421	6,437,300	7,092,000	2.3	2.2	9,600,000	412,400
	85	Mazda Motors of America	101,743	71,928	N/A	N/A	N/A	N/A	7,403,557	147,042
	49	Nissan Motor Co.	162,566	165,149	N/A	N/A	N/A	N/A	15,385,900	265,377
	45	Toyota Motor Corp.	172,035	138,442	N/A	N/A	N/A	N/A	24,335,101	1,238,191
	67	Volkswagen of America	123,100	99,691	N/A	N/A	N/A	N/A	N/A	N/A
CHEMICALS & PETROLEUM	31	American Cyanamid Co.	266,189	284,685	2,489,100	2,497,500	10.7	11.4	3,536,100	129,100
	82	Dow Chemical Co.	105,000	91,682	5,211,000	5,293,000	2.0	1.7	11,537,000	58,000
	75	E.I. du Pont de Nemours & Co.	112,184	106,065	20,301,000	21,395,000	0.6	0.5	29,483,000	1,118,000
	40	Mobil Corp.	195,262	175,900	16,601,000	16,309,000	1.2	1.1	51,423,000	1,969,000
	90	Monsanto Co.	92,885	88,989	4,451,000	4,498,000	2.1	2.0	6,747,000	(98,000)
	77	Union Carbide Corp.	110,000	97,447	6,371,000	6,766,000	1.7	1.4	6,596,000	(581,000)
ELECTRONICS & OFFICE EQUIPMENT	94	Apple Computer	83,859	133,844	1,490,396	1,187,839	5.6	11.3	1,918,300	61,000
	97	Canon Inc.	81,201	102,721	1,500,600	1,260,000	5.4	8.2	4,779,000	185,000
	35	Eastman Kodak Co.	247,300	329,066	7,392,000	7,414,000	3.3	4.4	10,631,000	332,000
	24	GE/RCA	373,336	446,378	35,060,300	33,956,100	1.1	1.3	37,257,100	2,705,100
	27	International Business Machines	327,834	388,978	28,511,000	27,371,000	1.1	1.4	50,056,000	6,555,000
	92	Matsushita Electric Industrial Co.	86,000	93,899	3,700,000	3,500,000	2.3	2.7	24,890,000	1,214,000
	41	Tandy Corp.	186,861	193,804	N/A	N/A	N/A	N/A	N/A	N/A
	64	Xerox Corp.	128,898	129,743	N/A	N/A	N/A	N/A	N/A	N/A
ENTERTAINMENT & COMMUNI-CATIONS	98	Capital Cities/ABC	72,247	68,024	N/A	N/A	N/A	N/A	4,002,000	141,000
	39	CBS Inc.	208,000	200,945	4,201,000	4,054,000	5.0	5.0	4,756,000	27,000
	63	Walt Disney Co.	140,000	69,497	N/A	N/A	N/A	N/A	2,015,429	173,491
	95	Gulf & Western	82,101	95,299	2,991,000	4,867,000	2.7	2.0	3,090,000	234,300
	86	MCA Inc.	98,360	81,892	1,786,257	1,381,170	5.5	5.9	2,098,525	149,959
	56	Time Inc.	156,205	137,001	N/A	N/A	N/A	N/A	3,404,000	200,000
	66	Warner Communications	124,165	165,448	1,881,725	1,726,784	6.6	9.6	2,234,891	195,305
FOOD	6	Beatrice Cos.	684,000	662,306	8,662,000	9,262,000	7.9	7.1	11,396,000	232,000
	38	Campbell Soup Co.	215,059	220,368	3,344,702	3,120,532	6.4	6.7	3,988,705	197,824
	70	CPC International	120,000	126,083	1,765,000	1,815,000	6.8	6.9	4,200,000	142,000
	13	Dart & Kraft	489,349	474,820	7,316,900	7,129,000	6.7	6.7	9,942,000	466,000
	14	General Mills	484,146	451,705	N/A	N/A	N/A	N/A	4,600,000	N/A
	32	H.J. Heinz Co.	261,541	228,385	2,764,815	2,661,700	9.5	8.6	4,366,177	301,734
	100	George A. Hormel & Co.	70,702	46,215	N/A	N/A	N/A	N/A	1,502,200	38,600
	46	IC Industries	171,000	137,318	3,943,900	3,402,700	4.3	4.0	4,405,000	162,800
	25	Kellogg Co.	364,299	301,950	2,074,900	1,770,000	17.6	17.1	2,930,100	281,100
	9	McDonald's Corp.	550,000	457,198	2,863,826	2,624,910	19.2	17.4	3,760,860	433,039
	28	Nestle SA	319,254	286,955	N/A	N/A	N/A	N/A	N/A	N/A
	17	Pillsbury Co.	473,220	448,547	5,373,700	4,442,200	8.8	10.1	5,848,000	208,000
	36	Quaker Oats Co.	245,997	234,045	N/A	N/A	N/A	N/A	N/A	N/A
	12	Ralston Purina Co.	508,365	446,468	N/A	N/A	N/A	N/A	5,863,900	256,400
	3	RJR/Nabisco	1,093,000	1,181,072	12,557,000	10,216,000	8.7	11.6	16,595,000	1,100,000
	29	Sara Lee Corp.	285,956	249,394	6,631,000	5,632,000	4.3	4.4	8,117,000	206,000
	72	Wendy's International	115,000	99,598	N/A	N/A	N/A	N/A	1,125,617	76,191
GUM & CANDY	71	Hershey Foods Corp.	118,990	104,461	N/A	N/A	N/A	N/A	1,996,154	120,649
	30	Mars Inc.	275,504	217,152	N/A	N/A	N/A	N/A	N/A	N/A
	96	Wm. Wrigley Jr. Co.	81,536	70,496	444,038	417,206	18.4	16.9	620,267	43,498
MISCELLANEOUS	69	American Dairy Assn.	121,000	60,243	N/A	N/A	N/A	N/A	56,227	N/A
	47	American Express Co.	169,868	173,424	9,434,000	7,367,000	1.8	2.4	11,850,000	810,000
	84	Greyhound Corp.	102,604	88,797	N/A	N/A	N/A	N/A	3,278,000	120,100
	33	U.S. Government	259,050	287,807	N/A	N/A	N/A	N/A	N/A	N/A
PHARMA-CEUTICALS	21	American Home Products Corp.	399,516	412,633	3,636,900	3,435,900	11.0	12.0	4,684,752	717,140
	78	Bayer AG	108,000	105,604	4,177,000	3,900,000	2.6	2.7	15,782,000	432,000
	26	Bristol-Myers Co.	344,293	347,634	3,380,200	3,148,800	10.2	11.0	4,444,000	531,400
	20	Johnson & Johnson	401,217	420,408	3,989,900	3,735,900	10.1	11.3	6,421,300	613,700
	53	Pfizer Inc.	158,463	153,950	2,342,600	2,171,600	6.8	7.1	4,024,500	579,700
	48	Schering-Plough Corp.	169,383	145,857	1,123,700	1,075,700	15.1	13.6	1,927,100	192,600
	37	Sterling Drug	224,940	221,107	1,143,575	1,086,202	19.7	20.4	1,753,724	109,709
	18	Warner-Lambert Co.	469,339	440,996	1,670,000	1,535,000	28.1	28.7	3,200,069	(315,596)
RETAIL	99	Cotter & Co.	71,670	67,468	N/A	N/A	N/A	N/A	1,702,000	67,000
	8	K mart Corp.	567,000	757,216	N/A	N/A	N/A	N/A	22,400,000	221,000
	15	J.C. Penney Co.	478,892	460,219	13,228,000	12,963,000	3.6	3.6	13,700,000	397,000
	4	Sears, Roebuck & Co.	800,000	913,657	N/A	N/A	N/A	N/A	40,715,000	1,303,000
SOAPS & CLEANERS	79	Clorox Co.	107,105	110,156	N/A	N/A	N/A	N/A	1,089,700	95,610
	34	Colgate-Palmolive Co.	253,495	259,217	2,169,988	2,025,431	11.7	12.8	4,523,678	109,442
	61	S.C. Johnson & Sons	146,146	98,591	N/A	N/A	N/A	N/A	2,040,000	N/A
	1	Procter & Gamble	1,600,000	1,461,925	10,243,000	9,554,000	15.6	15.3	13,552,000	635,000
	19	Unilever U.S.	413,623	398,810	4,188,000	3,606,000	9.9	11.1	24,205,000	748,000
SOFT DRINKS	23	Coca-Cola Co.	390,000	408,711	4,909,000	4,566,000	7.9	9.0	7,903,000	722,300
	16	PepsiCo Inc.	478,372	422,120	7,105,000	6,707,000	6.7	6.3	8,056,700	543,700
TELEPHONE	11	American Telephone & Telegraph	521,318	569,930	N/A	N/A	N/A	N/A	34,909,500	1,556,800
	57	GTE Corp.	153,606	100,457	13,563,000	13,422,000	1.1	0.7	15,732,000	(161,000)
	59	ITT Corp.	149,000	137,560	12,253,000	10,922,000	1.2	1.3	20,007,000	293,501
TOBACCO	51	American Brands	160,000	155,791	3,150,000	3,065,000	5.1	5.1	7,308,311	425,900
	44	Batus Inc.	175,420	175,199	N/A	N/A	N/A	N/A	5,087,000	163,532
	43	Grand Metropolitan plc	176,749	174,547	2,269,900	1,897,300	7.8	9.2	7,069,600	573,200
	54	Loews Corp.	156,918	189,324	N/A	N/A	N/A	N/A	6,700,270	588,975
	2	Philip Morris Cos.	1,400,000	1,335,424	11,496,000	10,034,000	12.2	13.3	15,964,000	1,255,000
TOILETRIES & COSMETICS	42	Beecham Group plc	186,322	178,440	1,007,500	1,044,000	18.5	17.1	3,292,000	424,200
	52	Chesebrough-Pond's	159,792	149,454	2,084,982	1,144,339	7.7	13.1	2,699,498	82,174
	68	Cosmair Inc.	122,149	120,424	N/A	N/A	N/A	N/A	700,000	N/A
	50	Gillette Co.	161,000	165,740	1,024,800	1,102,000	15.7	15.0	2,400,000	159,900
	80	Noxell Corp.	106,128	111,514	327,781	299,547	32.4	37.2	382,125	32,360
	60	Revlon Group	147,215	197,834	1,830,000	N/A	8.0	N/A	2,120,000	N/A
TOYS	73	Hasbro Inc.	114,849	84,865	965,038	561,000	11.9	15.1	1,233,361	98,969
	93	Mattel Inc.	85,092	75,983	765,010	697,000	11.1	10.9	1,050,900	78,700
WINE, BEER & LIQUOR	10	Anheuser-Busch Cos.	522,900	507,474	N/A	N/A	N/A	N/A	7,683,300	443,700
	87	Brown-Forman Co.	94,260	67,765	N/A	N/A	N/A	N/A	1,208,113	81,684
	83	Adolph Coors Co.	104,981	87,703	N/A	N/A	N/A	N/A	1,281,122	53,416
	76	Joe E. Seagram & Sons	110,183	116,011	1,739,000	1,752,000	6.3	6.6	2,970,669	319,074
	74	Stroh Brewery Co.	113,000	137,639	N/A	N/A	N/A	N/A	1,600,000	N/A
	89	Van Munching & Co.	93,388	82,781	N/A	N/A	N/A	N/A	414,000	N/A

NOTE: Dollars in thousands.
Source: Sales and earnings figures are from public documents and reflect the latest fiscal year. Advertising expenditures are estimates. For further explanation, see *Where Ad Age got its data*, Page 18.

orldwide auto production behind eneral Motors Corp. and Ford Motor o. and is followed by Nissan Motor orp. in fourth place. Its Japanese ompetitors—Honda, Mazda and Mitbishi—rank 10 through 12, respecvely.

More than half of Toyota cars and ucks are exported worldwide. A recd 1,901,786 units of a total 1985 prouction of 3,535,495 units, plus 9,197 knockdown sets, were sold in verseas markets. The export figure cludes 1,138,428 passenger cars, up 7% from 1984. Exports to North merica totaled 955,358 units, a rise 17.6%, which Toyota attributes to creased demand and more favorable onomic conditions in the U.S. Pasnger cars represented 66% of the vecles shipped to the region.

Toyota sales in the U.S. approached e 1 million mark in 1985, hitting an l-time high of 949,977 total units—20,047 cars and 329,930 compact ucks—up 13.4% from a year earlier. he total represented a 6.7% share of e U.S. market and 23.4% of the imrt market. Despite intense competion in the U.S., Toyota still ranks first mong Japanese importers, followed Nissan at 21.3%, Honda at 19.5% d Mazda at 8.4%. The company also d in total truck sales, followed by issan and Honda.

But Toyota followed Nissan, Honda d Mazda in establishing U.S. manucturing plants. Toyota finally began nstruction of U.S. manufacturing faities to assure itself of an adequate pply of cars in the U.S. market, a pply curtailed by self-imposed uotas assumed by Japanese marters under the Voluntary Restraint greement.

In April, 1985, Toyota and General otors joined forces in a car manufacring operation called New United otor Mfg. Inc., with a plant in Freont, Cal. In August, 1986, Toyota nounced it would build between ,000 and 12,000 of its new FX 16 rs in Fremont, split between two odels, one carrying a base price of out $9,000; the sportier GT-S is exted to sell for $10,000 to $11,000. oduction will advance to between ,000 and 50,000 units during 1987. M named Toyota as Chevrolet's rtner in producing the compact car.

In December, 1985, Toyota anunced it had selected Georgetown, ., as the site for its $800 million proction complex to build up to 0,000 units per year of the Toyota mry when it comes on stream in id-1988. The company also set 1988 r the start of production at a new 00 million Canadian plant to be ilt at Cambridge, Ont., southwest of oronto. That factory ultimately will oduce 50,000 Corolla-class cars a ar.

Opening of these North American oduction facilities is in line with oyota's announced plans to seize 10% the world's auto market by the 90s, a marketing concept the comny calls "Global 10." In January, 86, the company passed a milestone Japan with the production of a nite Crown Toyota, its 50 millionth it since the "A1" prototype in 1935.

The Toyota Corolla, with sales of 8,378 units, was once again the comny's best-selling model in the U.S. It s followed by the Camry at 128,132, e Celica at 80,480 and the Tercel at e low end of the line at 88,841 units. he Toyota van and the MR2 midenne sports car accounted for sales of out 32,000 each and the high perfoance Supra, at the high end of the e, sold 23,569 units.

Operating in the restrictive environent on car imports, Toyota threw a fty portion of its media weight beind advertising for trucks, which were affected by market quotas. Truck lvertising for the year, led by spot d network tv, topped $40 million, ving rise to criticism that Toyota adrtising was neglecting the car sector.

Toyota passenger cars accounted for ly $6.2 million in the company's easured media expenditures for 985, but other car categories received ecial attention, with the MR2 sports car supported by a seven-media outlay of $15.3 million and the Toyota Celica getting $6.8 million, mostly in network and spot tv.

Use of cable tv dropped to $4.3 million, down from $4.8 million a year earlier when Toyota was ranked eighth among the top 10 users of cable.

Now in its 16th year of production, the Celica featured numerous changes including an all-new body design, front-wheel drive and a powerful new 2.0-liter engine.

Toyota retired the 6-year-old "Oh, what a feeling" theme and replaced it with a new slogan borrowed from George Gershwin: "Who could ask for anything more?" for the new creative umbrella—the "more" emphasizing the company as a full-line marketer, says Toyota, out to shake its image as a small-car marketer.

Of 10 new commercials touting the theme, half were for cars and the other half for trucks.

The company continued its use of celebrity spokesmen, for the second year making use of pro golfer Lee Trevino to pitch the full line of trucks and vans. Supporting the tv effort was a major print campaign in magazines, a series of full-page, full-color ads, spreads and three-page gatefolds that singled out specific products. On behalf of trucks, one full-page ad plugged the new top of the line 4-by-4 SR5 Xtracab Turbo, priced at $12,118, emphasizing its roominess and standard features such as the seven-way adjustable sports seat and am/fm/mpx stereo, and the low end standard bed truck, which stressed its $5,998 price, "unchanged in five years."

Magazine ads also featured Toyota's Cressida, the company's luxury leader; the second-year version of the Corolla GT-S sport coupe and liftback; the Camry and its improved power and performance; a virtually unchanged MR2 sports car, and the new features of the low-end Tercel models.

Toyota's flagship performance car, the new upscale Supra, accounts for some 8% of sales, but the company reportedly spent a much larger percent of its ad budget for its introduction this spring. Priced at $18,990 for the basic liftback model, the Supra has been redesigned and its production increased. Toyota expects to sell 30,000 in the U.S. this year, up from last year's 23,569.

Early this year, Toyota joined a sponsorship and marketing program with Opryland USA Inc. of Nashville, Tenn. The program includes sole sponsorship by Toyota of all matinee performance of the Grand Ole Opry, sponsorship of a series of seven special musical events at Opryland and display of Toyota vehicles at the Opryland Hotel and Opryland. The deal also allows Toyota the option of offering trips to Opryland as incentives for its sales staffs and customers.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$16,412	$15,403
Newspaper	20,761	14,913
Newsp. supp.	31	147
Bus. pubs.	770	395
Network tv	27,793	18,544
Spot tv	71,014	58,377
Network radio	989	54
Spot radio	5,210	5,263
Outdoor	2,173	1,793
Network cable	4,349	5,391
Farm pubs.	192	183
Total measured	149,692	120,462
Unmeasured	22,343	17,980
Total	172,035	138,442

TOYOTA MOTOR SALES U.S.A.
19001 S. Western Ave.
Torrance, Cal. 90509
(213) 618-4000

Corporate Personnel

Robert McCurry, sr vp

Marketing Personnel

James Perkins, group vp-sales, mktg, distribution & prod planning
George Borst, corp mktg mgr
Albert W. Wagner, natl sales mgr
Jan Olson, natl adv mgr
D. Danzer, natl car adv mgr
J. Thompson, natl truck adv mgr
James Olson, corp pr mgr
M. Chappelle, dealer assn adv mgr

Advertising Agency

DFS/Dorland Worldwide, Torrance, Cal.—Stuart Upson, chmn-ceo-New York; Jim Lindsey, chmn-Southern Cal; Joe Cronin, mgmt dir.

RANK **62**

UAL Inc.

Elk Grove Township, Ill.

($ in millions)

Worldwide	1985	1984	% chg
Sales	6,383	6,968	(8.4)
Net income	(49)	282	(117.2)
U.S. advertising	145	115	25.8
Division sales	**1985**	**1984**	**% chg**
Airline	5,292	6,219	(14.9)
Hotel	504	557	(9.5)
Business service	91	192	(52.6)
Hertz	497	N/A	N/A

UAL Inc., whose United Airlines subsidiary has struggled through the cutthroat fare wars, is poised for accelerated growth after last year's purchase of Hertz Corp. and this year's acquisition of trans-Pacific airline routes from Pan American World Airways.

With three major travel service companies under its belt, the Elk Grove Village, Ill.-based parent of United Airlines, Westin Hotel Co. and Hertz, now has the capability of marketing a broad range of travel packages in its major markets.

Parent UAL suffered a net loss on sales growth of 8.4% in 1984. The loss was attributed to a 29-day pilot strike and competitive fare discounting at United. The United Airlines unit, largest U.S. airline, reported operating revenues of $5.29 billion in 1985, a 14.9% drop from a year earlier. The airline represents 85% of total revenues. The carrier itself posted a net loss of $88.2 million, compared with net income of $252.4 million for the year earlier.

In the first quarter of 1986, UAL posted a net loss of $103 million, compared with a loss of $661,000 a year earlier, on revenues of $1.96 billion, up 23%. United alone lost $107 million, attributed to intense fare wars and expenses connected with the Pan Am route purchase.

Despite the financial downturn, UAL has found new ways to grow by acquiring other airlines, new routes from other carriers and entering alternate segments of the travel industry.

Last August, UAL completed its acquisition of New York-based Hertz Corp., the world's largest car-rental company. UAL paid RCA $587.5 million in the deal. The Hertz buy immediately made UAL the premier travel marketer, selling airline seats and renting cars and hotel rooms on a national and international basis.

Operational efficiencies have been the primary benefit of the United-Hertz-Westin combination, as United's 50,000 Apollo computer reservations terminals provide an easy way to sell services from one or all of UAL's operating units. Marketing tieins have begun, too, with United flights and Hertz car rentals sold on a package basis in many vacation markets. United execs say they are prepared to increase such activity as the airline business gets more competitive and as other airlines team up with competing travel companies.

In February, 1986, United began serving 11 new Pacific cities through its $715.5 million purchase of routes, planes and facilities from Pan American World Airways, New York. (United already served Tokyo and Hong Kong.)

The new routes came just as European terrorism made many Americans fear travel to those countries. United is one of a few major U.S. airlines that does not fly to Europe.

In July, the airline announced its intention to acquire for $146 million the assets of Frontier Airlines, Denver, from financially troubled People Express, Newark, N.J. Frontier has lost $10 million a month since People Express purchased the carrier in 1985. United earlier purchased 25 Frontier planes for $265 million.

But United and the Air Line Pilots Assn. never could negotiate compensation terms for Frontier employes, stalling talks and ultimately scotching the acquisition.

United serves 173 cities through 156 airports, using 343 owned and leased aircraft. It is the only airline to fly to all 50 U.S. states, and it also serves Canada, Mexico, the Bahamas and the Far East. UAL proudly proclaims United "the world's largest investor-owned airline," and it appears to have recovered successfully from last year's pilots strike, regaining its top-ranked 17% market share among U.S. airlines by pushing AMR Corp.'s American Airlines back into its former No. 2 position.

United's purchase of Pacific routes from Pan Am added 2,700 employes to the company's payroll and several million dollars to its ad budget, handled by Leo Burnett USA, Chicago. Ads themed "A fresh breeze across the Pacific" introduced the new service with a Japanese-style theatrical approach, while later ads highlighted cities and schedules.

The airline has continued its long-running "friendly skies" theme, basically unchanged since Burnett won the account in 1965. This year, it added a minicampaign, themed "I need a vacation," to promote low summer fares in the U.S. A modified extension will continue through the fall, vp-advertising John Ruhaak says. Network tv spending has increased, particularly for the Far East introductory campaign, while the airline continues to rely on newspaper and radio ads for standard fare and schedule information.

United also added a new discounted fare class for tickets purchased 14 days in advance, joining the heavily restricted 30-day advance purchase ticket and unrestricted fares requiring purchase seven days or less in advance.

United's Hawaii bookings have continued strong, while the airline also has established a new north-south hub at Washington's Dulles International Airport to connect Northeast and Southeast cities.

The new hub joins those in Chicago, Denver and San Francisco. Departures from United's Chicago headquarters hub alone represent $2 billion in revenues.

The airline belatedly has made a strong push into smaller regional destinations, forging marketing links with Air Wisconsin, Appleton, Wis., and Aspen Airways, Denver, in which both carriers' planes were renamed United Express.

The linkup enables the smaller airlines to provide "feeder" traffic to United's vast domestic and international route systems. Computer reservations terminals now use United's designator codes for the newly added flights, and schedules and fares have been integrated.

Hertz Corp., which reported only four months of operations under UAL in 1985, had disappointing earnings on intense competition in the rental car industry. The company says its costs of doing business climbed 6% in the past two years, while rental prices rose just 2%. Still, Hertz by January had achieved a 32.8% share of airport car rentals, compared with No. 2 Avis, with 26.2%.

The company had "fleet utilization"—similar to airlines' load factors—of 72% last year.

The company last year began updating its service offerings, adding computerized driving instructions at 62 locations and testing an automated rental and return system at others. It also has expanded nationwide a toll-free emergency road service. Its estimated $22 million ad spending this year has been used to promote these service offerings under the new theme, "Don't just rent a car, rent a company."

Hertz no longer promotes its leadership position in the market.

The Seattle-based Westin Hotel chain pushed up net income as it added new properties and accelerated its practice of selling older units to partnerships while retaining management contracts.

The chain added new hotels in Denver, New Orleans and Washington during 1985 and has opened new hotels and resorts in Singapore and Stamford, Conn., so far in 1986. Other new units opening later this year are in El Paso, Tex., and Fort Lauderdale, Fla. Like United, Westin's primary international presence is in the Far East. Individual hotels and hotel groups are advertised by local agencies on an independent basis using separate ad budgets.

Cole & Weber, which last year lost the corporate ad account to DYR, retains pr duties for the chain.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$9,969	$7,840
Newspaper	19,987	6,112
Newsp. supp.	174	358
Bus. pubs.	150	74
Network tv	29,940	29,253
Spot tv	18,577	24,416
Network radio	1,447	0
Spot radio	13,386	6,802
Outdoor	786	628
Network cable	1,390	674
Total measured	95,807	76,157
Unmeasured	49,193	39,104
Total	145,000	115,260

UAL INC.
1200 Algonquin Rd.
Elk Grove Village, Ill. 60007
(312) 952-4000
UNITED AIRLINES
Elk Grove Village, Ill.

Marketing Personnel

John R. Zeeman, exec vp-mktg & planning
James Goodwin, sr vp-marketing
John E. Ruhaak, vp-adv & promo
John C. Blackman, vp-genl sales mgr
Donald C. Moonjian, sr vp-genl mgr, Pacific div
Christopher D. Bowers, vp-mktg mgmt
William F. Alenson, dir-adv
Al E. Sortwell, mgr-adv
William D. Groundwater, mgr-adv
Richard A. Veatch, mgr-promo
Suzanne B. Weiss, mgr-Mileage Plus

Advertising Agency

Leo Burnett USA—United Airlines—Jim Thompson, sr vp-acct dir; John Goad, Jack Woods, vps-acct supers; Jill Baskin, Mike Arnold, Dave Palmer (Honolulu), Dick Treat (Los Angeles), Joy Wingren, acct execs.

WESTIN HOTELS & RESORTS
Seattle, Wash.

Marketing Personnel

William Newman, sr vp-mktg
David Evans, vp-group sales
Ulrich Schwartz, vp-tour travel & incentive sales
Ron Olstad, vp-new prod mktg
Harvey Cannova, mgr-reservations system
Jim Weiss, mgr-travel industry sales
George Chambers, dir-adv & pr
Laura Thompson, adv mgr
Michele Holter, pub rels mgr

Advertising Agencies

Cole & Weber, Seattle—some Westin Hotels, corporate pr—Jim McFarland, vp-publicity.

DYR, Los Angeles—Westin Hotels corp—David Willoughby, exec vp-genl mgr; Hildie Neuman, vp-mgmt super; Ed Aroyan, acct super; Linda Jones, acct exec.

HERTZ CORP.
New York

Marketing Personnel

Brian J. Kennedy, sr vp-mktg
Malcolm Speed, vp-mktg
David Hahn, dir-adv and mktg programs
Joan Bullwinkle, dir-leisure mktg
Cathy Hoag, mktg mgr
Robert Lande, mktg mgr
Sal Cusamato, mktg mgr
Lynn Pelletier, mktg mgr

Advertising Agency

Scali, McCabe, Sloves, New York—Murray Gaylord, exec vp; Steve Friedman, sr vp-mgmt super; Bo Overlock, acct super; Meg Malone, Michael Perry, Debbie Weintraub, acct execs; Phyllis Milrod, acct coord.

RANK **19**

Unilever U.S.

New York

($ in millions)

Worldwide	1985	1984	% chg
Sales	24,205	18,760	29.0
Net income	748	583	28.3
U.S.	**1985**	**1984**	**% chg**
Sales	4,188	3,606	16.1
Operating profits	157	220	(28.8)
Advertising	414	399	3.7

Netherlands-based Unilever B.V. viewed the U.S. market with a two-fold strategy in 1985: Acquisition and intensified marketing. While the acquisition attempts went awry, stepped up marketing efforts helped the company build market share against major

competitors like Procter & Gamble, which outbid Unilever for Richardson-Vicks in its major acquisition disappointment.

The domestic arm of Unilever, including National Starch, Thomas J. Lipton Inc. and Lever Bros., refocused its attention on the U.S. consumer products and personal products sector in 1985, seeking to grow through acquisition.

When Richardson-Vicks rejected its $1.24 billion bid for P&G's $1.55 billion offer in September, Unilever vowed to continue its acquisition search. It subsequently was linked as a potential buyer of Gillette, Beatrice, Chesebrough-Pond's, although no buyouts materialized.

According to the company, R-V "would have been an extremely good strategic fit, but we were not prepared to pay more than our assessment of its worth and were overbid." Stung but not beaten by its loss to P&G, Unilever through its Lever Bros. unit went after P&G's marketing lead, particularly in the personal products and detergent sectors.

Lever Bros. expended $102 million on new product investment, up from $62 million in 1984.

The company brought in Wayne Nelson, noted for his business-building savvy, to be president of the personal products sector. The appointment of the former Johnson & Johnson and P&G exec was seen as a move to resuscitate the flagging division, especially in toothpastes, where market shares have remained flat compared with growth of P&G and Colgate-Palmolive.

In April, 1985, Lever Bros. moved Aim toothpaste to SSC&B:Lintas from Ogilvy & Mather. Aim had been steadily dropping in market share, reaching a low of 7% in 1985, down from 10% in 1984.

Aim's all-time high was 14%. Heavy competition from P&G's Crest with 31% of the category and Colgate with 23% prompted Lever to raise spending for Aim to $20 million, up 40%. Lever's Close-Up remained at the 8% market share of 1984. Both Aim and Close-Up joined the crowd in introducing pump versions in 1985.

By far, Lever's strongest marketing assault in 1985 was on the detergent market, where the company sought to stem Tide powder's No. 1 spot, or 22.5% share, of the $2.95 billion heavy-duty laundry detergent segment. Lever's Surf powder, tested in Houston, claimed a 13% share of the market. It had an estimated $1.6 million in measured spending. It had only 50% distribution in the U.S. as of July, 1986.

The company also put big promotional and advertising bucks behind Wisk, the No. 1 brand in the liquid category, matching P&G's $50 million spending for Liquid Tide dollar for dollar.

As a result, Lever not only defended its top position in the $1 billion liquid detergent market, but raised its share from 8% to 8.8% during the first half of 1985. A powder version of Wisk is currently in test.

Encouraged by the success of Wisk liquid, Lever introduced a liquid automatic dishwasher detergent under the Sunlight name. In 1985, Sunlight automatic dishwashing powder, which reached a distribution of 25% of the country, grabbed a 20% share of those markets, a considerable jump from 8% in 1984.

According to Leading National Advertisers, spending for Sunlight dishwasher detergent reached $26.4 million in 1985, up 36%.

Lever continued to pummel away at P&G's 46.7% share of Downy's liquid fabric softener market share with liquid Snuggle. Snuggle, which reached national distribution in August, attained a 30% share two months later through aggressive spending of $15.3 million in measured media—up from $2.8 million in 1984—according to LNA.

SSC&B, which handled the introduction, also introduced nationally Snuggle fabric softener sheets with a $3.2 million budget in network, spot and cable tv, according to LNA. Volume growth for Unilever in the detergent sector was 15% in 1985, according to the company.

In the shampoo market, Unilever's Dimension barely worked up a lather with a 3.6% dollar share of the $1.24 billion shampoo market, despite projections of a 6% share by analysts. The splash made by P&G's spinoff of its bar soap, Ivory shampoo, with a 5% share, was the impetus for Lever Bros. to consider extending its Dove into a high-margin upscale shampoo. J. Walter Thompson USA is the agency; Dimension Shampoo and Conditioner received $6 million in measured support in 1985.

Lever Bros. foods division proved particularly strong in the $1.6 billion retail margarine sector, where Lever's Shedd's Spread Country Crock line, acquired in 1984, bolstered by a new corn oil spread and a stick called Classic Quarters, moved the brand into the No. 1 position in the intermediate segment, which accounts for 60% of the margarine sold annually. A $10.4 million campaign by Stone & Simons, Southfield, Mich., put Shedd's in the lead as the highest spender in the margarine race in 1985. Promise, with less than $1 million in spending, remained with a 1% market share.

Lever also extended Mrs. Butterworth's syrup into a light form backed by $2.4 million in measured spending in 1985.

In 1986, Clive Butler was named to head Lever Foods division, which became Lever's second largest business in 1985, experiencing a 20% volume gain.

Unilever's Thomas J. Lipton unit was strengthened in 1985 with new products and the appointment of James Benson to senior vp-marketing, a post that had been vacant for nearly two years. In September, Lipton rolled out International Soup Classics and repackaged and expanded its Hearty Soup mixes. Lipton is the market leader in dry soups with a 27.6% dollar share of the $434 million category. Lipton spent $25 million on advertising its various soup lines, according to LNA, up 23%. Major lines making up the total were instant soups, measuring $16 million in advertising, up 8.7%, and Cup-a-Soup, $6.9 million, down 8%.

Lipton's decaffeinated tea, which had been slated for a 1983 rollout and was held up by production difficulties, was launched nationally in the last quarter of 1985. SSC&B themed the ads, "Lipton tea, you made decaffeinated just for me." LNA put spending for the product at $1.6 million in 1985.

Pitting itself against General Food's Crystal Light in the powdered NutraSweet flavored drink segment, Lipton introduced Sunkist Light in eastern and southern markets in June, 1985, and backed it with $2.5 million for the year. Lipton was expected to match GF's ad budget for the new brand, which was $18 million in 1985, according to LNA. Sunkist Light agency is Foote, Cone & Belding, New York.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$18,252	$19,262
Newspaper	2,398	3,141
Newsp. supp.	870	1,897
Bus. pubs.	150	161
Network tv	153,754	142,982
Spot tv	56,415	59,600
Network radio	1,255	0
Spot radio	2,114	1,034
Outdoor	19	0
Network cable	2,363	1,004
Total measured	237,589	229,080
Unmeasured	176,034	169,730
Total	413,623	398,810

UNILEVER U.S.
10 E. 53rd Street
New York, N.Y. 10022
(212) 688-6000
LEVER BROS. CO.
390 Park Ave.
Marketing Personnel
Richard C. Butler, dir, Lever media group

HOUSEHOLD PRODUCTS DIVISION
Corporate Personnel
John R. Cookson, president
Marketing Personnel
John R. Speirs, mktg vp
Shelly A. Bigelman, mktg mgr-bar soaps
George T. Mayer Jr., mktg mgr-laundry care
Edward J. Chima, mktg mgr-hard surface cleaners
George J. Franzen Jr., sales vp
William J. Gentner, mktg mgr-laundry additives
Robert E. Norris, natl sales mgr-field sales
John A. Turner, mktg mgr-new categories
Gloria B. Deragon, mktg rsch dir
Nancy S. DeKraker, dir-promo services

PERSONAL PRODUCTS DIVISION
Corporate Personnel
Wayne K. Nelson, president
Marketing Personnel
Patrick J. Choel, mktg vp
Brian F. Buckley, mktg mgr-dentrifice
Susan Coleman, mktg mgr-fragrances, oral hygiene
Stephen B. Galasso, mktg mgr-hair and skin care
Paul E. Regan, sales vp
Patrick J. Peters Jr., genl sales mgr
Joan E. Flesch, mktg rsch dir
Carl J. Napor, promo planning dir

FOODS DIVISION
Corporate Personnel
A. Clive Butler, president
Marketing Personnel
John O'C. Nugent, mktg vp
Michael E. Bauer, mktg dir
Celene Varasano, mktg mgr
Leonard C. Giambrone, sales vp
Lynn Johnson, mktg rsch dir
Susan Farrow, promo devel mgr

SPECIAL MARKETS DIVISION
Corporate Personnel
Gerald V. Batti, vp
Marketing Personnel
E. Russell Sherwood, mktg dir
Jerry A. Westman, genl sales mgr-armed forces domestic
Thurlow C. Morgan, genl sales mgr-civilian mkts
S. Ray Marks, sales planning dir

INDUSTRIAL DIVISION
Corporate Personnel
Conrad W. Petersen, genl mgr
Marketing Personnel
Riley N. Stone Jr., mktg mgr
Harold W. Jackson, sales mgr-detergents & toiletries
Joseph P. Kysel, mgr-detergent & chemical prods
David L. Gershman, sales mgr-government accts

Advertising Agencies

BBDO, New York—Wisk and Breeze detergents, Sunlight dishwashing detergents, Caress bar—Don Maurer, Martin Hummel, acct supers; William Heath, mgmt super. Lux liquid, Signal mouthwash—Marcia Walcyk, acct super. Mrs. Butterworth's syrups—Margaret Evans, mgmt super, Amy Ross, super. Selected brands in Puerto Rico for Special Markets div.

Richard Lewis Corp., Scarsdale, N.Y.—industrial & institutional prods—Richard Byer, president.

McCann-Erickson, New York—Promise spreads, I Can't Believe It's Not Butter—Gunnar Wilmont, sr vp-group dir; Pat Higgins, vp-mgmt rep; Linda Luca, acct super.

Moss & Co., New York—military mkt, Hawaii, Alaska, and Guam for special mkts div—Harry Reingold, acct super.

Ogilvy & Mather, New York—Dove bar—Jean Fitzgerald, mgmt super; Myra Maultasch, acct super; Peter Ligouri, acct exec. Final Touch fabric softener—Jean Fitzgerald, mgmt super; Barbara Johnston, acct super; Meryl Pearlstein, acct exec. Imperial margarines/Krona spread—Penny Bernstein, mgmt rep; Caroline Johnston, acct super; Meryl Dittenheimer, acct exec. Surf detergent—Jean Fitzgerald, mgmt super; Amy Kroninger, acct exec; Steve Kenety, acct exec.

SSC&B:Lintas, New York—Concentrated All and liquid All detergents, dishwasher All, Shield, Lifebuoy soaps—Claire Berkeley, mgmt super; Russell Nype, acct super; Marcie Mandell, acct exec. Concentrated/liquid All, Snuggle fabric softener sheets—Claire Berkely, mgmt super; John Chandler, acct super; Cindy Wilford, acct exec. Snuggle fabric softener liquid—Claire Berkley, mgmt super; John Chandler, acct super; Tom McDermott, acct exec. Aim toothpaste—Lucy Loux, mgmt super; Bill Vitriol, acct super; Sarah Bell, acct exec. Aim toothbrush—Lucy Loux, mgmt super, Bill Vitriol, acct super; Carlton Reid, acct exec. Pepsodent toothpaste—Lucy Loux, mgmt super; Bill Vitriol, acct super. Impulse body spray—Lucy Loux, mgmt super; Andy Lockhard, acct super; Deborah Burke, acct exec.

Stone & Simons, Southfield, Mich.—Shedd's spreads, Country Crock spreads, Mrs. Filbert's margarine—Howard Dembs, super; Doug Stone, Lori Young, acct execs.

Sudler & Hennessey, New York—professional programs—Wayne Traub, vp-acct super.

J. Walter Thompson USA, New York—Close-Up toothpaste, Dimension shampoo & conditioner, Rinso detergent, Dove dishwashing liquid, Lux soap—Steve Dworin, sr vp-mgmt dir; Bea Lothrop, vp-sr acct super. Dimension/Timotei—Steve Dworin, sr vp-mgmt dir; Bill Gross, vp-sr acct super; John Mittnacht, acct exec.

THOMAS J. LIPTON INC.
Englewood Cliffs, N.J.
Corporate Personnel
Hubert M. Tibbetts, president-ceo
Dolph W. von Arx, exec vp-genl mgmt group
Marketing Personnel
James W. Benson, sr vp-mktg
Gerald B. Boycks, vp-beverage div
Anthony L. Franke, vp-foods div
Elwood L. Qualls, vp-genl mgr-broker, prods/special mkts div
Edmund Ladendorff Jr., vp-mktg support and devel
Max J. Ballard, genl mgr-Good Humor
John W. Starr, genl mgr-foodservice/bottler's concentrate div
Anthony G. Montuori, dir-sales promo & coord
Vivian Bruno, dir-mkt rsch
Bruce Honeig, dir-media services
Theodore Labiner, dir-creative services
David P. Bell, dir-prod mgmt, regular & special teas
Gregory G. Knoll, dir-prod mgmt, soup and recipe prods
Allen L. Carlson, dir-prod mgmt, new projects
Daniel Morrison, dir-prod mgmt, frozen & chilled prods
Bruce S. Belowich, dir prod mgmt, convenience teas
Richard P. Kundrat, dir-prod mgmt, meals, side dishes & new prods
Angelo LaMantia, dir-prod mgmt, condiments & snacks

Advertising Agencies

Bozell, Jacobs, Kenyon & Eckhardt, Chicago—Lipton Noodles & Sauce, Lipton Rice & Sauce, Pennsylvania Dutch egg noodles, Knox gelatin—Michael Peroff, sr vp-mgmt super; Sven Welander, acct super.

Dailey & Associates, Los Angeles—Lawry's Foods—Stephen Chabre, genl mgr-coo; John Crosson, acct exec.

Foote, Cone & Belding, Leber Katz Partners, New York—Wish-Bone salad dressing, Sunkist juices, Sunkist Fruit Rolls, Sunkist Fun Fruits, Country Inn salad dressings—John Howard, sr vp-group mgmt dir; David M. Roethgen, vp-mgmt dir; Marc Rappin, Fred Reffsin, acct dirs; Bruce Bollinger, Wendy Tilles, acct execs.

HBM/Creamer, New York—foodservice—Marvin Haas, mgmt super.

Matsumoto-Herzog, Los Angeles—Lawry's Restaurants—Phil Callihan, acct exec.

SSC&B:Lintas, New York—convenience teas—Edward Parker, mgmt super; Jodi Weithoff, vp-acct super; Kathleen Cusack, acct exec. Regular tea—Ned Parker, mgmt super; Robert Nadelman, acct super; Cecily West, acct exec. Specialty and herbal teas—Hal Rover, vice-chmn; Edward Parker, mgmt super; Jodi Weithoff, vp-acct super; Kate Lanigan, acct exec. Cup-A-Soup—Donald Linton, sr vp-mgmt super; Brad Majors, acct super; Peter Klinge, acct exec. Good Humor—Edward Parker, mgmt super; Sharon Treacy, acct super; Steve Moskowitz, acct exec.

Young & Rubicam, New York—Lipton soup mix—John Hatheway, exec vp-group dir; Edward Concannon, vp-acct super; Cathy McCarthy, acct exec.

Union Carbide Corp.

RANK 77

Danbury, Conn.

($ in millions)

Worldwide	1985	1984	% chg
Sales	6,596	9,508	(30.6)
Net income	(581)	323	(279.9)
U.S.	**1985**	**1984**	**% chg**
Sales	6,371	6,766	(5.8)
Operating profits	560	677	(17.3)
Advertising	110	97	12.9
Division sales	**1985**	**1984**	**% chg**
Petrochemicals	2,379	2,636	(9.7)
Industrial gases	1,582	1,522	3.9
Metals, carbon	770	977	(21.2)
Consumer prods.	1,967	1,907	3.1
Technology	2,305	2,466	(6.5)

Union Carbide is a mere vestige of its former self. Gone are the batteries, the auto and home products among others that put it in the public eye. "We're turning into a *new* Union Carbide with more focus, simpler product lines. This is a new beginning," says a company official.

What remains is a smaller company, with total annual sales at about $7 billion compared to $9 billion last year. Advertising will be much reduced. A Union Carbide source says basically all of the company's advertising now will be to its technical trades only.

The new beginning for the chemical maker comes after a year or more of suffering like a sort of corporate Job through repercussions of the lethal chemical spills at Bhopol, India, and Institute, W. Va; layoffs and closings, company restructuring; and a takeover attempt by GAF Corp., Wayne, N.J.

In the immediate post-Bhopal pe-

Perspectives from an ANA director

Supporting right to advertise is No. 1

Martin L. Orlowsky, executive vp-marketing and sales, R.J. Reynolds Tobacco Co., says he sees the Association of National Advertisers moving toward being a stronger voice in advertising and the role of the advertiser in our society.

"Certainly the ANA stands strongly for the right to advertise. With our complex environment, there should be the opportunity to communicate in a responsible manner. In today's world, communication is complex and subject to influence, and clearly Congress has taken an active role in assessing this area. I'd say that's the single most important area for ANA today," he says.

On other current advertising issues, Mr. Orlowsky who serves on the ANA executive committee, the National Advertising Review Board and the magazine advertising standing committee, says there is increasingly more market segmentation and use of promotion.

"Segmentation has had an impact on media with regional use of tv, magazine and local radio. Marketers are more knowledgable [about] where business opportunities are best maximized.

Martin L. Orlowsky
R.J. Reynolds Tobacco Co.

"Geographic/demographic segmentation allows marketers to be more targeted. There is movement toward less homogenous U.S. [targeting] and more specific targeting."

The Long Island University graduate says that promotion is being used more often today.

"Promotion may be in lieu of media advertising for a lot of product categories because they are competing in ways they haven't in the past. Promotion offers different opportunities. It uses the entire marketing mix. It is recognition that promotion action offers more leverage."

Mr. Orlowsky, who has extensive agency experience, was senior vp and director of marketing and media services at Needham, Harper & Steers before joining Reynolds in 1977. Before Needham, he was vp-associate media director at Grey Advertising and worked at Young & Rubicam and Compton Advertising.

' in late 1984, Union Carbide's stock fell to 30¼ a share in December, 1984, but during the confidence-building time of restructuring the stock began to climb, going into the 60s by October, 1985. Taking note were investors, including GAF, a chemicals and building materials marketer, which offered in December, 1985, $4.3 billion for the much larger Union Carbide. GAF planned to finance the takeover by selling off Union Carbide's consumer products lines. A "boot strap, junk bond, bust up deal," cried Union Carbide's Chairman Warren M. Anderson. GAF withdrew its bid this January, 1986. At that point, UC began to bust up itself.

In protecting itself against this and similar takeover attempts, Union Carbide developed a strategy to sell its most immediately attractive businesses and buy back a large amount of its stock.

The consumer products segment was put up for sale in January. Two weeks later, Union Carbide repurchased 38.8 million shares of its common stock for $775 million cash and $2.55 billion in debt securities.

In April, 1986, Union Carbide sold its Glad plastic products line and its Prestone antifreeze and other automotive products to First Boston, Inc., New York, investment bankers, in an $800 million leveraged buyout. Included in that sale was STP Corp., Ft. Lauderdale, Fla., which Union Carbide had bought from Beatrice Cos. in April, 1985, for $87 million.

Starting July 1 as First Brands Corp., the company has two divisions, home products and automotive products, and continues to be housed at Union Carbide's headquarters complex in Danbury, Conn.

According to Jim Timmes, First Brands' home products advertising manager, "Basically we expect to have the same advertising/marketing program for the Glad line of wrap and bags . . . and will continue the products with our agency, Leo Burnett, Chicago. One difference is that we will shift to a July 1-June 30 fiscal year from a calendar year."

Speaking for the other First Brands line, Stuart Benedict, advertising manager of automotive products, says, "Basically our products are not changed—Prestone, STP, Simoniz. We're going to support the brands well, and we're ready for the competitive fall market for antifreeze."

Also in April, 1986, Union Carbide announced the sale of most of its Eveready battery business to Ralston Purina Co., St. Louis, for $141 million. The new unit is to be called Eveready Battery Co.

"Technically the sale was Eveready battery properties and markets worldwide," explains George Klein, marketing-advertising manager for Eveready, "but because of varying conditions in different markets, the sale process is still going on." The battery management operations are to remain in the Danbury offices until July 1, 1987, with an expected management move then to St. Louis. Expectations are that First Brands and Eveready will continue to obtain manufacturing materials from Union Carbide.

During these mega-shifts in ownership, speculation has centered around the future of the big ad billings involved, including nearly $15 million for Prestone, Simoniz, and STP products plus about $23 million for Glad wrap at Leo Burnett USA, Chicago, and $28 million for Eveready/Energizer batteries at William Esty Co., New York.

Sales for the newly trim Union Carbide in the first six months of 1986, were just a shade ahead of last year, reaching $3.36 billion in June, 1986 compared to $3.36 billion in June, 1985. Net income from operations was down 45% to $95 million from $172 million.

Eveready Energizer-labeled battery products took the biggest part of the company's total measured advertising of $68.6 million, up 13% from 1984. The brand drew $27.6 million, up 24%, in measured advertising support. Included was a major campaign for the new supercharged "AA" Energizer battery which kicked off in August with the energetic Olympic gold medal gymnast, Mary Lou Retton, who led off commercials with, "Now! The Longest Lasting Energizer Ever."

The Eveready line is in its heaviest competition yet as Rayovac, moving to make a comeback, now has 10% of the market, and leader Duracell controls 48% to Eveready's 42%. The biggest part of Eveready spending is for network tv which rose 25% in 1985, to $25.6 million.

Union Carbide's second heaviest ad spending was for its Glad wraps and bags, which took 35% of the total budget, or $22.8 million, up 72%. Spot tv spending more than tripled for Glad in 1985, shooting to $7.3 million from $2.2 million the year before, while network tv was off 9%, falling to $9.97 million.

Advertising for antifreeze leader Prestone, with about 53-55% of that market, was up 9% for the year, to $8 million. Northern Petroleum's Peak is now the No. 2 brand. The major ad medium for Prestone, network tv, rose 9%, to $7.3 million.

Union Carbide gave good support to the new STP brands it acquired in April, 1985, from Beatrice Cos. Total advertising spending for eight STP oil, gas, and cooling-system products was $6.7 million, up 21% from Beatrice support in 1984. Biggest backing was on network tv where the total rose 9%, to $3.6 million. Spot tv was off 4%, to $1.54 million.

Simoniz car wax, which has 10-12% of that market after Du Pont and Turtle Wax, was supported by $226,900, all for spot tv. This was just about one-quarter of the $927,700, spent in backing Simoniz in 1984.

In 1985, the consumer products division realized 3% higher sales, to $1.97 billion in 1984 and inching up 1% in operating profits to $229 million.

Union Carbide Corp. now consists of four business segments: Chemicals & Plastics, a core group of the company, producing common plastics and many materials of common products; Industrial Gases—the Linde Division—an international business and the biggest source of industrial gases in the Western Hemisphere; Carbon Products, maker of custom-designed carbon and graphite components in high-heat—usually industrial applications; and Specialties & Services, called by Union Carbide "a broad family" of businesses to supply needs ranging from high-tech electronics materials to bottled oxygen for home medical use.

Commenting on the new directions, securities analyst James Wilbur of Smith, Barney, New York, says the bulk of the chemical industry has been shifting to production and products with more consumer franchises, "so this is sort of a strategic setback for Union Carbide. This does more than move them back to their original operational base. It exposes them to more cyclicality." He explains further, "But they have scaled down more wildly. Carbide had gotten a bit more gangly even than most of the chemical companies. This forces on them a kind of efficiency."

Concerning the future of the new Union Carbide, he says, "First Boston (which bought the household and automotive lines) probably will only temporarily hold the companies as an intermediate owner, then will transfer control to others."

Union Carbide, prior to its sale of its consumer lines, went through a massive restructuring in August, 1985, that included write-offs and write-downs of assets plus big staff cuts worth $1.2 billion, and the divestiture of units that the company termed "non-strategic" businesses. More than 4,000 employes were released under restructuring in 1985; another 2,711 left Jan. 1, 1986. Union Carbide employment has decreased for several years, and while the company's worldwide employment fell 2% from 1983 to 1984, it dropped 7% from 1984 to 1985. Altogether, the company expects restructuring and other changes to cut its executive staff by about 50%.

Mr. Anderson, chairman, announced his retirement, effective the end of 1986.

In the first quarter, 1986, Robert D. Kennedy, who was president, became president-ceo. Presidents of the four new business segments are: Chemicals & Plastics, H. William Lichtenberger; Industrial Gases, John R. MacLean; Carbon Products, Vance E. Sonnenberg; and Specialties & Services, Heinn F. Tomfohrde III.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$1,746	$1,018
Newspaper	714	1,649
Newsp. supp.	105	1,388
Bus. pubs.	2,851	3,230
Network tv	46,460	42,367
Spot tv	9,936	4,589
Network radio	2,091	291
Spot radio	966	3,581
Outdoor	1	1
Network cable	1,469	419
Farm pubs.	2,228	2,210
Total measured	68,567	60,743
Unmeasured	41,433	36,704
Total	110,000	97,447

UNION CARBIDE CORP.
39 Old Ridgebury Rd.
Danbury, Conn. 06817-0001
(203) 794-2000

Marketing Personnel

J.W. Goetz, dir-corp communications
J.P. Brierley, mgr-Headquarters business services
J.M. Timmes, dir, adv-sales promo, home & auto prods
G.D. Klein, mktg mgr-adv, battery prods
J.A. Zuoton, mgr-mktg communications, electronics div
J.S. Witemeyer, mgr-communications, specialty chemicals div
S.M. Casto, mgr-communications, carbon prods div
P.J. Lavelle, mgr-communications, specialty polymers div
J.D. Secor Jr., dir-communications, Linde div
W.E. Mainella, mgr-communications, solvents & coatings materials div
Eileen Lasowski, mgr-communications literature, industrial chemicals div
L.A. Agnello, dir-communications, polyolefins div
R.A. Mariani, mgr, molecular Sieves, Unison Transformer Services
James E. Casey, mgr-adv, agricultural prods
C.R. McKinsey, mgr-mktg services, coatings service, engineering prods div
Mark Miller, mktg communications mgr, engineering prods & process

Advertising Agencies

Ally & Gargano, New York—Simoniz car waxes & Prestone car care prods—Dennis Visich, mgmt dir; Louis Killeffer, vp-acct super.

Leo Burnett USA, Chicago—automotive prods—Bill Haljun, mgmt dir; Mike Miller, vp-acct super; Michelle Kristula-Green, Warren Guthrie, acct execs, Glad prods; Hank Feeley, mgmt dir; David Smith, acct super; Tim Ronan, acct exec, Prestone Anti-Freeze.

DDB/Needham, New York—chemicals and plastics—H.F. Berteau, acct super; Abby Mann, acct exec.

Downs Group, Charlotte, N.C.—electronics div—Tyler Glen, acct exec.

William Esty, New York—battery prods div—Harold Greer, sr vp-mgmt super; Ken Hite, sr vp-sr acct super; Whitney Beebe, vp-acct super; William Gibbons, Donald Gahan, John Owen, acct execs.

Fletcher/Mayo/Associates, Atlanta—agricultural prods—Mary Jane Duff, acct super.

Fulton & Partners, New York—Linde div—Joseph Rinaldi, exec vp-acct super.

Garrison, Jasper, Rose & Co., Indianapolis—coatings service—Tom Jasper, Jim Gray, acct execs.

The Highland Group, Southport, Conn.—chemicals—Bob Heintz, vp.

J.P. Hogan Inc., Knoxville, Tenn.—chemicals & plastics—R.J. Luedeka, acct super.

Manning & Associates, San Diego—materials group, electronics div—Donald S. Manning, acct mgr.

Marquardt & Roche, Stamford, Conn.—engineering prods & processes—Bill Hinds, acct exec.

Mintz & Hoke, Avon, Conn.—molecular sieves, catalysts & process systems div—Joseph M. Heke, president-creative dir; Dale Kesel, exec vp-genl mgr.

Ogilvy & Mather, Atlanta—agricultural prods div (specialty mkts)—Kathy Pinner, acct super.

Poppe Tyson, div of D'Arcy-MacManus & Masius, New York—chemicals, Linde div—Diane Frattine, J. Miknich, acct execs.

Quilty Group, Croton-on-Hudson, N.Y.—Polyolefins—Ken Quirk, president.

STG Marketing Communications, Fairfield, Conn.—carbon prods div—George Crosby, vp-acct super.

RANK **33**

U.S. Government

Washington

($ in millions)

U.S.	1985	1984	% chg
Sales	N/A	N/A	N/A
Advertising	259	288	(10.0)

The U.S. Government's advertising spending dropped 10% in 1985 as the government's largest spenders—the U.S. Postal Service, Amtrak, military services and the Treasury Department—eliminated programs or opted for smaller increases.

Military service recruiters, with the lion's share of the U.S. ad budget, checked in with only a 7% increase in fiscal 1985, or $177.5 million. The Pentagon wanted to spend closer to $190 million. For fiscal 1986, military personnel estimate they will spend 8% more, or $192.4 million.

The Postal Service, faced with dire predictions of deficits, cut its ad budget last year by 5% to $39.7 million and intends to spend about the same amount this year.

Amtrak in fiscal 1985 spent nearly 9% more, or $28.6 million, but in 1984, it had rolled in with a 25% budget hike. And the Treasury Department phased out its $40 million campaign for Olympic gold coins. It plans more conservative spending—about $20 million in fiscal 1986—for its Statue of Liberty gold coin program.

The military services, USPS, Amtrak and Treasury together account for nearly all of the government's advertising. The rest of government is likely to spend even less in the next several years; congressional budget-slashing has forced many bureaucrats to scrap plans for public service campaigns.

This year has been turbulent for the Pentagon's recruiting efforts. Defense Secretary Caspar Weinberger wants to put more money into the joint services advertising account and take away dollars from the individual services' efforts. He is said to believe this will be a more cost-effective way to bring in recruits.

Next fiscal year the department wants a $223.2 million ad budget, with the joint service program looking to double its budget to $31.3 million. Grey Advertising, New York, handles the account, which is one of five military ad contracts under review.

In 1984, the services enjoyed their best year ever in signing up new recruits, and 1985 was nearly as productive. In the first half of 1986, however, Navy recruiting, despite a $10 million ad budget increase, was lagging, while the other services were meeting their goals. Because the pool of high school students will decline in the next several years, the services see problems ahead and hope to boost their budgets accordingly.

The Army, handled by N W Ayer, New York, wants a $112.8 million budget for 1987, up from the $94.5 million it expects to spend this year. In fiscal 1985, it had a $93.8 million budget, with $18.4 million going to the Army Reserve and the Army Reserve Officers Training Corps.

The biggest spender in the government, the Army in May decided to reopen its contract for review three years early, in part because of the conviction of an N W Ayer vp for embezzling $60,000.

A congressional subcommittee also had threatened to hold hearings on the Pentagon's procedures for awarding military ad contracts, but after the Army announced its contract review, the subcommittee likely will send a letter to the Defense Department suggesting ways to encourage more competition.

The Navy, handled by Ted Bates Advertising/New York, had a 52% budget increase last year, to $19.9 million, and expects to spend $31.2 million this year. Trying to increase its size to staff a larger fleet of ships, the Navy will cut back next year, with a proposed $24.7 million budget.

The Marine Corps, handled by J. Walter Thompson USA, Washington, held steady last year with $17.2 million; it will spend $19 million this year and seeks $18 million in 1987.

The Air Force also was in a budget holding pattern, with $16.8 million in fiscal 1985 and an estimated $16.3 million this year. It wants $18.3 million next year. The account was moved from D'Arcy Masius Benton & Bowles, New York, to Bozell, Jacobs, Kenyon & Eckhardt, New York, effective Oct. 1, 1986.

Army National Guard had $8.4 million last year, $12 million in 1986 and seeks $15 million in 1987. The Air National Guard spent $2.3 million in 1985 and estimates only slightly larger budgets this year and next. Both accounts are with Needham Harper Worldwide, Washington, which decided not to pursue the contract, which expires Sept. 30.

Joint services' ad budget was $18.5 million in 1985 and will be about $16.3 million this year. Grey Advertising, New York, is now the agency, but the contract is under review.

The Coast Guard, whose budget has been slashed to only $588,000 in 1985 and about $508,000 this year, will switch agencies Oct. 1. Thomas Buffington & Associates, Washington, has grown too large to compete for the contract, which is earmarked for small business. The Coast Guard expects it will barely meet its recruiting goals this year, aided by the free publicity it earned by directing ship traffic at New York's Liberty Weekend on July 4.

The Postal Service, handled by Young & Rubicam, New York, spent $17.4 million in measured media on its Express Mail service, which continues to trail Federal Express in sales and ad spending. USPS calculates Federal Express' ad budget is four times greater. Other postal ad dollars back its Zip + Four program targeting companies, stamp collecting, new postal service regional structure and Intel-Post, an unprofitable international electronic delivery service.

Amtrak, under Needham Harper Worldwide, had a $28.6 budget last year and will spend more this year. In January it launched a $25 million "Magic" tv campaign in 22 markets. The new theme, "There's something about a train . . . that's magic," promotes the nostalgia and romance of train travel.

The U.S. has had few new ad campaigns. This year it will spend about $20 million promoting Statue of Liberty gold and silver coins via Grey Advertising, New York. The Treasury Department so far has sold 7.3 million coins and contributed $40 million to the statue's restoration. Advertising will finish at the end of the year.

Treasury is reviewing agencies for a new $5 million to $8 million campaign to advertise U.S. gold coins targeted to investors as competition for the Canadian Maple Leaf. The agency will be selected by September, with advertising to begin in October.

The U.S. Travel & Tourism Administration spent $1.1 million last year via N W Ayer, New York. The "America—Catch the Spirit" print campaign ran in Germany, Canada, Mexico, England, France, Australia, Italy and the Netherlands. The ads included coupons for information on U.S. travel destinations. The response, according to the USTTA, has been favorable, but the White House again has proposed to eliminate the office in 1987.

The General Services Administration last year spent $1.3 million to advertise excess government buildings and land for sale. Kennedy-Wilson, Santa Monica, Cal., handles.

Public service advertising accounted for $8.1 million of the total in 1985, only up slightly from 1984. The Advertising Council handled $2 million in government contracts, down 17% from 1984. The National Highway Traffic & Safety Administration phased out its $480,000 drunken driving campaign, saying the campaign had raised awareness of the problems and local enforcement of drunken

driving had increased.

Next year, the Ad Council breaks a $400,000 campaign for the Interior Department's public lands and parks. The Census Bureau also will spend $250,000 to heighten awareness of the 1990 census.

Some government agencies are turning to private groups to help publicize their efforts. For example, this year the Public Health Service and American Red Cross together distributed three spots about AIDS. The Red Cross footed most of the bill.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$37,651	$40,043
Newspaper	10,149	11,497
Bus. pubs.	1,121	1,344
Network tv	54,647	92,687
Spot tv	17,976	16,591
Network radio	6,226	8,633
Spot radio	9,233	7,572
Outdoor	4,906	1,290
Network cable	1,478	131
Total measured	143,387	179,788
Unmeasured	115,663	145,026
Total	259,050	324,814

U.S. GOVERNMENT
DEPARTMENT OF DEFENSE
Washington, D.C.
Staff Personnel

Chapman B. Cox, asst secretary-force mgmt & personnel
Lt. Gen. E.A. Chavarrie, USAF, deputy asst secretary-military manpower & personnel policy

Marketing Personnel

Dr. Steve Sellman, dir-accession (recruiting/adv) policy
Lt. Col. John Ford, asst dir, adv

JOINT RECRUITING
Marketing Personnel

Lynn Lucchetti, dir
Maj. Yolan Laporte, USAF, financial mgmt officer
Lt. Linda Donner, USN, program ad mgr
Cpt. Junior Ortiz, USMC, program ad mgr
Lt. Col. John Ford, USA, contracting officer's rep

Advertising Agency

Grey Advertising, New York—joint recruiting—Robert Ravitz, vp-mgmt rep; Harvey Robinson, mgmt super; Gary Niebauer, Jim Battin, mgmt supers; Len Sussman, vp-acct super; David Stanley, acct super; Sherman Landwehr, business mgr-acct super.

U.S. ARMY/ARMY RESERVE
Staff Personnel

Delbert R. Spurlock Jr., asst secretary for manpower & reserve affairs
Lt. Gen. Robert M. Elton, deputy chief of staff for personnel
Maj. Gen. Allen K. Ono, commanding general, U.S. Army recruiting command

Marketing Personnel

Lt. Col. James Simon, exec dir-mktg & adv
Col. David R. Fabian, dir, adv & sales promo, U.S. Army recruiting command

Advertising Agency

N W Ayer, New York—Army Army Reserve—George Eversman, exec vp-exec acct dir; Howard Stoner, sr vp-mgmt super; Ephraim Goldstein, vp-acct super, strategic planning and rsch; Richard Tobin, vp-acct super, Army field force.

U.S. ARMY ROTC
Staff Personnel

Maj. Gen. Robert Wagner, commanding general, ROTC

Marketing Personnel

Lt. Col. Alex Woods, chief of adv, ROTC

Advertising Agency

N W Ayer, New York—Army ROTC—George Eversman, exec vp-exec acct dir; Howard Stoner, sr vp-mgmt super; William P. Kelly, vp-acct super.

U.S. NAVY
Marketing Personnel

Capt. R.F. Kelly, dir-recruiting adv
Cdr. Allen Sherwood, dir-adv operations div

Advertising Agency

Ted Bates Advertising/New York—Navy—Mark Morris, exec vp; Dennis Zolnierzak, Don Byer, mgmt reps.

U.S. MARINE CORP
Marketing Personnel

Brig. Gen. J.R. Roy, dir-personnel procurement div
Lt. Col. J.T. Luken Jr., head-mktg branch
Maj. R.A. Canty Jr., asst head-mktg branch

Advertising Agency

J. Walter Thompson USA, Washington—Frank Mangan, group acct dir; Hal Chase, acct super.

U.S. AIR FORCE
Marketing Personnel

Brig. Gen. William J. Porter, commander, U.S. Air Force recruiting service
Col. Melvyn Cummings, dir-Air Force recruiting adv & publicity

Advertising Agency

Bozell, Jacobs, Kenyon & Eckhardt, New York

NATIONAL GUARD
Marketing Personnel

Lt. Col. Robert Baxter, chief, Army National Guard recruiting & retention mgmt center
Lt. Col. Steve Gray, chief, Air National Guard recruiting & retention branch

Advertising Agency

Needham Harper Worldwide, Washington—National Guard—Tim Labus, acct dir; Anthony Angerame, acct super, Army National Guard; Al Cockrell, acct super, Air National Guard; Bill Russell, field force super.

TRANSPORTATION DEPARTMENT
Coast Guard
Marketing Personnel

Capt. Glenn Serotsky, chief, recruiting div
Lt. Cmdr. Philip G. Matyas, chief, recruiting adv branch

Advertising Agency

Thomas Buffington, Washington—Coast Guard—Thomas Buffington, president-acct super.

U.S. POSTAL SERVICE
Marketing Personnel

Mitchell Gordon, sr asst postmaster for mktg and communications
John Wargo, dir-office of mktg
Gary Stevens, mgr-creative services branch
Gordon Morison, asst postmaster-mktg

Advertising Agency

Young & Rubicam, New York-Bud Hall, sr vp, mgmt super; Richard Kebbon, Bill McGorry, Terry Pranses, vp-acct supers; Jay Foley, Jack Lipton, Josh Moritz, acct execs.

AMTRAK
Marketing Personnel

William S. Norman, exec vp-mktg & business devel
Robert E. Gall, vp-transportation mktg, sales & adv
William Castleberry, dir-adv & sales promo

Advertising Agency

Needham Harper Worldwide, New York—Roy Lancaster, sr vp-mgmt rep; Sharon Teal, acct super.

TREASURY DEPARTMENT
Marketing Personnel

Horace Burnett, exec dir, Statue of Liberty coin program

Advertising Agency

Grey Advertising, New York—Robert Ravitz, sr vp-mgmt rep; Paul Myers, vp-mgmt super; Dwight Leeper, acct super; Peter Johnson, acct super; Jan Dobris, vp-acct super business mgr.

RANK **89**

Van Munching & Co.

New York

($ in millions)

Worldwide	1985	1984	% chg
Sales	414	350	18.3
Net income	N/A	N/A	N/A
U.S. advertising	93	83	12.8

Van Munching & Co., New York, turned in a strong sales performance in 1985, according to the company, which was reflected in increased ad spending in every medium except network radio.

VM, a privately-held company that markets Heineken, Amstel Light and Grizzly Canadian Lager stateside, also remained one of the nation's biggest spenders on spot radio by increasing its 1984 expenditures 3% to $31.7 million in the medium. The company also jacked up its network tv contribution by 116% to $6.5 million, according to Leading National Advertisers.

In a time when the domestic beer segment is flat, the 63-million imported beer segment grew 10% in 1985, driven by yuppies who drink less, but better. And VM, which initiated the segment more than 50 years ago, has continued to benefit from that growth.

The company continues to be the biggest ad spender in the imported beer category—devoting the bulk of its budget to its flagship brand, Heineken. VM backed Heineken with $17.6 million in measured media, an increase of 12% compared with 1984. In addition, the company devoted a large percentage of its $31.7 million spot radio budget to the beer import leader. This year, the company added a new campaign to complement its winning "Come to think of it, I'll have a Heineken" theme. The new theme, "Satisfy your thirst for the best," gives the old theme a twist, while simultaneously reiterating the brew's No. 1 position in the market.

While Heineken's market share continued to decline—moving from 41% in 1980 to 31.7% share in 1985 in the increasingly crowded category, a drop of 2.3% compared with 1984—sales remained healthy. Heineken last year depleted 34.5 million cases, an increase of 3%, according to M. Shanken Communications' *Market Watch*, an industry trade. The brand remains the hands-down beer import leader, followed by Martlet Importing's Molson beer, with a 12.8% share. There are now some 400 import brands on the market.

With Heineken's market share down, VM has turned to new products to maintain its strong position. Next to Heineken, one of the biggest success stories in the business has been VM's Amstel Light beer. Amstel Light, introduced in 1981 continued to soar, moving to 2.4 million cases, up 60% over 1984, according to *Market Watch*. And its measured media spending of $6.3 million, up 125%, reflected this growth.

Amstel is the only light beer on *Market Watch's* Top 10 Imported Beer Brands list. It is ranked eighth. In five short years, Amstel has made a name for itself through a combination of heavy ad support, promotions and a strong distribution network. Late last year, Amstel Light went on network tv, marking a first for the imported light segment. The company spent $2 million in network tv for Amstel, and another $2.4 million in spot tv.

Observers say Amstel's fast success has taken growth away from Heineken, noting that Heineken's sales increases have slowed since Amstel's introduction. The company disagrees, noting that last year it was confident enough in the separate identities of the brands to pair the brews in single retail displays.

VM's success is partly due to the booming imported beer segment, but observers hold high praise for the company's style and leadership. So far, VM has had no product losers. Its newest brand, Grizzly Canadian Lager, is a case in point. While Canadian imports showed a decrease of 2%, according to the National Assn. of Imported Beverages, Washington D.C., Grizzly depletions advanced 24% to 900,000 cases. The brand, which received $196,000 in measured media, is still far behind imported Canadian leader Molson, whose sales were flat in 1985 at 14 million cases, according to *Market Watch*. Early 1985 figures for Grizzly's other competitors showed Moosehead at 7.3 million cases, up 5.8%, and Labatt's at 5 million cases, up 8.7%. Sales for both brews, however, may ultimately reflect different figures when the final tally is in.

Part of Grizzy's success can be linked to VM's fast targeting change, from a beer aimed at 18-year-olds, to a brew skewed toward an older audience. While the initial ad approach targeted the nation's youngest drinkers, the changing drinking age forced the company to aim at the 21-and-up crowd. The ad theme now is "Capture Canada's Bear of Beers." "Eighteen is no longer a useful number," says Alvin Nilson, ad manager. "With the drinking age changed in most of the states, we are automatically skewing toward an older audience."

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$7,842	$6,218
Newspaper	375	321
Newsp. supp.	378	286
Bus. pubs.	160	163
Network tv	6,503	3,004
Spot tv	9,166	8,828
Network radio	284	548
Spot radio	31,720	30,651
Total measured	56,428	50,019
Unmeasured	36,960	32,762
Total	93,388	82,781

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Advertising Agency

SSC&B, New York—Heineken, Amstel Light, Grizzly Canadian Lager—John Grogan, exec vp-acct mgr; Rick Evans, sr vp-mgmt super; Steve Amos, acct super, Heineken; Derek Park, acct exec, Heineken; Tim Franklin, acct super, Amstel and Grizzly; Craig Martin, acct exec, Amstel and Grizzly; Gerry Meagher, acct exec-promo, all brands; Elaine Malave, budget coord, all brands.

RANK **67**

Volkswagen of America

Troy, Mich.

($ in millions)

Worldwide	1985	1984	% chg
Sales	21,000	16,364	28.3
Net income	641	82	681.7
U.S. advertising	123	100	23.5

Volkswagen of America, a subsidiary of Volkswagen AG, moved further along the comeback trail in 1985 while positioning itself to rejoin the low-end arena later in 1986.

Advertising spending at the Troy, Mich.-based subsidiary rose 18% and continues to increase, reflecting sales increases and a more competitive U.S. automotive market, which Volkswagen will invade in December, 1986, with its low-end Volkswagen Fox.

The Fox, which borrows a retired Audi division name, will be imported from Volkswagen do Brasil. It is expected to be in the $5,000 price range, about the same or a little less than the Hyundai Excel from South Korea.

The vehicle will be an addition to the VW mainstays—Golf, Jetta, Scirocco, Quantum and Vanagon. The low-end segment is growing rapidly, dominated at present by Hyundai and Yugo, the $3,990 import from Yugoslavia. The category is expected to continue gaining as Japanese marketers move upscale to higher-profit cars while other low-wage nations become sources of inexpensive vehicles, both on their own and as "captive imports" for domestic marketers.

Volkswagen is no stranger to low-priced cars, having established itself in the U.S. with one. But VW has not had a true entry-level car since the Beetle was replaced by the Rabbit in 1975.

The Fox is being counted on to help VW toward a scaled-down goal: 3% of the total U.S. car market by 1990 for Volkswagen, another 1% for Audi. (In a 10 million car market, each share point is 100,000 units.) That is down from an announced goal of 7% when VW's U.S. marketing umbrella included Porsche brand, but more realistic and attainable, says VWoA president Noel Philips.

Just before the 1986 model year began, Volkswagen of America separated the marketing functions of Volkswagen and Audi divisions, following a 1984 study by New York consulting company McKinsey & Co. Ad agency Doyle Dane Bernbach, Troy, Mich., continues to handle both accounts.

VW gave up on trying to treat Audi as a "tradeup" brand for customers who outgrow VW. Research showed the strategy degraded Audi and didn't help Volkswagen. The move allows both brands more freedom to focus their marketing images.

Volkswagen's U.S. 1986 model year campaign concentrated on value, quality and durability messages while retaining the "It's not a car, it's a Volkswagen" theme. One magazine spread showing all the VW models and headlined "The smartest way to spend $50,000 on German engineering is to buy them all" points up not the quality, value and durability imagery, but the German heritage. VW has taken that tack for several years after it went aground playing up the Westmoreland, Pa., assembly of its Rabbits. VW already ignores actual country of origin ad references, which undoubtedly will be helpful with Fox's link to a country not known for auto making.

While the Golf and derivative GTI models are curreatly the only products assembled at Westmoreland, the feasibility of also building the more popular Jetta there has been under study for more than a year.

There also is an advertising effort to shed a "one-car company" image, which still lingers among prospects who remember the Beetle, before the Fox arrives. That led to VW becoming the first auto marketer to use the new 15-second tv commercial. Starting with the January, 1986, Super Bowl telecast, VW broke a new campaign of 15-second spots on prime-time tv, usually on newsbreaks. All creative featured a single model and a price. The idea was to make more consumers aware of the range of models VW has and prepare the way for Fox.

With the heavy tv campaign, 1986 ad spending picked up quickly as expected and will lead into new Wolfsburg Limited Edition models, four-wheel-drive editions of Scirocco, Vanagon and Quantum in the spring and to the Fox arrival.

But even before the 1986 campaign, network and spot tv jumped from 55% of the measured national budget in 1984 to slightly more than 60% in 1985. Magazines slipped from 41% in 1984 to less than 37% in 1985.

With the 1985 sales gain and the likeliness of further increases in 1986, VW increased factory contributions to dealer ad associations by 25% to 30%. Total funds spent on media purchases by VW-brand dealer associations (groups of dealers in 30 markets) reached an estimated $25 million in 1985, including $7.2 million in measured spot tv. Some dealers fund programs exclusively while VW and the dealers share costs in others. At Audi, dealer group spending is estimated at $12 million. VW's estimated $12 million contribution to the various VW and Audi ad groups is included in the unmeasured advertising tally.

Audi division's rapid growth rate cooled a bit in 1985, despite a renewed effort the last quarter to sell "85 [85,000 units] in '85." "Audi, the art of engineering" ad theme was carried over for the 1986 model year. Tv, equally split between network and spot, got less than two-thirds of Audi's $28.5 million measured media, with magazine buys at $10.9 million capturing nearly all the rest.

The sleek 5000 body style and new derivatives like the performance-oriented fulltime four-wheel-drive 5000 CS Quattro continued to get the lion's share of ad spending, eclipsing the smaller 4000 and Audi Coupe models.

A spring print campaign in magazines and newspapers revived an old VW tradition: Ads without pictures of cars. The campaign used cartoons by well-known artists surrounded by lots of white space in full-page ads touting Audi leases for $298 a month.

In August, 1986, Audi responded to a disputed charge that 5000s were prone to unexpected surges of acceleration. Audi had weathered recall demands by consumer groups and an investigation by the New York state attorney general, but the banning of Audis in a number of New York parking garages finally prompted Audi to run regional ads to counter it.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$35,920	$31,252
Newspaper	10,966	11,051
Newsp. supp.	608	491
Bus. pubs.	270	131
Network tv	34,892	22,024
Spot tv	15,678	15,660
Spot radio	1,957	843
Outdoor	297	774
Network cable	1,116	139
Total measured	101,705	82,365
Unmeasured	21,395	17,327
Total	123,100	99,691

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Marketing Personnel

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Anthony Kirton, dir-Audi mktg Audi of America
William A. Gelgota Jr., mgr-Volkswagen adv
Bruce Butzier, mgr-Audi adv
George Pizzo, Audi creative adv mgr

Advertising Agency

Doyle Dane Bernbach, Troy, Mich.—

Brian Bowler, president; John W. Palmer, group sr vp-VW; Peter Farago, sr vp-mgmt super, Audi; Bonnie Folster, sr vp-creative dir; Don Ward, vp-mgmt super, VW; Charlie Zollo, vp-acct super, VW (NY); Steve Swanson, acct super, VW; Cathy Lynch, acct super, VW (NY); Kim Byer, acct super, Audi; Jack Cooney, acct super, Audi dealers; John Callahan, sr acct exec, VW; Paul Basil, acct exec, VW; Robyn Reihm, acct exec, VW (NY); Scott Schofding, acct exec, Audi.

RANK **66**

Warner Communications

New York

($ in millions)

Worldwide	1985	1984	% chg
Sales	2,235	2,024	10.4
Net income	195	(586)	(133.3)
U.S.	**1985**	**1984**	**% chg**
Sales	1,882	1,727	9.0
Operating profits	248	224	10.6
Advertising	124	165	(25.0)
Division sales	**1985**	**1984**	**% chg**
Film	1,021	1,020	0.1
Recorded music	912	818	11.5
Publishing, distr.	122	116	5.2

Warner Communications turned to its best-performing segments—entertainment and communications—in 1985, selling its interest in a number of subsidiaries and buying out American Express' 50% ownership in Warner Amex Cable Communications.

In the process, the company sold some of its biggest advertising units, including Franklin Mint, bought by American Protection Industries for about $167.5 million, and MTV Networks, purchased by Viacom Inc., which had owned one-third of the cable tv network. Franklin Mint spent $29.4 million in measured spending in 1985, and MTV Network spent $5 million, according to Leading National Advertisers. These totals were not included in those of Warner Communications for this report.

Warner's divestitures had considerable say in its profitability in 1985. It reversed a 1984 net loss in profits, helped by an aftertax gain of $94 million on the sale of cable tv units MTV Networks and Showtime/The Movie Channel as well as the sale of a portion of its interest in Hasbro Inc. The divestitures reduced Warner's debt by 64% to $510 million. Other savings came from a 40% decrease in corporate overhead, to $33.5 million, and a 31% decrease in interest expenses, to $77.1 million.

Warner bought out partner American Express Co.'s 50% interest in Warner Amex Cable Communications in August, 1985, for $450 million and assumed $550 million in debt. The company recouped its costs by selling its 66.1% interest in MTV Networks and its 19% interest in Showtime/The Movie Channel to Viacom International for more than $510 million, generating a pretax gain of $187.1 million.

Warner's 1985 turnaround showed further progress in the first half of 1986 when it reported net income of $82 million, up 64% over earnings in the first half of 1985, and revenues of $1.33 billion, an increase of 29.4% over year-earlier figures.

During 1985, Warner's filmed entertainment division improved upon 1984's record performance. Operating income of $160.2 million exceeded 1984's previous high by 7%, and revenues of $1.2 billion increased 10% over the previous year. Warner's total operating income in 1985 was $286.6 million, up 12%.

Warner's share of both the U.S. box office and domestic film rentals made it the most successful motion picture company in the industry. Tv syndication revenues, foreign theatrical rentals, pay tv licensing and domestic home video sales all reached new highs in 1985.

Warner Bros. positive results in 1985 occurred within an industry that suffered declines in both revenues and attendance for the first time since 1980. Domestic box office revenues fell 7% to $3.75 billion while attendance was off 11% to 1.06 billion.

Of the 26 industry titles exceeding the $15 million mark in domestic film rentals, eight films were Warner Bros. releases.

Warner Bros.' most successful 1985 films, all achieving $20 million to $30 million in domestic film rentals, included, "The Goonies," "Police Academy 2—Their First Assignment," "National Lampoon's European Vacation," "Spies Like Us" and Clint Eastwood's "Pale Rider." Other substantial domestic earners in 1985 were "Pee Wee's Big Adventure" and "Mad Max: Beyond Thunderdome." Warner Bros. spent more than $167 million, including measured and unmeasured media, to advertise its movies in 1985, up 2% from 1984.

The biggest expenditures in measured media for new releases—and virtually all spending on movies was in network and spot tv—was $4.9 million for "The Goonies," $3.7 million for "Spies Like Us" and $3.3 million for "Ladyhawke."

Warner Bros. plans to release about 20 films in 1986, down from the 26 pictures released in 1985. This year Warner is showing strong gains with its releases. By midyear, "The Color Purple" had brought in $80 million in box office revenues; "Cobra" starring Sylvester Stallone, $50.5 million; "Police Academy 3—Breaking Training," $45 million, and "Wildcats," $22 million.

U.S. videocassette sales of $6 million or more have been earned through mid-1986 by "Best of John Belushi," "Mad Max: Beyond Thunderdome," "Gremlins," "Goonies" and "Pee Wee's Big Adventure." Revenues from foreign rentals hit an all-time high of $139.9 million in 1985. Stephen Spielberg's "Gremlins" was the top title, with foreign rentals projected to reach $40 million.

Warner's recorded music division in 1985 also produced the best results in its history, in both income and sales. Warner Records got multimillion unit sales from Madonna, Dire Straits, Prince, ZZ Top and John Fogerty. Atlantic Records strength was highlighted by the success of Phil Collins' "No Jacket Required," with worldwide sales of more than 7 million units. Motley Crue's "Theatre of Pain," with worldwide sales approaching 3 million units, paced Elektra/Asylum's performance in 1985. International earnings in the division were up 65% in 1985 because of numerous successful releases from international and local recording artists.

The division is getting good results in 1986 from Van Halen's "5150" and Prince's "Parade" released in late March.

The company's publishing division and related distribution division reported record revenues in 1985, but operating income fell 15% to $13.7 million as weak newsstand sales hurt DC Comics and Warner publisher services. During the first quarter, Warner publishing had slight gains largely because of the success of "If Tomorrow Comes" by Sidney Sheldon and "Fit for Life" by Harvey and Marilyn Diamond.

The company's cable and broadcasting division showed strong improvement in 1985. That performance continued into the first half of 1986. During that reporting period, division sales of $158.6 million produced operating income of $7.1 million, which compares to a loss of $4 million in 1985.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$1,807	$1,227
Newspaper	1,910	7,912
Newsp. supp.	52	0
Bus. pubs.	40	0
Network tv	22,144	31,626
Spot tv	17,795	22,169
Network radio	185	0
Spot radio	505	1,317
Outdoor	152	147
Network cable	4,537	1,969
Total measured	49,126	65,468
Unmeasured	75,039	100,000
Total	124,165	165,467

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Joe Hyams, vp-publicity
Mardi Marans, vp-media
Joel Wayne, vp-worldwide creative adv
Richard Del Belso, vp-mktg rsch
Rick Kallet, dir-co-op adv

WARNER BROS. DOMESTIC PAY-TV & NETWORK FEATURE FILM SALES
Burbank, Cal.
Marketing Personnel
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WARNER BROS. TELEVISION DISTRIBUTION
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Marketing Personnel
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Advertising Agency
(In-house) Burbank Advertising.

WARNER BROS. TELEVISION PRODUCTION
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Marketing Personnel
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WARNER HOME VIDEO
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Edward J. Byrnes, vp, genl mgr
Marketing Personnel
Barbara O'Sullivan, vp-mktg
David Mount, vp-natl sales

LICENSING CO. OF AMERICA
New York
Corporate Personnel
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Robert F. Bell, exec vp
Marketing Personnel
Leonard F. Reiter, dir-mktg

WARNER BROS. RECORDS
Burbank, Cal.
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Russ Thyret, sr vp-mktg
Tom Draper, vp-mktg, black music
Sophie Beauby, adv dir
Adam Somers, vp-creative services & operations
Pete Johnson, vp-creative dir adv
Howard Rosen, vp-promo
Vic Faraci, vp-mktg, country music
Jeff Ayeroff, vp-creative mktg

ATLANTIC RECORDS
New York
Corporate Personnel
David Glew, exec vp, genl mgr
Marketing Personnel
Mark Schulman, vp-adv
Sal Uterano, vp-sales
Larry Yasgar, vp, singles sales
Hank Caldwell, vp-mktg, black music
James Gallo, dir-merch

ELEKTRA/ASYLUM/NONSUCH RECORDS
New York
Marketing Personnel
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Hale Milgrim, vp-creative services
David Urso, vp-pop promo
Primus Robinson, vp-special mkts
Eddie Gilreath, vp-sales
Bill Berger, vp-prod devel, intl

WEA CORP.
Burbank, Cal.
Marketing Personnel
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Russ Bach, exec vp-mktg devel
Fran Aliberte, vp-natl sales, audio
Dave Mount, vp-natl sales, Warner Home Video
Skid Weiss, natl dir-communications
Earl Sayles, dir-mktg, black music
Cory Connery, natl sales mgr-video prods
Robert Moering, natl dir-mktg services
Alan Perper, natl dir-prod mgmt
Jody Raithel, natl special projects coord
Barbara Reitman, natl adv dir
Advertising agency
(In-house) WEA Advertising—Barbara Reitman, natl adv dir.

WARNER SPECIAL PRODUCTS
Burbank, Cal.
Corporate Personnel
Michael Kapp, president
Tony Pipitone, exec vp-treasurer

WARNER BOOKS
New York
Corporate Personnel
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Nansey Neiman, vp, publisher
Jerry Butler, vp, genl mgr
Marketing Personnel
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Mark Greenberg, vp-adv & public relations
Marcy Goot, natl trade sales mgr
Ernie Petrillo, distributor sales mgr
Advertising Agency
(In-house) Publishers Advertising Associates—Mark Greenberg, president.

WARNER PUBLISHER SERVICES
New York
Corporate Personnel
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Bob Matthiessen, exec vp-circulation
Charlie Raab, exec vp-book div
Marketing Personnel
Pat Flaherty, vp-mktg services
Mark Greenberg, vp-adv & public relations
Ron Sklon, vp-field operations
Chris Snook, vp-client relations, book div
George Fisher, vp-dir of sales, book div
Mariann Donato, dir-mktg, book div
Advertising Agency
(In-house) Publishers Advertising Associates—Mark Greenberg, president.

WARNER AUDIO PUBLISHING
New York
Corporate Personnel
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Marketing Personnel
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Susan Barkan, dir-mktg
Karen Ames, mktg mgr
Advertising Agency
(In-house) Publishers Advertising Associates—Mark Greenberg, president.

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Corporate Personnel
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Paul Levitz, exec vp
Marketing Personnel
Bruce Bristow, mktg dir
Advertising Agency
Sanford Schwarz & Co., NY—Bernie Slotnik, adv rep.

MAD MAGAZINE
New York
Marketing Personnel
William Gaines, president

RANK **18**

Warner-Lambert Co.

Morris Plains, N.J.

($ in millions)

Worldwide	1985	1984	% chg
Sales	3,200	3,167	1.1
Net income	(316)	224	(241.0)
U.S.	**1985**	**1984**	**% chg**
Sales	1,670	1,535	8.8
Operating profits	448	393	14.0
Advertising	469	441	6.4
Division sales	**1985**	**1984**	**% chg**
Health care	1,872	1,718	9.0
Gums & mints	626	635	(1.4)
Other products	334	338	(1.2)

Warner-Lambert Co. entered several new over-the-counter markets in 1985 with new product entries ranging from chewable calcium supplements to chewable cough squares, but the company's bottom line performance belied its stepped up product introductions and market share growth in home-diagnostics and otc products.

Last year the company introduced 13 new products, a company record, up from eight launched in 1984. The company's heavy research and development expenses of $208 million in 1985, up 7%, with 30% of that total attributed to nonprescription products, should keep the new product pipeline going at least through 1986.

But despite the aggressive new product launches, Warner-Lambert sold its hospital supply and services division, resulting in a charge of $553 million against aftertax earnings for a one-time writeoff that brought net income to a loss of $312.6 million on a 1% growth in revenues. Also included in the loss were costs related to pulling the anti-arthritic drug, isoxicam, out of the international market because of its alleged side effects.

W-L also has begun to shore up its operations in 1986. Some 550 jobs have been cut through voluntary retirement programs and cost-cutting and consolidation measures in U.S. and overseas distribution and manufacturing facilities. W-L expects to save $40 million annually from these measures.

The sale of Warner-Lambert's medical divisions, announced last November, got the company out of the diagnostics and hospital supply business as trends in the healthcare industry increased demand for low-cost products and services. W-L's hospital suppiy divisions accounted for 12% of corporate sales, or about $330 million, but less than 1% of its operating profit last year. Results from 1984 were restated to reflect the divestitures.

General Diagnostic division, a clinical diagnostics unit, was the first division to be sold last August, to Organon division of Akzo N.V., for an undisclosed amount. In March, 1986, Becton Dickinson & Co. bought W-L's Deseret Medical division, maker of catheters, for $225 million. In April, 1986, W-L sold San Diego-based IMED Corp. to Henley Group for $163.5 million. And in May, 1986, W-L sold Reichert Scientific division, maker of microscopes and fiber optic instruments, to Cambridge Instrument Co. for an undisclosed price. Reichert had sales of about $100 million in 1985.

In further restructuring moves, W-L shifted 16 Parke-Davis division otc products, including Anusol, Tucks, Benylin and Benadryl brands, to its consumer health products group in January, 1986. The consolidation is expected to cut sales and marketing costs and enhance distribution in food and discount department stores while maintaining strong presence in Parke-Davis' traditional stronghold, drugstores.

The company revamped and diversified its media schedules last year, using outdoor advertising for the first time in two years. Network radio measured spending received the biggest increase, up 49% from 1984, while spot radio dropped 35%. W-L also increased its measured magazine spending by 25%, while newspapers declined 18%. Both network and spot tv spending declined, 4% and 3%, respectively, as the company moved heavily into cable tv advertising, up 15%.

On the agency side, megamerger fallout affected several brand assignments. In June, 1986, W-L severed its 30-year, $68 million relationship with Ted Bates Advertising/New York following that agency's acquisition in May by Saatchi & Saatchi plc, London. W-L shifted $38 million in billings for Rolaids, Efferdent, Remegel and Mediquell brands to Young & Rubicam, New York, which already handles Certs and Dentyne gum for W-L.

J. Walter Thompson USA, New York, a W-L agency since 1961, picked up $30 million worth of business when W-L assigned its largest-selling brand, Halls cough tablets, as well as Listermint, and Trident and Bubblicious gum accounts. JWT already handles such major W-L products as Listerine, e.p.t. early pregnancy tester and the Schick shaving products division.

New product introductions in 1985 included two chewable calcium supplement products, Suplical and Theracal, as well as Early Detector in-home colorectal cancer test, Remegel antacid, Sticklets gum and Benadryl allergy medication. Line extensions introduced last year were Decongestant Mediquell cough suppressant and improved e.p.t. in-home pregnancy test.

So far this year, W-L is testing LiquiSlim fiber/diet aid liquid in St. Louis and Indianapolis test markets and Liquasom liquid nighttime sleep aid in test markets in Alabama, Florida, Georgia and North Carolina.

Following FDA approval last September, W-L is one of four companies expected to introduce its own brand of diazepam, the generic version of Valium. Valium sales were $240 million last year. The generic valium market could hit $100 million in the first year, analysts predict. Hoffmann-La Rouche, marketer of Valium, says it would not seek to compete with the lower-cost, lower-price versions being readied by Mylan Pharmaceuticals, Pittsburgh; Warner-Lambert's Parke-Davis division, and Zenith Laboratories, Northvale, N.J.

The nonprescription drug category continued to boom last year, with the top 10 drug companies holding more than 50% of the $8 billion-plus market. W-L holds about 4%, tied with Schering-Plough, compared with Bristol-Myers, the leader with 9%. Abbott Laboratories is second with 8%; Johnson & Johnson and American Home Products are tied with 6% each.

W-L's healthcare division, divided between ethical and nonprescription products, had an increase of 11% worldwide in nonprescription product sales and 6.8% in ethical products.

Benadryl antihistamine is the com-

pany's most successful otc product launch, reaching No. 2 in the allergy medication category by the end of 1985. Formerly a prescription product for 40 years in the Parke-Davis division, Benadryl was introduced in capsule and elixir form last year as an otc allergy medicine, following approval in January for sale without prescription. Spending in network and spot tv and consumer print was $3.5 million.

The company also expanded its presence in the $740 million otc cough/cold market with the introduction of Benylin cough syrup in two forms—a nasal decongestant and an expectorant promoter. Benylin, with $4.8 million in measured media spending in 1985, was the fastest growing major cough syrup in the U.S., advancing to No. 4 in the market.

Mediquell, a chewable cough medicine that W-L claims lasts twice as long as regular-strength liquid cough medicines, received a hefty 28% advertising boost to $9.8 million in measured spending, its first full year of sales. A decongestant formula rolled out in 1985. The brand was moved to Y&R from Bates in June, 1986.

As the $125 million calcium-supplement market continued to grow, W-L went national last August with premium-priced, vanilla-flavored Suplical soft chewy calcium supplement squares, and followed in December with lower-priced, mint-flavored Theracal chewable calcium supplement. Measured spending for Suplical was $2.8 million, via Bates for consumer and Thomas Ferguson Associates, Parsippany, N.J., for medical.

As other players scrambled to gain share in the fledgling calcium supplement market, 60-year-old Tums antacid, from Beecham Products' Norcliff-Thayer unit, muscled in with calcium supplement claims of its own.

Rolaids antacid maintained its 32% market share with an 11% increase in measured media spending in the $400 million antacid category, in which Tums is a notch behind. Renewed activity in the category came from archrival Tums, a Beecham product, repositioned as a calcium supplement. Tums' climb of 8 percentage points was fueled by an estimated $7 million ad campaign and came at the expense of smaller brands. Rolaids supported its regular and sodium-free brands in 1985 with $11.9 million, up 11.2%. Both brands previously were handled by Bates, but moved to Y&R in June.

Rolaids struck at Tums in February, 1986, with a tv campaign claiming a survey revealed that doctors prefered the relief formula in Rolaids over Tums. Analysts say Rolaids is a few share points ahead of Tums. Maalox, from the Rorer Group, is third in the category.

Hoping to capitalize on Rolaids' continued success and its own chewable technology, the company also rolled out Remegel soft, chewable antacid in January, 1986, supported by network tv and spot radio. Bates handled the introductory wave, but the brand moved to JWT in June. Measured media spending for Remegel in test markets last year was $97,500.

Efferdent denture cleaner had $8.3 million in measured spending, up 12%, while Listerine antiseptic mouthwash posted a 13% share gain in the mouthwash category, at the expense of P&G's Scope, on the strength of plaque-reduction claims made in a $15 million ad campaign last year. Sales soared to a record $150 million last year for Listerine brand, and W-L submitted clinical evidence to the FDA and the American Dental Assn. to support the plaque reduction and gingivitis-fighting claims. Measured spending in 1985 was $16.4 million for Listerine antiseptic mouthwash and $7.5 million for Listermint.

Halls cough tablets topped its own sales record at $200 million with a 15% gain in unit sales, bringing its total U.S. market share to more than 50%. Halls, handled by JWT, received $7.8 million in measured spending, up 9.9%.

As the cost of healthcare continues to increase, consumers are turning increasingly to self-diagnostic, in-home tests rather than visiting doctors or clinics. Analysts expect the home diagnostic market to hit $1 billion in sales by 1990, compared with sales of $400 million in 1985.

W-L jumped into the home-test kit market in March, 1985, with Early Detector, a self-administered colorectal test kit that tests for blood in the stool. Early Detector got a boosted print effort in 12 newspapers last July due to publicity surrounding President Reagan's colorectal cancer surgery. Measured media spending last year was $4.1 million. Although Detecatest home kit, made by C.B. Fleet Co., was first on the market in 1984, that company says it was so discouraged by doctors and the American Cancer Society that it did not advertise last year.

The lucrative in-home pregnancy test market is booming, with analysts projecting 20% annual growth rate. Sales of in-home pregnancy tests hit $45 million last year, up 28.6%. Battle for supremacy heated up in 1985 between W-L's e.p.t. brand and Johnson & Johnson's Ortho division, including Daisy 2, Fact and Advance brands. Ortho claimed a combined 40% market share to W-L's combined 36% in March, but by June, W-L's e.p.t. had 50% market share to Ortho's Advance Pregnancy Test's 20% market share.

However, in December, W-L introduced an improved version, e.p.t. plus, with a measured $2.1 million campaign, featuring heavy prime-time and daytime tv and national consumer magazines. E.p.t. brands had 1985 measured ad spending of $3.3 million, via JWT. W-L spent $4.5 million on new e.p.t. plus campaign, with separate healthcare professional effort via Thomas Ferguson Associates.

Lifestyle condoms, one of the few products in the Parke-Davis division to receive advertising support, signed Dr. Ruth Westheimer, the media sex guru, last year. Ads, via JWT, ran only on cable tv and radio, starting in August, 1985. All networks have broadcast bans on condom commercials.

Despite a significant 50% sales increase in disposable razors, the Schick division still is battling it out with French-owned Bic Corp. for second place in the $700 million wet shave market. Schick has a 20% share in dollars, but trails the lower-priced Bic in units sold. Boston-based Gillette is the market leader in shaving with more than 50% in unit and dollar sales.

Schick spokesmen Joe Montana was replaced in April by an animated beard as Schick launched its Super 2 Plus, a double bonded razor entry with a "lubricating strip."

The $5 million advertising assault was a direct response to Gillette's Atra Plus introduction, via a $7 million campaign last year. Schick also spent $5.9 million for Schick disposables and shaving products.

Sales of gums and mints, accounting for 20% of corporate sales, were down 2% in 1985. Breath mints and the weakening of the U.S. dollar accounted for a majority of the gain.

The decline in sales of 1.4% followed 1984's 2% increase in sales over 1983, the only gain for gum and mint sales since 1981. This year's decline prompted the replacement of John Carroll as president of the American Chicle division by John Walsh. Mr. Walsh, former vp-product manager for W-L's consumer health products group, is charged with reviving profits for the division.

Sticklets rolled nationally last year, supported by $8.4 million in measured media spending in tv and radio. Tag line for the brand is "Skinny Sticklets, fat with flavor." Spending is up nearly 95% from test market spending the year before. It competes in the sugared stick gum segment, which accounts for 40% of the $3 billion worldwide chewing gum sales.

After an 18% ad spending increase in 1984 to combat Wm. Wrigley's aspartame-sweetened Extra gum, Trident sugarless gum and mints' ad spending dropped 12% to $15.5 million. Product reformulation helped Trident maintain its No. 1 position in the sugarless gum category, with $95 million in U.S. sales.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$13,585	10,148
Newspaper	1,150	1,394
Newsp. supp.	1,175	505
Bus. pubs.	3,003	15
Network tv	83,352	86,976
Spot tv	39,281	41,046
Network radio	16,268	8,143
Spot radio	992	1,340
Outdoor	9	0
Network cable	3,474	2,922
Total measured	162,290	152,489
Unmeasured	307,049	288,507
Total	469,339	440,996

WARNER-LAMBERT CO.
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Corporate Personnel

Joseph D. Williams, chmn-ceo
Melvin R. Goodes, president-coo
Robert J. Dircks, sr vp-cfo

AMERICAN CHICLE GROUP

Corporate Personnel

John Walsh, president

Marketing Personnel

Michael Soriano, dir-prod mgmt
Frederick E. Finlayson, vp-sales

CONSUMER HEALTH PRODUCTS GROUP

Corporate Personnel

Jay M. Gwynne, president

Marketing Personnel

J.W. Masse, vp-sales

Advertising Agencies

Thomas G. Ferguson Associates, Parsippany, N.J.

Sudler & Hennessey Consumer Group, New York—Benylin, Benadryl/capsules & elixir, Benadryl/cream & spray, Tucks, Caladryl, Myadec—Arthur M. Rosen, exec vp-managing dir; Lisa Blumenstein, vp-acct super; Greg Weed, sr vp-acct super.

J. Walter Thompson/USA, New York—Anusol, Chewels, Clorets, Listerine antiseptic, Listermint, e.p.t., Halls cough tablets, Sinutab, Lifestyles, Early Detector, Lubriderm, Schick shaving products, Personal Touch women's razors, Trident and Bubblicious gum—Jack Morrissey, sr vp-group acct dir; Jerry Gottlieb, sr vp-mgmt super; Dolly Bodick, Andrew Neisser, Adele Fanalli, acct supers.

Young & Rubicam, New York—Certs, Dentyne, Efferdent, Mediquell, Remegel, Rolaids—William Thompson, group dir; Arlene Bruckner, mgmt super.

PARKE-DAVIS GROUP

Corporate Personnel

James E. Wavle Jr., president

Marketing Personnel

J.T. Roberts, vp-sales
Elizabeth E. Tallet, dir-mkt operations
Harry F. Oberkfell, vp-mkt devel
Wayne L. Dickerson, group prod dir
Robert A. Anderson, group prod dir
M.A. Hoffman, group prod dir

Advertising Agencies

William Bologna International, New York—Steve Girgenti, exec vp; Frank Hughes, creative dir; Bill Butler, vp-acct super; Phyllis Kehoe, media dir; Joe Garamel, copy super; Mark McDowell, art dir.

Sudler & Hennessey (medical group), New York—Donald Masterson, exec vp-mgmt super; John Rinaldi, Joseph Laborsky, sr vps-acct supers; Wendy Mantel, Kathleen Jennings, Richard Hulbert, acct execs; Pam Goodman, assoc media dir.

RANK **72**

Wendy's International

Dublin, O.

($ in millions)

Worldwide	1985	1984	% chg
Sales	1,126	945	19.1
Net income	76	69	10.9
U.S. advertising	115	96	15.5
Division sales	**1985**	**1984**	**% chg**
Retail sales	1,032	877	17.7
Royalties	68	62	9.7
Other	26	6	333.3

Wendy's International faced several tough tasks in 1985 as it tried to duplicate the phenomenal success it enjoyed in 1984, when its name and its "Where's the beef?" advertising catch phrase were constantly in the news. The discontinuation of the use of actress Clara Peller as advertising "spokeswoman" made that more difficult, as did the increased ad spending levels by Wendy's two larger competitors, McDonald's and Burger King.

Despite increasing its own total ad spending 15.1% from 1984, Wendy's remained outspent by those competitors, especially by McDonald's Corp., which spent $550 million in the U.S. The estimated $100 million McDonald's spent on advertising and promotions just to introduce its McD.L.T. sandwich almost equaled Wendy's total ad/promotion budget for the year.

Wendy's had to battle not only its competitors but also a general sales slump that affected much of the fast food industry in 1985. Systemwide (company and franchised) sales for the Wendy's chain rose 11% to $2.69 billion in 1985, a respectable showing, but less than half the 26% sales increase registered in 1984. The number of Wendy's units operating worldwide increased 15% to 3,442 at the end of 1985.

Systemwide average per-unit sales at Wendy's, which in 1984 had jumped 13% to $861,000, slid 1.5% in 1985 to $848,000.

The end of Clara Peller's reign as Wendy's spokeswoman came in March, 1985, when she began appearing in tv commercials for Campbell Soup Co.'s Prego spaghetti sauce. In that commercial, the 4-ft., 11-in. octogenarian was shown cradling a giant jar of the sauce and repeating "I finally found it!" A voiceover added "Real beef—it's in there."

At first, Wendy's officials were philosophical, saying Ms. Peller's appearance for Prego probably would sell more Wendy's hamburgers. Then they became serious and decided not to sign the actress to a new contract. It was a bad blow for both Ms. Peller, who had earned an estimated $500,000 from her association with the chain, and Wendy's, which lost the services of an advertising phenomenon who had propelled the chain to record sales and earnings in 1984.

With Clara gone, Wendy's tried several different advertising approachs and introduced several new products in an effort to retain its high advertising-awareness levels. Sticking with director Joe Sedelmaier, who had created the "Where's the beef?" campaign, Wendy's produced new commercials—titled "Wine cellar" and "12 o'clock"—that stressed its food is freshly prepared to order.

In line with its longtime positioning as an "adult" fast food chain, Wendy's has given more attention to its salad bar menu than have other chains (Burger King discontinued advertising support for its salads; McDonald's has concentrated on packaged salads). Last summer, Wendy's salad menu was expanded to include more seasonal fruits and pasta and was backed by a six-week "Light Menu" campaign.

Hot dogs are another menu item that few fast food chains offer, but Wendy's has been trying to fill the void with expanded testing of its Great American hot dog. The hot dogs are being tested in 600 stores in several markets.

In July, Wendy's made its most significant marketing decision of the year, adding a breakfast menu throughout its system. Breakfast pioneers Hardee's and McDonald's have convinced consumers that a fast food restaurant can provide a satisfying morning meal, and breakfast now accounts for up to 20% of some chains' sales.

Wendy's decided to offer more "traditional" breakfast fare than other chains. Rather than concentrate on breakfast "sandwiches" like McDonald's Egg McMuffin, Wendy's offered more platters, such as scrambled eggs and French toast.

A major introductory ad campaign backed the breakfast launch, but the menu didn't take hold at many of its stores. Nine months after the launch, Wendy's was forced to back off from its commitment to breakfast and make the morning meal an option rather than requirement for its franchise-operated stores. Analysts ascribed the disappointing results for the breakfast rollout largely to the general sales slump that gripped the industry in 1985.

Wendy's returned in September to its strongest sales pitch—freshness of ingredients—with a major campaign themed "Choose fresh. Choose Wendy's." Exec vp marketing William Welter called the freshness approach "an equity we see ourselves owning through the '80s" and "the Achilles' heel of our competition."

Continuing to vary its creative approaches, Wendy's followed the "Choose fresh" campaign with another Sedelmaier commercial, "Fashion Show," which won awards at the 1985 Cannes festival. The spot depicts a Soviet fashion show in which the clothing being modeled remains the same and only accessories change.

A campaign planned for spring of 1986 was scrapped when independent director Mark Story, who had filmed the spots, showed rough versions of the commercials to a San Diego advertising club before they were to air. Angered with Mr. Story and agency DFS-Dorland, New York, Wendy's pulled the plug on the campaign.

In June, 1986, Wendy's launched another major new product with another twist to its advertising mix. The introduction of Crispy Chicken Nuggets was backed by a full-scale campaign (tv, print, point-of-purchase) from Lockhart & Pettus, New York, Wendy's black-consumer agency. L&P's "Celebrate" campaign, featuring pop group Kool & the Gang, was the first general market, fast food campaign to be produced in total by a minority-owned agency.

An important but often overlooked change in marketing strategy for Wendy's has been its decision to fight for a larger share of the children's market. It still does not have a large enough tv ad budget to afford network tv buys during Saturday mornings—a media daypart McDonald's has owned with its $300 million tv budget—but Wendy's is not giving up. For the past two years, the chain has attempted to increase the quality of the in-pack premium items in its children's meal boxes and consider menu items—such as hot dogs and chicken nuggets—with high appeal for children.

The push for better children's meal marketing began in 1985 with The Good Stuff gang, a series of characters created especially for the chain. Subsequently, Wendy's has joined the licensed-character bandwagon with promotions tied to Walt Disney Co.'s Gummi Bear characters and with Tonka's GoBots transformable robots.

Burger King, which many years ago gave up on trying to establish a Burger King character on Saturday mornings, began following a similar path in 1986 with a children's meal promotion tied to the "Thunder Cats" characters. But Ronald McDonald's dominance in the children's market appears likely to continue.

Wendy's continues its efforts to build a stronger international presence. In 1985 the company expanded its foreign store total to 201, compared with 177 in 1984. In July, 1986, Wendy's gave up on the competitive British market, agreeing to sell its 16-store U.K. subsidiary to British brewer Whitbread & Co. plc.

Wendy's Sisters Chicken & Biscuits subsidiary was given new advertising in 1985. Tv, radio and print ads for the 79-store chain were themed "You've never had it this good." Measured media spending for Sisters was $1 million in 1985. The company intends to open an additional 16 Sisters units by the end of 1986.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$762	$15
Bus. pubs.	0	11
Network tv	44,274	34,688
Spot tv	40,442	39,354
Spot radio	465	489
Outdoor	1,798	1,730
Network cable	408	57
Total measured	88,150	76,344
Unmeasured	26,850	23,254
Total	115,000	99,598

WENDY'S INTERNATIONAL
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Marketing Personnel

William M. Welter, exec vp-mktg
Bruce M. Ley, vp-corp mktg
Donald F. Calhoon, vp-field mktg & mktg services

Daniel Dahlen, vp-natl adv
Michael Sapienza, vp-mktg analysis, new prods
Dennis Lynch, vp-corp communications
Judy Donovan, super-natl adv
Eric Ibsen, mgr-natl adv

Advertising Agencies

Dancer Fitzgerald Sample, New York—Robert Reed, sr vp-mgmt super.

Lockhart & Pettus, New York—black consumer adv—Keith Lockhart, president; Ronn D. Harris, senior vp, dir-client services; Howard Mason, acct exec.

Mendoza, Dillon & Asociados, Newport Beach, Cal.—Hispanic consumer adv—Dick Dillon, president; Eduardo del Rivero, acct exec.

SISTERS INTERNATIONAL

Corporate Personnel

J.W. Near; president-coo

Marketing Personnel

Thomas Heskamp, mktg dir

Advertising Agency

Stockton West Burkhart, Cincinnati—Maureen Vogele, acct super.

RANK

Wm Wrigley Jr. Co. 96

Chicago

($ in millions)

Worldwide	1985	1984	% chg
Sales	620	591	5.0
Net income	43	40	9.7
U.S.	**1985**	**1984**	**% chg**
Sales	444	417	6.4
Operating profits	59	47	25.6
Advertising	82	70	15.7

The successful launch of Extra sugar-free gum helped Wm. Wrigley Jr. Co., Chicago, turn in record sales and maintain about 45% of U.S. chewing gum sales in 1985.

Wrigley began rolling out Extra sugar-free gum with NutraSweet brand sweetener in mid-1984 and added Extra bubble gum early last year. The company backed the introductions with about $16 million in ad spending, making Extra second only to Spearmint in Wrigley ad support.

Over-all, the company increased its total ad spending 16% to $81.5 million, up from $70.4 million in 1984. Once again, the bulk of Wrigley's ad spending went into network tv—$48 million. Spot tv had $19 million.

Network radio spending, which fell from $3 million in 1983 to less than $1 million in 1984, increased slightly to about $1.3 million. Spending in magazines, a medium used for the first time in 1984, increased slightly to $2.4 million, while cable tv received $3.6 million.

Net earnings for 1985 were up 9.7%, and worldwide sales grew by 5%, returns the company attributes primarily to fast-growing sales of Extra and selected price increases.

Extra's shining performance—within 18 months of its introduction it held about 25% of the growing sugarless gum segment—offset slight unit volume decreases for the company's traditional big three brands, Spearmint, Doublemint and Juicy Fruit.

Extra is expected to finish this year as the No. 2 brand of sugarfree chewing gum, surpassing RJR/Nabisco's Care*free to trail only American Chicle's Trident, which has an estimated 40% share of the sugarfree market. The sugarfree segment makes up about 30% of the $2.8 billion U.S. chewing gum market.

The Extra campaign, which covers both the chewing gum and bubble gum, consisted almost entirely of network and spot tv buys. Themed "Extra lasts extra long," it is handled by BBDO, Chicago, Wrigley's primary agency.

In 1985, the company spent less than $2 million on measured media through Needham Harper Worldwide, Chicago, which handles Wrigley's faltering Hubba Bubba bubble gum and brands marketed by its Amurol Products Co. division. Wrigley is trying to stimulate Hubba Bubba with a cola-flavored extension. Tests are under way in the South. A NutraSweet-enhanced sugarfree Hubba Bubba in regular and grape flavors is, also in the South.

The only brand from Amurol, which markets novelty candy items, that received significant ad support in 1985 was Big League Chew, a shredded bubble gum packaged in a pouch similar to chewing tobacco. Big League Chew was backed by $670,000 in tv support.

Despite introducing several new products to take up the slack of waning faddish products, Amurol's revenues fell below the record levels of the previous two years.

In January, Amurol introduced Poke 'M Out the Back candies, packaged so they can be popped out of their casings into the air.

Spearmint's spending zoomed from a little more than $12 million to $21.5 million in support of a new campaign, themed "Get a little lift," that was launched in midyear. That increase made Spearmint by far the most advertised Wrigley brand, supplanting Doublemint, which received $15.5 million in ad support. Spearmint holds an estimated 10% market share.

In 1984, Doublemint spending was $14.5 million compared with $12.2 million for Spearmint.

Wrigley continued its "Double your pleasure" campaign for Doublemint that was updated in 1984. Doublemint remains the world's No. 1 gum brand with an estimated 15% market share.

There were no changes in the Juicy Fruit campaign, themed "The taste that's gonna move ya," which was launched in 1983. It received about $8 million in ad support.

Big Red, a cinnamon-flavored gum, posted its fifth straight year of volume gain, making it a more promising performer than any of Wrigley's big three brands.

Spending for the Big Red campaign, themed "Long lasting breath freshness," dropped slightly from $8 million to $7.7 million, all on tv.

Freedent, whose selling point is that is doesn't stick to most dental work, was the only brand other than Extra and Doublemint advertised in magazines, presumably because its benefits require a more detailed explanation. Wrigley spent slightly more than $4 million on Freedent advertising, which is themed "The one that takes the stick out of gum."

At this year's annual meeting, shareholders approved antitakover measures that bolstered Wrigley family control in the event of a hostile buyout bid. Nearly 40% of the company's stock is owned by family members and company officers.

The move allows the company to issue new common shares to finance internal growth or acquisitions without diluting the holding of the Wrigley family.

The company also announced a three-for-one stock split and it would begin paying regular quarterly dividends of 24 cents a share on the basis of the current shares outstanding. Previously, the company paid monthly dividends of 5 cents per share.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$2,370	$1,986
Bus. pubs.	161	96
Network tv	47,914	43,715
Spot tv	19,305	14,920
Network radio	1,274	962
Spot radio	55	30
Network cable	3,628	2,884
Total measured	74,708	64,592
Unmeasured	6,828	5,904
Total	81,536	70,496

WM. WRIGLEY JR. CO.
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Corporate Personnel

William Wrigley, president, ceo

Marketing Personnel

Douglas S. Barrie, group vp-intl
Gary Bebee, mktg dir
Henry Berchert, vp-adv
Ronald O. Cox, group vp-mktg
R. Darrell Ewers, exec vp
A. Cipollina, vp-sales
N. Hoegh-Guldberg, mktg dir

1985 national ad spending by category

Product category	Newspaper	Magazine	Newspaper suppl.	Network tv	Spot tv	Network radio	Spot radio	Outdoor	Network cable	Category totals
Airplanes, aviation accessories & equipment	$3,273	$12,037	$101	$0	$13	$0	N/C	$59	$1	$15,484
Apparel, footwear & accessories	29,005	248,353	22,610	171,674	101,879	6,095	53,836	4,070	16,154	653,675
Automotive, accessories & equipment	655,003	548,303	10,379	837,740	914,941	32,147	148,511	44,876	37,537	3,229,434
Beer, wine & liquor	87,459	239,461	9,813	439,361	224,272	18,405	174,666	77,650	28,958	1,300,044
Building materials, equipment & fixtures	14,463	69,686	5,808	102,821	62,529	4,860	22,591	1,908	6,409	291,073
Business propositions & employment	106,482	13,255	317	9,567	1,279	113	5,217	943	562	137,733
Business & consumer services	197,756	464,166	22,485	458,125	578,529	52,440	134,950	46,198	22,971	1,977,621
Cigarets, tobacco & accessories	204,013	375,173	68,614	6,060	13,977	1,475	3,217	211,011	3,791	887,330
Computers, office equipment & stationery	115,478	247,692	4,125	252,681	25,122	14,709	41,670	2,905	8,592	712,974
Confectionery, snacks & soft drinks	33,985	52,159	4,102	460,564	397,173	41,058	42,610	9,089	32,201	1,072,941
Drugs & remedies	19,655	133,340	2,783	700,257	180,422	35,620	18,242	9,556	26,293	1,126,167
Electronic entertainment equipment	30,600	96,312	1,246	44,858	66,524	4,931	9,839	2,280	22,104	278,692
Entertainment & amusements	13,546	20,724	1,253	566,067	831,657	2,411	25,589	41,207	25,458	1,527,911
Food & food products	117,961	341,832	12,197	1,404,590	872,704	61,458	275,336	9,595	58,360	3,154,031
Freight, industrial & agricultural devel.	11,304	34,824	0	36,935	29,113	2,532	N/C	1,305	1,573	117,586
Gasoline, lubricants & fuel	18,164	25,939	578	40,854	102,192	2,288	31,412	3,760	4,927	230,113
Horticulture & farming	37,604	19,595	478	33,632	59,511	7,596	28,971	1,943	3,340	192,669
Household furnishings, appliances	101,848	186,643	11,520	265,536	212,057	15,617	19,214	5,405	12,927	830,768
Industrial materials	33,515	48,754	80	25,845	2,813	24	N/C	394	748	112,173
Insurance & real estate	149,713	90,279	11,041	137,766	97,619	12,494	42,290	27,538	7,225	575,965
Jewelry, optical goods & cameras	25,757	100,446	3,677	124,444	63,859	3,050	32,215	2,686	10,717	366,851
Mail order	55,867	321,834	127,961	38,190	132,795	18,395	N/C	3,093	38,949	737,083
Miscellaneous	486,603	151,497	1,489	15,401	4,781	283	53,347	42,257	2,014	757,671
Pets, pet foods, supplies & organizations	7,228	29,248	2,944	174,780	59,755	2,871	2,993	536	5,020	285,374
Publishing & media	237,436	178,565	20,670	19,724	108,491	6,717	33,029	36,785	6,337	647,755
Retail	N/C	119,624	16,623	287,889	979,801	49,432	37,010	42,908	14,339	1,547,626
Soaps, cleansers & polishes	8,250	46,951	2,144	386,984	171,775	8,373	2,642	127	15,471	642,716
Sporting goods, toys & games	7,645	82,546	618	172,511	223,831	22	7,901	505	11,315	506,894
Toiletries & cosmetics	30,594	383,984	17,300	993,962	287,436	29,021	27,902	1,631	42,109	1,813,939
Travel, hotels & resorts	788,780	245,134	18,187	104,662	237,184	8,953	165,021	52,547	12,325	1,632,793
Total	3,628,987	4,928,355	401,141	8,313,478	7,044,031	443,386	1,440,220	684,765	478,724	27,363,087

NOTE: Dollars in thousands. Categories vary among measuring services. Totals by media were recombined to reflect Leading National Advertisers' categories wherever possible. "Household furnishings and supplies" and "household equipment" categories are treated as one. Also, several categories labeled "miscellaneous" were combined. An N/C was used when services did not break out certain categories.

Sources: Newspaper from Media Records; magazine and newspaper supplement from LNA as reported by Publisher's Information Bureau; network tv, spot tv, network radio and network cable from LNA as reported by Broadcast Advertisers Reports; outdoor from LNA as reported by Institute of Outdoor Advertising and Outdoor Advertising Assn. of America, and spot radio from Radio Advertising Bureau. For further explanation, see *Where Ad Age got its data*, Page 16.

Leaders' spending % all advertisers by media

Media	100 leading national advertisers: Advertising expenditures 1985	1984	% chng	$ as % U.S. measured spending by all advertisers 1985	1984	Second 100 leading national advertisers*: Advertising expenditures 1985	1984	% chng	$ as % U.S. measured spending by all advertisers 1985	1984	All advertisers: U.S. measured advertising expenditures 1985	1984	% chng
Newspaper	$978	$981	(0.2)	27.0	29.4	$303	$220	37.5	8.3	6.6	$3,629	$3,33[illegible]	8.8
Magazine	2,379	2,235	6.4	48.3	47.9	449	427	5.2	9.1	9.1	4,928	4,669	5.6
Newsp. supplements	156	146	6.8	38.9	41.1	87	47	81.4	21.7	13.5	401	356	12.8
Network tv	6,336	6,505	(2.6)	76.2	76.0	896	856	4.7	10.8	10.0	8,313	8,555	(2.8)
Spot tv	3,073	2,805	9.5	43.6	44.1	950	905	5.0	13.5	14.2	7,044	6,363	10.7
Network radio	272	154	77.3	61.4	56.8	47	43	9.6	10.6	15.8	443	270	64.1
Spot radio	564	498	13.3	39.1	37.3	198	124	59.4	13.7	9.3	1,440	1,333	8.0
Network cable	290	184	58.0	60.6	69.8	44	20	124.9	9.3	7.5	479	263	82.0
Outdoor	309	278	11.2	45.1	46.5	43	33	32.4	6.3	5.4	685	597	14.7
Farm publications	43	42	2.2	23.6	21.8	13	11	16.1	7.2	5.8	181	192	(5.9)
Total measured	14,400	13,827	4.4	52.9	53.8	3,078	2,719	13.2	11.2	10.5	27,544	25,934	6.2

* Advertising Age will publish a directory of the second 100 leading national advertisers Nov. 3, 1986.
NOTE: Dollars in millions.
Sources: Newspaper from Media Records; magazine and newspaper supplement from Leading National Advertisers as supplied by Publishers Information Bureau; network tv, spot tv, network radio and network cable from LNA as supplied by Broadcast Advertisers Reports; spot radio from Radio Advertising Bureau; outdoor from LNA as supplied by Institute of Outdoor Advertising and Outdoor Advertising Assn. of America, and farm publications from Agricultural Marketing Information Services (AGRICOM). Business publication spending—from Rome Reports—is not included in this chart because total spending for all advertisers was not available at press time. Business publication expenditures by the 100 leading national advertisers were up 36.2% to $174 million in 1985 from $127 million in 1984. Business publication spending by the second 100 leading national advertisers was $48 million in 1985 and $32 million in 1984, up 48.5%.

Susan Sherry, mktg mgr

Advertising Agencies

BBDO, Chicago—Doublemint, Spearmint, Juicy Fruit, Big Red, Freedent, Extra—Eric Harkna, president; Andrew Donchak, exec vp; Tonise Hayden, Jeanne Rhodes Jay Tolman, acct supers.

Needham Harper Worldwide, Chicago—Hubba Bubba, Amurol Products' Big League Chew—Raymond Gillette, vp-mgmt rep; Victoria Mondae, vp-mgmt rep/special projects; Bruce Delahorne, acct super; Mary Ellen Holland, acct exec.

RANK **64**

Xerox Corp.

Stamford, Conn.

($ in millions)

Worldwide	1985	1984	% chg
Sales	8,955	8,646	3.6
Net income	475	291	63.2
U.S.	**1985**	**1984**	**% chg**
Sales	5,545	5,655	-1.9
Operating profits	227	190	16.8
Advertising	129	130	(0.7)
Division sales	**1985**	**1984**	**% chg**
Reprographics	6,592	6,556	0.5
Info. systems	1,959	1,718	14.0
Financial serv.	2,786	2,601	7.1
Other	181	153	18.3
Financial	299	267	12.0

The industrywide softness in the office equipment market experience by Xerox Corp. in 1985 has continued into the first half of 1986, making Xerox's purchase in 1982 of insurance subsidiary, Crum & Forster, look better each quarter.

Xerox, which got only a 0.1% increase to $6.59 billion from its reprographics segment in 1985—or 56% of total company revenues—suffered a plunge in profit from its major business lines of 28% in the second quarter this year, following a first quarter drop of 59% in the category, but could take solace from an improved performance in the company's financial services sector.

Xerox reported that for the second quarter, because of sharply higher profits in finance—led by its insurance subsidiary, Crum & Forster—income from continuing operations grew by 13%.

Financial services accounted for $62 million of the quarter's net income figure of $122 million; the $62 million, an increase of 229%.

Much of this came from higher premium costs, what a company spokesman calls "flow through" of higher prices that C&F put into effect in early 1985. "It's not unusual for a corporation that was paying $100,000 for an insurance policy last year to be paying perhaps a million now," says Julian Menear, an analyst with the Pershing division of Donaldson, Lufkin & Jenrette. He adds that financial services is "about the only strong point in the company [Xerox] right now as a whole."

Xerox, best known for copiers that command about 36% of the market over largely Japanese rivals, Canon, Sharp and Ricoh, has brought about a dramatic turnaround at Crum & Forster, a company that had losses from continuing operations just two years ago of $5 million. Income from continuing operations in 1985 was $29 million for the insurance unit and, according to spokesman Peter Hawes, $114 million through the second quarter of this year.

In the first half, 1986, Xerox had earnings from continuing operations of $237 million, down 4%, and net income of $223 million, down from $334 million a year earlier when the publishing unit sale and a tax settlement boosted results. Revenue was $4.32 billion, up 6.4%. Some analysts believe Xerox misread the market, because it increased research spending 14% and selling and administrative expenses 13% and beefed up its work force heading into the new fiscal year.

Melvin Howard, in August, 1986, was named a vice chairman of Xerox. He is considered the chief architect of the company's diversification into the financial services field and will continue to be president of Xerox Financial Services and chairman-ceo, C&F. At the same time, Paul A. Allaire was named president. He will be responsible for office equipment and computer sectors.

The name Xerox has been synonymous with copiers, but the company is involved in areas far and wide from copying and financial services. It announced recently the formation of a software systems business, ParcPlace, which includes the Smalltalk-80 system, a development in "artificial intelligence" in use since 1983 in research universities and corporations.

Xerox's Sandy Lanzarotta explains that the user friendly programs emulate the thought patterns of their human operators. "The system," he adds, "intuits how it is you're going about thinking of things. You can develop software programs that, in a sense, identify with the people who are working with the computer."

Xerox is also involved with a process that transfers X-rays to hard copy, and this has applications for an early prognosis of breast cancer. Its xeroradiography is also touted as providing dentists with highly detailed X-ray pictures.

To promote and sell it all, Xerox reported to the SEC it spent $176.5 million in advertising worldwide in 1985, an increase of 2.1% from the year before. Xerox says it follows the SEC definition of advertising costs, which includes spending for the in-house advertising department; developing campaigns; printing and distributing sales literature, brochures and other marketing materials.

Measured media indices for Xerox show it spent $60.3 million, about the same as in the prior year—$24.8 million of it on network tv. Leading National Advertisers' seven-media total for general promotion in 1985 is $21.6 million; for business machines, $14.7 million. Crum & Forster's ad spending totaled $614,000, with $354,000 of that going to magazine advertising for personal insurance.

Xerox surprised Madison Avenue earlier this year when it chose Lowe Marschalk for its direct marketing. Xerox had been working with agencies much larger than Lowe Marschalk in direct marketing.

And Xerox shocked the ad world with its notice in March that it was taking its $40 million in ad business from the New York office of Needham Harper Worldwide, its lead agency. Ted Bates got the account. Says Xerox's Peter Hawes, a spokesman, "The thrust of it, really, was that we were ready for a change."

Xerox also says it will make changes to cope with the intense competition of the Japanese, a dominaticn of the personal computer field (which Xerox was falsely rumored to be getting out of this year) by IBM and Apple among others, and the shifting sands of the high-stakes insurance business.

Xerox officials also are confident it will develop better software and computer systems that will operate more and more, although never completely, like the human brain.

ADVERTISING EXPENDITURES

($ in thousands)	1985	1984
Magazine	$17,413	$12,520
Newspaper	11,351	8,595
Bus. pubs.	5,085	3,085
Network tv	24,755	34,258
Spot tv	144	1,298
Spot radio	1,087	477
Outdoor	5	108
Network cable	507	402
Total measured	60,347	60,743
Unmeasured	68,551	69,000
Total	128,898	129,743

XEROX CORP
800 Long Ridge Rd.
P.O. Box 1600
Stamford, Conn. 06904
(203) 329-8700

Marketing Personnel

Robert Knight, group vp, systems mktg and integration
William T. Blair, sr vp-field operations
Barry Rand, vp-genl mgr, natl mktg distribution
Ro[illegible]ythorn, vp-reprographics mktg
Michael Kirby, dir-corp adv & promo
Joseph M. Cooper, mgr-corp adv & promo
David T. Erwin, vp-mktg strategies & services, Business group, Rochester
Douglas McLaine, mgr-mktg communications, Business systems group, Rochester

Advertising Agencies

Ted Bates, New York—copiers, printers, work stations, personal computers, computer services, electronic typewriters—Gary Boyle, exec vp; Martin Grant, vp-mgmt rep; Adrian Merryman, vp-acct super, office systems; Shelley Diamond, vp-acct super, copiers; David Watson, vp-acct super, electronic typewriters.

Bernard Hodes, New York—recruitment adv; David Dwyer, sr vp, Boston; Frank Hubbard, vp, Chicago; Bruce Shilling, sr vp, Palo Alto; Marion Starr, exec vp, Los Angeles.

Lowe Marschalk, New York—direct mktg—Jim Johnson, exec vp; Madigan Pratt, vp-mgmt super; Bob Lieber, direct mktg dir, Cleveland; Diana Lynn, acct super; Cameron McNaughton, acct super; Brian Fey, acct super, Cleveland.

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Advertising Age®

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AUTO BOOMERANG?

Promotion pros decry finance ploys

By PAUL L. EDWARDS

Detroit's low-lower-lowest interest-rate sales hypes have touched off a great debate between seasoned sales-promotion leaders and the auto industry's best sales and marketing talent.

The debate centers around the question: What happens when the offers expire next month, when the 1987 model year cars arrive en masse? Will there still be buyers in the marketplace for the new cars? Or will Detroit's auto makers find that their most costly promotion ever did little more than shift fourth-quarter sales ahead one month?

While the U.S. auto makers' unprecedented low-cost financing has met with initial success, some industry observers argue that such dramatic promotional practices actually might have outlived their usefulness as a marketing tool.

General Motors Corp.'s offer of 2.9% financing (AA, Sept. 1) already has become the most successful sales ploy in its history. With an unmanageable 79-day inventory of unsold cars, imports continuing to capture a significant share of sales and a public growing jaded by a steady diet of financing offers and accompanying rebates, GM saw little choice but to become the first auto maker to crack the 3% financing barrier.

Ford Motor Co. and Chrysler Corp., with

(Continued on Page 92)

Last Minute News

Toyota to hike ad budget by 30%

TORRANCE, CAL.—Toyota Motor Sales USA will pump up its U.S. ad budget by 20% to 30%, to $200 million-plus, in the 1987 model year as it introduces four all-new cars. Introductory ads break in the first week of October from DDB Needham Worldwide, Los Angeles.

Hush Puppies again sniffing for agency

ROCKFORD, MICH.—Wolverine World Wide will start reviewing agencies "soon" for its $3 million-to-$4 million Hush Puppies footwear account. The move follows a split with DDB Needham Worldwide, Chicago, over "differences in creative philosophy," said Richard Simpson, Wolverine director-advertising and human relations. The decision to part was mutual, he added. Needham won the account last October (AA, Oct. 10).

CBS to sign $65M college football pact

NEW YORK—The College Football Assn. this week will sign a four-year, $65 million-plus tv rights agreement with CBS. It takes effect during the 1987 season. Separately, the Atlantic Coast Conference, University of Miami, Army and Navy will rejoin the CFA, sources said. ABC, which now televises the CFA, will air Big Ten and Pac-10 games in '87.

Burnett plans major move into direct marketing

CHICAGO—Leo Burnett USA plans later this year to end its status as the last major agency without a direct-marketing operation. Led by client Philip Morris Cos., which is considering increasing direct-mail activity for

(Continued on Page 8)

R
nit
—P. 3
WASHINGTON DC 20014
4520 EAST-WEST HWY #800
SRI ACQUISITIONS
CONGRESSIONAL INFO SERVICE
AA 86399 99 ENA
CONGLI
*****3-DIGIT 20014

Bates' top exec shift surprise for Zuckert

By STEWART ALTER

Robert Jacoby's management shakeup at Ted Bates Worldwide last week put John Hoyne and John Nichols in the spotlight as the new generation of leaders at the billion dollar agency.

But it reportedly was also an unpleasant surprise for Ted Bates Advertising/New York president Donald Zuckert, who was moved by Mr. Jacoby into a new post apparently without prior consultation: Vice-chairman-senior corporate administrative officer of Bates Worldwide. Mr. Hoyne becomes the No. 2-ranking exec at Bates, after Mr. Jacoby, as president-chief operating officer. Mr. Jacoby, 58, who had held the president's title, remains chairman-ceo.

Mr. Nichols replaced Mr. Zuckert as chief of Bates/New York.

It was the first major leadership change since Mr. Jacoby consolidated his position as chairman/president/ceo 13 years ago.

Sources at Bates said Mr. Zuckert quickly distributed an internal memo after the announcement in

(Continued on Page 92)

MTV's future—P. 2

Highlights

Will '87 auto buyers lose interest? 1

Detroit's low-lower-lowest interest-rate sales hypes have touched off a great debate between seasoned sales-promotion leaders and the auto industry's best sales and marketing talent. The debate centers around the question: What happens when the offers expire next month, when the 1987 model year cars arrive en masse?

Hoyne assumes big role at Bates 1

John Hoyne has been named president-chief operating officer of Ted Bates Worldwide in the agency's first major leadership change since Robert Jacoby consolidated his position as chairman/president/ceo 13 years ago.

Crest seeking famous smile 3

Procter & Gamble's Crest toothpaste may be in for a celebrity brushup. Sources say P&G is actively searching for a celebrity—preferably a tv newscaster or well known science personality—to be the new spokesman for its category-leading dentifrice.

Vie de France perks up 4

Vie de France's wanderings from its fresh-croissant origins have been supported by little advertising, marketing savvy or, as the bottom line shows, much success. So the arrival of Richard Sharoff from Kitchens of Sara Lee as heir apparent to the presidency of the company is a sweet surprise.

Ward takes local focus 12

Montgomery Ward & Co., which recently moved to split its $5.39 billion operation into separate apparel and home/automotive groups, also is transforming its advertising strategy from broad-based national campaigns to specialty efforts in local markets.

FEATURES

Everybody wants to get into the act 40

Actor Richard Kuhlman.

For actors desperate to break into commercials, aggressive tactics sometimes seem necessary. Getting the chance to appear in a spot is a coup for actors otherwise competing against legions of hopefuls seeking the big break. Rarely do actors set out to make a career hawking soft drinks and laundry detergent. But when Paramount Pictures or ABC-TV doesn't call, most view commercial acting as a lucrative source of income and an opportunity to hone their craft. It beats waiting tables, delivering pizzas or parking cars.

INTERNATIONAL

What's going on in Latin America? 58

In the August edition of *Quatro Rodas*, Brazil's version of *Car & Driver*, there are no automotive ads. But the issue still carries 87 ad pages, 10% more than the same issue last year. The automobile companies in Mexico aren't advertising either. Instead, they are giving away houses and other big prizes to salesmen who sell the most cars. The strange Latin American advertising market—particularly the two biggest markets in the region, Brazil and Mexico—has rarely been as confusing to U.S. observers as it is now.

OTHER NEWS

Reflecting the growing importance of lobbying and public affairs with a Washington emphasis, issues-oriented executives who made their names in the nation's capital took over newly merged pr units at Omnicom Group and Bozell, Jacobs, Kenyon & Eckhardt. Page 6.

Most owners of videocassette recorders would not mind seeing ads at the beginning and end of prerecorded tapes, whether the tapes were rented or purchased, a recent poll has revealed. Page 12.

Finally getting results among readers, *Good Food* is making new efforts to attract the advertisers that have been scarcer than French chefs at a pie-eating contest. Page 36.

Armour Processed Meat Co. is looking to add a new-product line while continuing a corporate ad campaign spotlighting existing brands. In Los Angeles, the company is testing a line of premium hot dogs, bacon, luncheon meat and boneless hams that carries its Golden Star name (already the leading brand of canned hams). Page 38.

Barely six months after a star-studded commission concluded that nothing was the best thing to do about negative political advertising, Congress is thinking about looking into the same question. Page 68.

Dial Corp. plans an estimated $4 million fourth-quarter campaign backing its reformulated Tone complexion soap in an attempt to shore up its slipping market share. Page 79.

Kraft Inc. today breaks an estimated $21 million-to-$24 million campaign repositioning its 110-item J.L. Kraft cheese line. Page 89.

Michigan pr executive Anthony Franco has resigned as president of the Public Relations Society of America after being cited by the Securities & Exchange Commission for insider trading in a client's stock, the PRSA said last week. Page 91.

SPECIAL REPORT

There is no Special Report in today's issue. The next Special Report, Sept. 15, will focus on Women and the Auto Market.

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Crossroad

MTV grows up as Pittman exits

By LARRY G. COLLINS

New York—MTV Networks is standing at so many crossroads that it is drawing a road map for the entire post-takeover tv industry.

It is losing one of its founders, president-ceo Robert Pittman, who last week announced he will leave next year to start his own entertainment company with MCA.

Both Mr. Pittman and Kenneth Gorman, chairman of parent company Viacom International's Viacom Networks Group, express confidence in existing MTV Networks management, but neither would state that a new president would not be recruited from outside.

MTVN also is transforming itself from an irreverent start-up operation that quickly influenced media, arts and even social trends into an established corporation that has to beat last-year and last-quarter results. So far, it is doing well enough to satisfy the bottom-line-oriented Viacom.

Viacom itself presents another crossroad for MTVN since it acquired the company last November after a management-led group, including Mr. Pittman, attempted a leveraged buyout. In buying MTVN, Viacom acquired—in addition to MTV—VH-1, the adult-oriented video music channel, and Nickelodeon, the channel that features children's programing by day and "Nick at Nite" family-oriented fare in the evenings.

This corporate marriage appears to be bucking the examples of

(Continued on Page 90)

Soybean group raps rapeseed in New Puritan

By JUDANN DAGNOLI

The nation's soybean producers are lashing Procter & Gamble for taking the soybeans out of Puritan oil.

P&G has reformulated Puritan from a soybean/sunflower blend to low erucic acid rapeseed oil (lear). It reformulated Puritan (AA, Aug. 4) after the federal government approved the new oil, unofficially called canola oil, for use as a food.

The American Soybean Assn. alleges P&G is making "inflated health claims" for New Puritan. ASA officials have met several times with the Cincinnati-based company to urge a switch back to soybean oil, said association president David Haggard.

The St. Louis-based ASA charges that "positioning this [New Puritan] as a healthful, premium product is misleading to consumers" because it has a lower level of polyunsaturates than the old formula even though it does have a more desired lower level of saturated fat.

Although P&G earlier said it

(Continued on Page 94)

West Coast news

Kenwood to KC

Kenwood Stereo Systems, Carson, Cal., hired Kresser, Craig/D.I.K., Los Angeles, for its $2 million account following a review that also included Evans/Weinberg, Phillips-Ramsey and Ramey Communications, all Los Angeles. KC recently lost the competing Alpine Electronics of America business (AA, Aug. 11), following a management shakeup. Hakuhodo Advertising, Los Angeles, is the former agency.

Williams-Sonoma Inc., San Francisco, named Lowe Marschalk, San Francisco, its first agency. Advertising will support the company's 60 upscale housewares retail outlets. Initial print ads back the opening of six stores. At present, the budget is less than $500,000.

Bank of America, San Francisco, breaks new tv spots Sept. 15 supporting a promotion offering customers using its Bankcard points toward gifts. One humorous spot features a man and woman debating who'll pick up the dinner check, each fantasizing about the items their bonus points will earn. Grey Direct, San Francisco, handles.

The **California Lottery Commission**, Sacramento, is stretching out the timetable for its agency review following complaints from agencies pitching the $30 million account that there wasn't sufficient time to respond. The commission

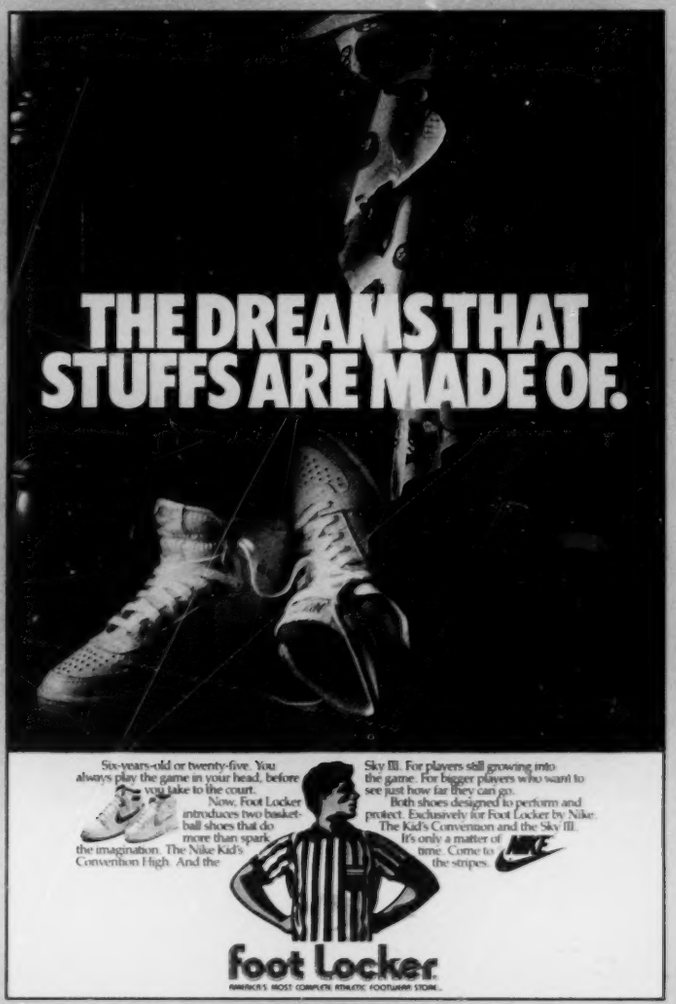
(Continued on Page 94)

BEST OF PRESS

The copy in this July 4 ad celebrating Lady Liberty's 100th birthday reads, in part: "Today, on her nation's birthday, even in the shadow of her torch, homeless Americans go hungry." Cheers to Campbell Soup Co. and Lewis, Gilman & Kynett, Philadelpha, for noting what everyone else seemed to ignore amid the fanfare and hype of Liberty Weekend 1986. Creative director: Jacqueline Lowell; copywriters: Jacqueline Lowell, Terese Zeccardi; art director: Lori Miller.

This ad, created by Beber Silverstein & Partners, Miami, for Knight-Ridder, also in Miami, uses a strong visual, in this case a news photo, and a strong headline to point up the editorial quality of the company's newspapers. Creative director: Russ Slaughter; copywriter: Bob Beers; art director: Rich Chmiel.

When the local "Baby Bell" phone company in New York (Nynex) chose to omit its Yellow Pages competitor—Southwestern Bell Media—from its own Yellow Pages, Southwestern Bell ran this "repair" kit ad via Gardner Advertising, St. Louis, to set the record straight. Group creative director: Steve Puckett; copywriter: Tom Townsend; art director: Paul Behnen; illustrator: Bill Nelson.


THE DREAMS THAT STUFFS ARE MADE OF.
Six-years-old or twenty-five. You always play the game in your head, before you take to the court.
Now, Foot Locker introduces two basketball shoes that do more than spark the imagination. The Nike Kid's Convention High. And the Sky III. For players still growing into the game. For bigger players who want to see just how far they can go.
Both shoes designed to perform and protect. Exclusively for Foot Locker by Nike. The Kid's Convention and the Sky III. It's only a matter of time. Come to the stripes.
Foot Locker
AMERICA'S MOST COMPLETE ATHLETIC FOOTWEAR STORE.

The headline in this co-op ad from Wieden & Kennedy, Portland, Ore., for Nike footwear at Foot Locker stores, besides using an excellent play on a hackneyed phrase, brings meaning to the visual and makes the whole ad work splendidly. Creative director: David Kennedy; art director: Rick McQuiston; copywriter: Ken Wieden; photographer: Steve Bonini.

FLASH REPORT: Newspaper advertising investment for June

June 1986	IN 100 THOUSANDS	IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR		1986	1985	ACTUAL $ G OR L	% G OR L
usements	1986		$34,834,121	$27,120,610	+7,713,511	+28.4
	1985					
puter stores supplies	1986		4,447,939	5,048,480	-600,541	-11.9
	1985					
artment stores	1986		95,536,457	87,326,423	+8,210,034	+9.4
	1985					
d stores	1986		32,569,861	28,443,766	+4,126,095	+14.5
	1985					
dio, tv, phonographs, records	1986		20,196,579	17,222,036	+2,974,543	+17.3
	1985					
eral merchandise res	1986		46,203,432	39,853,687	+6,349,745	+15.9
	1985					
holic beverages	1986		2,934,280	2,628,148	+306,132	+11.6
	1985					
eras, photo pplies & services	1986		1,005,127	503,604	+501,523	+99.6
	1985					
nputers, equipment & services	1986		2,720,434	2,458,574	+261,860	+10.7
	1985					
lic service utilities & communications	1986		9,972,146	5,810,564	+4,161,582	+71.6
	1985					
lishing & media	1986		9,039,017	9,384,544	-345,527	-3.7
	1985					
arets	1986		4,318,982	4,286,790	+32,192	+0.8
	1985					
ines	1986		17,825,382	9,890,044	+7,935,338	+80.2
	1985					
songer cars-new	1986		19,051,306	15,556,903	+3,494,403	+22.5
	1985					
nks & trust mpanies	1986		7,800,748	6,221,845	+1,578,903	+25.4
	1985					
k, bond investment houses	1986		2,335,371	1,356,838	+978,533	+72.1
	1985					

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown. #

Source: Media Records Inc.

June ads jump 18%

New York—Advertiser investments in the major market daily newspapers measured for the Advertising Age Flash Report climbed to $310.7 million in June, an 18% increase from a year ago.

The gains were fueled by a major increase in airline ad spending, which soared 80.2% to $17.8 million, and by strong increases in the amusements and department stores categories, with amusements ad spending up 28.4% to $34.8 million and department-store ad spending up 9.4% to $95.5 million.

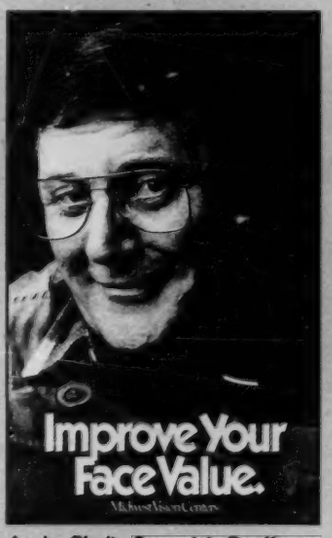
Among other categories posting strong gains were food stores, up 14.5% to $32.6 million; radio-tv-phonograph-record dealers, up 17.3% to $20.2 million; general-merchandise stores, up 15.9% to $46.2 million, and public service utilities and commissions, up 71.6% to $10 million.

Categories also showing increases were new passenger-car dealers, up 22.5% to $19 million; banks and trust companies, up 25.4% to $7.8 million, and stock, bond and investment houses, up 72.1% to $2.3 million.

The only categories posting losses from June, '85, levels were computer stores and supplies, down 11.9% to $4.5 million and publishing and media, down 3.7% to $9 million.

The Flash Report is prepared for Advertising Age by Media Records Inc. here, based on measurements of advertising in 29 daily and 23 Sunday newspapers in 15 major markets.#

A great marriage of headline and illustration is the captivating element of this ad for North Memorial Medical Center's Cosmetic Surgery unit, from Clarity Coverdale Rueff, Minneapolis. Art director: David Fox; copywriter: Jerry Fury; photographer: Tom Berthiaume.



Again, Clarity Coverdale Rueff uses a good illustration and a simple, straightforward headline to cut through the clutter of eyecare advertising for client Midwest Vision Centers. Art director: David Fox; copywriter: Jerry Fury; photographer: Marc Hauser.

Best of Press selections are made by Hank Simons, vp-creative director of the Newspaper Advertising Bureau; James Dunaway, vp-information at the bureau, and William F. Gloede, Ad Age newspaper industry reporter. National System Inc., St. Louis, provides tear sheets. Agencies, clients and newspapers are invited to submit ads for review. Submissions should be sent to Mr. Gloede in AA's New York bureau.

Newspaper Advertising SAU Inches in the MRCS

June 1986 vs. June 1985

AKRON, OH

	1986 Full Run	1986 Part Run	1985 Full Run	1985 Part Run
Beacon Journal (E)	87.306	—	90.706	—
Beacon Journal (S)	85.484	—	91.441	—
Grand Total	172.790	—	182.147	—

NOTE: Part run figures not available.

ALLENTOWN, PA

Call (M)	152.781	—	—	—
Call (S)	93.904	—	—	—
Grand Total	246.685	—	—	—

NOTE: Part run figures and 1985 figures not available.

ATLANTA, GA

Constitution (M)	177.327	52.976	179.787	41.149
Journal (E)	174.920	53.432	178.328	41.067
Journal & Constitution (S)	153.427	73.112	148.878	76.908
Journal & Constitution (Sat)	42.667	—	49.391	—
Grand Total	548.341	179.520	556.384	159.124

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

Sun (M)	122.702	3.775	108.791	2.740
Sun (E)	100.001	3.775	87.632	2.740
Sun (S)	174.692	44.313	163.414	35.736
Grand Total	397.395	51.863	359.837	41.216

BERGEN COUNTY, NJ

Record (E)	160.003	15.353	145.105	23.694
Record (S)	167.974	50.608	169.652	31.420
Grand Total	327.977	65.961	314.757	55.114

NOTE: Record Evening published five days a week only.

BOSTON, MA

Herald (M)	66.432	175	44.891	730
Herald (S)	22.549	45.544	20.696	33.640
Globe (M)	137.080	11.062	132.810	10.675
Globe (S)	219.974	42.213	199.918	35.062
Grand Total	446.035	98.994	398.315	80.107

BUFFALO, NY

News (M)	108.912	20.631	107.970	17.325
News (S)	83.414	26.204	75.059	20.171
Grand Total	192.326	46.835	183.029	37.496

CAMDEN, NJ

Courier-Post (E)	121.275	17.284	109.641	14.755
Courier-Post (S)	74.248	13.272	71.899	3.474
Grand Total	195.523	30.556	181.540	18.229

CHARLOTTE, NC

News (E)	—	—	66.472	—
Observer (M)	121.811	—	114.477	—
Observer (S)	87.257	—	77.202	—
Grand Total	209.068	—	256.151	—

NOTE: News Evening ceased publication November 1, 1985. Part run figures not available.

CHICAGO, IL

Sun-Times (M)	133.104	86.881	120.289	74.163
Sun-Times (S)	69.241	43.489	61.125	47.320
Tribune (M)	154.731	318.586	167.746	286.716
Tribune (S)	152.907	113.981	146.384	99.667
Grand Total	509.983	562.937	495.544	507.866

NOTE: Tribune figures supplied by publisher to Media Records. 1986 figures represent advertising for 5/26/86 to 6/29/86. Tribune All Day changed to Morning publication effective August 19, 1985.

CINCINNATI, OH

Enquirer (M)	153.814	6.568	158.013	5.365
Enquirer (S)	158.002	10.979	139.452	14.957
Post (E)	70.580	15.073	78.355	23.591
Grand Total	382.396	32.620	375.820	43.913

CLEVELAND, OH

Plain Dealer (M)	130.035	39.128	129.926	31.718
Plain Dealer (S)	124.538	14.428	129.537	10.479
Grand Total	254.573	53.556	259.463	42.197

DALLAS, TX

News (M)	269.099	9.957	298.904	11.118
News (S)	198.360	14.621	207.165	11.771
Times-Herald (AD)	205.788	27.251	244.905	19.790
Times-Herald (S)	136.837	20.000	154.683	8.929
Grand Total	810.084	71.829	905.657	51.608

DENVER, CO

Rocky Mt. News (M)	259.197	294	276.484	1.552
Rocky Mt. News (S)	118.040	707	104.756	2.567
Post (M)	179.856	7.523	177.152	5.955
Post (S)	136.462	2.283	130.934	3.725
Grand Total	693.555	10.807	689.326	13.799

DETROIT, MI

Free Press (M)	97.556	46.509	91.985	32.802
Free Press (S)	55.488	31.708	54.287	33.766
News (AD)	176.363	39.452	143.638	34.457
News (S)	118.318	40.754	104.136	29.487
Grand Total	447.725	158.421	394.046	130.512

ESCONDIDO, CA

Times-Advocate (E)	92.633	3.250	—	—
Times-Advocate (S)	49.558	87	—	—
Grand Total	142.191	3.337	—	—

NOTE: 1985 figures not available.

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	119.987	—	130.495	—
Sun-Sentinel (M)	253.210	—	274.343	—
Grand Total	373.197	—	404.838	—

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

Journal Gazette (M)	75.959	—	71.952	—
Journal Gazette (S)	81.012	—	74.283	—
News Sentinel (E)	83.798	—	81.985	—
Grand Total	240.769	—	228.220	—

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

Time (E)	82.928	519	76.086	83
Time (S)	76.633	297	67.503	—
Advocate (E)	98.365	13.367	97.727	3.304
Advocate (S)	75.771	941	69.251	—
Grand Total	333.697	15.034	310.567	3.387

HARTFORD, CT

Courant (M)	143.009	28.479	138.669	23.225
Courant (S)	105.945	172.167	105.789	142.098
Grand Total	248.954	200.646	244.458	165.323

HONOLULU, HI

Advertiser (M)	111.720	—	115.964	—
Star-Bulletin (E)	104.312	—	108.006	—
Star-Bulletin & Advertiser (S)	95.787	—	90.318	—
Grand Total	311.819	—	314.288	—

HOUSTON, TX

Chronicle (AD)	221.834	30.169	266.927	34.364
Chronicle (S)	150.380	32.074	152.929	35.975
Post (M)	152.718	24.018	166.887	40.049
Post (S)	85.367	29.965	83.253	36.993
Grand Total	610.299	116.226	669.996	147.381

LONG BEACH, CA

Press Telegram (M)	107.616	38.079	106.418	—
Press Telegram (S)	67.895	732	63.172	—
Grand Total	175.511	38.811	169.590	—

NOTE: 1985 Part run figures not available.

LONG ISLAND, NY

Newsday (E)	139.345	103.290	175.930	44.895
Newsday (S)	118.161	121.249	122.832	94.093
Grand Total	257.506	224.639	298.762	138.988

LOS ANGELES, CA

Times (E)	297.197	254.711	296.022	291.914
Times (S)	210.945	112.621	209.762	103.012
Herald-Examiner (M)	61.194	9.725	66.750	11.557
Herald-Examiner (S)	17.780	10.977	16.794	5.953
Grand Total	587.116	388.034	589.328	412.436

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	203.626	27.546	209.495	28.901
News (S)	109.015	2.162	96.509	1.623
Grand Total	312.641	29.708	306.004	30.524

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	328.750	—	209.865	—
Grand Total	328.750	—	209.865	—

NOTE: Figures supplied by publisher to Media Records.

*LOUISVILLE, KY

Courier Journal (M)	98.005	18.782	93.402	42.216
Courier Journal (S)	70.457	83.911	70.784	76.967
Times (E)	135.218	61.712	92.086	56.090
Grand Total	303.680	164.405	256.272	175.273

NOTE: Figures supplied by publisher to Media Records.

*MEMPHIS, TN.

Commercial Appeal (M)	116.718	83.206	119.055	89.218
Commercial Appeal (S)	101.106	11.917	91.478	14.470
Grand Total	217.824	95.123	210.533	103.688

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	150.853	—	152.069	—
Herald (S)	104.900	—	107.880	—
News (E)	61.254	—	56.312	—
Grand Total	317.007	—	316.261	—

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	109.601	21.234	103.440	23.500
Star & Tribune (S)	161.342	5.863	154.448	3.618
Star & Tribune (Sat)	24.034	—	27.185	—
Grand Total	294.977	27.097	285.073	27.118

*NASHVILLE, TN

Banner (E)	100.138	—	101.935	—
Tennessean (M)	100.339	—	103.520	—
Tennessean (S)	104.113	—	106.687	—
Grand Total	304.590	—	312.142	—

NOTE: Figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	92.262	711	82.433	3.263
Home News (S)	85.861	7.794	82.750	2.062
Grand Total	178.123	8.505	165.183	5.325

NEW YORK, NY

Times (M)	168.351	15.944	146.972	14.866
Times (S)	238.915	124.415	221.616	107.203
News (M)	61.540	93.342	56.289	101.558
News (S)	45.756	95.849	41.497	97.307
Post (AD)	64.639	1.525	58.161	1.060
Grand Total	579.201	331.075	524.535	321.994

NEWARK, NJ

Star Ledger (M)	208.085	5.675	197.634	5.689
Star Ledger (S)	225.426	33.830	205.178	34.680
Grand Total	433.511	39.505	402.812	40.369

OAKLAND, CA

Tribune (M)	88.799	71.278	86.318	62.041
Tribune (S)	47.113	42.689	56.162	39.118
Grand Total	135.912	113.967	142.480	101.159

OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY

Blade-Tribune (E)	94.193	3.820	—	—
Blade-Tribune (S)	54.424	—	—	—
Grand Total	148.617	3.820	—	—

NOTE: Blade-Tribune Evening published five days a week only. 1985 figures not available.

ORANGE COUNTY, CA

Register (AD)	314.997	82.547	295.054	113.322
Register (S)	155.304	10.850	148.886	15.935
Grand Total	470.301	93.397	443.940	129.257

PHILADELPHIA, PA

Inquirer (M)	151.042	40.856	153.503	49.762
Inquirer (S)	150.301	53.487	150.217	45.101
News (E)	81.347	5.800	72.784	4.162
Grand Total	382.690	100.143	376.504	99.025

*PHOENIX, AZ

Arizona Republic (M)	300.810	9.616	288.709	13.637
Arizona Republic (S)	177.351	—	180.797	—
Gazette (E)	289.360	9.762	276.209	13.933
Grand Total	767.521	19.378	745.715	27.570

NOTE: Figures supplied by publisher to Media Records.

*RIVERSIDE, CA

Press Enterprise (M & S)	277.432	16.108	262.078	15.465
Grand Total	277.432	16.108	262.078	15.465

NOTE: Figures supplied by publisher to Media Records.

*ST. LOUIS, MO

Post Dispatch (M)	112.463	32.404	88.692	28.766
Post Dispatch (S)	137.683	—	135.769	—
Grand Total	250.146	32.404	224.461	28.766

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	90.754	—	93.719	—
Pioneer Press Dispatch (S)	104.323	—	107.742	—
Grand Total	195.077	—	201.461	—

NOTE: Part run figures not available.

SAN ANTONIO, TX

Express-News (AD)	111.293	33.752	118.203	18.881
Express-News (S)	89.466	41.431	113.242	18.247
Express-News (Sat)	40.311	—	49.091	—
Light (AD)	125.740	17.032	115.709	20.170
Light (S)	106.792	8.115	102.624	16.313
Light (Sat)	28.517	1.792	41.833	—
Grand Total	502.119	102.122	540.502	73.611

NOTE: Express-News All Day and Light All Day published five days a week only.

SAN DIEGO, CA

Union (M)	217.880	20.408	226.961	16.244
Union (S)	149.823	—	148.597	—
Tribune (E)	224.171	21.368	229.173	18.119
Grand Total	591.874	41.776	604.731	34.363

SAN FRANCISCO, CA

Chronicle (M)	135.052	80.704	126.922	59.858
Examiner & Chronicle (S)	94.082	47.705	89.647	48.237
Grand Total	229.134	128.409	216.569	108.095

SAN JOSE, CA

Mercury News (AD)	285.577	24.466	288.928	31.144
Mercury News (S)	176.770	—	176.778	—
Grand Total	462.347	24.466	465.706	31.144

SHREVEPORT, LA

Journal (E)	77.746	4.113	78.951	3.946
Times (M)	97.103	13.148	101.122	14.961
Times (S)	73.716	12.581	79.679	7.003
Grand Total	247.565	29.842	259.752	25.910

*STATE COLLEGE, PA

Centre Times (E)	70.239	2.168	77.500	3.794
Centre Times (S)	36.107	384	34.113	—
Grand Total	106.346	2.552	111.613	3.794

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

Herald Journal (E)	83.002	34.626	84.888	25.640
Herald American (S)	54.761	89.108	54.414	44.718
Post-Standard (M)	75.039	35.100	75.477	31.158
Grand Total	212.802	139.834	214.779	101.514

*TAMPA, FL

Tribune (AD&S)	272.132	81.438	318.[illegible]	102.707
Grand Total	272.132	81.438	[illegible]	102.707

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	99.193	—	89.625	—
Blade (S)	104.334	—	104.257	—
Grand Total	203.527	—	193.882	—

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

Post (M)	257.152	28.572	285.173	39.184
Post (S)	174.160	48.331	178.970	28.710
Grand Total	431.312	76.903	464.143	67.894

WASHINGTON, DC SUBURBAN GROUP

Alexandria Journal (M)	70.483	270	66.371	—
Prince George's Journal (M)	59.636	—	56.978	472
Montgomery Journal (M)	60.124	714	57.225	472
Fairfax Journal (M)	68.491	959	63.649	592
Arlington Journal (M)	66.462	270	62.800	—
Grand Total	325.201	2.213	306.973	1.446

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	83.659	12.651	83.303	15.863
Reporter Dispatch (S)	102.716	24.545	86.497	27.062
Grand Total	186.375	37.196	169.800	42.725

WICHITA, KS

Eagle-Beacon (M)	103.226	—	115.420	—
Eagle-Beacon (S)	89.151	—	85.437	—
Grand Total	192.377	—	200.857	—

NOTE: Part run figures not available.

Source: Media Records

This data has been provided by Media Records for exclusive publication in Advertising Age and may not be reprinted or published in any form without explicit permission from Media Records. All newspapers represented are subscribers to Media Records. For those newspapers that subscribe to Media Records National Advertising Reporting Service, Total Advertising data shown has been supplied by the publisher to Media Records and included in this compilation. All publisher supplied figures are converted to MRCS SAU inches by Media Records. These newspapers are indicated with an asterisk (*).

REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches.
2. Determine Square Inches of Page
   Multiply Width by Depth Inches.
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches).
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page.
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page.

SAU® is the registered trademark of the American Newspaper Publishers Association.

Monday, September 15, 1986

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

P&G trims Saatchi sails

Merger penalty: 4 brands, $85M

By STEWART ALTER and LAURIE FREEMAN

In a slap at the Saatchi & Saatchi autonomous agency network system, Procter & Gamble, the No. 1 ad spender, has rewarded agencies untouched by mergers and acquisitions by pulling $85 million in billings from the No. 1 agency network.

P&G also demonstrated, as it reassigned four brands from Saatchi agencies, that it was standing firm against appeals that it modify its U.S. "divisional" account-conflict policy.

Following what was reportedly six months of on-and-off discussions dating back to Saatchi's "loan" deal with Dancer Fitzgerald Sample, P&G rejected a final appeal from chairman Maurice Saatchi in a visit to Cincinnati about two weeks ago.

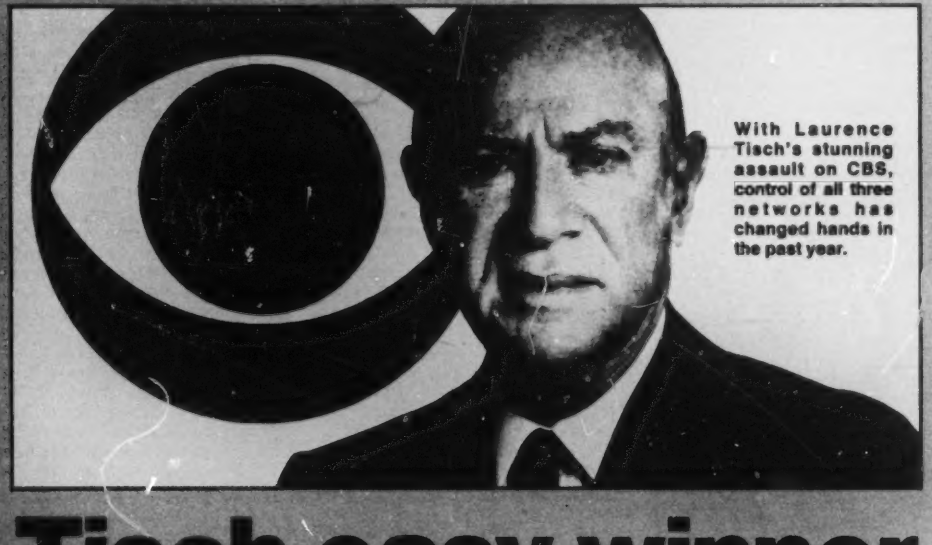
Building competing autonomous networks has become central to Saatchi's strategy, as well as that of

(Continued on Page 141)

Procter & Gamble's shuffle

Procter & Gamble reinforced its stance on agency conflicts, moving $85 million in billings from the Saatchi agencies to other P&G agencies. *Source: Advertising Age.*

Account	Billings	Former agency	New agency
Luvs Baby Pants	$20 million	DFS Dorland, New York	Leo Burnett USA, Chicago
Bounty Paper Towels	$10 million	DFS Dorland, New York	Jordan, Manning, Case, Taylor & McGrath, New York
Crisco oil and shortening	$35 million	Saatchi & Saatchi, New York	Grey, New York
Duncan Hines baking mix line	$20 million	Saatchi & Saatchi, New York	Cunningham & Walsh, New York



With Laurence Tisch's stunning assault on CBS, control of all three networks has changed hands in the past year.

Tisch easy winner in CBS takeover

By VERNE GAY

New York—CBS Inc., buffeted by hostile takeover bids, slumping prime time ratings, a disenchanted news operation and nagging doubts about top management, finally has the answer to its most pressing question: What is Laurence Tisch going to do?

For starters, Mr. Tisch last week ousted CBS chairman-ceo Thomas Wyman as he carried out one of the most brilliant takeovers ever. Mr. Wyman made it easier for Mr. Tisch when he disclosed at the Sept. 10 board meeting that he had been trying to interest Coca-Cola Co. in buying CBS. The directors apparently were stunned by this unilateral move on Mr. Wyman's part. Soon after, he resigned.

Immediately, morale in the CBS newsroom rebounded. The company is no longer "in play," or considered vulnerable to hostile acquisition. And the company avoided a lengthy and costly takeover fight that could have set off untold regulatory problems had Mr. Tisch gone beyond his

(Continued on Page 120)

"We're encouraged because [Tisch] should put pressure on costs."
—A stock analyst

Lead clients to creativity, Jacoby urges

By JENNIFER PENDLETON

Incline Village, Nev.—American Assn. of Advertising Agencies chairman Robert Jacoby thinks U.S. advertising agencies have abdicated creative leadership to their clients and he wants to do something about it.

In a speech to the western region conference of the Four A's here, the chairman, president and ceo of Ted Bates Worldwide outlined a three-point program he will propose to the Four A's aimed at lifting advertising out of what he perceives as a creative malaise.

The objective is "to come to grips, once and for all, with the industry's priority need—a means of pinpointing the value of a truly creative advertising campaign—in terms of sales and market-share performance," Mr. Jacoby said.

The points include:

- Finding the best marketing minds in academia to develop a comprehensive plan to isolate and quantify the effectiveness of advertising campaigns.
- Selection of a blue-ribbon group of advertising professionals from both agencies and clients to work with academic leaders and to oversee the execution of the study.
- Funding the study through contributions from Four A's member agencies.

Mr. Jacoby emphasized he wants his proposed study to evaluate campaigns, not commercials, saying "the cumulative effect of advertising is the only effect that

(Continued on Page 118)

Last Minute News

Antidrug psas from 4A's coming this fall

Incline Village, Nev.—Public service announcements created as part of the American Assn. of Advertising Agencies' massive antidrug crusade are likely to be on the air after the November elections, Four A's president Leonard Matthews last week told the group's western region convention here. The Four A's has convinced Hollywood labor unions to allow talent to appear in the spots without demanding that sponsors contribute to the unions' pension funds, an unprecedented move.

GM plans 2.6% price hikes for '87 models

Detroit—General Motors will increase average prices of its 1987 model cars by 2.6% over comparably equipped '86 models. But GM will slice $601 from the price of the 1987 Chevrolet Chevette, an 11% drop to $4,995, as the No. 1 car maker tries to compete with a spate of new imports aimed at

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Highlights

P&G pulls brands from Saatchi 1
Procter & Gamble, rejecting appeals to modify its U.S. conflict policy, last week withdrew $85 million in billings from Saatchi & Saatchi Co. and reassigned four brands to agencies untouched by mergers and acquisitions.

Tisch makes his play for CBS 1
CBS Inc., buffeted by hostile takeover bids, slumping prime time ratings, a disenchanted news operation and nagging doubts about top management, finally has the answer to its most pressing question: What is Laurence Tisch going to do?

General Mills adds muscle 4
General Mills has spent the past year selling or spinning off nearly all its nonfood holdings, strengthening major food brands, entering more food categories, restructuring the food group's management and revamping its restaurants. The result is giving new vigor to a company that long has been a dominant force in the food industry.

Opportunity rings for Cohen 6
A poolside telephone call from Richard Avedon was the catalyst for a chain of events that led Arthur Cohen to take over as exec vp-advertising for Revlon.

'Parenting's' parents an unlikely match 45
A most improbable couple is making progress toward becoming the proud parents of *Parenting*. Few in the magazine industry would have believed that giant Time Inc., perceived as a bastion of bureaucracy, would join forces with a San Francisco-based female entrepreneur to start a special-interest publication. But it has.

IBM clashes with clones 52
Scrambling to fight off fierce low-cost competition from clones of its 5-year-old Personal Computer, IBM now faces a struggle at the high end of the market from a new generation of powerful desktop machines. Leading the assault is Compaq Computer Corp.

Will others follow Trojan breakthrough? 108
Carter-Wallace this month breaks a massive print campaign for market leader Trojan prophylactics that will run in several national magazines that never before accepted condom advertising. The multi-million-dollar campaign is expected to pave the way for other condom marketers to advertise in once-forbidden women's and men's magazines. It could lead to the elimination of network tv's long-standing refusal to air contraceptive commercials.

Toyota revs up for '87 110
Toyota Motor Sales shifts into high gear next month with new-car introductions and a much bigger ad budget. The company is betting its four all-new models plus record ad spending will lengthen its lead in the crowded 1987 import auto market.

INTERNATIONAL

Saatchi has direct ideas overseas 70
Saatchi & Saatchi's plan to open a full-service direct-marketing agency in the U.K. this year is a step toward expanding its direct-marketing network internationally. Unlike agencies such as Young & Rubicam and Ogilvy & Mather, Saatchi has not yet attempted to tackle direct marketing on a global basis. The company has targeted direct-marketing services for growth, but remains weak in the area outside the U.S.

OTHER NEWS

New-product introductions grew to 2,537 in the first half of 1986, a 7.8% rise from a year ago, according to a study by Marketing Intelligence Services. Page 24.

Mattel Inc. is taking more of its merchandising show on the road. Tours for Barbie, Masters of the Universe and My Child began at U.S. shopping centers last spring, and as many as five more will be added in 1987. Page 28.

DFS Dorland Worldwide and Gardner Advertising's Paul Schulman Co., analyzing the fall network tv ratings race, predict that NBC will remain the prime time front-runner, and that ABC could threaten CBS' hold on second place. Page 50.

Cutty Sark takes a new approach in the declining premium scotch market as it doubles its ad budget, to $15 million, and breaks two new ad campaigns, one of which includes an all-out attack on market-leader Dewar's. Page 54.

Now that the Statue of Liberty centennial hoopla has ended, promotional machinery for the U.S. Constitution's upcoming bicentennial is gearing up in earnest. Page 72.

The growing popularity of fish and its high price tag could lead to growth for surimi, an imitation shellfish now trying to win retail acceptance. Page 84.

SPECIAL REPORT

Women influence between 70% and 80% of all car purchases in the U.S., but auto marketers still are trying to figure out the best way to influence women buyers. Special Report profiles some of their efforts and industry leaders.

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Jack in Box pops away from HCM

By BRIAN LOWRY

Jack in the Box has pulled its $25 million account from HCM, Chicago, after a 10-month spin and moved to Cohen/Johnson, a small Los Angeles shop whose principals previously worked on the account.

An 11-person agency founded only 16 months ago, Cohen/Johnson will add at least 20 staffers by mid-November to handle the new business, said chairman-creative director Howie Cohen.

Dale Landaman, managing director of HCM, acknowledged the loss would result in layoffs, particularly in Los Angeles, where HCM had staffed up to serve the account (AA, Nov. 25). He said the agency "hopes to find places for the best people."

"We were never able to agree on a longer-term strategy" beyond discounting promotions, Mr. Landaman said of HCM's brief relationship with the San Diego-based fast-food marketer.

HCM won the account after a lengthy review (AA, Oct. 28) following a leveraged management buyout of the company from Ralston Purina Co., St. Louis.

The account previously was with Wells, Rich, Greene/West, Los Angeles, for eight years.

Another casualty of last week's move was Victor Elkind, adver-

(Continued on Page 118)

Tues. Teamers form new shop

By STEWART ALTER

NEW YORK—Joining other senior agency executives who see new opportunities in the megamerger era, four top creative and marketing officers from Ally Gargano/MCA Advertising and FCB/Leber Katz Partners have formed an agency of their own.

The new shop, called Messner, Vetere, Berger, Carey, emerges from the "environment for change" created by the wave of mergers and acquisitions, said Ron Berger, 36, who was senior vp-creative director of Ally Gargano/MCA Advertising.

Mr. Berger, along with Tom Messner, 42, and Barry Vetere, 43, all worked at Ally & Gargano before it merged to form AG/MCA. Messrs. Messner and Vetere, who were two of A&G's three top creative executives, had joined Walter Carey, 45, formerly exec vp-associate director, marketing planning at FCB/LKP, to form Tuesday Team II (AA, July 28, *et seq.*). That ad hoc agency's name reflects its work on the original Tuesday Team, the loose group of agency superstars that developed advertising to reelect President Reagan in 1984, on which Mr. Carey was chief operating officer.

All four will be partners in the Messner agency, housed at 485 Madison Ave. It expects to have $20 million to $25 million in billings within the next three months.

(Continued on Page 118)

West Coast news

Fox in shop search?

Twentieth Century Fox Television, Los Angeles, the tv syndication arm of Rupert Murdoch's entertainment company, may open a review for its first agency before the end of the year, sources say. The division, reorganizing after the departure of vp-creative services Jerry Greenberg, currently uses various agencies for projects.

Pacific Bell, San Francisco, on Oct. 15 begins a nine-part soap opera-type campaign. The series features a continuing story of two older men speaking to each other on the phone. The two each love the same woman and the catch is, who gets the girl? Foote, Cone & Belding, San Francisco, handles.

Fromm & Sichel, Santa Rosa, Cal., will break a national print and outdoor campaign for Christian Brothers brandy in *Bon Appetit*, *Glamour* and other upscale publications in mid-October. Ads play off the way the brandy sometimes is ordered in bars as "CB." Goodby, Berlin & Silverstein, San Francisco, handles.

Raging Waters, San Dimas, Cal., an aquatic amusement park, is contacting Southern California agencies concerning the creative portion of its estimated $1 million-plus account. Adams McMillan, Carlsbad, Cal., will continue to handle media buying.

California Milk Advisory Board, Modesto, will introduce Vital 15, a low-fat, high-calcium milk drink aimed at women, in San Diego this week with $1.2 million in ad support. Theme is "Vital 15: Nutrition designed for a woman's body." McCann-Erickson, San Francisco, handles.

Ad study uncovers spending patterns

CHICAGO—The 1986 edition of Ads Forecasts, the tenth annual research report on advertising expenditures, has been released by Pansophic Systems.

The study shows advertising-to-sales ratios, advertising-to-gross margin ratios and advertising growth rates for each industry in 1985, by SIC category. In addition, it forecasts 1986 and 1987 advertising spending by category and for more than 4,000 individual companies and 280 industries; rates advertising effectiveness for each company and industry listed, and measures ad-spending stability. The study, formerly produced by Schoenfeld & Associates, was included in Pansophic's February acquisition of that software company's assets. Pansophic is one of the largest independent software companies in the world.

Shown at right is the table listing average '85 ratios by industry. The study cautions, however, that within many industry sectors, individual companies may spend significantly more or less than the average.

The raw data for the study were compiled from 10-K reports filed by publicly owned companies with the Securities & Exchange Commission. Therefore, advertising expenditures include both media spending and nonmedia expenditures such as collateral literature and production. For this reason, these figures often are substantially larger than figures from media auditing services.

In some categories, the figures may include substantial nonmedia advertising, such as catalog advertising by retailers, point-of-purchase advertising in alcoholic beverages and direct mail in financial services.

Because data for the study were compiled from published financial statements rather than surveys, cautious interpretation is required for several reasons. Companies may vary in what they include under advertising expenditures. Also, many large companies are in several fields, yet are listed in only their primary industry sector. Distortion may also result because a large subsidiary may not be included in the industry in which it competes. Finally, a few large companies are privately held and their figures are not included.

In the section of the study that includes the 1987 ad-spending forecast, Procter & Gamble is predicted to hold its role as the top ad spender in 1987 with $1.3 billion—slightly ahead of Philip Morris Cos. at $1.2 billion.

General Motors and Sears, Roebuck & Co. are both projected by Ads Forecasts to top the $1 billion mark, and Unilever and Ford Motor Co. are expected to come in just under that figure.

In 1987, food companies will lead all industries in ad spending with $5.1 billion, the survey projects. Retail department stores will take second place with $4.6 billion, followed by motor vehicles at $3.8 billion.

Major new industries—retail mobile home dealers and freight forwarding—will emerge as large advertising spenders in the next few years, with an ad growth rate of 54.6% and 39.4%, respectively, the study reports.

Other high advertising growth industries predicted by the study include: Aircraft parts at 37%; real estate dealers at 34.4%; outpatient care facilities at 30.5%, residential general building contractors at 28.4% and retail computer stores at 27.3%.

Foreign companies will remain a competitive factor in many markets. Matsushita Electric is predicted to spend $564.6 million on advertising in 1987, considerably more than most U.S. companies. Spending at Honda is expected to be $381.9 billion, an increase of more than 6%, and Hitachi is estimated to hit $306.9 million.

A copy of the 179-page study is available for $325 ($300 prepaid) from Pansophic Systems, 1550 Northwest Hwy., Suite 208, Park Ridge, Ill. 60068.

Advertising-to-sales ratios, 1985 (By industry)

Source: Pansophic Systems, Inc., 1550 Northwest Highway, Park Ridge, Ill. 60068 (312) 390-7711. Legend: SIC - Standard industrial classification. NEC - Not elsewhere classified. Ad dollars as per cent of sales - Ad expenditures/net sales. Ad dollars as per cent of margin - Ad expenditures/(net sales-cost of goods sold). Annual growth rate of advertising dollars.

Industry	SIC no.	Ad dollars as per cent of sales	Ad dollars as per cent of margin	Annual growth rate (%)
Agriculture Production-Crops	100	2.1	7.0	14.7
Agriculture Produc-Livestock	200	2.1	7.8	11.4
Gold & Silver Ores	1040	.1	.2	-55.5
Misc Metal Ores	1080	1.9	9.8	20.9
Crude Petroleum & Nat'l Gas	1311	.2	.2	2.5
Drilling Oil & Gas Wells	1381	2.0	7.7	-69.1
Oil & Gas Field Exploration	1382	1.1	5.0	-8.6
Oil & Gas Field Services NEC	1389	.1	.2	-.1
Misc Nonmetallic Minerals	1480	.1	.4	9.9
Operative Builders	1531	2.3	15.1	5.6
Gen Bldg Contractors Nonres	1540	.3	2.4	1.0
Construction-Not Bldg Constr	1600	.3	2.1	-5.0
Construction-Spl Contractors	1700	1.9	6.4	17.2
Food & Kindred Products	2000	5.2	17.4	4.5
Meat Products	2010	1.7	13.5	14.9
Dairy Products	2020	5.1	16.4	9.5
Canned-Preserved Fruits-Vegs	2030	5.3	14.6	6.8
Flour & Other Grain Mill Pds	2041	1.6	10.2	1.2
Wet Corn Milling	2046	.2	.9	5.7
Prepared Feeds for Animals	2048	8.9	22.6	7.9
Bakery Products	2050	1.5	3.3	8.2
Beet Sugar	2063	.3	1.5	16.7
Candy & Other Confectionery	2065	6.5	16.3	5.6
Malt Beverages	2082	8.4	23.6	13.0
Distilled Rectif Blend Bevrg	2085	7.2	18.6	5.6
Bottled-Canned Soft Drinks	2086	6.6	12.4	9.0
Food Preparation NEC	2099	2.3	7.1	8.0
Cigarettes	2111	4.2	14.3	8.2
Cigars	2121	3.2	4.5	16.8
Textile Mill Products	2200	2.1	11.4	4.2
Knitting Mills	2250	2.5	8.7	-9.8
Floor Covering Mills	2270	.8	3.3	-.5
Apparel & Other Finished Pds	2300	2.3	7.8	9.8
Lumber & Wood Products	2400	.3	1.7	7.9
Wood Buildings-Mobile Homes	2450	1.4	7.8	8.1
Household Furniture	2510	2.6	9.0	14.5
Office Furniture	2520	1.6	4.2	11.2
Paper & Allied Products	2800	1.3	5.5	12.1
Convert Paper-Paperbd Pd NEC	2849	1.9	4.3	7.3
Printing Publishing & Allied	2700	1.7	3.7	4.3
Newspapers: Publishing-Print	2711	2.5	5.9	12.3
Periodicals: Publishing-Print	2721	4.0	8.0	5.2
Books: Publishing & Printing	2731	4.0	7.1	8.5
Commercial Printing	2750	1.2	3.4	12.4
Manifold Business Forms	2761	.5	1.2	9.3
Greeting Card Publishing	2771	3.7	8.3	8.3
Chemicals & Allied Prods	2800	1.9	8.1	6.0
Indl Inorganic Chemicals	2810	16.7	40.1	7.8
Plastic Matr Synthetic Resin	2820	.7	2.6	2.7
Drugs	2830	8.9	14.2	3.9
Biological Products	2831	1.8	4.2	13.8
Medicinal Chemical Botanical Pds	2833	1.5	2.6	-26.7
Pharmaceutical Preparations	2834	7.1	11.3	6.9
Soap & Other Detergents	2841	7.9	19.9	6.6
Perfumes Cosmetics Toil Prep	2844	13.1	21.3	7.2
Paints-Varnishes-Lacquers	2850	2.8	7.9	9.2
Industrial Organic Chemicals	2860	.1	.5	9.4
Agriculture Chemicals	2870	.4	1.8	15.6
Misc Chemical Products	2890	2.9	8.0	5.2
Petroleum Refining	2911	.2	.9	4.7
Paving & Roofing Materials	2950	1.2	6.7	-2.4
Rubber & Misc Plastics Prods	3000	2.0	6.6	9.1
Fabricated Rubber Prods NEC	3069	.5	1.4	-14.8
Misc Plastic Products	3079	1.2	4.0	9.4
Footwear Except Rubber	3140	4.5	12.2	4.5
Leather Goods NEC	3199	6.7	18.7	13.1
Flat Glass	3210	.2	.8	21.9
Glass Containers	3221	2.2	5.7	4.5
Structural Clay Products	3250	1.6	4.8	15.8
Concrete Gypsum & Plaster	3270	.2	.8	-8.3
Abrasive Asbestos & Misc Min	3290	1.3	4.8	6.8
Steel Furnaces & Steel Works	3310	2.0	12.5	16.8
Prim Smelt-Refin Nonfer Mtl	3330	-0-	.2	-100
Rolling & Draw Nonfer Metal	3350	.2	1.1	-16.6
Misc Primary Metal Products	3360	.8	2.8	5.2
Metal Cans & Shipping Cont	3410	7.0	22.8	-4.7
Hardware NEC	3429	6.3	12.6	4.4
Heating Equip & Plumbing Fix	3430	2.5	6.8	11.3
Solar Energy Equip & Comp	3437	1.2	3.5	12.9
Fabricated Plate Work	3443	.6	4.5	-5.1
Sheet Metal Work	3444	2.0	9.7	9.2
Prefab Metal Bldgs & Comp	3448	1.0	4.9	8.7
Misc Metal Work	3449	.8	1.9	5.7
Bolts-Nuts-Screws-Riv-Washrs	3452	.8	3.3	4.4
Metal Forgings & Stampings	3460	1.9	7.0	8.0
Ordnance & Accessories	3480	8.7	27.4	1.6
Valves & Pipe Fittings Ex Brss	3494	.9	3.3	8.9
Fabricated Metal Prds NEC	3499	.7	2.5	9.6
Engines & Turbines	3510	1.6	5.8	8.9
Farm & Garden Machinery & Eq	3520	1.4	6.7	7.9
Construction Machinery & Eqp	3530	.6	2.1	9.2
Oil Field Machinery & Equip	3533	.5	1.4	.3
Hoist-Indus Cranes-Monorail	3536	1.7	5.3	15.8
Indl Trucks-Tractors-Trailers	3537	.8	4.1	2.9
Metalworking Industry & Eqp.	3540	4.0	11.4	20.5
Special Industry Machinery	3550	1.4	4.1	8.2
Pollution Control Machinery	3568	.5	2.2	12.4
General Ind. Mach & Eq	3569	1.1	3.8	5.5
Office Computing & Acctg Mch	3570	1.1	1.8	4.5
Refrig & Service Ind Machine	3580	1.8	6.6	7.3
Elec & Electr Mach Eq & Supp	3600	1.7	5.7	2.1
Elec Transmission & Distr Eq	3610	1.0	3.1	13.0
Electrical Industrial Apper	3620	2.8	9.7	9.2
Industrial Controls	3622	1.4	3.7	13.8
Household Appliances	3630	4.3	15.3	8.8
Electrical Lighting-Wiring Eq	3640	1.1	3.3	12.2
Radio-TV Receiving Sets	3651	2.4	6.4	11.3
Phonograph Records	3652	9.1	19.0	-19.1
Tele & Telegraph Apparatus	3661	1.4	4.0	7.2
Radio Tv Transmitting Equipment	3663	.8	2.4	9.9
Search Nvig Guid Sp Eq	3664	1.8	6.4	1.8
Training Equip & Simulators	3665	.9	2.3	-100.0
Alarm & Signal Prods NEC	3669	2.6	6.3	9.6
Commun & Singal Prods NEC	3669	1.0	2.0	12.9
Electronic Components & Access	3670	.7	2.8	-0.4
Semiconductors & Rel Devices	3674	1.1	2.7	10.3
Electronic Components NEC	3679	2.3	6.2	8.3
Electronic Computing Equip	3680	1.4	2.7	9.7
Computers - Mini & Micro	3681	6.5	15.7	16.9
Computers-Mainframe	3682	1.5	2.5	7.8
Computer Terminals	3683	2.1	5.0	9.5
Computer Disk & Tape Drives	3684	.9	4.4	4.5
Optical Char-Laser Scanners	3685	1.2	2.4	18.8
Computer Graphics Systems	3686	1.3	2.4	17.7
Office Automation Systems	3687	2.9	4.5	16.6

Industry	SIC no.	Ad dollars as per cent of sales	Ad dollars as per cent of margin	Annual growth rate (%)
Computer Peripherals	3688	2.1	6.2	12.9
Computer Equipment NEC	3689	2.0	4.8	17.7
X-ray, Electromedical Apparat	3693	1.9	3.4	8.7
Robotics	3695	2.5	9.2	13.4
Electrical Machy & Equip NEC	3699	4.8	14.9	5.8
Motor Vehicles & Car Bodies	3711	1.6	0.0	8.7
Motor Vehicle Parts-Accessor	3714	.5	1.9	8.1
Motor Homes	3716	1.1	6.7	3.9
Aircraft & Parts	3720	1.3	5.5	10.0
Aircraft	3721	.8	4.0	8.5
Aircraft Parts & Aux Equip	3728	.1	.3	37.0
Ship-Boat Building & Repairing	3730	1.8	8.0	15.0
Motorcycles Bicycles & Parts	3750	1.9	9.8	8.9
Travel Trailers & Campers	3792	.8	4.1	11.9
Engr Lab & Research Equip	3811	1.7	3.8	13.5
Measuring & Controlling Inst	3820	2.0	6.5	14.0
Automatic Cntls Envrt & Appl.	3822	-0-	.1	6.8
Industrial Measurement Instr	3823	1.7	3.8	3.4
Elec Meas & Test Instr	3825	1.3	3.0	6.7
Meas & Controlling Dev NEC	3829	1.2	2.5	8.9
Optical Instruments & Lenses	3830	1.9	4.6	15.7
Surg & Med Instruments & App	3841	1.3	3.1	6.7
Ortho-Prosth-Surg Appl & Supp	3842	1.3	3.4	7.1
Dental Equip & Supplies	3843	2.1	4.1	15.4
Opthalmic Goods	3851	3.0	5.8	14.8
Photographic Equip & Suppl	3861	3.7	8.0	4.8
Watches Clocks & Parts	3870	1.6	5.4	.3
Jewelry-Precious Metals	3911	1.8	6.4	28.3
Silverware-Plateware	3914	2.5	9.8	2.0
Musical Instruments	3931	3.9	21.6	-0-
Toys & Amusement Sport Goods	3940	10.0	23.0	19.4
Pens-Pencil & Oth Office Mat	3950	5.3	12.2	8.4
Misc Manufacturing Industries	3990	3.6	8.4	8.2
Intercity & Rural Hywy Trans	4131	5.3	71.8	7.2
Trucking-Local & Long Distance	4210	2.4	12.4	17.5
Water Transportation	4400	.1	.2	.9
Air Transportation-Certified	4511	2.0	12.5	8.1
Transportation Services	4700	4.5	13.1	6.3
Telephone Communication	4811	1.4	4.0	-1.8
Telegraph Communication	4821	1.2	4.0	12.9
Radio-TV Broadcasters	4830	3.8	9.9	11.1
Communications Services NEC	4890	2.3	8.1	7.8
Cable Television Operators	4891	2.3	4.0	8.3
Telephone Interconnect Sys	4892	1.3	4.9	20.5
Natural Gas Transmis-Distr	4923	-0-	.1	24.3
Sanitary Serv	4950	.7	2.3	90.1
Whsl-Autos & Parts	5012	4.5	17.9	8.7
Whsl-Lumber & Constr Matl	5030	1.0	2.7	15.2
Whsl-Sporting & Recrea Goods	5040	2.5	9.3	4.4
Whsl-Metals & Minerals	5050	.1	.6	10.4
Whsl-Elec Apparatus & Equip	5063	.1	.3	21.3
Whsl-Elec Appliance TV & Radio	5064	6.6	18.1	8.8
Whsl-Electronic Parts & Equip	5065	2.6	9.5	8.6
Whsl-Hardwr Plum Heat Equip	5070	4.8	31.9	7.3
Whsl-Machinery & Equipment	5080	2.0	.4	.7
Whsl-Durable Goods NEC	5099	5.0	17.0	14.4
Whsl-Drugs & Proprietary	5120	.7	4.4	1.0
Whsl-Groceries & Related Pds	5140	1.3	10.8	9.8
Whsl-Petroleum & Petro Pds	5170	.2	1.5	20.1
Whsl-Nondurable Goods NEC	5199	1.8	8.9	13.8
Retail-Lumber & Bldg Mat	5211	2.7	12.7	12.2
Retail-Mobile Home Dealers	5270	1.3	4.4	54.6
Retail-Department Stores	5311	3.5	14.6	9.1
Retail-Variety Stores	5331	2.4	8.8	10.1
Retail-Grocery Stores	5411	1.4	5.7	7.1
Convenience Stores	5412	.4	1.8	16.5
Retail-Auto Dealers & Gas Stat	5500	1.6	6.1	7.5
Retail-Apparel & Acces Store	5600	2.5	6.4	15.2
Retail-Womens Ready To Wear	5621	2.9	.6	18.9
Retail-Shoe Stores	5661	2.2	6.1	.8
Retail-Furniture Stores	5712	5.8	14.9	21.8
Retail-Hshld Appliance Store	5722	5.7	19.0	15.3
Retail-Radio Tv & Music Str	5730	4.8	14.7	19.2
Retail-Eating Places	5812	3.7	17.4	11.3
Retail-Drug & Proprietr Stores	5912	1.4	5.4	10.8
Retail-Jewelry Stores	5944	6.2	13.7	7.1
Retail-Sewing & Needlework	5949	3.8	8.1	10.2
Retail-Mail Order Houses	5961	13.2	36.7	8.1
Retail-Auto Mdsng Mach Oper	5962	1.3	2.2	5.1
Retail-Fuel & Ice Dealers	5980	.7	3.8	-1.5
Retail-Computer Stores	5995	2.9	10.7	27.3
Retail-Stores NEC	5999	4.2	11.4	12.0
Savings & Loan Associations	6120	.7	1.9	14.1
Personal Credit Institutions	6140	1.8	3.1	10.1
Business Credit Institutions	6150	.2	.3	8.0
Finance-Services	6199	2.5	10.4	13.8
Security & Commodity Brokers	6200	.6	5.8	6.7
Insurance Agents Brokers & Serv.	6400	.8	2.9	-.5
Real Estate	6500	1.5	5.1	15.3
Operators-Nonres Bldgs	6512	3.3	6.5	11.0
Operators-Apartment Bldgs	6513	.7	2.2	-19.0
Real Estate Agents & Mgrs	6531	1.7	4.6	18.5
Real Estate Dealers	6532	1.4	3.9	34.4
Subdivid Develop Ex Cemetery	6552	2.6	10.4	10.4
Patent Owners & Lessors	6794	3.5	16.0	5.9
Real Estate Investment Trust	6798	3.0	7.9	19.3
Hotel-Motels	7011	3.5	12.7	13.6
Serv-Personal	7200	7.5	20.8	14.3
Serv-Advertising Agencies	7311	.1	.2	3.7
Credit Reporting Agencies	7321	1.7	7.9	6.6
Serv-Clean & Maint to Bldg NEC	7349	1.5	8.5	-22.2
Personnel Supply Services	7360	1.9	8.1	2.3
Serv-Computer & Data Process	7370	1.4	3.3	9.2
Serv-CMP Program & Software	7372	2.8	7.2	17.1
Serv-Data Processing Svcs	7374	.9	2.9	7.0
Serv-Computer Rel Svcs NEC	7379	1.5	2.1	10.3
Serv-Research & Developmnt Lab	7391	1.3	15.0	23.2
Serv-Mgmt Consulting & PR	7392	.2	.8	6.3
Serv-Detective & Protective	7393	1.2	5.0	7.7
Serv-Equip Rental & Leasing	7394	2.5	5.1	3.2
Photofinishing Laboratories	7395	4.7	11.7	-1.9
Commercial Testing Labs	7397	2.3	7.6	28.9
Serv-Business Services NEC	7399	4.2	9.7	7.9
Serv-Automotive Repair & Ser	7500	3.4	9.2	11.1
Serv-Motion Picture Productn	7810	9.0	30.2	-13.7
Serv-Motion Picture Theatres	7830	4.1	18.2	8.9
Serv-Racing Incl Track Oper	7948	4.4	20.4	12.5
Serv-Misc Amusement & Recrea	7990	4.7	15.7	11.9
Serv-Nursing-Person Care Fac	8050	1.1	6.3	9.0
Serv-Hospitals	8060	3.2	12.0	18.1
Medical & Dental Labs	8070	.6	1.5	-10.3
Outpatient Care Facilities	8081	1.6	10.5	30.5
Health & Allied Services NEC	8091	1.3	3.3	4.1
Serv-Educational	8200	4.1	10.2	-11.5
Serv-Engineering & Architect	8911	1.1	3.6	18.8

Special Report

Women and the Auto Market

Unlocking mystery surrounding consumer category

By Julie Candler

Now that automotive marketers have a picture of the female consumer in mind, they're finding she has an enigmatic smile.

What does she want? Economy or performance cars? Targeted, soft-sell promotions or low-cost financing? Ads addressed directly at her or a nonsegmented approach?

It's easy enough to read research reports that say women influence between 70% and 80% of all car purchases in the U.S. The difficult part is figuring out how to tap into that market.

Difficult, maybe, but critical. Industry researcher J.D. Power predicts that in the next five years, the U.S. auto industry faces the toughest competition in its history as it grapples with a continuing influx of imports and consumer resistance to price increases. Among marketers, he says, the eventual winners might be those who gain women buyers' loyalty.

Detroit-based Julie Candler is a frequent contributor to Special Report.

Women want cars with style

Major reasons for buying a car

	% of *McCall's* female subscribers
Appearance/styling	62.2%
Comfort	52.3
Gas mileage	50.1
Price	48.5
Handling	47.6
Previous experience with manufacturer	33.4
Safety	28.9

Source: *McCall's* 1986 subscriber survey

It's already clear that women can make or break individual car models. According to Motor Vehicle Manufacturers Assn. statistics, women buy 69% of Nissan Pulsars, 62% of Cadillac Cimarrons, 60% of Toyota Corolla SR5s, Plymouth Turismos and Pontiac Fieros and 58% of Ford Escort EXPs. They also buy more than half of Nissan Sentras, Pontiac 1000s, Sunbirds and Grand Ams, Oldsmobile Calais and Toyota Corollas and Celicas.

"It's growing in intensity. As a force it's so powerful that it is time to do something about it," says A.C. "Bud" Liedler, general marketing manager for Detroit-based Chrysler Corp.'s Chrysler-Plymouth division.

In addition to separate ad campaigns, car marketers are targeting women through shifted media buys, dealer training and special promotions. These strategies are part of a pursuit

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Unlock mystery

(Continued from Page S-1)

pursuit of women buyers that has been accelerating every year since 1975, when women bought 29% of all vehicles.

In 1985, women spent $46 billion to buy 4.6 million of the 10.8 million cars sold in the U.S., according to Edsel B. Ford II, general marketing manager at Ford Motor Co.'s Lincoln-Mercury division, Detroit.

By 1990, females will account for 44% of all sales, say the automotive market researchers at J.D. Power & Associates, Westlake Village, Cal. Others project females will be half the market by then.

A 249-page Conde Nast Publications' survey published this month concludes that women play a role in 87.5% of all automotive purchases. The survey, by Significance Inc. of Ridgewood, N.J., reports that women buyers typically are employed fulltime, younger and more likely to be single than males who buy.

The Conde Nast report suggests that although women may buy the same cars as men do, their reasons frequently are different. They buy small cars for economy of maintenance and mileage as well as purchase price. Because many women lack repair skills, they are concerned about dependability.

Women buy more imports than males, largely because they perceive them as dependable and worry-free. And because they rely heavily on friends' advice, their influence extends beyond their own purchases.

But one of the main tenets of the Conde Nast study is that female buyers cannot be viewed as a homogeneous group. The study, which divides women buyers into six categories, says auto marketers must employ segmentation in reaching these consumers.

Conde Nast says the largest group, the "value seekers," accounts for one of every five female car buyers. The other five groupings, in order of size, are the driving enthusiasts, domestic budget-minded, comfort seekers, affluent luxury seekers and the voluntary minimalists.

An example of the accelerated pursuit of women customers is supplied by Robert B. Jarboe, director-marketing at Detroit-based General Motors' Oldsmobile division. Preliminary plans call for 63% of Oldsmobile 1987 model year ad budget to go to prime-time tv. Shows bought will have an audience richer in females (53%) than males.

Another 27% of the budget, spent in magazines, this year will be split evenly between traditional men's books such as *Sports Illustrated* and magazines, including *People*, with larger female readerships. Pages in women's books such as *Cosmopolitan* and *Redbook* will total 32, up about 25% from last year.

Another 4% of the budget is expected to go to the nation's top newspapers, including *USA Today*.

Women buy 37% of all Oldsmobiles. But because so many of the division's models are appealing to buyers 50 and older, the company is targeting professional and managerial working women 25 to 54 years old and putting a bit more emphasis on dependability in over-all ad themes.

Many auto marketers and industry observers say the best approach is to include women in ads without creating a separate marketing campaign. That philosophy has been a cornerstone of marketing policy for Toyota, Nissan, Mazda and Honda, importers whose success with women buyers has kept thousands of small Japanese cars steaming toward U.S. shores *(see accompanying chart)*.

It's worked for European companies, too. In 1987, for the first time, ads for Volkswagen of America, Troy, Mich., will show people, departing from the product-as-star tradition. "They will be equally divided between males and females, not as an overt attempt to solicit one market segment but to show a different variety of people who buy VWs," says Ron Dusenberry, national advertising manager for Volkswagen. "The ads will be very upscale, not condescending or patronizing." DDB/Detroit, Troy, Mich., handles.

The nonsegmented approach also has worked well for domestic marketers. Women comprise 44% of all buyers for GM's Pontiac Motor division, and the sporty Fiero leads the U.S.-based companies in its ability to attract consumers who previously bought foreign models.

"In demographics, we are moving right in with the buyers of imports," says Bill Heugh, Pontiac manager-marketing. "Now 48% of our buyers are under age 35, while at Toyota it's only 44%. We figure when you go after young, high-spirited people you capture males and females, whoever is out there buying products. The importers were into that idea a lot earlier."

Says Mark Gjovik, management supervisor for Pontiac at D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., "We strongly disagree with the strategy where you feminize advertising for the woman buyer. Anytime women sense 'This is an appeal because I'm a woman,' I think they get suspicious and offended. It's condescending."

Pontiac ad manager Charlene Curry says, for example, both males and females responded positively to the 1986 tv commercial featuring a mother whose teenage son encourages her to buy a sporty red Sunbird.

But while the nonsegmented approach has been successful for Pontiac, some experts disapprove. Jayne Hamilton, consultant on the women's market and president of Market Development Associates, Bloomfield Hills, Mich., says she doesn't understand why cars should be treated differently from other products—tobacco and clothing, for instance—featured in ads prepared specifically for the women's magazines. "Products advertised in *Vogue* and *Cosmopolitan* are never generically discussed," she says. "You need to talk to women."

J.D. Power & Associates research director Charles Shillingburg agrees. "Women want more information on cars and they don't feel they are getting it," Mr. Shillingburg says. "According to our research, a sizable proportion of women would like to see women's magazines provide more informative articles or advertising. We intend to investigate the types of information they would want. Our guess is that it would be different from what men want."

Mr. Shillingburg's theory is that, as often is said of package goods, "Men buy and women shop," and therefore women ask for more information before making a decision.

"Some car makers have very high proportions of women buyers and they shouldn't be ignoring it," he says. "They should be pointing out the benefits to women. I think they need a separate campaign and a separate media plan." He recommends buys in women's books because "that's what they read."

Media buys for 1987 models show that many car marketers agree with his assessment. "We are looking at some specific women's magazines," says Ms. Curry at Pontiac. "We know most of our competition is out there making a concerted effort [to attract women buyers] and we want women to know that we care, too."

GM's Chevrolet division in the 1986

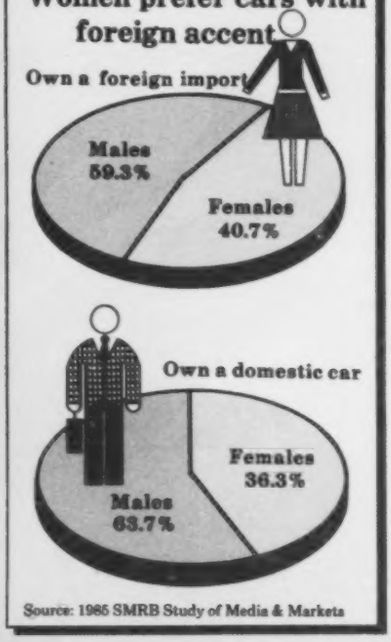
(Continued on Page S-6)

Conde Nast puts the pieces together

Value seekers—These women want it all. They are aggressive drivers and like cars with great pickup, yet they will watch the price. Japanese name plates score well with them, although they do like Dodges. Most are single, average age 29, working fulltime and have attended college.
Comfort seekers—The oldest purchasing group, these women are very conservative when purchasing an automobile. Most are retired, and few attended college. They try to save money and look for rebates. They prefer larger domestic cars, including Oldsmobiles and Buicks
Driving enthusiasts—Life in the fast lane: These women like sports and gambling, and are keenly interested in their cars. They are single, 30-35 and prefer American performance cars such as Pontiacs, Chevys and Dodges.
Affluent luxury seekers—With household incomes $20,000 higher than the average, these women are the big spenders. They will not hesitate to spend money on an expensive European import. Most are married and work fulltime in a professional position. Average age is 41. They don't buy as many American cars as Detroit could wish.
Voluntary minimalists—These women choose to spend as little time as possible thinking about cars. Most are married, well-educated, white-collar workers with an average age of 40. They prefer Chevys, Fords, Plymouths and AMCs.
Budget-minded—These consumers are family-minded homemakers. Their average age is 43 and very few have attended college. If they work, they hold clerical or factory positions. They love American cars—Fords, Chevys and Oldsmobiles—and stay away from foreign models.
MARKET
Ellis

Source: 1986 Conde Nast Report

Women prefer cars with foreign accent



Source: 1986 SMRB Study of Media & Markets

Reliability key to imports' success with women

Car purchased has reputation for being dependable

	Agree completely	
	Females	Males
Total	41.5%	35.3%
Own a foreign car	63.1%	47.4%
Own a domestic car	36.2%	33.0%

Car purchased is "worry-free"

	Agree completely	
	Females	Males
Total	44.1%	37.6%
Own a foreign car	58.3%	42.6%
Own a domestic car	42.1%	34.0%

Source: 1986 Conde Nast Report

"Word of mouth" advice speaks well with females buying cars

	Females	Males
Car purchased was "recommended by someone I know"	31.0%	24.3%
Foreign car purchased was "recommended by someone I know"	43.3%	36.3%
Domestic car purchased was "recommended by someone I know"	27.3%	21.1%

Source: 1986 Conde Nast Report

Cadillac and *Vogue* engineer stylish promotion

By Raymond Serafin

Where marketing to women is concerned, Cadillac is in *Vogue* —to advertise a mall promotion it is conducting with the help of Conde Nast Publications' fashion monthly.

In a pilot program that began March 25, General Motors Corp.'s luxury division has teamed up with New York-based *Vogue* to present a multimedia fashion and car display in upscale shopping malls. High-fashion murals attract women shoppers to kiosks, where the ultra-soft sell includes a computerized light and sound show about the $26,000 Seville Elegante and an offer to test drive the car.

> ***"Seville lends itself to an association with high fashion."***
> **John Grettenberger Cadillac**

"The women we're trying to attract are interested in high fashion and have the wherewithal to attain it," says John O. Grettenberger, GM vp and general manager for Detroit-based Cadillac. "*Vogue* is extremely well-respected by them.

"And Seville lends itself to an association with high fashion."

Norman Waterman, *Vogue* associate ad director, calls the matchup "an ideal demographic situation. Women come to *Vogue* for ideas on how to live their lives with style."

Dubbed "Cadillac expressions with viewpoints from *Vogue*," the program is designed to entertain as well as to inform. A continuous three-screen audio-visual presentation presents a *Vogue* program on contemporary women's life styles, while interactive video booths offer consumer tips on health, beauty, fashion and automobiles.

While Cadillac developed and funds the promotion, the magazine maintains control over the photos and editorial matter.

A sweepstakes offers prizes, including a $500 shopping spree at the mall and a "fashion week" in Paris valued at $5,000. All who test drive a Cadillac receive a complimentary tote bag.

"The sweepstakes gives us a contact point to assess further interest," says Peter Levin, Cadillac director-merchandising. The names of those women who do show interest are forwarded to a telemarketing company that sets up appointments for test drives at dealerships.

The Seville is one style Cadillac would like *Vogue* readers to use to express themselves.

"This is a recognition that going to an automotive showroom is not always the most pleasant thing in a woman's life," Mr. Levin says. "We're trying to reach out to women in a relaxed, positive environment."

Mr. Grettenberger says the program represents Cadillac's first effort aimed exclusively at women.

Company statistics show that about one-third of the principal drivers of the Seville, redesigned as a front-wheel-drive car for 1986, are women. Cadillac officials believe higher visibility in women's circles could boost that figure to 50%.

The display, which debuted at Phoenix's Biltmore Fashion Park, stays in a mall four to five days. According to Mr. Levin, 70% of the women surveyed thus far have said the program improved their image of Cadillac.

In addition to national and regional ads in *Vogue*, Cadillac gives dealers ad slicks and radio scripts to promote the mall displays. Cadillac agency D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich., handles.

Mr. Grettenberger says Cadillac likely will continue the show in some form after its 23-week pilot run in western states. The division is considering expanding the program. Variations under consideration include: Adding the Allante, a $50,000 two-seat convertible designed by Italian stylist Sergio Pininfarina, to displays; developing a separate program for medium-size markets, and preparing a program for use exclusively in dealerships.

Cadillac and *Vogue* drove right into the mall for a promotion designed to entertain and inform.

Unlocking category mystery

(Continued from Page S-4)

model year ran an eight-page "Women in Motion" advertorial insert in eight issues of *Cosmopolitan*. Editorial pages featured a fitness topic; only the ads addressed automotive subjects. Four sections contained a preapproved credit application.

"We probably won't do as large a campaign in any one magazine for '87," says Jane Hammond, chairwoman of Chevrolet's Women's Marketing Committee, which, like a group at Chrysler, helps develop strategies for reaching women.

Unlike Pontiac, however, since 1981 Chevrolet has been addressing ads directly to women in magazines such as *Working Woman*. In tv spots, Chevy replaced some sports buys with more female-audience prime-time programing.

Mr. Ford emphasizes that Lincoln-Mercury, too, recognizes the importance of the women's market. While he once doubted the value of women's books, the division this spring announced a schedule of ads in books such as *Ms.*, *Savvy* and *Working Woman*.

And although their success with female buyers has been credited to nonsegmented advertising, many importers also are targeting media buys to women.

Now that women account for more than 40% of American Honda Motor Co. sales, advertising to them will be "a little more aggressive," says Gerry Rubin, president of Rubin, Postaer & Associates, Los Angeles, agency for the Gardena, Cal.-based company.

This month, when Honda dealers gather in Reno, Nev., to see new model cars, they will view a videotape featuring Gloria Steinem, *USA Today* publisher Cathleen Black and four leading Honda dealers discussing marketing to women.

Nissan Motor Corp. U.S.A., Torrance, Cal., will decrease its tv sports buys to make room for programs that attract more female viewers, says Terry Foutz, national car ad manager.

But he cites focus-group research showing that women don't want to be singled out. "They want to be treated as intelligent consumers who have the money to make their own choices."

Women are the subject of promotions

Although advertising seems to attract the most attention, U.S. auto marketers are using a variety of promotions designed with women buyers in mind.

- Chevrolet's first extensive campaign targeting women, launched in the 1986 model year, included a series of two-day "Strategies" career conferences in major markets. Featuring celebrities like Barbara Walters in addition to Chevrolet product displays, the first six meetings drew 15,000 visitors. The company predicts 100,000 will have attended by the summer of 1987.
- Women buy 43% of the cars sold by Chrysler Corp., where corporate vps appoint 20 men and women to the company's Advisory Committee on the Women's Automotive Market.

Chrysler chairman Gerald Greenwald outlined specific programs targeting women in a May speech to women's magazine editors and writers. "AutoInfo," in-depth discussions by sales, service and product experts, will be held in major markets, with three scheduled for this year. In addition, "Right from the Start" evening workshops are designed to introduce recent buyers to dealer service personnel, who outline maintenance basics.

Plymouth also is spending $1 million this fall in a joint promotion with New York-based Cosmair's L'Oreal cosmetics. Chrysler-Plymouth's general marketing manager, A.C. Liebler, says 18,000 retail outlets will have promotional materials. The campaign features the company's new Sundance model and L'Oreal's new Sundance lipstick and nail enamel.

Ads in the September issues of *Cosmopolitan*, *Glamour* and *Working Woman* kick off a giveaway of 10 cars and trips to New York for L'Oreal makeovers. Sundance ads will run next month.

Mr. Liebler adds that Chrysler-Plymouth will test "American Women's Life" conferences in Atlanta and Philadelphia, featuring local authorities, psychologist Sonya Friedman as moderator and celebrity keynoters.

- Instead of conferences, both Lincoln-Mercury and Ford divisions set up product displays and offer free test drives at national conventions that draw young career women.

Other Ford Motor Co. appeals to women include a free car-buying reference guide, "Car Buying Made Easier." L-M also is developing shop-at-home video-cassettes. Available free, they contain nine-minute clips about the company's nine car lines.

At its recent new model introduction for dealers in Century City, Cal., the division presented optional seminars on attracting women customers.

- American Motors Corp. formed a Women's Task Force in 1985. The nine members offer new-product evaluations and travel to major cities for radio, tv and newspaper interviews. They discuss Renault passenger cars and the advantages for women of four-wheel-drive vehicles such as AMC's Jeep Cherokee and Wagoneer sport utility models, 19.5% of which were purchased by women in 1985.

—Julie Candler

Sponsors who think big can turn special events into banner events

When Paul Britten thinks outdoor advertising, he thinks *big* outdoor advertising. Not just little dinky billboards, but 1,000-ton banners that cover the side of an office building or a football field.

Britten, president of Britten Banners, Washington, D.C., formed the company in January to design and sell outdoor advertising ideas to corporate sponsors of special events. He became interested in outdoor advertising as an architecture student at the University of Detroit. By the time he graduated in 1985, he'd designed two banners for General Motors Corp.

Using a special process of nylon-reinforced paper that makes the banner lightweight and durable, Britten first designed a football field-size Christmas card. "Santa's sleigh is a Chevrolet" was emblazoned on the banner positioned across a GM building. Another GM sign showed the Detroit Tigers and GM logos, with the theme, "Two No. 1 Teams."

Britten's main project in Washington thus far has been a $75,000 "birthday card" for the Statue of Liberty's 100th anniversary measuring 135 ft. by 95 ft. It hung for four days on the downtown building of its corporate sponsor, Perpetual American Bank.

"It's a pr stunt, but stunts like this work," Britten says. "It's an interesting outlet for corporations. Even though the banners are only up for a week, everyone remembers them—unlike the common billboard, which may be up for two years and no one notices it."

Britten likes to tie banners to special events such as the Constitution's upcoming bicentennial, the 1988 Olympics or the International Congress of Large Dams. He then finds corporate sponsors—not always the easiest sale in the world. He had wanted to hang the Liberty card near New York's Battery Park but couldn't obtain a New York backer.

But Britten knows he has something special to offer. "Our motto," he says, "is if you have something big to say, say it big."

Janet Meyers

Britten Banners 1986

Britten Banners' Christmas card covering Chevrolet headquarters in Warren, Mich., was as long as a football field.

Fashion's brought to its knees with a new fanciful accessory

Designer knee pads seem an unlikely idea. But Stewart Seidman, president of J.J. Gams, New York, has already sold 1 million pairs of Kid Knees and Trend Knees, fanciful fashion knee pads with an average price of $5 a pair.

Now available in such diverse emporiums as Bloomingdale's, Macy's, K mart, Venture Stores and Kids 'R' Us, the hand-washable knee pads can double as elbow pads too. Although they're stitched together with a Velcro-fastened back pocket for storing keys or money, Kid Knees are hardly utilitarian. In fact, a disclaimer on the package states the pads should not be used "for protective purposes or as a medical device."

The knee pads are attention-getting accessories that J.J. Gams hopes will become as much a part of a child's wardrobe as socks and as valued as trading cards. Embellished with glitter or characters like Ghostbusters, Slime Ghost and Mad Balls, the pairs of pads can be split up and traded off with friends for other designs.

Kid Knees even have a bit of Hollywood behind them and will be worn by junior players on fall episodes of "Who's the Boss," "Different Strokes" and "Mr. Belvedere."

Also in the works are promotional tie-ins with Ralston-Purina and McDonald's.

Think of it as "a mini t-shirt with a message," Seidman says.

Pat Sloan

Ralph Snart currently is tied up, but his wacky mind is unbound

Have you ever had one of those days? You know the kind. Those days when if just one more thing goes wrong, if the boss says just one more stupid thing, you're going to go over the edge for real. They'll have to take you away to the funny farm.

Take a deep breath and pick up a copy of "Ralph Snart Adventures," a new comic devoted to the delusions of an accountant who went over the edge ahead of you.

A combination of art styles influenced by "Mad" magazine of the 1950s and 1960s (particularly "Mad" artist Don Martin) and the underground "comix" of the late 1960s and 1970s (particularly the infamous R. Crumb), "Snart" is pure satire, aimed at sophisticated adult audiences. The comic pokes fun at media images, office politics, feminism and just about everything else as crazy Ralph dreams up wild adventures from the comfort of his straightjacket in the Montgomery Home for the Really Insane.

The product of comic artist Marc Hansen, a former designer for advertising graphics house Grazziano, Kraft & Zale, "Snart" was originally published as a three-issue black and white miniseries by Chicago-based NOW Comics with a limited press run of about 15,000 copies distributed through direct sale comic shops around the country.

Fans took to the book immediately, and even though the creator had planned to end with the miniseries (and the eventual cure of poor Ralph), it looks like a long stay in the looney bin for the hero.

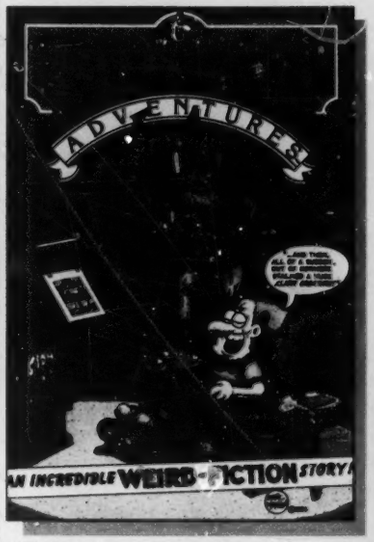
"Ralph has a lot of appeal," explains NOW publisher Tony Caputo. "He's just like you and me. He had one bad day too many at the office and just snapped. Everyone identifies."

"Ralph Snart Adventures" begins monthly publication in October with 28 pages of story and art for $1 with immediate distribution in comic specialty shops and eventual distribution through chain bookstores including Waldenbooks and B. Dalton, Caputo says.

" 'Snart' is not the usual kid's comic book," he adds. "Although it can be read by a younger audience, it is really for and about adults, and it should be distributed where adults can find it."

Also coming for Christmas is the "Ralph Snart Adventures" graphic novel in full color, and after the success of a one-of-a kind Ralph Snart soft sculpture at a recent Chicago comic convention, possibly a Snart doll that you can straightjacket in the privacy of your own home.

Len Strazewski



"Ralph Snart Adventures" chronicles the delusions of an accountant who just couldn't take it anymore.

New York banks add a personal touch to automated services

Cash machines are getting friendlier.

Citibank, for example, has units that are bilingual and "speak" English and Spanish, while banks such as Chemical and Manufacturer's Hanover in New York are trying make money more accessible to all their

Braille instruction plates placed over Chemical's automatic teller machines make the atm process easier for the bank's blind customers.

The hot seats

"Currents" takes a look at the latest concert scene with a listing of the top 10 concert draws for the past month.

Headliner, supporting acts	Venue, city, dates	Total attendance (capacity), No. of shows	Promoter or sponsors	Gross ticket sales
1. Neil Diamond	Madison Sq. Garden, New York, July 24-31	152,319 (19,039) 8 sellouts	Delsner Ents.,	$2,927,835
2. Neil Diamond	Greek Theatre, Los Angeles, August 14-28	84,674 (6,048) 14 sellouts	Nederlander, Miller Beer	2,374,884
3. Van Halen, B.T. Overdrive	Centrum, Worcester, Mass., Aug. 11-12, 14-15	48,500 (12,125) 4 sellouts	Don Law Co.,	762,386
4. ZZ Top, Honeymoon Suite	The Forum, Inglewood, Cal., August 14-16	43,721 (14,573) 3 sellouts	Beaver Prods.,	758,903
5. ZZ Top, Honeymoon Suite,	Cow Palace, San Francisco, August 8-10	40,959 (13,653) 3 sellouts	Beaver Prods.,	708,708
6. ZZ Top, Honeymoon Suite	The Summit, Houston, August 25-27	39,968 (13,322) 3 sellouts	Beaver Prods.,	699,440
7. Van Halen, B.T. Overdrive	The Spectrum, Philadelphia, August 4-6	46,774 (15,591) 3 sellouts	Electric Factory	691,523
8. Van Halen, Loverboy, B.T. Overdrive	Exhibition Stadium, Toronto, Canada, August 19	30,799 (35,000)	Concerts Prods., Molson Tour '86	634,459
9. Bob Seger, Fabulous Thunderbirds	Riverbend Theatre, Cincinnati, August 18-19	34,000 (17,000) 2 sellouts	Nederlander, Miller Beer	507,610
10. Van Halen, B.T. Overdrive	Capital Centre, Landover, Md., August 8-9	31,071 (16,000) 2 shows	Cellar Door	497,136

Source: *Amusement Business*

Hair-restorer drugs brush with the FDA

By PAT SLOAN

New York—At least three marketers are expected to bring out new products next year that claim to replace thinning hair.

Upjohn Co., Kalamazoo, Mich., is expected to introduce Regaine, a hair-restorer drug that still has not received Food & Drug Administration approval.

Wayne, N.J.-based American Cyanamid's Lederle Laboratories has an experimental compound called viprostol in preliminary clinical tests and reportedly is working on a second nonprescription hair-regrowth product. Viprostol also has not been approved by the FDA.

Crinos International SpA, a drug and cosmetic company based in Como, Italy, expects by early 1987 to import Foltene, a hair-regrowth product it already markets in Europe and Canada.

Foltene, however, will be positioned as a hair preparation "to keep your hair stimulated and healthy looking," according to Alan Klein, president of International Partnerships, a New York and Paris-based consultancy specializing in multinational acquisitions and licensing agreements, which is handling Foltene's search for a U.S. distributor. IP was a division of Foote, Cone & Belding until Mr. Klein spun it off in 1984.

The hair-preparation designation would make Foltene a cosmetic, and would not need FDA approval as a prescription drug. Product packaging and advertising will make no reference to actual hair regrowth. However, the company plans a publicity effort to encourage discussion in consumer articles of Foltene's properties of hair regrowth and prevention of further hair loss—claims the product does make in its European advertising.

Introduced in Europe five years ago, Foltene became the "third-largest-selling product in all categories of goods sold in French pharmacies" within the first three years, according to Mr. Klein. Toothpaste was first and Biotherm, L'Oreal's skincare line, was second.

"In every country where it's sold, it has consistently ranked within the top 10 products according to IMS audits," he said.

No agency has been named for Foltene which at $32 per box of 10 vials—a typical recommended treatment would call for two boxes initially and then one every six months—is priced much less than Regaine, the cost of which is expected to exceed $85 a month.

Though Upjohn Co. has to receive FDA approval for its long-awaited hair restorer lotion, financial analysts still expect the drug marketer to introduce Regaine sometime next year. Analysts are projecting $200 million in sales during the first year against an initial target market of 2 million men. Klemtner Advertising, New York, handles Regaine, the brand name for Upjohn's minoxidil compound, which will be available only by prescription. Minoxidil has been approved for prescription sale in Canada.

Though its competitors are saying Lederle will have its product out by 1987, a Lederle spokesman countered, "That's impossible. There's no way. We still have to get Food & Drug Administration approval."

One analyst, who wished not to be identified, said no approval is likely for viprostol before the end of the decade. However, he said Cyanamid might take a version of the active drug in combination with a placebo and position it as a hair-regrowth cosmetic, instead of a drug, so that it could be sold without prescription.#

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Coffee market shares

If you look at the market share percentages coffee makers hold, the dominance of a few becomes evident. Source: John C. Maxwell Jr.

	1981	1982	1983	1984	1985
Regular coffee					
General Foods					
Maxwell House*	20.2	19.5	19.0	18.6	18.8
Master Blend	5.2	6.9	7.5	8.0	9.0
Sanka	3.5	3.7	3.9	4.7	4.6
Max-Pax & Brim	3.2	2.8	2.7	2.6	3.2
Yuban	1.6	1.3	1.0	0.7	0.6
Mellow Roast	0.8	0.6	0.5	0.4	0.3
Total	34.5	34.8	34.6	34.4	36.5
Procter & Gamble					
Folgers	24.0	23.6	24.9	26.2	27.0
Hills Brothers					
Hills Brothers	6.0	6.7	7.4	8.1	8.4
Chock Full O'Nuts	4.2	4.2	5.0	5.8	5.4
Coca-Cola					
Butternut	1.8	1.7	1.5	1.4	1.5
Maryland Club	1.0	1.0	1.0	1.0	1.0
Total	2.8	2.7	2.5	2.4	2.5
Subtotal	71.5	72.0	74.4	76.9	79.8
All others	28.5	28.0	25.6	23.1	20.2
Grand total	100.0	100.0	100.0	100.0	100.0
Instant coffee					
General Foods					
Maxwell House	22.2	22.5	22.5	22.9	23.7
Sanka	10.2	10.2	10.1	10.0	9.8
Brim	3.9	4.1	4.3	4.0	3.4
Maxim	3.3	2.8	2.6	2.4	2.3
International Coffees	1.1	1.3	1.6	1.9	2.0
Freeze-Dried Sanka	2.3	2.2	2.1	2.0	1.8
Yuban	1.0	0.8	0.6	0.5	0.4
Mellow Roast	1.5	0.8	0.5	0.3	—
Total	45.5	44.7	44.3	44.0	43.4
Procter & Gamble					
Folgers	11.0	12.0	12.5	13.0	13.3
High Point	5.3	5.5	5.1	4.0	3.4
Decaffeinated Folgers	—	—	—	2.0	2.6
Total	16.3	17.5	17.6	19.0	19.3
Nestle					
Taster's Choice 100% Coffee	9.2	9.3	9.5	9.7	9.8
Taster's Choice Decaffeinated	5.7	5.8	6.1	6.4	6.6
Nescafe Regular	7.2	6.5	6.1	5.7	5.5
Nescafe Decaffeinated	2.2	2.1	2.2	2.3	2.1
Sunrise	1.8	1.8	1.8	1.6	1.2
Decaf	0.5	0.4	0.3	0.2	—
Total	26.6	25.7	25.8	25.9	25.2
Borden					
Kava	1.1	1.0	0.9	0.8	0.7
Subtotal	89.5	88.9	88.6	89.7	88.6
All others	10.5	11.1	11.4	10.3	11.4
Grand total	100.0	100.0	100.0	100.0	100.0

*Electra-Perk is roughly 6% all years.

Changing tastes grinding away at coffee sales

By JOHN C. MAXWELL JR.

For over 20 years, the coffee industry has had a long-term decline, though the last few years have shown a flattening trend. However, we continue to believe the trend toward cold and sweet drinks and away from hot and acrid drinks will continue to have adverse ramifications on the coffee industry for the foreseeable future.

There are those who believe the industry can do three things to possibly overcome some of these trends. The first is to raise the quality of the product, particularly in the ground area. The second is to offer more products and further segments in the industry, such as the soft-drink industry has done, so there is something for everyone's taste. Last, but not least, an advertising program to further elevate the image of coffee might be put into place. A recent study shows that 80% of the people in their 20s in 1963 drank coffee. This percentage is now down to 40%.

As was the case in the past, decaffeinated coffee appears to be the growth area in 1985. This ties in with the health syndrome of the 1980s, helped by the aggressive advertising of caffeine-free products in the soft-drink industry. In the last few years there seemed to be a trend toward soluble coffee, but this appears to have flattened out, probably because of the big jump in price. In the market-share game, General Foods continues to move ahead in the regular-coffee area, but lost slightly in the instant area *(see above)*.#

Mr. Maxwell is with Furman Selz Mager Dietz & Birney, New York.

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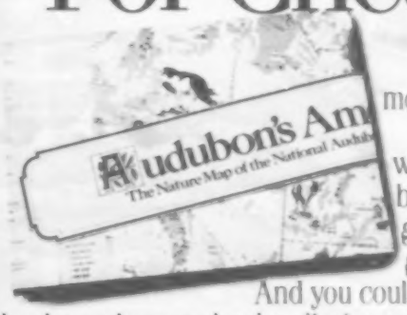

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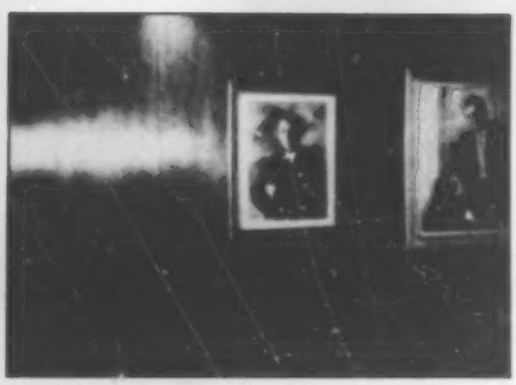
BATES PURGE



Off the wall

Missing portrait at Ted Bates Worldwide's headquarters is that of Robert Jacoby, who took the painting after a meeting with Saatchi execs from London. Remaining portraits are (from left) Ted Bates and Archibald McG. Foster.

Saatchi ousts Jacoby; Zuckert taking over

By STEWART ALTER and STEVEN W. COLFORD

Considering the web of power plays, intrigue and back-stabbing that led to Robert Jacoby being succeeded Sept. 19 as chairman-ceo of Ted Bates Worldwide by Donald Zuckert, last week's drama involving Saatchi & Saatchi Co.'s largest agency might be dubbed "Macbates."

And in the final scene, Mr. Jacoby, in an exclusive interview Sept. 19 with ADVERTISING AGE, told a different version of events from that given officially or reported widely by sources.

Mr. Jacoby who said he was hearing about the announcement officially for the first time from a reporter, acknowledged that he had been "forced out," and felt it might have been the Saatchis "taking revenge" because "they paid us so much money."

The changes were a stunning rejection of Mr. Jacoby's recent management realignment

(Continued on Page 126)

Gillette world buy aids Murdoch net

By VERNE GAY

NEW YORK—Gillette Co., working through Omnicom Group's BBDO agency, opens a new chapter in global marketing next month with the first transcontinental media buy.

Using Rupert Murdoch's News Corp. Ltd. tv systems, Gillette last week concluded a three-year, $4 million buy on Mr. Murdoch's proposed fourth U.S. tv network, the European direct-broadcast satellite Sky Channel, and Network Ten in Australia.

The single buy will reach 17 countries and, if successful, could expand to include Mr. Murdoch's international newspaper holdings in the U.K., U.S. and Australia.

The deal represents a major coup for BBDO and its holding company parent, Omnicom. Officially in business as of last month, this $5 billion agency group in large measure was designed so that Omnicom and its agencies would appeal to advertisers who are involved with global marketing.

Besides lending credibility to the Omnicom concept, the deal also lends considerable credibility to Mr. Murdoch's plan to use his worldwide broadcast and print media properties to facilitate U.S. advertiser expansion into global marketing. If the strategy works, it would give his News Corp. a considerable sales advantage over any of the Big 3 U.S. tv networks.

With FOX, Gillette becomes one of the new network's charter advertisers on "The Late Show with Joan Rivers" and at least two other programs scheduled to premier this fall. With Network Ten, Gillette becomes a primary sponsor of the network's coverage of the America's Cup yacht races in Perth next year.

Gillette's safety razor and personal care

(Continued on Page 128)

Last Minute News

Miller to test 'wheat beer'

MILWAUKEE—Miller Brewing soon will start test-marketing Dakota, a premium-price "wheat-brewed beer," in four to six markets, including Cincinnati and Lincoln, Neb. Tv spots were shot in Great Falls, Mont. Leo Burnett USA, Chicago, is believed to have the assignment.

Revlon eyes skincare line

NEW YORK—Revlon is developing a rejuvenating skin-treatment line with the Institut Paul Niehans, Heidelberg, to be introduced in 1987. No agency has been selected yet. The late Dr. Paul Niehans helped create the La Prairie brand for Jacqueline Cochran Inc. Revlon also reportedly is readying a new

(Continued on Page 8)

DENTSU'S GOHEI KOGURE ON ADVERTISING

No mergers

Other paths for growth

"The question is whether mergers are an advantage to the clients. It must be awfully difficult to solve these problems."

"Global marketing works, depending on the product. It should work for cameras or electric appliances. But it might be very difficult for package goods and food products."

Editor's note: The Japanese advertising industry is in its worst crisis since the mid-1960s. In a wide-ranging, exclusive interview, Gohei Kogure, president of Dentsu, Japan's largest agency, discusses where Dentsu is headed, megamergers, account conflicts and global marketing.

By JOHN WOLFE

TOKYO—Dentsu president Gohei Kogure's ideas about the global agency megamerger trend summarize the Japanese advertising industry's overall view of its counterparts elsewhere in the world.

"We keep our own pace here, and we're not affected by the mergers," Mr. Kogure said. "We have set our goals for the 21st Century and are moving toward those goals. We're not particularly affected by the recent moves in America and England."

On the surface, Mr. Kogure's

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NEWSPAPER

Tisch: Ad rates

Highlights

A chat with Gohei Kogure 1
The Japanese advertising industry is in its worst crisis since the mid-1960s. In a wide-ranging, exclusive interview, Gohei Kogure, president of Dentsu, Japan's largest agency, discusses where Dentsu is headed, megamergers, account conflicts and global marketing.

Gillette breaks global ground 1
Gillette Co., working through Omnicom Group's BBDO agency, opens a new chapter in global marketing next month with the first transcontinental media buy.

Pepsi sizzles with Slice 4
Pepsi-Cola USA has captured the No. 1 spot in the orange-flavor segment of the soft-drink market with Mandarin Orange Slice, though the product is only available in little more than half of the U.S.

Mayday for Plapler? 6
Texas Air chairman Frank Lorenzo's bid to create the largest airline in the free world by adding People Express and Frontier Airlines to his holdings means bumpy weather ahead for People Express agency Plapler Russo & Associates.

Big push for Diet Dr Pepper 12
Dr Pepper Co. will enter Diet Dr Pepper in the 1987 soft-drink wars with a 100% aspartame-sweetened, naturally flavored formula, with ad support for diet and regular Dr Pepper expected to climb past $35 million for the year.

Cullinet plans to expand 32
Cullinet Software has revealed new products and a revamped marketing strategy that the leading mainframe software company hopes will expand its reach. A $4 million ad campaign, themed "Access Cullinet," broke Sept. 15.

Wolfe's the man 40
With nearly $100 million in new business this year, DDB Needham Worldwide's Chicago office has emerged as a linchpin in parent Omnicom Group's struggle to maintain its business despite client losses due to conflicts. Perhaps no one has had more to do with the office's success than C.A. (Al) Wolfe, Chicago president and architect of its ambitious growth plans.

FEATURES

L. Flaherty

A promoter with flair 66
Lee Flaherty, chairman and 100% owner of Flair Communications Agency, is a man of immense personal charm and intense professional drive, a man who expects to be treated with respect. It is an expectation founded less on ego than on his knowledge of what he has done to earn it.

INTERNATIONAL

Agencies, S. Korea at odds 82
U.S. advertising agencies are facing potential new clashes with South Korea—Asia's second-largest ad market—over restrictions that keep U.S. shops out. Before next year, the international committee of the American Assn. of Advertising Agencies is expected to consider an issue that has become a "prime example of government restrictions keeping American agencies out," according to the committee's chairman.

OTHER NEWS

There's little doubt Quaker Oats Co. could transform Gerber Products Co. from a sleeper in the baby-food business to a marketing giant, but neither company seems ready to enter the merger playpen. Page 24.

Time Inc.'s latest magazine development project is starting its live test of the circulation and advertising markets. Page 36.

Saffer/USA, the newly spun-off arm of Toronto's Saffer Advertising, is poised to aggressively expand its U.S. presence with its reorganization of the $100 million parent agency. Page 49.

Chairman Lee Iacocca returns as pitchman as Chrysler Corp.'s 1987 model year advertising focuses on a barrage of new products to show that the company isn't "resting on our laurels." Page 50.

Wilkinson Sword USA may cut tv ad spending in favor of more print and sales promotion during the second year of a $23.5 million advertising and promotional program that began last fall. Page 64.

Fortunately for men's haircare marketers, the tide has turned back to grooming. In 1985, an additional 5% of the male population was adding hair-styling preparations to their daily ablutions, boosting market penetration to 25% and category sales to $135 million. *A Category Review.* Page 89.

SPECIAL REPORT

Barter syndicators, slugging it out in a soft market, are feeling the pinch from rollbacks on network tv pricing. Special Report examines some steps syndicators are taking to boost sales and which kinds of shows are successful.

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Tv prices tied to inflation, Tisch predicts

By CRAIG REISS

New York—Laurence Tisch, acting ceo of CBS Inc., last week declared that tv is no longer a commodities business.

At a press briefing at CBS headquarters Sept. 15, Mr. Tisch said advertiser spending on media now will reflect the consumer price index and the rate of inflation, a radical departure from traditional network tv thinking that tv is a commodity and that prices reflect supply and demand.

"I think we've come through a decade of above-average growth in advertising expenditures, and that decade is over," said Mr. Tisch, who also is chairman of Loews Corp. Loews owns 24.91% of CBS, and Mr. Tisch Sept. 10 spearheaded the ouster of former CBS chairman Thomas Wyman.

"We are in a new decade, where growth in advertising expenditures will be more in line with growth in the economy," he said. "Add to that total framework the competition we have for growth in media, and I think that total media expenditures will track the consumer price index."

Network sales executives long have argued that tv prices had nothing to do with the rate of inflation. This argument was especially voiced in recent years as the national inflation rate began to subside and advertisers increased their demands that annual network tv price increases no longer could reach double-digit levels.

Network and advertiser sources described Mr. Tisch's comments as realistic, but cautioned against presuming that network prices would see little or no increase in the next few years.

"The history of advertising spending [on tv] is that it has

(Continued on Page 128)

GM shakeup cuts shop fees

By RAYMOND SERAFIN

Detroit—General Motors is restructuring its relationships with its car agencies, cutting commission rates but at least partly making up for that by paying fees for collateral work the shops formerly performed for free.

One source indicated GM's eventual goal, through annual reviews of its agency arrangements, is to get the commission on media buying as low as 3%.

Neither the auto maker nor its agencies would comment officially on the changes. Philip Guarascio, executive director-advertising services, said only that GM is working with its agencies "to achieve superior advertising at a competitive cost with a fair return to them."

Sources indicated that each division is negotiating the specifics with its agency. In general, compensation for core work on each account is being set up on a sliding scale. Work on projects such as showroom catalogs will be done on a fee basis. Agencies conceivably could recoup their commission losses with those fees, depending on workload.

Shops affected are Campbell-Ewald, Warren, which han-

(Continued on Page 8)

West Coast News

Almaden Vineyards drops BBDO for Ciociola

San Jose—Almaden Vineyards ended its three-year relationship with BBDO, San Francisco, hiring New York-based Ciociola & Co. for its estimated $10 million account. The decision to hire Ciociola, made by new vp-marketing David Mantel, a former E. & J. Gallo marketing executive, follows an informal review involving BBDO and selected San Francisco and New York agencies. New ads introducing a new vintage red and white table wine line and a new Blanc de Blanc champagne will start in November and December. Earlier, Almaden announced it hired Ciociola for an undisclosed new-product assignment (AA, Sept. 15).

Hayward, Cal.—**Shasta Beverages** appointed Bloom Agency, Dallas, as its agency. Shasta, which has not advertised in more than six months, was purchased from Sara Lee Corp. early this year by National Beverage Corp., Fort Lauderdale, Fla. Shasta split with Needham Harper Worldwide, Chicago, last year (AA, Nov. 11). Shasta's last annual budget was near $8 million, but informed observers expect that figure to decline substantially under the new management.

Sacramento—The **California State Lottery** named Brenda Bonhomme, a former group product manager-grocery products, MJB Co., San Francisco, marketing manager-on-line games, a new post. Ms. Bonhomme will oversee "Lotto 649," a new game with an as-yet-unspecified start-up date. The Lottery still is searching for a marketing manager for

(Continued on Page 128)

Plapler hit by People Express sale

Is there a future under Texas Air?

By WILLIAM F. GLOEDE

NEW YORK—Texas Air chairman Frank Lorenzo's bid to create the largest airline in the free world by adding People Express and Frontier Airlines to his holdings means bumpy weather ahead for People Express agency Plapler Russo & Associates here.

Readying a challenge to industry leaders United Airlines and American Airlines, Texas Air has indicated the People Express and Frontier names will disappear: Frontier will be combined with Texas Air's Continental Airlines unit and People Express with Continental or some other Texas Air unit.

A key step for Mr. Lorenzo, the acquisition of Eastern Air Lines, was approved by the Transportation Department last week. Texas Air also controls New York Air.

People Express is a crucial account at Plapler, representing about $37 million of Plapler's $50 million in annualized billings.

"There is a threat here, logically," agency chairman Larry Plapler acknowledged last week. "But no one knows exactly what's going to happen yet." People Express' decision to ground Frontier Airlines and place it in bankruptcy already had ended Frontier's ties to Bloom Agency, Dallas.

Mr. Plapler said James O'Donnell, vp-marketing at Texas Air's Continental unit, has called to "say hello, just to tell me that they were aware of us and that he was sensitive to our position."

But Mr. Plapler said he had received no indications of how the proposed merger may affect his agency.

Mr. Plapler said his shop will continue operating even if People Express disappears, but "it would be three-quarters smaller."

The agency employs 40 people to serve four major accounts, including People Express.

Mr. O'Donnell said last week no changes would be made immediately if the sale is final. Analysts have speculated that the federal goverment may object to the proposed takeover because several People routes overlap those of New York Air.

"People Express has an agency, and I'm not aware that they have any plans to make a change," Mr. O'Donnell said.

"As long as People Express is People Express, they'll have their own ad agency."

He observed, however, that People will go out of existence "at some undefined point in time."

Mr. Plapler said his agency may pursue business from the much enlarged Texas Air once the various deals are closed.

He believes it will be "business as usual until People Express is folded into one of the Texas companies. And at that point, I see it as a tremendous opportunity. You can bet your teeth that we're going to be fighting to be a part of that deal."

But Texas Air's increasing size is attracting the attention of giant national agencies that also want to climb aboard the new airline colossus. The $25 million account at Houston-based Continental is in review and the race is between N W Ayer and J. Walter Thompson USA, both New York.

Miami-based Eastern is handled by Campbell-Ewald, Warren, Mich.; New York Air's agency is Levine, Huntley, Schmidt & Beaver.

If all the acquisitions are consummated, Texas Air would be flying about 590 jets. United, currently the biggest U.S. carrier, has 361 jets. The combined Texas Air empire also will have hubs in Denver and Newark, strong enough to be an issue when the Transportation Department reviews Mr. Lorenzo's takeover strategy.

In the New York area, People Express and Eastern rank first and second in flight departures. In Denver, Continental and Frontier both had strong operations.

Among Plapler Russo's other major accounts are Berkey Marketing Cos., the video and photographic equipment unit of Berkey Inc., Woodside, N.Y.; Media News Group, a newspaper group based in Texas whose owners recently purchased the *Dallas Times Herald* under a different corporate flag, and Hammond Maps and Atlases.#

> "It will be 'business as usual' until People Express is folded into one of the Texas companies. And at that point, I see it as a tremendous opportunity. You can bet your teeth that we're going to be fighting to be a part of that deal."
>
> ***—Larry Plapler, Plapler Russo & Associates***

CORRECTIONS & CLARIFICATIONS

• In the consumer linage report (AA, Aug. 18, P. 68), the 1986 current month total for the Weeklies/bi-weeklies category was reported incorrectly. The correct total is 8,170.3.#

"Total U.S. penetration of VCRs, at the time of the survey, was 34% — a level that indicates advertisers need to take VCR viewing seriously."
— **Advertising Age**, August 18, 1986

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Wine coolers double sales in '85

By JOHN C. MAXWELL JR.

Once again, wine coolers put in a spectacular performance, more than doubling in dollar sales from approximately $330 million in 1984 to about $750 million in 1985.

Over-all, we estimate that the cooler market had sales of 38 million cases in 1985 versus 14.8 million in 1984. This enabled the domestic wine industry as a whole to post a 7% increase in total gallons. However, due to a decline in imports for 1985, total industry's gallons were only up 4.4%. Without coolers, the over-all U.S. wine industry would have been down close to 6%.

However, the inevitable shakeout in the cooler industry began in 1985, and we expect it will continue this year. For the first year or so, entry into the cooler market was relatively easy, resulting in a peak of about 150 brands on the market in 1985. Then, as the "big boys" came into the picture with hefty ad budgets and savvy marketing skills, lesser brands began to drop out. As a result, in 1985 we estimate that the "Big Four" dominated about 75% of the market. These would include Brown-Forman's California Cooler with an estimated 30% share in 1985, E. & J. Gallo's Bartles & Jaymes with approximately 20%, Canandaigua's Sun Country with 15% and Seagram & Sons' Seagram Cooler with about 10%.

Gallo and Brown-Forman are vying for first place, and both have claimed to hold that position at different times. in 1985, we believe that the top 10 coolers held about 90% of the market. This supports our conclusion that further thinning of the ranks will occur within the 100 brands out there. In addition to the traditional categories that have been established, more of the majors now are trying to establish niches in what they call the wine "refresher" market. An example of this would be Anheuser-Busch with Bayberry's champagne cooler entry this year.

Although a slowdown in the 175% growth rate seen this year is expected, coolers will continue to grow at a good clip and could reach 70 million cases this year. This type of product fits perfectly with today's consumer preference for cool, sweet, portable beverages as well as a trend toward a more moderate and healthier life style. As wine coolers have an alcoholic content of 4% to 6%, they are generally lower in proof than either table wines or liquor.

Although coolers provided the leverage that the wine industry needed to move ahead, they have also affected table wine growth as well as beer. For example, in 1984 the table wine industry was off about 2%, but in 1985 fell about 5%. We estimate that approximately one-third of coolers sales have come from beer, with one-third coming from ordinary wine and the rest split between soft drinks and new users.

U.S. wine market: Sales and shares

Gallo continues to dominate the wine market, holding more than a quarter of the total share. Paul Masson and Wi Spectrum now owned by Seagram. (Combined 1983 volume would rank second). Figures are in millions of gallons ar share of market. *Source: John C. Maxwell Jr.*

Rank 1985	Rank 1984	Company	1983 Amount	1983 Share	1984 Amount	1984 Share	1985 Amount	1985 Share	Change 1984-85
1	1	E.&J. Gallo	144.0	27.3	142.0	25.6	152.5	26.3	7.4
2	2	Seagram Wines	49.9	9.5	49.9	9.0	57.0	9.9	14.2
3	4	Almaden	26.6	5.0	26.9	4.9	23.8	4.1	(1.5)
4	5	Heublein	39.5	7.5	21.5	3.9	20.8	3.6	(3.3)
5	3	Canandaigua	18.9	3.6	19.5	3.5	31.0	5.4	59.0
6	6	Franzia	10.8	2.0	14.3	2.6	16.2	2.8	13.3
7	7	Monarch	12.8	2.4	13.0	2.3	13.2	2.3	1.5
8	8	Guild	11.1	2.1	10.5	1.9	9.7	1.7	(7.6)
9	9	Sebastiani	6.5	1.2	6.0	1.1	6.6	1.1	10.0
10	13	Gibson	4.0	0.7	4.3	0.7	3.6	0.6	(16.3)
11	11	Mogen David	4.0	0.8	4.0	0.7	3.9	0.7	(2.5)
12	10	Robert Mondavi	3.5	0.7	3.9	0.7	4.1	0.7	5.1
13	11	Beringer	3.8	0.7	3.8	0.7	3.9	0.7	2.6
14	12	Lamont	3.5	0.7	3.6	0.6	3.7	0.6	2.8
15	14	Christian Bros.	3.3	0.6	3.3	0.6	3.2	0.5	(3.0)
16	19	F. Korbel	1.8	0.3	2.1	0.4	2.4	0.4	14.3
16	15	C. Mondavi	3.7	0.7	3.2	0.6	2.7	0.4	(15.6)
17	11	Bronco	3.3	0.6	2.9	0.5	3.9	0.7	34.5
18	17	Delicato	2.2	0.4	2.2	0.4	1.8	0.3	18.2
20	18	Guimarra	2.4	0.5	1.9	0.4	1.5	0.3	(21.1)
21	18	Weibel	1.9	0.4	1.7	0.3	1.5	0.3	(11.8)
22	19	Wente	1.5	0.3	1.4	0.3	1.4	0.2	—
23	20	Sonoma	1.0	0.2	1.0	0.2	0.9	0.2	(10.0)
23	29	Brookside	0.3	0.1	0.2	—	0.2	—	—
24	20	Sierra Wines	0.7	0.1	0.9	0.1	0.9	0.2	—
25	20	San Martin	0.7	0.1	0.7	0.1	0.9	0.2	—
26	21	Mirasou	0.7	0.1	0.6	0.1	0.7	0.1	—
26	27	Louis Martini	0.6	0.1	0.6	0.1	0.6	0.1	—
26	21	M&H	0.5	0.1	0.6	0.1	0.7	0.1	—
27	18	California Growers	0.4	0.1	0.4	0.1	1.5	0.3	—
28	23	East-Side	0.4	0.1	0.3	0.1	0.2	—	—
		Subtotal	364.5	69.0	347.2	62.6	375.0	64.8	8.0
		Other Domestic	32.6	6.2	64.8	11.7	66.0	11.4	1.9
		Total Domestic	397.1	75.2	412.0	74.3	441.0	76.2	7.0
		Imports	131.0	24.8	142.4	25.7	138.0	23.8	(7.4)
		Total	528.1	100.0	554.4	100.0	579.0	100.0	4.4

The import market fell to lowest point in three years wi 7.4% decline in 1985 and the decline since 1979. Four of the major importing countries, It Germany, Spain and Portu posted declines in 1985. The ex tion was France, which showe 2.3% increase. The largest dec was seen in Germany, which down 10.1%.

After losing a slight amoun market share in 1984, E. & J. G rebounded in 1985, widening No. 1 position in the domestic w market. Over-all sales were e mated to be up 7.4%, with the c pany capturing 26.3% of the t market. A good deal of this per mance was no doubt attributabl the company's entry into the w cooler market, with Bartle Jaymes.

Seagram's wine division showed a hefty increase (up 14. again aided by their cooler en Canandaigua posted the lar year-to-year increase and is ranked No. 3, up 59% in sale 1985 over 1984, again as a resul its Sun Country cooler.

In terms of company perf mances, this was pretty much story across the board; the o with strong brands in the w cooler category had the lar year-to-year growth. Of the to companies, Heublein, Almad Paul Masson and Guild were only ones to post declines. We pect this trend to continue, and companies that will be able to g their market share will be the o with good brand awareness in cooler market.#

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Wilkinson may shave tv spending

By LISA E. PHILLIPS

Wilkinson Sword USA may cut television ad spending in favor of more print and sales promotion during the second year of a $23.5 million advertising and promotional program that began last fall.

Rising media costs and flat sales in the $678 million wet-shave category have caused Norcross, Ga.-based Wilkinson to reconsider its marketing strategy.

"We're constantly looking for more cost-effective means of reaching the market," said Wilkinson president Norman Proulx. "Tv still has its place, but now we're looking at radio and even billboards. We're seeing more and more radio and fsis being used by the competition."

Tv accounts for only 25% of this year's ad budget because of "prohibitive costs and underdelivery" of audience, Mr. Proulx said. He earlier hoped to spend more than one-quarter of the total dollars on tv but now is considering a smaller percentage. He said cable tv and the rising use of videocassette recorders have drawn viewers from network tv.

Mr. Proulx believes an approach targeted at specific segments employing sales promotional techniques will enable Wilkinson to compete more effectively than the earlier, broader shotgun approach via network tv.

Wilkinson has 1% of the wet-shave market vs. 60% held by Boston-based Gillette Co. Wilkinson also trails Bic Co. and Schick division of Warner-Lambert, which are battling for the No. 2 slot.

The company joins a growing number of advertisers (AA, July 28) in increasing sales-promotional activity at the expense of media. Its stepped-up sales-promotional activity included a product sample giveaway of its Retractor brand razors earlier this year to regional airline passengers, as well as a Fort Lauderdale "Spring Break" giveaway targeted to students vacationing in South Florida.

On Sept. 14, the company kicked off the second phase of its two-year campaign (AA, Sept. 9, '85), using 146 million freestanding inserts in newspapers to announce its Twin II disposable razor tie-in with S.C. Johnson Co.'s Edge shaving gel.

> "I'm dedicated to getting Wilkinson away from its dependency on disposables."
>
> —Norman Proulx, Wilkinson president

Mail-in coupons offer $5 cash refunds and $2 in coupons with the purchase of both products.

On Nov. 9, another fsi drop offers a 40¢-off coupon with the purchase of either the Profile or the W-II cartridge shaving systems. Technological superiority is stressed with ads headlined "Poly-tetrafluoroethylene XT-3. Only Wilkinson Sword can say it." Also, Wilkinson is sponsoring the "Pennant Chase" show, produced by Major League Baseball, on the Sportschannel cable network.

Wilkinson also will be supporting its higher-profit Profile and W-II cartridge razors with an estimated $3 million tv campaign beginning in January, and heavier sales promotions. Tv spots, via Burton-Campbell, Atlanta, are currently in production.

"I'm dedicated to getting Wilkinson away from its dependency on disposables," Mr. Proulx said. He predicts very slow growth over the next 10 years for disposable razors, currently 48% of total unit sales. Combined cartridges, blades and injector blade refills account for 52% of units sold, but 63% of total retail dollars.#

Fast-food chains' tv spending

Through the first half of 1986, network tv spending by the top fast-food and restaurant chains grew faster (up 15.7%) than did spending on spot tv (up 11.5%), reversing a trend to greater spot tv evident in 1985. Wendy's dropped to the No. 5 ranking from the No. 3 spot it held last year by decreasing network tv spending 5.9% and lowering spot tv spending 2.3%. Domino's Pizza, which increased total tv spending 77%, has moved to the No. 9 spot from No. 11 in 1985. ***Source: Television Bureau of Advertising, from Broadcast Advertisers Reports data.***

	First half 1985 ($ thousands)			First half 1986 ($ thousands)			Per cent change
Rank/Chain	Network	Local	Total	Network	Local	Total	'85-'86
1. McDonald's	88,386.7	54,883.2	143,269.9	102,267.1	57,708.1	159,975.2	+13%
2. Burger King	26,947.8	37,127.4	64,075.2	32,005.9	41,058.3	73,064.2	+12%
3. Kentucky Fried Chicken	20,431.8	13,776.2	34,208.0	23,913.2	14,743.2	38,656.4	+13%
4. Pizza Hut	10,052.0	20,562.3	30,614.3	12,869.1	24,630.7	37,499.8	+22%
5. Wendy's	18,656.4	19,001.1	37,657.5	17,599.6	18,557.9	36,157.5	– 4%
6. Taco Bell	--	19,475.0	19,475.0	--	24,249.1	24,249.1	+25%
7. Red Lobster	6,128.8	5,976.9	12,105.7	10,831.3	5,340.0	16,171.3	+34%
8. Long John Silver's	--	11,709.4	11,709.4	1,234.7	12,905.6	14,140.3	+21%
9. Domino's Pizza	4,296.0	3,248.6	7,544.6	7,023.6	6,365.3	13,389.9	+77%
10. Hardee's	3,398.7	9,073.2	12,471.9	----	12,469.2	12,469.2	--
11. Jack-in-the-Box	--	4,633.2	4,633.2	--	8,692.1	8,692.1	+88%
12. Dairy Queen	--	5,749.4	5,749.4	--	8,617.1	8,617.1	+50%
13. Sizzler	--	6,204.7	6,204.7	--	7,310.4	7,310.4	+18%
14. Denny's	2,108.3	7,985.8	10,094.1	4,523.1	2,322.0	6,845.1	–32%
15. Arby's	1,690.1	4,101.4	5,791.5	1,948.7	4,777.6	6,726.3	+16%
Top 15 total	182,096.6	223,507.8	405,604.4	214,216.3	249,746.6	463,962.9	+14%
Category total	185,182.9	312,306.7	497,489.6	214,279.2	348,332.0	562,611.2	+13%

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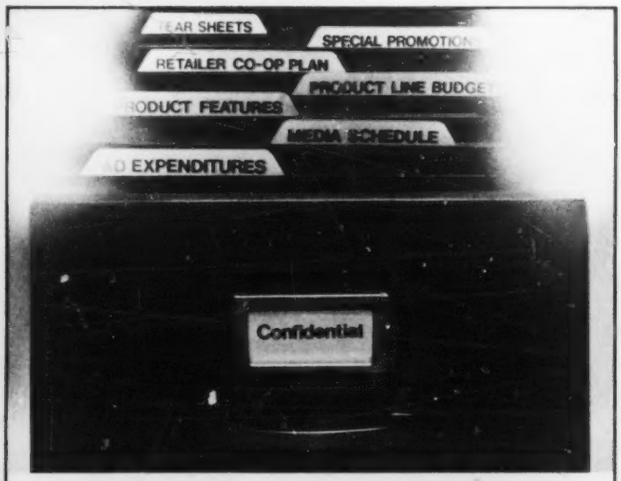

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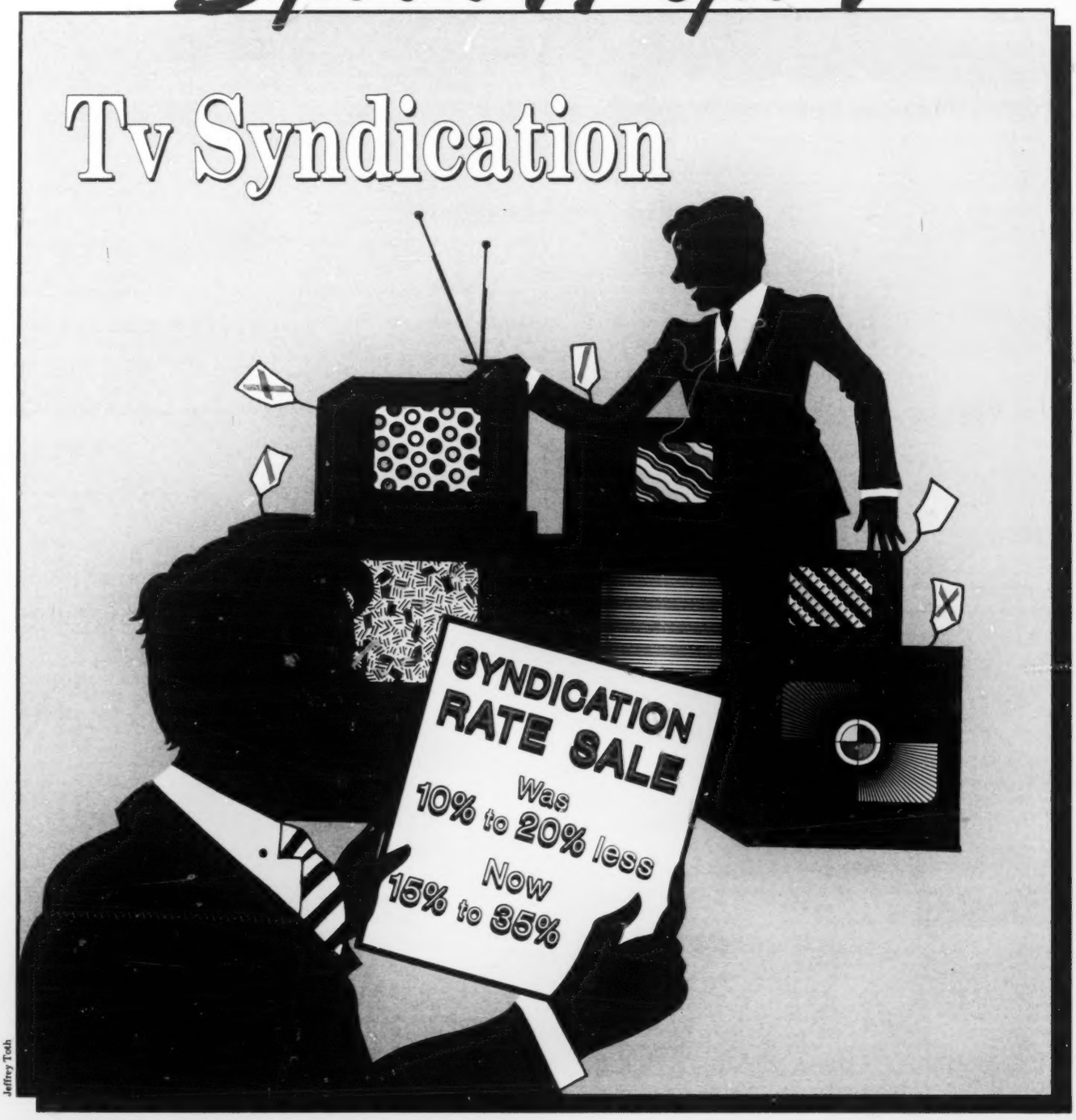


Jeffrey Toth

Drop in network ad rates cramps barter's style

By Marcy Gray Rubin

It hasn't been as bad as a fire sale, but this year has been a few shades less than rosy for tv barter syndicators. Not only are they being asked to drop their prices or don't bother calling, but, with the rollback in network prime-time rates and all other dayparts as well, advertisers once dependent on syndicated programing as an alternative to costly network spots are no longer beating down the doors for availabilities.

Says one syndication sales executive: "The days of panicked phone calls from agencies claiming to be shut out [because of no network availabilities] are over."

Tv syndication's ad rates long have maintained a close link to networks, but never has this relationship been more vividly apparent. With network rate structures being reduced by 10% to 15% this year, syndication, which traditionally has sold its inventory for 10% to 20% less, is being forced to dip as much as 15% to 35% lower than network fare to attract buyers. To syndicators slugging it out in a soft marketplace, the impact of network rollbacks on barter sales is being felt in a measurable way.

Most syndication executives have no doubt that lower network pricing has directly influenced barter sales. Rich Goldman, vp and general sales manager, Buena Vista Television, a division of Walt Disney Co., Los Angeles, says, "Networks will always be in the driver's seat because of their coverage and national distribution. Because networks and syndicators compete for the same buyers, if networks lower their rates when the market isn't brisk, they take away syndication's pricing advantage."

Another assessment of the situation is that the price slump reflects an over-all cautiousness on the part of advertisers, who are exerting

(Continued on Page S-2)

Marcy Gray Rubin is a New York-based freelance writer.

Top rated syndicated shows

	Avg. audience rating within area of coverage
1. Wheel of Fortune	16.1
2. Jeopardy	9.9
3. The Big Spin	8.3
4. M*A*S*H	8.0
5. Eyes of Texas	7.8
6. The New Newlywed Game	7.3
People's Court	7.3
8. Entertainment Tonight	7.2
9. PM Magazine	7.0
Three's Company	7.0

Source: Nielsen Station Index Cassandra Rating, July, 1986

Network rates cramp barter

(Continued from Page S-1)
equal pressure on the networks and syndicators.

Individual dayparts are responding differently to the rollback, according to Dan Cosgrove, New York-based vp-media, Group W Productions, and president of the Advertiser Syndicated Television Assn., the trade organization representing 23 syndication companies. Mr. Cosgrove notes that prime-time activity has been strong, and animated weekday after-school children's strips, led by Tribune Co.'s "GI Joe," Group W's "He-Man and She-Ra" and Lorimar-Telepicture's "Thundercats," are performing exceptionally well.

> ***"Advertisers are seeking stability in syndication companies. They're looking for clearances in top markets with solid station lineups."***
>
> **Rick Levy**
> **Camelot Entertainment Sales**

Daytime remains the weakest link in barter syndication sales. Eroding female audiences have caused advertisers to siphon off daytime dollars and shift them to prime time, where there is greater female viewership.

"We're not able to get near the cpms [cost per thousand] we thought we could in this daypart," says Clark Morehouse, New York-based vp-media sales, Tribune Entertainment.

Mr. Cosgrove suggests that as insufficient ad support forces syndicators to stop producing first-run daytime programing, this time slot will revert to the networks.

Perhaps syndication's biggest battle is not being waged against the networks but against itself. Once considered broadcasting's black sheep, the industry's recent success and increased respectability has attracted scores of new players. But there remains a vast difference between the Goliaths, such as Lexington Broadcast System Communications and King World, with their substantial inventory of sure-fire hits, and the Davids, the newcomers with a few borderline shows.

"Because of the inherent risks in syndication not generally found in network," says Rick Levy, president of Camelot Entertainment Sales, a division of King World, New York, "advertisers are seeking stability in syndication companies. They're looking for clearances in top markets with solid station lineups."

Adds Larry Feinstein, vp-national advertiser sales, All American Television, New York, "Only a handful of shows are secure. There is a real disparity between the top-rated shows and everyone else."

The hotly demanded shows may not be quite as vulnerable to soft network pricing. Steve Goldman, vp-sales marketing, Paramount Pictures, New York, whose "Entertainment Tonight" covers 92% of U.S. tv households, says, "Buyers look on any barter show that provides 90% coverage as equal to any network show. Audience demographics and coverage is the key. It doesn't matter if they're syndication or network, advertisers want properties that perform."

Joseph F. Cifarelli, New York-based vp-media sales, Multimedia Entertainment, agrees. "Strong syndicated programs will always sell out," he says. Multimedia hopes the same success that its "Donahue" has enjoyed will rub off on "Sally Jessy Raphael," which has sold 80% of its inventory upfront.

No two shows are more indicative of syndication's success in a soft market than top-ranked "Wheel of Fortune" and "Jeopardy." Dubbed the "phenomena of the industry," these King World productions have achieved the near impossible —a rate increase.

With advertising sales of 87% at press time and a 10% yearly increase in ratings and audience over the past two years, "Wheel," with a 16.1 rating in Nielsen's July, 1986, Cassandra report, holds a record asking price of $95,000 per 30-second spot, based on a projected Nielsen National Television Index yearly rating of 19.0 for the upcoming season. "Jeopardy," called the "Cosby of syndication" by Camelot's Mr. Levy, has a Cassandra rating of 9.9 and, with a projected yearly NTI rating of 13, is asking $53,000 per 30-second spot (AA, Aug. 18).

Despite their dazzling track records, even these blockbusters remain victims of the marketplace to some degree. "If networks were able to raise their cpms by 10%, we would have done the same," Mr. Levy says.

King World is counting on repeating its success with newcomers "The Oprah Winfrey Show" and "Nightlife" with David Brenner. Already, "Winfrey" covers 90% of the country on 100 network affiliates, and "Nightlife" is seen in more than 100 markets. In Mr. Levy's opinion, late-night rates are equal to or slightly higher than last year's because of the eroding daytime female audience and advertisers' subsequent decisions to place more dollars in night-time programing.

In any season the chance of survival for many new shows seems slim. More than one syndicator confesses to having trouble getting new syndicated programs, even proven offnetwork hits, off the ground. Lacking the clout of ratings or recognition, new shows often fail to attract advertisers. "Buyers will always use leverage when dealing with these shows whether they are syndicated or network," Paramount's Mr. Goldman says.

However, not all newcomers are feeling the pinch. Although this marks Disney's first year in barter sales, the company is successfully moving its limited inventory. In addition to returning its "World of Disney" and feature film package "Disney Magic I," Disney unveils three new entries this season: "Siskel & Ebert & the Movies," "Business Day" (working title) and the animated "Duck Tails."

"Despite the knowledge that cpms are a driving factor, I'm not reacting to network pricing when I'm selling," says New York-based Rick North, vp-advertiser sales, Buena Vista Television. "It's the buyers who bring it up. My response is to make a deal that is comfortable for everyone."

The fallout from cheaper network rates also has forced syndicators to push for upfront sales, rather than gamble on the scatter market. This strategy has been adopted especially by bigger syndicators that have the most inventory to sell. According to Mike Wieden, New York-based exec vp-advertising sales, LBS Communications, returning shows such as "Fame," "What's Happening Now" and "MGM/UA Premiere Network," are virtually 90% sold at press time, while new entries such as "Hollywood Squares" and "The New Gidget" are 80% sold. "We don't leave anything significant for scatter if we can get fair prices upfront," Mr. Weiden says.

Tribune Entertainment's Mr. Morehouse cites similar figures, stating that 85% to 98% of his company's inventory has been purchased. This includes offnetwork property "Charles in Charge" and first-runs "At the Movies" and "What a Country." He says the difference between scatter and upfront rates isn't lucrative enough to warrant holding off sales.

At the other end of the spectrum, smaller barter companies such as Buena Vista may choose to allocate larger chunks for scatter budgets in the hope that the market will firm up.

Despite evidence that upfront sales are moving smoothly, Mr. Feinstein accuses some syndicators of "psychologically booking orders that haven't been confirmed by the agencies." He sees no concern on the part of advertisers that delaying their decisions will cost them availabilities. Group W's Mr. Cosgrove, however, says, "Sales have recently tightened up as advertisers have decided to come off the fence."

As networks and syndicators vie for the same shrinking dollars, the stage may be set for a classic shakeout. According to Mr. North and others, those companies most financially vulnerable are what he terms "the one or two-note syndicators." Lacking other profit centers, they bank on the ratings of a few shows.

Says Buena Vista's Mr. Goldman, "Most new products have a tendency to fail. Those who will withstand the shakeout will need deep pockets to survive." To guarantee their solvency, Mr. Goldman predicts an increase in mergers among smaller syndicators, while larger companies will broaden their distribution channels through station ownership.

All American Television, in an effort to diversify, is involved in a joint distribution venture with Group W, Mr. Feinstein says. These programs are "Newsfeed," a Group W production, and "Entertainment Report," a 15-minute satellite feed produced by All American that can be inserted in local, early evening news. He says All American, which currently syndicates "America's Top 10," intends to enter cash sales, although barter still will comprise 70% of its business.

A brighter scenario offered by Camelot's Mr. Levy calls for narrowing the gap between network and syndication rate structures. "Today a 15 rating in network and a 15 in syndication won't command the same advertising dollar, but as syndicated shows continue earning ratings equal to the networks, these differences will shrink and pricing will level out."

The most immediate concern among syndicators, however, is how long the current price dip will last. Paramount's Mr. Goldman and LBS' Mr. Weiden say pricing slumps evolve naturally and can just as easily bounce back with the arrival of the election year and the Olympics in 1988. Mr. Goldman also is confident that the absorption of commercial availabilities resulting from 15-second spots will tighten up the market.

Both Tribune's Mr. Morehouse and Multimedia's Mr. Cifarelli predict an upward trend, possibly as soon as next year. According to Mr. Cifarelli, the change will affect prime time before it trickles down to daytime. Not as optimistic as his colleagues, Mr. Feinstein sees no need to panic, but doubts ad budgets are likely to reach their former rates.

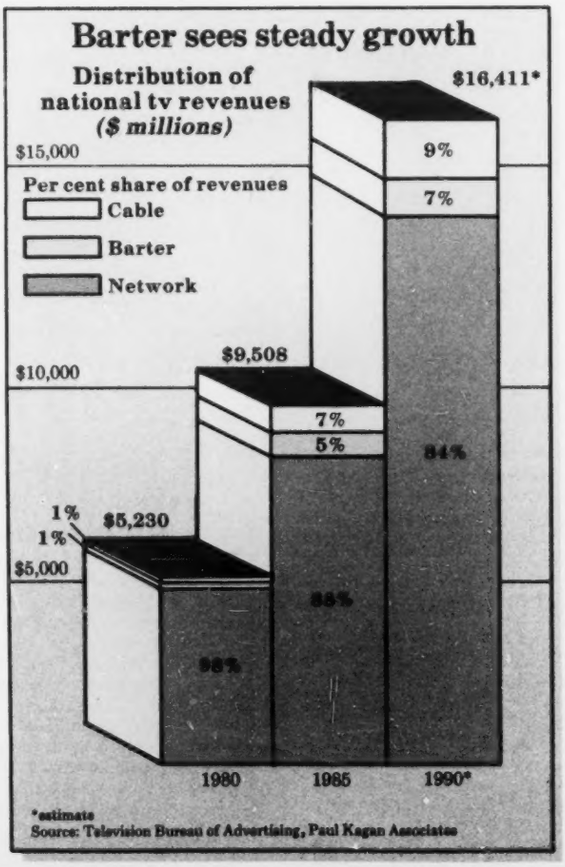
No matter how much crystal ball gazing or hair pulling syndicators may engage in, it will take some time before it's clear whether the pricing squeeze will be brief or lingering. Syndicators with the best chances of remaining intact are those making necessary adjustments to ensure their strength when the marketplace favors them again.

Barter syndication's presence grows

- 1986 estimated yearly advertising revenue: $630 million
  1985 yearly advertising revenue: $530 million
  1984 yearly advertising revenue: $430 million
- In 1985, independent stations carried an average of 28.5 hours of barter syndication weekly.
  In 1984, independent stations carried an average of 22.9 hours of barter syndication weekly.
- In 1985, affiliate stations carried an average of 7.7 hours of barter syndication weekly.
  In 1984, affiliate stations carried an average of 6.8 hours of barter syndication weekly.

Source: INTV/SRA Barter Syndication Survey

Barter sees steady growth



Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

September

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
— Art & antiques —				
American Artist	—	—	—	—
Antiques	—	—	—	—
Art in America	—	—	—	—
Southwest Art	65.7	79.5	623.8	695.2
Total Group	**65.7**	**79.5**	**623.8**	**695.2**
% change		**– 17.4%**		**– 10.3%**
— Auto/cycle/rec. vehicles —				
Autoweek (52X)	132.6	133.9	1,294.1	1,199.7
Car & Driver	74.4	83.0	812.1	879.8
Car Collector & Car Classics	14.5	17.7	139.5	166.1
Car Craft	84.2	78.3	679.1	685.4
Circle Track	61.6	59.1	562.5	487.2
Cycle	27.9	37.2	412.0	481.7
Cycle Guide (11X)	—	26.5	384.1	376.5
Cycle World	19.4	32.7	431.4	525.6
Dirt Rider	26.3	19.6	363.7	285.6
Dune Buggies & Hot VWs	85.8	105.7	787.9	845.5
Family Motor Coaching	129.3	129.0	1,319.8	1,328.2
4 Wheel & Off-Road	93.1	84.9	789.3	685.0
Four Wheeler	77.1	87.8	753.2	779.0
Hot Rod	56.9	52.0	561.1	551.3
Motorcyclist	24.3	27.6	439.1	359.8
Motor Trend	50.0	57.3	570.6	661.4
Motorhome Life	83.0	72.5	843.9	863.3
Rider	28.1	37.4	461.6	508.3
Road & Track	81.4	92.0	874.3	993.8
3 Wheeling	53.8	64.7	515.6	519.3
Trailer Life	93.1	101.8	1,025.3	1,120.5
Total Group	**1,290.8**	**1,400.7**	**14,020.2**	**14,303.0**
% change		**– 7.8%**		**– 2.0%**
— Boating & yachting —				
Boating	143.5	138.2	1,247.9	1,243.1
Chesapeake Bay	41.0	37.3	339.2	285.5
Cruising World	115.8	125.1	1,086.5	1,130.6
Lakeland Boating (10X)	71.1	61.5	629.1	591.0
Motor Boating & Sailing	159.3	173.6	1,563.6	1,515.8
Sail	113.0	141.8	1,017.9	1,192.4
Small Boat Journal(6X)	—	—	—	—
Trailer Boats(11X)	36.0	29.9	395.0	316.4
Western Boatman(6X)	32.5	43.9	195.3	233.8
Yachting	121.2	160.8	1,248.2	1,478.1
Total Group	**833.4**	**912.1**	**7,722.7**	**7,986.7**
% change		**– 8.6%**		**– 3.3%**
— Canadian —				
L'Actualite	88.0	65.3	698.8	529.6
Chatelaine				
English Edition A.	108.8	110.9	813.0	783.6
French Edition	94.1	85.1	694.1	628.0
City & Country Home(8X)	64.0	60.5	333.9	261.0
City Woman	—	—	—	—
Equinox (6X)	41.3	30.0	188.5	137.0
Flare A.	179.0	110.3	706.6	587.3
Macleans (52X) A.	135.9	149.2	1,069.6	1,003.5
Moneywise	35.2	33.1	302.6	276.2
Montreal Calendar	30.0	43.3	196.1	268.7
Montreal Ce Mois Ci	33.0	54.7	228.0	317.5
Reader's Digest				
Canadian-English A.	83.0	90.2	671.7	607.6
Canadian-French A.	69.0	69.0	555.9	471.7
Toronto Life	—	—	—	—
Vancouver	—	—	—	—
Total Group	**961.3**	**901.6**	**6,458.8**	**5,871.7**
% change		**– 6.6%**		**– 10.0%**
— Civic/fraternal —				
American Legion	20.6	25.6	211.4	232.3
Elks (10X)	19.3	18.7	147.1	152.9
Kiwanis	17.5	16.8	143.7	133.3
Lion (10X)	7.0	8.3	46.3	46.0
Rotarian	18.0	11.8	131.5	99.0
V.F.W. (11X)	25.7	28.5	216.1	218.4
Total Group	**108.1**	**109.7**	**896.1**	**881.9**
% change		**– 1.5%**		**– 1.6%**
— Comics —				
DC Comics	8.0	7.0	47.0	53.5
Marvel Comics Group	9.0	9.0	66.0	61.5
Total Group	**17.0**	**16.0**	**113.0**	**115.0**
% change		**– 6.3%**		**– 1.7%**
— General —				
American Health (10X)	74.2	53.6	430.6	361.7
American West (6X)	30.8	43.5	197.2	175.3
The Atlantic A.	37.2	48.2	311.3	407.0
Audubon Magazine (6X)	32.1	31.5	138.0	168.0
Bon Appetit A.	69.7	84.2	683.8	732.3
Changing Times	57.3	40.5	429.1	341.6
Connoisseur	74.4	80.9	554.3	506.4
Consumers Digest (8x)	26.3	25.8	134.8	145.5
Ebony	87.2	87.6	833.3	825.5
Fifty Plus	—	—	—	—
Food & Wine	53.7	49.5	399.7	414.0
Games	16.0	19.9	142.3	150.0
Gourmet	93.8	91.5	760.8	752.9
Harper's A.	22.7	30.3	204.8	230.1
Harrowsmith (6X)	41.9	—	199.3	—
Home Entertainment (8X)	—	—	—	—
Let's Live	46.0	39.0	432.0	369.0
Life	45.6	48.4	462.6	532.8
Modern Maturity (6X)	41.0	42.8	170.4	185.0
Money	105.1	104.4	1,033.7	1,031.3
Mother Earth News (6X)	—	—	—	—
Mother Jones (9X)	—	—	—	—
National Geographic	—	—	—	—
Natural History	43.2	44.9	356.0	365.2
Prevention	66.7	66.5	542.5	537.8
Psychology Today	32.3	23.9	246.7	212.2
Reader's Digest A.	65.4	74.7	815.4	678.1
Saturday Evening Post (9X)	37.9	38.8	227.2	218.8
Signature	65.7	54.6	594.7	467.5
Smithsonian	93.1	92.9	683.2	770.4
Sylvia Porter's Personal Finance (10X)	42.5	41.7	281.6	198.3
Town & Country	200.0	175.9	1,038.7	1,121.0
Travel-Holiday	50.3	34.5	374.6	389.2
Travel & Leisure	92.0	99.6	860.4	917.9
Vanity Fair	62.2	49.7	371.8	289.8
Writer's Digest	26.5	26.9	222.8	219.5
Yankee	—	—	—	—
Total Group	**1,832.7**	**1,746.2**	**14,133.6**	**13,714.1**
% change		**– 5.0%**		**– 3.1%**
— Home —				
Americana (6X)	—	—	—	—
Architectural Digest A.	116.9	137.8	1,016.7	1,082.9
Better Homes & Gardens	92.8	112.8	931.5	966.2
Colonial Homes (6X)	88.2	80.2	321.3	314.4
Columbus Monthly-Homes(4X)	—	—	81.7	26.8
Country Home (6X)	—	—	—	—
Country Journal	—	—	—	—
Country Living	88.3	82.1	635.2	602.7
Dallas/Ft. Worth Home & Garden	59.4	88.0	681.4	695.2
Family Handyman (10X) A.	45.4	80.8	427.8	472.1
Flower & Garden (6X)	—	—	156.4	158.8
Home	57.4	58.6	433.0	436.6
Home Mechanics	53.1	59.0	527.3	572.2
The Homeowner (10X)	33.4	33.3	221.2	203.8
Horticulture	32.7	29.5	337.5	309.0
House Beautiful	67.9	100.7	626.2	731.4
House & Garden	104.9	105.1	793.0	817.3
Houston Home & Garden	56.1	114.5	668.3	811.7
Metropolitan Home	63.8	81.8	503.8	558.9
1,001 Home Ideas	69.9	74.2	399.3	436.0
Phoenix Home/Garden	65.7	63.0	591.0	570.7
Practical Homeowner	57.3	66.3	375.0	393.2
Rodale's Organic Gardening	43.8	55.3	524.3	506.4
Rx Being Well	24.0	19.0	107.0	93.0
San Diego Home/Garden	—	—	—	—
South Florida Home/Garden	40.8	37.8	—	—
Southern Accents (6X)	113.1	100.1	490.8	435.2
Southern Living	133.6	131.6	1,216.6	1,142.7
Sunset Magazine A.	118.2	119.2	1,201.4	1,236.9
Texas Homes	48.0	73.1	544.9	709.6
Workbench (6X)	45.3	54.8	236.6	264.7
The Workbasket	34.8	44.2	270.8	305.2
Total Group	**1,754.8**	**2,002.8**	**14,316.0**	**14,853.6**
% change		**– 12.4%**		**– 3.6%**
— In-flight & other passenger —				
Aboard Group (7X6X)	—	—	—	—
Alaska Airlines	64.2	47.1	526.5	435.2
American Way (24X)	109.1	113.5	819.5	906.5
East/West Network Eastern Review	93.5	99.0	890.6	851.6
Frontier	34.0	—	306.0	—
Northwest Orient	45.8	41.5	404.7	364.0
Ozark	45.0	50.7	400.6	367.7
PSA Magazine	99.3	98.0	796.1	722.3
Pan Am Clipper	44.3	55.7	401.5	547.0
Republic Scene	50.5	57.2	439.7	411.2
Spirit	105.0	120.8	868.3	824.5
United	99.1	103.0	847.6	807.7
Western's World	59.5	57.2	524.4	474.7
Halsey Publications				
Air Cal	55.0	61.2	474.7	445.3
Delta Sky	80.5	85.5	664.3	645.4
People's Expressions	25.8	—	271.5	—
US Air	55.5	51.1	400.0	416.5
Hawaii (6X)	27.2	21.5	250.0	212.4
Pace	102.5	86.8	748.1	628.2
Presidential Airways (6X)	8.7	—	37.8	—
Spirit of Aloha (6X)	24.4	20.4	251.1	211.4
TWA Ambassador	60.5	71.5	465.4	494.0
Total Group	**1,289.4**	**1,241.7**	**10,788.4**	**9,765.6**
% change		**+ 3.8%**		**+ 10.5%**
— Men's —				
Esquire A.	140.7	152.2	846.2	906.2
Firehouse Magazine (13X)	52.8	105.7	367.7	439.0
Gentlemen's Quarterly A.	—	—	—	—
M Magazine	129.3	96.3	524.4	471.5
Penthouse A.	49.5	49.4	329.6	357.0
Playboy A.	44.8	68.1	536.5	631.8
Salute	24.0	—	91.0	—
Total Group	**441.1**	**471.7**	**2,695.4**	**2,805.5**
% change		**– 6.5%**		**– 3.9%**
— Metropolitan —				
Aloha (6X)	33.1	29.1	147.1	154.3
Atlanta	—	—	—	—
Baltimore	85.3	88.3	667.1	715.9
Boston	165.6	171.6	1,345.5	1,350.3
California	53.0	61.2	597.1	596.9
Chicago	188.1	146.4	1,140.7	1,147.2
Chicago's North Shore	94.7	94.6	722.4	685.8
Cincinnati	61.1	60.2	519.5	479.2
Cleveland	63.5	79.2	617.1	688.9
Coast (39X)	341.2	341.4	2,175.5	2,209.2
Columbus Monthly	86.0	94.7	614.3	623.7
Connecticut	86.2	81.2	833.4	785.3
D/Magazine, Dallas/Ft. Worth	114.5	151.6	1,068.0	1,151.0
Denver	32.0	39.5	315.6	284.1
Detroit Monthly	82.1	80.0	660.2	547.5
Grand Rapids	58.0	84.7	388.6	477.5
Gulfshore Life (10X)	—	—	—	—
Honolulu	56.9	51.2	538.2	532.4
Houston City	45.8	66.7	447.9	616.4
Louisiana Life (6X)	42.3	56.0	192.0	275.0
Madison	78.0	60.0	573.0	552.6
Metropolitan Detroit	72.2	90.0	649.0	641.5
Miami Mensual	43.2	38.4	396.8	337.3
Miami/South Florida	43.3	65.8	593.3	777.1
Mid Atlantic Country	45.7	43.5	356.4	404.9
Milwaukee	64.0	61.7	583.4	563.1
Minneapolis/St. Paul	107.0	122.5	852.9	858.9
Nashville	27.0	40.0	335.0	327.0
New England Monthly	47.2	43.8	332.7	269.3
New Jersey Monthly	87.4	68.2	705.2	534.7
New Mexico	24.4	31.5	241.6	330.4
Ohio	114.2	120.0	572.7	614.0
Oregon	28.7	52.4	275.1	302.3
Orlando	94.5	85.0	888.3	893.5
Palm Beach Life	27.0	29.2	497.6	604.9
Palm Springs Life	264.1	252.0	1,025.1	1,025.2
Philadelphia	161.5	171.7	1,153.5	1,189.8
Phoenix	69.7	76.5	821.2	885.2
Pittsburgh	73.6	75.6	576.8	559.2
St. Louis	63.5	75.6	437.4	559.0
San Diego	122.3	150.5	1,206.4	1,390.8
San Francisco (6X)	—	—	—	—
San Francisco Focus	93.2	96.5	797.9	788.0
Texas Monthly	103.6	158.5	1,058.6	1,070.5
Twin Cities	80.5	88.0	480.0	533.7
The Virginian	57.5	49.5	310.0	277.0
Washington (7X)	62.0	50.5	373.0	194.5
Washington Dossier (11X)	51.0	84.6	388.5	466.3
The Washingtonian	169.7	191.4	1,304.7	1,349.2
Total Group	**3,965.4**	**4,250.6**	**30,776.4**	**31,590.4**
% change		**– 6.7%**		**– 2.6%**
— Movie/romance/radio/tv —				
Macfadden's Women's Group				
Modern Romances	20.6	20.0	190.3	170.7
Secrets	20.6	20.0	190.3	170.7
True Confessions	20.6	20.0	190.3	170.7
True Experience	20.6	20.0	190.3	170.7
True Love	20.6	20.0	190.3	170.7
True Romance	20.6	20.0	190.3	170.7
Sterling Women's Group				
Daytime TV	25.8	27.5	229.7	256.5
Modern Screen	—	—	63.7	58.3
Movie Mirror (6X)	—	—	18.5	71.5
Soap Opera Stars	—	—	62.8	77.1
TV Movie Screen (6X)	—	—	34.5	27.3
TV Picture Life (6X)	—	—	14.2	24.0
TV Game Show	24.0	—	45.0	—
Total Group	**173.3**	**147.7**	**1,610.4**	**1,539.0**
% change		**+ 17.3%**		**+ 4.6%**
— Music/entertainment —				
Audio	78.6	67.2	657.2	681.2
Circus Magazine	—	—	—	—
Dance Magazine	45.3	50.8	467.7	490.8
Musician	59.5	56.0	505.0	520.0
Playbill	47.0	50.7	383.3	428.8
Stereo Review	66.6	116.8	621.9	421.4
Video Magazine	81.9	67.7	671.9	659.7
Total Group	**378.9**	**409.2**	**3,307.0**	**3,201.9**
% change		**– 7.4%**		**+ 3.3%**
— Outdoor & sport —				
Alaska	28.7	41.2	383.9	397.0
The American Handgunner(6X)	51.0	37.0	193.0	173.0
American Hunter	—	—	—	—
American Rifleman	—	—	—	—
Backpacker (6X)	21.1	27.9	140.5	164.5
Bass Master (9X) A.	29.3	28.0	411.4	421.5
Bicycling (9X)	56.0	73.6	639.3	756.6
Duck's Unlimited (6X)	—	—	—	—
Field & Stream	139.1	75.4	814.0	800.6
Fins & Feathers A.	28.1	28.4	302.2	273.9
Fishing World	15.2	9.7	193.3	185.9
Florida Sportsman	67.8	65.1	984.3	901.9
Flying	51.8	48.8	354.0	419.3
Golf Digest	64.5	79.1	886.5	842.3
Golf Magazine	27.5	34.6	635.8	599.9
Gun Dog (6X)	56.3	41.6	174.3	145.1
Guns	29.0	30.0	277.0	208.0
Guns & Ammo	68.4	63.3	445.0	395.0
In-Fisherman (6X)	31.7	40.0	365.0	406.0
Muscle & Fitness	113.6	101.0	984.5	957.3
Outdoor Life	97.3	73.7	692.3	637.9
Outside Magazine	41.4	37.2	424.3	374.3

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net. except Los Angeles Times Magazine and New York Times Magazine.

All figures represented in this chart are supplied by the magazines. Advertising Age makes no attempt to verify them and, therefore, is not responsible for inconsistencies or errors.

(Continued on Page 118)

(Continued from Page 117)

September

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
Petersen's Hunting	94.7	78.4	439.2	376.3
Runner	29.5	32.2	269.3	308.8
Runner's World (13X)	24.5	36.2	271.8	340.5
Salt Water Sportsman	54.2	61.1	798.3	751.6
Sierra	34.5	48.3	177.9	184.6
Shooting Times	43.3	43.3	329.1	308.3
Ski (8X) A.	156.0	142.0	405.2	357.4
Skiing (7X)	204.0	202.0	374.6	965.0
Skin Diver	86.2	75.0	839.6	734.1
Southern Outdoors (8X)	35.9	38.9	295.2	248.3
Sports Afield	81.3	86.4	642.8	756.3
Tennis	101.5	158.2	679.7	819.7
Western Outdoors (10X)	34.0	30.7	376.1	357.6
Wildfowl (6X)	—	—	71.0	14.8
Wing & Shot	10.0	—	10.0	—
Total Group	**2,007.4**	**1,968.3**	**15,280.4**	**15,583.3**
% change		**+2.0%**		**−1.9%**

— Photography —

American Photographer	41.5	37.3	344.6	354.8
Petersen's Photographic	24.6	35.1	220.9	253.7
Popular Photography	62.0	76.2	581.6	779.2
Total Group	**128.1**	**148.6**	**1,147.1**	**1,387.7**
% change		**−13.8%**		**−17.3%**

— Religious —

Charisma	42.5	52.5	449.5	509.9
Christian Herald (11X)	27.3	42.5	221.7	254.4
Christian Life	24.5	—	192.7	201.3
Christianity Today (18X)	56.2	69.2	378.7	505.7
Inside (4X)	115.3	114.6	297.5	264.3
Ministries Today (6X)	33.0	51.3	262.2	229.2
Moody Monthly (11X)	46.1	56.0	334.7	406.0
Today's Christian Woman(6X)	34.8	53.8	145.3	215.2
Total Group	**379.7**	**439.9**	**2,282.3**	**2,586.0**
% change		**−13.7%**		**−11.7%**

— Science/electronic/mechanic —

Discover	42.4	38.8	281.7	286.6
Family Computing	45.1	48.0	374.8	338.3
Info World (52X)	102.0	94.0	1,100.0	1,111.0
Omni	54.5	51.3	484.2	504.7
Personal Computing	102.9	139.3	888.7	1,163.7
Popular Mechanics	71.7	99.3	826.7	851.1
Popular Science	63.0	64.8	605.8	562.2
Science 86 (10X)	—	—	—	—
Scientific American	26.9	52.8	279.3	375.8
Spectrum	97.7	137.2	746.6	945.4
Total Group	**606.1**	**725.4**	**5,587.8**	**6,138.8**
% change		**−16.5%**		**−9.0%**

— Woman/fashion/service —

Bride's Magazine (6X) A.	—	—	1,544.1	1,343.9
Cosmopolitan A.	255.6	237.4	1,782.9	1,728.7
Essence	88.3	100.2	722.4	714.2
Family Circle (17X) A.	127.1	198.4	1,237.2	1,328.9
Family Magazine	53.3	36.8	380.8	348.1
Glamour	271.5	266.1	1,598.9	1,591.9
Good Housekeeping A.	168.0	172.6	1,401.3	1,427.0
Harper's Bazaar	335.6	322.6	1,250.4	1,307.7
Health	41.8	39.4	360.3	355.1
Mademoiselle	226.4	190.9	1,171.5	1,132.9
McCall's	107.2	112.6	804.8	805.0
Military Lifestyle	66.0	30.9	441.3	257.3
Modern Bride (6X)	422.0	408.5	1,367.1	1,320.0
Ms	37.8	52.0	342.6	418.9
New Woman	92.9	71.2	647.2	472.5
Parents Magazine A.	93.1	102.3	812.7	763.7
Playgirl	29.4	34.7	282.2	272.1
Redbook	101.6	112.8	805.6	803.4
Self	109.5	124.5	814.3	849.8
Seventeen	128.0	117.6	1,061.2	1,141.0
Shape	94.8	79.5	655.6	565.6
Soap Opera Digest (26X)	16.8	25.0	174.6	250.6
'Teen Magazine	69.7	65.3	477.9	467.8
True Story A.	48.7	51.6	415.5	425.8
Vogue	544.7	550.8	2,289.7	2,339.4
W Magazine	203.0	167.0	1,018.3	969.0
Weight Watchers	42.0	32.2	300.8	251.7
Working Woman	117.7	127.7	889.1	876.1
Total Group	**3,893.0**	**3,830.5**	**25,050.3**	**24,528.2**
% change		**+1.6%**		**+2.1%**

— Youth —

Boys' Life	32.6	36.2	150.1	174.2
Total Group	**32.6**	**36.2**	**150.1**	**174.2**
% change		**−10.0%**		**−13.9%**

August

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985

— Business —

Advantage	59.0	49.0	471.0	382.0
Arizona Bus. Gazette(52X)	27.5	23.2	248.7	212.1
Austin Business Journal (52X)	42.9	68.3	351.4	460.5
Baltimore Business Journal	56.0	52.4	525.8	498.9
Barron's (52X)	133.5	141.1	1,426.3	1,452.8
Boston Business Journal (52X)	101.5	128.1	1,041.8	1,074.1
Business Atlanta	62.7	63.1	517.9	528.2
Business First of Buffalo	53.4	64.9	470.4	510.0
Business First of Columbus	83.1	40.4	645.1	503.4
Business Journal-Milwaukee	104.9	109.2	783.0	869.0
Business Journal/Sacramento	48.8	35.6	331.4	301.9
Business North Carolina	61.0	39.0	339.5	269.8
Business Week (52X) A.	189.9	191.7	2,284.4	2,658.6
Business West	—	—	104.0	79.0
Cincinnati Business Courier	46.3	57.0	565.5	467.7
Corporate Report/Kansas City	—	35.8	211.4	372.0
Corporate Report/Minnesota	73.6	75.2	620.1	729.9
Crain's Cleveland Business(52X)	65.0	62.1	474.0	589.0
Crain's New York Business	22.2	18.9	261.1	113.6
Dun's Business Month	30.4	39.6	353.1	357.2
Financial World (26X)	39.8	48.1	444.5	358.1
Florida Trend (13X)	57.9	52.5	629.2	708.3
Forbes (26X)	159.7	149.9	1,955.7	2,095.9
Fortune (26X)	194.4	214.6	1,627.6	2,019.6
Frequent Flyer	58.0	51.0	466.6	468.4
Futures (13X)	82.1	76.0	403.3	413.0
Georgia Trend	42.0	—	412.6	—
Grand Rapids Bus. Journal	—	—	—	—
Hawaii Business	—	—	—	—
High Technology	21.7	30.0	153.1	252.7
Houston Bus. Journal (52X)	70.2	104.4	648.1	923.4
Inc. Magazine A.	49.5	47.4	661.6	709.8
Income Opportunities	75.9	53.6	396.1	319.3
Industry Week (25X) A.	79.3	59.1	686.5	657.4
Indianapolis Bus. Journal (52X)	158.8	116.4	1,169.5	945.7
Kansas City Business Journal	140.3	156.4	979.7	1,137.4
Manhattan Inc.	50.3	38.2	509.6	287.4
Nation's Business A.	26.5	17.8	275.5	259.4
New England Bus.(20X) A.	73.0	72.3	620.4	689.0
Pacific Business News (52X)	116.6	100.3	935.5	866.8
Philadelphia Bus. Journal (52X)	89.4	73.1	872.2	685.7
Pittsburgh Business Times (52X)	101.8	69.6	734.1	595.0
Regardie's	141.8	153.3	1,121.7	982.8
San Jose Business Journal	66.2	113.6	715.3	858.2
Savvy	25.8	16.4	239.7	242.1
South Florida Bus. Journal	76.3	71.1	821.6	662.8
St. Louis Business Journal (52X)	119.2	135.1	1,084.9	1,111.8
Texas Business	62.6	73.1	471.9	562.9
Venture	56.3	64.8	548.3	567.8
Total Group	**3,497.0**	**3,452.5**	**31,610.4**	**31,810.3**
% change		**+1.3%**		**−0.6%**

— National Sunday magazines —

Parade (52X)	52.7	69.3	466.8	470.0
USA Weekend (52X)	37.3	42.2	399.8	394.0
Total Group	**90.0**	**111.5**	**866.6**	**864.0**
% change		**−19.3%**		**+0.3%**

— Newspaper Sunday magazines —

Boston Globe	249.6	214.9	1,602.7	1,459.4
Chicago Tribune	69.9	110.5	665.8	827.2
Cleveland Plain Dealer	65.5	43.0	378.9	337.7
Columbus Dispatch	29.8	47.4	298.1	352.4
Detroit News	90.0	88.0	695.0	680.0
L.A. Times	48.8	40.0	546.4	481.6
Louisville Courier-Journal	62.7	72.4	486.4	531.7
Miami Herald	49.9	35.1	379.6	309.2
New York Times Magazine	322.5	336.5	2,317.9	2,564.0
Philadelphia Inquirer	71.3	60.0	510.0	386.4
San Francisco Image	51.2	83.9	613.3	459.5
Seattle Times	84.0	60.0	425.0	343.0
Toledo Blade Magazine	35.4	42.3	302.7	317.5
Washington Post	104.1	99.6	899.5	859.2
Total Group	**1,334.7**	**1,333.6**	**10,121.3**	**9,908.8**
% change		**+0.1%**		**+2.1%**

— Weeklies/bi-weeklies —

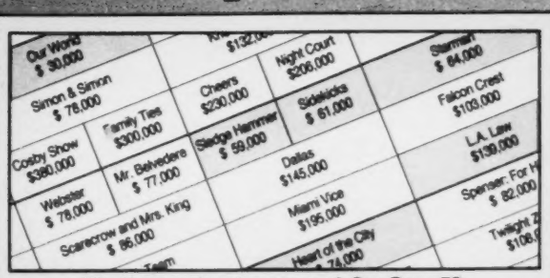
The Advocate (26X)	105.7	83.2	1,072.0	709.8
Army Times Military Group:				
Air Force Times (52X)	149.7	136.9	1,397.7	1,219.8
Army Times (52X)	140.0	134.2	1,294.4	1,191.4
Navy Times (52X)	154.6	148.2	1,423.7	1,300.3
The Blood-Horse (52X)	371.5	407.3	2,899.7	3,427.7
Capper's Weekly (17X)	24.9	23.7	207.2	191.8
Commonweal (22X)	3.0	1.9	51.6	44.2
Grit (52X) A.	22.8	18.5	188.2	151.9
National Journal (50X)	31.3	14.0	423.7	366.0
National Review (25X)	30.0	17.7	237.0	177.8
New Republic (48X)	22.2	20.6	262.6	218.0
New Yorker	110.1	117.3	1,419.8	1,675.7
Newsweek (52X) A.	105.8	140.4	1,439.8	1,589.0
People (52X)	208.3	241.6	2,233.5	2,242.5
Rolling Stone (25X)	85.6	74.4	821.5	666.1
Sporting News (52X)	59.3	40.1	407.1	307.6
Sports Illustrated (52X) A.	131.9	163.0	1,645.8	1,685.0
Time (52X) A.	120.6	127.9	1,501.9	1,585.2
Travelhost (52X) C.	3,625.0	3,618.5	25,537.0	25,304.0
TV Guide (52X) A.	171.6	203.8	2,154.3	2,230.7
TV Update (52X) C.	2,670.0	2,685.0	19,139.0	18,615.0
Us Magazine (26X)	36.3	39.5	334.1	233.6
U.S. News & World Report (52X) A.	79.3	93.5	949.2	1,035.9
Total Group	**8,469.4**	**8,551.3**	**67,040.8**	**66,169.1**
% change		**−1.0%**		**+1.3%**

— Foreign —

Business Week Int'l (52X)	61.0	64.5	949.2	904.5
Cosmopolitan en Espanol:				
Central America	5.0	2.3	29.3	9.0
Colombia	15.2	15.5	99.5	96.0
Ecuador	—	—	—	2.0
Mexico	37.3	39.5	300.7	343.5
Peru	—	—	—	21.0
Puerto Rico	10.5	13.0	79.5	164.8
U.S.(Spanish language)	18.8	19.2	192.5	131.7
Venezuela	18.0	17.8	102.3	181.5
Cosmopolitan Foreign Editions:				
Australia	72.0	73.4	479.4	470.7
Brazil	61.1	64.2	342.5	345.5
China	59.4	30.8	199.8	171.2
France	40.3	29.0	542.0	750.5
Germany	68.7	47.2	799.0	714.7
Great Britain	98.0	95.0	861.8	858.1
Greece	23.0	21.0	457.4	455.4
Holland	33.0	24.0	481.3	472.3
Italy	19.3	18.0	—	377.4
Japan	35.3	28.7	253.5	247.0
South Africa	87.0	95.0	640.0	648.0
Good Housekeeping Foreign Editions:				
Australia	47.3	37.4	258.9	265.2
Great Britain	96.3	98.4	939.8	943.7
Japan	84.5	74.3	577.4	292.5
Buenhogar:				
Central America	1.0	—	9.0	7.0
Chile	—	—	10.0	8.0
Colombia	37.3	28.5	237.2	247.5
Ecuador	13.0	24.0	86.0	127.0
Mexico	32.3	51.3	232.0	347.2
Peru	8.5	19.5	50.0	78.5
Puerto Rico	10.5	9.5	73.5	82.8
U.S.	13.0	18.3	155.3	134.8
Venezuela	23.3	37.2	165.0	289.7
De Armas Publications:				
Geomundo:				
Central America	3.0	6.0	29.0	36.5
Chile	4.0	5.0	33.0	38.5
Colombia	6.0	10.5	60.8	66.5
Ecuador	4.0	4.0	24.0	30.0
Mexico	5.0	8.0	64.2	55.5
Peru	3.0	4.0	21.0	36.5
Puerto Rico	1.0	—	22.5	22.0
U.S.	4.0	4.0	38.0	50.3
Venezuela	6.0	5.0	99.5	68.0
Hombre De Mundo:				
Central America	1.0	3.0	39.0	27.0
Chile	2.0	4.0	41.0	34.0
Colombia	10.0	7.3	105.2	50.8
Ecuador	1.0	2.0	36.0	28.5
Mexico	10.5	10.5	112.5	82.0
Peru	1.0	2.0	24.0	23.0
Puerto Rico	1.0	2.0	34.0	43.0
U.S.	5.0	7.0	79.0	67.0
Venezuela	14.5	11.0	145.5	130.0
Ideas Para Su Hogar:				
Central America	—	—	—	—
Chile	—	—	—	—
Colombia	9.2	17.7	77.0	107.7
Ecuador	2.0	5.0	16.0	37.0
Mexico	6.7	15.2	49.7	79.2
Peru	1.0	2.0	22.5	17.0
Puerto Rico	0.2	—	0.2	10.5
U.S.	2.0	6.5	25.0	47.0
Venezuela	9.0	18.8	72.7	127.8
Mecanica Popular:				
Argentina	9.2	1.0	32.0	16.3
Central America	7.3	9.2	68.2	74.7
Chile	3.0	3.3	35.0	25.8
Colombia	14.3	15.5	117.0	105.0
Mexico	16.5	17.2	84.2	114.5
Peru	13.8	11.5	78.7	89.0
Puerto Rico	6.8	8.5	52.2	74.3
U.S.	5.0	7.0	48.0	56.7
Venezuela	10.5	10.8	85.5	103.7
Vanidades Continental:				
Central America	9.7	5.2	112.0	45.7
Chile	1.7	2.3	28.2	19.7
Colombia	91.3	71.0	531.5	480.5
Ecuador	13.7	20.0	136.2	148.0
Mexico	75.0	87.8	563.5	608.5
Peru	8.3	26.5	90.2	101.8
Puerto Rico	23.2	20.3	251.0	246.7
U.S.	39.0	34.0	328.3	286.7
Venezuela	32.5	36.3	267.0	365.0
International Communications:				
African Business	20.8	24.0	213.3	197.4
The Middle East	5.6	12.8	88.5	127.6
New African	16.8	17.8	141.9	125.9
Johnston International:				
Alam Attijarat	25.5	41.8	258.7	352.4
Modern Africa (6X)	25.1	11.8	78.3	48.6
Modern Asia (11X)	46.8	40.0	288.0	229.2
Latin America Finance (6X)	20.4	16.4	94.5	50.4
Newsweek International A.				
Atlantic (52X)	35.3	45.3	573.1	594.3
Latin America (52X)	17.5	24.8	224.6	197.7
Pacific (52X)	32.3	46.9	416.8	446.8
Progreso (9X)	8.3	16.0	50.5	71.1
Reader's Digest:				
Arabic	8.0	8.0	44.5	82.5
Asian	209.5	204.0	1,701.3	1,548.0
Australian	41.3	47.3	437.0	427.7
Belgian-Flemish	27.0	27.5	488.4	582.4
Belgian-French	21.0	21.0	289.1	391.5
British	33.7	26.1	349.1	333.0
Chinese B.	82.5	127.0	777.3	974.0
Danish	12.0	19.8	215.7	232.8
Dutch	27.5	19.8	270.6	266.2
Finnish	39.0	44.0	310.0	352.9
French	3.5	16.8	111.1	337.2
German	35.7	37.3	459.2	484.5
Iberian	1.0	—	9.0	31.0
Indian-English	49.5	53.0	624.5	732.5
Indian-Hindi	9.5	5.0	80.5	86.5
Italian	20.0	9.0	294.5	258.5
Korean	33.0	27.0	226.0	193.2
Latin American:				
Argentina	11.0	33.0	97.5	154.5
Brazil	—	5.0	18.0	37.0
Central American	8.0	8.0	49.0	68.0
Chile	7.0	14.5	76.5	84.5
Colombia	30.0	35.0	175.0	203.5
Ecuador	6.0	10.0	47.0	67.0
Peru	8.0	11.0	55.0	72.5
Puerto Rico	5.0	4.0	36.5	37.0
U.P.B.	6.0	7.0	45.0	53.5
U.S. Spanish	25.5	9.0	138.0	70.0
Venezuela	4.0	9.0	83.5	81.0
New Zealand	53.0	75.0	403.3	432.0
Norwegian	4.5	19.3	58.0	153.3
Portugal	27.0	21.0	275.8	267.1
South African	97.0	79.0	586.5	694.0
Swedish	6.5	18.0	122.5	118.5
Swiss-French	5.0	13.0	155.8	180.0
Swiss-German	10.0	19.0	211.5	251.5
Time International:				
Time-Asia	39.8	64.0	508.4	614.9
Time-Atlantic	32.5	59.3	656.3	686.0
Time-Canada	71.9	82.5	1,241.6	1,146.8
Time-Latin America	22.5	35.6	328.9	307.8
Time-South Pacific	76.1	92.9	668.9	839.4
Visao (52X)	138.8	128.5	1,051.0	923.2
Vision/Latin America (24X) A.	21.6	23.6	193.9	190.4
Total Group	**3,247.5**	**3,510.8**	**30,183.2**	**31,927.9**
% change		**−7.5%**		**−5.5%**

C 2710-1-P

CBS prime time prices slide to third



The three-network scorecard: See Page 70.

By VERNE GAY

NEW YORK—CBS-TV, the highest-price network last year, has become the cheapest in a fourth-quarter prime time network tv season that saw the average price of a 30-second commercial dip 0.6% to $118,119.

According to ADVERTISING AGE estimates based on interviews with agency buyers and the networks, NBC leads the pricing pack with an average 30-second spot priced at $134,092, up 14% over last year. ABC moves into second place at $112,943, despite a 4% average drop in unit prices. CBS, averaging $120,700 last year, fell 10.9% per unit to $107,491.

The 0.6% over-all reduction in average unit prices compares with a 14% gain last year and is consistent with the fact that a sluggish economy has intensified pressures on media-pricing strategies and advertiser spending plans.

Officials at CBS and NBC confirmed the

(Continued on Page 70)

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Monday, September 29, 1986

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Saatchi's 'Wall St. Week'

Jacoby's defeat

What's it all about?

By STEWART ALTER

News Analysis

If Saatchi & Saatchi Co. had themselves as an account they'd lose it.

This gigantic communications combine seems to be better at articulating strategy than anything else, for its story has not translated well across the Atlantic.

So off-target is its communications that Saatchi's acquisition of Ted Bates Worldwide, with its aftermath of account losses and management turmoil, has polarized the industry perhaps as no other event has done.

With all the money that flowed into the pockets of Bates' ousted ceo Robert Jacoby and other agency executives, the cry has gone out that Saatchi has trampled on the supposedly sacred ground of client-

(Cont'd on P. 85)

Maurice's U.S. trip to calm investors

By STEWART ALTER

NEW YORK—Saatchi & Saatchi Co. chairman Maurice Saatchi is said to be planning a U.S. trip to restore confidence on Wall Street after personnel upheavals at Ted Bates Worldwide and continuing client defections.

There was no official confirmation from London-based Saatchi & Saatchi, but the financial community here is expecting a high-power Saatchi delegation to arrive later this fall, most likely in November.

That schedule seems to indicate Mr. Saatchi probably will come armed with the results for the latest fiscal year, which closes Sept. 30, and that his numbers can be expected to be positive and on target, despite the turbulence that has surrounded the company since it announced plans to purchase Bates in May.

It would be an uncharacteristic public relations effort for Mr. Saatchi, who very rarely communicates directly with analysts or the press.

The price of Saatchi stock has dropped from $37 when it acquired Bates to the $25-to-$26 range last week, following the highly publicized sacking of Bates chairman-ceo Robert Jacoby and another client loss, this one involving $25 million in General Foods billings.

GF moved $5 million in Log Cabin syrup billings to Ogilvy & Mather.

The advertiser's second move sent $20 million in combined Louis Rich turkey and luncheon meats and Good Seasons dressings to D'Arcy Masius Benton & Bowles.

That move was unrelated to the Bates

(Continued on Page 84)

Last Minute News

HHCC wins at Revlon

NEW YORK—Revlon has named Hill, Holliday, Connors, Cosmopulos to its estimated $5 million-to-$10 million Charlie fragrance account, an assignment previously handled in-house. HHCC beat out Hal Riney & Partners and now stands to gain additional assignments, based on comments by Revlon executives (AA, Sept. 15). Separately, Boston-based HHCC denies reports that it was discussing merger or acquisition with Tatham-Laird & Kudner, Chicago.

Elvira vamps for Coors

GOLDEN, COLO.—Adolph Coors Co. next month will run a monthlong, Halloween-themed campaign for its Coors and Coors

(Continued on Page 8)

Burgerville sees third dimension in tv ads—Page 2

Microwave launch pits Quaker vs. Pillsbury—Page 3

CONGLI AA 863999 99 6SA
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
DC 20014

Highlights

CBS plummets to last place 1
CBS-TV, the highest-price network last year, has become the cheapest in a fourth-quarter prime time network tv season that saw the average price of a 30-second commercial dip 0.6% to $118,119.

Ogilvy's SAGE vision 3
Ogilvy Group has launched SAGE Group, a marketing consulting business whose focus is product movement at the retail level. Ogilvy sees a major opportunity in integrating and interpreting the wealth of new data and technology revolutionizing package-goods retailing.

Chiat sows its oats 3
Chiat/Day is joining Quaker Oats Co.'s stable of agencies just as the marketer takes on giant Pillsbury Co. in the $459 million microwave foods market.

DeGregorio's stress test 12
Tony DeGregorio calls his move to Ogilvy & Mather in Chicago an unexpected but welcome way to inject some stress into his life.

Aramis beefs up product line 24
Although it has been on the market for 22 years, Aramis is still the No. 1-selling men's fragrance in department stores. To keep things that way, the company is taking the offensive, introducing Wetplex, a hair-styling additive, and Lab Series, a skincare line.

Ibuprofen bottleneck ends 26
The field of competitors in the ibuprofen-based pain-reliever market should get crowded quickly now that American Home Products' and Bristol-Myers' exclusive marketing rights for such products have run out.

Putting life in high-tech 34
Kids and special effects combine to "humanize" the technology behind consumer electronics in a big pre-Christmas ad push breaking next month from Panasonic.

Dodge casts Shadow 36
Move over, Christine. The introductory commercial for Chrysler Corp.'s Dodge Shadow proves there's more than one way to transform a car.

A good buy, scout's honor 52
Boys' Life, the official publication of the Boy Scouts of America, has remained a stoic reflection of scouting's traditional values since its debut in March, 1911. But in this anniversary year, there is another focus as well: To draw attention of advertisers to *Boys' Life* as a medium with which to reach the young male market.

FEATURES

Brady Blass(ts) Fairchild 48
Fashion designer Bill Blass excuses himself from James Brady's book party, and Advertising Age's columnist believes influential *Women' Wear Daily* publisher John Fairchild is behind it.

INTERNATIONAL

A view from Horn's rim 50
Meet Mark Horn. About five years ago, Mr. Horn became one of the few Americans to work for Dentsu, Japan's largest agency. He recently talked to Advertising Age about what's it's like to be a Yankee adman living and working in Tokyo.

OTHER NEWS

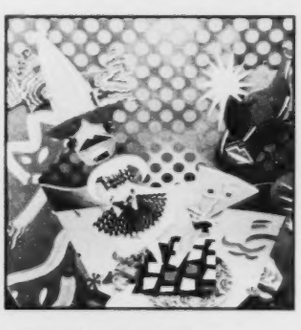
A new margarine marketing war is being waged over health claims. Lever Bros.' Promise spread, supported by an $18 million campaign urging consumers to "get heart smart," has helped trigger a new health-oriented effort by Nabisco Brands' Fleischmann's, claiming it can help reduce cholesterol. Page 6.

Oldsmobile will take a spin at capturing the expressive, sportier upscale car market that has eluded General Motors' Buick division. Buick, meanwhile, will turn to more conservative and upscale positioning, encroaching on the traditional territory of Cadillac. Page 22.

Despite the threat of a lawsuit by Major League Baseball, *Sport* says it will continue its tradition of presenting most-valuable-player awards for the League Championship Series and World Series. Chevrolet, signed last year as MLB's sponsor of its MVP award, has renewed sponsorship for 1986. Page 68.

As if the Outdoor Advertising Assn. didn't have enough problems this week with Congress trying to paint another layer of regulation on the industry, it also must contend with a group of small-board owners who think OAA's efforts to shape the legislation are selling them out. Page 83.

SPECIAL REPORT



Pennsylvania isn't easy to categorize. Philadelphia and Pittsburgh are worlds apart in the minds of most people. Pittsburgh no longer fits the image of a smokestack town, adding high-tech companies to its economic base. Special Report examines the state's mix of blue-collar, white-collar and agricultural economies.

Westwood looking for radio net

By VERNE GAY

New York—Westwood One, the radio network company, is on an acquisition trail that could soon lead it to ownership of one of the nation's leading radio networks, including those of ABC, CBS or NBC.

Los Angeles-based Westwood One on Sept. 25 filed a proposed offering with the Securities & Exchange Commission to raise $100 million to be "used for acquisitions complementary to the company's existing business."

Norm Pattiz, chairman of Westwood One, said speculation that his company would pursue the NBC Radio division properties was "logical." There have been reports that General Electric, which acquired NBC parent RCA Corp. this summer, wants to sell off the network's radio properties.

But Mr. Pattiz said the $100 million war chest could be used to purchase any of the Big 3 network radio operations.

"It's likely one of the major networks will be sold off," he said, "and [we] want to be in a negotiating position when that happens.

"Our feeling is that there will be additional consolidation in the network radio industry and [with the offering] we're positioning ourselves to take advantage of these," said Mr. Pattiz. "Are we close to making a deal? No. Do we think things are going to happen in the marketplace? Sure we do. We feel in a

(Continued on Page 82)

Burgerville spots add a dimension

By BRIAN LOWRY

A small Vancouver, Wash.-based hamburger chain is about to bring a new dimension to the world of tv advertising.

The Holland Inc., which operates 29 Burgerville USA restaurants in Oregon, will air what it claims is the first 3-D tv commercial in late October.

The 3-D spots cap a yearlong 25th anniversary promotion for the chain and will support a 3-D Meal Deal—a double-beef burger, drink and dessert—that includes a pair of 3-D glasses with purchase.

The company will lead into the campaign with print ads advising consumers to visit Burgerville units to pick up their glasses. Employes will wear 3-D buttons that read, appropriately, "You need glasses."

The two-month tv effort will begin with a 60-second spot, the first half shot normally, using company president George Propstra as spokesman.

Near the end of 30 seconds, Mr. Propstra will say, "Wouldn't it be more interesting to see this commercial in 3-D?" and then don a pair of glasses.

At that point, the screen will blur as it switches to 3-D, and the commercial will be replayed, with "more up-tempo music and a livelier reading" by Mr. Propstra, Burgerville vp-marketing Pat Klinger said.

Since Burgerville's ad budget is only about $1 million, Mr. Klinger believes it needs to take chances to get noticed. "Our budget is one-700th of McDonald's," he noted. "We have to do these things to stand out."

Borders, Perrin & Norrander, Portland, is Burgerville's agency. President-creative director Bill Borders supervised the campaign.

West Coast News

Arco pumping up ad spending by 70%

Los Angeles—Atlantic Richfield Co. has raised its ad budget by 70% to more than $25 million, sources say. Increases are said to be spread across the board for its gasoline, pay-point electronic cashier, AM-PM Mini Market and MP&G Tuneup Center divisions. Kresser, Craig/D.I.K. handles.

Los Angeles—**Neal Lemlein** resigned as vp-marketing/media services, 20th Century Fox Film Corp. Sources linked the move to the Oct. 6 arrival of former Paramount senior vp Susan Pile as Fox senior vp-marketing.

Oakland—**New Zealand Kiwi Fruit Authority** is reviewing agencies for what could be a $2 million-to-$3 million account. Allen & Dorward; Goodby, Berlin & Silverstein; incumbent Lowe Marschalk, and other, unnamed San Francisco agencies are involved.

San Francisco—**Bank of America** ceo Sam Armacost used a statewide radio spot last week to deny "unfounded and unfair rumors" the nation's second-largest bank would go bankrupt. Grey Advertising handled.

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U.S. NewsWatch

Marketing news from regional centers across the country

Ray Charles to croon for Georgia tourists

ATLANTA—The State of Georgia Tourism Dept. will unveil a tv and print campaign next year based on the song "Georgia on My Mind." Ray Charles has rerecorded the music for 30 and 60-second tv spots, which will air in the Southeast and on CNN and superstation WTBS. Pringle Dixon Pringle handles the $2.1 million campaign.

OKLAHOMA CITY—**Sonic Industries**, a southwestern drive-in restaurant chain, is negotiating to acquire competitor Dearborn, Mich.-based A&W Restaurants' 500 units. Lowe Runkle Co. handles Sonic. Unicom Marketing, Southfield, Mich., handles A&W.

CHICAGO—**Evans Inc.**, national fur and apparel retailer, Oct. 10 breaks a tv campaign in Chicago and Los Angeles targeting young professional women. J. Walter Thompson USA handles.

GOLDEN, COLO.—**Adolph Coors Co.** this week introduces George Killian's Irish Red Ale to the Washington-Baltimore area. Radio

(Continued on Page 62)

ADWATCH

Bartles, Jaymes keep coolers hot

By JULIE FRANZ

Frank Bartles and Ed Jaymes have a lot of people to thank for their support.

The two pitchmen for E. & J. Gallo Winery's Bartles & Jaymes wine cooler, who traveled by bus to New York in tv spots this summer to bolster sales of their wine cooler, made an impact on consumers' recall of wine advertising, according to ADVERTISING AGE's August adWatch survey.

The poll shows that B&J's share of first mentions increased 3.5 percentage points to 12.2%, making it the best recalled wine advertiser during August.

Frank and Ed, who may visit other cities this fall in their Hal Riney-created campaign, sampled those funny donuts New Yorkers eat (bagels) and mortgaged Ed's house to buy the Brooklyn Bridge while visiting the Big Apple. The two have been touting B&J wine cooler since it was introduced more than two years ago.

The effort is part of Bartles & Jaymes' drive to remain the No. 1-selling cooler by pushing heavily in large cities. Included in the promotion is point-of-sale material designed specifically for use in bars.

California Cooler's $20 million "Real stuff" campaign also made waves in the August adWatch survey, boosting the brand's share of ad recall by 2.7 points to 5.1% of first mentions from the sample. That moved the brand into fourth position from fifth place in the July survey (when it captured 2.4% of first mentions).

The tv campaign delves into the product's heritage, depicting the California surfers and surfettes who first discovered the joy of mixing wine and fruit.

Holding down the No. 2 spot in the wine category (with 9.2% of first mentions) are E. & J. Gallo's Riney-created image spots—set to music by Vangelis, of "Chariots of Fire" fame—for Gallo's table wines. Riunite is third with 6.5% of first mentions; Paul Masson ranks

(Continued on Page 80)

Two top Okla. shops to merge

By CURT AUTRY and LISA WELLS

Oklahoma's two largest agencies will merge to form Ackerman, Hood & McQueen, becoming one of the largest independent agencies in the Southwest.

Oklahoma City-based Ackerman & McQueen and Hood, Hope & Associates, Tulsa, bill $33 million and $30 million, respectively.

"Both of us have had the same frustrations. Each of us is ambitious and has aspirations that take us knocking on bigger doors. But these clients were telling us we just weren't big enough to be seriously considered," said Angus McQueen, Ackerman & McQueen president, who becomes president-ceo of the merged shop.

"This gives us the opportunity to

(Continued on Page 86)

SOUTHERN CALIFORNIA'S BEST MARKET IS GOING PLACES

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Prices

(Continued from Page 1)

prices shown in the chart that accompanies this article.

While ABC officials said their prices were substantially higher than listed here, extensive interviews with agency buyers disclosed that the chart's prices were far more accurate, except for Tuesday night, which the buyers said was still overstated by as much as $20,000 per 30-second unit. Despite this discrepancy, ABC's maximum potential weekly revenues still would top CBS.

The prices garnered by ABC indicate that buyers believe last year's No. 3-rated network can make a strong run at unseating CBS for second place. Apparently, ABC also was able to get exceptionally high prices on new shows. If the new shows do not perform up to ratings expectations, ABC could end up in a costly make-good situation. In the meantime, its revenues would have been far greater than earlier anticipated.

While it was expected that the average unit cost of network tv in 1986-87 would be flat compared with 1985, network tv nonetheless achieved several pricing milestones. Among them:

- Two shows have cracked $300,000 per 30-second spot. Both are NBC programs: "The Cosby Show," by far the most expensive at $380,000, and "Family Ties," at $300,000. The most expensive shows on ABC are "Moonlighting" and "Who's the Boss?" both at $215,000. CBS' most costly show is "60 Minutes," priced at $161,000, down from $195,000 last year.
- "Cosby" increased its price tag by $110,000, giving the series network tv's biggest price hike for the second consecutive year. The record drop for the year belongs to CBS' "Simon & Simon," plunging from $180,000 in 1985 to $78,000 this year.
- ABC's "Dynasty," the network's highest-price show last year at $235,000, dropped $57,000 per 30-second spot to $178,000, a 24.5% price cut.
- The richest nights of the week are Thursdays and Sundays, with combined network potential revenues of $15.2 million and $20.1 million, respectively. Prime time covers one hour more on Sundays than on the other nights of the week.
- In terms of revenue, NBC will win Thursday, Friday and Saturday. ABC will win Tuesday and Wednesday. CBS will win Sunday. Monday belongs to either ABC or NBC, depending on ABC's price tag for "Monday Night Football."
- If the networks consistently were to fetch these prices and sell out their inventories, the three-network total weekly prime time fourth-quarter revenue would be about $101 million. NBC would reap $37.9 million; ABC, $32.1 million, and CBS, $30.9 million.
- If the networks were to sell out all 6½ minutes of advertising per prime time hour (seven minutes in movies and 25 30-second units in "Monday Night Football"), and if they were to receive the rates shown in the accompanying chart, the maximum revenue potential for each network on a night-by-night basis would be:

Sunday: CBS, $7.4 million; ABC, $6.6 million; NBC, $6.1 million.

Monday: NBC, $5.3 million; ABC, $5.1 million-to-$5.6 million; CBS, $4.8 million.

Tuesday: ABC, $6.9 million; CBS, $3.3 million; NBC, $3.3 million.

Wednesday: ABC, $5.4 million; NBC, $4.5 million; CBS, $3.4 million.

Thursday: NBC, $8.6 million; CBS, $4.1 million; ABC, $2.6 million.

Friday: NBC, $5.4 million; CBS, $4.3 million; ABC, $2.5 million.

Saturday: NBC, $4.7 million; CBS, $3.6 million; ABC, $2.9 million.

The network prices also reflect pricing only during October and November, traditionally one of the highest-price periods of the broadcast year (April and May are similarly high price). Each network has different price "breaks" that reflect demand during a particular time of year—there can be as many as 30 such breaks during the course of a year.

For example, fourth-quarter prices "break" after Christmas, when advertiser demand softens.

In terms of revenue, NBC will win Thursday, Friday and Saturday. ABC will win Tuesday and Wednesday. CBS will win Sunday. Monday belongs to either ABC or NBC, depending on ABC's price tag for "Monday Night Football."

Recent upfront-pricing levels (AA, July 14) also differ from Ad Age's unit costs. To carve the largest share of the total upfront market, where advertisers buy inventory for the full year, both CBS and ABC cut cost-per-thousand prices slightly. (Advertisers negotiate cpms rather than strict unit costs.) Some major clients won deals on CBS at 5% lower rates than last year. Over-all pricing for the 1986-87 season was down about 1% on both ABC and CBS. Unit costs for the fourth quarter reflect this softness.

NBC booked a 20% gain in unit pricing for the fourth quarter. For the year, however, the network had a 3%-to-6% increase in cpms. The reason for the discrepancy: Thursday.

NBC's Thursday fall schedule is especially sought-after by motion picture advertisers, who want to be on tv's hit shows as they bring out their holiday releases. These advertisers clamor for the best placement on the best shows and will pay the freight. NBC's fourth-quarter Thursday average is substantially higher than the rest of the year. Some movie advertisers reportedly paid as much as $400,000 a 30-second spot for "Cosby" this fall.

Some other pricing discrepancies: ABC's "Monday Night Football" was sold for approximately $175,000 to most advertisers, however others paid as low as $135,000. Some buyers were surprised that ABC had a higher average price than CBS. The rankings could be different on a demographic basis, rather than total households as presented here. ABC would still be higher than CBS in adults 18 to 49 —the network's strongest demographic—while CBS likely would be higher for adult women, according to buyers. The buyers also said that ABC's "Monday Night Football" is generally considered sports rather than prime time inventory. Without "MNF," ABC's average prime time unit would drop to $109,000, still higher than CBS.#

Networks' 30-second price list, 1986-87 season

1986 network television unit costs reflect the average advertisers will pay during October and November, one of the highest priced periods of the broadcast year. Advertising Age's estimates reflect the average costs paid by several agencies. NBC-TV significantly widened the margin over its rivals on a cost-per-unit basis in 1985-86. For the first time ever, a regular series—"The Cosby Show"— was priced at $380,000. The strong night for ABC-TV is Tuesday and for CBS-TV, Sunday. *Eastern Time. New shows in gray. Source: *Advertising Age*.

		7:00*	7:30	8:00	8:30	9:00	9:30	10:00	10:30
MONDAY	ABC			MacGyver $96,000		NFL Monday Night Football $135,000 - $175,000			
	CBS			Kate & Allie $122,000	My Sister Sam $110,000	Newhart $151,000	Designing Women $150,000	Cagney & Lacey $120,000	
	NBC			ALF $ 90,000	Amazing Stories $117,000	NBC Monday Night at the Movies $145,000			
TUESDAY	ABC			Who's the Boss? $215,000	Growing Pains $205,000	Moonlighting $215,000		Jack and Mike $125,000	
	CBS			The Wizard $ 59,000		CBS Tuesday Night Movies $ 91,000			
	NBC			Matlock $115,000		Crime Story $ 82,000		1986 $ 59,000	
WEDNESDAY	ABC			Perfect Strangers $116,000	Head of Class $106,000	Dynasty $185,000		Hotel $130,000	
	CBS			Together We Stand $ 80,000	Better Days $ 78,000	Magnum, P.I. $ 86,000		The Equalizer $ 99,000	
	NBC			Highway to Heaven $128,000		Gimme a Break $108,000	You Again? $101,000	St. Elsewhere $125,000	
THURSDAY	ABC			Our World $ 30,000		The Colbys $ 63,000		20/20 $105,000	
	CBS			Simon & Simon $ 78,000		Knots Landing $132,000		Kay O'Brien $102,000	
	NBC			Cosby Show $380,000	Family Ties $300,000	Cheers $230,000	Night Court $206,000	Hill Street Blues $148,000	
FRIDAY	ABC			Webster $ 78,000	Mr. Belvedere $ 77,000	Sledge Hammer $ 59,000	Slickicks $ 61,000	Starman $ 64,000	
	CBS			Scarecrow and Mrs. King $ 86,000		Dallas $145,000		Falcon Crest $103,000	
	NBC			The A-Team $ 82,000		Miami Vice $195,000		L.A. Law $139,000	
SATURDAY	ABC			Life With Lucy $ 74,000	Ellen Burstyn $ 75,000	Heart of the City $ 74,000		Spenser: For Hire $ 82,000	
	CBS			Downtown $ 79,000		The New Mike Hammer $ 90,000		Twilight Zone $108,000	
	NBC			Facts of Life $107,000	227 $120,000	Golden Girls $175,000	Amen $131,000	Hunter $114,000	
SUNDAY	ABC		Disney Sunday Movie $105,000			ABC Sunday Night Movie $131,000			
	CBS	60 Minutes $161,000		Murder, She Wrote $156,000		CBS Sunday Night Movies $118,000			
	NBC	Our House $ 71,000		Easy Street $101,000	Valerie $132,000	NBC Sunday Night at the Movies $134,000			

DeGregorio

(Continued from Page 12)

reality" in his work doesn't "gravitate to beautiful people" and slickly produced spots that lack creative ideas.

That may help him adapt to the midwestern agency climate.

"If the work is not, in your judgment, good enough, [a new job] is a tremendous challenge and potentially a disaster," he said.

Before joining LHS&B in January, 1984, Mr. DeGregorio was a creative director at McCann-Erickson in New York, where he created the "Coke is it" campaign for Coca-Cola Co. and worked on the Sony account.

He also has worked at BBDO and the Ogilvy Group's Scali, McCabe, Sloves in New York and worked briefly with Mr. O'Rielly on a Windsor Canadian whisky campaign while both were at Young & Rubicam.

Wim Slootweg, senior vp-general manager at O&M in Chicago, said two factors made the agency comfortable with its new hire: "Creatively, he's absolutely a powerhouse. But equally important, he's an awfully nice guy. He's not going to upset people; he's not going to be a bully" seeking to dictate creative edicts and "put a stamp on everything."

Mr. DeGregorio said he plans to juggle administrative assignments with creative work, particularly on the Sears business, for which O&M handles hard lines such as tools, appliances and electronics.

But "it would be unrealistic to say I'm going to do as much [creative] work as I do now." He also will become a member of O&M's new-business team with Mr. Slootweg and exec vp-managing director William Whitney.

Mr. DeGregorio's wife, Joan, and two daughters will join him in Chicago; the city-raised executive said he'll avoid the suburban life.

LHS&B vice-chairman, director of creative services Allan Beaver, who hired Mr. DeGregorio nearly three years ago, called him "a terrific talent" and said the new executive job "certainly changes your perspective on what you can do in your workday."

Mr. Beaver said he likely will replace Mr. DeGregorio soon from outside the agency.

TONY DeGREGORIO

Mr. DeGregorio may be saddest about leaving partner and vp-creative director Lee Garfinkel, who co-created the Subaru spots.

"We've had such a terrific collaboration," he said. "It's going to be a sad parting, because you get into these grooves with someone, and that's going to be a little hard to break."#

Coolers

(Continued from Page 4)
fifth with 1.4% of first mentions.

AdWatch is a joint project of Ad Age and SRI Research Center, Lincoln, Neb.

Ad awareness is measured by asking a nationally projected sample to name the advertising that first comes to mind—over-all and in a variety of product categories—from among all advertising seen, heard or read in the previous 30 days. During August, 1,000 consumers were polled by telephone.

Those changes in advertising awareness that are deemed statistically significant by adWatch researchers can be attributed to more than sample variation.

Ford Motor Co.'s continuing "Best-built American cars and trucks" theme helped pull the brand's advertising awareness out of a slump.

Those ads broke in June with a print campaign. In August, Ford added 4.3 points to its share of first mentions to boost its score to 22.7%. Ford's share had dropped 3.8 points to 18.4% of first mentions in July. Ford's advertising is still the most often mentioned auto advertising, followed by Chevrolet's 14.1% of first mentions; Toyota's 8.8%; Nissan's 4.8%, and General Motors' 4.4%.

August's 10 best-recalled ads (unaided by request for a specific product category) were, in descending order: Coca-Cola, Miller/Miller Lite, Pepsi-Cola, Ford, McDonald's, Budweiser/Bud Light (Anheuser-Busch), Bartles & Jaymes, K mart, Levi Strauss and 7UP.

New to the top 10 are Bartles & Jaymes, K mart, Levi Strauss and 7UP, bumping Marlboro, Jell-O and Coors, which had been among July's top 10.

Among other significant changes in advertising awareness during August:

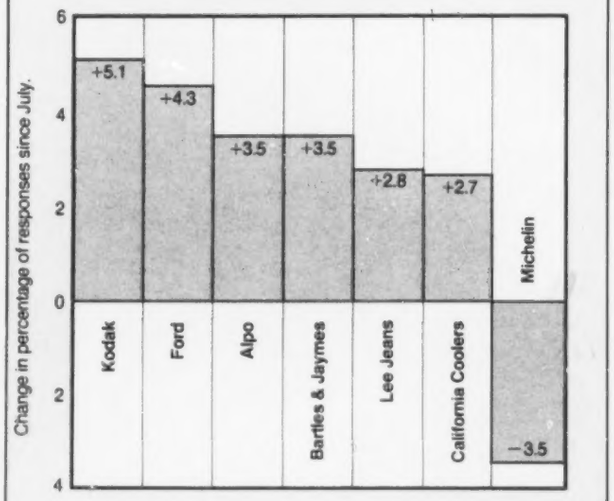
- Eastman Kodak's advertising awareness gained 5.1 percentage points for a total of 27.4% of first mentions among **camera** advertisers. That accounts for the biggest gain in awareness in the August adWatch poll. Canon's advertising remained in second with 12.7%, followed by Minolta with 5.7% of first mentions.
- Advertising for American Tobacco's Carlton cigaret brand ("If you smoke, please try Carlton") made its first appearance among the top five tobacco advertisers, placing fourth with 1.9% of first mentions.

The brand's advertising garnered 1.3% of first mentions in July. Philip Morris Inc.'s Marlboro remains the leader in the **tobacco** category with 7.9% of first mentions (unchanged from the previous month). United States Tobacco Co.'s Skoal smokeless tobacco is second with 3.9% and RJR Nabisco's Winston is third with 2.7% of first mentions.#

For additional information or data, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

August winners and losers

Question: Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind?
Source: SRI Research Center Inc., Lincoln, Neb.



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Street Talk

Do you think P&G's "punishment" of the Saatchi & Saatchi agency network will encourage other clients to take a tougher stance on account conflicts, in effect reversing the trend toward a more liberal attitude?

E. HARRIS

Elizabeth Harris, president/creative director, Harris-Edward, Philadelphia: It's all right to resign an account because of a conflict. Clients should look at the quality of the creative rather than conflicts. After the shakeup, P&G will still have to find an agency as good as Saatchi & Saatchi. Agencies like Saatchi have gotten there because they're that good; that's what clients should be thinking of. Now where will P&G go? They'll have to look hard to find another big agency not affected by mergers.

J. DURFEE

Jim Durfee, creative director, Durfee & Solow Advertising, New York: In our business particularly, we're a world of follow-the-leaders. There has been a lot of re-evaluating going on among advertisers, and who better to follow than P&G? It may not be a long-term phenomenon, but in the short term, yes, it could help other re-evaluations to occur.

R. BADAMI

Richard Badami, exec vp, Phillips-Ramsey, Los Angeles: A company of P&G's clout and influence sets the tone for our business. A lot of other advertisers may be thinking, "Maybe P&G knows something we don't know." The so-called "liberal attitude" is an attempt by the agencies to justify the merger moves to the clients. Obviously, this client isn't buying it. P&G must have looked at the situation and thought the merger would be a liability and not an asset. I don't think P&G wouldn't have made the change.

S. RICHARDS

Stan Richards, creative director, Richards Group, Dallas: I think liberalization of the conflict issue will continue, in spite of what may have happened between any one agency and its client. The trend toward mega-agencies will continue, and those agencies are not going to walk away from substantial pieces of business every time they merge. Also, a lot of times clients use conflict as a way to justify an agency change when that is not the heart of the matter.

D. SULLIVAN

Donald Sullivan, general manager, J. Walter Thompson USA, Chicago: P&G always has had the most rigid definition of client conflicts and I don't think other companies will move in the same direction. Now, there are fewer agencies to choose from, and if you enact [a P&G-type] policy, you'll lose agencies in your stable. I think clients will maintain their policies, because more restrictive policies are not in their best interest. Clients won't change their policies just because the Saatchis would like them to.

Want to be part of this weekly feature? You can enhance your chances by sending a clear, recent—and expendable—photo plus your company, title and phone number to: Street Talk, Advertising Age, 220 E. 42nd St., New York 10017. If AA then solicits your comments about an advertising topic, your photo will accompany your quote.

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Monday, October 6, 1986

Advertising Age®

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

Who won, who lost in Kraft shuffle

Leo Burnett USA was the big winner in the Kraft agency shuffle, adding an estimated $43 million in business from J. Walter Thompson USA and the $7 million Parkay margarine account from DDB Needham Worldwide. Thompson was the biggest loser, dropping an estimated $97 million in Kraft accounts but retaining another $75 million in Kraft business. *Source: Advertising Age.*

New agency	Account	Billings	Previous agency
Leo Burnett	100% Natural Cheese	$30 million	JWT
	Pourable Dressings	8 million	JWT
	Parkay	7 million	DDB Needham
	Cracker Barrel cheeses	3 million	JWT
	Casino cheeses	2 million	JWT
Foote, Cone & Belding	Miracle Whip	$20 million	JWT
	Grated cheeses	6 million	JWT
	Tv specials	5 million	JWT
	Food trade	4 million	JWT
Young & Rubicam	Kraft mayonnaise	$15 million	JWT
	Sauceworks sauces	4 million	JWT
	Kraft jams & jellies	1 million	DDB Needham
	Chantelle herbed mayo	(In test)	DDB Needham
	Spot media buying	$65 million	N W Ayer
Geers Gross	Sealtest ice cream (Polar Bars)	5 million	Ayer
REMAINING AT J. WALTER THOMPSON			
	Kraft Singles cheese food	$25 million	
	Philadelphia Brand cream cheese	15 million	
	Food service	13 million	
	Cheese Whiz	12 million	
	Cremerie triple cream	10 million	

Kraft brand shifts mark new strategy

Agency layoffs, tighter budgets are here to stay

By STEWART ALTER
News Analysis

NEW YORK—The layoff of about 60 employes at Ogilvy & Mather and the revision of Kraft Inc.'s agency compensation system were further signs last week that disinflation and flattened ad spending are having as much of an impact on the ad-agency business this year as megamergers.

Perhaps most significant, major agency heads do not see the current economy-related staff cutbacks or compensation pressures as cyclical and temporary. Instead, they talk about fundamental changes in the way the agency business is structured in account staffing, services provided to clients and compensation arrangements. More efficiency in creating effective advertising, less bureaucracy and more profitability are the rallying cries.

"The business has changed. Anybody who thinks it can go back to the way it was is smoking grass,"

(Continued on Page 117)

By JULIE FRANZ

CHICAGO—Changes in top management and strategic thinking at Kraft Inc. over the past few years—including a growing emphasis on product rather than corporate advertising—were behind its shift of $125 million in advertising assignments.

Sears consolidation at Ogilvy reflects shift to local marketing. Story on Page 117.

Two agencies—DDB Needham Worldwide and N W Ayer—were removed from Kraft's roster last week, and billings were cut to $75 million from nearly $175 million at J. Walter Thompson Co., which has worked for and been closely associated with Kraft for 64 years. It originated the line, "America spells cheese, K—R—A—F—T."

Major winners in the agency shuffle were Leo Burnett Co., Foote, Cone & Belding, Geers Gross Advertising and Young & Rubicam.

The Glenview, Ill.-based company also restructured its compensation system to a com- and commission om a fee-only sys-

plained its moves by vants greater global and "major client"

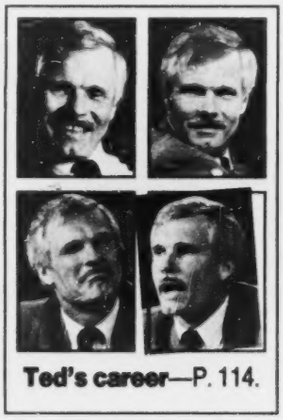
nued on Page 116)

MANAGERS TAKE OVER TBS HELM

By VERNE GAY

Ted Turner, one of the most flamboyant, hands-on executives ever, has turned over the management of Turner Broadcasting System to a five-man management committee comprised of veteran TBS executives.

While Mr. Turner will retain his titles as chairman-president of TBS, he will now participate only in major corporate decisions. The five-man executive committee, now facing perhaps the most difficult financial period in the company's history, will oversee virtually all operations of the company, including finance, programing and marketing.



Ted's career—P. 114.

The management committee includes Robert Wussler, 50, TBS exec vp and a former CBS network president; Jack Petrik, 56, exec vp-general manager of Superstation WTBS who is heavily involved in long-range program planning and managing the MGM film library; William Bevins Jr., 40, vp-finance who structured much of the TBS acquisition of MGM; Gerald Hogan, 40, vp-broadcasting sales and Turner's main contact with the advertising community, and Terence McGuirk, 35, vp-special projects who oversees legal and cable matters.

The establishment of an independent management group at TBS represents a remarkable turnaround for Mr. Turner, who with bravado and flashes of brilliance built TBS from a near-bankrupt company in 1963 to one with estimated 1986 revenues of $500 million.

TBS must retire $600 million in debt associated with the MGM purchase by December and faces another $130 million in debt payments next year. The recent sale of the MGM studios and other assets for $490 million will partly cover the December payment.

Mr. Turner began forming the committee a few weeks ago and, according to sources, the plan has been revised at least three times. The precise purpose, direction and authority of the group is "still taking focus," according to one source.

Mr. Turner is expected to spend more time on outside interests, including the Better World Society, a nonprofit, Washington-based organization that makes "advocacy" tv programs for TBS about pollution, overpopulation and nuclear proliferation. Mr. Turner is a founding member and chairman of the organization.

Mr. Turner also is expected to step up his globe-trotting activities in an all-out effort to build CNN's worldwide distribution.

Mr. Turner's personal life has also reportedly played a role in his decision to turn over day-to-day operations of TBS to the committee. Mr. Turner reportedly has separated from his wife, Jane, and, several sources said, he has become tired of 20-hour workdays and wants to devote more time to his personal life and outside interests.

A TBS spokesman said establishment of the new management committee had nothing to do with Mr. Turner's personal life.

He said Mr. Turner has wanted to relieve "the crush" of business activities on him since the TBS acquisition of MGM last Au-

(Continued on Page 114)

Last Minute News

Pillsbury talks cake with DMB&B, McCann, Y&R

MINNEAPOLIS—Pillsbury has approached several agencies, including New York shops D'Arcy Masius Benton & Bowles, McCann-Erickson and Young & Rubicam, to handle its $15 million cake and frosting account, sources say. BBDO Worldwide, Chicago, resigned the business due to Omnicom merger conflicts (AA, Aug. 4). Pillsbury also is looking for a new agency for its $15 million-to-$25 million microwave-products assignment, still at BBDO.

Minolta's focus narrows to 6 agencies

RAMSEY, N.J.—Minolta last week narrowed the competition for its estimated $20 million photography account to six New York agencies: Ammirati & Puris; Backer & Spielvogel; Bozell, Jacobs, Kenyon & Eckhardt; DDB Needham Worldwide; incumbent William Esty Co., and Jordan, Manning, Case, Taylor & McGrath. BJK&E now handles Minolta's estimated $10 million office equipment account, as well as pr for both consumer and business divisions. DDB Needham handles the $60,000 Cokin camera lenses and accessories account. A decision is expected by early December.

(Continued on Page 8)

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Highlights

Turner takes hands off TBS 1
Ted Turner, one of the most flamboyant hands-on executives ever, has turned over the management of Turner Broadcasting System to a five-man management committee comprised of veteran TBS executives.

The making of Spectra 4
The success of the Spectra instant photography system is concrete evidence that the marketing and engineering departments at Polaroid Corp. have come a long way toward communicating on the same level. Although both are part of the Polaroid "family"—a term not taken lightly by company employes—the marketing and engineering departments did not understand each other at all when they started collaborating on a new camera.

Business publishers consolidate 6
American City Business Journals' $40 million acquisition of Business Journal Publishing Co., St. Louis, further consolidates ownership in the growing business-weekly segment as local media ad growth continues to outpace that of national media.

Admen like Oliver so far 24
Advertising industry lobbyists are enthusiastic about the tone of a recent speech on advertising and trade regulation issues by Federal Trade Commission chairman Daniel Oliver. Mr. Oliver appeared before a national Council of Better Business Bureaus meeting in San Diego last month, where he struck many of the same chords as his predecessor at FTC, James C. Miller III.

McCall gets McCaffrey & McCall call 40
It isn't every day that the author of "Zany Afternoons" becomes creative director of the self-proclaimed "fastest-growing direct-response agency in the country." But Bruce McCall did just that.

Agency payrolls on rise 86
Direct hourly payroll costs in the average small-to-mid-size agency just about doubled between 1977 and 1985, according to an analysis by a company that specializes in advertising agency computer and cost-accounting systems.

Sears' plans don't include DDB Needham 117
Sears, Roebuck & Co. last week dismissed DDB Needham Worldwide in favor of Ogilvy & Mather after adopting a new marketing strategy that will shift emphasis to regional promotions and local ad support.

FEATURES

Griner's got the look 52
In advertising, where directors are often chosen for their "look," Norman Griner, co-partner of Griner/Cuesta & Associates, looks different. Constantly changing his style to fit his clients, he claims to be equally inspired by Renaissance painters, Impressionists and Norman Rockwell.

N. Griner

INTERNATIONAL

Miller eyes Taiwan 68
The beer "made the American way" is casting its eyes overseas for growth. Miller Brewing Co. is awaiting the final nod, expected in the next two months, from the Taiwanese government to become the first imported beer there. Miller has a distributorship in Taichung, near Taipei, waiting to handle importing Miller High Life and Lite beers.

OTHER NEWS

TreeSweet, the maverick fruit juice company taking on Coca-Cola Co.'s Minute Maid, Beatrice Cos.' Tropicana and Procter & Gamble's Citrus Hill brands, has begun distribution of TreeSweet Lite fruit-juice beverages with a $40 million effort that begins today in 40% of the country. Page 12.

Chrysler Corp. is giving its marketing managers a bigger and earlier say in the development of future cars and trucks. Page 22.

Domestic home-computer marketers' prospects for revival during the big Christmas selling season hinge on a wave of feature-packed new products and aggressive discounting of mature models to combat no-frills imports. Page 30.

When Benetton Cosmetics Corp. comes out with its first fragrance next July, that will not be its last word on beauty. Benetton intends to add cosmetics and skincare to its menu by 1989. Page 34.

Timothy Forbes has heard the gibes that he's running a magazine at 32 only because daddy bought it for him. Previously a tv-film writer-producer, Mr. Forbes was named to his first publishing post after his father, Malcolm, bought American Heritage Publishing Co. last January. Page 74.

With a hefty ad campaign breaking this fall, Campbell Soup Co.'s new Prego Al Fresco is expected to stir up the $820 million spaghetti sauce pot. Page 78.

Sometimes ice cream novelties aren't so novel at all. Take Chipwich-creator Richard LaMotta's latest invention: Love Bites. These little chocolate-covered ice cream bonbons certainly owe some homage to the Carnation-brand Bon Bons. Thick of coating and rich of cream, they're also descendants of the DoveBar. Page 82.

SPECIAL REPORT

Wine and beer coolers are expected to sell 60 million to 65 million cases by the end of the year, topping last year's total of 41 million. What started as the backyard venture of a couple of California entrepreneurs has become a $1 billion business. And four companies, by the sheer volume of their advertising budgets, have restricted entry into cooler markets.

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BBDO gives 'humane' feel to Apple ads

By CLEVELAND HORTON

Apple Computer is dropping hard sell for heart sell in 11 bold new commercials from BBDO Worldwide.

In spots in the tradition of BBDO's "feel good" award-winning work for Pepsi-Cola Co., the Cupertino, Cal.-based computer company is projecting a "more humane" approach in selling Macintosh and Apple II personal computers.

"The power to be your best" is the new tv and print theme.

Among the new spots:

- "Put Mac in" uses quick-cut imagery to show business people sucessfully using the Mac in offices. With a 100-piece orchestra performing original music on the sound track, the spot shows workers of all ages and ranks excelling with the Mac.
- "Momentum series," a collection of four spots, doesn't show or mention the Mac until the last frame, a first for the pc industry, said Apple advertising and sales-promotion manager Eruce Mowery.

In one commercial, executives watch two junior employes (identified as "hot shots from finance") carrying computers from their homes to the office. What brand are they? The last frame

(Cont'd. on Page 118)

In "Influence" (above), Apple Computer reminds parents of the many influences—not all of them good—on school-age children.

Dallas dailies' war escalates

By TOM BAYER

DALLAS—The *Dallas Times Herald* has sent the Audit Bureau of Circulations what it says is evidence of shady circulation practices at the rival *Dallas Morning News*. And the *Morning News* has turned over to the ABC evidence it believes will cause an investigation of the *Times Herald's* circulation department, sources close to both papers said last week.

William Dean Singleton, who bought the *Times Herald* from Los Angeles-based Times Mirror Co. this summer, fired the first shot when he brought in lawyers from Cleveland to look for evidence of circulation fraud at the *Morning News*. They reportedly turned up questionable circulation practices, which were described in a lengthy memorandum sent to ABC headquarters in Schaumburg, Ill.

The *Morning News*, which sources say was aware of the *Times Herald's* private investigation, launched a probe of its own. That investigation is said to have yielded evidence—including videotapes—that, if accepted by the ABC, could slash up to 25,000 from the *Times Herald's* circulation numbers.

Mr. Singleton would not confirm that his paper has requested the ABC investigation. He also refused to discuss the *Times Herald's* own circulation. Likewise, *Morning News* officials declined to com-

(Continued on Page 114)

West Coast News

Dailey, eyeing Western loss, hit with layoffs

LOS ANGELES—Dailey & Associates has laid off about 25 people, relating to the imminent loss of the Western Airlines business after its planned merger with Delta (AA, Sept. 15). The agency is down to 225 persons from a peak of near 300 in 1985, following a string of account losses.

SAN FRANCISCO—**The Merchandising Factory** here is in contact with Allen & Dorward and other Bay Area agencies about a possible buyout. The sales-promotion agency has been considering the move since several top executives left to form Lewis & Partners with TMF's key account, Carnation Co., nine months ago.

NEWPORT BEACH, CAL.—**Wakeman & deForrest**, a direct response agency owned by Saatchi & Saatchi Compton Group Co. for the past year, is spinning off as an independent agency.

PHOENIX—**El Pollo Asado**, a charbroiled chicken fast-food chain here, is contacting 45 agencies in California, Denver and here to handle its $2 million-to-$3 million account. Duval Advertising, Tucson, which does project work, will participate.#

Local business books consolidating

ACBJ buy, ad combine latest moves

By GARY LEVIN

American City Business Journals' $40 million acquisition of Business Journal Publishing Co., St. Louis, further consolidates ownership in the growing business-weekly segment as local media ad growth continues to outpace that of national media.

Publicly held ACBJ, based in Kansas City, Mo., adds six titles to its growing stable of 19 business weeklies owned or managed by the company. Combined circulation for the group is 324,741, according to the company. The publications to be acquired by Nov. 15 are in Baltimore, Cincinnati, Indianapolis, Philadelphia, Pittsburgh and St. Louis.

Additionally, ACBJ and Scripps Howard Jan. 1 jointly will create the Weekly Business Journal Advertising Network, a Kansas City-based network to help attract national advertisers.

"This particular niche industry is a very good business to be in," said ACBJ chairman Michael Russell, adding that revenues from weeklies more than two years old are up 9% this year while the national media climate remains flat.

"It had been fragmented as far as ownership is concerned, and we found a lot of the things we learned in running [our] business can work all over." While most business operations are decentralized, editorial similarities include advertiser-targeted themed sections and rankings of local businesses, both staples of that publishing segment.

ACBJ already owns six titles and manages 13 others held by its principals, including Mr. Russell. Those 13 will be folded into the public company as they become profitable, he said.

The company was formed only four years ago with the *Kansas City Business Journal*, which has a paid circulation of 14,396, the largest among ACBJ's titles. The largest among the Business Journal group is in St. Louis, where the weekly circulates 19,064 paid copies.

Business Journal president Mark Vittert has been offered a position on ACBJ's board; he could not be reached for comment on his future plans.

Other personnel will remain intact, Mr. Russell said; no decisions have been made regarding format changes.

Mr. Russell said 10 ACBJ titles have been acquired or launched since 1985, illustrating the growing attraction of local business publishing ventures.

In response to the recent growth, many major daily newspapers have increased their business coverage. And while some dailies are "embarrassed" when weeklies break major stories, Mr. Russell believes they've reaped financial rewards from the new advertising market created by business papers.

The Assn. of Area Business Publications reports 97 members—including 64 tabloids—compared with 17 in 1979. Combined circulation for those publications is 2.1 million.

J. Kendrick Noble, analyst at PaineWebber in New York, said weekly business tabloid publishers have fared especially well in the general trend toward more specialized media.

Mr. Noble said the uncertain impact of recent tax-reform legislation has made many national business-to-business advertisers skittish, and may lead to further erosion among national business magazines such as *Business Week*, *Forbes* and *Fortune*. Each has reported significant year-to-date ad-page declines.

Local business weeklies, however, rely more upon local, more targeted advertisers such as healthcare, telephone and business service companies less affected by changes in the economy, Mr. Noble said. "The long-term prospects are excellent."

Major national advertisers have mostly avoided these titles because of difficulty in buying large groups of papers and because of what observers called uneven editorial quality. The proposed Weekly Business Journal Advertising Network, joining Scripps' 10 titles with ACBJ's 25, is meant to reverse that trend.

"Frankly, we've done a very poor job on national sales, and what little we've done has been regional buys," said ACBJ vice-chairman Bill Worley. "[The market's] been so fragmented, we think if we stroll in with 40-plus journals, it'll be easier for agencies to buy into the market."

Ad-page performance this year has been varied, with growth mainly dependent on local market conditions. At ACBJ's Kansas City paper, ad pages through August of this year were down 13.9%, while those at Business Journal's Indianapolis paper were up 23.7%, according to reports from both weeklies.

Other companies in the burgeoning field include Cincinnati-based Scripps Howard, whose 10 titles have a mostly nonpaid combined circulation of 254,837, and Crain Communications, which publishes business weeklies in Chicago, Cleveland, Detroit and New York, in addition to Advertising Age.

Crain's Chicago Business, perhaps the largest business weekly with paid circulation of 42,249, was started in 1978.

Few markets have supported more than one business weekly despite the industry's growth, with the exception of more feature-oriented titles such as *Manhattan, inc.* in New York and *Regardie's* in Washington.

In Dallas, Denver, New York and Pittsburgh, major publishers have acquired and folded other competing publications to ensure their own profitability. "Only one will have the financial wherewithal to stay with it," Mr. Russell said.#

> "Frankly, we've done a very poor job on national sales, and what little we've done has been regional buys. [The market's] been so fragmented, we think if we stroll in with 40-plus journals, it'll be easier for agencies to buy into the market."
>
> —**Bill Worley, ACBJ vice-chairman**

St. Louis Business Journal is the largest of the six Business Journal Publishing Co. publications purchased by American City Business Journals.

CORRECTIONS & CLARIFICATIONS

- Gardner Advertising, St. Louis, supplied the wrong credits for the "How to repair your Nynex Yellow Pages" ad for Southwestern Bell Media, shown in the Best of Press feature (AA, Sept. 8, P. 56). The correct copywriter was Frank Oros and the art director was Marty Chapo.
- The turn-of-the-century boardwalk on which a Planters peanut commercial was filmed is located in Victorian-tinged Ocean Grove, N.J., not at the gambling mecca of Atlantic City, 100 miles to the south (AA, Sept. 15, P. 34).
- In an article on Courvoisier cognac (AA, Sept. 22, P. 54), two titles in the creative credits at J. Walter Thompson USA, New York, were transposed. Jim Patterson is exec vp-executive creative director, who served as copywriter on the campaign with Mary Warner, copywriter.
- The former agency for Equitable Life Assurance Society was D'Arcy Masius Benton & Bowles, New York, not Ally Gargano/MCA, as reported (AA, Sept. 29, P. 8).
- *The following are corrections for profiles appearing in the 100 Top Media Cos. issue appearing June 30:*

In the profile on Dow Jones & Co. (P. S-30), it was mentioned that DJ hopes its own and Telerate's data eventually may be accessible to home users and small companies worldwide. Such data have been available to such users for some time. Dow Jones also sold about 65% of its 24.5% interest in Continental Cablevision back to Continental, not 8% of its 25% as reported. The *Wall Street Journal*, which is proceeding with its front-end pagination, was not held up in its plan to construct a plant in Oklahoma City because of the ban on liquor advertising, as stated. DJ officials say by the time DJ was ready to break ground on the plant, the court had ruled against the law.

McCall Publishing Co. did not buy a cable tv system as mentioned in a chart (P. S-70).#

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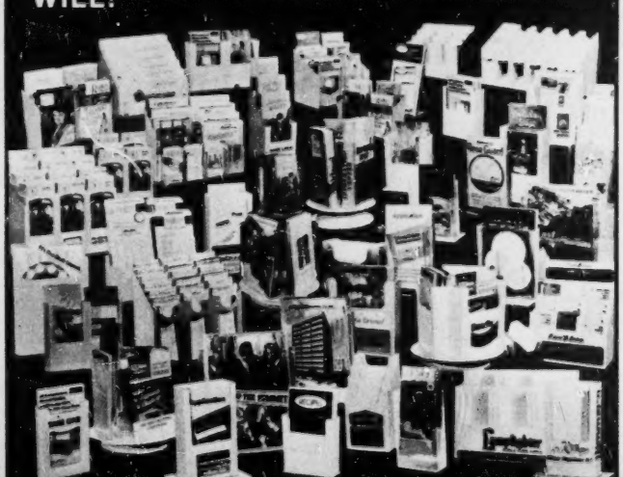

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Special Report

David Lee Csicsko, photo by Scott Sinams

Cooler success freezes out most competitors

By Harvey M. Lederman

Who could have predicted that a backyard business started by two childhood friends, who each invested $5,000 in the venture, would evolve into the $1 billion-plus wine cooler industry? Certainly not Stuart Sewley and Michael Crete, the two partners who founded California Cooler Co., Stockton, Cal., just five years ago.

When California Cooler began peddling its wine cooler, the competition was sparse and far from formidable. By the first quarter of this year, however, the world's largest winery, brewery and distillery were all vying for the top spot and all three were holding fat bankrolls. And California Cooler, purchased by Brown-Forman Corp., Louisville, Ky., last September for $55 million plus future payments that could total another $83 million, also was poised and ready to spend heavy ad dollars.

Harvey M. Lederman, former managing editor of Liquor Store, *New York, has covered the cooler craze since its inception.*

By spending anywhere from an estimated $20 million to $30 million on advertising, E&J Gallo Winery, Anheuser-Busch, Joseph E. Seagram & Sons and Brown-Forman collectively have made the cooler business a high stakes game.

Cooler marketers and industry observers are confident the category will continue to grow steadily for the next few years.

Jon G. Fredrikson, president of Gomberg, Fredrikson & Associates, San Francisco, a consultant to the wine industry, estimates 60 million to 65 million cases of coolers—including malt-based coolers—will have been sold by year's end, up from 41 million cases in 1985.

But he and several cooler marketers caution that the price of entry—as well as the price of competing—is growing higher each day.

"I think consumers will stick with image-driven brands and I think you may see a proliferation of packages, sizes and flavors," says Jon Gardner, California Cooler's marketing director. He sees room in the market for so-called niche brands but says the cost of entry at this stage would be staggering.

Despite all indications to the contrary, a few naysayers—i.e. Bert Notarius Premier Liquor Buffalo, N.Y.—believe coolers will prove to be as faddish a product as pop wines, such as Boone's Farm, were in their heyday. Cooler marketers disagree.

"The coolers fill a very important and clearly perceived need," says Robert Huntington, vp-marketing planning at Canandaigua Wine Co., Canandaigua, N.Y. "They provide some very real and very important benefits in relation to changing cultural, social trends and legal imperatives.

"The pop wines represented more of a social statement by a transitory and rebellious young population group who embraced pop wines as something they had discovered as their own drink," Mr. Huntington says.

Coolers, however, meet the needs of an American populace that has grown increasingly more concerned about diet, health and fitness. With their lighter taste and lower alcohol content, coolers are being embraced by a true demographic cross-section of the population. Further, the sweet taste of a cooler doesn't require the new drinker to acquire a taste for the product, as is the case with beer and liquor.

Recognizing the appeal of wine coolers, several brewers entered the market with malt-based products. To date, only Stroh's White Mountain cooler has shown any real success and a significant share of its sales—estimated as high as one-third by some industry experts—is coming from states where it has a tax and distribution advantage over wine coolers. Several states, like Pennsylvania—White Mountain's leading market—bar the sale of wine-based products in supermarkets and other food stores.

Mr. Fredrikson says it would not be inconceivable for Anheuser-Busch or Adolph Coors Co. to introduce malt-based coolers. A-B is struggling with its Baybry's champagne cooler and is spending more than $20 million to support its low-calorie wine cooler entry, Dewey Stevens. Coors had introduced a brand named Colorado Chiller, which froze in test market.

With the cooler market expanding to include malt-based products and, more recently, Seagram's spirits-based Golden Spirits line, the question of what constitutes a cooler needs to be answered. Gallo reportedly is trying to do just that by having the federal government stipulate that only wine coolers should be labeled coolers.

"The fact that now we have wine, beer and spirits coolers at similar alcohol levels but taxed differently at the federal and state levels tells me that at some point it may all change," Mr. Fredrikson says.

What has changed is the attitude of the key liquor retailers and supermarket chains; they now recognize that the category is permanent, not seasonal. Many retailers have sharply

(Continued on Page S-8)

Top 10 cooler brands
Share of market

	1986*	1985
1. Bartles & Jaymes	22.1%	17.5%
2. California Cooler	18.0	26.8
3. Sun Country	13.1	11.7
4. White Mountain	12.4	7.5
5. Calvin Cooler	8.3	6.5
6. Seagram's Golden	6.9	—
7. Seagram's Premium	5.5	9.3
8. Dewey Stevens	2.8	—
9. 20/20	2.5	3.7
10. La Croix	1.5	1.9

*estimate
Source: Impact Databank, 1986

My ad manager stinks!

Yes, he gets my ads written in time to meet closing dates (barely!).
Sure, he sees to all the "details" that are part of getting ads placed properly.

BUT...

I ask for an ad that lets the public know I will beat or match the best prices in the Screenprinted Sportswear Industry.
He gives me a phrase like "competitively priced".

I want him to tell folks about our excellent record with time-critical deliveries.
His copy reads "Fast service".

I want him to assure people that no one, no where prints t-shirts better.
All he can come up with is "fine quality".

I tell him he's dull...
He tells me I don't know squat about advertising.

YOU BE THE JUDGE...

Call me at 1-800-241-1052 or write me and tell me if I'm the one who is crazy or if I should fire the smart-ass college kid!
By the way, let me send you our free color catalog at the same time.

signed—THE PREZ.

THE T-SHIRTERY INC.
1200 MENLO DRIVE
ATLANTA, GEORGIA 30318
Where America goes for Promotional Clothes

Brewers

(Continued from Page S-6)

White Mountain, I.C. and LaCroix show how brewers successfully have latched onto the wine industry's trend.

In the past, brewers tried to promote malt-based coolers—Pittsburgh Brewing tried Hopp 'N Gator and Anheuser-Busch brewed Chelsea—and failed.

Champale, a flavored malt-liquor, could be considered the original malt cooler, but has never been marketed in that category. However, last spring Trenton, N.J.-based Champale Inc. introduced Champale coolers in four fruit flavors. North Castle Partners, Greenwich, Conn., handles.

Adolph Coors Co., Golden, Colo., suspended testing of its Colorado Chiller malt-based cooler in October, 1985. Some observers say the product failed because it tasted too much like beer. A Coors spokeswoman says the company stopped the tests when there was a seasonal downturn in the cooler market, but Coors continues to examine the market.

More brewers are likely to jump into the cooler category. "I expect every major brewer has a cooler or one in the making—you just haven't seen them yet," Pittsburgh Brewing's Mr. LaLonde says.

Coolers

(Continued from Page S-1)

pared the number of cooler brands they stock, often carrying only the top five or six and perhaps a couple of regional or specialized brands like Franzia's white zinfandel real wine cooler.

The cooler shakeout, as such, began in earnest early this summer. "Basically, there was a shakeout as soon as [retailers] made the decision that there's only so much room on the shelves and retailers can only give so much space," says Dan Hughes, corporate alcoholic beverage merchandiser for Safeway Stores, Oakland, Cal. Safeway closed out several brands this summer, Mr. Hughes says, including Citronet from Heublein Wines and Dubonnet Splash from Schenley Distillers. "Based on all the closeouts and what they've been doing," he says, "next summer will be even bigger [more volume] than this one."

Next summer is on everyone's mind, but nobody knows just how big is bigger. What cooler marketers and industry experts do know, however, is that coolers probably will not peak as a category for another few years.

"The category has grown and matured to the point now where the trade has accepted the category as being very important," Canandaigua's Mr. Huntington says. "They have greatly increased the space allocated [to coolers] on the shelves and in the cold boxes and in the floor display space, and they've also become very selective in terms of the brands they carry."

Retailers also have accepted coolers as a product that sells after Labor Day and before Memorial Day. Although cooler sales drop during the colder months—1985 sales in nonsummer months were about 30% to 40% of the summer peak—the seasonality curve has been flattening out from year to year. This year, offseason sales are expected to be about 40% to 50% of peak sales. Beer sales during the winter, in comparison, are about 75% of summer sales.

Mr. Huntington sees a lot of activity next year, with much brand switching by consumers. "The stakes are getting so damn large and the category hasn't matured yet and consumer brand preferences haven't settled," he says. "It's still a very fluid market in terms of the consumer's willingness to experiment and try other brands. I don't expect the category to mature next year, but how high is up is a guessing game for all of us."

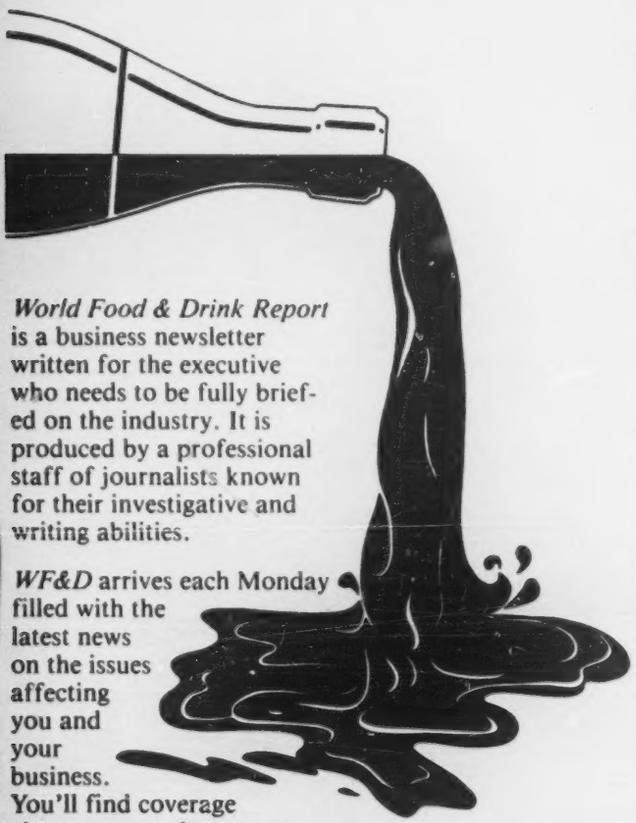
Adds Mr. Fredrikson: "The growth rate has to slow, but I think the category is going to continue to grow and be a significant factor. We can't lose sight that this is a beer/adult soft drink-type product that can only be measured in terms of the 5.7 billion gallon beer market or the 11 billion gallon soft drink market. So getting up into the quarter-billion-gallon range is nothing, that would only be 5% of the beer market."

Associate editor Pat Gray Thomas coordinated this report on Wine and Beer Marketing.

Coming

Next week ADVERTISING AGE's Special Report will focus on **Grocery Marketing.**

World FOOD & DRINK REPORT



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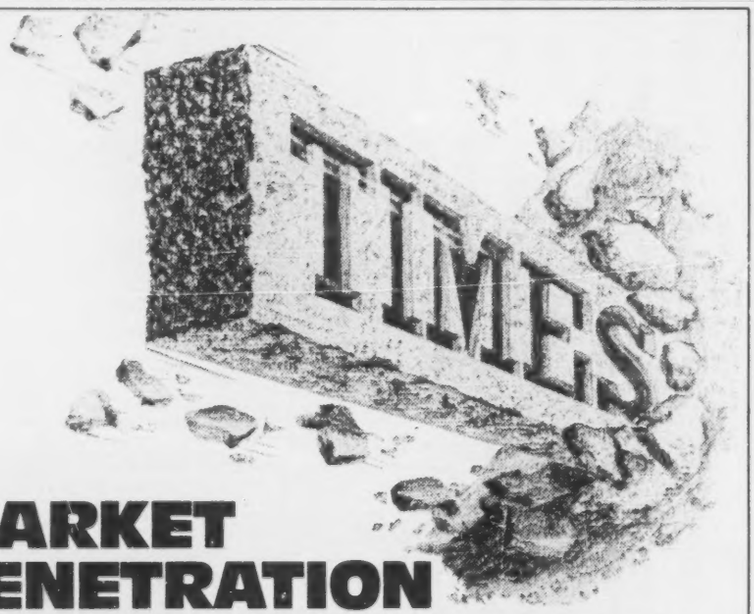

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NH Toll Free 1-800-852-3363

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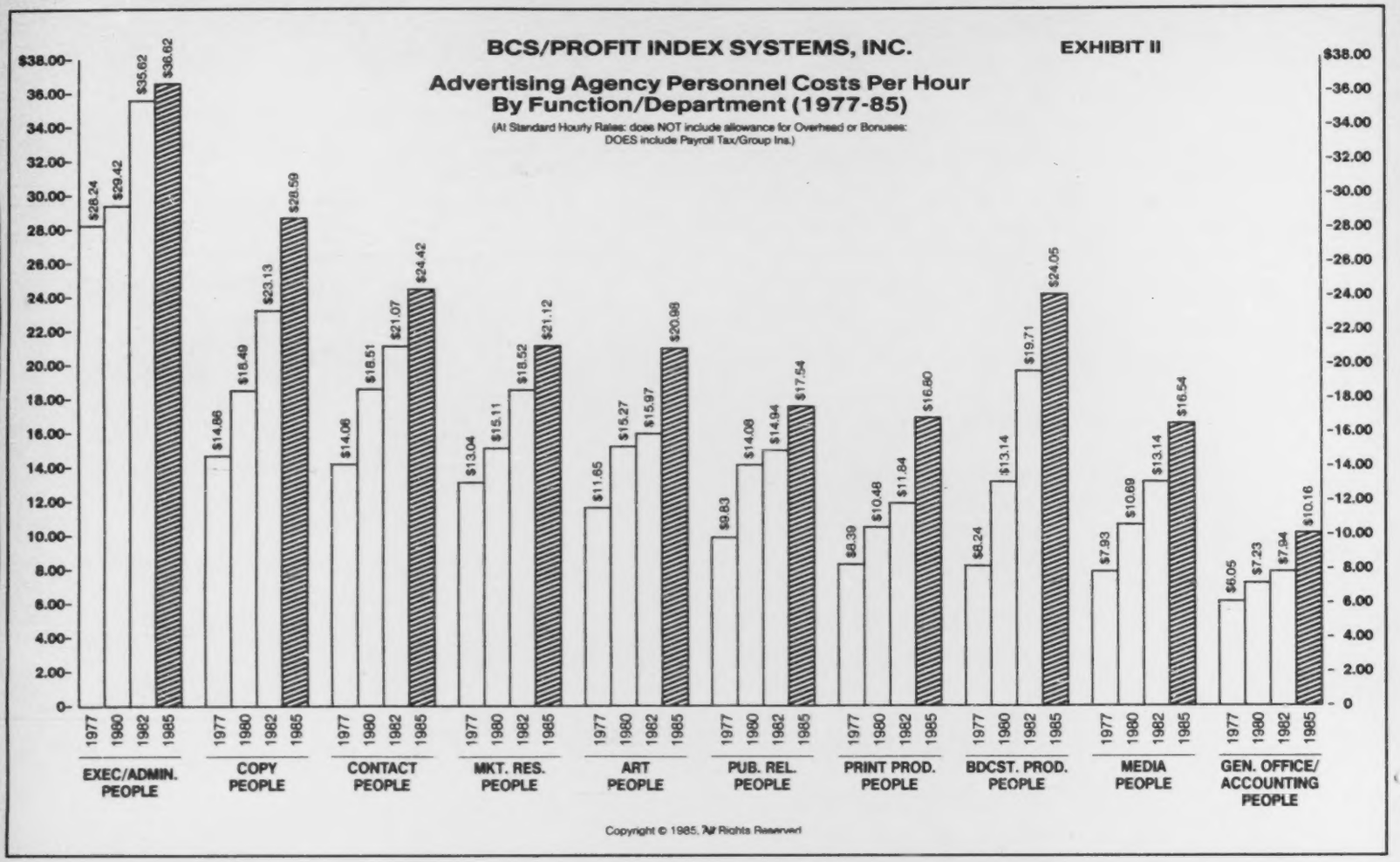
BCS/PROFIT INDEX SYSTEMS, INC.
EXHIBIT II
Advertising Agency Personnel Costs Per Hour
By Function/Department (1977-85)
(At Standard Hourly Rates: does NOT include allowance for Overhead or Bonuses; DOES include Payroll Tax/Group Ins.)
EXEC/ADMIN. PEOPLE: $28.24 $29.42 $35.62 $36.62
COPY PEOPLE: $14.86 $18.49 $23.13 $28.59
CONTACT PEOPLE: $14.06 $18.51 $21.07 $24.42
MKT. RES. PEOPLE: $13.04 $15.11 $18.52 $21.12
ART PEOPLE: $11.65 $15.27 $15.97 $20.98
PUB. REL. PEOPLE: $9.83 $14.08 $14.94 $17.54
PRINT PROD. PEOPLE: $8.39 $10.48 $11.84 $16.80
BDCST. PROD. PEOPLE: $8.24 $13.14 $19.71 $24.05
MEDIA PEOPLE: $7.93 $10.69 $13.14 $16.54
GEN. OFFICE/ ACCOUNTING PEOPLE: $5.05 $7.23 $7.94 $10.16
1977 1980 1982 1985
$38.00 36.00 34.00 32.00 30.00 28.00 26.00 24.00 22.00 20.00 18.00 16.00 14.00 12.00 10.00 8.00 6.00 4.00 2.00 0
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Smaller shop payroll costs double

By STEWART ALTER

Direct hourly payroll costs in the average small-to-mid-size agency just about doubled between 1977 and 1985, according to an analysis by a company that specializes in advertising agency computer and cost-accounting systems.

BCS/Profit Index Systems, which drew information from its database covering 113 agencies nationwide, said the increase was in line with inflation. The agencies, only 13 of which are in New York, include shops with billings between $10 million and $100 million.

Average direct client per-hour cost, the study showed, rose to $21.28 in 1985 from $11.60 in 1977.

"If you look at the increase in hourly salary costs, by departments, over the past few years, you get a handle on agency profit problems that very few agency clients understand," said H.E. McDonald, vp of Anaheim, Cal.-based BCS/PIS.

"From a client standpoint, the costs of media space and time and production have gone up. So, in raw dollars, agency gross income from commissions also has increased."

The BCS/PIS figures look at salary costs, broken out on an hourly basis, by different functions and departments within an agency. The hourly rate figures quoted do not include allowance for overhead or bonuses, but do include payroll tax and group insurance.

The largest average increases are in the creative areas—copy and art, and broadcast and print production.

Hourly salary cost figures from 1977 and 1985 show a 191.9% increase for broadcast production to $24.05, a 100.2% boost for print production to $16.80, a 92.4% rise for copy to $28.59 and an 80.1% increase for art to $20.98.

Media salary increase also rose substantially, by 108.6% to $16.54 an hour. Other departmental hourly salary cost increases came to 78.4% for pr to $17.54, 73.7% for contact people (account service) to $24.42, 67.9% for general office/accounting to $10.16, 61.9% for market research to $21.12, and 29.7% for executive/administrative to $36.62.

If the 1977 weighted grand total hourly salary cost of $11.62 is adjusted just by inflation, via the Consumer Price Index, it would come to $20.49 in 1985. That "agrees almost to the penny" with the $20.51 1985 weighted grand total average hourly cost, covering all functions and all departments, which the BCS/PISI study produced, said Mr. McDonald.#

Few withhold free-lance tax payments

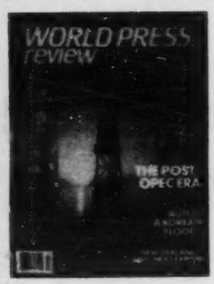
MILWAUKEE—The vast majority of advertising agencies who contract for free-lance talent and artists do not withhold federal income tax, Social Security or state income tax and do not make unemployment compensation payments, according to a nationwide study conducted by Marquette University.

The study's conclusions will be used as evidence in an investigation by the Internal Revenue Service and the Wisconsin Unemployment Compensation Board that seeks to determine whether free-lance workers should be considered employes or independent contractors.

The case involves the free-lance hiring practices of Pyramid Pictures, a production company with offices in Milwaukee and Hollywood. After an unemployment compensation audit, the state determined that Pyramid's free lancers were employes, and the company was told to make back tax payments. Pyramid maintains that treating free lancers as independent contractors is a standard practice.

The Marquette study, commissioned by the Milwaukee Assn. of Advertising Agencies, found that 92% of the 526 agencies questioned do not withhold federal income taxes or Social Security from free lancers.#

affluent



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Newspaper Advertising SAU Inches in the MRCS

July 1986 vs. July 1985

AKRON, OH

	1986 Full Run	1986 Part Run	1985 Full Run	1985 Part Run
Beacon Journal (E)	90.445	---	86.684	---
Beacon Journal (S)	50.221	---	52.772	---
Grand Total	140.666	---	139.456	---

NOTE: Part run figures not available.

ALLENTOWN, PA

Call (M)	138.525	---	---	---
Call (S)	65.486	---	---	---
Grand Total	204.011	---	---	---

NOTE: Part run figures and 1985 figures not available.

ATLANTA, GA

Constitution (M)	151.663	60.082	163.340	36.780
Journal (E)	160.159	61.652	177.068	43.275
Journal & Constitution (S)	99.638	43.026	107.683	41.076
Journal & Constitution (Sat)	41.728	100	37.235	---
Grand Total	453.188	164.860	485.326	121.131

NOTE: Constitution Morning and Journal Evening published five days a week only.

BALTIMORE, MD

Sun (M)	130.525	4.067	105.714	1.689
Sun (E)	125.171	4.067	86.782	1.689
Sun (S)	115.944	24.120	114.713	16.907
Grand Total	371.640	32.254	307.209	20.285

BERGEN COUNTY, NJ

Record (E)	145.094	22.490	131.264	25.594
Record (S)	102.341	25.088	96.179	15.643
Grand Total	247.435	47.578	227.443	41.237

NOTE: Record Evening published five days a week only.

BOSTON, MA

Herald (M)	65.863	---	43.429	---
Herald (S)	14.111	20.155	14.120	17.147
Globe (M)	124.728	13.840	112.577	6.767
Globe (S)	161.067	16.240	129.011	14.150
Grand Total	365.769	50.235	299.137	38.064

BUFFALO, NY

News (AD)	103.827	17.386	101.574	18.728
News (S)	55.361	10.303	55.204	7.593
Grand Total	159.188	27.689	156.778	26.321

CAMDEN, NJ

Courier-Post (E)	116.419	19.586	100.927	13.775
Courier-Post (S)	47.933	8.714	46.443	2.230
Grand Total	164.352	28.300	147.370	16.005

CHARLOTTE, NC

News (E)	---	---	68.538	---
Observer (M)	116.801	---	113.933	---
Observer (S)	59.509	---	55.447	---
Grand Total	176.310	---	237.918	---

NOTE: News Evening ceased publication November 1, 1985. Part run figures not available.

CHICAGO, IL

Sun-Times (M)	127.964	75.020	114.571	77.135
Sun-Times (S)	45.939	18.835	43.438	23.068
*Tribune (M)	136.963	147.818	137.079	211.237
*Tribune (S)	123.207	98.231	132.048	80.137
Grand Total	434.073	339.904	427.136	391.577

NOTE: Tribune figures supplied by publisher to Media Records. 1986 figures represent advertising for 6/30/86 to 8/3/86. Tribune All Day changed to Morning publication effective August 19, 1985.

CINCINNATI, OH

Enquirer (M)	159.014	4.973	145.466	8.123
Enquirer (S)	100.928	10.949	91.313	6.672
Post (E)	72.428	11.022	68.402	12.674
Grand Total	332.370	26.944	305.181	32.469

CLEVELAND, OH

Plain Dealer (M)	133.601	33.946	121.720	29.422
Plain Dealer (S)	81.755	3.149	81.563	5.499
Grand Total	215.356	37.095	203.283	34.921

DALLAS, TX

News (M)	273.446	12.830	283.386	11.956
News (S)	132.772	4.816	150.830	6.995
Times-Herald (AD)	208.422	31.053	239.170	23.509
Times-Herald (S)	96.925	9.563	111.124	7.429
Grand Total	711.565	58.262	784.710	49.889

DENVER, CO

Rocky Mt. News (M)	259.210	2.597	268.611	---
Rocky Mt. News (S)	75.259	578	75.662	1.441
Post (M)	178.658	9.883	174.090	5.353
Post (S)	91.411	1.271	92.975	2.769
Grand Total	604.538	14.329	611.338	9.563

DETROIT, MI

Free Press (M)	94.396	50.095	93.399	27.616
Free Press (S)	45.265	17.391	34.256	20.901
News (AD)	167.973	42.587	142.078	38.563
News (S)	82.304	20.869	76.525	18.345
Grand Total	389.938	130.942	346.258	105.425

ESCONDIDO, CA

Times-Advocate (E)	102.077	1.371	---	---
Times-Advocate (S)	37.026	---	---	---
Grand Total	139.103	1.371	---	---

NOTE: 1985 figures not available.

FORT LAUDERDALE, FL

News & Sun-Sentinel (S)	80.852	---	84.493	---
Sun-Sentinel (M)	252.612	---	243.798	---
Grand Total	333.464	---	328.291	---

NOTE: Part run figures not available. Morning figures include the Saturday Edition.

FORT WAYNE, IN

Journal Gazette (M)	76.167	---	76.804	---
Journal Gazette (S)	54.772	---	51.453	---
News Sentinel (E)	83.365	---	87.692	---
Grand Total	214.304	---	215.949	---

NOTE: Part run figures not available.

GREENWICH/STAMFORD, CT

Time (E)	66.606	933	66.734	---
Time (S)	41.196	---	33.124	---
Advocate (E)	89.561	11.066	84.616	163
Advocate (S)	39.965	---	36.258	---
Grand Total	237.328	11.999	220.732	163

HARTFORD, CT

Courant (M)	134.219	37.747	116.565	29.440
Courant (S)	62.306	97.558	68.365	96.958
Grand Total	196.525	135.405	184.930	126.398

HONOLULU, HI

Advertiser (M)	120.898	---	119.903	---
Star-Bulletin (E)	118.738	---	115.204	---
Star-Bulletin & Advertiser (S)	66.455	---	66.445	---
Grand Total	306.091	---	301.552	---

HOUSTON, TX

Chronicle (AD)	221.014	42.191	265.036	31.661
Chronicle (S)	95.959	13.617	107.104	18.990
Post (M)	157.188	23.166	163.287	31.321
Post (S)	60.940	13.624	60.996	16.524
Grand Total	535.101	92.598	596.423	98.496

LONG BEACH, CA

Press Telegram (M)	118.781	40.007	89.677	---
Press Telegram (S)	43.929	2.064	42.159	---
Grand Total	162.710	42.071	131.836	---

NOTE: 1985 Part run figures not available.

LONG ISLAND, NY

Newsday (E)	122.322	92.676	162.288	38.969
Newsday (S)	67.088	62.591	75.124	48.594
Grand Total	189.410	155.267	237.412	87.563

LOS ANGELES, CA

Times (M)	276.459	264.582	263.729	262.806
Times (S)	136.229	83.278	145.208	88.377
Herald-Examiner (M)	58.933	7.023	62.285	12.972
Herald-Examiner (S)	14.987	7.945	11.640	4.466
Grand Total	436.608	362.828	482.862	368.621

LOS ANGELES/SAN FERNANDO VALLEY, CA

News (M)	195.208	39.960	188.884	36.371
News (S)	71.021	160	66.559	2.906
Grand Total	266.229	40.120	255.443	39.277

*LOS ANGELES/TORRANCE, CA

Breeze (E & S)	194.211	---	190.624	---
Grand Total	194.211	---	190.624	---

NOTE: Figures supplied by publisher to Media Records.

*LOUISVILLE, KY

Courier Journal (M)	91.477	40.762	91.835	37.429
Courier Journal (S)	53.918	45.012	54.962	42.436
Times (E)	86.472	73.944	86.837	59.472
Grand Total	231.867	159.718	233.634	139.337

NOTE: Figures supplied by publisher to Media Records.

*MEMPHIS, TN.

Commercial Appeal (M)	122.475	89.301	118.971	70.479
Commercial Appeal (S)	66.488	5.567	62.989	8.302
Grand Total	188.963	94.868	181.960	78.781

NOTE: Figures supplied by publisher to Media Records.

MIAMI, FL

Herald (M)	146.203	---	139.936	---
Herald (S)	67.034	---	72.283	---
News (E)	57.978	---	57.296	---
Grand Total	271.215	---	269.515	---

NOTE: Part run figures not available.

MINNEAPOLIS, MN

Star & Tribune (AD)	104.991	24.761	97.743	19.802
Star & Tribune (S)	104.675	5.269	106.827	1.258
Star & Tribune (Sat)	21.763	---	20.087	---
Grand Total	231.429	30.030	224.657	21.060

*NASHVILLE, TN

Banner (E)	108.346	---	109.023	---
Tennessean (M)	107.943	---	106.013	---
Tennessean (S)	67.627	---	71.029	---
Grand Total	283.916	---	286.065	---

NOTE: Figures supplied by publisher to Media Records.

NEW BRUNSWICK, NJ

Home News (E)	83.460	358	79.680	493
Home News (S)	49.026	5.834	52.519	1.039
Grand Total	132.486	6.192	132.199	1.532

NEW YORK, NY

Times (M)	146.171	15.891	123.922	15.197
Times (S)	139.757	59.149	133.615	57.171
News (M)	56.903	82.390	50.898	97.015
News (S)	29.859	47.947	27.620	51.728
Post (AD)	57.185	3.286	52.224	1.360
Grand Total	429.875	206.663	388.279	222.471

NEWARK, NJ

Star Ledger (M)	197.616	4.490	187.247	5.764
Star Ledger (S)	135.836	10.916	128.017	12.703
Grand Total	333.452	15.406	315.264	18.467

OAKLAND, CA

Tribune (M)	82.362	81.812	84.910	63.494
Tribune (S)	33.275	23.531	36.530	24.704
Grand Total	115.637	105.343	121.440	88.198

OCEANSIDE, CA SAN DIEGO COASTAL NORTH COUNTY

Blade-Tribune (E)	107.123	3.444	86.760	6.212
Blade-Tribune (S)	37.874	---	36.397	658
Grand Total	144.997	3.444	123.157	6.870

NOTE: Blade-Tribune Evening published five days a week only.

ORANGE COUNTY, CA

Register (AD)	310.966	96.124	291.686	88.721
Register (S)	106.935	5.983	110.031	3.187
Grand Total	417.901	102.107	401.717	91.908

PHILADELPHIA, PA

Inquirer (M)	133.357	33.596	133.183	37.262
Inquirer (S)	96.565	25.308	101.838	20.593
News (E)	68.854	1.531	68.603	1.447
Grand Total	298.776	60.435	303.624	59.302

*PHOENIX, AZ

Arizona Republic (M)	216.866	5.229	211.874	7.653
Arizona Republic (S)	121.143	---	121.706	---
Gazette (E)	209.158	5.395	203.065	7.940
Grand Total	547.167	10.624	536.645	15.593

NOTE: Figures supplied by publisher to Media Records.

*RIVERSIDE, CA

Press-Enterprise (M & S)	245.384	16.540	225.680	14.760
Grand Total	245.384	16.540	225.680	14.760

NOTE: Figures supplied by publisher to Media Records.

*ST. LOUIS, MO

Post Dispatch (M)	102.542	32.498	85.308	31.240
Post Dispatch (S)	92.237	---	88.082	---
Grand Total	194.779	32.498	173.390	31.240

NOTE: Figures supplied by publisher to Media Records.

ST. PAUL, MN

Pioneer Press Dispatch (AD)	86.804	---	84.561	---
Pioneer Press Dispatch (S)	76.045	---	78.029	---
Grand Total	162.849	---	162.590	---

NOTE: Part run figures not available.

SAN ANTONIO, TX

Express-News (AD)	120.829	33.342	132.942	14.096
Express-News (S)	63.909	24.607	76.447	13.223
Express-News (Sat)	34.575	---	39.203	---
Light (AD)	142.169	19.421	135.055	26.390
Light (S)	70.622	2.957	74.102	13.808
Light (Sat)	26.812	1.663	33.209	---
Grand Total	458.916	81.990	490.958	67.517

NOTE: Express-News All Day and Light All Day published five days a week only.

SAN DIEGO, CA

Union (M)	200.577	26.111	207.403	16.295
Union (S)	98.002	---	104.358	---
Tribune (E)	205.172	27.408	220.697	18.973
Grand Total	503.751	53.519	532.458	35.268

SAN FRANCISCO, CA

Chronicle (M)	127.098	78.127	128.472	56.367
Examiner & Chronicle (S)	66.891	21.999	66.114	26.901
Grand Total	193.989	100.126	194.586	83.268

SAN JOSE, CA

Mercury News (AD)	277.872	26.519	277.878	33.840
Mercury News (S)	116.592	880	120.058	---
Grand Total	394.464	27.379	397.936	33.840

SHREVEPORT, LA

Journal (E)	82.100	5.391	88.088	5.980
Times (M)	104.335	8.302	108.650	18.701
Times (S)	50.404	6.464	57.219	2.425
Grand Total	236.839	20.157	253.957	27.106

*STATE COLLEGE, PA

Centre Times (E)	64.398	1.084	70.569	3.252
Centre Times (S)	28.528	311	27.434	1.084
Grand Total	92.926	1.395	98.003	4.336

NOTE: Figures supplied by publisher to Media Records.

SYRACUSE, NY

Herald Journal (E)	76.546	43.561	79.255	32.036
Herald American (S)	41.249	39.943	39.581	24.498
Post-Standard (M)	70.790	44.378	71.156	30.587
Grand Total	188.585	127.982	189.992	87.121

*TAMPA, FL

Tribune (AD&S)	231.709	62.921	258.562	87.582
Grand Total	231.709	62.921	258.562	87.582

NOTE: Figures supplied by publisher to Media Records.

*TOLEDO, OH

Blade (E)	97.235	---	82.429	---
Blade (S)	70.508	---	72.382	---
Grand Total	167.743	---	154.811	---

NOTE: Figures supplied by publisher to Media Records.

WASHINGTON, DC

Post (M)	224.064	40.135	240.420	38.398
Post (S)	119.417	19.473	128.319	13.332
Grand Total	343.481	59.608	368.739	51.730

WASHINGTON, DC SUBURBAN GROUP

Alexandria Journal (M)	68.142	---	58.957	---
Prince George's Journal (M)	58.780	---	56.318	522
Montgomery Journal (M)	59.862	1.446	54.123	486
Fairfax Journal (M)	70.163	472	59.727	777
Arlington Journal (M)	68.310	---	59.285	---
Grand Total	325.257	1.918	288.410	1.785

NOTE: Alexandria Journal Morning, Prince George's Journal Morning, Montgomery Journal Morning, Fairfax Journal Morning, and Arlington Journal Morning published five days a week only.

WESTCHESTER ROCKLAND, NY

Reporter Dispatch (E)	73.225	13.311	64.446	7.336
Reporter Dispatch (S)	56.452	13.025	45.432	12.643
Grand Total	129.677	26.336	109.878	19.979

WICHITA, KS

Eagle-Beacon (M)	110.720	---	107.838	---
Eagle-Beacon (S)	59.164	---	59.742	---
Grand Total	169.884	---	167.580	---

NOTE: Part run figures not available.

Source: Media Records

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REPORTING METHODOLOGY

Media Records continues to measure in linage but due to the introduction of the SAU 6 column format Media Records has designed and developed a methodology with the approval of our subscribers, the INAME Measurements Committee, The ANPA/NAB Working Committee, The AAAA Newspaper Committee, and other industry groups.

The approved methodology is titled The Media Records Conversion System (MRCS) and is based upon the printed page area of each product of the newspaper and is a five step approach as follows:

1. Measure Printed Page
   Width and Depth in Inches
2. Determine Square Inches of Page
   Multiply Width by Depth Inches
3. Determine the Number of SAU Inches of Page
   Divide the Square Inches by 2.0625 (SAU Inches)
4. Measure the Total Lines of the Page
   Multiply Column Depth Agate Lines by the Number of Columns on the Page
5. Determine the Factor for Converting Measured Lines to Reported SAU Inches
   Divide the Total Lines of Page by the Number of MRCS SAU Inches of the Page.

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October 13, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

NFL rival in motion

Owners look overseas

By ROBERT RAISSMAN

The founder of the U.S. Football League held a secret meeting in New Orleans Oct. 7 with 14 potential franchise owners of a new spring football league that would include a team in London.

In a departure from custom, the American Football Teams Inc. league, the brainchild of USFL founder and New Orleans art and antiques dealer David Dixon, would permit the drafting of five high school seniors per franchise. A second meeting is set for Oct. 21 in Chicago, with each potential owner required to pay a $20,000 entrance fee to bid on franchises costing $2.5 million each. At least seven potential owners have agreed to attend the second meeting.

Discussions at the New Orleans meeting included the naming of candidates for league commissioner.

In addition to Mr. Dixon, the potential owners considered Jerry Solomon, vp-general manager, Busch Media Group, New York, Anheuser-Busch's in-house media buying service; Mike Trager, chairman, Sports Marketing & Television International, Greenwich, Conn., and a former top sports sales executive at NBC-TV, and Jim Spence, former vp at ABC Sports, who heads his own company, Sports Television International, New York.

None of the three candidates attended the meeting, nor have they been officially contacted by the AFT.

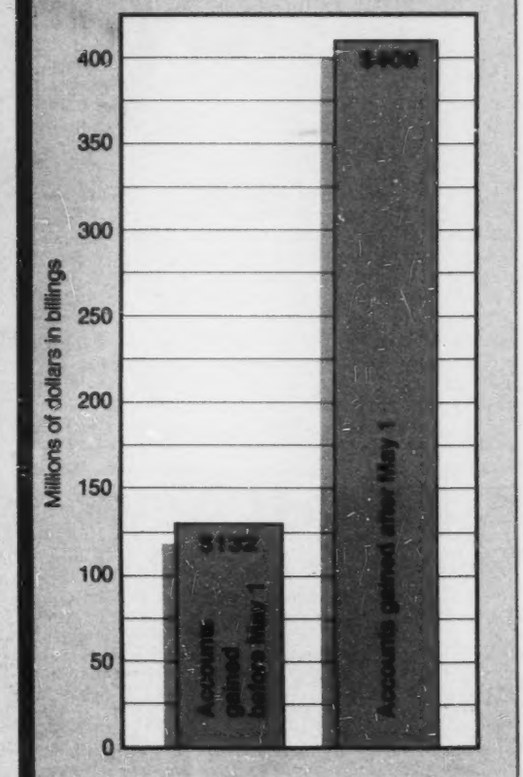
Among the potential investors attending the Oct. 7 meeting were:

- Rick Kulis, a representative of fight promoter Bob Arum and middleweight champion "Marvelous" Marvin Hagler for the option on the Boston franchise.
- Peter Pocklington, the Canadian financier and owner of the Edmonton Oilers of the National Hockey League, who would have the option on the London franchise.
- Jim Abernethy, the brash 29-year-old multimillionaire Atlanta promoter who has options on the Orlando and Dallas franchises.
- Neal Gunn and Bob Harter, the top executives of the Houston Sports Assn., owners of the Astrodome and the Houston Astros, who have the option on the Houston franchise.
- Ron Blanding, owner of the USFL Denver Gold, who has the option on the San Francisco fran-

(Continued on Page 104)

Y&R's 1986 gains

Young & Rubicam, New York, last week picked up $27 million in new business from Minneapolis-based Pillsbury Co., bringing its total wins for 1986 to $541 million. Of that, more than $100 million was a result of the Saatchi/Bates and Omnicom mergers. Another $250 million in new accounts, including some merger fallout, came from existing clients. Changes made after May 1 are considered post-merger. Source: Advertising Age estimates. (See story on Page 12.)



GF tries triple play in prepared foods

By JUDANN DAGNOLI

General Foods is posing a triple threat to marketers in the $3 billion prepared dinner and entree market: It is simultaneously testing entries into the shelf-stable, refrigerated and frozen segments.

And the no-holds-barred effort in a business dominated by Nestle Enterprises' Stouffer Foods, Solon, O., and Campbell Soup Co., Camden, N.J., puts the White Plains, N.Y., marketer in the forefront in developing two of those segments, nonrefrigerated shelf-stable and refrigerated.

With its three-pronged approach, GF clearly has set its sights on penetrating the prepared dinner market. "In the best of all possible worlds, we would go ahead with all of these efforts," a GF official said. Two other major food companies—General Mills and Pillsbury Co.—are also said to be racing to enter those emerging segments.

The rush of new items in this market is likely to boost ad spending to more than $100 million annually.

GF is exploring the shelf-stable segment with its test of Impromptu (AA, Oct. 6), a prepared dinner line without preservatives that maintains a shelf life of one year without refrigeration or freezing. Impromptu is now in Portland, Me., and Evansville, Ind.

At the same time, GF is testing in upscale stores in the New York metropolitan area an ultra-upscale, high-price refrigerated dinner called Culinova. The project is atypical of the mass-marketed, huge-volume businesses that GF traditionally seeks; Culinova is being referred to as a "takeout gourmet dinner."

GF earlier this year entered test in Rockford and other markets with Birds Eye Fresh Creations (AA, March 13),

(Continued on Page 106)

Saatchi rumbles with merger talk

By STEWART ALTER

The advertising world may be in for some more Saatchi shocks.

In its fiscal year that just ended, London-based Saatchi & Saatchi Co. shook up the industry with acquisitions and their ensuing fallout. Now, for fiscal 1987, Saatchi is looking at possible agency combinations and consolidations.

One possibility reported to be under serious consideration is a merger of New York-based Saatchi & Saatchi Compton Worldwide and Ted Bates Worldwide.

This does not mean such a merger will happen, but the fact it was being seriously evaluated—an event confirmed by numerous industry sources—demonstrates how Saatchi's approach to its acquisitions allows for even the most dramatic possibilities.

Bottom-line needs in the new fiscal year that began Oct. 1, and the need to build a strong "worldwide brand" agency, dictate that some consolidation is likely in New York, where Saatchi owns 11 general-advertising agencies, all operating under different names.

These considerations lent credibility to a rumor last week that Compton, Bates and Backer & Spielvogel would be merged by month's end to form an agency called simply Saatchi & Saatchi. Revenue losses of 10% to 15%, generated by account fallout from such a mega-merger's client conflicts, would be more than offset by cost savings in the 30%-to-40% range, the story goes, as Saatchi cuts overlapping staffs and consolidated of-

(Continued on Page 104)

Last Minute News

Jacoby has 'last day'

NEW YORK—Robert Jacoby, who reportedly on advice of counsel continued to show up each day for work even after having been ousted as chairman-ceo of Ted Bates Worldwide (AA, Sept. 22, *et seq.*), made Oct. 9 his "last day in the office," his secretary said. It was not clear whether that meant he had settled his contract with Bates parent Saatchi & Saatchi Co.; neither he nor Bates spokesmen were available for comment. There also was no word as to the impact of this on his Four A's chairmanship.

HHCC 'defers' going public

BOSTON—Hill, Holliday, Connors, Cosmopulos, exploring the idea of going public (AA, April 7), has "deferred its decision indefinitely" on that subject, citing the "unevenness in the stock market" and the particularly uneven performance of ad agency stocks. HHCC will

(Continued on Page 8)

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Highlights

Football league springs forward 1
The founder of the U.S. Football League held a secret meeting in New Orleans Oct. 7 with 14 potential franchise owners of a new spring football league that would include a team in London. The American Football Teams Inc. league would permit the drafting of five high school seniors per franchise.

Burger wars beckon 3
Just a year after Burger King abandoned hard-hitting comparative claims for quality and image-oriented advertising, the No. 2 fast-food chain has returned to the battle of the burgers with the first of several ad flights that start to attack leader McDonald's.

Seven-Up ad situation stable 6
When Dr Pepper president John Albers adds the Seven-Up presidency to his duties in several weeks, he plans to retain Seven-Up's agency and will keep 1987 ad spending at 1986's $50 million level.

Pillsbury guards "major" status 12
Pillsbury Co. last week became the latest major advertiser to send a strong signal that it will not compromise its insistence on being a "major client" at each of its agencies. It reassigned all $30 million of its business previously at BBDO Worldwide, rather than just the $15 million cake and frostings business the agency had resigned due to conflict pressure from General Mills.

Jackson puts advertisers on notice 24
Rev. Jesse Jackson told a congressional committee he supports legislation to punish any advertiser whose media-buying habits were deemed to be racially discriminatory. That punishment would be eliminating the deductibility of advertising expenditures.

Liquor industry consolidating 28
The recent decision by National Distillers & Chemical Co., the nation's third-largest liquor company, to sell its wine and spirits division is part of a larger trend toward consolidation in the liquor industry.

K-C plays games with Huggies 77
Kimberly-Clark Corp. is using an in-pack sweepstakes game to direct consumer attention to its regular Huggies diapers while it steps up production of its thin, superabsorbent Ultra Trim Huggies.

CATEGORY REVIEW

Fresh produce produces sales 4
Leaders in the $4.9 billion canned and frozen vegetable market have found the $23 billion fresh-produce market ripe for the picking. While dollar sales in the canned and frozen category dropped last year, fresh-produce sales have been growing at a steady 8% pace during the past five years.

INTERNATIONAL

Canadian ad restriction hit 64
A Canadian court ruling that struck down a law prohibiting advertising to children could open the door for challenges to restrictions on ads for liquor and tobacco advertising. In striking down the world's toughest law restricting advertising to children, the court also may have come close to ruling that "commercial" speech has the same protections as free, or noncommercial, speech.

OTHER NEWS

Playgirl's models are donning fig leaves, figuratively speaking. Full frontal male nudity, featured in *Playgirl* since its introduction in 1973, will end with the January issue, as a new editor-in-chief under a new owner starts changing the troubled monthly. Page 4.

The *Washington Post*, which customarily accords politicians a post-election "honeymoon," hasn't been so lucky with some advertisers and readers of its new Sunday magazine. Page 30.

Pet Inc. believes it is tapping another emerging food segment with a six-item line of Cajun Cookin' frozen dinners, now testing in 29% of the country and planned for national introduction in January. Page 34.

Backers of the Weekly Business Journal Network hope the new group sales organization will encourage national advertisers to enter the growing market of city business publications. Page 87.

The Republican National Committee is laying the groundwork for Election 1988 with a Spanish-language pilot campaign in nine states. The Republicans hope the campaign, dubbed "Project Adelante!" will convince Hispanics, who traditionally vote Democratic, to register and vote Republican. Page 88.

SPECIAL REPORT

America's work and living customs are changing and its food-buying habits have followed suit. The microwave oven, now found in more than half the nation's kitchens, fits the needs of the harried, two-paycheck household. To keep up, food marketers are trying to package and sell traditional foods as convenience products with a quality image.

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Personal care leads growth at S.C. Johnson

By LAURIE FREEMAN

RACINE, WIS.—S.C. Johnson & Son's initial success in the lucrative $3.2 billion haircare and $505 million skincare categories has convinced the company its future growth lies more in these growing personal-care markets than in the maturing homecare and insecticide businesses.

While the company remains anchored by the strength of its furniture polishes, floor waxes and Raid, the leader in the $637 million insecticide category, sales in those markets are declining 1% to 3% annually.

Personal-care sales, however, are increasing 3% to 5% a year, said Jim Wallace, national sales manager-personal products.

The charge into these hotly competitive markets is being led by Charles J. Goldthwaite Jr., vp-general manager of U.S. Consumer Products-Personal Care, recruited from Chesebrough-Pond's three years ago to help the $2 billion, privately held Johnson through the personal-care mine field.

His experience largely has been in haircare and skincare, the first two categories on Johnson's hit list.

"When compared to [Procter & Gamble's] Ivory and [Chesebrough-Pond's] Vaseline Intensive Care, we're definitely the young kids on the block. But our advantage is we're going in only when we have something new, not a me-too product," Mr. Goldthwaite said in an interview here last week.

Despite its recent arrival on the personal-care block, Johnson already is making its elders slightly uncomfortable.

Largely through the $10 million launch two years ago of Curel moisturizing lotion (AA, Oct. 8, '84), Johnson has become a serious competitor in this $505 million category.

Between Curel, a therapeutic entry with a 7.6% share, and Soft Sense with vitamin E, a cosmetic skin lotion, the company holds a 12.9% share, up 1.4 share points since last year.

Westport, Conn.-based Chese-

(Continued on Page 108)

Bad blood rises over circulation

By TOM BAYER and WILLIAM F. GLOEDE

The newest circulation street fight between Dallas' two daily newspapers is perplexing major advertisers, who thought this city's newspaper wars had cooled when the underdog *Times Herald* was sold to William Dean Singleton this summer for $110 million.

The latest skirmish was instigated by disclosures that the *Times Herald* had sent the Audit Bureau of Circulations what it calls evidence of the rival *Morning News'* overstatement of its circulation by about 25,000 copies daily (AA, Oct. 6).

The *News*, in turn, supplied the ABC with material it says proves that the *Times Herald* is inflating its own circulation figures.

Major advertisers, who would not speak for attribution, seemed stunned that the Times Herald would initiate a circulation fracas. Privately, they questioned its credibility.

One source said some advertisers have been calling the *News*

(Continued on Page 106)

West Coast News

FCB to handle new line from Toshiba

TUSTIN, CAL.—Toshiba America has named Foote, Cone & Belding, Los Angeles, to handle advertising for a new facsimile product line to be introduced in January. The review included Los Angeles shops N W Ayer, agency for Toshiba's copier products, portable computers, electronic components and corporate advertising; Della Femina, Travisano & Partners, and DFS Dorland Worldwide.

LOS ANGELES—**Freeman Cosmetic Corp.**, a beauty products marketer, is seeking an ad agency or media-buying service to take over media buying, currently in-house. Ad budget is $2 million. Creative stays in-house.

SAN FRANCISCO—**Chiat/Day** has hired Wayne Fulcher, former co-director of client services at McCann-Erickson, as management supervisor on the California Cooler account. He succeeds Bill Fanning, who shifts to a similar position on the new Quaker Oats Co. Golden Grain account (AA, Sept. 25). Chiat/Day also has hired Mark Bilfield, most recently at DYR, Los Angeles, as a management supervisor.

LOS ANGELES—**LA Cellular** has appointed JWT/West after a review

(Continued on Page 104)

Special Report

Jeffrey Toth

Food industry challenged by changing times

By Kevin Brown

Time and technology are changing the way Americans buy dinner—and the way marketers sell food. Consumers with less time are looking for quick meals. Marketers are giving consumers what they want by introducing more lines of convenience foods, many made specifically for the microwave.

Families with two wage earners make up 42.1% of the population, according to Ithaca, N.Y.-based *American Demographics*. With more family members working, studies indicate that they lack time to cook and eat fewer meals at home.

Convenience foods often replace meals made from scratch at home, challenging marketers to package and sell traditional foods as convenience products with a quality image.

Soups in cans, envelopes and single-serving bowls for the microwave are marketed as whole-meal foods, rather than as meal supplements. Beef is precooked.

Pasta's popularity—in bulk, as salads and premixed with sauce—is skyrocketing.

More than 30% of all specialty pasta dishes are prepared in a microweve oven, according to David Fencl, publisher of Special Topics Reports, from Stamford, Conn.-based MRCA Information Services.

"Microwaves are the driving force behind 50% of pasta items introduced," says Tony Adams, director of marketing research and planning at Camden, N.J.-based Campbell Soup Co.

Microwave ovens, which cut food preparation time, are found in 55% to 72% of American households, according to industry sources. But only half of microwave owners say manufacturers have made enough food available for the microwave, according to a January *Good Housekeeping* study.

Among microwave owners, 48.3% say they wouldn't want to be without one, according to a

(Continued on Page S-40)

Microwave digest

Among 100 women surveyed about new methods they used to cook, 22% tried the microwave, 7% used a wok or stir fried and 2% tried steaming.

Also of note are percentages of 100 women surveyed who said they were "very interested" in different types of packaging:

Packaging	1986	1985
Microwave-safe frozen foods	57%	32%
Aseptic containers	31	14
Retort pouches*	28	13

*Foil and plastic pouches that need no refrigeration.
Source: "New Ways with Food," a January, 1986, *Good Housekeeping* Consumer Research study.

Successful packages turn medium into message

By Lori Kesler

Everybody does it from time to time—dashes into the supermarket for a loaf of bread or a jug of wine and walks out with several bags of groceries. This phenomenon, usually regarded as a nasty habit, could just as well be considered an efficient time-saving trick.

Consider that the shopper who sets out on a bread-buying mission may pack in food for a week, soap for a month and enough paper plates to last until 1989—all in the space of 30 minutes.

Package designers can take some credit for this phenomenon. After all, they turned the lowly product container into a sophisticated marketing tool. And by making packages that sell themselves right from the shelf, they helped revolutionize the way people shop, so that self-service became a way of life and the well-stocked supermarket a symbol of American prosperity.

But package designers these days are having to face up to problems born of their own success. As more well-dressed products hit the supermarket shelves, it's getting harder to stand out from the crowd.

According to a survey by the Washington-based Food Marketing Institute, the average supermaket currently stuffs some 17,459 items onto its shelves and grocery manufactureres are coming out with some 2,200 new products a year.

"With four times as many products on the market now as 20 years ago, the grocery store is a place of incredible choice," says John Lister, executive vp, Lister Butler, New York. "It's much more difficult to get yourself differentiated and noticed."

Indeed, the grocery aisle could well be the most competitive marketing environment in the world because consumers "are looking at every brand in a category at once," says Gerron Vartan, senior vp of S&O Consultants, San Francisco.

There's not much time for a brand to make a good impression. According to experts, the typical shopper rushes down the grocery aisle, scanning some 300 items a minute.

And just getting noticed doesn't count for much anymore. The designers say in this era of brand proliferation and market segmentation that every package must send just the right message to just the right people.

"In the past, virtually all grocery products aimed at the same mass market of women 18 to 49," says Michael Purvis, president of Sidjakov, Berman & Gomez, a San Francisco-based package design firm.

But now, he says, most products are created with smaller target groups in mind, so food categories are segmented by such things as price, diet and value-added benefits. Even such basic markets as frozen vegetables, beer and ice cream have become highly segmented. "All of this creates a significant challenge for package design," Mr. Purvis says.

Advertising Age asked several package design consultants what new trends are emerging to help grocery products survive in the supermarket jungle. They say customer convenience seems to be the driving force behind many of the industry's most recent innovations.

"We've come to recognize the customer's scarcest resource is time," says Mr. Vartan. "Any little thing that gives them a chance to buy back time is incredibly valuable, so convenience packaging becomes tremendously important."

In fact, the experts say, whole product categories have sprouted up around convenience—with packaging a key part of the character of the products. They cite examples like single-serving frozen entrees, juice drinks in aseptic packages and microwave popcorn.

Of course the microwave oven, which moved into the American kitchen less than a decade ago, has had a huge impact on packaging partly because it made single-serving meals much quicker to fix.

"The single-serving package isn't truly convenient unless it can be heated quickly. With the microwave, it begins to pay off," says Mr. Vartan. That's why foil-tray tv dinners had to move over for haute cuisine on microwaveable plates and then for microwave breakfasts, lunches, snacks and desserts.

The microwave is affecting grocery products in other ways, too. For example, virtually all frozen foods marketers now must take the microwave into consideration when developing carrier packs, deciding whether to use foil or cellophane and when writing cooking directions, Mr. Purvis says.

And new food products generally carry microwave cooking instructions even though the back panels of some so-called convenience packages end up looking "like technical manuals," says Mr. Lister.

The microwave influence, however, is just one part of the packaging revolution. Experts say package structures—the bottles, bags and boxes that hold grocery products—are getting a complete overhaul as marketers strive to build more

Lori Kesler is Advertising Age's St. Louis correspondent and Special Report contributor.

▲ Gerstman & Meyers, New York, redesigned Heinz vinegar bottle and label for each of five flavors (above) because the old design had a "supermarket" appearance. The new bottle resembles a wine bottle to attract more upscale and gourmet cooks.

Gerstman & Meyers, New York, developed packaging to support Pillsbury's Azteca Mexican Food Center (right and below). Deep, warm terra cotta backgrounds and the typography make Azteca products stand out from competitors in this refrigerated section, according to G&M. The 10-product Azteca line includes flour and corn tortillas, taco shells, mild and hot salsas and ▼ seasoning sauces. ▶

Lister Butler, New York, created the design for a new line of luxury sweets from Nestle (below), including brand name, package design and product appearance. Drawing on Nestle's heritage to create a European cachet and a premium appearance, Lister Butler designed a glazed gusseted bag to imply a rich, hand-packed look. ▼

◀ Mittleman Design Associates, New York, created the packaging for Nestle's Chambourcy dessert (left). The convenient container presents an upscale custard/mousse with a French flair for consumers on the go.

convenience and style into them.

Marketers have long known a package with a distinctly original shape or style could help build brand image and communicate product positioning. But now they're also finding small structural improvements—such as easy-hold bottles, easy-open cans and reclosable tops—can make a big difference to consumers.

"We seem to be working more and more on the structure [of product containers] as part of every project," says Mr. Purvis. "Clients used to say, 'Here's the bottle. Design a label.' Now they want both structure and graphics."

Designers say squeezable plastic containers are turning up in more and more places throughout the grocery store. Ronald Peterson, managing partner of Peterson Blyth Associates, New York, points to Welch's Squeezable jellies and preserves as a packaging breakthrough, which helped that company squeeze into some new flavor categories.

The squeezable jelly bottle—designed so kids could handle it—was used to introduce a new line of Welch's Squeezable orange marmalade, apple-grape jelly, strawberry preserves and raspberry-apple preserves.

A spokesman for Welch Foods, Inc., Concord, Mass., says the squeezable container revitalized the spreads category, which had been flat for five years.

He says the stimulation for the move came from consumers who had been asking for a more convenient dispenser, "but it hadn't been possible until technology developed this kind of bottle."

Meanwhile, Quality Food Oils, New Milford, Conn., currently is rolling out its Sunola Italian Style vegetable oil in an 18-oz. squeeze bottle with flip cap and steady-pour spout. That container helps define how people will use the specialty product, says John DiGianni, president of New York-based Gianninoto Associates. "They'll keep this bottle near the stove for use in cooking," he says.

A few years ago, S&O Consultants was asked to create a new profile for the Wesson vegetable oil bottle because Wesson's traditional wasp-waist container had been copied by so many competitors. The company "wanted to change just to get a different image," says Mr. Vartan.

However, what came out of the project, he says, was a narrow-neck bottle with lift ring, a design that not only gave the brand its own distinctive shape, but also made it more convenient to handle because it doesn't drip and is easier to hold —an important consideration for cooking oil.

Even the old soap box has been redesigned in the name of convenience, says Mr. Lister, who notes the laundry detergent market moved fairly rapidly from traditional cardboard boxes to easy-carry bottles and finally to Liquid Tide's state-of-the-art plastic bottle with the built-in measuring cup and no-spill spout.

"Most packaging moves are evolutionary," says Mr. Lister, "but we all use grocery products so much that we get used to the changes very quickly."

Package designers say other new kinds of packaging structures also are gaining in popularity. For example, several coffee manufacturers have introduced "vacuum brick" foil one-lb. packs, which supposedly keep coffee fresher than cans. They sacrifice convenience for freshness, a price the consumer is willing to pay.

And dozens of companies now are putting fruit juices, wine, flavored drinks and milk into aseptic packaging—vacuum-packed airproof boxes designed for liquid storage. Aseptic packs, which do not require refrigeration, keep milk fresh up to three months and preserve juice up to a year.

However, designers admit consumer resistance sometimes limits the pace of progress. It's ironic, says Mr. Lister, that as products become more technologically advanced, they must look more homemade.

His company two years ago renamed and redesigned Nabisco's Easy Cheese, an all-natural pasteurized process cheese spread which is sold in a pressurized can. The product apparently looked too artificial to appeal to today's health-consious consumer.

"Nabisco had a good product and a clever idea. The challenge was to use graphics to overcome people's misconceptions," Mr. Lister says.

Aseptically-packaged milk, popular in Europe, hasn't yet caught on in this country. So Peterson Blyth Associates knew they were taking on a tough assignment when they agreed to redesign the label of Farm Best, a brand distributed by Dairymen Inc., Louisville, Ky.

"People don't expect to see milk outside the dairy case—certainly not sitting on the grocery shelf next to soup," says Mr. Peterson. "We knew the carton had to work on its own. It had to communicate the fact that this is real milk, fresh from the dairy, not a synthetic or a watered-down product."

The redesigned carton features the Farm Best logo framing a quiet country scene and a banner labeling the milk "freshly packed." a phrase that strikes a reponsive chord with consumers, Mr. Peterson says.

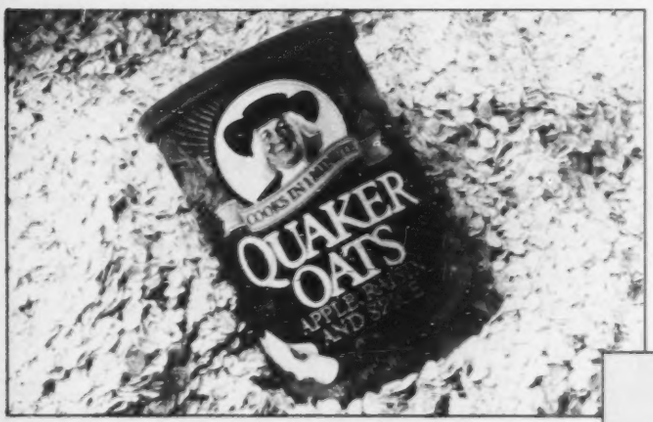
Meanwhile, Mr. Purvis says he has seen a dramatic improvement in the aesthetic quality of food package graphics in recent years, especially in categories such as fruit juices and superpremium ice creams.

"In juices, brands such as Minute Maid, Welch's Orchard and the new TreeSweet line have developed good graphics to communicate an upscale position and health appeal," he says. And he adds that superpremium ice creams such as Breyer's, Frusen Gladje and Haagen-Dazs are playing to the top of the market with classy style.

"We're also seeing greater sensitivity to color and more sophisticated graphics to differentiate products within lines and categories," Mr. Purvis says. "On the whole, marketers are paying more attention to how their packaging is developed," he says.

Packaging portfolio

ADVERTISING AGE invited six package design companies to contribute one or two of their creations, with brief explanations of how their designs appeal to consumers' changing life styles.



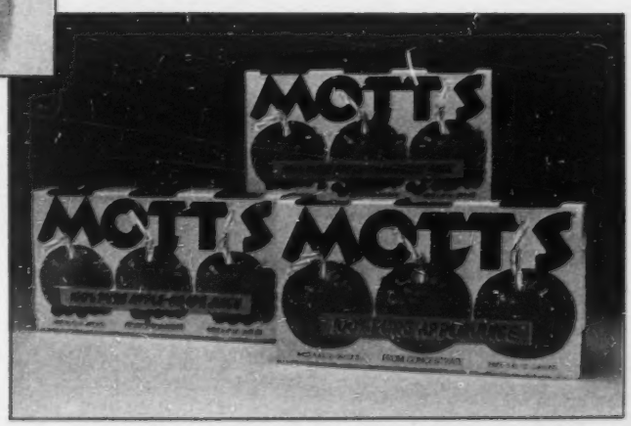
▲ Sidjakov, Berman & Gomez, San Francisco, put a new face on one of packaged foods' oldest trademarks: The Quaker man (above). Photography for Quaker flavored oats cereal packaging is meant to attract active, health-conscious adults. Vivid colors, such as apple green, create an exciting shelf display and enhance the quality appearance of the package, according to SB&G.

▲ Sidjakov, Berman & Gomez, San Francisco, developed packaging for Bruce Foods Corp.'s Casa Fiesta line (above). Designed to reflect natural ingredients with a Mexican theme, the packages' color and border pattern help the line stand out on the she .

◀ Gianninoto Associates, New York, designed the packaging for Quality Food Oil's Sunola Italian Style premium oil (left). The label has a distinctively Italian look, while the squeezable, flip-top bottle makes the product easy to use in cooking or on the table.

Peterson Blyth Associates, New York, created a new image for century-old Welch's (below). The new design is flexible enough to clearly designate each product's content, while unifying the extensive product line with one identity. ▼

Peterson Blyth Associates, New York, put Mott's aseptic brik paks (right) into an outer sleeve for stronger shelf impact. ▶



Super marketers pursue the new consumers

By Eileen B. Brill

For the supermarkets of yesteryear, the rules of the game were relatively simple: Give the housewife what she's looking for and she'll reward you with unswerving loyalty. But in today's market, not only are the rules no longer clear, but the basic assumptions about who the players are have changed.

Eileen B. Brill is a Fair Lawn, N.J.-based free-lance writer.

"There is not only more demographic segmentation, but also more diverse life styles, media preferences and purchase behavior," according to Peter Francese, president, *American Demographics*, Ithaca, N.Y.

A highly-segmented population means food manufacturers and retailers can no longer take the blanket approach to selling. In light of growing competition from gourmet shops and local restaurants, "niche marketing" has become the food industry's buzzword in the 1980s.

Mr. Francese points out that supermarkets must increasingly reflect the needs of local consumers. Their managers must respond more quickly to shifting trends and needs.

In terms of advertising, Tim Hammonds, senior vp at the Food Marketing Institute, Washington, says supermarkets will move from strict product advertising to service type ads giving consumers information on the best buys in season products, and perhaps cookng tips.

There will be cleaner ads, with fewer products—a move away from ads that are all type, simply listing products and prices, he says. "Instead, you will see more seasonal specials or good buys highlighted. There may also be more information in the ad, as a way to speak to the 'new' consumers."

One of the "new" consumers, who has recently been thrust to the forefront of marketers' plans, is the male shopper. Studies show he has taken on an increasingly important role in primary food shopping, rather than just doing fill-in trips.

According to a Campbell Soup Co./*People* magazine study on

(Continued on Page S-6)

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Grocery shoppers weekly expense profile

	1986	1985	1984	1983
Men	$32	$28	$28	$23
Women	26	23	22	22
Single person, living alone	41	40	40	36
Married, one spouse works	25	23	22	20
Married, two wage earners	26	23	23	22
Family with children	21	21	19	19
Family of five or more	19	17	15	16
Eastern U.S.	28	25	23	22
Midwestern U.S.	25	21	22	20
Southern U.S.	26	24	23	24
Western U.S.	27	26	24	24
Urban	29	24	24	22
Rural	24	21	21	22

Source: Food Marketing Institute

Super marketers pursue

(Continued from Page S-4)

"The Male Food Shopper: How Men are Changing Food Shopping in America," published in November 1985, men now account for about 40% of all food dollars. In contrast, a 1982 FMI study showed only 13% of all primary food shoppers to be male.

The Campbell's study, conducted by Lieberman Research and based on personal, in-home interviews with 787 men and 176 women, also showed that 77% of all men do major food shopping in a four-week period, compared with 98% of women; 83% of men do fill-in shopping during that period, compared with 86% of women.

Also, 37% of the men who do major food shopping said they are doing more shopping now than two or three years ago and will do more in the future.

While more than 70% of men and women choose a food store because of location, men are more likely to consider low prices and greater variety, the study found.

Men who do major food shopping and those who do not were found to be fairly similar in age, income, education and occupation.

However, their psychographic profiles were quite different. For example, 67% of men who do major food shopping see themselves as "considerate," while 53% of those who do not do major food shopping have the same opinion. Of those men who do major food shopping, 46% see themselves as "up-to-date," 55% as intelligent and 42% as successful. Of those men who do not do major food shopping, 35% see themselves as "up-to-date," 49% as intelligent and 37% as successful.

"Food shopping is one of the first major family chores that men choose to undertake," says Joseph Eastlack, Jr., group research manager for Camden, N.J.-based Campbell's, who notes that an increased interest in shopping has evidently led to a greater desire to cook as well. Although it may seem that cooking would lead to an interest in shopping, Mr. Eastlack says that men in fact become interested in cooking as a result of their shopping experiences.

The rising number of working women is by far the largst single contributing factor to the increase in male shoppers.

The study also found that: "Men who do major food shopping and men who do not do major food shopping prefer doing different types of chores in their households. Major food shoppers more than non-shoppers like to shop for food and prepare meals. By contrast, non-shoppers prefer to put out the garbage and watch the children."

Mr. Eastlack recommends that stores capitalize on this by demonstrating products during evenings, when men shop. He also says large blueprints at entrances showing the way the store is laid out would be helpful to less experienced shoppers.

The higher divorce rate, delayed marriages and more independent living arrangements have had some effect on the increase in male shoppers, but the rising number of working women is by far the largest single contributing factor, according to industry executives.

In fact, working women have become a niche. According to *Progressive Grocer's* 53rd Annual Report, released in April, there are significant differences in the buying habits of working and non-working women.

While shoppers without jobs list Saturday and Sunday as their least favorite shopping days, shoppers with fulltime jobs list Saturday as their first preference, followed by Friday and Sunday.

During the week, the impact has apparently been substantial;

(Continued on Page S-8)

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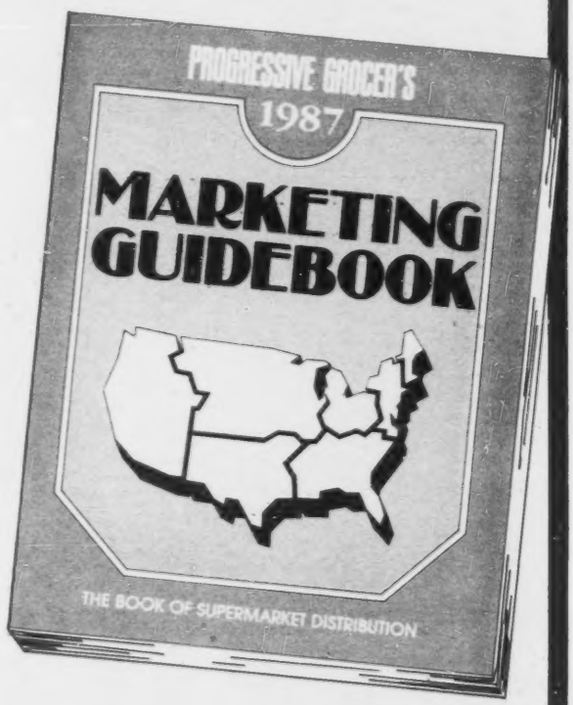

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Super marketers pursue

(Continued from Page S-6)
retailers responding to FMI's 1984 Convention study said 40% of their weekday sales were made after 5 p.m.

Progressive Grocer also found that while shoppers with full-time jobs go to the supermarket as often as those without full-time jobs—more than twice a week—the average shopping trip for shoppers with jobs lasts eight minutes less than shoppers with part-time jobs, or 46 minutes. However, the average tally for those with fulltime jobs is $57 per trip—the same as the average for all consumers.

According to a study by the Food Industry Management Program at the University of Southern California, as the working woman's income increases, national brand selection becomes more important. While 62% of all women surveyed gave "high importance" to national brands, 70% of those with an in-

(Continued on Page S-10)

Shoppers pick up more than groceries

Supermarkets are becoming more than a place to pick up milk and eggs. In some cities, consumers are leaving their local markets with free grooming tips, a trip to Barbados or, with any luck, a new romance.

Mixing and matching is the emphasis of "singles nights." They include ice-breaking games such as finding half of a famous couple while posing as the other half, completing a typical "pickup" line or confessing to "things I've never done in my lifetime."

Free samples of products, provided by manufacturers or local businesses, usually are sprinkled throughout the store. Some stores have customers rate the products to promote interaction.

Price Chopper, a 58-store chain based in Schenectady, N.Y., was among the first in the nation to hold a singles night. In November, 1985, more than 1,500 customers crowded its New Loudon, N.Y. store. Approximately six singles nights have been held since.

According to Joanne Gage, manager-consumer and public affairs for Price Chopper, the idea came out of a casual lunch conversation she had with a psychotherapist-corporate consultant.

He pointed to one common complaint from singles he knew: There's no place to meet "nice" people. Price Chopper decided to pick up the gauntlet.

"When we had our first singles night, we thought it was a nutty idea," Ms. Gage says. "Now it makes a lot of sense. The supermarket is a place where people feel comfortable. They know what to expect when they walk in; they don't have to dress a certain way, and it's well-lit and safe."

Police had to barricade the parking lot because traffic backed up onto the highway. People drove more than an hour to attend.

Participants range from 20-year-olds to seniors, says Ms. Gage, who notes that the day the event is held has had little bearing on the size of the crowd.

Boston-based Purity Supreme also has begun singles nights on a regular basis, after a turnout of 2,000 at its first attempt, June 11.

"The response was so dramatic at the Woburn store that we tried it again the next week," says Michael J. Mahoney, public affairs director for Purity Supreme.

Police had to barricade the parking lot because traffic backed up onto the highway. People drove more than an hour to attend, he says.

The stores were inundated with media attention, from both the U.S. and England.

Advertising for the event was limited to bag stuffers, signs in the store's windows and commercials on a radio singles show.

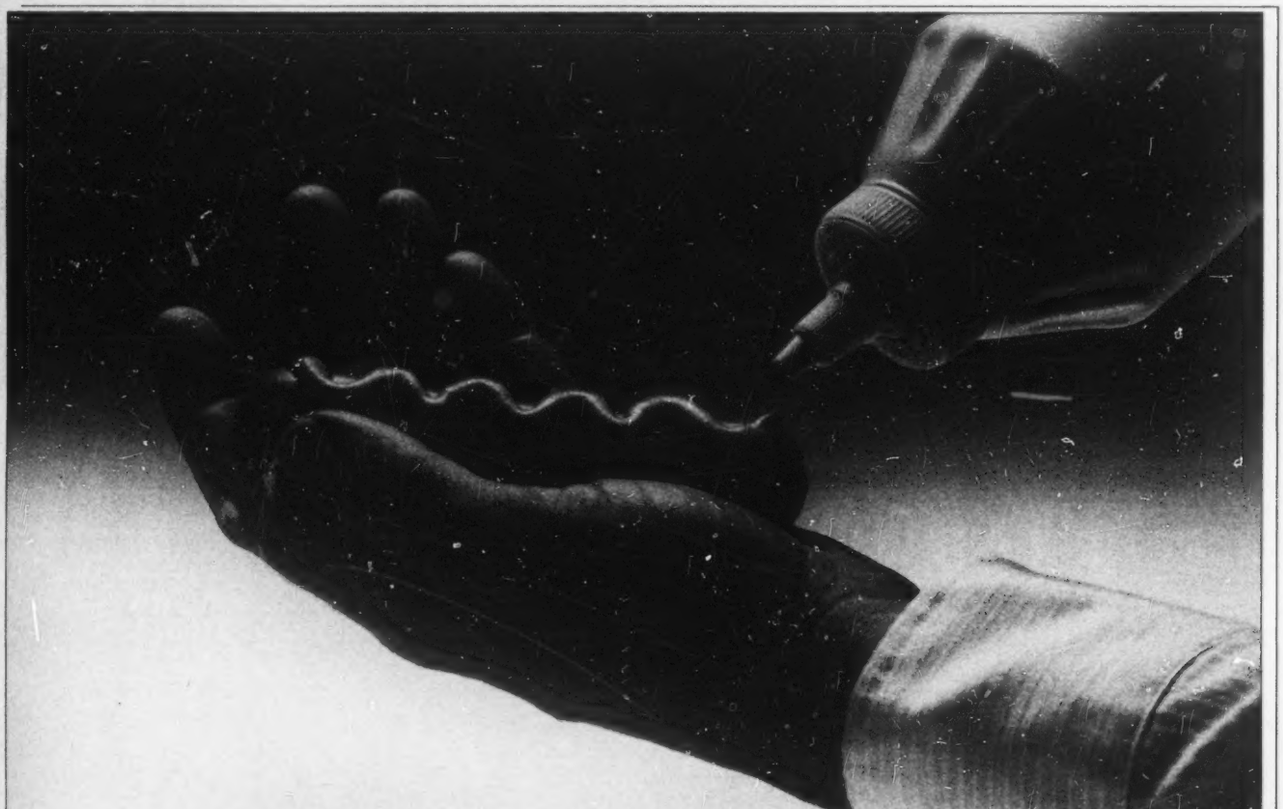
The success has been repeated in seven other stores. "We almost have to try in all 63 stores," Mr. Mahoney says. "The five or six secretaries in operations are besieged by calls on a daily basis from interested customers."

Organizers won't say how the volume of visitors translates into dollars. The events are held primarily for promotional purposes.

"I'm sure we get a little 'kick' in our numbers that evening, but it's hard to say whether it shows in sales in the long run," Ms. Gage says. "Besides, that's not why we do it."

Says Mr. Mahoney: "All I can say is that we're bringing in an additional 2,000 people per night. We believe that once they see what we have to offer, they'll be back."

—Eileen Brill



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Super marketers pursue

(Continued from Page S-8)

come of more than $50,000 perceived national brands as such.

USC also found working women are less likely to shop for specials and read grocery ads, and are more likely to substitute a product if their usual brand is out of stock. And Campbell focus groups found that major factors for working women affecting their food preparation and eating habits are limited time, fatigue, and discretionary income. They eat dinner out more frequently than nonworking women and likewise spend a greater portion of total food budget away from home.

Dual career couples have not only put increased emphasis on convenience foods, but also the convenience of the shopping experience. "The strongest force in the market today is one-stop shopping," says FMI's Mr. Hammonds. "Stores have been growing in size as time becomes a more scarce commodity."

Peter Leviten, associate editor of New York-based *Supermarket Business*, says "even though the size of stores is increasing substantially, with most of the new stores running 40,000 sq. ft. and up, retailers are marking stores more clearly and separating departments so the busy shopper can get in and out quickly." He points out that chains are introducing home delivery services and even issuing debit cards under the store's name that automatically deduct the purchase from the customer's bank account.

The increase in working couples also has had a ripple effect on the number of teens doing the family shopping. A 1985 New York-based Rand Youth Poll, a market research firm specializing in the youth field—indicated that more than half of all teens questioned shop "quite a bit" for food for their family; with 63% of all female respondents in this category, and an additional 30% reporting they shop "occasionally."

Only 7% said they shopped infrequently or not at all. In 1975, a similar study showed that only 49% of the young women shopped "quite a bit."

Total teen spending reached $49.8 billion in 1985, up from 39.1 billion in 1980, according to the Rand poll.

Almost half the teens say they have a great deal of freedom in selecting foods and brands, according to a joint study by New York-based Scholastic Magazines and Chicago-based *Food Processing Magazine*, published in January of this year. Price was the main concern of the majority (51.2%), followed by nutritional value (18.6%) and brand name (17.8%).

At the opposite end of the age spectrum, seniors differ most significantly from regular shoppers, says Jim Stevenson, director-Food Industry Management Program at USC.

"Seniors is the one group that didn't put low prices as their No. 1 concern in our survey," he says. "They want friendlier, more helpful employes. Security around the stores is important to them, as is the temperature of the stores. They are more critical of mechanical things, such as how the shopping cart should work."

The mature market is comprised of "avid information seekers," says Campbell's Mr. Eastlack who adds this group shows a substantial interest in food, nutrition and exercise.

He says the mature market is now being looked at as two separate groups: those age 55 to 64 and those 65 and older. "The 55-to-64-year-old consumer especially takes fewer meals at home than does her younger counterparts," he says. "Those 65 and older tend to move back to meals at home."

Mr. Eastlack says that because both groups are looking for nutrition, convenience and appetite appeal, products should be positioned accordingly. "Advertising should present and address the mature consumer as she wishes to see herself—experienced, wise and appearing youthful, trim and energetic," he adds. Mr. Stevenson says seniors offer a tremendous opportunity for retailers. "Their special concerns mean that supermarkets can merchandise with them specifically in mind."

That approach has paid off many times over for stores servicing the Hispanic market, which, according to estimates, will surpass blacks by 1990 as the nation's largest ethnic group. According to several experts, Hispanics have unique food shopping needs: They tend to shop as a family, they eat out less often than Anglo families, they are very brand-conscious and they are major consumers of fresh fruits and vegetables.

Some stores have tried to meet the market's needs by instituting bilingual signs and having one person in each department who speaks Spanish.

FMI's Mr. Hammonds says the Fiesta Mart store in Houston, targeted primarily to Hispanics, has carousel rides, hot air balloons and pinatas to lend a festive family atmosphere.

"The supermarket is a true mirror of life styles," he says. "It is one of the few places that sees every family in America at least once a week."

. . . working women are less likely to shop for specials and read grocery ads, and are more likely to substitute a product . . . .

Black Family

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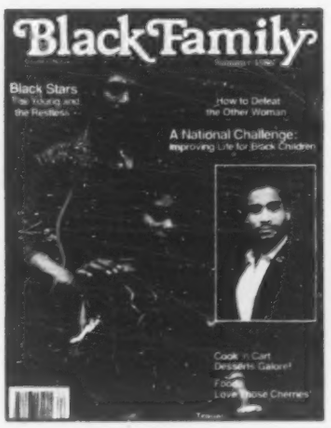

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Upbeat beef spots battle red meat's foul image

By S.L. Berry

Beethoven and beef don't have much in common, except a consonant and a couple of vowels. Or perhaps it's more accurate to say they *didn't* have much in common until Ketchum Communications, San Francisco, introduced its "Good News" campaign earlier this year, using a beef-with-a-beat motif for its television spots. The strains of Beethoven's 9th Symphony accompany one such spot, underscored as are all the ads with the slogan, "Beef. Good News for People Who Eat."

Upbeat tv commercials are only one of many promotional devices the beef industry is using to create a new image for its products. Other marketing strategies include two point-of-purchase programs and a print media campaign. Formerly a staple in American kitchens, beef has fallen from favor mostly because of growing concern about red meat's place in a healthy diet.

That old political saw about a chicken in every pot is no joke to beef producers. While more than $21 billion was spent on beef in grocery stores last year, that figure was down nearly 1% from 1984. During that same period, poultry sales held steady at roughly $7 billion.

For the first time in history, according to the Commerce Department, chicken consumption equals that of beef. Predictions for 1986 have the average person eating 70 lbs. of each this year—not including lamb, pork or veal.

"Price and nutritional image are in chicken's favor these days," says Bill Roenigk, director of economic research and membership services for the National Broiler Council, Washington. "The beef people used to have the attitude that chicken's gains in the marketplace were only temporary, but now they've begun to see that's not so. What we have is a scramble to see who gets what percentage of consumers' bellies." Mr. Roenigk says.

Although faced with increased competition from poultry producers, the beef industry hasn't chickened out. To counter chicken's reputation as a low-fat, high-nutrition food, the National Live Stock and Meat Board and the Beef Industry Council—a member of the NLSMB—have launched a vigorous campaign to educate consumers about the benefits of red meat, especially beef. Although the NLSMB represents the beef, pork, veal and lamb industries, the emphasis of the campaigns has been on beef.

"We want to promote beef as light, lean and convenient," says Tom McDermott, vp-communications for the NLSMB. "We want to show how it fits into today's life style."

To do that the "Good News" theme carries over from tv into magazines with ads in national publications like *Bon Appetit*, *Glamour* and *Newsweek*, all handled by Ketchum.

But beef producers aren't putting all their eggs in one promotional basket. Rather than relying too heavily on media advertising, NLSMB launched two new point-of-purchase efforts during the past year.

The first, Meat Nutri-Facts, is a program aimed at informing the consumer about specific cuts of meat, explains Mr. McDermott. It consists of meat counter

(Continued on Page S-15)

S.L. Berry is an Indianapolis-based free-lance writer.

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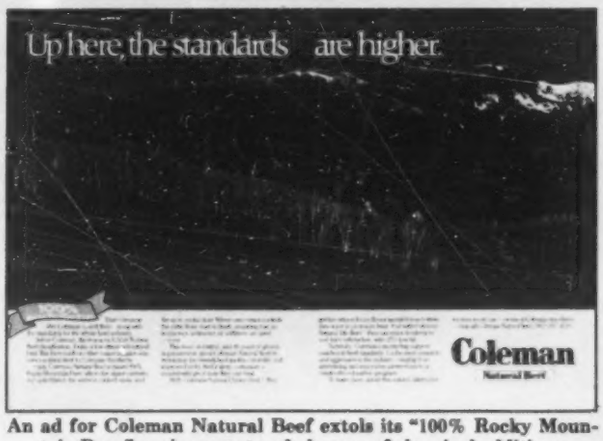
Colorado rancher corrals 'natural' beef market

In response to increased consumer awareness of the potential health risks posed by chemicals such ashormones, antibiotics, growth promoters, additives and preservatives in meat products, a few beef producers have turned away from modern chemical agriculture and back to a less synthetic past.

According to Mel Coleman, a Colorado rancher who heads Denver-based Coleman Natural Beef, the largest producer of natural beef in the U.S., there's a bright future ahead for his end of the beef industry.

Naturally grown beef, once found only in health food stores, is now finding its way into such national grocery chains as Grand Union on the East Coast and Red Star in the South, Mr. Coleman says.

He labels his products, Coleman Natural Beef and Coleman Natural Light. Both are chemical-free and minimally processed—factors that Mr. Coleman says more consumers are looking for in food.



An ad for Coleman Natural Beef extols its "100% Rocky Mountain Pure" environment and absence of chemical additives.

"We're hoping what we're doing will set a new standard for the beef industry," says Mr. Coleman. During a recent 10-day product demonstration tour in stores in Boston and New York, he reports having talked to more than 4,000 people about natural beef. "The concern about chemicals in beef is there. As we tell more people where they can get natural beef, I think we're going to see increased demand."

Toward that end, Mr. Coleman says his company has been concentrating its advertising efforts on retailers, offering new stores a 10% first purchase discount for stocking Coleman beef and promoting it locally. Ads in trade magazines such as *Progressive Grocer* have been directed at educating retailers.

The result, says Mr. Coleman, has been a growing demand for natural beef, which although it costs about 30% more than processed beef, currently accounts for approximately $15 million to $16 million of $50 billion in beef sales worldwide.

He says the chicken industry, which has been steadily eroding beef's market share for 15 years, will be less of a threat to natural beef producers once consumers learn the value of meat from chemical-free, free-roaming cattle rather than from confined, chemically raised chickens.

For one thing it tastes better, says Mr. Coleman. "And I personally think beef is a much better high-protein meat to eat."

—S.L. Berry

Upbeat beef promotion

(Continued from Page S-12)

display cards listing caloric, fat and cholesterol information. "We're giving more information about beef than anybody else is on other products where content information is mandatory," Mr. McDermott says.

The program has been so successful that the American Dietetics Assn. recently awarded the NLSMB, the American Meat Institute and the Food Marketing Institute its "Presidents' Circle Nutrition Education Award" for excellence in providing nutrition education to the public through Meat Nutri-Facts.

And the public, says Mr. McDermott, has responded enthusiastically. "When we pilot-tested the program, we asked consumers for feedback. Although only a fairly low percentage of them said they took the time to study all the nutritional information we're providing, 98% of them said they wanted that information to be available in stores."

As for retailers, he says, the fact that they've helped create Nutri-Facts signs and installed them, as well as coordinating Nutri-Facts recipes with weekly meat specials, indicates just how pleased they are with the program. Along with meat packers and processors, retailers have participated actively in Nutri-Facts workshops sponsored by the NLSMB, and have promoted the program through tie-ins with their local advertising efforts.

So popular has that program been with both retailers and consumers that the poultry producers intend to introduce a similar program, according to Mr. Roenigk. Called Poultry Nutri-Facts, it will be in stores next year.

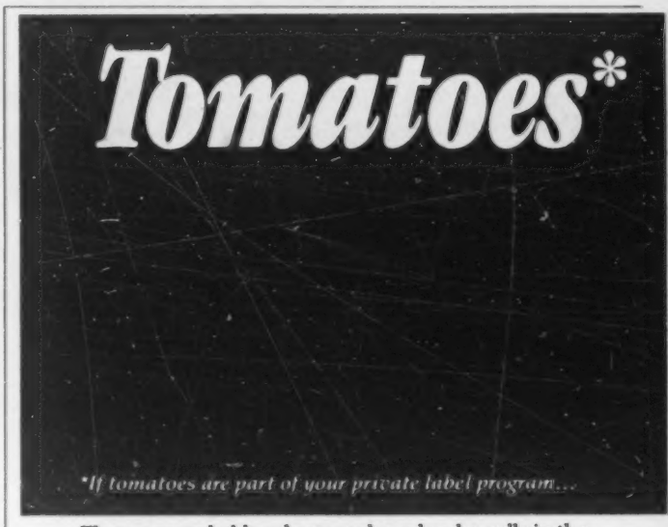
While the Meat Nutri-Facts programs are in use in about 20,000 grocery stores around the country, the beef industry's second point-of-purchase effort has been limited to ten test sites in each of three market areas: Philadelphia, New York-New Jersey and Houston. Known as Meat Features—but dubbed Moo-TV by some—this program uses videos to stimulate consumer interest in specific cuts of meat.

The video displays have proven to be immensely successful among shoppers, says Tom Flaherty, coordinator of retail programs for the NLSMB. A videocassette recorder and a monitor sit atop the meat counter, with a recipe card holder attached, he says. The videotape tells shoppers about preparing a cut of meat displayed in the counter below.

"I really see this concept as the future of product marketing," says Mr. Flaherty. "It's also a great way to introduce new products. Not only will people see the products, but they'll be educated about them and they'll learn how to prepare them."

Test runs indicate that stores with the video units in place increased the sales of the featured

(Continued on Page S-18)



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Marketers beef up ad spending

Top 10 beef advertisers

($ in thousands)

Company	Ad expenditures 1985	1984	% change
1. Beatrice Cos.	15,208.0	4,121.5	72.8
2. George A. Hormel & Co.	8,333.9	4,010.5	51.8
3. Oscar Mayer (Phillip Morris)	5,835.6	4,618.0	20.8
4. H.J. Heinz Co.	2,622.9	4,310.9	(39.1)
5. Sara Lee Corp.	1,515.2	481.6	68.2
6. Carl Buddig & Co.	794.3	1204.7	(34.0)
7. Nestle Enterprises	702.4	111.2	84.2
8. Lykes Bros., Inc.	503.1	440.9	12.3
9. United Brands Co.	489.5	—	—
10. Decker Meat Co.	466.6	—	—

Source: 1985 and 1984 Leading National Advertisers Class/Brands reports.

Upbeat beef promotion

(Continued from Page S-15)

beef cuts anywhere from 12% up to 25%.

Immediate plans, according to Mr. Flaherty, call for the NLSMB to develop a different video tape for every week of the year. "Eventually we'll have a whole library of tapes that retailers will be able to choose from."

The video tapes will cost retailers between $21 and $50, while point of purchase video equipment can run from $800 to $1,200, according to Mr. Flaherty. "If money is a problem, we hope to help retailers with the cost of using the Meat Features program," he says.

Whether buying new or using existing equipment, store owners have to make an investment to get involved in the Meat Features program.

"There's a lot of confusion among consumers about meat, so there's a real need for product education. That's why I think the videos will work, and that's why retailers are responding so well to the concept," Mr. McDermott says.

Both the media campaign and the p-o-p programs are part of the BIC's effort to re-establish dominance at the meat counter, an effort that last year cost the council more than $10 million for advertising and promotion expenditures combined. The exact figure for the 1986-87 fiscal year hasn't yet been determined. But industry sources estimate that a new check-off program—through which the BIC is paid for the sale of each head of beef, may generate more than $30 million next year—allowing the BIC to spend at least that much on advertising.

With that kind of money on the line, there's nothing more gratifying than free advertising.

And, in a recent promotion, the American Heart Assn. was kind enough to oblige the meat industry. Print ads promoting the AHA's early September 1986 Food Festival—an AHA nutritional education program—carried the headline, "How to live high on the hog and steer clear of fat," above a picture of a cow and a pig.

The ad copy streases that cutting down on saturated fat and cholesterol doesn't require cutting out all red meat consumption. Copy in the ad reads: "It simply means being more selective. Taking the time to find the leanest cuts of meat and asking your butcher to trim away as much fat as possible."

This was clearly a response to criticism voiced earlier this year by the NSLMB, that the AHA ads using photos of fish and chicken dishes to promote healthy diets smacked of an anti-red meat bias. While AHA officials insisted no such bias existed, they agreed the ads appeared to suggest it. Their reaction was the Food Festival promotion, something that Mr. McDermott says was really more than the NLSMB expected.

"The fact that the Heart Association people responded to our concerns in such a positive manner is gratifying," he says. "Giving consumers information that allows them to make educated decisions about what they eat is what we've been trying to do with our programs."

How healthy is red meat? If selected cuts are eaten in moderation it can be a nutritious part of a balanced diet, according to the AHA. The American Medical Assn. appears to agree: Currently it is studying a resolution that calls for recommending red meat as part of a well-rounded diet.

Even so, says Mr. Roenigk, the chicken industry is not squawking. When advertising expenditures for individual poultry producers, such as Tyson's, Holly Farms and Perdue, are tallied, "probably $100 million" is spent annually to promote an array of chicken products. "We're not wringing our hands, wondering when the meat people are going to knock us off our perch," he says confidently.

The beef industry almost waited too long before trying to stem the erosion of its market share, acknowledges Mr. McDermott. However, with more money now available for advertising, beef producers are beginning to shed their traditional attitude that their product speaks for itself, and they're getting more savvy about speaking out in its favor.

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Kroger innovation aims at carnivore revolution

By Ed Fitch

Ponder the simplicity of Cro-Magnon shopping. Hungry? Reach out, spear a woolly mammoth, bring it home, slice it, dice it, roast it.

Not that the beef industry hasn't made strides—after all, refrigeration and mechanical meat slicers have since been introduced. But compared to other changes in food marketing, this segment still shows signs of the Neanderthal.

"The meat industry has lagged behind changes in life styles," says William Parker, vp-meat merchandising, The Kroger Co., Cincinnati. The erosion in the beef market, which had 1985 grocery store sales of $21 billion, down 1% from 1984, "came about because of a lack of innovation," he says.

Modern man demands convenience, even in a product as basic as meat. And although they haven't exactly re-invented the wheel, Kroger marketing executives have created an innovative concept in meat marketing —precooked products displayed in the fresh meat case.

"Consumer research told us there was a place for the product that would fit into today's life styles; that people had a strong interest in convenience," says Marvin Goldsmith, exec vp, general administrative manager, Campbell-Mithun, Chicago. The Campbell-Mithun-created ads stress convenience through a series of vignettes that feature young professionals' accoutrements like personal computers, phone answering machines and microwaves (AA, July 28).

Hungry? Reach out, grab a pork chop, pop it in the microwave, sit down and go to it. "We had to show how a primary property of the product was in tune with the target market's life style," he says.

"About two years ago we were looking at the trends of eating out and the growth in the number of two-income families," says Mr. Parker, "and wanted to come up with something that would address those shifts."

Some exacting criteria were established: The product had to be fresh, microwavable and taste as good as restaurant-quality cuts of meat, he says. "Research indicated people preferred to eat at home if they could get a high-quality, good-tasting product that was fast and convenient to prepare."

Although Kroger was putting out feelers among suppliers, "we weren't getting anywhere," Mr. Parker says.

Kroger has attempted to fit its precooked meat product to the life styles of people who demand convenience.

Then Kroger executives made a trip to Zeeland, Mich.-based Bil Mar Foods on an unrelated matter and discovered the company was cooking meat and shipping it to restaurants to be reheated and served. "We figured if it could work that way, it would meet our objectives."

The program started cooking when Kroger talked to other meat packers that were able to precook and vacuum-pack their products and round out the line to include ribs, pork chops, prime rib, chicken. "We had to market it as a concept," says Mr. Parker. "Some people had been doing this for specific products on a small scale, but we wanted to put all of the pieces together."

Everything came together last year when Atlanta-based Kroger stores first placed the product. Cincinnati and Columbus, O., were added as test markets shortly thereafter. "These were the markets that fit for product introduction in terms of the number of stores and share of market," says Mr. Goldsmith. Detroit stores joined the Completely Cooked program later, and last month Houston and Dallas were added to what soon will be a much larger list of markets.

"Sales have met our expectations," and the product should be in Kroger's more than 1,300 stores by spring 1987, he says.

The product's fast-paced introduction does not mean it has sidestepped all stumbling blocks. "The big drawback is cooked meat does not look good in a package—it doesn't look as good as red meat," Mr. Parker says.

The ad campaign was designed to circumvent the appearance problem, and in-store tastings and placement in the fresh meat case were instituted to overcome category confusion and consumer reluctance to accept the concept of microwaved meats.

Of those who sampled the product in-store, 80% said they would buy the product, Kroger research reported. Research also showed the mature market—an unexpected segment—has responded well to both the convenience aspect and smaller portion sizes, Mr. Parker says, despite its higher price.

Kroger is certain convenience will pull more members of the microwaving masses to the product line.

"We think we're converting new users to beef; people who weren't taking the time to prepare meat," he says. The company projects that the product eventually will account for 10% of total meat sales, an amount Mr. Parker compares to Kroger's ground beef sales.

Most important, Mr. Goldsmith says, is that the product will help to curb the decline in red beef sales. "This allowed us an opportunity to create some interest. The product is a real departure from anything that has been done in grocery marketing."

Regarding life in the food chain, Kroger is a firm believer in survival of the fittest. The microwave has become a tool for the company to skewer its competitors and become a mammoth player—not a woolly mammoth.

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*Sales and Marketing Management's 1985 Survey of Buying Power

Turkey's holiday-only image plucked

By Julie Liesse Erickson

Turkey's not just for holidays any more.

Beatrice Meats uses newspaper inserts and print ads to promote its Swift Butterball frozen turkeys and turkey breasts as summer barbecue meats, while the Turkey Store makes fresh turkey meat as accessible as chicken and beef. And in a current tv ad for Louis Rich precooked turkey breast, a boy pulls a sandwich out of his lunch box. The voiceover says, "Remember how good a turkey sandwich tastes? Well, you don't have to wait for Thanksgiving any more."

These three companies have led the way in creating and marketing new products—including precooked cuts, lunchmeats, fresh turkey parts and frozen, breaded finger foods—that have made turkey an integral part of today's meat case.

In the 1960s, almost all turkey was sold whole, reflecting the meat's status as a special-event food.

In addition, 20 years ago 95% of U.S. turkey was eaten during the fourth quarter of the year, says Barbara Schuelke, consumer information manager for General Foods' Oscar Mayer and Louis Rich meat-processing divisions, Madison, Wis. Today, she and other industry executives place that figure at 40%.

The popularity of new products and the increased use of turkey for non-holiday meals have helped boost U.S. consumption from 2.38 billion lbs. in 1980 to 2.83 billion lbs. in 1985, according to the U.S. Department of Agriculture, Washington. On the average, each American gobbled up 12.1 lbs. of turkey last year, as opposed to 10.5 lbs. in 1980.

Top 10 poultry advertisers
($ in thousands)

Company	Ad expenditures 1985	1984	% change
1. Louis Rich (Phillip Morris Cos.)	$14,547.7	$4,698.3	56.6
2. Tyson Foods Inc.	7,550.7	3,582.5	52.5
3. Holly Farms (Federal Co.)	6,850.8	4,924.9	28.1
4. Perdue Chickens	6,457.7	5,520.8	14.5
5. Weaver's Prepared Chicken (Victor F. Weaver Inc.)	4,879.4	6,001.3	(18.6)
6. Swift Butterball Turkey (Beatrice Cos.)	3,292.6	2,680.6	18.5
7. Plump & Juicy Frozen Chicken (Campbell Soup Co.)	2,135.0	530.0	75.1
8. Mr. Turkey Products (Bil-Mar Foods)	1,447.1	628.0	56.6
9. Shady Brook Farms Turkeys (Marval Poultry Co.)	1,301.9	459.0	64.7
10. Foster Farms	1,092.6	1,378.9	(20.7)

Source: 1985 and 1984 Leading National Advertisers Class/Brands reports.

Louis Rich is one of three companies that are trying to make eating turkey more than an just annual event.

And in California, often considered a bellwether state, per-capita turkey consumption is about 3 lbs. higher than the national average.

In the early 1980s, according to *Progressive Grocer* magazine, turkey overcame roast beef to become the No. 2-selling meat in the nation's deli cases, behind ham. But turkey's success poses a chicken-and-egg dilemma: Were new products developed because of turkey's popularity, or were they the catalyst for increased consumer interest?

"I think turkey has been successful largely because of consumers' interest in health, diet and a more active life style," Ms. Schuelke says. "And turkey is one of the lowest fat products around—even lower than chicken."

In addition, she says, the turkey industry received an unexpected boost from weight-reduction groups, some of which even went so far as to recommend not only turkey, but specific brands, in menus.

Tom McLaughlin, however, argues that consumers didn't become interested in turkey until the industry broadened its product line. Mr. McLaughlin is vp-marketing and sales for Jerome Foods, Barron, Wis., marketer of the Turkey Store brand of fresh turkey products.

Jerome started the Turkey Store line in 1983. "It really is a concept as opposed to a product or set of products," Mr. McLaughlin says. "It was a merchandising idea, based on the belief that Americans would eat more turkey if it were available in convenient forms. Turkey lagged behind the rest of the poultry industry because we didn't provide the forms people needed and wanted.

"Our strategy was a two-part one," he says. "First, offering the products people want—convenient, easy-to-prepare, wholesome products—and second, allowing the retail operator to increase his meat sales. Red meat consumption is down, and that means retailers have empty meat cases available. We've given them product to sell there."

In addition to providing all point-of-purchase materials to retailers, Jerome initially advertised the Turkey Store concept heavily.

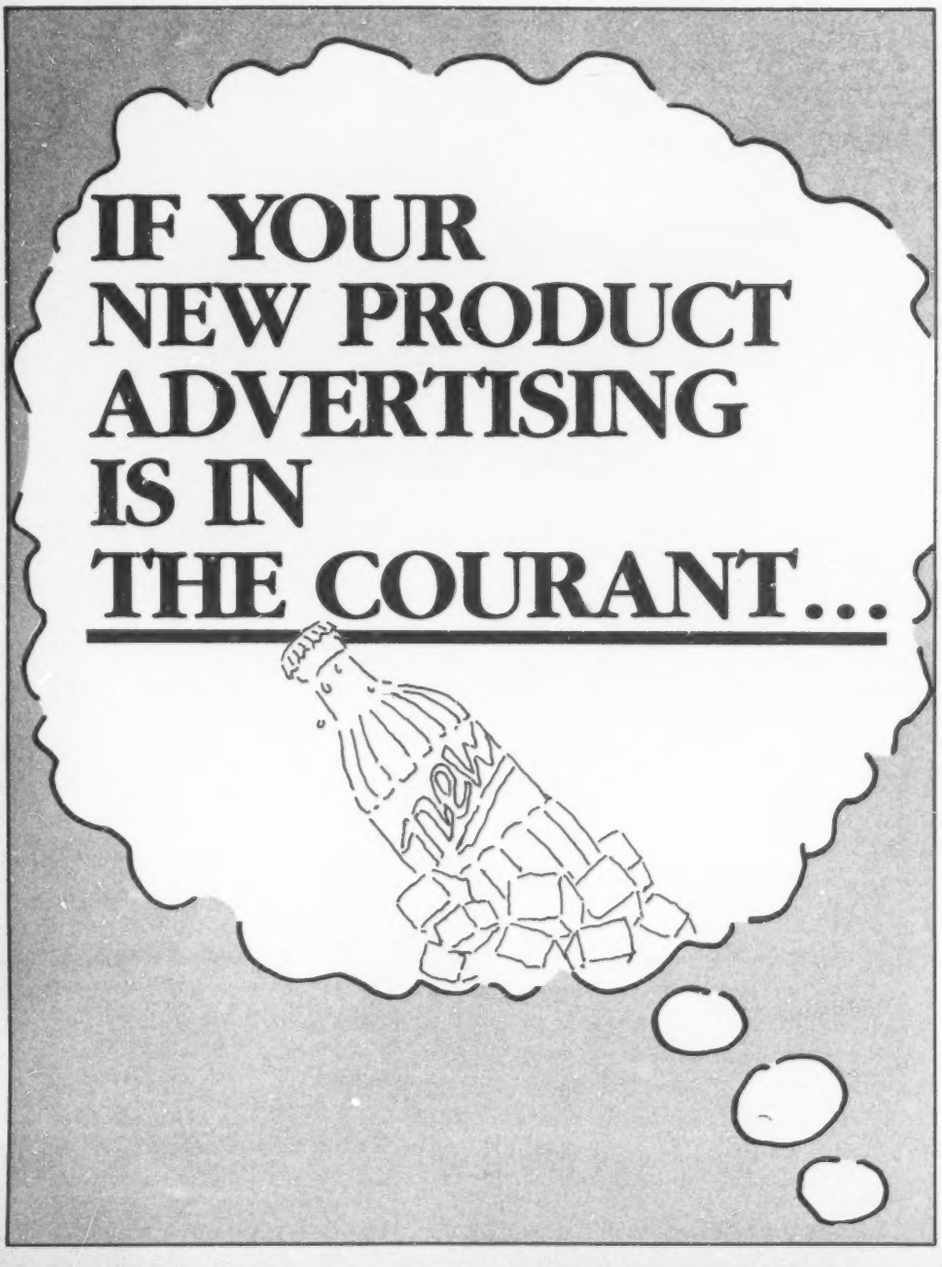
Seven-media spending totaled $1.6 million in 1984. Since the products' debut, however, ad spending has slackened; 1985 spending, as measured by Leading National Advertisers, totaled $274,000. Carmichael-Lynch, Minneapolis, is Jerome's agency of record.

The Turkey Store line includes breast, thigh, wing and leg portions, currently distributed in grocery stores nationwide.

In addition, Jerome, the nation's largest grower of fresh turkeys, sells cold cuts through grocery store delicatessens, whole birds and various foodservice products.

Jerome does not release financial information. Mr. McLaughlin says company sales have increased 15% annually during the past three years. "The success of Turkey Store is proof in itself of the industry's success in

(Continued on Page S-26)



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Finger foods are changing dinner customs

By Julie Franz

Contrary to popular belief, people aren't snacking more, they're just snacking differently.

People are eating snacks or finger food as daytime meals and giving appetizer parties, says Nancy Byal, food and nutrition editor at *Better Homes & Gardens.*

"Portable is popular," she says. "Finger food is the ultimate convenience food that can be eaten anywhere from the dinner table to Mount McKinley."

People also have begun serving the "no-dinner dinner," she says, offering a collection of finger foods and appetizers along with one or two selections for dessert.

That sort of menu is more casual for entertaining, easier to prepare than a seven-course dinner, and doesn't require a complicated setting of utensils, Ms. Byal adds.

According to MRCA, a Stamford, Ct.-based consumer research company, fresh cheese is out, yogurt is in. Granola bars are out and frozen juice bars are in.

Mexican and Oriental foods are *really* in, with frozen egg roll unit sales jumping 221% in one year.

Imperiled by the shift in American's taste buds is the venerable potato chip.

The nation's No. 1 snack food, selling at a $3.29 billion yearly pace, is being usurped by more sophisticated finger foods with an international flair including egg rolls, dimsum—Chinese finger food, tiny pizzas, nachos and fried cheese.

> ***"Portable is popular. Finger food . . . can be eaten anywhere."***
>
> **Nancy Byal**
> **Food and nutrition editor,**
> ***Better Homes & Gardens***

Finger food

Like most food trends, the finger food craze was first capitalized on in restaurants. General Mills reports that 39% of the customers at its Red Lobster Inns of America ordered appetizers in 1985, compared with only 18% in 1980.

And the 1980 introduction of McDonald's Corp.'s McNuggets created a whole new category of fresh and frozen boneless chicken products in the grocery store.

Despite a small drop in boneless chicken sales last year, marketers are still eager to enter the category, signaling their confidence of future growth in the industry.

Sales in the boneless chicken category fell 5% to $345 million for the 52 weeks ending July 18, according to SAMI/Burke, New York. Part of the category's drop can be attributed to a shortage of chicken caused by a surge in fast food restaurant sales of chicken products, industry sources say.

Most of the major chicken producers, including Frank Perdue, have entered the chicken nugget market. Earlier this year, Perdue expanded distribution of its oven-ready line of Perdue Done It! chicken nuggets. Campbell Soup Co. got into the act with two products from its Swanson frozen line, Swanson Plump & Juicy Chicken Dipsters with sauces and Swanson Chicken Duets, frozen stuffed nuggets the company says are aimed at "grazers."

ConAgra Frozen Food Co., Ballwin, Mo., this fall will debut a product that combines two trends: Chicken nuggets and mi-

(Continued on Page S-28)

Turkey

(Continued from Page S-24)

getting consumers to consider turkey for non-holiday use," he says.

Like Jerome Foods, Louis Rich, the No. 2 U.S. marketer of cold cuts, was one of the first companies to offer alternatives to whole turkeys. Ms. Schuelke considers the company's oven-roasted turkey breast, first prepared for foodservice use, a "landmark product."

The company soon expanded into processed turkey products. "We realized that turkey would be a successful cold cut because it took seasonings well and it was both convenient and healthful," she says.

Today, Louis Rich's turkey offerings include cold cuts, frankfurters and turkey hams in addition to fresh turkey parts and foodservice products. Sister company Oscar Mayer, the nation's leading marketer of cold cuts, also offers turkey within its prepackaged cold cut lines.

Although Louis Rich and agency Ted Bates & Co., New York, previously placed magazine ads almost exclusively in women's service books, Ms. Schuelke says the company's 1987 media plan includes health and fitness magazines such as *Self*, as well as regional and epicurean magazines.

In 1985, General Foods spent $14.5 million to advertise Louis Rich products, according to measured-media figures from Leading National Advertisers. That represented a 10% increase over the previous year's spending. Tv spots and print ads are themed "Turkey so right." By comparison, 1985 measured-media spending for Beatrice's Butterball turkeys totaled $4.2 million, according to LNA.

According to industry executives, promotional activity probably will help turkey to continue achieving steady growth. Mr. McLaughlin of Jerome Foods, which is in the middle of a study to update information on its customer base, believes that growth has come partly from younger, health-conscious consumers switching from red meats—particularly pork—and also from older Americans looking for poultry alternatives.

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Finger foods changing

(Continued from Page S-26)
crowaves. The company will introduce a six-pack of all-breast meat nuggets in a single serving package that also contains sauce.

The product's light breading makes it microwavable, according to Scott Rahn, ConAgra Frozen Food's exec vp-general manager.

ConAgra may apply the same breading to its 10-item line of Hot Bites frozen chicken and cheese snacks to make them microwave, thus sparking another boom in the frozen snack category, Mr. Rahn predicts.

Micro-munchies

Increased microwave oven use has brought typical restaurant fare into the home by making it faster and easier to zap frozen, prepared munchies.

Microwaves also have made it possible for children to prepare their own snacks, like nachos or french fries, without parental supervision, according to Mr. Rahn.

According to Pillsbury Co., Minneapolis, one of the few food marketers with a full line of microwave-only frozen products, more than 52% of all households had a microwave oven in 1985, up from 43% of households the previous year.

The company's Jeno's subsidiary is a hot competitor in the frozen hors d'oeuvres category with its Microwave Pizza Rolls, bite-size pieces of dough filled with tomato sauce, cheese and other pizza fillings.

While sales in the frozen hors d'oeuvres category are down 7% to $97.1 million, according to SAMI/Burke, marketers are confident that the category will again boom.

Food Institute Report tags the frozen munchies market at $456 million, including hors d'oeuvres and frozen, prepared chicken.

Oriental & Mexican

Another segment showing opportunity for frozen snack makers comes from Oriental and Mexican cuisine, which both lend themselves particularly well to snacking and eating on the run, Ms. Byal says.

While egg rolls remain the primary Oriental finger food with sales of $46 million a year through grocery stores, an age-old form of Chinese snacking, dimsum, recently re-emerged.

Pillsbury is selling frozen dimsum under the Royal Dragon name through a joint-venture with Convenience Foods International Ltd. in Hong Kong. The line includes spring rolls, won ton and shaomai, all products the novice cook would be unwilling to try making from scratch.

The products are available in retail grocery stores in Dallas, Denver, Los Angeles, Memphis, Phoenix and San Francisco.

Along the line of Mexican snacks, ConAgra's Mr. Rahn predicts more snack products made from meats or even fruit paste wrapped in tortillas or other dough products.

Frozen vegetables

Geo. A. Hormel & Co. and Ore-Ida Foods lead the way in frozen vegetables. Hormel sells a variety of vegetables in its Gold 'n Lite line of frozen snacks introduced last March. The line is now very close to national distribution.

Ore-Ida has been testing its five-item line of breaded Vegetable Crisps in Kansas City, Oklahoma City and Wichita since January. The company is pushing the product as a side-dish alternative to regular vegetables. "Do you know what Ore-Ida has done to plain vegetables?" the Ore-Ida ad campaign asks.

Popcorn

Another segment that is booming because of microwaves is popcorn.

SAMI/Burke reports 60 million lbs. of microwave popcorn were sold last year compared with 17 million lbs. in 1983. Microwave popcorn accounts for 25% of the annual sales volume of unpopped popcorn, and 50% of total popcorn dollar sales.

Sales of microwave popcorn expanded 48% to $201 million in the 52 weeks ending July 18, according to SAMI/Burke. The biggest chunk of growth came from shelf-stable products introduced last year by Pillsbury, General Mills and Beatrice. Those now account for $136 million in sales, up 52.4% over last year.

While food manufacturers have been conservative in introducing foods specifically for microwaves, Ms. Byal sees that changing soon. "Before the year 2000, microwaves will be the major cooking appliance in the home," she predicts. If that's the case, frozen snack foods could see another sales boom.

If your target is people who own one of these...

Snack spending slows

Top 10 snack advertisers

($ in thousands)

Company	Ad expenditures 1985	1984	% change
1. Pepsico, Inc.	60,134.7	63,972.7	(6.3)
2. Procter & Gamble	38,835.3	31,881.1	17.9
3. RJR Nabisco Industries	36,568.8	50,960.8	(28.2)
4. General Mills	29,548.2	25,366.8	14.1
5. United Biscuits Holdings	22,461.7	27,432.3	(18.1)
6. Quaker Oats Co.	19,633.3	18,984.0	3.3
7. Kellogg Co.	18,291.3	5,514.6	69.8
8. Beatrice Cos.	18,264.1	15,341.4	16.0
9. Ralston Purina, Co.	17,487.3	12,767.6	26.9
10. Pillsbury	10,014.7	8,860.0	11.5

List includes appetizers, snacks, nuts, snack cakes and cookies.
Source: 1985 and 1984 Leading National Advertisers Class/Brands reports.

Twinkies: 50 years of 'fun'

By Kari E. Super

Nutritionists may use Twinkies as an example of what not to eat, but that hasn't prevented Continental Baking Co., St. Louis, from selling 700 million a year.

These notoriously sweet little cream-filled sponge cakes have been a snack lover's staple for more than 50 years.

"Basically what this is, is sugar, fat and food additives. But in small quantities they're unlikely to be harmful," according to Marion Nestle, director of the Clinical Nutrition Education Center at the University of California, San Francisco, School of Medicine.

The actual ingredients, in descending order of quantity, include sugar, enriched flour, corn syrup, water, partially hydrogenated vegetable and/or animal shortening, eggs, skim milk, leavening, whey, starch, salt, mono- and diglycerides, sodium caseinate, polysorbate 60, lecithin, xanthan gum, natural and artificial flavors, artificial colors and sorbic acid.

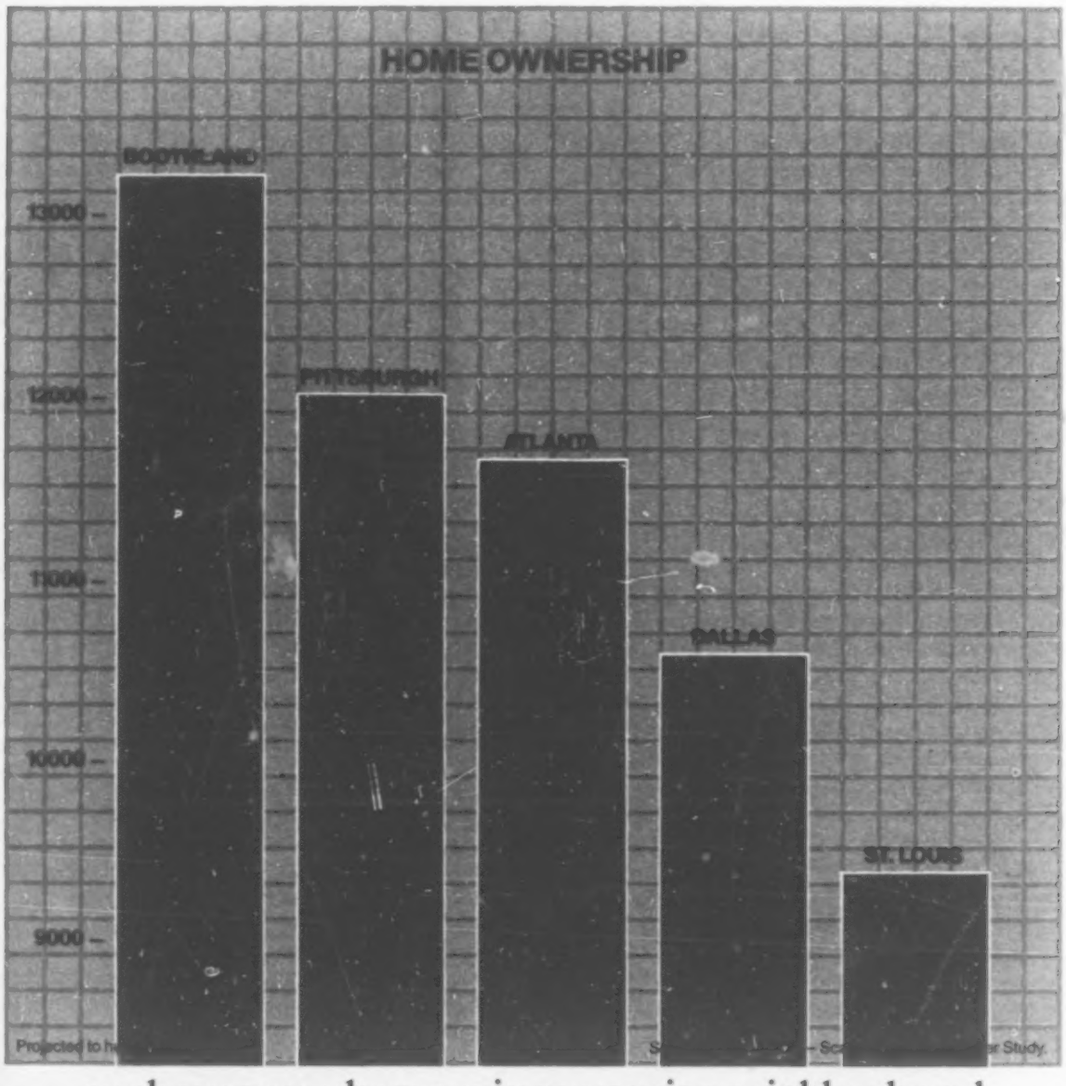
"It's just a good, wholesome, fun food," says Harry Pierce, vp director-cake sales for Continental Baking Co., a division of Ralston Purina, St. Louis, "made from ingredients you'd find in your own kitchen."

In 1979, Twinkie consumption was used as a murder defense. Testimony in support of San Francisco city supervisor Dan White, accused of murdering Mayor George Moscone and city supervisor Harvey Milk, included a psychiatrist's statements suggesting that Mr. White's diet of Twinkies, potato chips and Coca-Cola led to the killings.

Extreme variations in Mr. White's blood sugar levels exacerbated his existing manic-de-

(Continued on Page S-30)

Kari E. Super is a reporter for Modern Healthcare, *a Crain Communications Inc. publication.*



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Segmentation heats up soup market

By Eileen Norris

It would be a marketer's dream: A product so hip it is a must at any party, so wholesome it is considered one of the best medicines for the common cold, so quick it is the right answer for today's on-the-go singles society.

Not only does such a dream food exist, but it is cheap and it comes in a can or an envelope. It is soup and, incredibly enough, it is facing some big marketing changes.

"The traditional view of soup is antiquated," says Dan Santangelo, vp-general manager for soup at Campbell Soup Co., Camden, N.J. "We aren't defining soup as the way to just round out a meal. We're looking at soup as a liquid food market, a way to eat today."

Eileen Norris is a Chicago-based writer and frequent contributor to Special Report.

It might seem unnecessary to change a product that seemingly is the perfect food, and one that reached $2 billion in sales last year. Lipton onion soup mix and sour cream has been a standard chip dip since radio host Arthur Godfrey read a letter over the air from a listener extolling the magical potion as a way to make any party a success.

Folk wisdom still proclaims chicken noodle soup to be the best home remedy for the common cold. The flavor rings up the highest sales for Lipton and Campbell. It's closely identified with "colds and Mom's Jewish penicillin," says Mr. Santangelo.

But make no mistake about it, soup is branching out. Marketers are no longer content to rely on nostalgia or its image as a filler to serve between salad and entree. Soup is hot and getting hotter.

The liquid nourishment is just the ticket for frazzled singles and working parents who get home from work only to stare blankly into the refrigerator and lose their appetite as they consider fixing dinner.

The big two soup producers are all but too happy to step in and answer the plea for help. The traditional canned soups share shelf space with dry and instant soups, single-serving soups and microwave soups. Most soup labels or envelopes contain recipe ideas to try to make the busy homemaker's life easier, and help ring up more sales.

Lipton and Campbell are spending big ad dollars to tout the notion that soup can be a meal in itself. They are enticing shoppers with variety, as evidenced by the new products steadily being rolled out and the dozens of new flavors being tested in small markets across the country.

"We're segmenting more," says Tony Franke, vp of the foods division for Englewood Cliffs, N.J.-based Thomas J. Lipton Co. "As in every other business, we're more conscious of single families and working women and every time we develop a new addition to the line, we measure it against this new set of criteria. What will work for the new life style? Years ago, that wouldn't have been the case."

Lipton is promoting the variety of its new flavors while attempting to identify segments within the soup market.

That sentiment is echoed by Campbell officials, who say they see themselves in the midst of a "soup revolution."

"There's less free time and shopping time is down about

(Continued on Page S-34)

Twinkie success story

(Continued from Page S-29)

pression, the testimony read. The press dubbed it the "Twinkie Defense."

Mr. Pierce won't discuss the "Twinkie Defense," or whether the U.S. health craze has hurt its sales. A spokesman for the company says the product's sales haven't faltered over the years.

In the past 56 years, approximately 40 billion Twinkies have been sold, making the product Continental's No. 1 seller followed by Hostess Cupcakes and Suzy Q's. Continental grossed $1.6 billion in sales in fiscal 1985. At 49 cents per two-pack, 80% of all Twinkies are purchased on impulse—51% by adults, Mr. Pierce says.

Continental plans to target adults with future advertising. The account is handled by Ted Bates Worldwide, New York.

A company spokesman declined to be specific about future advertising. Past advertising for adults has included a campaign called "Hug from Home," in which the company targeted mothers, urging them to purchase the product for their kids.

James Dewar mixed the first batch in 1930, hoping to activate the company's idle shortcake pans and sweeten a depressed nation for 5 cents a two-pack.

Except for a switch from banana to vanilla filling early in the product's life, Twinkies have remained virtually untouched.

Continental markets a devil's food version in selected markets during summer months. But that product hasn't really caught on, Mr. Pierce says.

Mr. Pierce says he doesn't think Mr. Dewar had just convenience in mind when he passed the first batch around the bakery. But he later recognized the virtues of a quick snack, and extended the product's shelf life.

"There's no muss, there's no fuss. You just pop them in your mouth," Mr. Pierce says.

Even Jim McMahon, quarterback for the Chicago Bears, was recently heard to say on a popular late-night tv program he liked Twinkies. Will Twinkies be the next Jim McMahon endorsement? Outrageous.

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Segmentation heats up

(Continued from Page S-30)

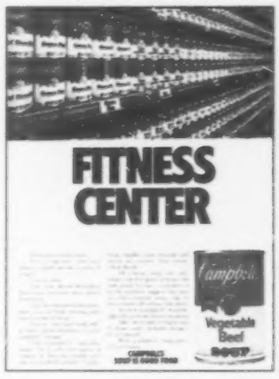
25%," says Mr. Santangelo. "Shoppers spend less than 20 minutes in the store. It's like they're on roller skates. We have to make a special effort to reach these people and tell them about how our cheddar cheese soup makes a great cheesecake and how our mushroom soup can be added to make a number of dishes."

That isn't all leader Campbell —which has a hefty 63% of the total soup market and saw its sales increase 7% last year, according to Mr. Santangelo—is doing.

The company added to its familiar line of 60 red-and-white condensed soup varieties by offering a line of dry soups, a category Lipton has dominated for years. Campbell executives estimate they hold about a 17% share of the dry soup market.

To date, Lipton's Mr. Franke says his company hasn't been hurt by Campbell's intrusion. "We have little competition in our instant, Cup-A-Soup line, and we are holding steady with about half of the market for the regular dry soup mix business.

"Since Campbell came into the dry soup business the regular soup business has grown by about 10%," he adds. That figure is close to the 8.71% increase recently cited by *Progressive Grocer*.



Recent Campbell ads appeal to the health- and diet-conscious and target the upscale with the "sophisticated" gold label line.

Instead of hurting Lipton's share of the dry soup market, which accounts for 25% of total soup consumption, Campbell's entry apparently did some good. Thanks to a new awareness factor, Mr. Franke says Lipton saw about a 10% increase in its overall soup dollar sales.

"They [Campbell] may have garnered a corner of the market, but as a result of their presence, it's helped all of us in the soup business," he says, adding that Lipton hasn't suffered any volume decline to date.

"The dry soup segment has become more important to Campbell," says Mr. Santangelo, "but it's not just that category. We want to be everywhere and because of that the company has made major investments in every key segment of the soup business."

While Campbell, which holds that "homemade" soup is its standard, is making an overt bid for the dry soup category, it hasn't ignored its liquid condensed soups, which will soon carry microwave directions on the back label.

Last January Campbell introduced the Home Cook-in' line, with flavors like chicken with broad egg noodles, vegetable, vegetable beef, split pea with ham, minestrone and lentil. Home Cookin' sales are expected to reach $75 million annually once the product is launched nationally, Mr. Santangelo says.

Gold Label Soups, which went national last fall, were modeled after restaurant-style cream soups. Gold Label is a higher quality product than traditional canned soups. In its first year, the Gold Label brand brought in $50 million.

Campbell also plans to have its Golden Classics on the store shelves soon. A non-creamy, upscale soup, in flavors such as chicken with wild rice, cheese pasta tortellini, and sirloin beef with mushrooms, the brand looks promising, Mr. Santangelo says.

And the company continues to test a "Microcup" single serving soup and another brand it calls

Top 10 soup advertisers

($ in thousands)

Company	Ad expenditures 1985	1984	% change
1. Campbell Soup Co.	$43,431.7	$39,153.9	9.8
2. Unilever	25,172.0	20,239.8	19.5
3. Progresso Soups (Odgen Corp.)	6,008.9	2,863.1	52.3
4. Soup Starter Soup Mix (Beatrice Cos.)	2,112.4	2,645.0	(20.1)
5. Knorr Soup Mix (CPC International, Inc.)	1,999.7	421.8	78.9
6. Nissin Food Products	1,691.1	1,746.3	(3.1)
7. Nouvelle Gourmet Soup Mix (Phillip Morris Cos.)	458.0	—	—
8. Snows Canned Soup (Borden Inc.)	316.7	206.4	34.8
9. College Inn Broth (RJR/-Nabisco Industries)	251.1	42.8	82.9
10. Golden Dipt Soup Mixes (DCA Food Industries Inc.)	151.9	—	—

Source: 1985 and 1984 Leading National Advertisers Class/Brands reports.

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Providence Journal-Bulletin

Represented Nationally By Cresmer, Woodward, O'Mara & Ormsbee.
Source: Providence Area Continuing Market Study – 1985.
Daily and Sunday combined net reach.

Cookbook Classics, a premium soup in a sealed bowl that can be popped into the microwave. If that isn't enough, a frozen microwave Soup Du Jour is being tested on the West Coast. If successful, the line will carry eight flavors.

Concurrent with Campbell's entry into the dry soup arena, Lipton brought out its International Classics, a single-serving line of upscale creamy soups. Flavors include lobster bisque, New England clam chowder, cream of asparagus Parisienne, California cream of broccoli and cream of mushroom a la Reine.

Mr. Franke says the single serving line hasn't met expectations. But he rationalizes that the high price—two eight-oz. serving envelopes cost $1.49, whereas Lipton's regular soup costs $1 for two 32-ounce envelopes—and unusual flavors narrow the brand's market.

Officials at both soup companies say they are aggressively marketing to all segments and are not making a special bid for any particular ethnic group. "Some varieties may have ethnic origins, but soup crosses borders," says Mr. Franke. "Minestrone, for example, certainly isn't limited in its appeal to Italians. It long ago entered the mainstream."

Both companies say they are courting the Hispanic consumer, but not with any special varieties of soup. "Hispanics are a growing part of the population we want to reach," says Lipton's Mr. Franke. Campbell produces ads in Spanish in Puerto Rico, which are aired on Spanish tv in the U.S., Mr. Santangelo says.

Both Campbell and Lipton will continue to advertise on tv and in magazines, pushing essentially the same messages that have worked so well. Campbell, which spent $43 million in advertising during 1985, will stick with its tried and true "soup is good food and keeps getting better" slogan. Lipton, which spent an estimated $25 million last year, will stay with its "Nobody makes soup in a cup like Lipton" and "Nothing puts a smile on your face like Lipton."

Mr. Franke won't say what changes, if any, consumers should expect from Lipton in 1987, but he will say the company is setting goals and re-defining its marketing strategies. "Let's just say price-value relationships will be important, especially with our new competitive environment, and we'll continue to concentrate on variety, to cover the dry soup segment as throughly as we can," he says.

Campbell has no plans to give up its 5-year-old "Soup is good food" campaign. But Mr. Santangelo says the company will continue to improve and update its offerings. "Our strategy is and will continue to be to respond to our consumers. They asked for more vegetables in the vegetable soup and they got it. They asked for more Italian flavoring in the Minestrone and they got that. We just plan to keep pleasing," he says.

That kind of bubbly philosophy is what keeps soup boiling hot.

Growing yogurt culture warms sales

By Kim Carter

Manufacturers are feeding on consumers' yen for yogurt.

"The consumer is leading the way," says Jim Glicker, director of marketing for White Plains, N.Y.-based BSN-Gervais Danone, maker of Dannon yogurt. Consumers are the major factor driving today's growing yogurt market and subsequent advertising budgets, he says.

"We haven't seen dramatic effects on market growth because of new entries or big advertising budgets," Mr. Glicker says.

But advertising has increased right along with consumers' desire for a convenient, healthy food. That desire has helped yogurt become one of the biggest and fastest growing categories in the grocery store, accounting for 25% of a grocery store's gross dairy margin.

Yogurt sales reached $1 billion in 1985, up 15% from 1984, according to industry sources. Those sources predict the market will continue to grow 8% to 10% annually for the next decade.

In 1985, consumers ate an estimated 935 million pounds of yogurt, up 11.2% from 841 million pounds in 1984, according to the U.S. Department of Agriculture. The more than 125 brands of yogurt nationwide represent a myriad of choices for consumers and a challenge for marketers fighting for market share and refrigerated shelf space.

"Ten years ago, you could walk into a grocery store and buy either a plain yogurt or one with fruit on the bottom in an 8-oz. container," Mr. Glicker says. Today, Dannon, the No. 1 yogurt marketer in tonnage and market share, sells 11 flavors and combinations of flavors in four-ounce four-packs, 6-oz. cups, 8-oz. cups, 16-oz. cups and 32-oz. containers.

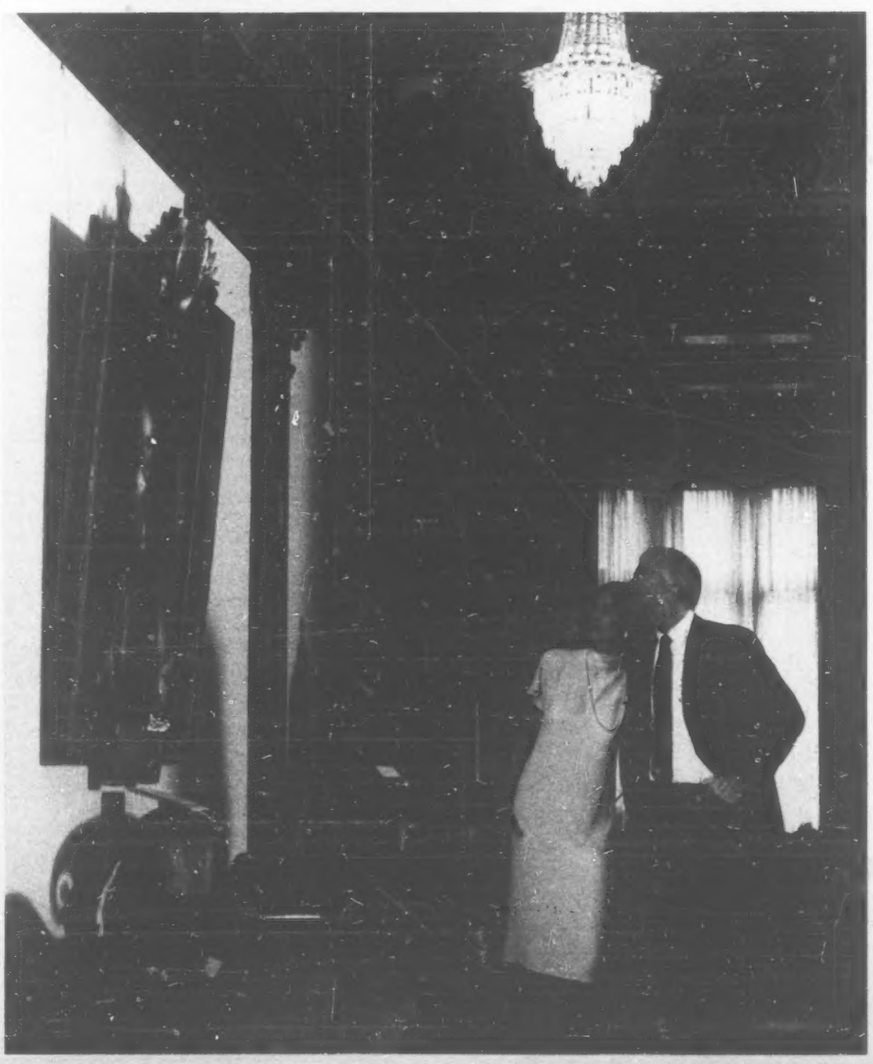
The yogurt market has become so segmented because it is no longer a niche health food, Mr. Glicker says. "Yogurt is viewed as a mainstream food that fits well into today's fast-paced life style," he says.

Sources agree that as consum-

(Continued on Page S-36)

Kim Carter is a reporter for Modern Healthcare, *a Crain Communications Inc. publication.*

How To Influence The Affluents In The Twin Cities.



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Minneapolis STAR Tribune

Yogurt culture growing

(Continued from Page S-35)

ers became more caught up in careers, diet and faster life styles, yogurt's appeal as a nutritious snack has grown.

Yogurt is a good source of calcium and protein and may even have antibiotic and anti-cancer properties, according to Burton Kallman, director of science and technology at the National Nutritional Foods Assn. With that kind of report card, it would seem yogurt couldn't miss.

But 30% to 40% of Americans have never tasted yogurt, according to Dannon's Mr. Glicker.

Explaining that it's difficult for most advertising agencies to overcome the "spoiled milk" image of yogurt, John Hilbrich, account exec for Whitney Foods at Chicago-based Leo Burnett Co., says Dannon's ads have been most successful. With tv, Dannon has been able to entice consumers into desiring the yogurt experience, he says.

Most yogurt competitors are placing the bulk of their money into tv for this reason, Mr. Hilbrich says. "Television lets consumers see yogurt, feel yogurt and taste yogurt through the actor's experience, and this is important because in a recent study of foods that people hate, yogurt ranked third after lima beans and liver," he says.

Dannon introduced Dannon Supreme, Dannon Extra Smooth and Dannon Hearty Nuts & Raisins as a part of the company's plans "to continually segment the market because there is still room for innovation in this category," Mr. Glicker says.

The popularity of Yoplait yogurt's image has contributed to the product's reaching $1 billion in sales in 1985. This ad says, "Big ideas start with little cups."

Trying to penetrate Dannon's strong market position, Yoplait last month introduced YoCreme, a yogurt to be served as an elegant dessert. Described as "having the richness of pudding and the silky texture of a mousse," YoCreme is available in flavors new to the U.S. yogurt market, including cherries jubilee, strawberry romanoff, raspberries with cream, chocolate bavarian and amaretto almond.

Yoplait points to studies showing that despite consumers' concerns about fitness, they still want their just desserts. "YoCreme is certainly special enough to finish off the finest meal. But people also enjoy YoCreme as an anytime snack or a special treat at lunch," says Lisa Rubin, product manager for YoCreme.

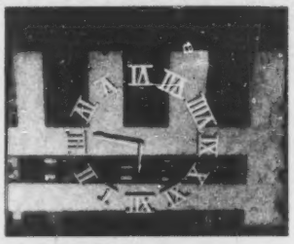
Yoplait may be right on target. An explosion of premium desserts is hitting the marketplace, according to Find/SVP, a New York-based marketing research company. Such desserts, including YoCreme, are expected to reach $1.5 billion in sales by 1990.

As Yoplait revels in its new venture into a premium yogurt product, executives at Kellogg's Whitney Foods are sitting back smiling, watching their competitors finally enter the segment Whitney took by storm when it entered the market in 1982. "Our desire was to produce the best-tasting yogurt in the United States," says Mike L. Wolfe, president of Whitney Foods, which after only four years in the market has a 4% market share.

Mr. Wolfe emphasizes that his company has only one yogurt product on the market—available in 15 flavors, including apples & raisin, coffee, wild berries and pina colada—marketed as a premium yogurt.

The Dannon 8-oz. cup sells for 55 cents, while Whitney's 6-oz. cup costs almost 77 cents, according to Mr. Glicker. But even with the size and price differences, Whitney's managed to capture and maintain a respectable piece of the market and, as Mr. Wolfe says, now it's time for Whitney's to expand into other segments.

Kraft has taken another approach to segmentation by touting two different yogurts: Breyers, a premium yogurt, and Light N' Lively, a yogurt for health and weight conscious consumers.



Dannon has sought to overcome the "spoiled milk image" of its product. Dannon held 26% of the market in 1986.

"The future growth of the yogurt market will be totally driven by consumers' needs," says Tom Herskovits, president of Kraft's dairy group. "We introduced the six-pack when we learned that consumers want convenience. It's easy to pick up the six-pack and take it home."

Kraft is also looking into diversifying its line of yogurt products, Mr. Herskovits says. But Kraft's plans will rest on whether or not the consumer wants a product that deviates from the lunch or snacking niche Breyers and Light N' Lively respectively fill. "If the consumer need is there, you can bet we'll come up with more products that she wants," he says.

If advertising budgets are any indication of how competitive

New kids on the block make big gains

Top 10 yogurt advertisers

($ in thousands)

Company	Ad expenditures 1985	1984	% change
1. General Mills	$15,774	$13,495.6	14.4
2. Dannon (BSN-Gervais Danone)	11,702.4	5,718.8	51.1
3. Dart & Kraft	4,034.6	4,388.6	(8.0)
4. Whitneys (Kellogg)	3,972.5	1,438.8	63.7
5. La Yogurt (Johanna Farms)	1,367.0	1,451.6	(5.8)
6. Colombo	1,285.5	819.3	36.2
7. Knudsen (Winn Enterprises)	1,085.1	—	—
8. Continental Co.	666.9	510.1	23.5
9. Mountain High (Beatrice Cos.)	522.6	37.1	92.9
10. Dean Foods Co.	307.1	334.0	(8.0)

Source: 1985 and 1984 Leading National Advertisers Class/Brands reports.

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Yogurt

the yogurt market has become, then yogurt's biggest teams are playing to win in every segment each is trying to capture. Total ad expenditures in 1985 were $43 million, up 46% from 1984, Burnett's Mr. Hilbrich says.

Dannon spent almost $11.7 million in seven measured media in 1985, up 105% from $5.7 million in 1984, according to Leading National Advertisers Class/Brand reports. General Mills spent almost $16 million in 1985 for Yoplait, up 17%; Kraft spent slightly more than $4 million in 1985 for Light N' Lively and Breyers, down 8% from 1984, and Kellogg's spent about $4 million in 1985 on Whitney's, up 176% from $1.4 million in 1984, according to LNA.

Part of the escalating frenzy in yogurt advertising is related to the fact that no longer is there a perfectly defined yogurt consumer. Ten years ago, yogurt was a nutritional staple for a health-concious woman who was always on a diet. Not so today.

Today, 60% of yogurt eaters are women, are between 18 and 49 years old and are college-educated professionals, according to Mr. Glicker, who adds that a new generation of children under 12 is eating yogurt as an alternative to sweets.

Most of the big yogurt players admitted they are targeting their campaigns to men, women and children in all walks of life.

The "Dannon is yogurt" tv campaign, handled by New York-based HCM, includes a businessman lunching, a father and child eating the convenient four-pack and a working woman running, Mr. Glicker says.

The present campaign is a far cry from the previous "Get a Dannon body.". Dannon has strayed slightly from health and fitness in its campaigns, Mr. Glicker explains, saying consumers are aware of yogurt's health benefits. "Now it's time to show consumers its other [benefits]."

"We have the largest ad budget in 1986," he says. "Yoplait's attempt to overtake us has fallen to hard times, so while they're decreasing their budget this year, we'll probably be up around $18 million."

Dannon uses newspaper advertising for couponing, radio in California and magazine, which accounts for 10% of the ad budget for each Dannon product, Mr. Glicker says.

Whitney's ad approach is less experiential than Dannon's. Whitney's uses only tv and true-to-life type characters who are crazy about the product, according to Mr. Hilbrich.

"Whitney's doesn't play up the convenience or health factors in its advertising because being a premium-priced dessert yogurt, these factors aren't major product benefits," he says.

Convenience and price are a major part of the advertising campaigns being run now for Kraft's Light N' Lively. The ads, handled by Geers Gross Advertising, New York, play up the convenience factor of the six-pack. Kraft also touts the nutritional aspects of the product by showing people that Light N' Lively has fewer calories than other fruit yogurts.

The message to consumers is that there is or will be a yogurt for every occasion. The clear message to marketers is that there is money yet t · be made selling yogurt.

Will plastic sack paper in checkout counter war?

By Kari E. Super

Jeanne Bakelar is telling supermarket managers that they can bag their use of plastic . . . bags, that is.

Ms. Bakelar and a couple thousand of her friends, all of them members of the General Federation of Womens Clubs, Washington, in June mounted a two-year national letter-writing campaign thanking supermarket managers for allowing their customers to take home groceries in paper sacks instead of plastic bags.

"Consumers have a choice and we have a voice," Ms. Bakelar says. "We tell them we like paper."

Check-out counters nationwide are the battleground of a silent war raging between plastic and paper bag manufacturers. Both sides are claiming victory, or, at least, not admitting defeat.

"Our major concern is what effect plastic bags have on the environment," says Ms. Bakelar, a resident of New Jersey. Plastic is not biodegradable, and that worries members of the federation.

"We feel that a lot of the stores are testing plastic," she says.

"They're finding out now you have to use two to three times the number of bags when you use plastic."

And plastic bags "flop" all over the place, resulting in damaged groceries, Ms. Bakelar adds.

Last year, one out of every four sacks leaving the checkout counter was made of plastic, accounting for about $132 million of an industry-wide annual $600 million sack market, estimates Ronald Schmieder, marketing manager for plastic grocery sacks at Mobile Chemical Co., Rochester, N.Y. and a member of the Plastic Grocery Sack Council of the Flexible Packaging Assn., Washington. This year, plastic accounts for 30% of the market, and one of every two sacks carrying groceries will be plastic by 1988, Mr. Schmieder projects.

This year, plastic accounts for 30% of the market, and one of every two sacks . . . will be plastic by 1988 . . . .

Proponents of plastic list its strength, reusability and economy of space when discussing plastic vs. paper.

Plastic sacks hold about 25 lbs. of groceries, or about 5 lbs. more than paper, without tearing, says Jeffery S. Siebenaller, the council's vice chairman and director of sales for American Hoechst Corp., Pasadena, Cal., a plastics manufacturer.

Unlike paper, plastic bags perform double duty for wet storage as garbage liners and protective plant covers, he adds.

And plastic adds stability to waste-disposal landfills, Mr. Siebenaller says. Plastic incineration is no more harmful to the atmosphere than burning grass, he says.

Indoors, plastic bags save supermarkets money in shipping and storage costs, and shoppers like their convenient carrying handles, Mr. Siebenaller says. Plastic bags are one-sixth the

(Continued on Page S-38)

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Plastic vs. paper bags

(Continued from Page S-37)
weight of paper bags and take one-sixth of the storage area.

A supermarket chain with at least 66 stores using from 2 million to 3.5 million bags per week can save from between $4,000 to $14,000 in that time period, or between $60 and $212 per store, Mr. Schmieder estimates.

But those cost figures aren't entirely correct, charges David Carleton, manager of the Kraft paper and packaging division of the American Paper Institute, New York.

"We try to get the stores to see the total costs," says Sam Posner, vp-retail packaging at Stone Container Corp., Chicago, and a paper institute member.

Purchasing costs don't include labor costs at the check-out counter, a big bagging expense, Mr. Carleton says. Because paper is packed more quickly than plastic and fewer bags are used, paper saves supermarkets 30% of the total cost of bagging at the checkout counter, he says. And paper retains its shape, allowing the bags to hold 20% more groceries than plastic, thus cutting down on the number used, he says.

Mr. Carleton points to studies that show the average single retailer can save $314 per week or $16,000 per year by using paper, not to mention that paper is biodegradable. Paper bags have their secondary uses, too. They double as bird cage liners, book covers and Halloween masks, Mr. Carleton says.

With plastic, "the issue is this —does one always pack out the plastic sack correctly?" Mr. Siebenaller says. On average, when filled properly "the amount of sacks required is the same as paper," he says.

Grocery checkers just haven't been trained on the proper way to pack a sack.

Meanwhile, paper bags still maintain 88% to 90% of the grocery sack market, according to the paper institute's figures. Few stores offer only plastic sacks and most offer both, accounting for some overlap in percentage figures. Mr. Posner admits, however, that plastic is sliding into the market.

"We haven't lost our core business, but we're losing the growth business," he says. He conservatively estimates plastic has 12% of the grocery sack market.

Rising paper prices, however, might change the packaging outlook next year. In 1985, paper prices increased costs, making each bag about 1 cent more expensive than an equivalent plastic sack, according to Mr. Posner. Paper prices may increase further, and 1987 will be the year plastic "has it's best run" on paper's share of the market, he adds.

"It's up to us to defend ourselves by promoting the paper bag. If we don't, the plastic industry will eat our lunch."

What's a shopper to do?

"Oftentimes what they [customers] do is ask for a paper sack inside the plastic," says Mary Ellen Gowin, director of consumer and public affairs for Wakefern Food Corp., Elizabeth, N.J., wholesaler for ShopRite, a 180-member grocery store cooperative operating in six northeastern states. "That doesn't save any money for the store," she laments. ShopRite retailers generally offer customers a choice between paper and plastic bags, Ms. Gowin says.

Customers who shop in stores in urban areas like plastic because the sacks are easy to tote on the cross-town bus, Ms. Gowin says. "But we find by and large that people prefer paper. Since paper holds more, it's less trips to the car."

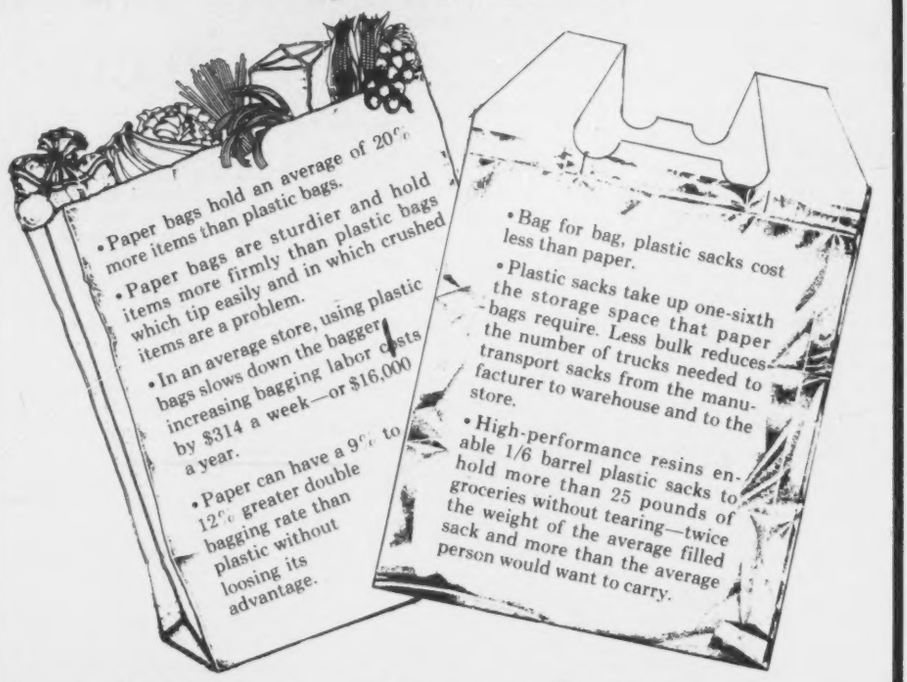
As far as Wakefern's future purchases of packaging goes, the company is "still determining" the costs and benefits of plastic vs. paper, she says.

The plastic council's Mr. Schmieder says there are no figures on how many stores are offering both plastic and paper. Mr. Carleton doesn't have those figures either, but he says supermarkets now realize that they need to offer both because there are customers who will demand and shop at the stores that offer paper.

"What you've got here is an evolutionary state [from paper to plastic]," Mr. Schmieder says. Because of customers who request paper, no store will ever offer only plastic, he says.

"It's hard to say what the real [consumer] preference is," Mr. Siebenaller says. "It's a mixed bag."

The grocery bag battle


• Paper bags hold an average of 20% more items than plastic bags.
• Paper bags are sturdier and hold items more firmly than plastic bags which tip easily and in which crushed items are a problem.
• In an average store, using plastic bags slows down the bagger, increasing bagging labor costs by $314 a week—or $16,000 a year.
• Paper can have a 9% to 12% greater double bagging rate than plastic without loosing its advantage.
• Bag for bag, plastic sacks cost less than paper.
• Plastic sacks take up one-sixth the storage space that paper bags require. Less bulk reduces the number of trucks needed to transport sacks from the manufacturer to warehouse and to the store.
• High-performance resins enable 1/6 barrel plastic sacks to hold more than 25 pounds of groceries without tearing—twice the weight of the average filled sack and more than the average person would want to carry.

Source: Plastic Sack Grocery Council, American Paper Institute, Case and Co., Cresap, McCormick and Paget

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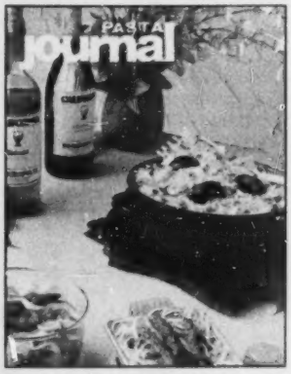
Pasta lovers add sauce to food marketers' sales

By Pat Gray Thomas

Say "pasta" and people smile. Anyone marketing this "ultimate comfort food" —it's good for dieting, depression or celebration-has good reason to be happy. Long identified with Italy though Marco



The National Pasta Assn., publisher of the *Pasta Journal*, says 1986 retail sales will better last year's increase.

Polo brought it back from China, pasta has become an American favorite. It continues to grow in popularity as the "food of the '80s," says Helen Sullivan, vp, and pr exec for the National Pasta Assn., at Henry J. Kaufman & Associates, Washington.

U.S. annual per capita consumption of about 12 lbs. of pasta in 1985 increased retail sales by 6.4% over 1984. Sales in 1986 are expected to surpass that figure, says Joe Lichtenberg, president, the National Pasta Assn., Arlington, Va.

Americans might approach the 65 lbs. per capita consumption in Italy, if FIND/SVP, the New York-based research company, is correct in estimating an increase in pasta volume to 3.3 billion lbs. and $1.6 billion (in manufacturers' dollars) in 1990, from the 2.6 billion lbs., $1.3 billion in 1985.

Retail sales for that old mainstay spaghetti, which commands more than 20% of the category, were down 2.1% according to Stamford, Conn.-based *Progressive Grocer*. However, it's the new pasta shapes, colors, sauces, entrees and salads that are creating excitement and alternatives for consumers and marketers.

America's heightened awareness of fitness and diet has led to a demand for convenient, nutritious, versatile foods. And nutrient-packed pasta in the 30 best-selling shapes of the approximately 100 made in the U.S.—NPA's pasta data reports 600 known shapes—is surfacing as a primary ingredient in today's fast and fit life styles. Consumer demand for convenience and awareness of complex carbohydrates are important factors for pasta marketers.

Major food companies are testing new lines of sauces (an annual $847 million business), dry pasta and various assortments of Italian dishes. Small family-owned, regionally popular pasta makers are selling out to major companies.

Italian dishes, always a primary ethnic menu in the U.S., have become major segments of most frozen entree lines. Frozen lasagna sales, for example, increased 66% in 1985 according to a Market Research Corp. of America, Stamford, Conn., study.

Because of growth throughout the $1.8 billion Italian cuisine market—1985 sales were up 9% over 1984—Pet Inc., St. Louis, is testing a 30-item line of exotic dry pastas, sauces, desserts and bread crumbs in April. Called Italian Market and packaged in glass jars and cans, all are "heat and eat" and many can be prepared in a microwave oven. In developing the line, Pet created more than 100 recipes that take 25 minutes or less in standard cooking procedure.

Italian Market is targeted to a sophisticated consumer interested in authentic Italian cuisine. Advertising, created by Bozell, Jacobs, Kenyon & Eckhardt, New York, started in June in Wichita and Kansas City, Kan.

The print, tv, free- standing inserts and point-of- sale campaign will run at least six months, says James Matson, president of the Grocery Group.

A national rollout date has not been determined.

Other new pasta and related products from Lowell, Mass.-based Prince Co. are being tested in Albany, N.Y. and limited supermarkets in several major cities across the country.

Prince employes saw pasta becoming chic in restaurants and convinced president Joe Pellegrino that it was the time to introduce several of his favorite pasta recipes to the public. The President's Silver Award Pasta is positioned to battle the high-priced imports and appeal to "Any consumer interested in gourmet pasta to make at home," according to the tag line on print and tv ads starting in Albany in early October.

Prince also is marketing an All-Natural Pasta made with torula yeast, and Classico, shelf stable gourmet sauces, each deriving from a different Italian region.

Depending on consumer response to Silver Award's testing and rollout it could be the first

(Continued on Page S-40)

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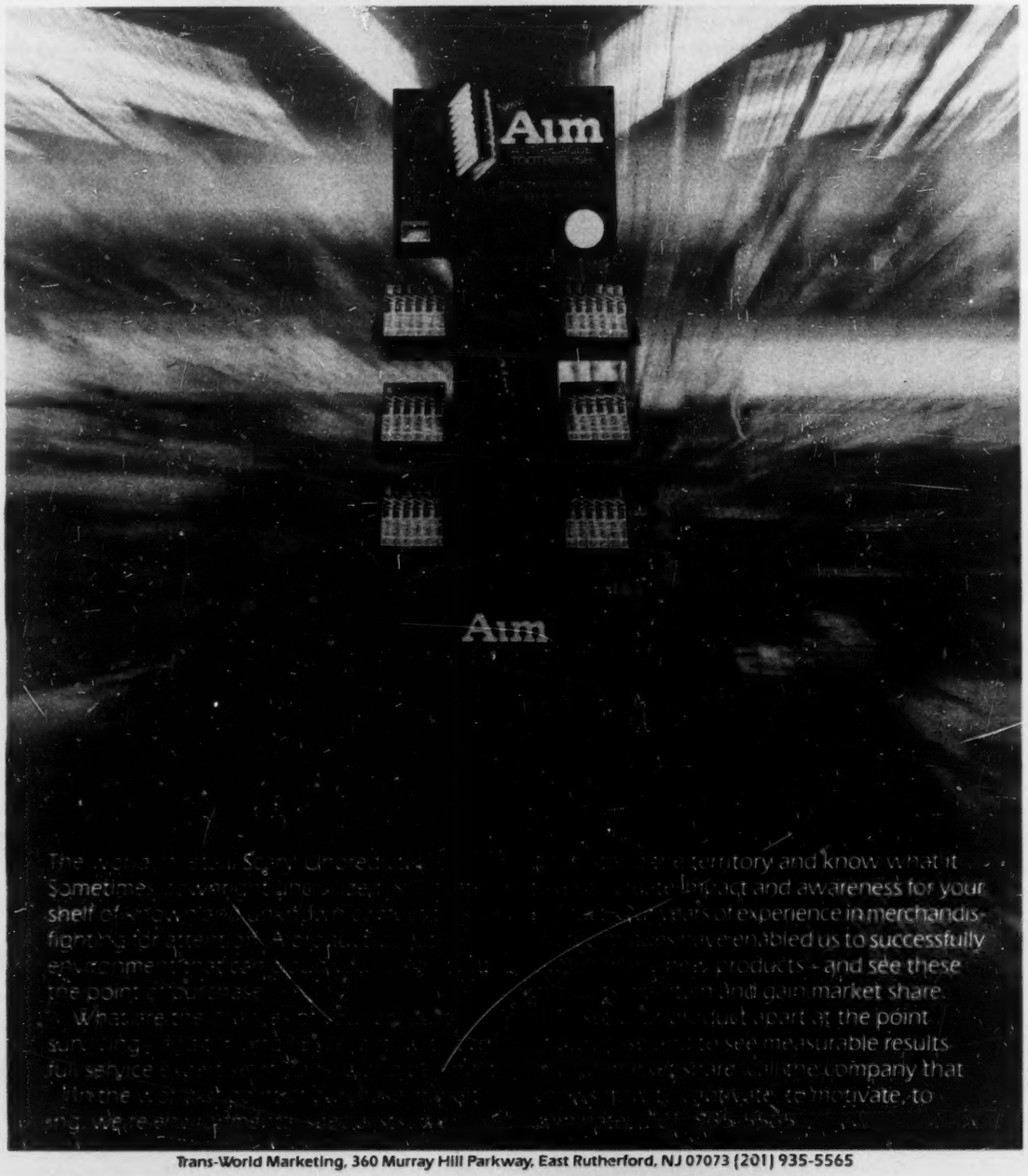

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TRANS WORLD

Pasta lovers add sauce

(Continued from Page S-39)
national pasta brand. "It may go national," says Tina Freeman, director of marketing at Prince, "but not for the rollout."

(There is not a single national pasta brand available in the U.S.; Borden Inc.'s Creamettes, selling in 48 markets, comes closest to filling that spot.)

All food industry marketers are watching delicatessen-prepared pasta sales, particularly in Chicago, where the concept was born and continues to grow, says Tony Adams, director-marketing research and planning at Campbell Soup Co, Camden, N.J.

Unfortunately the "grab and go" segment is hard to measure, so numbers are not available, "but they are coming," he says.

From small regional dry pasta marketers and food industry conglomerates to designers such as Paul Harris with earrings in exotic pasta shapes and other pasta pictures splashed across his apparel, plain pasta has arrived in an array of inventive variations.

Skinner's Lone Star Pasta, from Hershey Pasta Group, is an exotic- shaped big seller.

Lone Star Pasta, part of the Texas sesquicentennial celebration, is an exotic big seller for Hershey Pasta Group's, Omaha-based Skinner Co.

The original product, in the shape of Texas, with "150" printed in color in the center, increased pasta volume growth in major Texas markets by 20%, says Mark Andersen, director of marketing for Skinner.

The shape and future of the pasta industry is heavily influenced by the three leading pasta marketers: Hershey with a 17% market share in 1985; Best Food's Mueller brand with 15.6%, and Borden with 15%. All are adding companies and products, further changing the business from small regional, family-owned operations to a corporate-run, lifestyle responsive industry.

Only half of the pasta market is seen in groceries, with the remainder accounted for in the food service industry and institutional facilities, according to the NPA.

An untapped part of the pasta market is the "... away-from-home segment," says David Fencl, MRCA's editor-special topics and reports.

Usually restaurants lead the home market by several years. However, while going out to eat is a part of the average weekly household routine—17% of all dinners and 23% of lunches are eaten out—"only 8% of pasta dishes are consumed outside the home," Mr. Fencl says.

Another undersold segment is the over-40 population. "They may be pasta-ed out," Mr. Fencl says. Pasta marketers need "a way to tap the growing number of kidless and one-person households," he says.

As pasta marketers increase company size and products, as segmentation expands and waiting markets are tapped, as pasta gains greater recognition for its health benefits, industry experts will continue to predict further growth.

"Real men may not eat quiche, but everyone loves pasta," says Hugh Symons, vp-research and technical services, American Frozen Food Institute, McLean, Va.

Pasta ad spending on the rise

Top 10 pasta advertisers

($ in thousands)

Company	Ad expenditures 1985	1984	%change
1. American Home Products	$16,726.3	$14,790.3	11.5
2. Dart & Kraft	13,611.6	12,196.8	10.3
3. Golden Grain Macaroni Co.	3,609.1	4,295.1	(15.9)
4. Franco-American (Campbell Soup Co.)	3,056.3	9,156.3	(66.6)
5. Ronzoni (Phillip Morris Cos.)	3,019.9	1,957.6	34.5
6. Lipton (Unilever)	3,053.8	2,142.4	29.8
7. Muellers (CPC International)	1,729.2	1,617.8	6.4
8. Hershey Foods Corp.	1,539.0	1,017.8	33.8
9. Prince Co.	595.1	711.2	(16.3)
10. Borden Inc.	323.0	445.6	(445.6)

Source: 1985 and 1984 Leading National Advertisers Class/Brands reports.

Changing times

(Continued from Page S-1)
Good Housekeeping study published in July. And of those who do not own a microwave, 45.5% say they plan to purchase one.

"More and more women are using [microwaves] to cook, as opposed to reheating and defrosting," says Carolyn Craig, associate manager of consumer research at *Good Housekeeping*, New York.

"We've also found that more and more men are willing to use the microwave than the conventional oven."

According to a *Good Housekeeping* study of 200 women with at least one child at home, mothers are still the primary users of microwaves, accounting for 78.6% of usage time. Children use microwaves 13.1% of the time, followed by men who are responsible for 6.9% of microwave usage.

And 69.7% of the time, microwaves are used for reheating, according to *Good Housekeeping*, followed by cooking vegetables 10.3% of the time.

Although 77% of families eat dinner together "always" or "usually," they prepare less of that food at home, according to the Food Marketing Institute, Washington. When they bring prepared food home, they buy only 10% in the carry-out section of the supermarket. Of the remainder, they buy 43% in a fast food store and 38% in the carry-out section of a restaurant.

To compete with all the out-of-home meals and to satisfy the need for convenience products, Buena Park, Cal.-based Lucky Stores Co. will have nearly 100 departments in each store by the end of this year, including delis and bakeries, says Dick Fredericksen, vp director of marketing for Lucky Stores Southern Foods Division. Lucky also is increasing the size of its produce departments and moving them closer to the front of the store to increase sales.

The produce and refrigerated foods departments are the fastest growing sections of the supermarket, according to Jim Moran, director of public relations for Camden, N.J.-based Campbell Soup Co. "People like interesting foods like soup, salads and sauces," he says. Campbell is marketing products in all three categories in the refrigerated case of the supermarket. The appeal is freshness, Mr. Moran says.

Beef sales' decline—mainly a result of the buying habits of diet and health-conscious consumers—led Lucky's 233 stores to install European-style fresh fish counters, Mr. Fredericksen says.

Because shoppers are spending less time in the store, Lucky redecorated many of its stores to make them more pleasant and contemporary. "Time is much more precious," he says.

Stores have always been designed so traffic flow gets maximum exposure to the maximum number of products. "We try to merchandise every nook that we can without making the store look cluttered," Mr. Fredericksen says.

But supermarkets have to contend with more than just faster shoppers eating out more often: They have to find room for about 2,200 new products each year.

Lucky's buyers meet once a week to decide which new products to carry, Mr. Fredericksen says. As a result, the stores stop carrying some lines.

"There are probably more products that are introduced today than are good for the industry," he says. "We have to protect ourselves by making sure we discontinue products that have slowed."

> ***"There are probably more products that are introduced today than are good for the industry."***
>
> **Dick Fredericksen**
> **Lucky Stores**
> **Southern Foods Division**

Refrigerated shelf space may be the store area hardest hit by new products.

"In our newer stores, we have more refrigerated shelf space," Mr. Fredericksen says. "But older stores can be a problem."

Regardless of where they shop, however, consumers want easy access to convenient foods. And, as long as consumers want to buy them, new convenience foods will appear in stores weekly.

Assistant editor Kevin Brown coordinated this report on Grocery Marketing.

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Next week Advertising Age's Special Report will focus on **California.**

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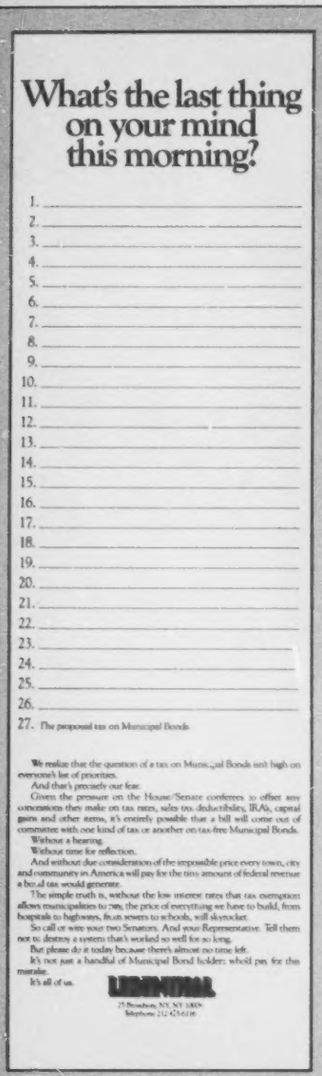
What's the last thing on your mind this morning?
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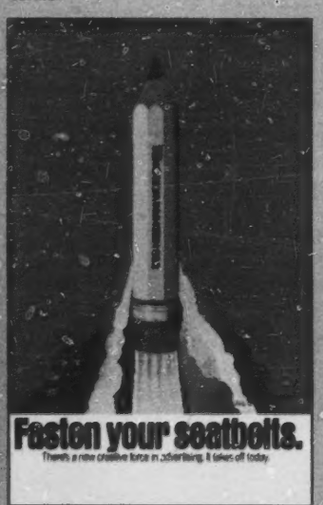
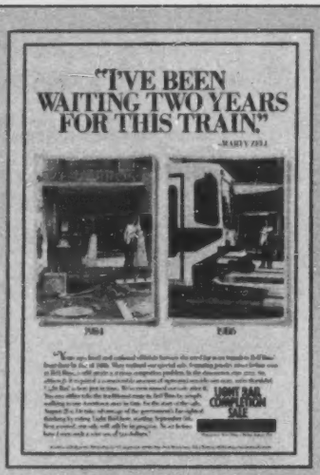
27. The proposed tax on Municipal Bonds.
We realize that the question of a tax on Municipal Bonds isn't high on everyone's list of priorities.
And that's precisely our fear.
Given the pressure on the House/Senate conferees to offset any concessions they make on tax rates, sales tax deductibility, IRAs, capital gains and other items, it's entirely possible that a bill will come out of committee with one kind of tax or another on tax-free Municipal Bonds.
Without a hearing.
Without time for reflection.
And without due consideration of the impossible price every town, city and community in America will pay for the tiny amount of federal revenue a bond tax would generate.
The simple truth is, without the low interest rates that tax exemption allows municipalities to run, the price of everything we have to build, from hospitals to highways, from sewers to schools, will skyrocket.
So call or write your two Senators. And your Representative. Tell them not to destroy a system that's worked so well for so long.
But please do it today because there's almost no time left.
It's not just a handful of Municipal Bond holders who'll pay for this mistake.
It's all of us.
LEBENTHAL

This ad for Lebenthal municipal bond brokers is a good example of a new genre of ads that uses the appearance of reader participation to make a point. No one is expected to fill in blanks 1 through 26, but the blanks draw the reader's attention to the 27th line, where the point is made. The ad was the first created by the new shop, Grace & Rothschild, New York. Art director: Roy Grace; copywriter: Diane Rothschild.

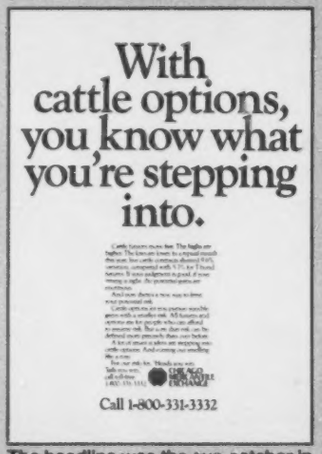


This ad uses color and a Milton Glaser original to officially launch DDB Needham Worldwide. Art director: Michele Farnum; copywriter: Perri Feuer; illustrator: Milton Glaser.



Zell Bros., a Portland, Ore.-based retailer, made "light" of a bad situation with this ad (l.) for a sale celebrating the completion of Portland's new downtown light rail line and the end to the upheaval caused by construction. The copy in the ad, via Borders, Perrin & Norrander, is hilarious. Creative director: Bill Borders; art director: Terry Schneider; copywriter: Dave Newman; photographer: Jim Piper.

Best of Press selections are made by Hank Simons, vp-creative director of the Newspaper Advertising Bureau; James Dunaway, vp-information at the bureau, and William F. Gloede, Advertising Age's newspaper industry reporter. National System Inc., St. Louis, provides tear sheets to the Newspaper Advertising Bureau for much of this work.



The headline was the eye-catcher in this ad for the Chicago Mercantile Exchange, via Grey Advertising, Chicago. It shows that even when advertising a product as arcane as cattle futures, an agency can be creative. Creative director: Mickey Brazeal; copywriter: Connie Shirakawa; art director: Karl Anderson.

The copy backs off the claim in the headline in this ad for Toledo, O.-based Owens-Corning Fiberglas Corp., via Ogilvy & Mather, New York, but there's no turning past this ad without giving it a good, strong glance. Creative director and art director: Ross Sutherland; copywriter: David Apicella.

VIRGO
Virgo: Precise, serious, dependable, inquisitive. Famous Virgo personalities include the serious William Howard Taft, the dependable Lafayette, and the very precise James Fenimore Cooper, who, after writing The Last of the Mohicans, was almost sidelined for libel.
BAILEYS ORIGINAL IRISH CREAM: TO KNOW IT, IS TO LOVE IT.
BAILEYS

We chose this ad (r.), one of a monthly series for Baileys Original Irish Cream liqueur from Fort Lee, N.J.-based Paddington Corp., because it demonstrates that a well conceived color ad can be reproduced effectively in the newspaper medium. Backer & Spielvogel, New York, created the ad. Creative director: Roger Feuerman; copywriters: Mark Mocarski, Mike McGovern; art director: Nadine Appel.

FLASH REPORT: Newspaper advertising investment for July

July 1986	IN 100 THOUSANDS / IN MILLIONS	DOLLARS		CHANGE	
CATEGORIES	YEAR	1986	1985	ACTUAL $ GOR L	% GOR L
Amusements	1986	$35,443,900	$28,535,511	+6,908,389	+24.2
	1985				
Computer stores & supplies	1986	3,952,547	3,657,112	+295,435	+8.1
	1985				
Department stores	1986	62,652,375	55,096,666	+7,563,709	+13.7
	1985				
Food stores	1986	30,149,840	26,279,204	+3,870,436	+14.7
	1985				
Radio, tv, phonographs, records	1986	17,704,294	15,220,952	+2,483,342	+16.3
	1985				
General merchandise stores	1986	29,108,805	26,186,191	+2,922,614	+11.2
	1985				
Alcoholic beverages	1986	1,990,278	1,665,598	+324,680	+19.5
	1985				
Cameras, photo supplies & services	1986	417,983	457,831	−39,848	−8.7
	1985				
Computers, equipment & services	1986	1,020,398	1,320,206	−299,808	−22.7
	1985				
Public service utilities & communications	1986	4,030,795	4,417,501	−386,706	−8.8
	1985				
Publishing & media	1986	7,382,755	6,398,734	+984,021	+15.1
	1985				
Cigarets	1986	3,257,602	4,475,191	−1,217,589	−27.2
	1985				
Airlines	1986	9,424,381	8,433,300	+991,081	+11.8
	1985				
Passenger cars-new	1986	17,706,571	13,742,737	+3,963,834	+28.8
	1985				
Banks & trust companies	1986	5,870,084	4,893,090	+776,994	+15.9
	1985				
Stock, bond & investment houses	1986	1,575,554	1,719,375	−143,821	−8.4
	1985				

This Flash Report of newspaper advertiser investments, compiled for Advertising Age by Media Records, is derived from tabulations that cover 29 dailies and 23 Sunday editions in 15 cities: Atlanta, Baltimore, Boston, Cincinnati, Chicago, Cleveland, Dallas, Denver, Detroit, Los Angeles, New York, Philadelphia, San Francisco, Washington and Youngstown.#

Source: Media Records Inc.

Car makers pace ad gains

New York—Advertiser spending in newspapers in 15 major markets hit $231.4 million in July, up 14.3% over the same month in 1985, according to the Advertising Age Flash Report prepared by Media Records. Spending increased in 11 of 16 measured categories.

Spending by auto makers, dealers and dealer associations for new cars led in percentage gains, with a 28.8% jump to $17.7 million. The highest dollar volume gainer was department stores, up 13.7% to $62.6 million.

Other gainers included amusements, up 24.2% to $35.4 million; computer stores & supplies, up 8.1% to $3.9 million; food stores, up 14.7% to $30.1 million; radio-tv-phonographs-records, up 16.3% to $17.7 million; general merchandise stores, up 11.2% to $29.1 million; alcoholic beverages, up 19.5% to $2 million; publishing & media, up 15.1% to $7.4 million; airlines, up 11.8% to $9.4 million, and banks, up 15.9% to $5.7 million.

Among the categories posting losses were cameras, photo supplies and services, down 8.7% to $417,983; computers, equipment and services, down 22.7% to $1 million; public service utilities & communications, down 8.8% to $4 million; cigarets, off 27.2% to $3.3 million, and stock bond and investment houses, down 8.4% to $1.6 million.

The Flash Report is based on SAU inch measurements of 29 daily and 23 Sunday newspapers in 15 major markets.#

Ad pages in farm publications for 9 months, 1986-85

Third-quarter and year-to-date figures for U.S. and Canadian publications reporting to Advertising Age

	Pages			
	July-Sept. 1986	July-Sept. 1985	Jan.-Sept. 1986	Jan.-Sept. 1985
— Canadian —				
Country Guide:	—	—	—	—
Eastern Edition	99.7	102.3	355.3	381.5
National Edition	150.2	200.9	598.4	741.4
Western Edition	101.1	128.3	419.5	496.9
Le Bulletin des Agriculteurs	140.5	205.0	546.0	610.0
Total Group	491.5	636.5	1,919.2	2,229.8
% change		+ 22.8%		+ 13.9%
— Dairy & livestock —				
Beef Magazine A.	—	—	—	—
Beefweek	181.9	220.0	382.4	487.5
The Cattleman	232.4	281.5	776.5	953.8
Dairy	66.0	70.2	222.1	226.5
Dairy Herd Management	33.2	49.4	117.1	197.7
Drovers Journal (52X) A.	230.9	301.0	563.4	722.6
Feedlot Management	32.6	55.0	98.9	162.8
Florida Cattleman	182.6	213.5	556.3	630.5
Hoards Dairyman (23X) A.	121.2	147.3	419.1	532.3
Hog Farm Management	28.2	24.6	96.0	113.9
The Hog Producer	25.2	15.3	68.5	47.3
National Hog Farmer	116.3	117.3	472.3	444.6
Pork '86	84.5	76.8	319.8	289.0
Southern Beef Producer (8X)	—	—	—	—
Sunbelt Dairyman (6X)	—	—	—	—
Western Livestock Reporter	—	—	—	—
Total Group	1,338.0	1,571.9	4,092.4	4,808.5
% change		+ 15.1%		+ 14.9%
— Fruit & vegetable —				
American Fruit Grower	85.1	106.9	377.3	409.7
American Vegetable Grower	160.9	161.5	462.1	476.1
Citrus & Vegetable	147.9	146.8	438.5	442.4
The Grower	58.5	53.6	226.7	232.7
Total Group	452.5	468.7	1,504.5	1,560.9
% change		+ 3.5%		+ 3.6%
— General farm publications —				
American Agriculturalist	45.9	57.6	187.9	225.2
Farm Futures	17.0	27.5	323.2	297.0
Farm Industry News (10X)	—	—	—	—
Farm Journal Inc.:				
Beef Extra (11X)	15.6	18.2	76.8	63.5
Dairy Extra (11X)	32.2	26.7	146.1	67.5
Farm Journal (14X)	47.3	62.5	432.0	493.5
Hog Extra (10X)	31.8	29.3	111.4	59.6
Top Producer	19.7	22.3	129.1	128.0
Farmer-Stockman Unit:				
Oklahoma Farmer-Stockman (12X)	42.1	29.4	144.7	136.4
Texas Farmer-Stockman (12X)	33.5	19.0	134.2	108.8
Florida Grower & Rancher	67.4	86.2	241.4	249.8
Harvest Publishing Unit:				
Kansas Farmer (16X)	65.9	94.6	360.6	428.0
Michigan Farmer (16X)	91.3	141.2	362.7	468.3
Missouri Ruralist (16X)	65.4	106.4	415.0	500.3
Ohio Farmer (16X)	105.7	160.3	442.5	606.2
Pennsylvania Farmer (16X)	84.7	102.7	320.6	393.9
High Plains Journal:				
Colorado	425.6	509.0	1,426.6	1,555.2
Eastern Kansas (52X)	417.8	517.4	1,397.7	1,587.2
Nebraska	404.5	488.8	1,356.9	1,518.0
Oklahoma-Texas	433.3	530.9	1,402.6	1,604.2
Western Kansas	459.5	552.5	1,545.9	1,715.2
Irrigation Age (10X) A.	21.0	25.6	120.3	136.2
Kentucky Farmer	31.2	36.3	204.4	221.5
Lancaster Farming (52X)	1,607.9	1,346.5	5,128.7	4,378.0
Midwest Unit:				
The Farmer (24X)	140.9	172.6	612.2	737.6
Nebraska Farmer (24X)	195.2	254.7	761.9	923.5
Prairie Farmer (24X) A.	166.5	245.4	672.5	894.9
Indiana Edition (24X)	157.3	262.9	643.4	878.3
Wallaces Farmer (24X) A.	145.7	169.9	545.2	745.1
Wisconsin Agriculturalist (24X)	112.2	138.3	406.0	512.0
Pecan South (6X)	18.8	34.8	64.6	64.5
Progressive Farmer A.	89.6	102.6	498.5	525.4
Specialized Agricultural Publications:				
Coastal Plains Farmer	6.3	6.5	86.4	80.3
Flue Cured Tobacco Farmer	—	—	76.7	76.1
Peanut Farmer (8X)	6.8	10.5	94.6	85.9
Successful Farming A.	54.4	76.3	444.3	483.2
Tennessee Farmer	19.5	22.5	111.5	121.9
Western Unit Farm Magazines:				
Colorado Rancher & Farmer (14X)	66.9	54.5	243.7	250.1
Western Farmer-Stockman Magazines:				
Ariz. Farmer-Stockman (12X)	48.3	46.0	171.6	188.3
Idaho Farmer-Stockman (20X)	70.0	72.7	357.4	387.8
Mont. Farmer-Stockman (20X)	92.1	122.6	484.3	607.7
Ore. Farmer-Stockman (20X)	55.6	63.9	273.7	317.2
Utah Farmer-Stockman (20X)	46.1	60.1	212.7	293.6
Wash. Farmer-Stockman (20X)	54.9	68.0	292.1	336.7
Total Group	6,113.3	6,978.7	23,464.8	25,451.6
% change		+ 12.4%		+ 7.8%
— Poultry —				
Broiler Industry	95.1	117.5	421.9	414.2
Poultry & Egg News	—	—	—	—
Poultry Digest	45.4	54.8	172.0	151.4
Poultry Tribune	55.3	49.9	170.7	160.2
Poultry Times	—	—	—	—
Total Group	195.8	222.2	764.6	725.8
% change		+ 11.9%		+ 5.3%

(X) Represents the number of times published each year; publications are monthly unless otherwise specified. A. Sectional linage included but prorated to circulation of regional editions.

All figures represented in this chart are supplied by the magazines. Advertising Age makes no attempt to verify them and, therefore, is not responsible for inconsistencies or errors.

Produce

(Continued from Page 4)

company gets from suppliers as far away as Chile to account for various growing seasons.

One added benefit is that the Green Giant line is already cleaned, trimmed and cut to save consumers time, according to "Best," Pillsbury's employe magazine.

Kraft Inc. is following suit with VegiSnax, a line of cut, packed vegetables it's testing in Bakersfield, Cal., and six other Behavior-Scan markets (AA, July 25, '85, *et seq.*).

The line, part of a joint venture with DNA Plant Technology Corp., Cinnaminson, N.J., has been scientifically perfected to produce crunchier carrots and celery without strings.

Spot tv broke in test markets Aug. 5, touting the line by saying that "ordinary veggies are ordinary. But new VegiSnax are specially bred. So sweet, so crunchy, they're the snackiest." DDB Needham Worldwide, Chicago, recently dismissed as a Kraft agency, handled the ads; the brand is now unassigned.

Kraft's VegiSnax hit America where it snacks by answering consumers' demand for more healthy finger foods, said Nancy Byal, food and nutrition editor at *Better Homes & Gardens*. Branded produce holds the promise of delivering quality, which is "an extremely important criterion for consumers," she said.

Look for produce departments to become even more service and value oriented, offering fresh salad bars and prepackaged fresh fruit and vegetable salad selections, Ms. Byal added.

Fresher, more consistantly high-quality products also mean higher produce prices, said Kirk Leighton, Campbell's group general manager-fresh foods. Consumers already have proven they will pay for higher quality by purchasing nonbranded products shipped in from foreign countries during the off-growing-season in the U.S., he said.

Campbell Soup has been in the fresh-produce business with its Farm Fresh label for six years, with button mushrooms, but plans to significantly expand the business, company insiders said. The company is aiming at a 15%-to-20% share of the branded-produce market, the source stated.

Campbell is experimenting with fresh tomatoes, spinach, green peppers and hydroponic lettuce and plans to introduce branded avocados, now testing in the West, nationally next year, the source said.

The company also is looking at expanding its mushroom line with more exotic varieties, such as shiitake and oyster mushrooms, to ride the coattails of the quickly expanding Oriental food category, Mr. Leighton said.

Campbell also is looking for foreign produce sources, including Chile, Israel and the Netherlands, to ensure that its vegetables will be of consistent quality, Mr. Leighton said. Almost 20% of the vegetables sold in America today are from offshore, he said.

Although Dole Food Co. recently eliminated its San Francisco marketing arm and placed that function with its regional presidents (AA, Aug. 25), the company remains a pioneer.

Al Vangelos, until recently president of Dole international diversified business and fresh marketing, and now president-ceo of Calavo Growers of California, Vernon, anticipates dramatic growth now that Campbell and Pillsbury have entered the category.

"You put that kind of muscle behind it and there's no telling what it could do," he noted, forecasting that branded produce may eventually account for 50% of all produce sales.

So far, most advertising has been geared to the trade, but the consumer "is the next step," Mr. Vangelos said. Branding provides opportunities to bring package-goods techniques to produce marketing, including nutritional information on labels, he predicted.

But the jury is still out on how effective advertising is in driving produce sales, Campbell's Mr. Leighton observed. Its mushroom products are backed by in-store promotions, print ads in trade magazines and some limited radio advertising. Marti, Flores, Prieto & Wachtel, San Juan, P.R., handles, in conjunction with CSC Advertising, Campbell's in-house agency.

Since "advertising has never been a traditional part of produce marketing, except to the trade, it will be interesting to see what type of advertising will be developed" with all the new competitors entering the market, Mr. Leighton said.

According to research, 25% of all stores now carry precut vegetables, said Mr. Vangelos, and nearly half of all retailers believe branding benefits them in terms of consumer perception of quality.

Dole is preparing to expand its test of precut vegetables (AA, Dec. 2), currently receiving tv support in Delaware. William Esty Co., New York, is the Dole agency.

Dole also has begun running coupon tie-ins with lettuce and related salad products, affixing discount coupons within the produce cellophane. So far, Anderson, Clayton & Co.'s Seven Seas salad dressing and General Mills' Bac-O-Bits have done tie-ins. A similar program with the Sacramento-based California Almond Growers Exchange's Blue Diamond almonds will test in four markets in November.

> Branded produce promises quality, "an extremely important criterion for consumers."
>
> **—Nancy Byal, Better Homes & Gardens**

Also contributing to this story was Sara E. Stern in Chicago.

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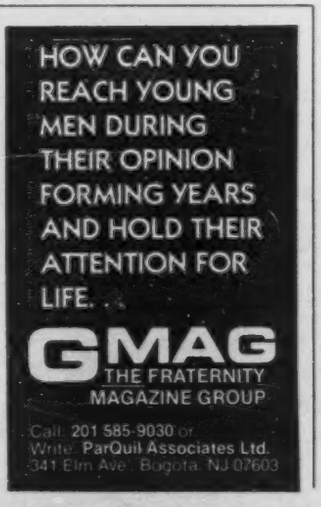
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October 20, 1986

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

FAST FOODS ON GRILL

Entire category 'in play'; Mac plans nutrition ads

By SCOTT HUME
and PATRICIA WINTERS

The extended sales slump in the $45 billion fast-food industry has turned up the pressure, leading to rapid-fire ad campaign flip-flops, major product strategy shifts and frequent turnover in executive suites.

These strains have damaged almost all existing client-agency relationships, giving every fast-food account the appearance at least of "being in play."

McDonald's reportedly has demanded "breakthrough" ads from Leo Burnett USA. Burger King last year almost pulled its account from J. Walter Thompson USA, and now has a new top management. Kentucky Fried Chicken changed hands, with PepsiCo acquiring it for $840 million to give the soft-drink industry still more clout in the fast-food business. Pepsi's favorite agency is BBDO. Y&R just picked up its first business from Burger King parent Pillsbury, coming out of BBDO. And the stage is set for perhaps the greatest game of fast-food agency musical chairs ever. This in an industry that spent more than $1 billion last year in television

(Continued on Page 110)

Agencies for top 10 fast-food chains

The restaurant industry's top 10 advertisers spent more than $850 million last year, and 1986 spending is expected to approach $1 billion, making restaurant accounts among the sought-after. Should any of the major chains open its account to competition, a round of agency "musical chairs" could follow. *Source: Advertising Age.*

Chain	Agency of record	1985 Media Billings
McDonald's	Leo Burnett USA, Chicago	$317.8 million
Burger King (Pillsbury)	J. Walter Thompson USA, New York	156.0 million
Wendy's	DFS Dorland Worldwide, New York	86.6 million
Kentucky Fried Chicken (PepsiCo)	Young & Rubicam, New York	76.4 million
Pizza Hut (PepsiCo)	Chiat/Day, Los Angeles	64.5 million
Taco Bell (PepsiCo)	Tracy-Locke, Dallas	39.3 million
Hardee's	Ogilvy & Mather, New York	33.6 million
Red Lobster (General Mills)	Grey Advertising, New York	28.3 million
Long John Silver's (Jerrico)	Foote, Cone & Belding, Chicago	26.6 million
Denny's	Foote, Cone & Belding, Los Angeles	23.2 million

Tribune may buy 'N.Y. Post'

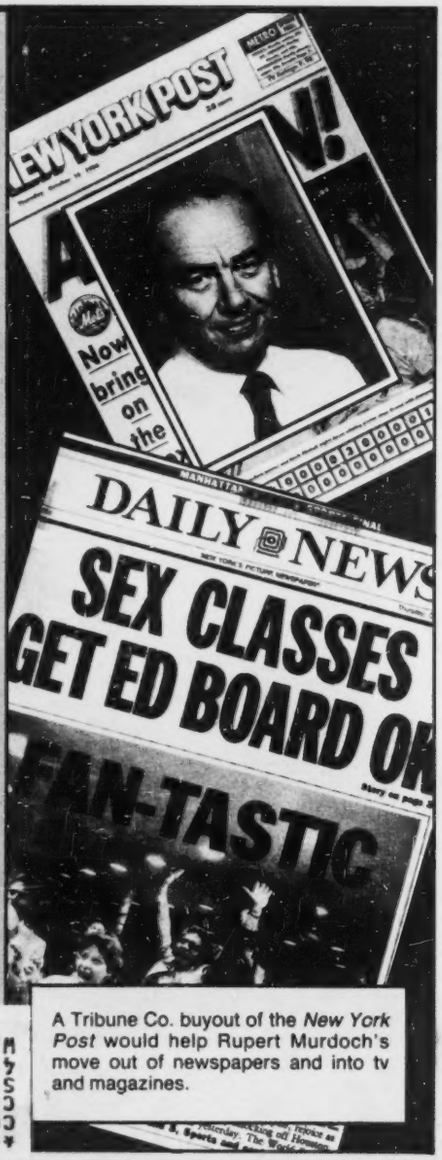
By WILLIAM F. GLOEDE

NEW YORK—Newspaper publishing circles were buzzing last week with reports that the Tribune Co., parent of the struggling *Daily News* here, has offered to buy the assets of Rupert Murdoch's *New York Post* for an estimated $65 million to $85 million.

And in another deal indicative of Mr. Murdoch's continuing move out of newspapers into tv and magazines, he has apparently agreed to sell his News America Syndicate to Hearst Corp.'s King Features Syndicate.

The reports of the Tribune offer were roundly denied by top executives at the *Post* and the *Daily News*. Roger Wood, executive editor at the *Post*, said "the rumor has no basis," while *Daily News* president-

(Continued on Page 108)



A Tribune Co. buyout of the *New York Post* would help Rupert Murdoch's move out of newspapers and into tv and magazines.

P&G weighs possibility of agency buy

By LAURIE FREEMAN

CINCINNATI—Procter & Gamble says it has considered acquiring an agency in order to take its $1.3 billion budget in-house.

P&G chairman-ceo John Smale last week told shareholders the company has "considered buying an ad agency from time to time." Mr. Smale would not say which agency or agencies were under consideration or whether P&G actively is seeking an acquisition at this time.

Also left open was the possibility that P&G could take in-house at least the media buying for its brands as RJR Nabisco, Anheuser-Busch and other major advertisers recently have done.

P&G already handles its network tv buying in-house.

Mr. Smale did say operating a full-service agency is not something the company is eager to do, telling shareholders he still believes P&G is better off using separate independent agencies to serve its numerous accounts.

"In Cincinnati we set the strategic direction. Writing copy is a creative undertaking and we feel better with specialists [handling that]." He said while some companies use in-house agencies, "very few stick with these agencies for very long because they find they don't get the same creativity they do with outside agencies."

Behind Mr. Smale's statement is the series of agency merger-related events that led P&G to reassign more than $150 million worth of billings so far this year. And for a company that is used to longevity and a top-dog role with its agencies, this kind of movement is dis-

(Continued on Page 108)

Last Minute News

Mikey comes back to Life

CHICAGO—Quaker Oats today breaks two new network tv spots for its Life cereal, featuring 18-year-old John Gilchrist, who played "Mikey" in a 1971 spot. Quaker has been challenging consumers to identify Mikey out of several dozen teen agers pictured on boxes of the cereal (AA, June 16). BBDO Worldwide created the new campaign, though the brand has been shifted to Jordan, Manning, Case, Taylor & McGrath, New York (AA, Aug. 21).

'Toothies' reach a Crest

CINCINNATI—Procter & Gamble and Coleco, West Hartford, Conn., are teaming up for an $8 million tv, print and sweepstakes campaign, breaking this week. The effort features new Cabbage Patch Kids "Toothies"

(Continued on Page 8)

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Highlights

P&G has pondered agency purchase 1
Procter & Gamble says it has considered acquiring an agency in order to take its $1.3 billion budget in-house. P&G chairman-ceo John Smale last week told shareholders the company has "considered buying an ad agency from time to time." He would not say which agency or agencies were under consideration or whether P&G actively is seeking an acquisition at this time.

Birch and Nielsen negotiate 3
Birch Radio and A.C. Nielsen Co. are expected to conclude a "cooperation" agreement that would escalate the current war in the radio research business. The fighting until now has pitted Arbitron Ratings Co.'s radio research unit against Birch Radio.

Rivalry fuels air-fare war 4
The simmering rivalry between corporate raiders Carl Icahn and Frank Lorenzo is set to ignite again this winter in a bargain air-fare battle pitting Mr. Icahn's Trans World Airlines against Mr. Lorenzo's Texas Air empire.

Quaker ventures into frozen territory 24
Quaker Oats once again has surprised its competitors with a new product in the wholesome-snack market, testing a line of frozen-fruit ices under the Great Arctic Fruit Co. brand. Industry observers had expected Quaker to introduce a dried-fruit product.

Baltimore papers 'Post' challenge 34
Now that crosstown rival *News-American* has been buried, the Baltimore *Sun* newspapers are loading their slingshots to go after that Goliath to the south, the *Washington Post*. The *Sun's* tactics include more local coverage, direct mailings and special sections aimed at attracting readers and advertisers in the fast-growing and affluent suburbs.

AD PAC passes out funds 40
The American Advertising Federation, through its AD PAC political action committee, has doled out a few hundred dollars here and there to "friendly" legislators facing reelection this Nov. 4.

Nieman joins McCann-Erickson stable 46
After a year of turbulence following the fiasco with new Coke and the fast arrival/departure of Curvin O'Rielly as exec vp-executive creative director at McCann-Erickson, the agency has moved to recapture some creative stability by hiring John Nieman Jr.

FEATURES

Circuits open route for Parcels 52
Usually, a package designer sits at a drafting table and starts sketching ideas with Magic Markers. If he then decides the package should be yellow or the logo bigger, it's back to the drawing board. Not so at Dixon & Parcels, which Roy Parcels, president, says is one of the country's first comprehensive computer-aided package design studios.

INTERNATIONAL

Maxwell aims for U.S. expansion 66
Czech-born Robert Maxwell, who owns British Printing & Communication Corp. (the largest U.K. national newspaper group), 70% of Britain's cable tv system, St. Paul, Minn.-based trade journal publisher Webb Co. and two soccer teams, has his eye set on expanding U.S. holdings. "We're interested in the whole gamut—printing, publishing and communications," says Mr. Maxwell, hinting at other, soon-to-be-closed U.S. deals.

OTHER NEWS

Miller Brewing's decision to test-market a "wheat-brewed" beer under the Dakota name may signify more than an attempt to ease its sales slump. By segmenting further the stagnant beer market, Miller may be traveling the only growth path open to domestic brewers. Page 6.

The continued evolution of the $14.9 billion sporting goods market toward "soft goods" was apparent at this month's National Sporting Goods Assn. Sports Expo, dominated by footwear and apparel marketers. Page 30.

Like the Unsinkable Molly Brown, Captain Kangaroo "ain't down yet." In the seasons ahead, Bob Keeshan may become even more visible—not only on tv but on store shelves—than he was in his CBS-TV heyday. Page 73.

Outside publisher Larry Burke recalls the day in 1976 when he "noticed there was no magazine for people who had the same interests as I did and defined the outdoors the way I did." The glossy, crisply designed monthly in January will increase its rate base to 250,000 from 240,000. Page 92.

Walter Weir, whose 1970 retirement ended an influential 42-year career in advertising, can make a unique claim: A campaign he wrote 40 years ago led a $150 million company to lure him back into the business—to write its first-ever ad campaign and to usher it into the agency business. Page 102.

SPECIAL REPORT

California agencies may take a different approach to work than those in other parts of the country, but the state's laid-back image doesn't apply to advertising. The state is crowded with agencies competing for too few accounts. A few are responsible for some much admired innovations.

Austrian, James exit Showtime

By VERNE GAY

NEW YORK—Two top executives of Showtime/The Movie Channel have resigned, signaling continued turmoil in parent Viacom Networks Group and an uncertain future for the ailing pay tv channel.

Neil Austrian, Showtime chairman-ceo and the former president-ceo of Doyle Dane Bernbach Group, said he would leave by the end of the year to pursue opportunities in advertising or investment banking.

Watson (Jay) James, senior vp-strategic planning, has also left the company. Mr. James was recruited by Mr. Austrian two years ago when he was a cable specialist in the media department at DDB.

Both resignations come just six weeks after Robert Pittman resigned as president-ceo of MTV Networks, another Viacom subsidiary.

No replacements for Messrs. James and Austrian were named and it was unclear whether Mr. James' position would

(Continued on Page 108)

Beef, pork gird for meaty battle

By JANET MEYERS

Cybill Shepherd is moonlighting, too.

The sexy star of ABC-TV's "Moonlighting" series already is an ad spokeswoman for L'Oreal cosmetics, and the beef industry hopes to land her for a tv spot that will do for beef what co-star Bruce Willis has done for Seagram's Golden Wine Cooler.

The pork industry, locked in a battle against beef and chicken, bristles at the idea.

Ad stakes in the meat wars are big—$25 million for beef, up to $10 million for pork—and the new products they'll hype are being readied for market: Exotic pork stir-fry and new, branded, pricier cuts of beef and pork.

The National Pork Producers Council, Des Moines, last week signed Bozell, Jacobs, Kenyon & Eckhardt, Omaha, to handle its $5 million-to-$10 million account after spending only $2 million this past year with Fletcher/Mayo, Kansas City.

At the same time, the National Live Stock & Meat Board, Chicago, was close to signing Ms. Shepherd and James Garner as stars of its $25 million beef-boosting campaign, "Real food for real people," via Ketchum Advertising/San Francisco. Other stars considered for the campaign were rocker Tina Turner and Oscar winner Sally Field.

Beef producers hope the celebrities will add punch to their first full-scale network tv campaign, slated to break by Feb. 1, said Tom

(Continued on Page 108)

West Coast News

BBDO assembles creative team for Apple

LOS ANGELES—BBDO Worldwide named Ken Segall, formerly associate creative director at Lord, Geller, Federico & Einstein, New York, senior art director and Ivan Horvath, former vp-associate creative director, N W Ayer, Los Angeles, senior copywriter to work under creative director Steve Hayden on the Apple Computer business. At BBDO, San Francisco, Brian Quennell, former vp-associate creative director on the account at Scali, McCabe, Sloves, Toronto, becomes associate creative director on Apple and Vittel.

BELMONT, CAL.—**Fortune Systems**, marketer of multiuser computer systems, selected Blake Agency, San Francisco, replacing Hayes-Rothwell, Santa Clara. Fortune will introduce a computer system called Formula later this month.

LOS ANGELES—Cohen/Johnson named **Tom Ruffino**, formerly senior vp-management representative, Rubin, Postaer & Associates, as account group director on Jack in the Box, a new post. Separately, Sandra Tuttle, former producer at the company's previous agency, HCM, moves to Della Femina, Travisano & Partners as vp-director of broadcast production, replacing Shannon Silverman, who left.

SEATTLE—**First Interstate** Bank of Washington invited incumbent Stimpson & Associates to pitch its $1.5 million account, along with Borders Perrin & Norrander, Ehrig & Associates, Elgin Syferd, Livingston & Co.,

(Continued on Page 106)

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ABP MPA BPA ABC CMCA

CURRENTS

Michael's 2nd coming heralded by new film album, fashions, toys

Michael Jackson, who's been next-to-invisible during the past year, seems to be enjoying something of a revival.

He's the star of "Captain EO," that 17-minute, $20 million 3-D space fantasy now playing at Eastman Kodak's pavilions at

Walt Disney Productions

Disneyland and Walt Disney World—a film that's said to cost more per minute than any other. It features two Jackson songs, was produced by George Lucas and directed by Francis Ford Coppola, with characters that seem to be a cross between those in "Star Wars" and those in "Aliens."

(NBC-TV aired a special marking the release of the heavily publicized short film just before the new season's "premiere week." Its Nielsen ratings showed a disappointing 10.3 rating and a 19 share, to rank 50th among 59 programs shown that week.)

Jackson's next record album is now expected around January from CBS Records' Epic label. The big question is whether the project, originally targeted for last summer, then this fall, will be strong enough to top the giant success of "Thriller." Still, as music veterans point out, one strong cut that could be released as a single would make the difference.

There also are Michael Jackson fashions and a line of plush animal dolls, Michael's Pets, inspired by the singer's own menagerie. View-Master Ideal Group, New York, will market the line in the U.S. and Canada "early next year," says Arnold Thaler, the toy maker's chairman.

So, in the future, we will not only hear the reclusive Jackson, but also see him, wear his fashions and play with his toys.

James P. Forkan

Writer cans the jokes, which now bring $6.95, applause thrown in free

As a speechwriter for Congressmen and corporations, Seattle's Jim Cook had grown to regard the blue pencil as his personal enemy: "I was always told to pull the jokes out."

Then one day while in the bathtub musing on his career, Cook decided that "rather than having to fight [editing] all the time, I'd put my humor in the can."

Hence, "Canned Speech." Cook filled pop-top cans with short speeches for every occasion: 40th birthday, nervous groom, the graduate, etc. Cook also offers an Executive Six-Pack that includes a keynote address, raise request and retirement speech.

"How does it feel to turn 40? Let's put it this way. As I look at myself in the mirror, I'm reminded of the great pianist Oscar Levant who once said: 'Beneath this flabby exterior lies an enormous lack of character.' "

In this vein, Cook's speeches go on to quote everyone from Miss Piggy to Bertrand Russell and, no doubt, Jim Cook himself. His keynote address, for instance, rings with frightening familiarity:

"Yes, these are difficult times. But together we must go forward. I know you'll understand what I mean when I say the future is now, the past is prologue, the bar is open. So let's get off our high horses and develop our game plan for leveling the playing field."

Available nationally through Spencer Gifts and the catalog Giggletree!, each speech retails for $6.95 and includes a boutonniere and an "Applause" sign. And that about sums it up. Any questions? No questions. Well, it's been a great pleasure being here. Thank you—and go knock 'em dead! ("Applause.")

Jim Cook's canned speeches come complete with jokes.

Lenore Skenazy

Watch your Manners before tying the knot

Miss Manners, whose syndicated columns tell us which fork to use and what's the right thing to wear at garden parties, is branching out into video.

The etiquette columnist, a.k.a. Judith Martin, recently launched the first in a planned series of videocassettes to teach the civilized approach to life. "Miss Manners on Weddings" unfolds against a backdrop of cucumber sandwiches and wedding cake.

Her hair swooped up in a bun (as is appropriate for married ladies of a certain age), Miss Manners spends 50 minutes counseling a set of rag-tag relatives, friends and bridal participants on the correct way to get through that most taxing of life's events: The wedding.

Some nuggets from Miss Manners' wealth of irony-tinged advice: Don't snigger about whether the bride should wear white. "The white dress," she counsels the couple who've just received their wedding invitation, "doesn't tell you about the condition of the body inside."

Kartes Video Communications, Indianapolis, owned by Scripps Howard (which also owns Miss Manners' syndicator, United Media), produced the $19.95 video.

C.B. Wismar, Kartes' executive producer, expects to distribute 20,000 to 30,000 copies of the video in book and video stores. After all, Wismar says, there are 3.5 million weddings a year, and "Miss Manners on Weddings" makes the perfect shower gift.

The video will be advertised in *Bride* and *Modern Bride* as "the ultimate wedding video from America's foremost authority on such things."

Wismar says child-rearing may be the subject of the next Miss Manners video. That seems likely because at the end of the first video, which uses actors from Washington's Arena Stage theater, Samantha Applegum and Dirk Dearborn have just married.

Miss Manners' new video, "On Weddings," is the (first and) last tape on marriage etiquette.

"There's talk of a miniseries," Martin says. "We could take them through to the funeral."

Janet Meyers

The hot seats

"Currents" takes a look at the latest concert scene with a listing of the top 10 concert draws for the past month.

Headliner, supporting acts	Venue, city, dates	Total attendance (capacity), No. of shows	Promoter or sponsors	Gross ticket sales
1. Genesis	The Spectrum, Philadelphia, Sept. 24-27	73,230 (18,308) 4 sellouts	Electric Factory, Michelob	$1,214,773
2. ZZ Top, Honeymoon Suite	Reunion Arena, Dallas Aug. 30-Sept. 2	62,113 (15,528) 4 sellouts	Beaver Prods.,	1,086,978
3. Bob Seger & the Silver Bullet Band, Fabulous T-Birds	Pine Knob Theatre, Clarkston, Mich., Aug. 28-Sept. 3	70,000 (14,000) 5 sellouts	Nederlander, Pine Knob	1,000,000
4. Genesis	Joe Louis Arena, Detroit, Sept. 18-20	54,168 (18,056) 3 sellouts	Belkin Prods., Michelob	54,168
5. Bill Cosby	Chicago Theatre, Chicago, Sept. 19-21	20,742 (3,457) 6 shows	In-house, Shepardson	850,404
6. Neil Diamond	Shoreline Amphitheatre, Mountain View, Cal., Sept. 16-18	41,963 (15,000) 3 shows	Bill Graham Presents	818,390
7. Neil Diamond,	San Diego Arena, San Diego Sept. 22-24	44,100 (14,700) 3 shows	Avalon Attractions, Eric Chandler, Ltd.	744,900
8. Neil Diamond,	Tacoma Dome, Tacoma, Wash., Sept. 9-10	44,700 (25,000) 2 shows	Avalon Attractions, Eric Chandler Ltd.	744,100
9. Bob Seger & the Silver Bullet Band, Fabulous T-Birds	Market Square Arena, Indianapolis, Sept. 6-8	45,059 (15,019) 3 sellouts	Sunshine Promos.	716,828
10. Elton John	Pine Knob Theatre, Clarkston, Mich., August 17, 18, 25	48,000 (14,000) 3 sellouts	Nederlander, Continental Airlines	604,520

Source: *Amusement Business*

HIT LIST

Currents compiles the nation's current entertainment favorites below.

Movies

1. **Crocodile Dundee** - Paramount (1 wk.)
2. **Stand by Me** - Columbia
3. **Blue Velvet** - DEG
4. **Name of the Rose** - 20th Century-Fox
5. **Nothing in Common** - Tri-Star

Provided Oct. 14 by Variety

Books

1. **His Way,** Kitty Kelley, Bantam (1 wk. at No. 1)
2. **It,** Stephen King, Viking
3. **Red Storm Rising,** Tom Clancy, Putnam
4. **Rotation Diet,** Martin Katahan, Norton
5. **Fatherhood,** Bill Cosby, Doubleday

Provided Oct. 14 by B. Dalton

Network tv

1. **Cosby Show** - NBC (77 wks. at No. 1)
2. **Family Ties** - NBC
3. **Cheers** - NBC
4. **Murder, She Wrote** - CBS
5. **Movie: "Last Frontier," Pt. 2 - CBS**

A.C. Nielsen rankings Oct. 6-Oct. 12

Videocassettesko.

1. **Fonda's New Workout** - KLHV (26 wks.)
2. **Sound of Music** - CBS-Fox
3. **Alien** - CBS-Fox
4. **Kathy Smith's Body Basics** - JCI Video
5. **Alice in Wonderland** - Disney

Reprinted from Oct. 11 Billboard

Record albums

1. **Top Gun Soundtrack,** MCA (5 weeks)
2. **Forel,** Huey Lewis and the News, Chrysalis
3. **Dancing on the Ceiling,** Lionel Ritchie, Motown
4. **Slippery When Wet,** Bon Jovi, Mercury
5. **Raising Hell,** Run-D.M.C., Profile

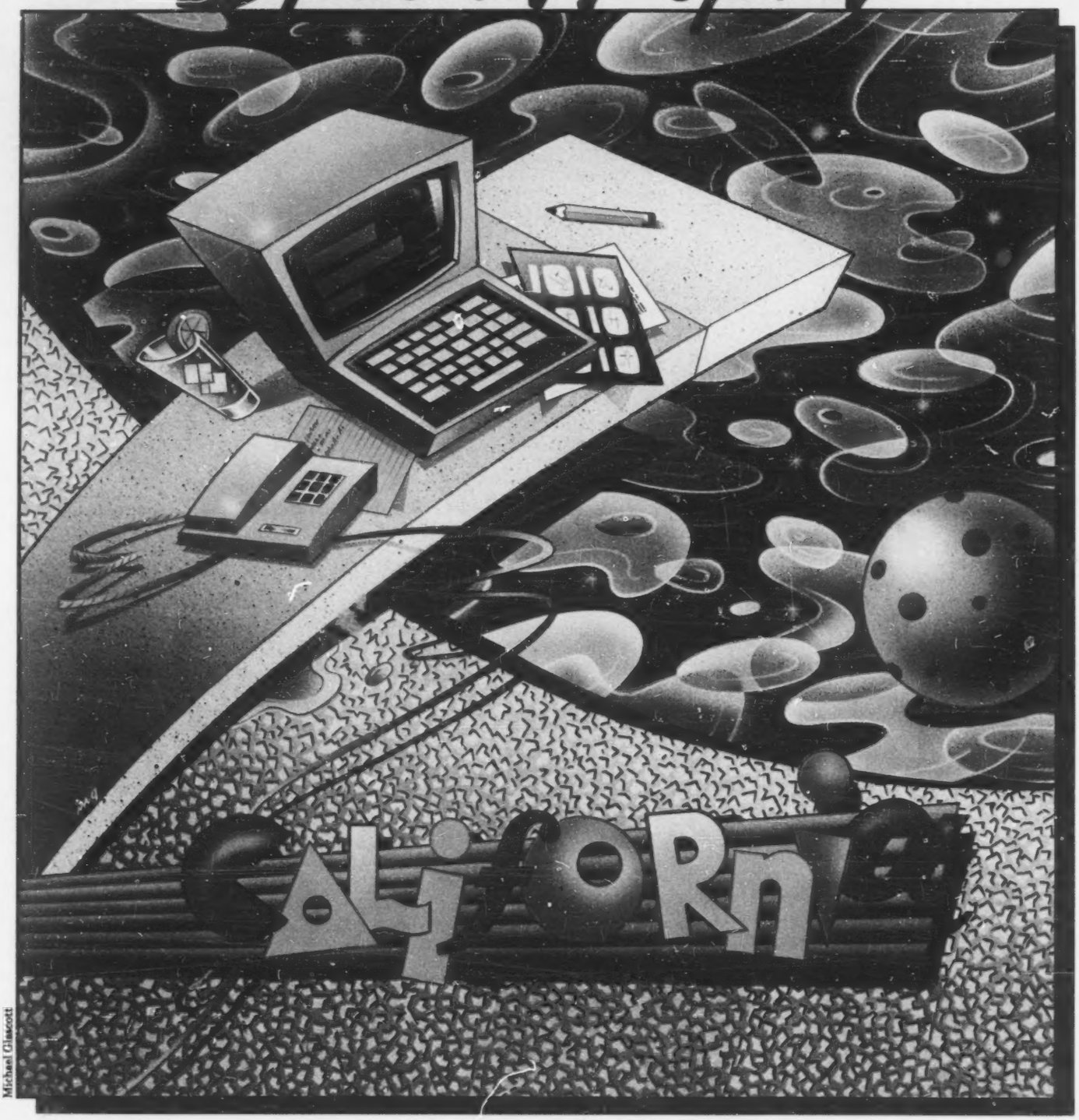
Reprinted from Oct. 11 Billboard

Music videos

1. **Dreamtime,** Daryl Hall, RCA, Matt Forest, dir., MGMM Prods. (1 wk. at No. 1)
2. **I Didn't Mean to Turn You On,** Robert Palmer, Island, Terrence Donovan, dir., Donovan Prods.
3. **Goin' Crazy!,** David Lee Roth, Warner, Peter Angelus/David Lee Roth, dirs., Diamond Dave Prods.
4. **Stuck with You,** Huey Lewis and the News, Chrysalis, Ed Griles, dir., N. Lee Lacy Prods.
5. **Take Me Home Tonight,** Eddie Money with Ronnie Spector, Columbia, Nick Morris, dir., MGMM Prods.

Top 10 for the week of Oct. 11 as seen on MTV: Music Television.

Special Report



Michael Glascott

Ad pool is crowded, but the strokes are splashy

By Jennifer Pendleton

Describing the California advertising agency business as competitive is like describing Babe Ruth as an outfielder. Somehow, the word doesn't cut it.

No one knows exactly how many ad agencies there are in California, but almost everyone agrees there are too many for too few accounts. Pacific Bell Directories reports 5,500 listings under "advertising agency" in its California phone books.

The American Assn. of Advertising Agencies says that, including the local branches of New York and Chicago-based shops, it has 200 California members—65 in Los Angeles, 55 in San Francisco and the rest scattered mainly around Orange and San Diego counties.

The Four A's reports that its California members collectively had 1985 billings of $3.2 billion. Los Angeles-area agencies represent $2.1 billion of that total; San Francisco-area agencies, $1.1 billion.

New York sharpies transferred to agency branch offices in Los Angeles or San Francisco typically have the idea they will show the provincials how business is done. They find out that in order to survive they must scurry for $1 million and $2 million accounts just like the small shops. They find they too can be fired at the whim of an entrepreneur.

"I thought when I came out here I would find everything very laid-back," recalls Richard Kelly, a 3-year California resident who is trying to build Scali, McCabe, Sloves' fledgling Los Angeles office from scratch. "But I found that was not the case . . . Here, clients dispose of agencies frequently. And you've got to learn how to make money out of small accounts."

Ron Colnett, chairman of DFS Dorland's San Francisco office, laments the fragile nature of agency/client partnerships in the West. "There seems to be less interest in long-term relation-

(Continued on Page S-4)

Top advertisers based in California

1985 ad expenditures

Client	($ millions)
1. Toyota Motor Sales USA	$172.0
2. Nissan Motor Co.	162.6
3. American Honda Motor Co.	156.5
4. Walt Disney Productions	140.0
5. Clorox Co.	107.1
6. Mazda Motors of America	101.7
7. MCA	98.4
8. Mattel	85.1
9. Apple Computer	83.9

Ad pool is crowded

(Continued from Page S-1)

ships," he says.

"There are smaller, more mercurial clients. The marketplace is much more volatile."

But wait a minute. Isn't the market changing? With the growth of the California economy, particularly through the expansion of trade with Asia, the state is an emerging major market with sophisticated clients and cutting-edge creativity.

In part, this is true. A number of major accounts, particularly the Japanese automotive marketers, have emerged as major national advertisers based on the West Coast. And a thriving, creative group of advertising agencies has put California on the map nationally.

It was Los Angeles-based Chiat/Day that stunned the ad community with its breakthrough "1984" for Apple Computer. San Francisco-based Hal Riney & Partners continues to reap the highest accolades for its work for E&J Gallo's Bartles & Jaymes wine cooler. And Foote, Cone & Belding, San Francisco, introduced all of us to the hip world of Levi Strauss' "501 Blues." With these triumphs and others, California agencies have gained a self-confidence that bodes well for the future.

Undeniably, the California agency business has grown dramatically in recent years. Advertising Age's ranking of the top 100 U.S. ad agencies in 1976 listed only two West Coast companies: Los Angeles-based Eisaman, Johns & Laws, with worldwide billings of $25.3 million, and Los Angeles-based Dailey & Associates at $24.8 million. But 10 years later, there are six: Chiat/Day; Admarketing; Dailey; Davis, Johnson, Mogul & Colombatto; Eisaman, Johns & Laws—all in Los Angeles—and Allen & Dorward, San Francisco (AA, March 27). *(See chart on Page S-9.)*

While the long-term future of the California agency business seems strong, economic expansion can't happen soon enough for the legions of agencies trying to prosper. At present, only eight West Coast-based marketers are large enough to merit a spot on Advertising Age's 100 Leading National Advertisers ranking (AA, Sept. 4). The largest, Toyota Motor Sales USA, ranks 45th.

And lately, it's been hard times for the agency business in California. The economy is soft, and there have been many changes stemming from mergers. Nearly $100 million in business recently left the San Francisco Bay area (AA, Aug. 18).

In addition, agencies have had to weather the severe economic downturn in the Silicon Valley. While only a few years ago high technology was the leading source of growth for San Francisco agencies, a national slump in personal computer sales brought the worst recession of high tech's rollercoaster 20-year history. Many agencies were left with whopping uncollectible accounts receivable; some went under. "There wasn't an agency around that didn't get burned," says Alan O. Pando, president, DDB Needham/West, Los Angeles.

But most observers see these as only temporary problems. "The advertising business has always gone through its highs and lows, but I don't see it as a long-term trend," says Laura Murphy, partner of Baeder/-Murphy, a Los Angeles-based executive-recruiting company specializing in marketing and advertising. Ms. Murphy maintains there is still a strong demand for seasoned talent and thinks that will continue.

And a thriving, creative group of agencies has put California on the map nationally.

Ted Burnett, president of Tracy-Locke, Los Angeles, believes the West Coast eventually will become *the* growth market as U.S. links to Asia increase. "Europe as a marketing area for American business is drying up," Mr. Burnett says. "The major economic growth will be Asian-based." He points to the billions of dollars in Japanese business now on the West Coast; "That didn't even exist 25 years ago," he says.

The *Journal of Commerce* reports that in 1982 U.S. trade with Pacific nations eclipsed U.S. trade with Europe. In 1984, it totaled $164 billion compared to $127 billion in European trade. Economists project continued and accelerating growth for years to come.

A few agencies already have taken steps to put themselves in line for the business. In 1983, the largest U.S. agency, Young & Rubicam, formed a third network with Japanese powerhouse agency Dentsu to create a new entity, DYR. Its Los Angeles office now represents an impressive list of Japanese clients marketing their products in the U.S., including House Foods, Nissin Foods, NGK spark plugs, Scripto Tokai, Sanyo Electric and U.S. Suzuki Motor Corp.'s motorcycle business.

"Our links to Japan are a major advantage in getting Japanese business. They open doors for us," says Bill Lyddan, director of client services at DYR, Los Angeles.

Almost every major agency in Los Angeles, San Diego and San Francisco hopes to be in a position to benefit from this expansion—and the trend hasn't escaped the attention of the large, multinational ad agencies.

SOUTHERN CALIFORNIA'S BEST MARKET IS ITS WORST KEPT SECRET

Orange County, Southern California's most affluent market with a median household income 29% higher than Los Angeles, is now a national advertising target. In 1985, its leading newspaper — The Orange County Register — carried more full-run daily advertising than any other newspaper...in the nation.

Source: Media Records, Inc., 1985

THE ORANGE COUNTY Register
METROGROUP

The *only* way to influence Southern California's best market.

Ad pool is crowded

(Continued from Page S-4)

That's one of the main reasons those agencies, over the past 15 years, have been buying up California's independent agencies at a rapid clip.

In 1970, Ogilvy & Mather acquired Carson/Roberts, then Los Angeles' largest agency with $30 million in billings.

A few years later, BBDO bought Los Angeles' Hall Butler Blatherwick and N W Ayer bought Jorgensen Macdonald, Los Angeles.

Since 1980 there have been a host of other acquisitions: Interpublic Group of Cos. bought Los Angeles-based Dailey & Associates; Saatchi & Saatchi acquired Orange County's largest agency, Cochrane Chase, Livingston & Co., Newport Beach, Cal.; Cunningham & Walsh purchased Reiser, Williams, DeYong, an Irvine, Cal.-based agency specializing in high-tech accounts, and Dancer Fitzgerald Sample bought out Wilton, Coombs & Colnett, a successful San Francisco independent.

As the multinationals buy up the independents, the character of the market is changing. Today, national agencies handle the bulk of all area billings. "There is a tremendous misconception among advertising professionals that the west is a big gaggle of independent boutique shops. That's simply not the case anymore," Tracy-Locke's Mr. Burnett says.

But while fewer independent agencies remain, there are still a substantial number of entrepreneurs willing to take the risk of going into business for themselves.

Their attitude reflects what's traditionally been considered a California perspective: Optimism and commitment to forging their own destiny.

Ray Coen, a former BBDO/West executive, formed West Los Angeles-based Ray Coen Co. five years ago. "Clients and agencies tend to mirror each other," he explains.

"In California, there will always be a core of new, entrepreneurial companies willing to take a chance," he says. As head of his own agency, Mr. Coen adds that he is "entitled to make my own mistakes, live by my own decisions. And reap the rewards and penalties."

Most observers predict that more new agencies will form, particularly in light of the merger trend.

Professionals let go in the consolidations, or disillusioned by the changing nature of their agencies, may jump ship to form their own businesses.

Yet the landscape is littered with the remains of small shops that haven't made it. And it's a sure bet there will be other casualties as the competition intensifies.

A sure attention-getter for a small agency is excellent creative work.

San Francisco-based Goodby, Berlin & Silverstein, an agency formed by former Ogilvy & Mather associates of Hal Riney, currently is on a roll.

Although the agency is small —with only around $20 million in billings—it has won the advertising industry's highest awards through daring work for the *San Francisco Examiner* and the Mill Valley Film Festival, among others.

Jeff Manning, senior vp for Ketchum Advertising, has been working in San Francisco for the past 13 years. During that time he's seen California's creative output become increasingly sophisticated.

"It used to be that we had to say 'We may not do as good work, but it sure is pretty out here.' That's not the case anymore. The look and feel of California's creative work has become very big time," he says.

So while he used to always advise fresh-from-college job aspirants to go to New York, now he tells them they can learn much of what they need to know on the West Coast. "[Going to New York] is not so mandatory anymore," he says.

Still, some, such as Los Angeles-based marketing consultant Marvin Corwin, insist the West Coast still has a long way to go when it comes to training agency personnel.

Because of the presence of Hollywood, Los Angeles has a thriving creative community, says Mr. Corwin. But he thinks the account side is a different story. With the absence of large package-goods companies as training ground, account executives often are ill-equipped for the challenges they face, he maintains.

"People out here don't know what an account executive is," Mr. Corwin says.

The combination of strong creative and weak account service means that sometimes West Coast agencies "feel the need to shoot from the hip," he says.

"They stop selling the product and get caught up in form without substance. Somtimes, I don't know if they're selling anything."

J.
WALTER
SHAPE

A lot of people have never heard of the Health & Tennis Corporation of America.

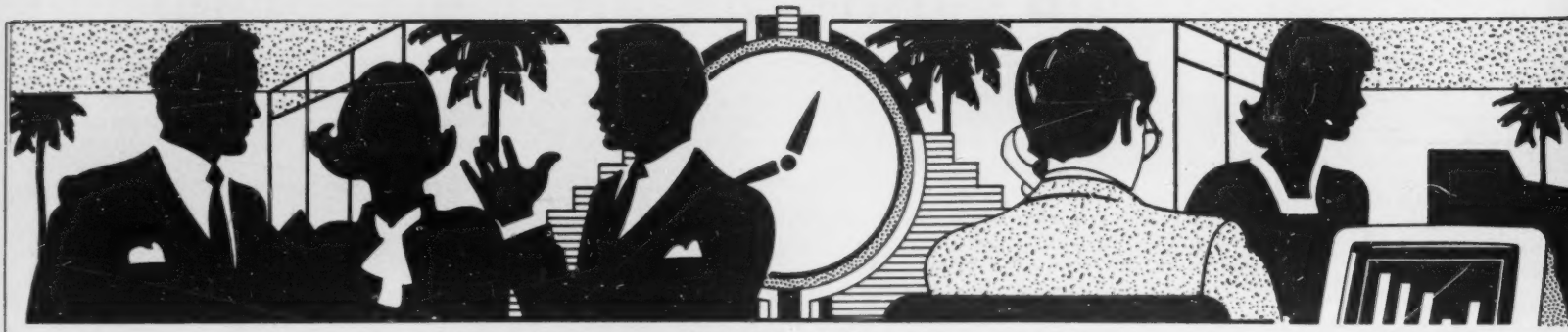
But a whole lot of people remember the advertising of the 300 different health clubs they own around the country. Holiday Spa Health Club in Southern California; Chicago Health Clubs in Chicago; President's Health Clubs in Dallas and Houston; Vic Tanny in Detroit; Jack LaLanne in New York, and many more.

Since 1976 J. Walter Thompson/West has had the enviable task of creating advertising for the Health & Tennis Corporation with America's strongest examples of fitness—some of its most popular TV and movie stars, culminating in 1985 with Cher.

We believe in physical fitness. But there's a lot to be said for fiscal fitness too. And we're delighted that our efforts have helped make the Health & Tennis Corporation of America the largest and most successful company of its kind in the world.

That's J. Walter Response. Interested? Call Jim Agnew at (213) 553-8383.

J.
WALTER
LA



Top independent California agencies

Agency	City	World billings 1985	World billings 1984	World gross income 1985	World gross income 1984
1. Chiat/Day	Los Angeles	$294,289,000	$226,551,067	$44,137,000	$27,800,300
2. Admarketing	Los Angeles	170,467,000	160,467,000	30,500,000	28,100,000
3. Dailey & Associates	Los Angeles	140,884,000	147,907,000	21,122,000	22,175,000
4. Davis, Johnson, Mogul & Colombatto	Los Angeles	116,375,000	101,440,000	16,890,000	14,066,800
5. Eisaman, Johns & Laws	Los Angeles	85,050,000	80,402,050	12,757,600	12,050,000
6. Cochrane Chase, Livingston & Co.	Newport Beach	69,480,000	51,800,000	8,884,000	6,650,000
7. Allen & Doward	San Francisco	65,900,000	52,600,000	9,463,000	8,002,000
8. Keye/Donna/Pearlstein	Los Angeles	54,588,661	42,056,882	8,184,207	6,308,347
9. Geisz International	Los Angeles	54,000,000	51,000,000	8,100,000	7,650,000
10. Phillips-Ramsey Co.	San Diego	50,590,600	37,226,600	7,584,800	5,581,200
11. Krupp/Taylor	Los Angeles	50,400,000	40,010,000	7,560,000	6,001,500
12. Vicom Associates	San Francisco	50,326,732	50,248,375	5,350,060	5,370,944
13. Lorsch Group	Los Angeles	34,400,000	39,000,000	5,300,000	6,300,000
14. Tycer Fultz Bellack	Palo Alto	31,614,615	44,278,939	3,699,197	5,177,739
15. Louis & Saul International	Santa Monica	30,688,000	21,450,000	4,300,000	3,200,000
16. Girvin Conrad & Girvin	Rancho Cordova	26,580,000	21,250,000	3,987,000	2,550,000
17. Kresser, Craig/D.I.K.	Los Angeles	19,500,000	—	2,925,000	—
18. Busse & Cummins	San Francisco	19,328,000	15,000,000	2,862,000	2,221,000
19. Gumpertz/Bentley/Fried	Los Angeles	18,184,347	16,500,000	2,294,580	2,102,184
20. Pine, Garvin, Herbers & Hock	San Francisco	17,715,747	19,026,255	2,459,635	3,420,537
21. Goodby, Berlin & Silverstein	San Francisco	15,000,000	7,000,000	2,250,000	1,050,000
22. Baxter, Gurian & Mazzei	Los Angeles	13,300,000	12,270,000	1,900,000	1,750,000
23. Battenberg, Fillhardt & Wright	San Jose	13,047,598	13,103,637	1,947,183	2,078,945
24. Bermudez & Associates	Beverly Hills	11,563,099	8,793,448	1,733,598	1,318,358
25. InterCommunications	Newport Beach	11,349,829	7,489,056	1,626,661	1,062,827
26. Pearlman Wohl	Los Angeles	10,663,800	5,807,000	1,089,000	637,000
27. Roggers, French & Co.	Irvine	10,400,000	8,762,730	1,558,988	1,322,313
28. Estey-Hoover Inc.	Irvine	10,218,344	8,262,540	784,054	646,132
29. McLean-Stewart Advertising	San Mateo	10,000,000	8,900,000	1,500,000	1,335,000
30. Salvati Montgomery Sakoda	Santa Ana	9,913,514	7,321,739	1,486,284	1,097,712

1985 California branch billings

Agency	City	Total billings
1. Foote, Cone & Belding	Los Angeles	$225,000,000
2. Foote, Cone & Belding	San Francisco	205,000,000
3. J. Walter Thompson	San Francisco	134,300,000
4. DDB/West*	Los Angeles	128,600,000
5. McCann-Erickson	San Francisco	117,000,000
6. Ogilvy & Mather	Los Angeles	112,000,000
7. J. Walter Thompson	Los Angeles	111,900,000
8. Needham Harper Worldwide*	Los Angeles	99,100,000
9. DFS/Dorland	Los Angeles	95,000,000
10. Bozell, Jacobs Kenyon & Eckhardt	Los Angeles	85,500,000
11. DYR	Los Angeles	76,400,000
12. Ogilvy & Mather	San Francisco	71,000,000
13. Della Femina, Travisano & Partners	Los Angeles	67,000,000
14. McCann-Erickson	Los Angeles	66,900,000
15. BBDO*	Los Angeles	62,500,000
16. Tracy-Locke	Los Angeles	52,600,000
17. Lowe Marschalk	San Francisco	51,800,000
18. Eisaman, Johns & Laws	Los Angeles	46,800,000
19. Wells, Rich, Greene	Los Angeles	43,000,000
20. Reiser Williams (C&W)	Los Angeles	40,000,000
21. DDB*	San Francisco	35,300,000
22. DFS/Dorland	San Francisco	35,000,000
23. Young & Rubicam	San Francisco	32,400,000
24. D'Arcy Masius Benton & Bowles	San Francisco	28,000,000
25. BBDO*	San Francisco	27,200,000
26. N W Ayer	Los Angeles	26,600,000
27. HCM	Los Angeles	26,500,000
28. Evans Communications	Los Angeles	20,000,000
29. D'Arcy Masius Benton & Bowles	Los Angeles	15,000,000
30. Campbell-Ewald	Los Angeles	13,700,000
31. Evans Communications	San Francisco	13,000,000
32. Backer & Spielvogel	Los Angeles	5,000,000

*now part of Omnicom

Consumer Magazine Ad Linage

Advertising pages for U.S., Canadian and foreign consumer publications

October

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
— Art & antiques —				
Art & Antiques	61.7	42.6	439.7	253.2
Southwest Art	97.7	154.2	721.6	848.3
Total Group	**159.4**	**196.8**	**1,161.3**	**1,101.5**
% change		−19.0%		+5.4%
— Auto/cycle/rec. vehicles —				
Autoweek (52X)	131.0	131.0	1,425.0	1,331.0
Car & Driver	74.6	83.2	886.7	963.0
Car Collector & Car Classics	23.4	20.8	162.9	186.9
Car Craft	69.7	68.5	748.8	753.9
Circle Track	48.0	40.0	610.5	527.2
Cycle	24.5	34.2	436.5	515.9
Cycle Guide (11X)	—	23.3	384.1	399.6
Cycle World	22.3	31.0	453.7	556.6
Dirt Rider	26.1	26.5	389.8	312.1
Dune Buggies & Hot VWs	83.5	93.2	871.4	938.7
Family Motor Coaching	132.4	137.1	1,452.2	1,465.3
4 Wheel & Off-Road	73.0	91.7	862.3	776.7
Four Wheeler	72.7	94.2	825.9	870.2
Hot Rod	51.4	51.5	612.5	602.8
Motorcyclist	22.6	27.0	461.7	386.8
Motor Trend	71.9	61.1	642.5	722.2
Motorhome Life	72.5	96.5	916.4	959.8
Rider	31.3	33.2	492.9	541.5
Road & Track	88.7	106.5	963.0	1,100.3
3 Wheeling	43.2	69.9	558.8	589.2
Trailer Life	86.9	97.5	1,112.2	1,218.0
Total Group	**1,249.6**	**1,414.9**	**15,269.7**	**15,717.7**
% change		−11.7%		−2.9%
— Boating & yachting —				
Boating	140.3	113.9	1,388.2	1,357.0
Chesapeake Bay	60.8	54.3	400.0	339.8
Cruising World	267.3	312.3	1,353.8	1,442.9
Lakeland Boating (10X)	71.1	61.5	629.1	591.0
Motor Boating & Sailing	145.1	157.3	1,708.8	1,673.0
Sail	119.4	131.7	1,137.3	1,326.1
Small Boat Journal(6X)	36.2	39.9	249.2	233.9
Trailer Boats(11X)	28.8	29.4	423.8	345.8
Western Boatman(6X)	—	—	195.3	233.8
Yachting	142.6	159.7	1,390.8	1,637.8
Total Group	**1,011.7**	**1,060.0**	**8,876.2**	**9,181.1**
% change		−4.6%		−3.3%
— Canadian —				
L'Actualite	99.8	102.3	798.6	631.9
Chatelaine:				
English Edition A.	101.9	112.3	914.9	895.9
French Edition	89.2	86.4	783.3	714.4
City & Country Home(8X)	94.8	62.5	428.7	323.5
Flare A.	101.6	91.4	808.2	678.7
Macleans (52X) A.	180.4	198.2	1,219.9	1,201.7
Moneywise	42.0	43.9	344.6	320.1
Montreal Calendar	25.6	41.0	309.7	221.8
Montreal Ce Mois Ci	40.2	46.3	268.2	363.8
Reader's Digest:				
Canadian-English A.	57.9	101.6	729.6	709.2
Canadian-French A.	52.5	70.5	608.4	542.2
Total Group	**885.9**	**956.4**	**7,214.0**	**6,603.2**
% change		−7.4%		+9.3%
— Civic/fraternal —				
American Legion	35.7	28.3	247.1	260.6
Elks (10X)	18.6	20.8	165.7	173.7
Kiwanis	18.8	18.8	162.5	152.1
Lion (10X)	9.0	6.0	56.6	52.0
Rotarian	15.7	12.3	147.2	111.3
V.F.W. (11X)	37.4	33.6	253.5	252.0
Total Group	**135.2**	**119.8**	**1,032.6**	**1,001.7**
% change		+12.9%		+3.1%
— Comics —				
DC Comics	7.0	6.0	54.0	69.5
Marvel Comics Group	10.0	10.0	76.0	71.5
Total Group	**17.0**	**16.0**	**130.0**	**141.0**
% change		+6.3%		−7.8%
— General —				
American Health (10X)	62.8	54.9	493.4	416.6
The Atlantic A.	37.9	43.1	349.2	450.1
Bon Appetit A.	109.9	121.6	795.7	853.8
Changing Times	67.8	43.8	500.9	385.4
Connoisseur	119.4	115.6	673.7	622.0
Consumers Digest (8x)	12.5	20.2	147.3	165.7
Ebony	90.3	84.2	923.6	909.7
Fifty Plus	44.1	45.5	291.9	348.8
Food & Wine	107.7	58.2	507.3	470.7
Games	12.7	21.2	155.0	171.3
Gourmet	128.6	109.8	889.3	862.7
Harper's A.	18.8	23.6	223.7	253.6
Harrowsmith (6X)	41.9	—	199.3	—
Let's Live	57.0	46.0	489.0	415.0
Life	38.1	89.6	500.7	622.4
Modern Maturity (6X)	54.2	45.1	228.5	230.1
Money	155.3	131.6	1,189.0	1,162.9
Moneyworth	13.5	14.2	44.0	51.4
Mother Earth News (6X)	62.5	50.7	249.5	229.6
National Geographic	19.9	20.3	213.0	220.7
Natural History	49.0	56.1	405.0	421.3
Prevention	69.6	63.3	612.1	601.1
Psychology Today	29.5	30.9	276.2	243.1
Reader's Digest A.	108.0	95.0	923.4	773.2
Saturday Evening Post (9X)	39.0	39.4	266.3	258.2
Signature	97.4	71.7	692.1	539.2
Smithsonian	95.1	112.1	778.3	882.5
Sylvia Porter's Personal Finance (10X)	48.5	46.7	330.9	200.7
Town & Country	192.8	182.1	1,231.5	1,303.1
Travel & Leisure	164.5	122.5	1,024.9	1,040.3
Vanity Fair	72.4	40.5	444.1	330.3
Writer's Digest	26.3	22.9	249.1	242.4
Yankee	114.9	111.2	114.9	111.2
Total Group	**2,361.8**	**2,133.4**	**16,412.7**	**15,789.0**
% change		+10.7%		+4.0%
— Home —				
Americana (6X)	25.0	45.1	136.4	182.9
Architectural Digest A.	195.4	159.6	1,212.7	1,242.5
Better Homes & Gardens	135.3	118.0	1,067.0	1,084.2
Colonial Homes (6X)	88.2	80.2	321.3	314.4
Columbus Monthly-Homes(4X)	23.7	20.4	105.4	47.1
Country Home (6X)	60.5	44.0	235.3	163.6
Country Living	93.4	88.7	728.6	691.3
Dallas/Ft. Worth Home & Garden	78.4	103.8	759.8	799.0
Family Handyman (10X) A.	53.2	71.6	481.0	543.7
Flower & Garden (6X)	34.2	46.6	190.6	205.4
Home	73.5	53.3	506.5	490.0
Home Mechanics	65.9	78.7	593.2	650.9
The Homeowner (10X)	35.1	38.3	256.3	242.1
Horticulture	28.6	25.6	366.1	334.6
House Beautiful	83.0	91.9	709.2	823.2
House & Garden	138.5	121.4	931.5	938.8
Houston Home & Garden	76.6	108.8	739.9	928.5
Metropolitan Home	60.5	80.5	565.4	639.4
1,001 Home Ideas	55.5	60.7	454.8	496.7
Phoenix Home/Garden	104.5	89.8	695.8	660.5
Practical Homeowner	54.2	58.6	429.2	451.8
Rodale's Organic Gardening	39.0	51.4	563.3	557.8
San Diego Home/Garden	76.0	76.5	680.5	753.3
Southern Accents (6X)	—	—	490.8	435.2
Southern Living	158.2	158.7	1,374.8	1,301.4
Sunset Magazine A.	145.9	191.0	1,347.3	1,427.9
Texas Homes	52.5	91.5	597.4	801.1
Workbench (6X)	—	—	236.6	264.7
The Workbasket	45.5	36.2	316.3	341.4
Total Group	**2,080.4**	**2,190.7**	**17,092.9**	**17,813.3**
% change		−5.0%		+4.0%
— In-flight & other passenger —				
Alaska Airlines	57.2	57.8	588.8	493.0
America West Airlines	26.5	—	244.7	—
East/West Network:				
Eastern Review	81.7	96.8	972.3	950.4
Northwest	50.2	56.3	454.9	420.3
Ozark	44.7	57.8	445.3	425.5
PSA Magazine	95.5	105.7	891.6	828.0
Pan Am Clipper	39.0	68.2	440.5	615.2
Spirit	93.0	136.3	961.3	960.8
TWA Ambassador	44.3	—	44.3	—
United	94.2	127.0	941.8	934.7
Western's World	58.8	72.7	583.2	547.4
Hawaii (6X)	27.2	21.5	277.1	233.9
Pace	74.9	78.3	823.1	706.5
Presidential Airways (6X)	7.3	—	45.1	—
Spirit of Aloha (6X)	24.4	20.4	275.5	231.9
Total Group	**819.0**	**900.9**	**7,989.5**	**7,347.5**
% change		+9.1%		+8.7%
— Men's —				
Esquire A.	107.8	118.0	954.0	1,024.2
Firehouse Magazine (13X)	81.3	49.8	449.1	489.0
M Magazine	99.7	72.0	624.1	543.5
Penthouse A.	41.8	42.7	371.5	399.6
Playboy A.	61.4	92.1	597.9	723.9
Salute	—	—	91.0	—
Total Group	**392.0**	**374.5**	**3,087.6**	**3,180.2**
% change		+4.7%		−2.9%
— Metropolitan —				
Aloha (6X)	34.2	28.8	148.2	154.3
Atlanta	58.1	62.5	524.6	530.5
Baltimore	110.9	80.8	777.7	796.8
Boston	181.7	178.4	1,527.1	1,528.7
California	84.4	85.4	681.5	682.2
Chicago	165.1	172.0	1,305.8	1,319.2
Chicago's North Shore	93.7	94.9	816.1	791.4
Cincinnati	113.8	102.1	633.3	581.2
Cleveland	81.2	92.5	698.4	781.4
Coast (39X)	254.2	338.6	2,340.7	2,547.8
Columbus Monthly	80.9	81.3	694.7	705.0
Connecticut	112.7	110.9	946.1	896.2
D/Magazine, Dallas/Ft. Worth	143.3	164.2	1,211.3	1,315.1
Detroit Monthly	87.1	94.7	747.3	612.2
Grand Rapids	35.7	38.3	424.3	515.8
Honolulu	119.2	112.6	723.0	701.5
Houston City	54.4	69.3	502.3	685.7
Louisiana Life (6X)	—	—	192.0	275.0
Madison	62.0	60.0	635.0	506.6
Metropolitan Detroit	94.0	82.0	743.0	723.5
Miami Mensual	48.6	45.5	445.4	382.8
Miami/South Florida	53.3	104.1	646.6	881.2
Mid Atlantic Country	42.8	49.7	399.2	454.6
Milwaukee	64.2	78.3	647.6	625.1
Minneapolis/St. Paul	117.3	95.2	970.2	954.1
Nashville	54.0	64.0	389.0	391.0
New England Monthly	48.7	39.7	381.4	308.9
New Jersey Monthly	87.4	76.9	792.7	611.6
New Mexico	30.8	31.5	272.4	361.9
Ohio	52.3	62.8	580.0	676.7
Oregon	19.6	29.8	294.8	332.1
Orlando	90.0	89.7	978.3	983.2
Palm Beach Life	70.9	73.7	568.5	678.5
Palm Springs Life	85.6	84.0	1,114.3	1,116.3
Philadelphia	165.4	164.9	1,319.0	1,354.7
Phoenix	69.6	85.9	890.8	971.1
Pittsburgh	77.2	72.8	654.0	632.0
St. Louis	61.1	49.3	498.5	542.8
San Diego	135.0	150.5	1,341.4	1,541.3
San Francisco Focus	135.3	108.8	933.2	896.8
Texas Monthly	135.3	146.1	1,193.9	1,216.6
Twin Cities	61.0	61.5	541.0	595.2
Ultra	73.0	86.1	586.6	728.3
The Virginian	—	—	310.0	277.0
Washington (7X)	62.0	50.5	373.0	194.5
Washington Dossier (11X)	39.3	65.0	427.9	531.3
The Washingtonian	175.0	225.0	1,493.9	1,578.7
Total Group	**4,021.4**	**4,240.3**	**35,315.8**	**36,468.2**
% change		−5.2%		−3.2%
— Movie/romance/radio/tv —				
Macfadden's Women's Group:				
Modern Romances	25.0	24.6	215.4	195.4
Secrets	25.0	24.6	215.4	195.4
True Confessions	25.0	24.6	215.4	195.4
True Experience	25.0	24.6	215.4	195.4
True Love	25.0	24.6	215.4	195.4
True Romance	25.0	24.6	215.4	195.4
Sterling Women's Group:				
Daytime TV	25.5	27.5	255.2	284.0
Modern Screen	15.5	15.5	79.2	101.5
Movie Mirror (6X)	—	15.5	18.5	87.0
Soap Opera Stars	15.8	16.5	78.6	93.6
TV Game Show	27.0	—	72.0	—
TV Movie Screen (6X)	8.3	8.0	42.8	35.3
TV Picture Life (6X)	—	9.0	14.2	33.0
Total Group	**242.3**	**239.8**	**1,852.7**	**1,806.6**
% change		+1.0%		+2.6%
— Music/entertainment —				
Audio	264.8	212.4	922.0	893.6
Dance Magazine	47.3	60.1	515.0	550.9
Musician	49.3	66.3	554.3	586.3
Playbill	62.5	57.2	445.8	486.0
Stereo Review	76.6	60.8	698.5	482.2
Video Magazine	79.0	77.0	753.6	736.7
Total Group	**579.5**	**533.8**	**3,889.1**	**3,735.7**
% change		+8.6%		+4.1%
— National Sunday magazines —				
Parade (52X)	60.9	68.5	527.7	537.5
Total Group	**60.9**	**68.5**	**527.7**	**537.5**
% change		−11.1%		−1.8%
— Outdoor & sport —				
Alaska	54.2	43.2	438.1	440.2
The American Handgunner(6X)	51.0	37.0	163.0	173.0
American Hunter	33.4	27.6	210.9	205.7
American Rifleman	29.0	33.5	252.1	269.4
Backpacker (6X)	—	—	140.5	164.5
Bass Master (9X) A.	29.3	28.0	411.4	421.5
Bicycling (9X)	—	—	639.3	756.6
Duck's Unlimited (6X)	—	—	166.0	159.0
Field & Stream	92.7	78.0	906.7	878.6
Fins & Feathers A.	28.1	27.3	330.3	301.2
Florida Sportsman	80.1	74.1	1,064.4	976.0
Flying	38.2	50.0	392.2	469.3
Golf Digest	63.2	71.3	949.8	913.5
Golf Magazine	39.4	35.5	675.3	635.4
Gun Dog (6X)	—	—	174.3	145.1
Guns	35.0	33.0	312.0	240.0
Guns & Ammo	57.4	57.8	502.4	452.8
In-Fisherman (6X)	43.0	41.0	408.0	447.0
Muscle & Fitness	115.3	109.0	1,099.8	1,066.3
Outdoor Life	85.1	77.1	777.5	715.0
Outside Magazine	47.3	49.8	471.6	424.1
Petersen's Hunting	79.8	81.2	518.9	457.5
Runner	28.8	45.7	298.1	354.5
Runner's World (13X)	38.3	53.6	310.1	394.1
Salt Water Sportsman	64.9	67.6	863.2	819.2
Shooting Times	43.4	46.5	372.6	354.8
Ski (8X) A.	147.0	121.9	552.2	479.3
Skiing (7X)	148.0	181.2	522.6	586.5
Skin Diver	80.6	71.0	920.2	805.1
Southern Outdoors (8X)	34.7	34.6	329.9	283.9
Sport	45.5	60.1	387.6	436.8
Sports Afield	79.0	101.9	721.8	858.2
Tennis	47.2	48.9	726.8	868.6
Western Outdoors (10X)	26.8	34.9	402.9	392.5
Wildfowl (6X)	29.1	14.3	100.1	29.1
Wing & Shot	—	—	10.0	—
Total Group	**1,814.9**	**1,836.5**	**17,522.5**	**17,374.3**
% change		−1.2%		+0.9%

(X) Represents the number of times published each year; publications are monthly unless otherwise specified.

A. Sectional linage included but prorated to circulation of regional editions. B. Sectional linage included but not prorated to circulation of regional editions. C. Combined unduplicated regional ads. * All affiliated with Sunday Mag/Net. except Los Angeles Times Magazine and New York Times Magazine.

All figures represented in this chart are supplied by the magazines. Advertising Age makes no attempt to verify them and, therefore, is not responsible for inconsistencies or errors.

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October

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
— Photography —				
American Photographer	40.5	45.3	385.1	400.1
Petersen's Photographic	32.1	30.9	253.0	284.6
Popular Photography	66.8	78.5	648.4	857.7
Total Group	139.4	154.7	1,286.5	1,542.4
% change		+9.9%		+16.6%
— Religious —				
Charisma	42.5	—	654.7	—
Christian Herald (11X)	31.0	32.8	252.7	287.2
Christian Life	25.2	—	193.0	—
Christianity Today (18X)	57.2	77.7	435.8	583.3
Ministries Today (6X)	34.8	51.3	264.0	—
Moody Monthly (11X)	52.4	71.6	387.1	477.6
Today's Christian Woman(6X)	—	—	145.3	215.2
Total Group	243.1	233.4	2,332.5	1,563.3
% change		+4.1%		+49.2%
— Science/electronic/mechanic —				
Discover	44.0	41.4	325.7	327.9
Family Computing	54.4	42.8	429.2	381.1
Info World (52X)	136.0	158.0	1,236.0	1,268.0
Omni	86.5	85.4	570.7	590.1
Personal Computing	179.6	147.1	1,184.7	1,445.0
Popular Science	66.4	83.5	672.2	645.7
Science 86 (10X)	—	—	—	—
Scientific American	55.8	43.2	335.1	442.7
Spectrum	76.8	86.5	823.3	1,031.9
Total Group	699.5	687.8	5,577.0	6,132.3
% change		+1.7%		−9.1%
— Woman/fashion/service —				
Bride's Magazine (6X) A.	231.3	190.7	1,792.7	1,544.2
Cosmopolitan A.	258.3	236.3	2,041.2	1,965.0
Essence	81.3	73.7	803.6	787.9
Family Circle (17X) A.	209.2	139.0	1,446.1	1,467.9
Family Magazine	—	—	—	—
Glamour	207.8	199.7	1,806.8	1,791.6
Good Housekeeping A.	160.4	175.8	1,561.7	1,602.8
Harper's Bazaar	180.3	168.7	1,430.6	1,476.4
Health	37.2	47.4	397.4	402.5
Ladies' Home Journal	125.6	130.6	1,087.8	1,092.0
Mademoiselle	159.3	129.3	1,330.8	1,262.1
McCall's	104.2	104.6	909.0	909.6
Military Lifestyle	66.4	45.9	507.7	303.1
Modern Bride (6X)	179.7	155.4	1,546.8	1,475.4
Ms.	49.0	54.5	391.6	473.4
New Woman	83.8	64.9	731.0	537.4
Parents Magazine A.	142.8	141.4	955.5	875.5
Playgirl	—	—	—	—
Redbook	129.1	122.3	934.7	925.7
Self	128.1	121.4	942.4	971.1
Seventeen	116.9	116.2	1,178.1	1,257.2
Shape	68.8	55.0	724.4	620.6
Soap Opera Digest (26X)	25.1	21.0	199.7	271.6
'Teen Magazine	53.1	40.4	531.0	508.1
True Story A.	57.8	64.4	473.3	490.2
Vogue	370.1	376.7	2,659.8	2,716.1
W Magazine	142.0	148.4	1,160.3	1,117.4
Weight Watchers	33.8	32.1	334.6	283.7
Woman's Day (16X) A.	—	—	—	—
Working Mother	99.5	94.7	711.2	749.7
Working Woman	124.2	127.5	1,013.3	1,003.6
Total Group	3,625.0	3,377.9	29,603.1	28,532.0
% change		+7.3%		+2.5%
— Youth —				
Boys' Life	16.4	12.2	166.5	186.4
Campus Life (10X)	82.8	97.1	355.7	430.1
Total Group	99.2	109.3	522.2	616.5
% change		−9.2%		−15.3%

September

	Current month 1986	Current month 1985	Year-to-date 1986	Year-to-date 1985
— Business —				
Advantage	81.0	50.0	552.0	432.0
Arizona Bus. Gazette (52X)	40.5	39.3	284.2	251.4
Atlanta Bus. Chronicle (52X)	—	—	—	—
Austin Bus. Journal (52X)	40.3	61.7	391.7	522.3
Baltimore Business Journal	99.4	94.0	625.3	592.8
Barron's (52X)	237.3	223.5	1,663.6	1,676.3
Black Enterprise	49.2	45.2	662.1	643.8
Boston Business Journal (52X)	150.5	189.7	1,192.3	1,263.8
Business Atlanta	56.2	69.2	574.1	597.4
Business First of Buffalo	47.6	65.8	531.6	587.7
Business First of Columbus	100.0	76.8	745.0	580.3
Business Journal-Milwaukee	145.6	127.0	928.7	996.2
Business Journal/Sacramento	—	—	—	—
Business North Carolina	51.0	38.5	390.4	308.3
Business Week (52X) A.	392.9	381.2	2,676.4	3,038.9
Business West	—	—	104.0	79.0
California Business	—	—	—	—
Capitol District Business Review (25X)	—	—	—	—
Cincinnati Business Courier	107.7	86.1	686.5	564.1
Corporate Report/Kansas City	32.7	36.4	244.1	408.4
Corporate Report/Minnesota	—	—	—	—
Crain's Chicago Bus. (52X)	181.9	198.0	1,453.0	1,391.0
Crain's Cleveland Business(52X)	73.4	86.7	547.4	675.7
Crain's New York Business	38.7	34.8	299.8	140.4
Dun's Business Month	55.5	85.8	463.6	487.9
Financial World (26X)	128.2	62.6	572.7	420.7
Florida Trend (13X)	96.3	100.0	725.5	808.3
Forbes (26X)	293.2	339.3	2,248.9	2,435.2
Fortune (26X)	316.7	290.3	1,944.8	2,309.9
Frequent Flyer	71.6	100.2	538.2	568.6
Futures (13X)	52.7	54.5	455.9	467.5
Georgia Trend	65.0	60.0	477.6	60.0
Grand Rapids Bus. Journal	—	—	—	—
Hawaii Business	42.0	40.3	426.9	445.0
Houston Bus. Journal (52X)	—	—	—	—
Inc. Magazine A.	70.6	95.2	732.3	805.0
Income Opportunities	73.7	57.0	469.8	376.2
Industry Week (25X) A.	160.3	138.7	846.8	796.1
Indianapolis Bus. Journal (52X)	170.7	160.1	1,340.2	1,105.8
Kansas City Business Journal	—	—	—	—
Manhattan Inc.	101.4	67.7	610.9	355.1
Minnesota Business Journal	—	—	—	—
Nation's Business A.	24.2	34.1	299.7	293.5
New England Business (20X)A.	82.5	122.3	702.9	811.2
Pacific Business News (52X)	126.2	128.2	1,061.7	995.0
Philadelphia Bus. Journal(52X)	171.3	140.8	1,042.5	819.6
Pittsburgh Business Times(52X)	155.0	112.2	809.0	707.3
Regardie's	167.0	154.5	1,288.8	1,137.3
San Jose Business Journal	—	—	—	—
Savvy	40.7	37.8	280.4	279.9
South Florida Bus. Journal	199.7	150.1	1,021.3	812.9
St. Louis Business Journal (52X)	167.9	191.6	1,252.8	1,303.4
Texas Business	—	—	—	—
Venture	68.6	63.7	616.8	631.6
Total Group	4,826.6	4,690.8	34,862.2	33,982.6
% change		+2.9%		+2.6%
— National Sunday magazines —				
Parade (52X)	52.7	69.3	466.8	470.0
USA Weekend (52X)	49.7	80.5	449.5	466.8
Total Group	102.4	149.8	916.3	936.8
% change		−31.6%		−2.2%
— Newspaper Sunday magazines —				
Boston Globe	233.9	225.7	1,836.6	1,685.1
Chicago Tribune	100.0	174.0	765.8	1,001.2
Cleveland Plain Dealer	90.9	66.9	469.8	416.5
Detroit News	72.0	90.0	767.0	770.0
L.A. Times	63.6	53.0	609.0	534.7
Louisville Courier-Journal	81.7	91.5	568.1	623.1
Miami Herald	60.0	52.9	439.3	362.1
New York Times Magazine	547.2	505.6	2,865.1	3,069.6
Philadelphia Inquirer	74.6	75.6	504.6	462.0
San Francisco Image	67.4	83.8	580.3	465.1
Seattle Times	68.0	58.0	493.0	401.0
Toledo Blade Magazine	35.6	59.8	338.3	377.3
Washington Post	206.1	157.9	1,105.6	1,017.1
Total Group	1,701.0	1,694.7	11,342.5	11,184.8
% change		−0.4%		+1.4%
— Weeklies/bi-weeklies —				
The Advocate (26X)	160.0	119.7	1,232.0	829.4
Army Times Military Group:				
Air Force Times (52X)	222.5	187.0	1,620.2	1,406.8
Army Times (52X)	197.0	184.0	1,491.4	1,372.4
Navy Times (52X)	212.0	190.0	1,635.7	1,490.3
The Blood-Horse (52X)	224.4	261.1	3,124.2	3,688.8
Capper's Weekly (17X)	33.2	48.5	240.4	240.3
Commonweal (22X)	8.0	7.5	59.6	51.7
Golf World (43X)	47.2	45.8	788.3	705.8
Grit (52X) A.	29.6	24.4	217.8	176.3
National Journal (50X)	58.0	59.0	481.7	425.0
National Review (25X)	28.8	29.8	265.8	207.7
New Republic (48X)	—	—	—	—
New York Magazine (50X)	349.9	320.2	2,153.3	2,084.1
New Yorker	292.7	268.0	1,714.5	1,943.7
Newsweek (52X) A.	273.6	275.6	1,713.4	1,864.6
People (52X)	375.1	337.7	2,608.6	2,580.2
Rolling Stone (25X)	134.8	123.4	956.3	789.5
Sporting News (52X)	48.9	76.4	456.1	384.0
Sports Illustrated (52X) A.	270.3	281.1	1,916.1	1,967.6
Time (52X) A.	—	—	—	—
Travelhost (52X) C.	3,468.0	3,498.5	29,005.0	28,802.5
TV Guide (52X) A.	403.6	398.2	2,557.9	2,628.9
TV Update (52X) C.	2,180.0	2,114.0	21,319.0	20,729.0
Us Magazine (26X)	42.8	52.0	376.2	285.6
U.S. News & World Report(52X)A.	169.2	167.8	1,118.1	1,203.7
Total Group	9,229.6	9,066.7	77,051.4	75,857.9
% change		+1.8%		+1.6%
— Foreign —				
Business Week Int'l (52X)	191.1	168.6	1,140.2	1,073.1
De Armas Publications:				
Geomundo:				
Central America	5.0	4.0	34.0	40.5
Chile	5.0	5.0	38.0	43.5
Colombia	8.0	10.0	68.8	76.5
Ecuador	5.0	4.0	29.0	34.0
Mexico	10.0	16.0	74.2	71.5
Peru	4.0	5.0	25.0	41.5
Puerto Rico	3.0	2.0	25.5	24.0
U.S.	4.7	2.0	42.7	52.3
Venezuela	16.5	9.0	116.0	77.0
Hombre De Mundo:				
Central America	5.3	4.5	44.3	31.5
Chile	4.3	4.5	45.3	38.5
Colombia	20.8	19.3	126.0	70.2
Ecuador	2.3	5.5	38.3	34.0
Mexico	17.5	24.0	130.0	106.0
Peru	2.3	3.5	26.3	26.5
Puerto Rico	3.3	13.0	37.3	56.0
U.S.	5.7	10.7	84.7	77.7
Venezuela	18.8	47.0	164.3	177.0
Ideas Para Su Hogar:				
Colombia	15.2	25.5	92.2	133.2
Ecuador	1.0	5.0	17.0	42.0
Mexico	16.8	14.2	66.5	93.3
Peru	1.5	3.0	24.0	20.0
Puerto Rico	—	—	0.2	10.5
U.S.	14.0	6.0	39.0	53.0
Venezuela	9.0	16.0	81.7	143.8
Mecanica Popular:				
Argentina	7.7	—	39.7	16.3
Central America	7.8	8.2	76.0	82.8
Chile	3.3	3.3	38.3	29.2
Colombia	12.0	15.7	129.0	120.7
Mexico	16.2	19.7	100.3	134.2
Peru	10.2	10.5	88.8	99.5
Puerto Rico	5.3	5.0	57.5	79.3
U.S.	4.5	3.8	52.5	60.5
Venezuela	8.7	11.8	94.2	115.5
Vanidades Continental:				
Central America	40.3	19.5	152.3	65.2
Chile	6.8	6.3	35.0	26.0
Colombia	138.0	100.3	669.5	580.8
Ecuador	27.5	28.3	163.7	176.3
Mexico	113.0	125.3	676.5	733.8
Peru	14.8	32.3	105.0	134.2
Puerto Rico	32.0	54.5	283.0	301.2
U.S.	57.5	42.8	385.8	329.5
Venezuela	105.5	56.3	372.5	421.3
Hearst International Publications:				
Buenhogar:				
Central America	1.0	—	10.0	7.0
Chile	1.0	—	11.0	8.0
Colombia	38.8	34.5	276.0	282.0
Ecuador	11.5	14.0	97.5	141.0
Mexico	33.5	57.0	264.5	404.2
Peru	10.0	18.5	60.0	97.0
Puerto Rico	6.5	4.5	80.0	87.3
U.S.	25.2	16.7	180.5	151.5
Venezuela	15.8	29.8	180.8	289.5
Cosmopolitan en Espanol:				
Central America	4.3	1.5	33.7	10.5
Colombia	26.5	24.0	126.0	120.0
Ecuador	—	1.0	—	3.0
Mexico	44.2	54.0	344.8	397.5
Peru	—	2.0	—	23.0
Puerto Rico	11.8	16.0	91.3	180.8
U.S.(Spanish language)	31.5	18.8	224.0	150.5
Venezuela	16.3	12.8	118.7	194.3
Cosmopolitan Foreign Editions:				
Australia	88.5	79.8	567.9	550.5
Brazil	92.7	96.2	435.2	441.7
China	54.7	24.3	254.4	195.5
France	94.2	105.4	636.2	820.0
Germany	101.7	102.8	900.7	817.5
Great Britain	138.0	135.0	999.8	993.0
Greece	20.0	20.0	477.4	475.4
Holland	99.0	74.0	580.3	546.3
Italy	75.0	38.2	447.7	415.6
Japan	38.7	29.7	292.2	296.6
South Africa	101.0	101.0	741.0	749.0
Good Housekeeping Foreign Editions:				
Australia	50.4	40.4	307.7	505.2
Great Britain	125.4	139.5	1,065.2	1,083.2
Japan	74.0	67.5	651.4	360.0
International Communications:				
African Business	31.7	31.8	244.9	229.2
The Middle East	16.2	12.7	104.8	140.3
New African	16.6	15.3	158.5	141.2
International Management:				
Europe	67.7	78.0	402.7	421.2
Middle East	37.5	15.7	97.0	140.5
Johnston International:				
Alam Attijarat	43.0	48.8	301.7	401.2
Far East Business	37.8	29.2	326.0	258.4
Modern Africa (6X)	24.5	14.8	102.8	63.4
Latin America Finance (6X)	20.4	16.4	94.5	50.4
Newsweek International A.:				
Atlantic (52X)	96.0	122.7	669.1	747.1
Latin America (52X)	35.0	44.4	259.6	242.1
Pacific (52X)	78.7	81.5	495.4	528.3
Progreso (9X)	13.5	14.2	64.0	85.3
Reader's Digest:				
Arabic	13.5	10.0	58.0	92.5
Asian	159.5	230.5	1,860.8	1,778.5
Australian	48.8	58.0	485.8	485.7
Belgian-Flemish	66.5	66.0	554.9	648.5
Belgian-French	40.5	35.5	329.6	427.0
British	41.6	54.0	390.7	387.0
Chinese B.	98.5	126.0	875.8	1,100.0
Danish	47.3	45.5	263.0	278.3
Dutch	38.0	51.0	308.6	317.2
Finnish	25.8	35.5	335.8	388.4
French	9.0	28.2	120.1	365.4
German	61.0	50.4	520.2	534.9
Iberian	3.0	1.0	12.0	32.0
Indian-English	77.0	62.0	701.5	794.5
Indian-Hindi	9.5	10.0	90.0	96.5
Italian	45.5	23.5	340.0	282.0
Korean	37.0	23.0	263.0	216.2
Latin American:				
Argentina	17.0	13.0	114.5	167.5
Brazil	2.0	1.0	20.0	38.0
Central American	7.0	10.0	56.0	78.0
Chile	14.5	8.5	91.0	93.0
Colombia	35.0	33.0	210.0	236.5
Ecuador	5.0	9.0	52.0	76.0
Mexico	51.6	59.3	482.6	412.7
Peru	7.0	12.0	62.0	84.5
Puerto Rico	6.0	5.0	42.5	42.0
U.P.B.	7.0	7.0	52.0	60.5
U.S. Spanish	8.5	13.5	146.5	83.5
Venezuela	8.5	8.5	92.0	89.5
New Zealand	70.5	64.0	473.8	496.0
Norwegian	6.5	16.5	64.5	169.8
Portugal	35.5	44.0	311.3	311.1
South African	93.5	104.0	680.0	798.0
Swedish	11.5	16.5	134.0	135.0
Swiss-French	15.2	23.6	171.0	203.6
Swiss-German	19.3	37.6	230.8	289.1
Time International:				
Time-Asia	88.0	112.0	594.5	726.8
Time-Atlantic	127.9	160.1	785.0	853.0
Time-Canada	232.1	235.1	1,476.7	1,379.5
Time-Latin America	55.5	77.7	384.4	385.5
Time-South Pacific	114.9	149.8	784.0	987.8
Visao (52X)	128.7	162.2	1,179.7	1,085.4
Vision/Latin America (24X) A.	40.1	32.2	234.0	222.6
Total Group	4,980.9	5,180.4	36,341.3	38,098.0
% change		−3.9%		−4.6%

FAST FOODS

(Continued from Page 1)
alone.

"There are some frayed nerves," said Charles Glovsky, analyst at Alex. Brown & Sons, Baltimore. "With sales as bad as they are, the chains have to be extremely sensitive and alert to what their competition is doing. They need to react immediately and simultaneously on several fronts, one of which is advertising. In this competitive environment, there are only going to be two types of companies: The quick and the dead."

McDonald's led the way last week, ending its NFL promotion and ushering up new creative for the McD.L.T. McDonald's had been dissatisfied with earlier McD.L.T. campaigns from Burnett and in June forced a change in the personnel handling its account (AA, June 23).

McDonald's isn't shopping its $250 million-plus account, but it is putting heavy pressure on Burnett to buttress McD.L.T. sales.

The new team was under orders to produce "breakthrough" McD.L.T. creative that would work better than the short-lived Romeo and Juliet and animated Pepe LePew spots aired during the Super Bowl.

The Burnett team delivered "Wheel of Fortune's" Vanna White and others in new executions for the McD.L.T.

The product-sell campaign shows shots of the McD.L.T. and its ingredients, as celebrities explain the McD.L.T. was misnamed. They say it's more than a burger with lettuce and tomato and should be called "The one with the works."

It remains to be seen if that set of ads will help the McD.L.T., which one source said has been "heavily media dependent," meaning that when advertising slows down for the sandwich, so do sales.

(BK is now firing back at McDonald's and is heavily advertising its burgers, particularly its basic product, the Whopper. "They were calling the McD.L.T. the 'Whopper Stopper,'" said Steve Bowen, exec vp-general manager, JWT/New York. "But it hasn't done it...we knew McDonald's would get a certain amount of trial no matter what, but once the hoopla died down, we knew we'd market against them...Everyone knows that to grow now, you have to take it out of each other's hide.")

McDonald's also has instructed Burnett to prepare a major print campaign to promote the nutritional qualities of its food, according to sources. That campaign could break as early as January. The chain, which annually has spent less than $1 million for print advertising, next year plans to spend upwards of $12 million on print, positioning itself as the fast-food industry's nutrition leader in such publications as *People*, where the McDonald's name has not been before. A company spokeswoman had no comment on the report.

Reportedly, Burnett faces an additional pressure in this new assignment: Get across the nutritional claims without drawing the ire of fast-food critics.

But Burnett is not the only fast-food agency feeling the heat:

• J. Walter Thompson USA earlier this year came close to losing its hold on the $200 million Burger King account, according to former BK president Jay Darling (AA, July 28), and that relationship still is believed to be tenuous.

There were reports last week that several agencies had been contacted about pitching the Burger King account, but BK denied the reports, suggesting that agencies may be trying to create the illusion that the account is shaky.

Also, Charles Olcott, region vp, BK Northeast region, became BK USA president, and C. Ronald Petty was named president, BK International from exec vp.

BK sales this year were running 4% to 8% below last year's levels, but the sales decline slowed in August with the reintroduction of its Chicken Tenders. Analysts say BK real sales are now at last year's levels.

• The fate of the Kentucky Fried Chicken account at Young & Rubicam, New York, is in question following PepsiCo's purchase of the chain. Y&R's handling of the Canada Dry and Dr Pepper accounts may be less of a problem than PepsiCo's interest in placing the $75 million account with one of its agencies, especially Omnicom's BBDO (recently relieved of all its assignments from BK parent Pillsbury). Omnicom affiliate Tracy-Locke, Dallas, already handles PepsiCo's Taco Bell chain.

The Pillsbury billings pulled from BBDO, however, went predominantly to Y&R, establishing a relationship with Burger King's parent company that could prove useful, to say the least, if KFC were to move.

Y&R did get a small vote of confidence earlier this month when KFC consolidated its $3.5 million Canadian account at Y&R in Toronto, giving it the English-speaking provinces previously handled by Foote, Cone & Belding, Toronto.

The wild card in the agency shuffle continues to be BBDO's Omnicom partner, DDB Needham Worldwide, which has taken on no serious fast-food business since 1981 when McDonald's dumped Needham, Harper & Steers, Chicago. Both Wendy's and Burger King are believed to be interested in Needham, but have had overtures rebuffed.

DDB Needham is one of only a few Chicago agencies large enough to handle McDonald's account (and Big Mac's local commitment ensures that it will keep the business near its suburban Oak Brook, Ill., headquarters), and chairman Keith Reinhard may still be hoping that Big Mac will return. But when Wendy's last week dropped Pepsi-Cola from its own stores in favor of Coca-Cola to protest Pepsi's growing presence in the fast-food business, it inadvertantly revealed how intertwined the fast-food and soft-drink industries have become: Would Coke's largest customer switch to an agency affiliated with Pepsi's primary shop?

Were KFC to switch to BBDO (seemingly removing DDB Needham from the arena) or if DDB Needham were to relent and take on Wendy's or BK, a flurry of agency swapping could ensue. "It would be 'change partners and dance,'" suggested an exec at one major fast-food chain.

KFC is looking at new products to increase lunch business and also healthier foods, including testing a nonfried chicken, salads, sandwiches and lowering the salt content in all products.

Emphasis at KFC will be placed on home delivery. PepsiCo president Michael Jordan, at an analysts meeting in New York last week, indicated that the computerized regional customer service centers already working for Pepsi's Pizza Hut chain could be easily expanded to incorporate its KFC as well. The centers take calls from an entire metropolitan area and pass the order along to the closest unit and keep a record of a customer's orders.

Significantly, Pizza Hut agency Chiat/Day has split the account with its Los Angeles office handling restaurant advertising, while its New York office will take over home-delivery ads.

• Wendy's chairman, Robert Barney, flatly denied any unhappiness with national agency DFS Dorland Worldwide, New York, despite persistent rumors that a serious rift exists and the fact that Wendy's this year also has used its sales-promotion and black-consumer agencies for national campaigns in place of DFS Dorland.

Mr. Barney explained the switch to Coca-Cola in a full-page "open letter" ad in the Oct. 16 *Wall Street Journal*—paid for by Coca-Cola. He said "PepsiCo's interests are in direct conflict with ours" and concluded "it's not good business to support a company that is trying to make our customers theirs."

The switch, to take place over the next 60 days, represents $1.6 billion in soft-drink retail sales at Wendy's over a five-year contract. For Coke, which claims 70% of all fountain sales, the agreement amounts to 20 million additional gallons of Coke syrup sold over the next five years. Fountain sales represent one-third of all Coke sales.

Pepsi, claiming fountain sales represent one-fifth of its total soft-drink sales, said the loss of Wendy's is minor, representing 2.5% of its fountain sales and 1% of total soft-drink sales.

Coca-Cola USA president Ed Mellett is credited with persuading Burger King to switch from Coke to Pepsi in June, 1983. Mr. Mellett was then president-Pepsi USA's foodservice division.

Wendy's, too, is considering some new tactics. In Milwaukee, the chain is testing the impact of dramatic price reductions and has added its first "small" hamburger to compete with McDonald's and Burger King's lowest-price burgers (AA, Oct. 13). If successful, that tactic and the new product rapidly could be expanded to other markets.#

A line of finger-snapping raisins is from one of several recent spots featuring manipulated clay figures.

Clay people invade world of advertising

Vinton shop goes 'low-tech'

By BRIAN LOWRY

What do Domino's Pizza, Nike, Kentucky Fried Chicken and Benjamin Franklin Savings have in common?

They've all discovered Claymation, a Gumby-like animation style featuring manipulated clay figures, the stock-in-trade of Will Vinton Productions, Portland, Ore.

Mr. Vinton, 38, won an Academy Award for one of his first short films, "Closed Mondays," in 1972. Besides a spate of film work—including a segment for Walt Disney Co.'s ill-fated "Return to Oz" and a first feature, "The Adventures of Mark Twain," released early this year—the 22-person company has recently expanded into tv commercials.

Vinton's latest entry may be its most inspired, a 30-second spot for the California Raisin Advisory Board, Fresno, set to Marvin Gaye's "I Heard It Through the Grapevine."

Aside from representing one of the most appropriate uses of '60s music amid the deluge of it turning up in advertising, the spot offers a hilarious conga line of raisins—finger-snapping their way past other potential snacks in their too-cool sunglasses and white gloves.

The commercial, conceived by Foote, Cone & Belding, San Francisco, seems to show an endless line of raisins; in truth, there were only four models, elongated thanks to a matteing technique.

Production took 12 weeks, about average for a Claymation spot.

While conventional animation has given way in many quarters to computers and other time-saving innovations, clay remains "low technology," says Vinton assistant producer Marilyn Zornado. "A person really sits in front of the camera and sculpts."

Animators use a special clay that never hardens, laboriously moving the figures frame-by-frame to create the illusion of motion.

The company, which claims to be the only one specializing solely in this technique, currently handles several recurring commercial characters.

They include KFC's transforming "We do chicken right" fowl and the Noid, Domino's' Pizza-defiling mascot (AA, Sept. 22).

Vinton also is considering another feature film project, to begin production next year. Will that cut into its time for commercial work? Oh no," Ms. Zornado said. "We run a very tight ship here." Even if it is made of clay.#

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10/30/86 C2710-1

Advertising Age

Crain's International Newspaper of Marketing. In Two Sections. Section 1.

DMB&B pares staff

Layoffs hit N.Y., S.F.; Atlanta unit is sold

By STEWART ALTER

New York—D'Arcy Masius Benton & Bowles, in major steps to streamline its U.S. operations in the face of a sluggish economy and disinflation, last week laid off 63 employes in its New York and San Francisco offices and sold its Atlanta agency.

DMB&B let go 52 of its 605 employes here, an 8.6% staff reduction, and plans to reduce nonpersonnel costs by 10%.

In San Francisco, DMB&B laid off 11 of its 54-person staff, a 20.3% cutback.

Also last week, DMB&B sold its Atlanta office to Fahlgren, Swink & Nucifero, creating a $30 million unit of Fahlgren & Swink, Parkersburg, W. Va. Robert Kane, managing director of DMB&B's Atlanta office, becomes vice-chairman of the new shop.

No layoffs were announced in Atlanta, but some are expected soon. No price was revealed on the sale.

The sale of the Atlanta office, which has dropped from a high of $25 million to about $15 million in billings, is part of DMB&B's corporate strategy to divest its smaller regional offices.

"This [laying off of staff] is the hardest part of this business. And we're not alone. There must be 4,000 good advertising people on the streets in New York, and that's just very unfortunate."

—Jack Bowen
DMB&B ceo

DMB&B has put on the block its Bloomington, Minn., office, with $10 million in billings, and plans to close its small DMB&B Latinoamerica unit, Miami (AA, Oct. 20), and sell DMB&B/Houston, with $15.6 million in billings (AA, Aug. 25).

The staff trims were due to disinflation and reduced ad spending, the agency said, rather than merger-related client losses. Other major agencies making recent cuts for similar reasons include Ogilvy & Mather, where 60 people were let go (AA, Oct. 6); DFS Dorland Worldwide, with a staff reduction of nearly 100, and SSC&B, with 40 dismissals (AA, June 30).

"Anybody within a mile of the advertising agency business knows that free growth through media inflation is reduced, and we are driving to become a lean and profitable company without cutting back service to our clients," said Thomas Carey, managing director of DMB&B's New York office.

"Any advertising agency in general and any major agency that is not looking at these things, as all clients are looking at them in their houses, has got to be crazy," he said.

"This [laying off of staff] is the hardest part of this business," said DMB&B chairman-ceo Jack Bowen. "And we're not alone. There must be 4,000 good advertising people on the streets in New York, and that's just very unfortunate."

The timing of the layoffs is related to DMB&B being in its "annual planning pe-

(Continued on Page 100)

P&G's 'signal' reveals scope of its concern

By STEWART ALTER

When John Smale, chairman-ceo of Procter & Gamble, told company shareholders that the world's biggest advertiser had considered—though ultimately rejected—buying a full-service advertising agency, he was acknowledging that P&G had put on the table an entirely new concept: The mega-in-house agency.

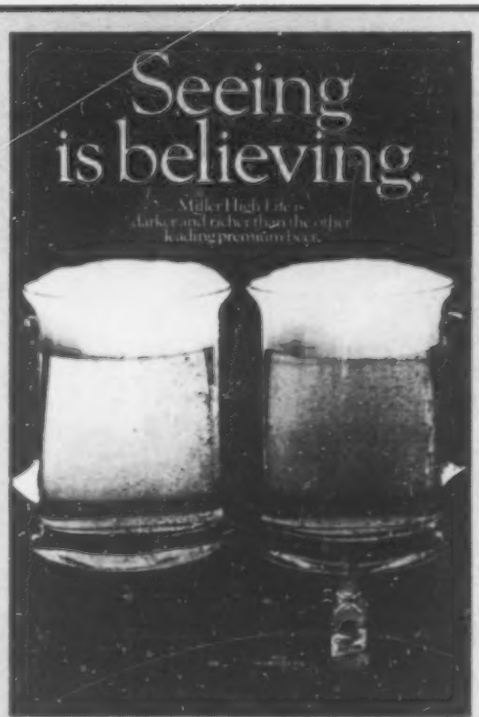
NEWS ANALYSIS

The concern cited by Mr. Smale for rejecting the idea was an old one: Can in-house creativity ever match the work of an independent outside source? But the reason for evaluating the option at all is a new one, reflecting the frustration and anger many national advertisers apparently feel because of agency merger-related events.

The agency megamergers have led many advertisers, including P&G, to reassign millions of dollars in billings and to worry about the quality of their agency relationships. It's hard to be a national advertiser today and not worry about loss of control, not only of the client/agency relationship but of the total advertising process.

If the management of agencies seems to be in such transition, why not worry? If merging agencies are willing to look at billings as sheer dollar volume that can be traded as easily

(Continued on Page 100)



Color test

Hand-shaking and back-slapping are gone from Miller Brewing Co.'s "Made the American Way" campaign for High Life. Ads are being refocused to blunt perceptions Miller is lighter than other beers with copy that claims High Life is "darker and richer." J. Walter Thompson USA, New York, handles.

Saatchi chills merger talk, pacifies Mars

By LAUREL WENTZ

London—Saatchi & Saatchi Co. moved last week to avoid potential new problems growing out of the agency's May buyout of Ted Bates Worldwide.

Among the developments:

- After concluding an intensive review of its two major U.S. units, Saatchi & Saatchi Compton Worldwide and Bates, Saatchi has decided not to merge the shops, leaving O. Milton Gossett as Compton chairman-ceo and Donald Zuckert as Bates chairman-ceo.
- To pacify Mars Inc. in London, Saatchi & Saatchi has given up $14.6 million in international billings from Nestle-owned Carnation pet foods and Rowntree Mackintosh, the U.K. confectionery products giant. Mars is a major global client of Bates, and Bates in London handles $30 million of Mars' $55

(Continued on Page 98)

Last Minute News

Gallo shift of media-buying reported

Modesto, Cal.—Gallo has reassigned network media-buying for its estimated $63 million account to N W Ayer, New York, from Hal Riney & Partners, San Francisco, sources say. Former Riney parent Ogilvy & Mather has been placing media for Gallo at Riney's request. Gallo and Riney executives weren't available for comment. Ayer refused comment.

Burnett chief Kinsella may retire

Chicago—Leo Burnett Co. president-ceo John Kinsella will retire from those posts at yearend, sources say, and will be

(Continued on Page 8)

Burnett's 'direct' move

NEWSPAPER
DEC 20014
WASHINGTON
4520 EAST-WEST HWY #800
SRI ACQUISITIONS
CONGRESSIONAL INFO SERVICE
CONGLI AA 8643399 99 CPA
**********5-DIGIT 20014

Highlights

DMB&B cuts staff 1

D'Arcy Masius Benton & Bowles, in major steps to streamline in the face of a sluggish economy and disinflation, last week laid off 63 employes in its New York and San Francisco offices and sold its Atlanta agency.

Saatchi, Bates seek solutions 1

Saatchi & Saatchi Co. moved on several fronts last week in its efforts to avoid problems that could grow out of the May buyout of Ted Bates Worldwide. Saatchi decided not to merge its major U.S. operations and gave up $14.6 million in international billings to appease Mars Inc.

Datsun dogs Nissan 4

Nissan Motor Corp. has spent more than $240 million over 18 months to advertise "The name is Nissan." But newspaper classified ads still list used Nissan dealers under "D"—for Datsun. Two years into the name conversion, nearly 20% of Nissan's 1,100 dealers still deal under a Datsun sign.

Network scatter prices climb 6

The network tv scatter market in five dayparts has tightened dramatically over the past two weeks, with prices now exceeding upfront price levels by as much as 15%.

Christmas and the Seven-Up dwarfs 32

Seven-Up Co. will introduce Leo Burnett USA's latest "critters" —a group of playful gnomes—in a $6.5 million Christmas campaign to run on holiday tv specials.

Cable pac outspends ad industry 34

The cable industry's political action committee will contribute more to a single candidate in the November election than its ad industry counterpart will hand out in all 1986 House and Senate campaigns, according to Federal Election Commission records.

Godiva rides out Barringer's line 41

Campbell Soup Co.'s Godiva Chocolatier subsidiary is introducing a wholesome American chocolate line, called Barringer's, from a newly formed Gourmet Collections unit at a time when leading U.S. marketers of mass-appeal chocolates are adding gourmet European-style lines.

Mrs. America's kiss of approval 68

The Mrs. America Pageant has accelerated plans to make the syndicated pageant for married women more attractive to marketers by developing a new "certificate of approval."

Bottlers want 'Be a Pepper' 94

Dr Pepper's 1987 "taste for originality" campaign is set to break Jan. 1, but Dr Pepper officials already are entertaining thoughts of returning in 1988 to the "Be a Pepper" theme that began a seven-year run in 1977.

FEATURES

McCann's Day around the globe 56

Year in, year out, like an itinerant traveling salesman, Barry Day circles the globe, peddling not the Encyclopaedia Britannica or toilet brushes but McCann-Erickson's brand of global marketing.

INTERNATIONAL

European chain gains on Big Mac 62

Fast-food aficionados in a handful of European countries are looking for a bright orange "Q" instead of golden arches these days. The Q stands for Quick, a Belgian hamburger chain that is challenging McDonald's in Belgium, France and Luxembourg.

OTHER NEWS

McCann-Erickson Worldwide last week took a big step toward establishing a "first team" of top creative executives, each to oversee individual accounts on a global basis. McCann hired longtime Grey Advertising creative director David Leddick to head all of the agency's L'Oreal business from Paris, the French marketer's headquarters. Page 3.

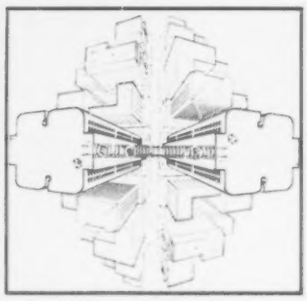
General Foods raised some eyebrows in June when it hired actors Mariel Hemingway, Justine Bateman and Bronson Pinchot to promote its Maxwell House coffee. A five percentage point gain in last month's adWatch survey gave the brand 27.8% of first mentions, which is the highest top-of-mind advertising awareness score for a coffee advertiser so far this year. Page 4.

Sterling Drug successfully has stemmed the erosion of its Bayer analgesic line but now must defend against a rush of new ibuprofen entries on the market. Page 24.

The corporate participants in yesterday's America's Marathon are first in line to take over sponsorship of the event, which Beatrice Cos. has underwritten for eight years. Page 84.

Continuing caution and uncertainty over the economy and the new tax law, as depicted in the fourth annual "Americans and Their Money" survey, represents "some real opportunities" for financial services marketers, a researcher says. Page 99.

SPECIAL REPORT



Direct marketers and general advertising agencies still are trying to bridge the gaps between the two disciplines. Far from resulting in an instant boom of new clients and business prospects, an integration between direct marketing and image advertising has stalled as both sides reassess their involvement in direct marketing.

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Tv stations factor in big 'Cos' price

By WAYNE WALLEY

The greatest auction in tv syndication history starts today as sealed station bids for the offnetwork run of "The Cosby Show" are opened in New York.

Syndicator Viacom Enterprises is promoting actor-comedian Bill Cosby's show as "The Cosby Factor" to identify this awesome network performer who consistently brings in 50-plus Nielsen shares even in repeat.

The Fox Broadcasting Co. stations, which will be part of the Fox tv network that started this month with "The Late Show Starring Joan Rivers," are expected to be in the "Cosby" bidding, but the fourth network will not. Network officials at Los Angeles-based Fox have said they will use only original programing.

Viacom has positioned "Cosby" as a "station breaker," calling it the "single most powerful programing opportunity in the history of tv syndication" and stating flat out that "Cosby" will crush whatever programing goes against it.

But bone-crushing does not come cheap. To "break" the other station, the winners in the "Cosby" bidding will have to pay record prices for a syndicated half-hour sitcom.

Viacom expects to take in as much as $500 million over the next five years.

Even if the syndicated "Cosby" performs to its most ambitious expectations, it probably will emerge as the most expensive loss-leader in syndication.

"I think it has the makings of a disaster," said Jim Gabbert, owner of KOFY-TV, San Francisco, an independent station. "At the price it will go for in this market, I'd have to sell spots with guarantees to maybe get my money back if it does well. If it flops, I'll be running

(Continued on Page 102)

Brown-Forman plan erupts into Ky. family feud

By JULIE FRANZ and BRIAN LOWRY

There is a good old family feud at Brown-Forman, resulting from a planned restructuring of the $1.3 billion company.

Among the prospects faced by the Louisville, Ky.-based company: Potential executive and sales staff cuts at Jack Daniel Distillery and the faltering California Cooler division, and a consolidation of B-F's $94 million advertising budget. Also on tap is a review of the six agencies now on its roster combined with new heat on agencies to stay "on track," B-F insiders said.

The opening shot in the feud is chairman-ceo W.L. Lyons (Lee) Brown's intention to consolidate Jack Daniel Distillery into the B-F Spirits unit. That plan is so staunchly opposed by Mr. Brown's brother, Martin Brown, that it reportedly forced the latter's resignation earlier this month. He was B-F vice-chairman and Jack Daniel chairman.

An official company statement attributed the resignation to "a dispute over centralization," but the company refused to elaborate. Insiders ascribe Martin Brown's opposition to impending losses of con-

(Continued on Page 102)

West Coast News

Lemlein heads DMB&B entertainment unit

Los Angeles—Neal Lemlein, former vp-advertising at 20th Century Film Corp., has joined D'Arcy Masius Benton & Bowles in the new post of senior vp-director, entertainment group. Mr. Lemlein is charged with snaring a major entertainment-industry client.

San Francisco—**Jerry Baker** has returned to BankAmerica Corp. with the new title of vp-communication and marketing services, after a four-month stint as exec vp-general manager at the Merchandising Factory (AA, June 30). Sources say Mr. Baker was lured back to fill a void left by the absence of senior vp-advertising Charles Stuart, who is on sick leave.

San Francisco—**Allen & Dorward** and the Merchandising Factory have broken off merger discussions (AA, Oct. 6). MF president Dick McLean says the promotion agency has decided to remain independent.

South Lake Tahoe, Cal.—Newly formed **Lake Tahoe Visitors Authority** has picked Allen & Dorward, San Francisco, for its $1 million account. Reno shops Baker Group and Curtis & Rogers; Basso & Associates, Newport Beach, and FCB/Impact, San Francisco, competed.

Nissan: Is it losing its edge?

By CLEVELAND HORTON

Nissan Motor Corp. has spent more than $240 million over 18 months to advertise "The name is Nissan." But newspaper classified ads still list used Nissan dealers under "D"—for Datsun.

The Datsun name change continues to dog Carson, Cal.-based Nissan. Initially, Nissan executives hoped 18 months would be adequate to complete the change. But now, 24 months into the conversion, nearly 20% of Nissan's 1,100 dealers still deal under a Datsun sign.

The name isn't the whole game, however. Mounting pressures from price increases and a host of new entries to the U.S. market are pitting Japanese car and truck marketers against some formidable competitors, including each other.

American Honda and Toyota Motor Sales are responding with aggressive tactics. Toyota is boosting ad spending as much as 30%, to more than $200 million, for its 1987 models. Honda is increasing its budget, although not to the same degree, and rebalancing its tv strategy on spot markets.

Nissan, the No. 2 Japanese automotive import, surprisingly isn't following suit.

The company is holding the line on spending at an estimated $165 million while maintaining its policy of using network tv to convey the corporate "name is Nissan" theme. It's relying on print ads for model-specific promotions.

Industry analysts suggest that in order to survive, imports must adopt a niche-marketing approach to selling cars. Nissan's line lends itself well to that kind of marketing, though analysts say Nissan hasn't followed through. The entry-level Sentra, best-selling import in 1985, is well established as a price leader and, at the higher end, Nissan's image-leading 300 ZX has carved a deep niche in the sporty car category.

Nissan's U.S. marketing problems are exacerbated by the shaky condition of its Japanese parent company, which is expected to post a loss in the current year. Most of the problem relates to the radical shift in the yen/dollar currency exchange, once 240 yen to the dollar but now around 150 to the dollar.

In an apparent bid to maintain its U.S. market share, Nissan has not been as aggressive as Toyota and Honda in raising prices to reflect the weaker dollar. Average Nissan prices climbed 12% from the rollout of the 1986 line to the launch this fall of the '87s. For the same period, average Toyota and Honda prices were up 14%.

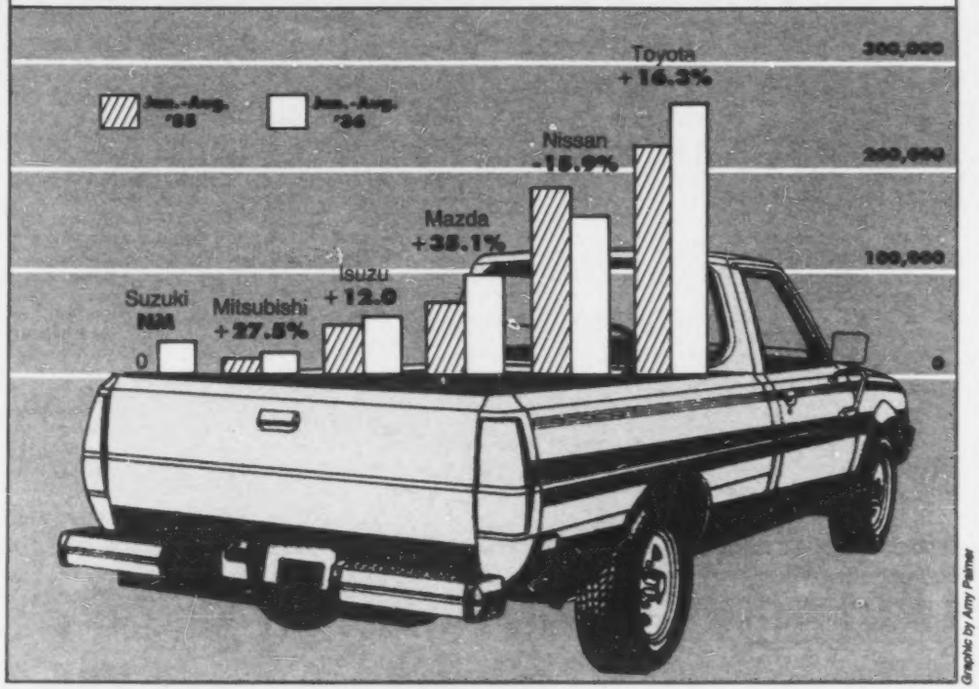
Auto analyst Alan Knight of Paine Webber Mitchell Hutchins, New York, believes Nissan's struggles in the U.S. are tied directly to its parent's financial condition. "You can't separate theoretical marketing approaches from the company's financial condition and its ability to support the distribution network," she said.

She added: "The handwriting is

(Continued on Page 99)

Pickup sales pick up for all but Nissan

Every importer of Japanese light-duty trucks except Nissan posted healthy gains for the first eight months of this year. Because truck sales aren't covered by import restrictions, the numbers offer an indication of how the imports might fare with car sales in a free U.S. market. Source: *Automotive News*.



Graphic by Amy Palmer

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ADWATCH

Youthful stars play it to Max for GF coffee

By JULIE FRANZ

General Foods raised some eyebrows in June when it hired actors Mariel Hemingway, Justine Bateman and Bronson Pinchot to promote its Maxwell House Instant coffee. Those eyebrows are about to go up again.

A five percentage point gain in last month's adWatch survey gave the brand 27.8% of first mentions, which is the highest top-of-mind advertising awareness score for a coffee advertiser so far this year.

The celebrities are featured calmly touting the benefits of Maxwell House Instant coffee in low-key commercials remarkable for the few mentions given to the brand name. Ogilvy & Mather, New York, created the campaign.

The campaign, which includes tv and page print ads, is most popular with 18-to-24-year-olds, where Maxwell House garners 38% of its responses. More than 32% of those responding to the brand over-all are female while 24% are male. Additionally, the brand's awareness score is highest in the Northeast and South-Central regions.

Maxwell House and Procter & Gamble's Folgers brand have been trading possession of the No. 1 position in the coffee category for the past year. In the September survey, Folgers held the No. 2 position with 24.7% of first mentions.

General Foods' Sanka brand remained third in the coffee category with 4% of first mentions, Hills Bros. was in fourth with 2.6% of first mentions. Nestle's Taster's Choice brand received 1.8% of first mentions, placing it in fifth place.

AdWatch is a joint project of Advertising Age and SRI Research Center, Lincoln, Neb.

Ad awareness is measured by asking a nationally projected sample to name the advertising that first comes to mind—over-all and in a variety of product categories—from among all advertising seen, heard or read in the previous 30 days. During September, 1,000 consumers were polled by telephone.

Those changes in advertising awareness that are deemed statistically significant by adWatch researchers can be attributed to more than sample variation.

Also noteworthy in the Septem-

(Continued on Page 88)

U.S. NewsWatch

Marketing news from regional centers across the country

Popeyes taps BG&L for Houston media

New Orleans—Popeyes Famous Fried Chicken & Biscuits has named Black Gillock & Langberg, Houston, to handle its $350,000 Houston media-buying account, replacing Fitzgerald Advertising. Separately, a multimedia campaign promoting home delivery service is airing in New Orleans. Peter A. Mayer Advertising buys media; creative is handled in-house.

Butler, Wis.—**Creative Import Marketing Co.** has chosen Conners & Gruber, Milwaukee, as first agency for Tusker beer, imported from Kenya. National distribution is expected by yearend.

Miami—**Visa International** is moving its $1 million Latin American account to Caravetta Allen Kimbrough/BBDO from D'Arcy Masius Benton & Bowles/Latinoamerica, which is expected to close by November (AA, Oct. 20).

Miami—**Metro Dade Transportation Administration** will hear presentations this week from six agencies, including incumbent McFarland & Drier, for its $750,000 account.

Dallas—**Pilgrim's Pride Corp.**, a poultry marketer, will roll national its seven-item frozen chicken line in the first quarter. The line, distributed in 16 markets in seven states, is supported by tv, radio and newspaper

(Continued on Page 82)

Ad agencies get yeas, nays

But clients place ad shops above pr agencies in survey

By Thomas Duncan and Linda Lazier Smith

Both advertising and pr agencies have an image problem. They spend too much money and they need to be stronger in research, marketing knowledge and planning, according to a recent national survey of clients.

The survey—sponsored by Golin/Harris Communications, Chicago (and conducted by Thomas Duncan, one of this article's co-authors), asked 1,545 marketing and communications managers (283, or 19%, responded) from a cross section of consumer and industrial clients to rate agencies' abilities in nine key areas: Strategic thinking, creative ability, presentation skills, marketing knowledge, cost control, client service, planning, program execution and research.

Although both groups have their strengths, ad agencies' abilities scored better over-all than pr agencies, the study found. Pr agencies scored markedly lower in "strategic thinking." And in a few areas, both flunked.

Ad agencies' weakest abilities, according to the findings, were in "research" and "cost control." Only 36% considered ad agencies to be strong in "research"; even fewer respondents—18%—said ad agencies were strong in "cost control."

"Most ad agencies believe that the client has never-ending dollars," a product manager said. A marketing services director commented, "They easily make things more elaborate than necessary."

Slightly fewer than half of those who responded said ad agencies were strong in "marketing knowledge" (49%) and "planning" (48%).

One pr-promotions manager who believed ad agencies were weak in these areas said: "Deadlines often create an urgency, which causes a lack of product knowledge. Many times an agency is only interested in advertising programs. They should be more interested in integrating these programs with the rest of the company's programs."

As might be expected, the ad agencies' greatest perceived strength was "creativity," which 85% of the respondents said was strong (based on the combined ratings of "very strong" and "strong").

Unexpected—and probably disappointing to adpeople—was that two of their higher scores were for procedural functions rather than bottom-line related activities. "Presentation skills" was rated strong by 81% and "client service" was found to be strong by 63%. Two-thirds of the clients said ad agencies were strong in "program execution." Only 59% perceived ad agencies' abilities in "strategic thinking" as strong, a function considered the basis for good advertising by most clients.

Pr agencies rated weaker than ad agencies in each of the nine areas evaluated. "They're just not as sophisticated as current ad agencies," said a brand manager at a package-goods company. Pr agencies' strongest area was a procedural function—"presentation skills"—which 71% rated strong. Next strongest was "program execution," which 62% said was strong. A little more than half (53%) said pr agencies were strong in "creativity." This was 32 percentage points lower than the ad agencies' score in this area. Pr agencies also were perceived as being much weaker than ad agencies in "strategic thinking." Only 32% perceived pr agencies as being strong in this area, compared with 59% for ad agencies.

"If the pr agency does not have an active working knowledge of the company and its product, it is worthless," said one marketing communications manager. In defense of pr, a marketing consultant said the "bottom line is how well the company involves the agency." Exactly half the respondents said pr agencies' "client service" was strong, and 40% said the same of their "planning." A pr director who rated pr agencies strong in all nine areas said, however, that these agencies "need to better understand client's corporate culture."

Golin/Harris Communications president Tom Harris said: "Results aren't really surprising to us and to other pr professionals who specialize in marketing-support public relations. Clients are offering public relations an unprecedented opportunity to prove that we can move the needle. Public relations should be challenged to develop programs that are on strategy, that reach consumers in unexpected and exciting ways."

(Because the majority of respondents were in marketing, the respondents who were in pr and corporate communications positions were culled out and analyzed separately. Although this group generally rated pr agencies slightly higher than the over-all sample, they still rated ad agencies stronger on all nine functions.)

"I'm not surprised" said Loet Velmans, chairman-ceo of Hill & Knowlton. "It's probably a pretty accurate reflection. . . .There are a whole lot of areas of public relations that marketing people aren't concerned with, and consequently their perceptions aren't based on experience of our abilities in many of the other areas in which we work.

"Only in the last few years have we been asked to help in a major way in the marketing area. Therefore, if they [people in marketing positions] compare public relations agencies' to ad agencies' performance in these areas and say, 'Boy, have these pr people got a lot to learn!' I would agree with them."

Len Matthews, president of the American Assn. of Advertising Agencies, says one reason ad agencies were rated higher was because "public relations efforts are more difficult to measure; advertising is a more precise craft because advertising activities are more identifiable.

"Pr agencies have come a long way in being more professional. When I think about the pr firms I dealt with when I was an account executive back in the '50s, they were more publicity oriented. Now they are more strategic in their work, many just as professional as ad agencies."

Asked about the future of the two groups, Mr. Matthews said he "would expect the difference in the perceptions to narrow." Most of the 10 largest public relations agencies, he added, "are now owned by ad agencies. T desire will be to make these pr agencies professional and as full service as their pa ent companies."

The need to find more economical ways reach potential consumers and to cut throu the growing media clutter suggest pr agenci have an opportunity to play a bigger role the marketing mix, as Mr. Harris pointed ou

The findings of this study suggest that t two groups that have the biggest responsib ity for making clients look good need to ta a good look at their own images.#

Mr. Duncan is an associate professor of a vertising at Ball State University, Munc Ind. Ms. Lazier Smith is an assistant profe sor of advertising at Ohio State Universi Columbus.

AGENCY REPORT CARD

SUBJECT	PR AGENCY GRADE	PR AGENCY % TOP 2 RESPONSES**	AD AGENCY GRADE	AD AGENCY % TOP 2 RESPONSES**
Strategic Thinking*	D	32	C+	59
Creative*	C	53	A	85
Presentation Skills	B	71	A-	81
Marketing Knowledge*	F	18	C	49
Cost Control*	F	12	F	18
Client Service	C	50	B	63
Planning*	C-	40	C	48
Program Execution*	B	62	B	67
Research*	D	21	D+	36

*denotes a required subject
**see grading scale for breakdown of responses

***Note: Grades represent the percentage of responses in top two response categories: "very strong" and "strong." Other response categories are "so-so," "weak" and "very weak."

Grading scale:
% of very strong and strong responses***

100-80	A
79-60	B
59-40	C
39-20	D
under 20	F

Illustration by Anne Fe

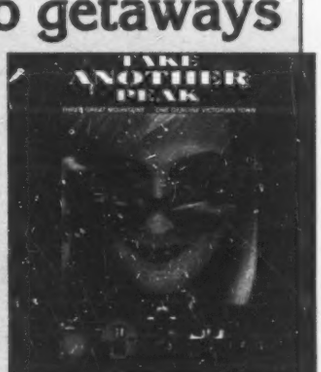
Survey specifics

Surveys mailed	1,545
Mail date	September 1985
Responses	283
% returned	19
Respondents	67% marketing/product mgrs. 28% adv., corp. comm. & pr mgrs.
Conducted by	Thomas Duncan, Ph.D., Ball State
Sponsored by	Golin/Harris Comm., Chicago

The Next Trend

Resorting to getaways

T.N.T. Contest #69: It's time, is it not, for a getaway weekend. But wait! Before you go, you must decide where to go. Off to lose weight? Play tennis? Eat chocolate? Eat chocolate and then lose weight by playing tennis (a.k.a. *"Le Weekend Deluxe"*)? No matter what your interest, some enterprising (and probably less than fully booked) hotel has, no doubt, already put together the perfect weekend for you. T.N.T., poring over a glossy brochure for *Dog Skills in the Catskills*, wonders: **WHAT WILL BE THE NEXT "GETAWAY" THEME WEEKEND**—and where?



And now the envelope, please, for Contest #65: We asked fans who fume at fluff to find the next "important" film. And we heard about: "Prison Terms of Enrichment" (starring Dennis Levine); "A Passage to Ninja" (Oxford wimps trash their teddy bears and head east); "Where's Emmy?" (Shelley Long shines in this bittersweet drama); "Fanny and Alexanderplatz" (Bergman and Fassbinder direct this 19-hour tour de force); "Also Ran" (sequel to Akira Kurosawa's "King Lear"-like hit); "Cries & Whiskers" (with Sally Field and Morris); "The Color Mauve" (deeper film about a deeper color in the *deepest* South, by Spielberg).

First Prize: ***The Spider & the Fly:*** *Sonia Braga arrives at the home of Kevin Kline and Glenn Close, on the trail of a man who may have a message from her lover (Raoul Julia, in a flashback). Instead, she meets Jeff Goldblum. Realizing it's her last chance for fulfillment, she seduces him, becomes pregnant and lays thousands of eggs that hatch into scaly, slime-dripping monsters who ravage the country, seeking revenge on Sigourney Weaver. And watch for the sequel:* ***Illegal Aliens.*** **Fran Fruit**, copywriter, The Advertising Agency, Chicago.

Second Prize: ***Out of the Purple Killing Fields:*** *While picking cotton in Oklahoma, three sisters (Meryl Streep, Whoopi Goldberg, Geraldine Page) stumble across an intellectual, homosexual terrorist with three months to live (William Hurt). They take him home to meet their father (Don Ameche) and his break-dancing double, only to discover that the terrorist is out to kill dad's long-lost illegitimate daughter (Angelica Huston), a Mafia princess.* **Michael Smolinski**, senior writer, Amway, Kentwood, Mich.

Third Prize: ***G'day, Father:*** *Father finally reconciles with account exec son as he boards a Qantas flight. Starring Tom Hanks, Paul Hogan.* **Steven Resnik**, Albany, Cal.

Honorable Intentions:

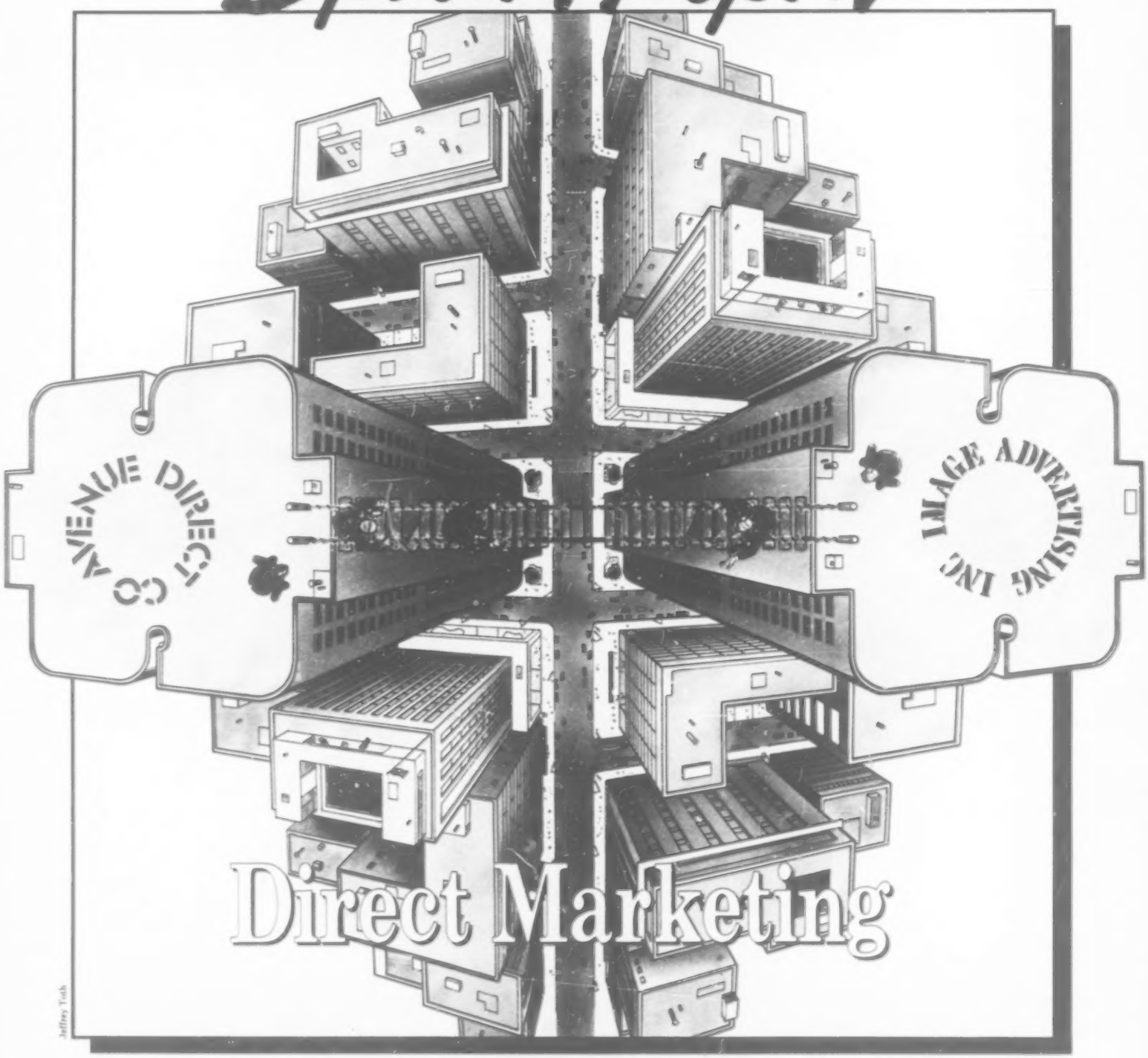
When I Was Your Age. . . *casts Dustin Hoffman and William Hurt as the distraught parents of '8 teens in this John Hughes fi about grownups who hate the kids.* **Mark Zetzer Jr.**, aspiri copywriter, Middletown, N.Y.

Green Velour: *Directed Fluffy Bergman (wayward son Ingmar), this important wo features a startling performance Jay Leno as the tortured bellh Shelly Hack as the torch sing who tortures Leno and Divine the police chief who tortures the all. The meaning of life is divulg when Rue McClanahan, in Oscar-winning performance as t twisted curator of a Dog 'N' Su has a conversation with God (Al Thicke). Life, as it turns out, really nothing unless you live in Burger King Town. This is pow ful stuff.* **Jennifer Simon**, admi istrative assistant, Source Inc., C cago.

—Lenore Skena

Entries for Contest #69 must received by Nov. 10. Send entries T.N.T. Contest #69, Advertisi Age, *220 E. 42nd St., Suite 930, N York 10017. The top three winne get special T.N.T.-shirts, so ple include name, title and t-shirt s (S, M, L, XL) with responses. E tries become the property of Age and cannot be returned.*

Special Report



Agencies test bridge to new partners

It's no mystery that the gap between direct marketing and general image advertising has been bridged. After all, nine of the top ten agencies listed in ADVERTISING AGE's "U.S. Advertising Agency Profiles, 1986 Edition" possess direct marketing subsidiaries or divisions.

The bridge between the two, however, is missing an occasional plank, and walking it is still a challenge. In the rush to join the trend, direct marketing and general advertising agencies leaped into each other's arms but often weren't quite sure what to do with each other afterward.

Some heralded a new era of creativity, and certainly many subsequent general market and direct response efforts have been colored by influences from the other side. Others foresaw phenomenal new business opportunities, particularly the entrance of package goods companies into direct marketing. But the boom in packaged goods participation has yet to materialize, and some direct marketing and general ad agencies have gracefully bowed out of their unions.

Nevertheless, the disciplines have been connected, irrefutably changing the face of marketing. In the long run, direct marketing will have the greater influence, says Stan Rapp, chairman of Rapp & Collins, a New York-based subsidiary of Omnicom Group, creating an era of one-to-one strategic marketing in which database information is compiled and utilized to better target, address and sell products to consumers—and then establish a continuing relationship with them.

"There is a basic shift in thinking," he says, "from stressing immediate sales vs. the lifetime value of customer relationships."

To maximize marketing efforts, "companies should take 5% to 10% of their measured media and promotional budgets and put it into one-to-one strategic marketing programs."

It's a bridge, it's just not the kind of bridge many marketers may have thought they'd be crossing.

—*Ed Fitch*

Top 10 see billings boom

Direct marketing agencies

(U.S. billings in $ millions)

	1985	1984
1. Wunderman, Ricotta & Kline	175.7	149.7
2. Ogilvy & Mather Direct	173.0	133.0
3. Direct Marketing Group*	101.6	82.1
4. Chapman/Stone & Adler	96.0	72.0
5. Rapp & Collins Direct Response Group	83.5	57.6
6. Grey Direct International	81.8	56.8
7. Direct Marketing Agency*	80.4	67.3
8. Kobs & Bredy Advertising	70.3	52.0
9. FCB Direct	61.6	47.7

ness, some of its competitors seem content to sit on the sidelines. John Laughton, merchandising manager, Piscataway, N.J.-based American Standard, questions the promotional value of Kohler's catalog program and says his company has no plans to sell its products or related products directly to consumers.

He acknowledges some benefit from Kohler's catalog, however. "Kohler has done some innovative things," Mr. Laughton says. "It is better for all of us [in the industry] for there to be more activity—to make people more bathroom-conscious."

Chicago-based Gerber Plumbing also does not sell direct to consumers. "In order to pull that off [catalog selling] you have to be the size of Kohler," says Ron Grabski, marketing director.

"They may use one part of the business to subsidize the other. They may advertise a towel rack and end up selling a bathtub," he says. "The only way the catalogs are going to be successful is if they turn a profit. I don't see that their over-all business is going to increase more if they just increase their ad spending."

Kohler, which sells its bathroom fixtures only through distributors, has come up with a device to measure the impact the catalog has had in creating new customers for its plumbing products. In the current catalog, a coupon offers a rebate tied to invoice amounts for plumbing products.

"We realize not many people will buy a bathtub because of the rebate, but if you needed a faucet, now would be the time to replace it," says Ms. Baiden. The first rebate, however, was for a bathtub—a normal bathtub, not a top of the line model.

The catalog also features photos of new Kohler products and explains how to decorate with Kohler Color Coordinates, a system for matching its products with those of other companies. "This is the first time we are devoting so much space to Kohler products," says Ms. Baiden.

The company mailed its September catalog—its sixth since 1984 and third of this year—to 850,000 names. To date, nearly 20,000 customers have ordered products from Kohler catalogs. Consumers appear to be keeping the books because Kohler still is receiving orders from early books and coupons from ads that ran in the early years.

Ads for the catalog have appeared in shelter magazines including *Home*, *Metropolitan Home* and *The New Yorker*. Kohler ran a listing for the catalog in the September issue of *House Beautiful*, the only magazine in which an ad is currently running.

The catalog also has been advertised via Catalogs U.S.A., New York, which buys pages in many magazines and newspapers including *Country Living*, *House & Garden*, *Metropolitan Home*, *Smithsonian*, *The New York Times Magazine* and *USA Today*.

The advertising tie-in is working both ways now. The current catalog's cover features one of "to increase the tie between the catalog and consumer advertising," Ms. Baiden says. "This is the first time we have done this, and the entire book's presentation is built on the flavor and presentation of the ad."

Kohler's management is pleased with the outcome of its catalog program—and not only for pure bottom-line considerations. "Catalogs are one of Mr. Kohler's loves," she says. "That's another reason we became involved."

But the catalog also is helping Kohler create new business. "It has become a revenue producer in an area from which we had no revenue generated before," Ms. Baiden says. "It has helped to expand our customer franchise."

Distiller finds little comfort as cataloger

Kohler Co. first became involved in the catalog business because of Herbert Kohler Jr.'s love of the medium. The company soon found that its president and chief executive officer's fancy could help address its lack of corporate identity among consumers and generate additional revenue.

Other companies have tried to do the same. Although it is not commonplace, more companies are going into the catalog business—often without branded merchandise, says Roberta Maneker, vp-public relations with the Direct Marketing Assn., New York.

"The success or failure of a catalog depends on the catalog itself. If it's a good catalog, it will sell," she says. "It doesn't matter what business a company is in, increased sales are the inevitable byproduct of a well-produced, successful catalog."

For much the same reasons as Kohler, B-F Spirits division of Louisville, Ky.-based Brown-Forman Corp. produced a catalog for its Southern Comfort brand. "There are a lot of parallels between the Kohler catalog and the Southern Comfort project," says Gail Koach, manager-direct marketing for Southern Comfort. The Paddle Wheel Shop catalog was begun in 1981 as part of sales promotion to enhance brand imagery, she says.

"We did a standard telephone research study of customers," Ms. Koach says. "We found that even with the receipt of one catalog it did enhance brand imagery."

The catalog, which offered giftware inspired by the South, including housewares, Victorian lamps, plantation hats, dried flower wreaths, glassware and bar accessories—only some of which were brand identified—ran for five years through spring, 1986.

(Continued on Page S-32)

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Distiller finds

(Continued from Page S-31)

During that time, a million catalogs were mailed annually.

In the beginning the company mailed catalogs to people who had written for recipes or to ask where they could get merchandise carrying the Southern Comfort name and logo, says David Higgins, vp, senior brand manager. Later the company purchased lists from list brokers.

The catalog was not Southern Comfort's first attempt at direct marketing. "When Southern Comfort was an independent company it already had a good track record with direct marketing," says Ms. Koach. "We sold key chains, happy hour accessories and high-quality glassware

After five years Southern Comfort decided its catalog was not cost-effective.

—not all of which was brand identified. We included an order form in a recipe booklet bound into national magazines. So the catalog was a natural jumping-off point."

Despite the catalog's being a natural addition to the brand's marketing program and having accomplished its goal of increasing brand awareness, Southern Comfort's experience proves the catalog business is not for every manufacturer.

"It was not cost effective for the company," she says, so it was discontinued.

Southern Comfort was spending $500,000 a year on the catalog, and for the number of Southern Comfort users it was reaching, the company believed it could find better methods, Mr. Higgins says.

He cited the costs of fulfillment and inventory as an added problem. "We couldn't control cost of the catalog. Also, the catalog should go to Southern Comfort customers, and we found the demographics of our mailing lists didn't fit.

"Our research showed the catalog positively changed the attitude toward Southern Comfort," Mr. Higgins says.

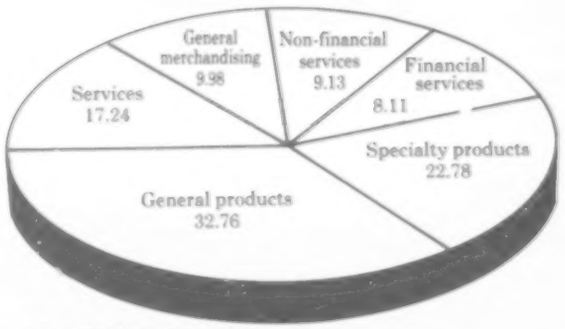
"But we're not in the mail order business; we are a distilled spirits business."

The catalog was both fun and fulfilling, he says. "We hated to give it up. It was a hard decision to make."

—Karen Brodsky

General product sales dominate

1985 U.S. consumer mail order sales percentage breakout



Source: *Direct Marketing*, July, 1986

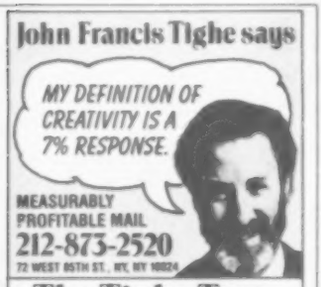
Top 10 U.S. mail order companies worldwide

($ in U.S. millions)

Company	Sales segment	Sales
1. Sears, Roebuck & Co.	General merchandise, insurance, auto clubs	2,809.0
2. Time, Inc.	Books, magazine subscriptions, cable tv	1,862.6
3. J.C. Penney Co.	General merchandise, insurance	1,769.4
4. United Services Automobile Assn.	Insurance	1,420.9
5. Mobil Oil Corp.	General merchandise, insurance, auto clubs	1,294.8
6. Colonial Penn Group	Insurance	1,081.3
7. GEICO	Insurance	1,073.0
8. Reader's Digest Assn.	Books, collectibles, general merchandise, magazine subscriptions	1,022.0
9. American Automobile	Auto clubs	975.0
10. Tele-Communications Inc.	Cable tv	845.7

Source: *Direct Marketing*, July, 1986

John Francis Tighe says



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GF's coffee

(Continued from Page 4)

her survey were the results from the car and truck category. Ad awareness for General Motors' and Ford Motor Co.'s advertising seesawed last month, with GM gaining 4 points and Ford losing 4.2 points.

Ad awareness for General Motors (as a brand) hovered between 3% and 4% for the previous nine months, but a boost from the ad blitz touting lower financing last month sent the General Motors ad score soaring up to 8.5% of first mentions.

The GM response rate, rarely high enough to make it into the top five in auto maker ad awareness, was third last month.

Ford, continually the best-recalled auto advertiser, remains in first, despite its 4.2 point loss, with an ad awareness score of 18.5. Interestingly, each time GM gains in its share of advertising awareness, Ford loses. While Ford also ran ads for cut-rate financing, GM had more cars to clear out, so it loaded up the airwaves.

Rounding out the car and truck category in the No. 2 spot is GM's Chevrolet with 12.2% of ad awareness; No. 4 is Toyota with 7.5%, and Dodge is fifth with 4.4%.

September's 10 best-recalled advertisers (without requesting a specific product category) were, in descending order: Coca-Cola, Pepsi-Cola, General Motors, Miller/-Miller Lite, McDonald's, Bartles & Jaymes (E. & J. Gallo), Ford, Budweiser/Bud Light (Anheuser-Busch), Chevrolet and Burger King. More than 56% of those queried (unaided) were unable to recall a specific advertisement.

New to the top 10 in September were GM, Chevy and Burger King, which return after a hiatus in August. Those three brands' advertising bumps ads from K mart, Levi Strauss and Seven-Up from the top 10.

- In the **wine** category, California Cooler's ad recall lost 2.1 percentage points, reducing its score to 3% in September, but keeping the brand in fourth place among wine advertisers. In August, the brand's $20 million "real stuff" campaign had helped it gain 2.7 percentage points. Bartles & Jaymes remained No. 1 with 12.4% of ad awareness, E. & J. Gallo is second with 10.4%, Riunite third with 10.0% (up 3.5% from August) and Seagram's fifth with 2.5% of top-of-mind ad recall in the category.
- Among **financial institutions**, E.F. Hutton gained 2.6 points to 6.1% (first place) while Merrill Lynch garnered 2.9 additional points of awareness, moving to 5.1% (second place). American Express, which usually scores well under the credit-card category, also is getting some notice among financial institutions. The brand placed third in that category with 1.5% of first mentions.
- IBM's four-page spread in the *Wall Street Journal* and other advertising for its entire personal-computer line helped the brand move 3.7 percentage points to 21.7% of first mentions in the **computer** category. Ads for IBM remain in the No. 2 slot behind Apple's 22.1% of ad awareness. Commodore remains a distant third with 2.7%.#

For additional information or data, contact Gary Gabelhouse, SRI Research Center, 301 S. 68th St., Lincoln, Neb. 68506. Phone: (402) 489-0351.

Wyse renames pr unit

CLEVELAND—Wyse Advertising has renamed its Wyse Public Relations unit Wyse-Landau Public Relations, moving vp-pr director Howard Landau to president.

Mr. Landau succeeds Robert Wyse, who earlier moved to general manager at the agency's New York office.#

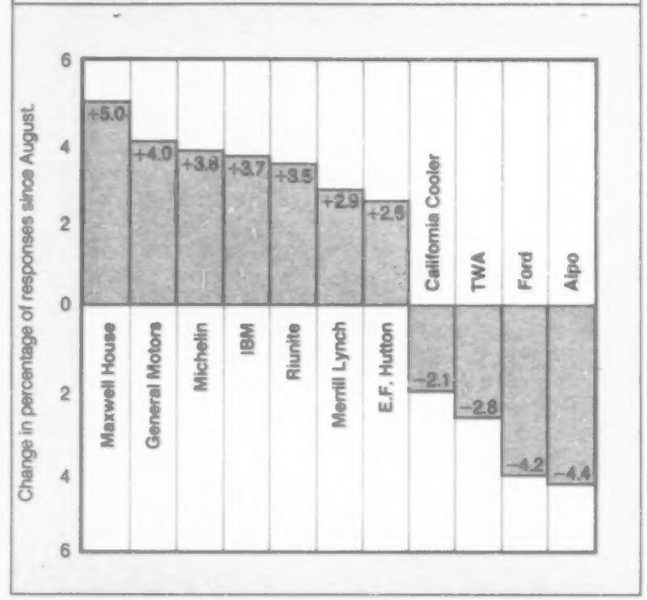
McCormick moves Prima

BALTIMORE—McCormick & Co. is launching nationally Pasta Prima, a line of five dry seasonings for pasta sauces.

Grey Advertising, New York, will handle magazine and newspaper advertising.#

September winners and losers

Question: Of all the advertising for (product category) you have seen, heard or read in the past 30 days, which ad first comes to mind? *Source: SRI Research Center Inc., Lincoln, Neb.*



Ads featuring actress Justine Bateman and other young tv personalities relaxing with a cup of Maxwell House Instant coffee helped push the brand's ad recall up 5 percentage points to 27.8% in the September adWatch survey. Ogilvy & Mather, New York, handles.

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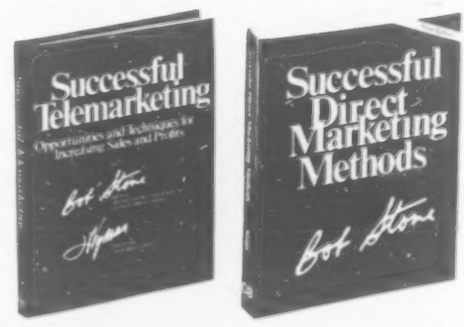

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BR1750

Previous Winner

Here are some of the adverti professionals who won comp disc players in our "Match W Challenge No. 4.

Atlanta Area
Randy Shepard
Account Executive
Ogilvy & Mather Direct

Chicago/Detroit Area
Paul R. Andrews
Account Executive
Campbell-Ewald Co.

Charles S. Brandt
VP/Group Acct. Supervisor
D'Arcy, Masius, Benton & Bowles

Robert DiFranco
VP/Acct. Supervisor
Wells, Rich, Greene, Inc.

Kirk P. Hodgdon
Marketing Manager
Kelly Services, Inc.

Brian L. Kaye
Sr. Account Executive
Bozell, Jacobs, Kenyon & Eckhardt

Debra Lovio
Director, Corp. Advertising
Burroughs Corp.

Gene McCarthy
Sr. VP/Exec. Dir. Media Svs.
BBDM&O

Frank Sondeen
Advertising Mgr.
Gerber Products Co.

Carole Walker
Media Planner
D'Arcy, Masius, Benton & Bowles

Kevin R. Wixted
Account Supervisor
Ross Roy, Inc.

Los Angeles Area
Emil Iannaccone
Sr. VP/Dir. Media Resources
Rubin Postaer & Assoc.

Caroline Watson
Senior Media Supervisor
Dailey & Assoc.

New York Area
Brian Battersby
Media Supervisor
McCann-Erickson

Michael Borkowsky
Dir., Planning & Development
Bristol-Myers Co.

Robert A. Cronenwett
Dir., Advertising/Special Projects
ITT Corp.

Lawrence S. Perl
Account Executive
Dean Witter Reynolds, Inc.

Michael Perry
Account Executive
Scali, McCabe, Sloves, Inc.

David Shook
Asst. Dir., Creative Svs.
General Foods Corp.

Agie Weisz
Media Planner
Grey Advertising

Marty Wolf
Media Supervisor
House of Seagram Media

Pittsburgh/Washington Area
M. Burke
Int'l. Advertising Mgr.
U.S. Mint

Errol Dengler
Assoc. Media Dir.
Wyse Advertising, Inc.

Albert Haas
Adv. Group Program Mgr.
U.S. Postal Service

Michael A. Schuler
President/CEO
Zippo Mfg. Co.

San Francisco Area
Ellen Comley
Media Supervisor
BBDM&O

John Neitzel
VP/Acct. Supervisor
DDB Needham Worldwide

Contest Rules

1. The contest is open to all advertising profession within the U.S.A.

2. Read the descriptions and titles of articles on th page.

3. Choose three articles which you feel our Digest will decide to highlight through the use of a large t contrasting color, etc. on the cover of our Decembe magazine.

4. Mark with an "X" up to three boxes on the coup responding to the articles of your choice.

5. Return the coupon to us by mail. Only one entry accepted per person per month.

6a. Entries received after the fifteenth of the mon ceding issue date will not be eligible for that mont ing but will be included in the Grand Prize drawing November.

6b. Entries must be received before November 15, order to be eligible for the Grand Prize drawing.

6c. All monthly entries will be eligible for the Gra drawing in November 1986.

7. The odds of winning will depend upon the numb entrants and the number of correct answers.

8. 50 monthly prizes will be awarded by region, as mined by the permanent location of the entrant's I sales representative.

9. The 50 monthly prizes will be drawn and award lows: New York 20, Chicago 9, Detroit 9, Pittsburg Washington 2, Los Angeles 2, San Francisco 2, Atl

10. The approximate value of the 50 monthly prize each. The approximate value of the three Grand Pr $5,000 each.

11. Winners will be notified by mail on or before th zine's on-sale date each month. Their names may announced in advertisements and/or promotional materials.

12. All drawings will be conducted by an independ of judges and their decision will be considered fina